



House of Commons
International Development
Committee

Urbanisation and Poverty

Seventh Report of Session 2008–09

Volume I



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Poverty**

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Report, together with formal minutes

*Ordered by the House of Commons
to be printed 13 October 2009*

International Development Committee

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Summary

Some of DFID's work to address urban poverty is impressive and is making a noticeable contribution towards meeting the Millennium Development Goal 7 target on slum upgrading. However, the Department needs to sharpen and refine its approaches to urban poverty. The last five years have seen rapid urbanisation, almost all of it within developing countries, yet DFID—along with other donors—has downgraded its support to urban development over this period. This process should be reversed.

The Department overwhelmingly focuses its efforts to address urban poverty in Asian, rather than African, countries. This balance needs to be redressed. Africa is the world's fastest urbanising region and it has the highest proportion of slum dwellers. Without a new and comprehensive approach to urban development in Africa, a number of cities could face a humanitarian crisis in as little as five years' time, given the huge expansion of their urban populations. Addressing urban poverty offers the opportunity to tackle wider development issues such as: unemployment and crime; social exclusion; population growth; and climate change and the environment.

The urban context presents specific development challenges, especially relating to the provision of basic services such as health, education, sanitation and water. DFID opts not to distinguish between urban and rural interventions in most of its programmes. This has reduced the visibility of urban poverty within the organisation. Nowhere is this more evident than DFID's recent White Paper, which contains just three references to the urban context. We believe that a lack of visibility has led to a (possibly unintended) downgrading of urban poverty within DFID, with a concomitant dismantling of in-house expertise.

A specific focus on urban poverty should be re-established within DFID, united around a new strategy document. This could be achieved largely by reconfiguring, rather than supplementing, existing staffing, especially if DFID were to make greater use of external expertise and research.

A modest but highly targeted increase of financial resources for urban poverty would enable DFID to support other stakeholders to achieve widespread gains in slum upgrading and urban development. In many cases, the pre-requisites for rapid and sustainable urban development are already in place—including effective vehicles for delivering this support, such as the Urban Poor Fund International and the Community-Led Infrastructure Finance Facility. New or additional DFID funding for these initiatives is necessary to maintain their momentum. The provision of additional core funding to UN-Habitat would boost this agency's ability to pursue urban development priorities.

The presence of urban expertise within all its major country programmes would equip DFID better to support community-led solutions to urban development challenges. The current practice of drawing Headquarters and country-based urban advisers from the Department's infrastructure staff fails to properly recognise the multi-sectoral nature of urban poverty. A wider range of professions, including social development, climate change and governance, should be represented.

A further source of expertise lies within UK local government. DFID should provide small-scale funding to support UK local government experts in building capacity and mutually beneficial partnerships with their counterparts in municipal authorities within developing countries. This will require closer and more effective collaboration between DFID and the UK Department of Communities and Local Government.

Urban poverty is complex. But deploying resources in urban contexts can be highly cost-efficient and deliver sustainable benefits to many millions of the world's poor. By recalibrating its own approach, DFID will have greater capability to play a leading role in helping to build political will within the international community to pull millions of people out of urban poverty.

1 The inquiry

1. 2008 marked the point at which, for the first time, more people worldwide lived in urban centres than in rural settings. This proportion is projected to rise to 60% within two decades.¹ The expansion of cities and towns, in terms of size and population, has profound implications for international development. 95% of the world's urban growth is in the developing world, where cities gain an average of 5 million new residents every month.² A lack of resources or political will to secure the services necessary for the health and well-being of these inhabitants means that a high proportion of them will become slum dwellers, living on the physical, social and economic margins of the city in deprived and crowded living conditions.

2. In March 2009, we decided to begin an inquiry into urbanisation and poverty. Key issues for the inquiry included: the effectiveness of responses to urban poverty, especially by the UK's Department for International Development (DFID); DFID's contribution to meeting the Millennium Development Goal 7 target, which seeks to improve the lives of slum dwellers; the provision of basic services and infrastructure in slums, including health, education, sanitation, water, energy, housing and transport; and support for the provision of employment and livelihoods for the urban poor.³

3. We received 21 submissions of written evidence from a wide range of stakeholders including: academics; consultancies; non-governmental organisations (NGOs); local government bodies; and developing country governments. We held four evidence sessions between May and July 2009. We also met informally with representatives of UN-Habitat, the United Nations agency with responsibility for promoting sustainable towns and cities and providing adequate shelter for all, in Nairobi during our visit to Kenya and Tanzania in March 2009. We are grateful to all those who took the time to engage with the inquiry, especially those who provided oral and written evidence.

4. We visited Nigeria in June 2009 to witness at first hand the challenges and opportunities posed by urbanisation, and to see DFID's policies in action. We visited three urban centres: Abuja, the national capital; Lagos, the country's largest city and one of Africa's "megacities"; and Kano in northern Nigeria. We saw a variety of projects and initiatives and held discussions with a broad range of people including: government ministers and officials (both federal and state level); parliamentarians; non-governmental organisations (NGOs); other donors; academics; and representatives from schools, clinics, the private sector and Nigerian civil society. We were greatly impressed with the DFID staff and programme in Nigeria and would like to thank everyone who made the visit so worthwhile and interesting (see Annex for the visit programme).

5. During the inquiry it has struck us that people's general perception of development tends to focus on rural poverty. However, the inquiry has emphasised to us that much of the development challenge is actually urban. As we have said, we began this inquiry partly

1 UN-Habitat, *State of the World's Cities 2008-09*, p.iv

2 UN-Habitat, *State of the World's Cities 2008-09*, p.xi

3 The Millennium Development Goals were agreed by global leaders in 2000 at the Millennium Summit as a set of as urgent priorities for global human development.

due to passing the 2008 milestone at which, for the first time, more people worldwide lived in urban centres than in rural settings. We have, however, been struck throughout the inquiry by both the extent of the urban challenge and the potential for DFID to make a real impact on urban poverty. We have come to the view that there may be greater scope for donors such as DFID to make progress on urban, rather than rural, poverty. We will set out our reasons for this in the rest of this report.

The structure of this report

6. Following this introduction, our report will continue with a chapter exploring the context of urban poverty, and its links to international development more widely. Chapter 3 will examine DFID's current response to urban poverty. Chapter 4 will explore the policies and programmes of other stakeholders, specifically those of: multilateral development organisations; community-led organisations; UK local government; and developing country governments. A number of these initiatives are supported by DFID. Chapter 5 will assess the implications of these various policies and programmes for DFID's organisational response to urban poverty.

2 Introduction: urban poverty

Urbanisation and poverty

7. The world's population is projected to grow from 6.8 billion today to over 10 billion by 2050, with almost all the growth taking place in urban areas.⁴ Whilst it is predicted that Asia will retain the majority of the world's urban population (63% by 2050), Africa is the fastest-urbanising region and will host around a quarter of the global urban population by the middle of the century.⁵

8. The trend and pace of urbanisation is the result of a combination of factors and is marked by regional disparities. Natural population growth is the primary factor in Africa's urban expansion, whilst rural-to-urban migration, infrastructure development, national policies, private sector forces, and other powerful socio-economic and political processes, including globalisation, drive urbanisation across the wider developing world.⁶ There is an emerging trend in Asia of metropolitan expansion, whereby urban populations relocate to suburban locations or satellite towns linked to the main city through commuter networks (as seen in cities such as New Delhi and Mumbai). In Africa, the trend is one of "urban primacy": approximately half of the 54 countries in Africa host more than 10% of their urban populations in one single "primate" city, as we saw during our visit to Lagos in Nigeria.

9. Rapidly urbanising countries are spread across the world, and represent a wide range of social, economic and geographical contexts, from Uganda, Nigeria and Egypt to Afghanistan and Pakistan.⁷ Latin America is currently the most urbanised region in the developing world, with one-fifth of the region's urban residents living in cities with populations of 5 million or more. A number of Asian countries, such as the Philippines and Indonesia, also have very high rates of urbanisation; by 2020, Indonesia is expected to have five "megacities" and 23 cities with a population of more than 1 million people, and by 2025, its level of urbanisation will reach 68%.⁸

The growth of slums

10. Many countries are struggling to cope with their exponential urban growth rates. Where resources and political will are lacking to provide for new urban residents, informal settlements and slums proliferate.⁹ Although slums have developed over the course of the

4 These figures assume that global fertility levels remain at or near present levels and that longevity will increase.

5 Ev 72 and UN-Habitat, *State of the World's Cities 2008-09*, p.xi

6 UN-Habitat, *State of the World's Cities 2008-09*, p. xi

7 Ev 72

8 Ev 122. A megacity is usually defined as a metropolitan area with a total population in excess of 10 million people. Some definitions also set a minimum level for population density (at least 2,000 persons/square km).

9 UN-Habitat defines a slum as a co-habiting group lacking one or more of the following conditions, together classified as basic shelter deprivations:

- Durable housing comprising a permanent structure giving adequate protection from the weather
- Access to improved water
- Access to improved sanitation facilities
- Sufficient living space, with three or more people sharing the same room (see Ev 75)

last two centuries, their growth increased during the second half of the 20th century as the developing world became more urbanised. Africa has the highest rate of slum growth, at over 4% annually.¹⁰ It now has almost twice the proportion of slum dwellers as Asia (62% of its urban population compared to 33% in Asia). However, more than half of the world's slum dwellers (515 million people) remain in Asia. Latin America has 120 million slum dwellers (27% of its urban population).¹¹

11. It was pointed out to us that the term “slum” is contentious. Some argue that it is an over-generalised term that promotes a negative universal image of poor urban dwellers.¹² However, the term is in general use within international development debates, and is used by UN-Habitat. The agency told us that they use it “because it is a term that is not ambiguous; it catches people’s attention and it accurately reflects the conditions that many poor people live in.”¹³ UN-Habitat also told us that slum dwellers themselves are largely “very happy” with the term: “they are happy to be known as [...] a group of people that can themselves strive towards bettering their own conditions.”¹⁴

Positive and negative aspects of urbanisation

12. Over the course of the inquiry, we heard about both the positive and negative development outcomes associated with urbanisation. Population density can help ensure lower per capita costs for delivery of basic services and easy access to information (including the internet). Citizens may find it easier to mobilise around shared problems and pool resources to find solutions.¹⁵ Urban centres provide economic advantages (including “economies of agglomeration”, the benefits that firms obtain when being situated near each other) and job opportunities. Urbanised countries tend to have higher incomes, more stable economies and institutions and are better able to withstand external economic shocks and volatility.¹⁶

13. However, urban population growth does not always ensure urban economic growth. The urban poor are often dependent on the informal sector for jobs and therefore undertake casual or unskilled labour, or even unregistered and illegal work. This weakens their rights and benefits, and constrains their ability to escape poverty.¹⁷ The global economic downturn is likely to increase the number of job losses amongst the urban poor, who have little defence against economic shocks such as sudden unemployment.¹⁸ There are also pressing environmental concerns associated with urbanisation, given that urban areas consume most of the world’s energy and generate the bulk of the waste.

10 UN-Habitat, *State of the World's Cities 2008/09*, p.xi

11 UN-Habitat, *State of the World's Cities 2008/09*, p.91

12 Ev 110 and Alan Gilbert, “The return of the slum: does language matter?”, *International Journal of Urban and Regional Research* vol 31.4 (2007)

13 Q 3 [Paul Taylor]

14 Q 3 [Michael Mutter]

15 ODI Briefing Paper No.44, “Opportunity and exploitation in urban labour markets” (November 2008)

16 Ev 73

17 ODI Briefing Paper No.44, “Opportunity and exploitation in urban labour markets” (November 2008)

18 Ev 133 and Ev 80

14. DFID emphasises that:

There is no clear-cut definition of urban and rural but a continuum from the “very rural” to the “very urban” [...] In developed countries, many urban-rural distinctions have been discarded, recognising the dependencies between them [...] These realities determine the need for integrated planning and governance arrangements.¹⁹

Urban and rural linkages include interdependent economic and employment interests. For instance, a strong—mainly rurally-driven—domestic agricultural sector is likely to affect urban food prices.²⁰ Climate change is another issue where rural and urban concerns clearly coincide. As a recent Overseas Development Institute paper emphasised, it is important not to stereotype poor people living in either rural or urban contexts.²¹ By no means all slum dwellers participate, or fully participate, in urban labour markets; many people who live in slums and on the outskirts of cities keep livestock, which, together with limited crop-growing, can provide vital food.²² We saw this for ourselves during our visit to Nigeria, where goats were roaming freely in a very built-up district of Lagos.

The responses of developing country governments to urban poverty

15. Witnesses provided us with examples of countries which are dealing effectively with urban poverty, including Brazil, Chile, Mexico, Thailand and India.²³ However, it struck us that there were very few examples of success in sub-Saharan Africa which is a cause for concern given that, by 2030, 700 million of Africa’s population will be in cities and towns, some 72% of these in slum conditions.²⁴ We witnessed high levels of overcrowding and the strain this places on services such as housing and transport during our visit to Nigeria; we heard that the city of Lagos may soon have a population of 25 million, rising from a current estimate of 19 million.

16. It seems likely that an “anti-urban bias” persists in a number of countries, particularly in Africa. Cities are still regarded as places for the elite in some countries, and governments worry that increasing access to land, housing and services in urban areas will only serve to encourage rural-urban migration that could jeopardise rural and agricultural development.²⁵ A 2005 survey by the UN Population Fund indicated that more than half the countries surveyed wanted to reduce internal migration to limit urban population growth.²⁶ Egypt has sought to divert people from its overcrowded capital, Cairo, by building new cities.²⁷ Ethiopia discourages movement into urban centres by limiting social security for migrants, due to concerns about rural food security and for political reasons.²⁸

19 Ev 74

20 ODI Briefing Paper, “Opportunity and exploitation in urban labour markets” (November 2008), p.2

21 ODI Briefing Paper, “Opportunity and exploitation in urban labour markets” (November 2008), p.2

22 Ev 109

23 Q 139 and Q 161

24 Ev 73

25 Q 162 and Q 99

26 Ev 74

27 “Cities and growth: Lump together and like it”, *The Economist* (8 November 2008)

28 Ev 74

The poverty reduction strategy papers (PRSPs) produced by developing country governments tend not to include long-term strategic planning for urban development and dealing with pressures on access to land.²⁹

17. We were concerned to hear that few governments in sub-Saharan Africa have effective urban poverty reduction programmes, despite Africa’s status as the world’s fastest-urbanising region and the fact that it has the highest proportion of slum dwellers. We encourage DFID and other donors to advocate for increased attention to urban poverty by all partner governments, especially those in Africa. This will necessitate greater prioritisation of urban development within national poverty reduction strategies. We will return to this issue in Chapter 4.

Measuring urban poverty

18. Evidence suggests that the scale and depth of urban poverty is under-estimated within many low-income and middle-income countries. It struck us that rural dwellers could potentially find it easier to eke out a living from the land, and obtain even very basic locally-grown food, than urban dwellers who may be geographically distant from agricultural opportunities.

19. Poverty is calculated across countries but is not disaggregated for cities, making it difficult to isolate urban poverty from national averages.³⁰ The International Institute for the Environment and Development (IIED) told us that this is because poverty is usually measured by setting an income-based poverty line, often based on the cost of a minimum daily food selection. This fails to take account of the high costs paid by the urban poor for housing (which can take 10-20% of income) and water (5-10%) and other services such as sanitation, health care, education and transport.³¹ It also takes no account of the economic and other shocks to which the poor are particularly vulnerable, such as recent food price increases.³²

20. The “dollar a day” poverty line—recently upgraded to a \$1.50 per day threshold by the institution that measures international poverty, the World Bank—is also problematic, as living costs vary widely. As David Satterthwaite of the IIED told us, “A dollar a day in rural Malawi will get you quite a lot; a dollar a day in Mumbai or Buenos Aires will not get you anything at all”.³³ He suggested that the World Bank should look again at how urban poverty is measured.³⁴ **Ensuring that policies and programmes are based on accurate measurements of urban poverty is vital. We recommend that DFID encourage the World Bank and other key international institutions to explore new forms of measuring urban poverty that move beyond the use of crude poverty lines to take**

29 PRSPs describe countries’ macroeconomic, structural and social approaches to growth and poverty reduction, and highlight financing needs to external lenders. Ev 167

30 Q 151 [Larry English]

31 Ev 134 and Q 149

32 Ev 105-106

33 Q 149

34 Q 150

proper account of the high costs for housing and basic services paid by many of the urban poor.

Millennium Development Goal 7, Target 11

21. Millennium Development Goal (MDG) 7, Target 11 aims “By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers”. Sub-Saharan Africa and several parts of Asia and the Pacific Islands are all currently showing insufficient progress to meet this target by 2020.³⁵

22. We heard throughout our inquiry that the conceptualisation of this target has inherent flaws. It is likely that 100 million slum dwellers have already been assisted, possibly through the efforts of India and China alone, so the Target has effectively been achieved.³⁶ However, since the target was set in 2000 the number of slum dwellers has grown to one billion people worldwide; a mere 10% of this population is included in the Target’s initial specifications. As UN-Habitat told us, “The numbers are overtaking whatever governments are doing.”³⁷ The inadequacy of the 100 million figure is clear: it is predicted that, if no effective action is taken, the population of slum dwellers will double from one to two billion by 2050. That means that almost one-fifth of the world’s population could be living in slums by that date.³⁸ Thus, the international community finds itself in a situation where MDG 7 Target 11 has probably already been achieved in aggregate terms but this only demonstrates that the target was deficient in the first place.

The decline of donor urban programming

23. Despite modest gains, the international community has struggled to secure substantial progress on preventing slum formation or significantly improving the lives of slum dwellers since 2000. DFID told us:

Target 11 is one of the least known and least understood of the MDG targets. It is rarely prioritised and often overlooked in national government planning and donor programmes, despite rising urban poverty.³⁹

Overall donor financing for achieving the MDG 7 slum upgrading target is very low: in 2007 it was estimated that current development assistance met only 5-10% of the financing required.⁴⁰

24. This lack of financial resources reflects a lack of staff capacity to work on urban development within bilateral donor agencies.⁴¹ We heard from witnesses that the Swedish international development agency’s (SIDA’s) position as one of the key agencies working

35 MDGs: 2008 Progress Chart, online at <http://mdgs.un.org>

36 Q 6

37 Q 8

38 UN-Habitat Policy and Strategy Paper, “Access to Land and Housing for All” and Q 100

39 Ev 75

40 DFID, “Urban poverty and slum dwellers” (November 2007), p.3

41 We will assess multilateral agencies’ programmes and policies for urban development separately in Chapter 4.

on urban development over the last two decades had recently “gone backwards” and that it no longer has a dedicated section focusing on urban development.⁴² German government support to urban development has reduced in recent years, although DFID says it is reviving.⁴³ The Swiss development agency’s urban focus has diminished in recent years.⁴⁴ Japan and Australia’s aid agencies tend to focus their urban development work primarily on infrastructure.⁴⁵ However, France has signalled its intention gradually to increase its support to urban development and DFID notes a new focus on the sector from Spain.⁴⁶

25. Witnesses highlighted that DFID too has reduced its support for urban development and had withdrawn from its role as “the leading agency” in this field.⁴⁷ This is despite a 2001 commitment, made in what witnesses termed an “excellent” and “progressive” Strategy Paper,⁴⁸ *Meeting the Challenge of Poverty in Urban Areas*, to make “a full and substantial contribution to meeting the urban challenge”.⁴⁹ The document stated that “Country and Institutional Strategy Papers will increasingly focus on the urban challenge and its relevance for their work”.⁵⁰ It committed DFID to five Actions:

- enabling the poor to participate in and benefit from urban development;
- developing local capacity to manage pro-poor urban development;
- supporting governments to strengthen the legislative and regulatory framework for city development;
- strengthening international efforts to support urban development; and
- improving DFID’s and others’ provision of information and research on urban development.⁵¹

26. Despite these pledges, Caren Levy, Director of University College London’s Development Planning Unit, said that since 2001, “much of DFID’s expertise has been dismantled and fragmented”.⁵² No further policy or strategy on urban poverty has been produced since 2001 and DFID closed its Infrastructure and Urban Development Department following its 2003-04 organisational restructuring.⁵³ Thus no unit or team dedicated to urban development now exists within DFID.

42 Qq 101-102, Q 147 and Ev 85

43 Ev 85

44 Ev 85

45 Ev 85

46 Ev 85

47 Q 102

48 Q 75 and Ev 151

49 DFID Strategy Paper, 'Meeting the Challenge of Poverty in Urban Areas' (2001), paras 5.2.3

50 DFID Strategy Paper, 'Meeting the Challenge of Poverty in Urban Areas' (2001), paras 5.2.3 and 5.3.2

51 DFID Strategy Paper, 'Meeting the Challenge of Poverty in Urban Areas' (2001)

52 Q 75

53 Ev 71

27. We were concerned to hear that overall donor financing for achieving the Millennium Development Goal 7 slum upgrading target is very low. We are also concerned about the level of staffing capacity within donor agencies to meet the target. DFID is one of a number of bilateral donors that have withdrawn their dedicated urban poverty teams or units. It seems counter-intuitive to us that, as the process of urbanisation and levels of urban poverty have increased, staff capacity to work on these issues has been reduced. We will return to this issue, and recommend how DFID should address it, in Chapter 5.

Links between urban poverty and wider development issues

28. It is clear that “urban” refers to a context, not a specific sector; urban issues are multi-sectoral and require integrated approaches that address a wide range of human needs for people living in urban settlements.⁵⁴ This section will look at the close inter-relationship between urban poverty and four particular aspects of development: unemployment and crime; social exclusion; population growth; and climate change and the environment.

Unemployment and crime

Employment in poor urban centres

29. Cities make a disproportionate contribution to national economies. We heard during our visit to Nigeria that Lagos state provided 20% of the country’s gross domestic product whilst hosting only 13% of the country’s population and covering just 0.4% of the landmass. Yet the huge numbers of people drawn to urban centres to find work are often disappointed. Unemployment in the large cities of developing countries is often rife, especially amongst young people. Around 80% of workers in developing countries, including a high proportion within urban areas, operate within the informal sector (for example, rickshaw-pulling or factory work), which often entails casual or unregulated labour that can be illegal or even dangerous. Employees’ rights and benefits are weak in these situations.⁵⁵

30. The global economic downturn is increasing the number of job losses worldwide—some 30 to 50 million more people worldwide could lose their jobs in 2009—and the urban poor are likely to be badly affected.⁵⁶ Women and young people are particularly vulnerable.⁵⁷ Women have to balance work and domestic duties and are less likely to have the education, skills and empowerment to find decent work.⁵⁸ Many women end up undertaking exploitative work such as prostitution. Girls are even more at risk from exploitation, whether through sex work or child labour in unsafe conditions. Children from female-headed households are those most likely to have to work, as well as those from

54 Q 136 [Larry English]

55 International Labour Organisation, quoted in “Underground economy workers vital to Nigeria’s development”, University of Ilorin, Usmanu Danfodiyo University, Nigeria, id21 Research Highlight (21 November 2008), online at www.id21.org

56 DFID, *Eliminating World Poverty: Building our Common Future*, Cm 7656, July 2009, para 1.14

57 Michael Majale, “Slum improvement should involve local people and create jobs”, id21 Research Highlight (19 August 2008), online at www.id21.org

58 Q 83

households where adults are ill. Hazardous jobs performed by children in poor urban areas include garbage-picking and begging.⁵⁹

31. Youth unemployment is a major problem in many cities, with rates at their highest in the Middle East and North Africa (26%) and sub-Saharan Africa (21%).⁶⁰ UN-Habitat notes that frustrations accompanying long-term unemployment among groups of urban young men “may feed political and ideological unrest and provoke violence.” The report highlights that many countries have experienced “youth bulges” (when young people comprise at least 40% of the population) that, when accompanied by unemployment and poverty, may challenge the authority of governments and lead to social unrest.⁶¹

32. The international community has pledged to assist those seeking employment by committing to achieve MDG Target 1b, which seeks to “Achieve full and productive employment and decent work for all, including women and young people.” In its new White Paper, published in July 2009, DFID has pledged directly to address “the underlying causes of conflict and fragility”, including high numbers of unemployed young men.⁶² It states that “short-term employment generation schemes can provide immediate relief, offering alternatives to violence for former combatants or young men.” It highlights the importance of developing women’s skills, stating that “the best support is for productive activities and decent work”.⁶³ Yet DFID does not relate either of these points to the specific challenges of the urban context. **We welcome the pledge made in DFID’s White Paper to address a key driver of conflict and crime—unemployment amongst young men. We also welcome DFID’s recognition of the importance of developing women’s skills. However, we were disappointed that neither point was linked to urban contexts specifically. In slum settlements, where large numbers of young, poor and unemployed people may be concentrated, the risks of internal conflict, crime and extremism are heightened. Women and children are at particular risk to exploitative and dangerous work. We recommend that DFID ensure that urban settings are given a specific focus for its crime reduction, employment generation and skills development schemes.**

Crime and violence

33. Governance, security and justice are crucial sectors for governments and donors seeking to address urban poverty. DFID’s new White Paper states that, “As the world becomes more urbanised, we have to pay even more attention to crime and violence in cities and the growing problem of international organised crime.”⁶⁴ DFID said that it attempts to address the links between urban poverty, unemployment and crime within “a country context.”⁶⁵ The Minister of State for International Development, Gareth Thomas MP, gave the example of a community security initiative in Jamaica, supported by £1 million from DFID, that aims to improve social services in six violent communities where

59 ODI Briefing Paper No.44, “Opportunity and exploitation in urban labour markets” (November 2008)

60 2003 figures. Ev 114

61 UN-Habitat, *State of the World’s Cities 2008-09*, p.89

62 DFID, *Eliminating World Poverty: Building our Common Future*, Cm 7656, July 2009, para 4.17

63 DFID, *Eliminating World Poverty: Building our Common Future*, Cm 7656, July 2009, paras 4.30-4.31

64 DFID, *Eliminating World Poverty: Building our Common Future*, Cm 7656, July 2009, para 4.6

65 Q 210

organised criminals and gang leaders have been removed. DFID has helped to restore services such as security, refuse collection and sanitation, power, water and health clinics within these communities.⁶⁶

34. Ruth McLeod of University College London's Development Planning Unit emphasised the importance of community-based approaches to addressing crime in urban settings.⁶⁷ DFID is supporting implementation of community policing in 18 of Nigeria's 36 states, an initiative that has now been adopted as policy both by the Nigerian Police Force and by the Ministry of Police Affairs. We heard about the benefits of the scheme during our visit to the country; in Kano over a 12-month period fear of crime went down by 20%, 56% of respondents reported less corruption and 93% reported improved police behaviour.⁶⁸ **Local and community responses to urban crime have been proven to be highly effective. We credit DFID's support to community security and policing initiatives in Jamaica and Nigeria and urge the Department to look at other contexts where these approaches can be applied.**

Social exclusion

35. Poor urban residents face social exclusion on many levels. The marginalisation stemming from status as a slum or shack dweller may be compounded by discrimination based on gender, ethnicity, race, caste, religion, sexual orientation, age, disability, HIV status or migrant status.

Street children

36. The world's estimated 100 million street children represent a particularly marginalised group. Children who are homeless or work on the streets tend to have different needs from other children living in urban contexts. Whether or not they have contact with their families, they are vulnerable to violence (including sexual abuse), exploitation and poor living conditions, including a lack of food. They tend to live transitory lifestyles, unsupervised by adults, with little access to health, education and other services.⁶⁹ The Consortium for Street Children (CSC) expressed concern about the lack of attention given to street children by DFID and other large donors, especially UNICEF (the UN Children's Fund), to which DFID allocated £26 million in 2007-08:

There is an assumption amongst many donors, including DFID, that funding to UNICEF benefits street children. However [...] DFID does not record expenditure to particular groups and are therefore unable to evidence their assumption that the funding given to UNICEF benefits street children.⁷⁰

66 Q 210 and DFID website, "Our work on security and justice", online at <http://www.dfid.gov.uk/Where-we-work/Caribbean/Jamaica/DFID-Jamaica/>

67 Q 85

68 DFID, *Eliminating World Poverty: Building our Common Future*, Cm 7656, July 2009, p. 76

69 Ev 67

70 Ev 68. UNICEF funding statistic from: DFID, *Statistics on International Development 2008*

37. CSC believed that DFID's new Institutional Strategy with UNICEF (2009/10-2011/12), due to be published imminently, should adopt indicators specific to street children.⁷¹ When we put this suggestion to the DFID Minister, he accepted that there were "some discrete challenges around street children" but appeared to be content for indicators within the Institutional Strategy to focus on "vulnerable children" rather than street children specifically.⁷² **Street children have different needs from other children living in urban contexts. We urge DFID to ensure that both the Department and its key partners include tailored policies and programmes for street children within their approach to urban development. We are concerned that indicators based on reaching vulnerable children more generally may not ensure that street children receive the discrete and targeted assistance they require. We recommend that DFID adopt indicators specific to street children within its new Institutional Strategy with UNICEF.**

Property rights

38. In many developing countries, only a small proportion (often around 30%) of land and property is formally registered.⁷³ Without a legal address, residents may find it difficult to access essential services. Because many slum households do not have secure property rights, local authorities are reluctant to provide essential infrastructure services, such as water and electricity, due partly to concerns that the provision of services may turn informal settlements into permanent arrangements.⁷⁴

39. Insecure property rights also lead to the risk of forced eviction. The Development Planning Unit (DPU) told us that over the last three years, forced evictions have increased dramatically in frequency, number, level of violence and often in scale, involving hundreds of thousands and even millions of people in at least 60 countries.⁷⁵ The DPU stated:

[Forced evictions] are gradually becoming an insidious common practice in lieu of progressive long-term urban planning and inclusive social policies. Each year they affect the lives of millions of children, women, men and the elderly, most of them poor, destroying homes, livelihoods, social networks and political capital. They also jeopardise the attainment of the Millennium Development Goals.⁷⁶

We heard about the effects of forced eviction on urban dwellers in Indonesia, where evictees often return to the same location but must start again, with no shelter or services available to them.⁷⁷

71 Ev 67

72 Q 202

73 "Improving Access to Land and Shelter", Clarissa Augustinus, UN-Habitat, 2009
http://www.fig.net/pub/fig_wb_2009/papers/nxt/nxt_augustinus.pdf

74 Ev 79. Security of tenure is one of the five criteria used for the UN's definition of a slum household. It is measured by two components:

- Evidence of documentation that can be used as proof of secure tenure status; and
- Either de facto or perceived protection from forced evictions (Ev 79).

75 Ev 106

76 Ev 106

77 Ev 132

40. When we visited the Lagos State Land Registry in Nigeria, we saw how DFID-supported improvements—notably digitisation of registry documents—had catalysed the process of establishing land tenure in Lagos. The registry was also mapping the entire city. We heard how establishing tenure allowed residents to raise capital by applying for a loan using their property as collateral. The project was being used as a model for other states. DFID recently announced £20 million of support for a nationwide land registration scheme in Rwanda, where disputes over land rights contributed to the conflict that sparked the genocide of 1994.⁷⁸

41. A case for expanding this approach of freeing “dead” capital has been made by the economist Hernando de Soto, who contends that large-scale land titling programmes could be an important tool for poverty reduction.⁷⁹ However, critics have argued that the approach favoured by de Soto is simplistic, that it does not always lead to the provision of credit, that it attempts to export the Western legal system and that titled ownership is not in itself the answer to solving urban poverty.⁸⁰ The Development Planning Unit has highlighted that outright titled ownership is not the only secure form of tenure, and that right of use, leasehold and collective forms of tenure can also protect the rights of the poor to housing and land.⁸¹ Geoffrey Payne, an urban development consultant, told us that security of tenure should be one among a number of policy options for governments and donors looking to support urban development.⁸² DFID says that its support to the Community-Led Infrastructure Finance Facility (CLIFF) has helped improve security of tenure for over 5,000 households in India, Kenya and the Philippines.⁸³ It also says that it is “considering support” to a pilot programme in Punjab, India to strengthen land tenancy rights for the poor. The Punjab Economic Opportunities Programme is seeking £4.4 million from donors.⁸⁴

42. A lack of secure property rights is a major barrier to poor urban dwellers’ inclusion in city-wide service provision. It also exposes poor residents to the risk of forced eviction. During our visit to Nigeria we witnessed the benefits emerging from a DFID-supported project to establish secure land tenure and property rights in Lagos. Establishing tenure can help residents improve their living conditions, access basic services and raise capital. We recommend that DFID disseminate lessons from and build on their support to the Lagos State Land Registry, and actively support other programmes supporting secure tenure. However, we would caution that land and property titling may not always be the most appropriate form of providing secure tenure for poor urban dwellers and we would encourage DFID to use the approach judiciously.

78 DFID Press release, 5 August 2009, “Land registration project to help Rwanda recover from conflict”

79 Hernando de Soto, “The mystery of capital: why capitalism triumphs in the West and fails everywhere else” (Basic Books, 2003)

80 For example, see Q 108 and “Mysteries and myths: de Soto, property and poverty in South Africa” (IIED Gatekeeper Series Paper 124, 2006)

81 Ev 104

82 Q 108

83 Ev 77-78

84 Ev 79

Exclusion based on gender and migrant status

43. Women, and poor women especially, face particular challenges in securing land tenure. In many parts of Africa and Asia especially, customary rules and the legal system deny women their human rights to access, own, control or inherit land and property.⁸⁵ At the same time, millions of women rely on land for their livelihoods and to feed their families.⁸⁶ Women face many other forms of gender inequality within urban contexts, ranging from employment and political participation to access to education and healthcare. Women's self-help, microcredit and other community groups have proliferated in many developing country cities.⁸⁷ We will explore community-led initiatives further in Chapter 4.

44. Rural-urban migrants are another particularly vulnerable group within slum populations, because they move around frequently, are away from their families and may not have access to state social welfare programmes or services. DFID-funded research by Sussex and Oxford Universities showed that families who had migrated from the countryside to a slum settlement in Rajasthan, India were more likely to get ill and more likely to suffer the death of a child than longer-term residents.⁸⁸

Policies for inclusive urban development

45. One World Action, a UK-based NGO, told us that one route to ensuring inclusive urban development that targets women, migrants and other marginalised groups was to carry out a physical mapping process of where the most vulnerable urban populations are located, and what access they have to services.⁸⁹ DFID-supported geographic information system (GIS) mapping in Faisalabad, Pakistan has improved the targeting of poor communities by providing accurate information as a basis for decisions on city planning, budgeting and for land and property registration.⁹⁰ The provincial government has committed to replicating this approach across nine districts in Punjab.⁹¹

46. One World Action said that participatory urban planning processes such as mapping should form part of wider approaches to support marginalised groups to be active citizens—particularly within urban governance and justice systems.⁹² It said that the urban context has “remained relatively ignored” within DFID's work on governance and exclusion.⁹³ **Slum dwellers face multiple levels of social exclusion, and their marginalisation may be exacerbated by other forms of discrimination based on, for example, gender, ethnicity, age and migrant status. We believe that DFID should**

85 Ev 162

86 “Women's Rights to Land and Property”, Marjolein Benschop (UN-Habitat, 2004), online at http://www.unhabitat.org/downloads/docs/1556_72513_CSDWomen.pdf

87 Microcredit refers to the provision of credit services to low-income households and clients.

88 “Migration affects the health of mothers and children in Rajasthan's slums”, iD21 Research Highlight (November 2008), online at www.id21.org

89 Q 48 and Q 50

90 GIS mapping integrates hardware, software, and data for capturing, managing, analyzing, and displaying all forms of geographically referenced information.

91 Ev 79-80

92 Ev 149

93 Ev 149-150

allocate resources towards urban programmes that strengthen inclusive governance, transparency and accountability. This should include support to community groups working for urban development, including women’s organisations. We will return to this issue in Chapter 4.

Social protection

47. DFID’s recent White Paper highlights the role of social protection schemes in assisting vulnerable groups and protecting poor households from economic shocks such as the recent global economic crisis and the food price rises in 2008-09. The UK is now the largest bilateral funder of social protection schemes, which provide a safety net for poor households through cash transfers, stipends (given, for example, in exchange for school attendance) and targeted funds for vulnerable groups such as disabled and elderly people. Other forms of social protection include “in kind” transfers such as free school meals or the provision of social services.⁹⁴ DFID is aiming to reach 50 million people through social protection schemes over the next three years.⁹⁵

48. DFID told us that there is evidence that the urban poor are less well covered by social protection programmes than their rural counterparts in countries such as Indonesia and China.⁹⁶ Yet the White Paper chiefly links social protection to rural contexts, as part of a response to agriculture and food security.⁹⁷ The Consortium for Street Children believed that if DFID is to expand social protection as a way of dealing with urban poverty, it must adopt a broad approach as cash transfers to households do not necessarily reach the vulnerable groups at which they are targeted (especially street children who may not have family contact).⁹⁸ **Social protection schemes provide an important safety net for households at risk from poverty and economic shocks. We urge DFID to ensure that its expansion of social protection schemes over the next three years is focused as much on urban as rural contexts. We encourage DFID to look beyond cash transfers alone to broader measures of protection that will ensure all vulnerable groups are reached.**

Population growth

49. The world’s population is likely to grow from 6.8 billion today to over 10 billion by 2050, with 95% of the growth taking place in urban areas.⁹⁹ The UN estimates that natural population increase accounts for some 60% of urban growth. As the urban base grows, natural population increase becomes responsible for a higher proportion of urban growth.¹⁰⁰ In regions such as Africa, natural population expansion is playing a powerful role in urbanisation, although other factors such as economic growth and the forced movements of people as a result of natural disasters and conflict have also been influential

94 For further discussion of social protection, see International Development Committee, Fourth Report of Session 2008-09, *Aid Under Pressure: Support for Development in a Global Economic Downturn*, HC 179-1, paras 25-33

95 DFID, *Eliminating World Poverty: Building our Common Future*, Cm 7656, July 2009, paras 2.18-2.19

96 Ev 96

97 DFID, *Eliminating World Poverty: Building our Common Future*, Cm 7656, July 2009, para 2.71 and para 3.52

98 Q 53 [Louise Meincke]

99 Ev 72 and UN-Habitat, *State of the World’s Cities 2008-09*, p.xi. These figures assume that global fertility levels remain at or near present levels and that longevity will increase.

100 UN-Habitat, *State of the World’s Cities 2008-09*, p.24

factors.¹⁰¹ Africa's population is increasing three times faster than the world average, with the number of poorest people—310 million—still increasing (albeit mostly in rural areas).¹⁰²

50. We were struck by the lack of evidence we received in the inquiry relating to the links between urbanisation and population growth and how population control might play a part in tackling urban poverty. One reason for this may be that population control is a sensitive area. We heard during our visit to Nigeria that—partly due to political sensitivities—there was no population strategy in place, despite the high rates of population growth.

51. Geoffrey Payne, an urban development consultant, told us simply that “the best contraceptive is development.” He said that expanding access to clean water and education, and improving women's rights, would help reduce fertility rates.¹⁰³ In our report on DFID's 2008 Departmental Annual Report, we highlighted that one in five girls of primary school age are not in school, and noted the positive development impacts that result from educating girls.¹⁰⁴ These include reduced fertility: a World Bank study found that for each four years of extra education, fertility per woman drops by roughly one birth.¹⁰⁵

52. UN-Habitat did not provide a clear answer when we asked them if they had a population strategy in place.¹⁰⁶ DFID did not comment on linking the two issues of urbanisation and population growth. Neither organisation commented on co-operation with the lead UN agency on population growth, the UN Population Fund (UNFPA). **We were struck by the paucity of evidence received in this inquiry addressing the links between urbanisation and population growth. Natural population increase accounts for some 60% of urban growth. We understand that population control is a sensitive issue but it seems surprising to us that neither UN-Habitat nor DFID provided us with information on linking their support to urban development with a population strategy or with co-operation with the UN Population Fund. We suggest that both agencies look more closely at how such linkages could be achieved.**

Climate change and the environment

53. Improving the lives of slum dwellers depends on governments' and communities' ability to improve the physical environment of poor urban settlements. This will entail efforts to control pollution and address the impact of climate change, as well as the implementation of planning policies, urban design, provision of green space and effective disaster planning.¹⁰⁷

101 It should also be noted that the HIV/AIDS epidemic has slowed population growth or even caused decline in some southern African towns and cities. UN-Habitat, *State of the World's Cities 2008-09*, p.18

102 Ev 73

103 Qq 129-130

104 International Development Committee, *Second Report of Session 2008-09, DFID Annual Report 2008*, HC 220-1, para 30

105 Stephan Klasen, “Does Gender Inequality Reduce Growth and Development? Evidence from Cross-Country Regressions.” Policy Research Report on Gender and Development Working Paper No. 7 (World Bank, 1999)

106 Qq 27-28

107 Ev 81

54. Climate change is already affecting coastal cities in particular, both in terms of higher incidence of natural disasters and rising sea levels. During the 20th century, sea levels rose by an estimated 17 centimetres globally. Global projections for sea level rise between 1990 and 2080 range from 22 to 34 centimetres. The low elevation coastal zone (the area along coastlines that is less than 10 metres above sea level) represents 2% of the world's land area but contains 10% of its total population and 13% of its urban population.¹⁰⁸ During our visit to Nigeria, we heard that Lagos is just three feet above sea level and yet is home to a population that is expanding by around one million every year.

55. Poor people living in cities in developing countries often live in flood-prone or water-logged areas, especially within coastal cities, and are vulnerable to losing their homes due to rising sea levels or natural disasters. For example, an estimated 17% of Mombasa in Kenya (4600 hectares) could be submerged by a sea level rise of 0.3 metres. Even a slight rise in sea level is likely to engulf large areas of Dhaka in Bangladesh.¹⁰⁹ Poverty limits urban dwellers' ability to insure and protect themselves against rising sea levels, climate impacts and disasters such as floods and storms.¹¹⁰

56. Climate change is thought to offer both opportunities and challenges for urban areas. Given that urban areas consume most of the world's energy and generate the bulk of the waste, climate change offers the chance for greater focus on the urban context. This could lead to more money being allocated to the urban sector—including from organisations not previously involved in development (for example, the European Investment Bank, which now has an EU mandate to invest in climate change strategies in developing countries). The Development Planning Unit told us that “embryonic” work on the integration of three separate sectors—urban planning, disaster risk reduction and climate change adaptation—at urban level needs to be strengthened.¹¹¹

57. There is, however, a risk that such investments are likely to be targeted at “climate proofing” cities (for instance, through providing ‘greener’ public transport), which may divert attention and funds from targeted programmes for urban poverty reduction and slum upgrading.¹¹² This risk is heightened by the fact that adequate responses to climate change impacts are likely to depend on strong and committed local governments and communities.¹¹³ Education, awareness-raising and community participation at the local level are thus of primary importance. UN-Habitat told us it was important to ensure that:

[...] whatever we do in the way of addressing climate change also addresses poverty issues as well. Things could be done in such a way whereby those who are the most vulnerable could actually be left out if processes go as they have done in many cities in the past, where the poor, frankly, tend to get neglected.¹¹⁴

108 UN-Habitat Press Release, “Few coastal cities to be spared by climate change”, 24 October 2008

109 UN-Habitat, *State of the World's Cities 2008-09*, p.151

110 Ev 106

111 Ev 107

112 Ev 82

113 Ev 81

114 Q 44

58. The DFID Minister told us that:

Part of our response [...] to climate change as well as part of our response to urbanisation has got to be to bring those two agendas together, to think through how you better manage or how you get better training systems, better flood alleviation systems in place, better disaster management programmes in place.

He gave the example of low-lying areas of Bangladesh, where DFID is supporting interventions that simultaneously address hygiene and waste concerns (blocked drains) and extreme weather events (flooding).¹¹⁵ **We were pleased to hear that DFID is seeking to bring the climate change and urbanisation agendas closer together. However, we urge DFID and other international agencies to ensure that attempts to address the impacts of climate change in cities do not divert resources from targeted programmes for urban poverty reduction, including basic service provision and slum upgrading. We recommend that, as well as ensuring its own programmes avoid this outcome, DFID advocate for UN-Habitat, in conjunction with the UN Framework Convention on Climate Change, to lead efforts to boost the capacity of cities to address climate change impacts without neglecting vital urban poverty reduction strategies. Building capacity at local government and community level is central to managing this tension.**

3 DFID's response to urban poverty

59. Having explored the context of urbanisation within international development more widely, we will now address DFID's own portfolio of urban development programmes and policies. We will start by looking at the geographical distribution of DFID's support, followed by analysis of DFID support to international programmes and initiatives such as the Community-Led Infrastructure Finance Facility. We will also explore DFID's support to basic services such as health, education, sanitation and water in urban contexts. Much of DFID's support for urban development is channelled through multilateral institutions and frameworks; these will be assessed separately in Chapter 4.

Current programmes and projects

Asia

60. The majority of DFID's slum upgrading and urban development work is in South Asia. DFID is the largest bilateral donor in the urban sector in India, where 24% of the population in the largest cities lives in slums, with the potential for more slum growth if cities are not well managed.¹¹⁶ Following around 20 years of involvement with the urban sector in India, current and planned DFID programmes total £236 million.¹¹⁷ The Department's programmes focus on the provision of basic urban services and on municipal capacity building, and include: ongoing urban development programmes in Madhya Pradesh and West Bengal; a programme of policy support to the Jawaharlal Nehru National Urban Renewal Mission, a massive city modernisation scheme launched by the Government of India; and an urban reform programme in Bihar (currently in design phase).¹¹⁸

61. In Bangladesh the UK is providing £60 million over six years to the United Nations Development Programme (UNDP) and UN-Habitat to support slum improvements in 34 towns and cities, with benefits projected to reach some three million people.¹¹⁹ The project supports the establishment of local community development committees which help to design urban infrastructure (for instance, pit latrines, water supply and paved roads). This initiative was praised in evidence as a means to ensure that urban development is demand-driven and demonstrates a smaller-scale approach which governments can then take up and expand.¹²⁰

62. A number of other DFID country programmes in Asia also include support to urban projects. For example, the Department has recently funded an urban governance project in Pakistan, the Faisalabad Devolution Project (£6.14 million for the period 2004-08). In addition, projects that may not be classified as urban development by DFID do, in practice, address urban poverty. For example, the Indonesian Government told us how the DFID-

116 Ev 77

117 Ev 77

118 Ev 77

119 Ev 77

120 Q 13 [Michael Mutter]

supported “Civil Society Initiatives Against Poverty” project in Surabaya (2007-08) had increased the accessibility of government-sponsored health services for the urban poor, in particular street children.¹²¹

Africa

63. DFID has far less of an urban focus in Africa, despite the fact that the continent has the highest proportion of slum dwellers (62% of the urban population).¹²² One World Action told us that the Luanda Urban Poverty Programme in Angola was for many years one of only two urban programmes supported by DFID in Africa.¹²³ We found this lack of focus concerning, especially once we had witnessed the overcrowded conditions in Lagos during our visit to Nigeria. Lagos’s current population of 19 million is expected to grow to 25 million by 2015. Given the appalling state of much of the infrastructure in Lagos, especially transport, housing, water and sanitation provision, we found it difficult to imagine how the city would cope with population growth on this scale. Many other African cities, including Kinshasa, Addis Ababa, Nairobi and Dakar, are experiencing high levels of urban population growth.

64. We saw a number of examples of DFID support to urban development during our visit to Nigeria, including: improvements to the Lagos State Land Registry (see Chapter 2); the establishment of the Enhancing Financial Innovation and Access for the Poor programme; and HIV/AIDS and community regeneration projects. Again, DFID does not always label projects that do, in fact, benefit the urban poor as “urban development”. As the DFID Minister told us, urbanisation forms part of the context for many of the issues on which DFID works: he said that the Department is “already tackling some of the challenges of urbanisation that come in the context of what we are already doing in health, education and economic growth, et cetera.”¹²⁴ Most DFID country programmes within Africa support initiatives for sustainable development, poverty reduction, governance, economic growth and the achievement of the MDGs that include some urban elements. However, DFID was not able to give us a coherent picture of these programmes in the evidence it submitted to our inquiry so we have been unable to assess individual country initiatives on urban development within African contexts.

65. Witnesses told us that there is significant scope for DFID to expand its support to urban development in Africa. For example, the International Housing Coalition praised DFID’s work in India for putting slums and urban development “at the centre of its programming.” But it went on to say that:

DFID’s urban programming outside of India is limited and, where present, restricted mainly to the water and sanitation sectors. While these are important priorities, the billion people living in poor housing in urban areas across the developing world would benefit from an expansion of this assistance.¹²⁵

121 Ev 121

122 Ev 73

123 Q 52

124 Q 169

125 Ev 133

66. We were surprised at what appears to be a sharp imbalance in the level and profile of DFID engagement in programmes addressing urban development in Asia compared to Africa. We understand that programmes that benefit urban contexts may not always be labelled as such. But given the impressive range of programmes explicitly labelled as “urban” in India, we fail to understand why DFID does not support similar initiatives in Africa—especially given its status as the world’s fastest urbanising region and the fact that it has the highest proportion of slum dwellers. We are concerned that, without a new and comprehensive approach to urban development in Africa, a number of cities could face a humanitarian crisis in as little as five years’ time, given the huge expansion of their urban populations. We will return to this issue in Chapter 5.

The Community-Led Infrastructure Finance Facility (CLIFF)

67. CLIFF is an international partnership set up in 2002 to provide finance to community projects and local urban poor funds for housing and infrastructure projects. DFID provided initial funding of £6.8 million.¹²⁶ The Swedish international development agency, SIDA, provided £3 million. In July 2009, DFID announced a second phase of support for CLIFF worth a further £15 million of support over five years (to 2014). DFID told us that this decision followed a “favourable evaluation earlier this year of the progress made in the first phase, which has recently been completed.”¹²⁷ CLIFF is currently operational in India, Kenya and the Philippines. DFID said that the second phase of funding will facilitate the expansion of the Facility into two further countries—it did not specify which ones—and within India, to enable the provision of improved housing and sanitation for over 450,000 slum dwellers.¹²⁸ DFID had told us in evidence that “we are planning with partners to build on [CLIFF’s current operations], not only in Asia but, increasingly, in Sub-Saharan Africa.”¹²⁹

68. Homeless International, the NGO that co-ordinates donor funding for CLIFF, highlighted two of the initiative’s particular achievements during its initial phase: the participation of poor urban dwellers in housing and service provision; and the joint engagement of donors (DFID and SIDA), intermediaries (Homeless International and Cities Alliance) and local implementing partners.¹³⁰ Larry English, Director of Homeless International, described CLIFF as a “bridging” mechanism that can change the way organisations of the urban poor are viewed by both government and banks, and leverage finance for housing and services as a result of this new relationship.¹³¹

69. DFID says that CLIFF has seen particularly strong results within India, “securing tenure and providing decent homes for over 5,400 families and access to sanitation for over

126 Ev 77

127 Ev 171

128 Ev 171

129 Ev 78

130 Ev 118

131 Q 156 [Larry English]

800,000 slum dwellers.” The initiative is projected to leverage £33 million from a combination of private and public sources.¹³²

70. We were impressed with the Community-Led Infrastructure Finance Facility (CLIFF), which is forging new relationships between urban poor organisations, governments, donors and banks—and leveraging considerable financial resources in the process. We commend DFID’s decision to provide a second phase of funding to CLIFF, and recommend that DFID encourage other donors to support this highly worthwhile initiative. We were pleased to hear that the second phase of funding will facilitate the expansion of the Facility into two further countries beyond the initial three (India, Kenya and the Philippines). We recommend that at least one of these countries, and if possible both, are located in sub-Saharan Africa, where improved urban housing and infrastructure is urgently needed.

DFID’s support to basic services in urban settings

71. Living in crowded and polluted urban areas means that slum dwellers have specific needs in terms of provision of basic services such as housing, health, education, sanitation, water, transport and energy. This section will consider DFID’s support to each of these sectors.

Housing

72. Poor households often use their home as both an asset and a source of income, for example, renting a room or operating a small shop.¹³³ Security of tenure, as discussed in Chapter 2, can incentivise residents to invest in and improve their homes, safe in the knowledge that they will not be evicted. However, lack of access to credit and mortgage finance often means that poor people can only improve their housing incrementally. The costs of improvements are increased by difficulties in obtaining construction advice and affordable materials.¹³⁴ It is estimated that at least 70% of all new housing is built informally and incrementally rather than as a result of new home construction. The cost of a typical house in developing countries is on average 10 times average annual salaries (compared to 2.5 to 6 times in developed countries).¹³⁵

73. Making improvements to slum dwellings avoids the upheaval and disruption associated with resettlement programmes. The NGO Results UK said that housing microfinance schemes offer a “proven and effective means” of providing small, flexible loans to individuals to improve their homes or build new low-cost housing.¹³⁶ Microfinance lenders often accept forms of collateral and guarantees which are more appropriate and achievable for slum dwellers than those required by traditional mortgage lenders. Results UK said that such schemes have proven to yield high repayment rates, making microfinance a

132 Ev 77-78

133 Ev 114

134 Ev 114

135 Inter Press Service News Agency, “World Faces Prospect of Teeming Mega-Slums”, 13 September 2005

136 “Microfinance” refers to the provision of financial services to low-income households and clients, and can include “microcredit” which addresses poor people’s banking needs.

sustainable venture for investors. They advised that DFID should work to strengthen existing microfinance institutions and help to ensure that housing microfinance is available to the very poor.¹³⁷

74. Most of DFID's support to housing is channelled through CLIFF and multilateral initiatives (which will be discussed in Chapter 4). The NGO Habitat for Humanity told us that housing-focused programmes comprised a "particularly small" percentage of DFID's budget—less than 1% in 2007. They believed that because slums are "no longer peripheral settlements" but have evolved into "central, distinctive components that have become the defining characteristic of cities in the developing world", more resources must be committed to slums generally and housing specifically.¹³⁸ **Slum dwellers and other low income urban groups need targeted support to improve their living conditions. Housing microfinance offers an effective and sustainable route towards funding these improvements. We recommend that DFID explore options for strengthening funding of housing microfinance schemes, as a way to boost the current relatively low level of financing it allocates to the housing sector.**

Health

75. Living conditions within poor urban settlements mean that residents have additional and specific health needs. Key urban health challenges include polluting household fuels, poor quality of housing and unsafe locations affected by flooding or pollution. Low levels of hygiene, due to insufficient water and sanitation coverage, bring a heightened risk of diarrhoeal diseases. This, together with poor nutrition, causes particular risks for children. For instance, in Nairobi infant and child mortality rates are three times higher within slums than the city average.¹³⁹

76. The spread of HIV/AIDS, as well as other communicable diseases such as tuberculosis, adds to urban health risks.¹⁴⁰ HIV-positive street children represent a particularly hard-to-reach group for health providers.¹⁴¹ Witnesses highlighted the need for HIV services to be tailored to the dynamics of the epidemic in local areas, and for community health centres to be based within slums so that residents do not need to make costly and difficult journeys into city centres.¹⁴² The UK Government's new strategy for HIV/AIDS, *Achieving Universal Access*, published in 2008, does not make specific mention of urban contexts.¹⁴³ It is clear, however, as we have said earlier, that DFID does not always label projects that do, in fact, benefit the urban poor as "urban development" and that DFID's HIV/AIDS programme includes projects in urban areas. Indeed, we visited a DFID-supported treatment centre in Lagos run by a community organisation that aims to work with high risk groups including sex workers, transport workers and unemployed youth. DFID also

137 Ev 152-153

138 Ev 113

139 "Our cities, our health, our future", Report to the WHO Commission on Social Determinants of Health from the Knowledge Network on Urban Settings (2008), Executive Summary, p.vii

140 Ev 155-156

141 Q 64 [Gordon McGranahan]

142 Qq 63-64

143 HM Government, *Achieving Universal Access: the UK's strategy for halting and reversing the spread of HIV in the developing world* (2008)

channels large amounts of funding to address HIV/AIDS and other infectious diseases through multilateral bodies such as the Global Fund to Fight AIDS, TB and Malaria.

77. Urban violence and crime, together with the stress of poverty and drug use, increase the incidence of mental health problems in slums and poor settlements.¹⁴⁴ The UK charity Basic Needs told us how funding through DFID's Civil Society Challenge Fund had enabled them to launch a mental health project for slum dwellers in Kangemi informal settlement in Kenya. By training community volunteers and carers, the project has ensured that mental health services are integrated into existing primary health care provision, facilitating the continuation of these services in the future.¹⁴⁵

78. Whilst urban dwellers are generally located closer to health facilities than people in rural areas, this does not ensure universal access. As a 2004 report by the MDG Task Force noted, "much of urban poverty is not because of the distance from infrastructure and services but from exclusion."¹⁴⁶ As we have said, it is vital that governments and donors address social exclusion and use carefully targeted social protection mechanisms to ensure that all urban residents can access services. Targeting services efficiently relies on accurate information. Results UK said that DFID's 2008-13 Research Strategy should help fill the current gaps in detailed understanding of the nature of disease and health problems in slums and informal settlements.¹⁴⁷ One of the six aims of the Strategy is to support research into health and the barriers to achieving the health MDGs.¹⁴⁸

79. DFID's approach to strengthening healthcare by supporting discrete projects, channelling funds through multilateral frameworks and providing social protection 'safety nets' is well-established. However, there are a number of specific challenges associated with health care provision in urban areas, especially regarding communicable diseases such as HIV/AIDS, mental health and inequalities in access to services. DFID should differentiate specific urban components of its health programmes so that steps being taken to address these particular challenges are made clear. We recommend that DFID help ensure that international efforts are based on a solid knowledge base by funding research into the current gaps in detailed understanding of the nature of disease and health problems in poor urban settlements as part of its 2008-13 Research Strategy.

Education

80. Crowded urban settlements often do not allow adequate space for education facilities, forcing children to travel a long way and to study in cramped and unhygienic conditions. Children who have to work may not go to school at all, and girls tend to bear the brunt of helping at home and contributing to family income.¹⁴⁹ It is often difficult for children from

144 Ev 60

145 Ev 59

146 Millennium Development Goals Task Force 8 report, 2004, quoted in "Our cities, our health, our future", p.viii

147 Ev 155

148 DFID, Research Strategy 2008-2013. The other five aims are: growth; sustainable agriculture; climate change; governance in challenging environments; and future challenges and opportunities.

149 Ev 157

poor households to complete homework given the lack of electric light and space at home. Data from UN-Habitat shows significant educational inequalities between urban residents living in slum and non-slum areas within cities.¹⁵⁰

81. Lack of formal recognition of slum areas acts as a barrier to schooling for some children. If official planning policies do not recognise an informal settlement, government schools will not be built in the area. In Kibera slum in Nairobi, the lack of government schools means that children there are not benefiting from the Kenyan Government's free education policy. Results UK believed that DFID should work with partner countries to tackle the issue of official recognition of slums so that more free local schools could be built in such areas. They also argued for targeted interventions that address specific urban problems such as child labour.¹⁵¹ The Consortium for Street Children (CSC) agreed:

Tailored education programmes that assimilate vulnerable children working and living on the streets into the formal education system are crucial. NGOs working on the ground are ideally placed to support these initiatives but are as always poorly funded.¹⁵²

The CSC gave the example of a recent joint project between the Government of Tanzania and a local charity, the Faraja Trust, under which schools are being built within slums that cater to the particular needs of vulnerable children, especially street children. The project helps them to catch up with the education they have missed before facilitating their reintegration into the school system (which avoids the creation of parallel school systems). Children are assisted with school fees (secondary schools), transport fares, school uniforms and medical support.¹⁵³

82. As with its support to other basic services, DFID does not always classify education projects under the banner of "urban development". **We believe that, as with healthcare, there are a number of specific challenges associated with education provision in urban areas, including cramped and unhygienic classroom conditions, the problem of absenteeism due to child labour (especially for girls) and a lack of government schools due to non-recognition of informal settlements. Similar steps to differentiate specific urban components of DFID's education programmes are needed to identify the measures being taken to address these challenges and enhance interventions where necessary. We recommend that DFID work with partner country governments to tackle the issue of official recognition of slums so that more local schools can be provided for children in slum areas.**

Sanitation and water

83. MDG 7, Target 10, seeking to reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation, is off-track in most regions.¹⁵⁴ Africa is the region least likely to reach the target on current trends.¹⁵⁵ Around

150 Ev 156

151 Ev 157

152 Ev 69

153 Q 66 and Ev 69

154 See International Development Committee, Sixth Report of Session 2006-07, *Sanitation and Water*, HC 126-1

half of urban dwellers in sub-Saharan Africa do not currently have adequate water supplies, and it is likely that over half have no access to basic sanitation.¹⁵⁶ The absence of clean water and sanitation in poor urban areas is responsible for a heavy burden of cholera and diarrhoeal diseases. The lack of households connected to sewers is a key contributory factor to this. It is estimated that providing universal sewerage could save 326,000 infant lives per year.¹⁵⁷

84. Municipal authorities are often unwilling to provide water and sanitation services to informal settlements.¹⁵⁸ In many cities in Sub-Saharan Africa less than 50% of the population are supplied by the public water utility.¹⁵⁹ Poor urban dwellers can spend 5-10% of their income on purchasing water from vendors or kiosks because no piped supplies are available in their homes.¹⁶⁰ In Lagos, we heard how the water sector was failing to meet demand: its ability to supply 170 million gallons of water a day fell far below demand which was in the region of 700-800 million gallons. The poor paid much more for water than more affluent residents as they had to buy from vendors rather than the state.

85. We were told that the most effective way to improve sanitation in slums is for governments to work with communities, as evidenced by the Orangi Project in Pakistan.¹⁶¹ In 1980 a group of citizens from Orangi, an informal settlement in Karachi, and a local NGO formed the Orangi Pilot Project to address the dire sanitation situation. Through dialogue and awareness-raising, residents formed groups to build sewer channels to collect household waste. Eventually the municipal authority agreed to finance a trunk sewer to channel the collective waste away from the community. The infant mortality rate fell from 128 per 1000 live births in 1982 to 37 per 1000 in 1991. Efforts have continued since and it is estimated that almost 90% of Karachi's population now uses some kind of sewerage system, half of it built by communities.¹⁶²

86. In other parts of Asia and particularly in India, community groups, often formed by women, have made sanitation a key part of their urban development activities by using the construction of toilet blocks as a means to engage with the community.¹⁶³ Once construction is underway, the groups negotiate with local government and, if successful, can then expand the project using government funding.¹⁶⁴ We will return to the importance of community-led initiatives, and how DFID can support them, in Chapter 4.

155 MDGs: 2008 Progress Chart, online at <http://mdgs.un.org>

156 WaterAid, "What we do – Urban", online at http://www.wateraid.org/uk/what_we_do/policy_and_research/6165.asp

157 iD21 Research Highlight, "Public investment in sewers is necessary and affordable", Public Services International (12 December 2008), online at www.id21.org and "Sewerage Works: Public investment in sewers saves lives", Public Services International Research Unit, by David Hall and Emanuele Lobina, University of Greenwich (2008)

158 Q 69

159 WELL Resource Centre for Water, Sanitation and Environmental Health Briefing Note "PSP in Urban Water Supply", December 2006

160 Ev 137

161 Q 69 and Q 142

162 "Lessons from Karachi: the Role of Demonstration, Documentation, Mapping and Relationship Building in Advocacy for improved Urban Sanitation and Water Services", Human Settlements Discussion Paper Series, Theme: Water 6, IIED, by Arif Pervaiz, Perween Rahman with Arif Hasan, August 2008, p.2

163 Q 69

164 Q 155

87. DFID has funded a number of water and sanitation initiatives in South Asia. It estimates that its funding of the Andhra Pradesh Urban Services Programme (£94.4 million for the period 1999-2008) has enabled one million poor people to access basic water and sanitation services.¹⁶⁵ We were impressed to hear about the DFID-supported initiative in Bangladesh that we described in Chapter 2 which simultaneously addresses sanitation concerns (blocked drains) and extreme weather events connected with climate change (flooding).¹⁶⁶

88. Whilst we were pleased to hear of these projects, we were aware once again that DFID could give us few examples of support to sanitation and water in urban contexts within African countries. Clearly, international initiatives to which DFID contributes benefit a number of African countries, including CLIFF, which works in Kenya and has provided access to sanitation for over 800,000 slum dwellers.¹⁶⁷ DFID also supports Water and Sanitation for the Urban Poor (WSUP, £3.95 million for the period October 2005-April 2009), an international partnership of public, private and civil society organisations which aims to reach 3.5 million people by 2015.¹⁶⁸ WSUP works with local service providers in a number of African countries, including Kenya, Madagascar, Mozambique and Zambia, with work planned in Ghana and Mali, to build their long term capacity to serve the poor, with the involvement of the community.¹⁶⁹ When we asked the DFID Minister whether funding would be renewed for this initiative, he said a decision would be made based on a forthcoming evaluation of the project.¹⁷⁰

89. We welcome the support to water and sanitation that DFID is providing through its India programme. However, we are aware once again that there are few examples of DFID support to these essential services in African countries. We assume that DFID provides some support through country programme work but we were not given details of this. It is also clear that DFID provides support through international initiatives such as the Community-Led Infrastructure and Finance Facility and the Water and Sanitation for the Urban Poor partnership. These are both highly commendable ventures, and we urge DFID to extend its funding of these and other projects with strong community participation. We recommend that DFID carefully consider whether it is doing enough to help meet the MDG 7 target to halve the proportion of people without sustainable access to safe drinking water and basic sanitation, especially within urban contexts in Africa, the region which is most off-track on this target.

90. In its new water and sanitation policy, DFID does acknowledge the “distinct challenges” within urban areas but states that it will continue to direct “a lot” of its support to sanitation and water in rural areas. It bases this judgment on UN statistics which indicate that 70% of people without improved sanitation and 80% of people using unimproved sources of drinking water live in rural areas.¹⁷¹ UN-Habitat told us that there

165 DFID, “Water: an increasingly precious resource. Sanitation: a matter of dignity” (2008), p.36

166 Q 214

167 Ev 77

168 Ev 78

169 Projects are also being implemented in India and Bangladesh, with work planned in Brazil.

170 Q 206

171 DFID, “Water: an increasingly precious resource. Sanitation: a matter of dignity” (2008), p.36

is evidence to suggest that sanitation provision in urban areas, particularly within African countries, is now far worse than in rural areas.¹⁷² Thus it would seem that there are anomalies within the methods used to assess relative need amongst urban and rural populations. In our 2007 report on *Sanitation and Water*, we recommended that DFID “revisit its prioritisation of rural over urban support as the global urbanisation process continues”.¹⁷³ This re-assessment relates to the point we made earlier about working from accurate measurements of urban poverty.

91. We recommend that DFID keep under careful review the commitment in its new Water and Sanitation Policy to continue to direct much of its support to sanitation and water in rural areas. Undoubtedly, provision in many rural and remote areas is very low. But the balance of need may be shifting in line with the trend of urbanisation; services in urban areas, particularly within the sanitation sector in Africa, are often very poor. In order for DFID to make informed choices about where to commit its resources, it will need to ensure it is working from accurate measures of urban poverty. We reiterate our earlier recommendation that DFID encourage the World Bank and other key international institutions to explore new systems for measuring urban poverty.

Energy and transport

92. These two essential services together are often neglected in assessments of urban poverty. This was reflected in the paucity of evidence we received on them. However, our visit to Nigeria underlined to us the need significantly to increase international efforts to improve the provision of energy and transport services within poor urban settlements. Firstly, the issue of energy supply. There were frequent power-cuts in the three cities we visited—Lagos, Kano and Abuja. We heard that the reasons behind the power sector’s serious deficiencies included the need for: better maintenance of existing systems; reforms to electricity utilities; a regulatory framework for the power industry and for fixed tariffs; and new investments in the sector. We were told that Nigeria generates the same amount of electricity for its 150 million population as that consumed by Bradford—a city of 300,000 people.

93. We saw how deficient power connections make poor peoples’ lives much harder. Homes within urban settlements often have no electric light or heat for cooking, and households must instead use fires with potentially damaging fumes. Many homeowners and small businesses are forced to turn to expensive privately-owned generators rather than the national grid, which provides just 3,000 of the 10,000 megawatts needed. We heard in Kano how the lack of power acts as a deterrent to people setting up new businesses.

94. We were told that, despite there being no national power strategy, the power supply was a priority for President Yar’Adua, and that the Federal Government had \$5 billion put aside to address power issues. State governments were looking at alternative energy

172 Q 32

173 See International Development Committee, Sixth Report of Session 2006-07, *Sanitation and Water*, HC 126-1, Para 41

sources: for example, Kano State was yet to decide whether hydropower or oil was the most suitable option to increase electricity generation.

95. DFID provides its support to the power sector through the Nigeria Infrastructure Advisory Facility (£13.5 million for the period 2007-12) which offers technical assistance to government to improve planning, management, implementation and maintenance of infrastructure investment and related regulatory functions within the power, transport and water sectors. DFID's partner within its joint Country Partnership Strategy, the World Bank, is stepping up lending to help the Nigerian Government introduce essential reforms, as is the African Development Bank.

96. During our visit, we also witnessed the weighty challenge posed by poor urban transport provision. Lagos, in particular, will require substantial investment if services are to be improved. The population has outgrown the system; with no integrated transport service, the streets are over-run with unregulated minibuses and road journeys can take many hours. This causes huge problems for inhabitants of poor areas trying to travel across the city to work.

97. The Lagos Metropolitan Area Transport Authority has developed a strategy, backed with \$100 million from the World Bank, to improve the flow of traffic and strengthen the transport sector. Lagos had recently entered into a public-private partnership to fund a new toll road. A total investment of \$400 million had been leveraged by \$3.5 million of government funding. DFID supports improvements to the transport sector through the Nigeria Infrastructure Advisory Facility.

98. The challenges associated with providing adequate power and transport services within poor urban areas were self-evident during our visit to Nigeria. Lack of electricity and constraints upon movement around cities makes life even more difficult for poor people and limits their ability to escape poverty by running their own businesses or going out to work. We were pleased to see that DFID is supporting the Nigerian Government to strengthen both sectors through the Nigeria Infrastructure Advisory Facility. We urge DFID and the World Bank to continue to boost investment in these sectors in Nigeria and in other African and Asian countries to ensure that power and transport services assist, rather than hold back, the process of poverty reduction. We will discuss these issues in more detail in our forthcoming report on *DFID's Programme in Nigeria*.

4 The response by other stakeholders

99. We now consider the responses of other members of the international community to urban poverty. Firstly, we will assess the programmes and policies of the major multilateral institutions: the United Nations (UN) and the multilateral development banks (the World Bank, the Asian Development Bank and the African Development Bank). Two key international initiatives, the Slum Upgrading Facility and the Cities Alliance, will be considered as part of this. Secondly, we will look at the role of community-led initiatives in addressing urban poverty. Thirdly, we will explore how UK local government could contribute to international efforts. Finally, we will look at how DFID and other donors can support developing country governments to give urban poverty a higher priority in national poverty reduction strategy papers.

100. We think it is worth noting that the scale of the challenge regarding slum upgrading requires huge leverage of private sector funds. **We believe that all development actors, including DFID, should do all they can to unlock private sector investment in urban development. These flows have the potential to substantially reduce urban poverty. Our recommendations to DFID, multilateral donors and other global stakeholders are thus based on the premise that the greatest impacts will be achieved when donor funds are used to stimulate private, alongside public, investment in urban development.**

The response by multilateral institutions

The United Nations

101. UN-Habitat is the UN agency for human settlements. It is mandated to promote socially and environmentally sustainable towns and cities with the goal of providing adequate shelter for all. The agency was established in 1978. In 2002, the UN General Assembly significantly enhanced UN-Habitat's budget and function. The agency now has more than 130 technical programmes and projects in 60 countries around the world. Examples of projects include: work on pro-poor housing, land tenure and property administration; governance and safety initiatives; emergency relief and reconstruction (for example, in Afghanistan, China, Iraq, Kenya, Kosovo, Rwanda, Sierra Leone and Somalia); environmental planning; and improving water, sanitation and infrastructure in urban areas.¹⁷⁴

102. At its annual Governing Council meeting in April 2009, UN-Habitat secured the highest year-on-year budget increase in its history. The total of \$396.6 million for 2010-11 represents an increase of around 30% from the 2008-09 budget of \$289.7 million.¹⁷⁵ However, UN-Habitat officials told us that this was an "aspirational budget" allowing for the "the best possible scenario" in terms of what the agency can collect from donors over the two-year cycle.¹⁷⁶ Most of the funds are earmarked for specific projects. UN-Habitat

174 UN-Habitat, *UN-Habitat: For a Better Urban Future*

175 UN News Centre press release, "UN agency receives major cash injection to ensure adequate shelter for all" (29 April 2009). The total included a "general purpose budget of \$66 million".

176 Q 14

said that this meant they often had to put individual donor priorities above their own identified priorities, which include: support for governance and planning; development of pro-poor land and housing policies; the provision of environmentally sound infrastructure and services; and expanded housing finance.¹⁷⁷

103. DFID's current annual allocation of £1 million to UN-Habitat's core funding constitutes around 7% of all core contributions, considerably lower than the 12% DFID contributed in 2002 (making it the highest donor at that point). The top-ranking donors are currently: Norway, which provided 15% of core contributions in 2007; Sweden with 11%; Italy with 9%; and Spain with 7%.¹⁷⁸ DFID commits extra funding for UN-Habitat's activities in the field; for instance, humanitarian operations in countries such as Pakistan, Afghanistan and Sudan.¹⁷⁹ This was worth around \$12 million in 2007.¹⁸⁰ However, this equates to just 2% of the agency's total (as opposed to core) contributions and ranks DFID eighth in donor generosity (Spain is lead donor, providing 11%).¹⁸¹

104. The DFID Minister underlined the fact that he expected "sharper work by the UN family as a whole" on urban poverty and that UN Development Programme, UNICEF, the World Health Organisation and "a range of other UN organisations" should incorporate responses to urbanisation within their UN Development Assistance Frameworks in developing countries.¹⁸² This reflects the new DFID White Paper's emphasis on the importance of system-wide UN approaches.¹⁸³ Much of UN-Habitat's funding comes to them through UNDP so this is a particularly important partnership.¹⁸⁴

105. We commend the work of UN-Habitat on human settlements and urban development across a wide range of contexts. We were disappointed to learn that the UK's contribution to the agency's core funding has fallen from 12% in 2002 to 7%. We recommend that DFID's £1 million annual contribution to core funding (or 7% of the total from all donors) is boosted to bring it closer to that of Norway and Sweden, who provide 15% and 11% of the core budget respectively. Non-earmarked funding of this kind is vital for the agency to pursue its identified priorities which cover an important range of urban development outcomes.

106. We agree with DFID that co-ordination across UN agencies on urban poverty is highly important and that the work carried out by different UN agencies on urban issues needs to be fully integrated at country level. In particular, UN Development Programme and UN-Habitat, with their close on-the-ground operational partnership,

177 Q 14

178 UN-Habitat, "The present funding of UN-Habitat" prepared for the UN-Habitat Donors meeting in Seville, 15-16 October 2008, p.5, online at http://www.unhabitat.org/downloads/docs/5883_5454_Present%20funding.pdf and Q 16

179 Q 184 and Q 16

180 Q 16

181 UN-Habitat, "The present funding of UN-Habitat" prepared for the UN-Habitat Donors meeting in Seville, 15-16 October 2008, p.5, online at http://www.unhabitat.org/downloads/docs/5883_5454_Present%20funding.pdf

182 UN Development Assistance Frameworks are the common strategic framework for the operational activities of UN agencies at country level.

183 DFID, *Eliminating World Poverty: Building our Common Future*, Cm 7656, July 2009, paras 6.10-6.19

184 Q 16. For example, the £60 million UK funding for the joint UNDP-UN-Habitat urban development programme in Bangladesh is channelled through UNDP and on to UN-Habitat.

should ensure that they work coherently so that impact can be boosted and urban poverty moved higher up the agenda in the countries in which they work.

The Slum Upgrading Facility

107. UN-Habitat manages the Slum Upgrading Facility (SUF), an initiative set up in 2004 to help mobilise financial support for slum upgrading and relocation. DFID provided half of the initial funding for the initiative (US\$10 million, or £5.9 million). Other funding includes US\$4.5 million from Sweden and \$4.8 million from Norway.¹⁸⁵

108. Under the initiative, slum dwellers are involved in the planning and design of upgrading projects as ‘clients’ who sit on the SUF Consultative Board, along with banking and finance sector representatives and donors. A key element of the initiative is the establishment of Local Finance Facilities which are designed to improve access to credit for slum dwellers. Ruth McLeod of the Development Planning Unit (DPU) said that, whilst the initiative was still “very young”, the SUF, and the Local Finance Facilities in particular, were achieving a great deal:

What has been incredibly important about [...] those facilities is that [...] it brings into a single forum all the key stakeholders in that city who are concerned about settlement upgrading [...] [who] make decisions about how seed capital, which has been basically provided by DFID, can best be used and leveraged to bring in other resources. [...] I think it is a very, very important development because cities are just beginning to learn how to deal with their own budgets and leverage them. To be able at this stage to provide an option for them to do that specifically around urban poverty, settlement upgrading and land issues is an opportunity which is not going to come again.¹⁸⁶

109. The SUF is currently at pilot stage, with projects in Sri Lanka, Indonesia, Ghana and Tanzania due to conclude in December 2009. At its most recent meeting, the SUF Consultative Board recommended a two-year extension (up to December 2011) to the pilot phase in order to track the effectiveness of the Local Finance Facilities scheme.¹⁸⁷ UN-Habitat is currently looking for funding for this extension, which they say would also form the basis for exploring the possibilities for expansion beyond the initial four countries.¹⁸⁸ Michael Mutter, Director of the SUF, said that because DFID had made a large funding commitment upfront, they had “been impatient to see the results coming in.” He anticipated that there would be “good results to show”, and highlighted the “opportunity to continue investing in the process” for the envisaged two-year extension.¹⁸⁹ The DFID Minister was cautious about committing to further funding:

To be candid, the Slum Upgrading Facility has taken longer to begin to have real impact on the ground [than the Community-Led Infrastructure Finance Facility] [...] Before we take decisions to provide further funding we carry out evaluations of such

185 Ev 88

186 Q 90

187 Ev 88 and Q 38

188 Q 38

189 Q 40

initiatives, and we will talk to a range of advisers who engage with those projects before we make a decision as to whether or not to provide further funding to them [...] I hope that the Slum Upgrading Facility will see further progress.¹⁹⁰

110. We commend DFID’s decision to provide half of the initial funding for the Slum Upgrading Facility and to contribute to enabling this important project to get off the ground. We support DFID’s planned evaluation of the initiative as a basis for future funding decisions, but encourage it to find extra funding to facilitate a two-year extension of the project. Local Finance Facilities have provided a unique forum for bringing together all the major players across a city involved in the slum upgrading process. Results may have been slow in emerging, but once momentum has been gained we believe that the Facilities offer considerable potential for upgrading slum settlements on a large scale.

The Cities Alliance

111. The Cities Alliance is hosted by the World Bank and was established in 1999 by UN-Habitat and the World Bank, with DFID as a founding sponsor. This global coalition of cities and development agencies aims to highlight the benefits and opportunities of urbanisation, and to correct the “anti-urban bias” that we have discussed. It assists with slum upgrading and aims to help cities of all sizes to obtain financial support to develop “city development strategies”. DFID is one of 16 country members and works with Cities Alliance on a range of international initiatives. For example, donor funds for the Community-Led Infrastructure Finance Facility are channelled through Cities Alliance to Homeless International.¹⁹¹ Ruth McLeod of the DPU highlighted that the Alliance had utilised a wide range of different approaches since it was created, from policy support to direct project financing, and that it would be interesting for DFID to reflect on the relative merits of these strategies.¹⁹²

112. The Alliance is subtitled “Cities without Slums”, a controversial slogan that according to the DPU “is neither feasible nor desirable in some of its consequences”—the concern being that it may be used to justify slum clearance and forced evictions.¹⁹³ Professor Alan Gibson of University College London said that the idea that cities can fully eradicate their slums is “wholly unachievable”.¹⁹⁴ **The Cities Alliance’s attempt to highlight the opportunities of urbanisation is a worthy one and we commend DFID’s continued collaboration with the coalition. However, we encourage the Alliance to consider dropping its “Cities without Slums” slogan, which promotes an unworkable outcome that may encourage slum clearance or forced evictions. We see the long-term strategic focus of the Slum Upgrading Facility as equally, if not more, worthy of DFID support as the somewhat problematic Cities Alliance.**

190 Qq 189-190

191 Ev 87

192 Q 80

193 Ev 105

194 Ev 110

The multilateral development banks

The African Development Bank

113. The African Development Bank (AfDB) currently undertakes few urban poverty or slum upgrading projects.¹⁹⁵ DFID said that “currently, AfDB’s work in the urban sector mostly takes place under the infrastructure and water departments and does not have an ‘urban’ focus as such.”¹⁹⁶ The AfDB estimates that the urban sector accounts for 15-20% of its portfolio (mostly in water and infrastructure). The Bank is currently developing a new urban strategy, to be completed in 2009, with several pillars including infrastructure, governance and private sector development.¹⁹⁷ The Bank has no dedicated urban department, and, according to DFID, nor are there plans to create one.¹⁹⁸ The AfDB received a record DFID contribution to its most recent replenishment (the Eleventh Replenishment of the African Development Fund, ADF 11); DFID is now the Bank’s largest bilateral donor.¹⁹⁹ Improving infrastructure in African countries has been identified as a priority area for ADF 11.²⁰⁰ The DFID Minister acknowledged that “potentially the African Development Bank does have a sharper role to play on urbanisation and city governance.”²⁰¹

114. We were concerned to hear that the African Development Bank (AfDB) currently focuses so little attention on urban poverty. Whilst Africa is still predominantly rural, it is the fastest urbanising region in the world and has the highest proportion of slum dwellers amongst its urban population. This represents a huge and growing problem for the African continent and it is imperative that its regional development bank does more to address the growing crisis of urban poverty. The UK should use its leverage as the largest bilateral donor to the Bank to ensure that the new AfDB urban strategy, currently under development, makes strong commitments to addressing urban poverty. This should include a particular focus on infrastructure, one of the Bank’s priority areas and a crucial component of future progress. We recommend that DFID press for a dedicated department on urban development to be set up within the Bank.

The World Bank and the Asian Development Bank

115. The World Bank’s engagement with urban issues has grown and includes more than 150 operations in over 60 countries totalling US\$10.3 billion of lending commitments.²⁰² The Bank’s 2009 World Development Report, *Reshaping Economic Geography*, was supported with £450,000 of funding from DFID and contained considerable focus on

195 Ev 83

196 Ev 84

197 Ev 83-84

198 Ev 84

199 The UK contribution to the 11th African Development Fund (ADF), announced in November 2007, more than doubled the amount committed from ADF 10 (2005–07) to £417 million for 2008-2010

200 International Development Committee, Seventh Report of Session 2007-08, *DFID and the African Development Bank*, HC 441-II, Ev 27

201 Q 181

202 Ev 86

urban development.²⁰³ The Bank is currently undertaking an Urbanisation Review as a follow up to the Report; this will inform the development of a new urban strategy.²⁰⁴ DFID said that the Bank's new Strategy "gives greater prominence to governance at the local level, recognising that strengthening cities and towns to manage themselves, rather than as recipients of centrally-driven projects, is a more sustainable way forward."²⁰⁵

116. DFID told us that it collaborates "extensively" with the World Bank in India.²⁰⁶ Other examples of joint working on urban development include: Ghana; Pakistan; Afghanistan; Indonesia; and the West Bank and Gaza. DFID also provides \$350,000 through the Cities Alliance for the World Bank's work in Africa to prioritise urban issues within national poverty reduction strategies.²⁰⁷ The World Bank received a record DFID contribution to its most recent replenishment.²⁰⁸ We will discuss the Bank's role in urban development further in Chapter 4 when we address the issue of poverty reduction strategy papers (PRSPs).

117. We received very little evidence on the support given to urban poverty by the Asian Development Bank (ADB) and none on the third regional development bank, the Inter-American Development Bank. The ADB has had an increasing focus on the urban sector since 2006 and has had a strategy in place since 1999. It is now working on a Cities Development Initiative for Asia. This initiative promotes investment in Asian cities and is run in collaboration with the German development agency GTZ, with additional funding from the Swedish and Spanish governments.²⁰⁹ The ADB plans to recruit 20-30 new urban specialists in 2009, which will double the current number of specialised staff in this area. DFID contributed £28.5 million to the ADB in 2007-08.²¹⁰

118. We commend the increased focus on urban development by the World Bank and the Asian Development Bank. We welcome the World Bank's development of a new urban strategy. Given its substantial funding of the World Bank, we urge DFID to engage fully with the development of the Bank's new strategy and to ensure that it is sufficiently comprehensive, with strong focus on African, as well as Asian, countries. We welcome the Asian Development Bank's Cities Development Initiative for Asia, and its planned increase in specialised urban staff. We encourage the African Development Bank to emulate this enhanced focus and capacity to take forward urban development work.

203 Ev 86 and World Bank, *World Development Report 2009*, "Reshaping Economic Geography"

204 Ev 87 and Ev 76

205 Ev 76

206 Ev 86

207 Ev 86-87

208 In December 2007, DFID committed £2134 million to the 15th replenishment of the World Bank's International Development Association (IDA), an increase of nearly 50% from IDA 14.

209 Q 170, Q 179 and Ev 83

210 This figure refers to funding of the Asian Development Fund, the Asian Development Bank's concessional lending and grant-making arm. DFID, *Statistics on International Development 2003/04-2007/08*, p.110

The role of community-led initiatives

119. Poor urban dwellers themselves represent an active community of campaigners, developers, financiers and drivers of change for the urban environment. Federations of slum and shack dwellers and homeless people have, under the umbrella Slum/Shack Dwellers International, sprung up in more than 20 countries. The federations are mainly formed of savings groups, often managed by women, which undertake a range of slum upgrading, housing construction and community initiatives such as building public toilets (as discussed in Chapter 2). Successful large-scale partnerships have been developed between these federations and local and national governments (for instance, in South Africa, India, Thailand and Malawi).²¹¹

120. Community-led initiatives for urban development have important ‘spin-off’ benefits such as women’s empowerment. Ruth McLeod of the DPU gave an example from Tamil Nadu in India where community support has enabled 100,000 women from peri-urban areas to join savings and loan groups. Over the years, these groups have acquired a capital base of more than £80 million and have become so influential that they even control local election results.²¹² Women’s quests for land acquisition and secure tenure can increase their own and their children’s opportunities to participate in education and access healthcare.²¹³

121. Witnesses believed that there was scope for donors such as DFID to do more to facilitate alliances between urban dwellers and local and national government.²¹⁴ David Satterthwaite of IIED said that to do this, “You begin working where the urban poor are very well-organised, and they become your partner.”²¹⁵ A pre-requisite for this partnership is the presence of urban expertise within development agencies so that they can engage with urban dwellers and central and local government. He said that DFID currently lacks in-country (as well as headquarters-based) urban advisers.²¹⁶ We will return to this issue in Chapter 5.

122. Another key step in the process of building partnerships with community groups is building local capacity and governance so that organisations are able to form and operate effectively. This relates back to the points we made earlier about promoting inclusive urban development. The NGO One World Action underlined the need for DFID to allocate adequate resources to urban programmes that strengthen local governance, democracy, citizenship and transparency so that even the most excluded groups can hold their municipal and national governments to account.²¹⁷ Caren Levy of the DPU emphasised that supporting communities did not mean letting the state “off the hook” and highlighted the importance of strengthening local government, which can help “localise” aid, enhance democratic governance and ensure “well-planned, rights-based” cities.²¹⁸ The DFID

211 Ev 134

212 Q 93 [Ruth McLeod]

213 Q 141 [David Satterthwaite]

214 Q 139

215 Q 143

216 Q 146

217 Ev 149-150

218 Q 89 and Ev 106

Minister told us that he has asked officials to explore what more the Department could do to support city governance.²¹⁹

123. For effective community groups to be formed, some external support is necessary.²²⁰ This is the kind of “bridging” assistance that the Community-Led Infrastructure Finance Facility (CLIFF) is trying to achieve. As we have said, CLIFF is successfully forging new relationships between urban poor organisations, governments, donors and banks—and leveraging considerable financial resources in the process. External funding enables groups to organise themselves and mobilise other supporters, and—once established—to engage with national governments, which can then provide larger-scale funding.²²¹ We were told that small amounts of money go a long way; community groups have become practised in building housing and infrastructure for a minimum cost. Funds have been managed transparently with loan repayments re-invested into other urban development schemes.²²² We were told about the Community Organisation Development Institute (CODI) in Thailand, which extends loans to communities for settlement upgrading including: land acquisition; livelihood-based activities; and the construction of housing and infrastructure.²²³ Under its Baan Maankong Programme—launched with a target to achieve 200 slum-free cities within five years—information generated by communities themselves, including on expenditure, is published on community boards, to promote scrutiny and prevent corruption and bribery.²²⁴

124. There are funding mechanisms already in place to support community groups. Charities such as Homeless International fund organisations of the urban poor worldwide and we were told that contributing to the organisation was a “great way” to provide support.²²⁵ In 2007, Slum Dwellers International (SDI) developed the Urban Poor Fund International, an innovative, self-managed finance facility that acts as the financial arm by which SDI transfers capital directly to slum dwellers who are undertaking urban improvement schemes that they have negotiated with local and municipal authorities.²²⁶ Funds are channelled to the SDI via the International Institute for Environment and Development (IIED) and other institutions, but the SDI makes all funding decisions on behalf of the Fund. Initial financial support for the Fund included \$10 million from the Gates Foundation.²²⁷ David Satterthwaite estimated that improvements in housing and basic services for 30,000 urban poor households had been achieved by the Fund for less

219 Q 198

220 Q 144

221 Q 155

222 Q 153

223 Q 86 [Ruth McLeod]

224 Ev 108

225 Q 153 [David Satterthwaite]

226 Urban Poor Fund International, Strategic and Financial Plan

227 Background document on the Urban Poor Fund International, made available by David Smith, Affordable Housing Institute, at Wilton Park conference, Financing Affordable Housing for Low Income Groups: Innovative funding for urban housing, 21 May

than £1.8 million over six years.²²⁸ An extra £5-10 million annually would guarantee that the Fund could reach new groups wanting to begin urban development projects.²²⁹

125. We were impressed to hear that federations of poor urban dwellers are facilitating slum upgrading and urban improvement schemes in more than 20 countries, with large-scale partnerships being developed between these groups and governments in several instances. We believe that supporting community-led initiatives not only strengthens citizenship and boosts democracy, but is also an incredibly cost-efficient way of promoting urban development. Evidence shows that small amounts of external financing can help deliver substantial development gains.

126. We believe that DFID should boost its funding for urban community-led initiatives. We recommend that DFID begin funding the Urban Poor Fund International, an existing financing mechanism that has brought about improvements to housing and basic services for 30,000 households for less than £1.8 million over the past six years. If this success can be replicated, as little as £5-10 million of additional DFID funding could potentially reach another 150,000 households.

The role of local government

Sharing of expertise by UK local government

127. Local government authorities in developing countries play a central role in urban development. They bear responsibility for town planning, run municipal services, develop infrastructure and act as the official link with communities. However, we were told by a number of witnesses that the opportunity for sharing UK expertise with local government in developing countries is currently under-exploited.²³⁰

128. The UK Local Government Alliance for International Development (LG AID), which comprises five local government agencies, suggested that DFID could support this sharing of expertise through actions such as:

- adopting a departmental strategy for strengthening local government and working in partnership with UK local government to implement this;
- working with the local government constituency worldwide to strengthen urban authorities' capacity to plan for urban growth and slum upgrading; and
- supporting the sharing of UK expertise in areas such as: business and financial services; the “greening” of urban economies (developing jobs, technologies and approaches that produce environmental benefits); regeneration; climate change mitigation and adaptation; and local data collection and analysis.

²²⁸ David Satterthwaite, presentation given at Wilton Park conference, 21 May, “Financing housing and community development for low-income groups: The International Urban Poor Fund”

²²⁹ Q 155

²³⁰ See, for example, Q 111

129. These proposals have been put forward to DFID by the Local Government Association as a “Manifesto on International Development”.²³¹ It is suggested that they could build on existing exchange schemes by individual UK councils. For example, Warwickshire council has facilitated staff exchanges with cities in Sierra Leone on waste management, health and staff development. Lancashire County Council has a longstanding partnership with the town of Gulu in Uganda which helps increase resilience to climate change.²³²

130. Adopting such strategies would follow a lead established by countries such as Norway and Canada, where development agencies fund the deployment of local government practitioners to contribute to development projects internationally.²³³ For example, the Canadian Municipal Association collaborates with the Canadian International Development Agency to provide expertise to support local governance and basic service provision through partnerships with countries across the developing world. An annual award is provided to Canadian municipalities that have made an outstanding contribution to international development.²³⁴ Other approaches from European countries include a commitment of 0.7% of local authority budgets towards partnering with cities abroad.²³⁵ Richard Shaw, Chair of LG AID, said that learning from such partnerships would be a two-way process and that the UK could learn from developing countries as well as vice versa.²³⁶ He believed that DFID should take the initiative to enter into dialogue with local government, who would: “want a policy framework”. He said that, “There may need to be some encouragement and incentivisation, and these things do not just happen on a whim. They need to be planned quite carefully.”²³⁷ Geoffrey Payne echoed this view:

We have quite a lot of expertise in this country. I would have thought that relationship could be better exploited, but it needs a national framework in which central government addresses local government here and says, We want to draw on your expertise, we want to have that dialogue with you.²³⁸

In its recent response to our Report on Aid Under Pressure, DFID acknowledged that there were “significant benefits” to be gained from partnership with local government organisations and provided us with information on its work with the Local Government Association to promote collaboration on development.²³⁹

231 Local Government Association, “Using Public Excellence Overseas” (2009).

232 International Development Committee, Fourth Report of Session 2008-09, *Aid Under Pressure: Support for Development Assistance in a Global Economic Downturn*, Vol II, Ev 127-128

233 Ev 169-170. The five local agencies are: the Commonwealth Local Government Forum; the Improvement and Development Agency; the Local Government Association; the National Association of Local Councils; and the Society of Local Authority Chief Executives & Senior Managers. LG AID has recently been awarded £300,000 (over three years) from DFID’s Development Awareness Fund for raising awareness of development issues amongst local councils in the UK.

234 Ev 169-170

235 Qq 94-95. 0.7% is the target proportion of gross national product set by developed countries to go towards international development.

236 Q 112

237 Q 114

238 Q 106

239 Fourth Special Report, Session 2008-09, HC 1009, response to recommendation in paragraph 96

131. We believe that a key opportunity exists for UK local government expertise to be shared on a more systematic basis with municipal authorities in developing countries and we welcome DFID's acknowledgement of this in its response to our earlier report. DFID's ability to expand its human resources is currently constrained but expertise on urban issues exists within many UK local authorities. This seems to us to create the perfect opportunity to tap into an available but currently under-exploited source of knowledge. We recommend that DFID look at partnership models used by Canada and Norway whereby small amounts of international development funds are used to support the logistical arrangements for sending local government staff overseas. It is important that the objective of such projects should be to facilitate capacity-building and should involve robust on-the-ground collaboration and strategic follow-up. This will require strong commitment from DFID, the Department for Communities and Local Government and local government if it is to be effective. But we believe that a relatively modest amount of funding could have great impact in strengthening local government capacity in areas such as financial management, governance and accountability, the 'greening' of urban economies and regeneration. This would be a two-way learning process and would bring mutual benefit.

Improved collaboration across Whitehall

132. It is clear that for DFID to support UK local government to participate in international development, it would need to co-ordinate closely with the Department for Communities and Local Government (DCLG).²⁴⁰ Richard Shaw said that currently DFID co-ordination with DCLG on urban development and local government appeared to be lacking.²⁴¹

133. The DFID Minister told us that the two departments collaborate on the Cities Alliance and the Commonwealth Local Government Programme. DFID also combines with DCLG to provide the UK representation at the biennial World Urban Fora with DCLG taking the lead. Iain Wright MP, then Parliamentary Under-Secretary of State for DCLG, attended the Fourth World Urban Forum, held in Nanjing in November 2008, but DFID acknowledged that "otherwise the UK input was limited".²⁴² The DFID Minister told us:

We do work with DCLG on any international dimension of their work. For example, [...] [at the] World Urban Forum [...] it is a DCLG Minister that leads the delegation, but there are usually senior DFID officials in that delegation.

Geoffrey Payne highlighted that DFID sent just one representative as part of the UK delegation in Nanjing.²⁴³ DFID told us that discussion about UK participation in the Fifth World Urban Forum in Rio de Janeiro in March 2010 is "on-going".²⁴⁴

240 Q 107

241 Q 104

242 Ev 91

243 Geoffrey Payne, id21 Viewpoint, "The world comes to Nanjing for the World Urban Forum" (14 December 2008), online at: <http://www.id21.org/viewpoints/pdfs/Payne.pdf>

244 Ev 91

134. Within DFID's submission to us, details of co-operation with other UK Government departments on urbanisation and poverty were limited to a description of its work with the BRIC countries (Brazil, Russia, India and China).²⁴⁵ Government action on urbanisation and poverty in BRIC countries falls mainly under three of the 30 Public Service Agreements (PSAs),²⁴⁶ within the overall heading of "A more secure, fair and environmentally sustainable world":

- PSA 27: Lead the global effort to avoid dangerous climate change (lead department: Department for Energy and Climate Change);
- PSA 28: Secure a healthy and natural environment for today and in the future (lead department: Department for Environment, Food and Rural Affairs (DEFRA); delivery partners include Department for Communities and Local Government); and
- PSA 29: Reduce poverty in poorer countries through quicker progress towards the MDGs (lead department: DFID; delivery partners include HM Treasury, the Foreign and Commonwealth Office and DEFRA).²⁴⁷

DFID did not provide us with details of UK Government co-operation on urbanisation and poverty in developing countries other than in relation to these four major economies. It acknowledges that "greater interaction with other Whitehall government partners is possible."²⁴⁸

135. Co-operation between DFID and the Department for Communities and Local Government on urban development currently appears to be weak. For example, DFID sent just one staff member as part of the joint delegation to the last World Urban Forum held in 2008. Closer joint working will be necessary if DFID is to provide support for UK local government to contribute to international development and it will only become more important as the world continues to urbanise. We recommend that, in response to this Report, DFID provide us with information on how it intends to improve joint working. We also encourage DFID to use the forthcoming Fifth World Urban Forum in Rio de Janeiro in March 2010 as an opportunity to move towards new, closer working practices.

Poverty Reduction Strategy Papers

136. Poverty Reduction Strategy Papers (PRSPs) were introduced by the World Bank and International Monetary Fund in 1999 as a framework for negotiations between major bilateral and multilateral donors, partner country governments and civil society. They are produced by developing countries to describe macroeconomic, structural and social approaches to growth and poverty reduction, and to highlight financing needs to external

²⁴⁵ Ev 88-93

²⁴⁶ The 30 cross-government PSAs were introduced in the 2007 Comprehensive Spending Review as the basis for government spending from 2008-2011; each has a lead department with named departments as delivery partners.

²⁴⁷ HM Treasury (2009) "PSAs—A more secure, fair and environmentally sustainable world", http://www.hm-treasury.gov.uk/pbr_csr07_psaenvironment.htm, quoted in Ev 88-89.

²⁴⁸ Ev 81

lenders. National priorities, policies and action plans are set out, often including quantitative targets and monitoring frameworks.²⁴⁹

137. We were told that the lack of prioritisation of urban development within PRSPs is a major barrier to progress. Homeless International said that PRSPs “show a general lack of focus on, and understanding of, urban poverty issues”.²⁵⁰ They attributed this partly to the lack of civil society involvement in the PRSP process within contexts where organisations of the urban poor are not recognised.²⁵¹ David Satterthwaite of IIED pointed out that, if you were to search a 300-page PRSP for the words “slums” or “squatter settlements”, you would find nothing: “It just is not in the conception of the people that develop the PRSPs that there is a thing called “urban poverty” that has importance”.²⁵² He blamed this on World Bank staff.²⁵³ Since PRSPs were introduced, criticism has been directed at the Bank’s powerful role in developing the Papers, with some arguing that macroeconomic policy choices have not been adequately debated and that few countries have felt able to deviate from standard approaches recommended by the Bank.²⁵⁴

138. DFID has provided \$350,000 through the Cities Alliance for the World Bank’s work in five African countries on “Mainstreaming Urban in Poverty Reduction Strategies.”²⁵⁵ Ruth McLeod thought DFID could have a “tremendously strong” role in supporting the capacity of agencies working on urban development to “make that voice louder” within PRSP consultation processes.²⁵⁶ The DFID Minister told us:

We do address and raise in discussions about poverty reduction strategies in-country concerns about some of the needs of slum dwellers or some of the needs around urbanisation in terms of education, on health, on water, on sanitation et cetera. Simply because there is not a paragraph that talks about urbanisation does not mean that we are not addressing some of the challenges that urbanisation brings in those PRSPs.²⁵⁷

139. We believe that urban issues require far more emphasis within developing countries’ national Poverty Reduction Strategy Papers (PRSPs). We disagree with DFID that implicit references to urban issues within PRSP texts are sufficient. Urban poverty will only be prioritised when it is made visible as an issue on national agendas with the necessary political will underpinning firm targets. We believe that achieving higher prioritisation within PRSPs will require concerted efforts from key players in the process, including the World Bank, civil society and major donors. We recommend

249 S.Fukuda-Parr, “Are the MDGs priority in development strategies and aid programmes?”, International Policy Centre for Inclusive Growth, 2008, p.5

250 Ev 117

251 Ev 118

252 Q 161

253 Q 161

254 For example, Bretton Woods Project and World Vision, “Blinding with Science or Encouraging Debate? How World Bank analysis determines PRSP policies” (2002)

255 DFID says that these funds were used to support analytical work on urbanisation/urban policy/urban poverty issues and dissemination in Ethiopia, Ghana, Tanzania, Kenya, and Mozambique (Ev 86).

256 Q 79

257 Q 193

that DFID make much more vigorous efforts to encourage development partners to ensure that urban poverty reduction is given specific and detailed coverage in their strategy papers.

5 Implications for DFID’s organisational response

140. After considering the role played by other stakeholders in addressing urban poverty, we will now turn the focus back to DFID itself. In this chapter, we will assess the implications of our analysis for DFID’s organisational response to urban poverty, especially the Department’s prioritisation of where and how to deploy resources.

The visibility of urban issues within DFID

Staffing and expertise

141. The view of a number of witnesses was that urban issues are not sufficiently visible within DFID. This is partly because, as we have said, the Department does not always label work addressing urban contexts as ‘urban development’. Comments by the DFID Minister underlined this approach. In relation to DFID’s record on advocating for urban poverty, he said “I think we have [advocated on urbanisation]; we just have not necessarily done it under the banner of urbanisation.”²⁵⁸ This approach is evident in the Department’s recent White Paper, which contains just three references to the urban context.²⁵⁹ Ruth McLeod of the DPU said that the Community-Led Infrastructure Finance Facility was an example of an initiative that DFID would not necessarily put forward as an “urban” initiative—it is categorised more on the basis of financial sector development.²⁶⁰

142. The decision not to label programmes as “urban”, but to see the urban context as cross-cutting—in the same way as, say, gender issues are treated within DFID—has, according to witnesses, contributed to a “dismantling” of expertise within the Department.²⁶¹ As we have said, DFID’s Infrastructure and Urban Development Department was closed following the 2003-04 organisational restructuring.²⁶² A team called Urban and Rural Change was set up, but has since also been shut down.²⁶³ These moves were in spite of the pledge made in DFID’s 2001 Strategy Paper to “build on and enhance our professional cadres to ensure that we are providing the right kind of support to the urban development process, at both policy and field level.”²⁶⁴

143. DFID says that, whilst the Department has no dedicated team or unit, it still has 42 Infrastructure and Urban Development Advisers deployed “in various ways”. These comprise 19 UK-based staff and 23 located either overseas or within external organisations. The Department told us that these staff “collectively [...] comprise DFID’s Infrastructure

258 Q 182

259 DFID, *Eliminating World Poverty: Building our Common Future*, Cm 7656, July 2009, p.41, p.42 and p.70

260 Q 76

261 Q 75

262 Ev 71

263 Ev 71

264 DFID Strategy Paper, ‘Meeting the Challenge of Poverty in Urban Areas’ (2001), para 5.4.17

Cadre”.²⁶⁵ Our understanding of this statement is that all Infrastructure and Urban Development Advisers are drawn from the infrastructure cadre.

144. Witnesses said that, notwithstanding the existence of this “virtual group”,²⁶⁶ vital expertise has been lost from within DFID, although the Minister disputed this.²⁶⁷ Geoffrey Payne said:

Urban development and management is essentially a subject requiring expertise rather than massive funding. A major reason for DFID’s high reputation in the past is that it possessed and deployed a cadre of competent and committed professionals working with local professionals and agencies to build local capability to address urban related issues. Repeated reorganizations have squandered DFID’s wealth of experience and professional expertise on development during the last ten years.²⁶⁸

145. We see a number of problems relating to urban expertise within DFID. Firstly, the lack of a formal team or unit means that urban issues are less visible within DFID. As Caren Levy of the DPU said, “there is not necessarily a coherent community of practice within DFID which recognises urban development as some kind of real context in which development is taking place”.²⁶⁹ Without this “community of practice”, it seems to us that it is difficult for DFID to generate effective policy analysis, for instance relating to how to replicate good practice from the Department’s programmes in Asia within African countries.

146. Secondly, the lack of a designated urban team means that there is no clear focal point within DFID with which external groups can engage. Andy Rutherford of One World Action said that the UK-based group of NGOs and other organisations working on urban poverty “do not have a counterpart to work with in DFID.”²⁷⁰ Ruth McLeod of the DPU said in relation to urban issues:

It has been the experience of quite a lot of agencies that there is no-one to talk to [in DFID]. You may have something really important to bring to the table to discuss, but unless you have got a relationship which is ongoing [...] it is really difficult because there is not a focus.²⁷¹

DFID told us that the Infrastructure Head of Profession based in the Department’s headquarters is the first point of contact on urbanisation issues.²⁷² As one witness said, the title and remit of this post “does not denote clearly a focal point for urban issues, particularly to an outside audience.”²⁷³

265 Ev 99

266 Q 55 [Andy Rutherford]

267 Q 171

268 Ev 151

269 Q 75

270 Q 55 [Andy Rutherford]

271 Q 76

272 Ev 99

273 Ev 71

147. A third problem relates to the fact that expertise is drawn solely from DFID's infrastructure cadre. An urban specialist previously employed by DFID, Cormac Davey, told us that most of the Infrastructure and Urban Development Advisers who have been retained following the Department's restructuring are engineers. Yet urban poverty reduction is complex and requires a multi-disciplinary approach.²⁷⁴ Mr Davey said that DFID currently does not bring other crucial skills, such as urban planning, housing and surveying, to bear on its urban development work.²⁷⁵ Other professions, such as social development, are likely to be needed for basic service provision within urban centres. Slum upgrading, in particular, is highly multi-sectoral in nature, requiring a range of expertise including governance, infrastructure (water, sanitation, energy, housing, transportation), services (health, education), and climate change.²⁷⁶ According to Homeless International, this requires "integration and coordination of activities and resources which is not aided by DFID's departmental and funding fragmentation".²⁷⁷

148. A fourth and final problem with the current configuration of expertise within DFID is that many country programmes do not employ an urban specialist. David Satterthwaite of the IIED said that in-country urban expertise had been lost over time and that this has led to missed opportunities in partner countries—for example, in supporting community-led initiatives:

Say, in country X there is a good opportunity; the central government is committed, the local government has possibilities and the urban poor are organised; there is no one in DFID that actually will talk to them. That is the difficulty for me; there is no knowledge, no expertise, no commitment to address urban issues. There are exceptions: the office in India has some very good urban specialists. In a sense, you need this in every country.²⁷⁸

149. We believe that DFID's reluctance to label programmes as "urban" has contributed to a decline in the visibility of urban development within the Department. This decline is linked to a recent period of fragmentation of urban expertise within DFID, with specialised staff now scattered confusingly across the UK Headquarters and international programmes. Without a coherent grouping, the Department's capacity to carry out effective policy analysis and programming for this complex issue risks being compromised. Furthermore, the lack of a designated urban team or unit makes it difficult for external organisations to engage with DFID on urban poverty issues. Although it is for DFID to decide on the precise configuration of its urban expertise, we recommend that it put structures in place that clearly convey how and where its core staff for urban development are located.

150. We recommend that this urban poverty team or unit, in whatever form it takes, reflect the multi-sectoral nature of urban development. We believe that DFID's current reliance on its infrastructure cadre for urban expertise is misplaced. Issues such as slum

274 Ev 112

275 Ev 71

276 Ev 119

277 Ev 118

278 Q 136 [David Satterthwaite] and Q 146

upgrading require inputs from a range of DFID advisory cadres, including governance, infrastructure, social development and climate change. We believe that all of DFID’s more substantial country programmes should include urban advisers. This is essential if DFID is to capitalise on opportunities to push urban poverty higher up national agendas.

Making better use of the research and practitioner communities

151. Caren Levy of the DPU told us that one way to achieve multi-sectoral expertise within DFID would be to extend beyond DFID Headquarters to a wider group of people drawn from both the UK and locally in countries where DFID works who could “feed into that community of practice in different ways.”²⁷⁹ A wide range of both UK-based and international research, non-governmental and private sector organisations work on urbanisation issues. Slum dwellers themselves represent an expert practitioner base. UN-Habitat representative Paul Taylor told us:

DFID and the UK generally punch below their weight in [urbanisation] [...] The UK has, particularly in terms of its university base, a massive comparative advantage over other donor governments. It has a large number of institutions that have a worldwide reputation for excellence, yet what we are seeing is that the support they have historically received from the UK Government has been dropping away over recent years. We think there is a lot of scope to use the UK resource base in a more proactive fashion than we are doing at the moment.²⁸⁰

152. Witnesses were very keen to collaborate with DFID on urban development. For example, the Royal Institution of Chartered Surveyors told us it could help “raise awareness of the range of skills on offer; build local capacity; and promote a wider understanding of the fundamental importance of a properly functioning land, property and construction market for any successful or developing economy.”²⁸¹ Geoffrey Payne told us that he was aware that UK-based young professionals in the urban sector were “very, very keen” to contribute to international development.²⁸²

153. Another way in which DFID could bring in external knowledge would be to prioritise urban development within its research programme, which, according to one witness, currently has no urban component.²⁸³ DFID launched a new Research Strategy in April 2008 that doubled its financing for research to £1 billion over the five years of the strategy. The Department told us that this newly strengthened research capacity “could be deployed to deepen understanding and improve targeting of interventions” regarding urbanisation.²⁸⁴ In Chapter 3, we recommended that the Strategy should help fill the current gaps in detailed understanding of the nature of disease and health problems in slums and informal settlements. In addition, the DPU suggested a research and

279 Q 77 and Ev 151

280 Q 18

281 Ev 160

282 Q 122 and Ev 151

283 Ev 171

284 Ev 81

development agenda for DFID covering topics such as: documenting innovation; managing urban growth; understanding the changing nature of slums; urban planning in the context of climate change; and understanding the causes and mechanisms of forced evictions.²⁸⁵ DFID is developing a multi-million pound Climate and Development Knowledge Network (previously known as the Centre for Climate and Development) which will provide research and advisory services.²⁸⁶

154. We believe that another way of strengthening DFID’s “community of practice” on urban development would be to make better use of the research and practitioner base both within the UK and internationally. The UK has world-reputed university departments, research institutions, NGOs and professional organisations working on the urban sector. We recommend that DFID develop an approach to reach out to these groups and make effective use of the skills and expertise that they have to offer.

155. We recommend that DFID use its new Research Strategy to fund research into the most effective policies and interventions for addressing urban poverty. There are many potential topics for such research, but we believe that managing and understanding slum growth should be at the top of the agenda given the urgency of reaching the MDGs. We also reiterate our recommendation that the Strategy should help fill the current gaps in detailed understanding of the nature of disease and health problems in slums and informal settlements. The intersections between urbanisation, urban poverty and climate change is another crucial topic, and we suggest that the Department’s new Climate and Development Knowledge Network look at funding such research work.

An urban strategy

156. We believe that another pre-requisite for the re-establishment of a coherent body of urban expertise within DFID is the development of a formal strategy for addressing urban poverty. As we have said, DFID developed such a strategy in 2001. *Meeting the Challenge of Poverty in Urban Areas* was a comprehensive document that committed DFID to make “a full and substantial contribution” to addressing urban poverty.²⁸⁷ The Strategy Paper was credited by witnesses as an “excellent” and “progressive” publication.²⁸⁸

157. When we challenged the DFID Minister about the lack of a new strategy, he told us that the 2001 paper was still “very relevant” and that he did not anticipate a new strategy on the subject being produced at this stage.²⁸⁹ He said that the Department was working on a new infrastructure paper, which would include some content on the challenges of urbanisation.²⁹⁰ He could not give us a date for the publication of this paper.

285 Ev 107

286 DFID, *Annual Report and Resource Accounts 2008-09*, para 2.51. See also Fifth Special Report from the Committee, Session 2008-09, HC 1009, *Sustainable Development in a Changing Climate: Government Response to the Fifth Report of the Committee, Session 2008-09*, response to recommendation in para 152

287 DFID Strategy Paper, 'Meeting the Challenge of Poverty in Urban Areas' (2001), paras 5.2.3

288 Q 75 and Ev 151

289 Qq 168-169

290 Q 168

158. The Minister’s view that no new strategy is required conflicted with the views of witnesses. The DPU said that a DFID urban development policy is “urgently needed” and that “this could be a two-pronged policy to support both central and local governments”.²⁹¹ Geoffrey Payne believed that a “review and updating” of the 2001 Strategy Paper would be “a good step forward in building up an urban expertise base.”²⁹² Richard Shaw of the Local Government Alliance for International Development told us that “the pace of urbanisation is emerging as such an important issue that it would be surprising if DFID did not develop at least a strategy towards [it].”²⁹³ David Satterthwaite argued that, without a formal strategy or policy, urban specialists within DFID could not bring their knowledge to bear.²⁹⁴

159. We believe that a new strategy may also help DFID to communicate more clearly how its work addresses urban poverty. We feel there are areas of confusion around the Department’s work which it needs to clarify for both the UK public and partner countries. For example, we cannot understand why there are programmes in India labelled as “urban development” but not in African countries. DFID has not given us a coherent picture of how its programmes within Africa promote urban development. A strategy could help explain these issues and set out the full range of DFID’s interventions and policies for urban poverty.

160. We believe that, given the pace and scale of urbanisation, DFID should produce a new strategy paper on how it intends to address urban poverty. Such a paper would help to raise the profile of urban development both within and outside DFID, and enable urban specialists within DFID to bring their knowledge to bear. A new strategy would also help communicate more clearly DFID’s work on urban poverty, which is currently subject to some confusion in terms of where the Department works and what its priorities are. We are not satisfied that the development of a new infrastructure paper will go far enough towards meeting these objectives and believe that what is needed is a comprehensive document along the lines of DFID’s well-received 2001 urban strategy paper.

Replicating successes from Asia in Africa

161. As we said in Chapter 3, the majority of DFID’s slum upgrading and urban development work is currently in South Asia.²⁹⁵ DFID’s urban development projects and programmes in India—worth £236 million—are benefiting 2.9 million slum dwellers.²⁹⁶ But the Department has far less of an urban focus in Africa. We are concerned that the rapid expansion of urban populations in a number of African countries could trigger a humanitarian crisis in some cities in as little as five years’ time, if appropriate action is not taken.

291 Ev 106

292 Ev 151

293 Q 103

294 Q 137 [David Satterthwaite]

295 Ev 77

296 Ev 77 and Ev 78

162. Witnesses believed that DFID should extend its focus to rapidly urbanising countries in Africa.²⁹⁷ They gave wide-ranging suggestions of groups, issues and initiatives in African contexts that would benefit from DFID support:

- the ability of civil society to hold governments to account for urban development;
- community-led initiatives amongst slum dwellers in Africa—and the sharing of good practice by international federations of the urban poor;
- microfinance initiatives in urban settings;
- health, especially mental health services; and
- marginalised groups such as street children.²⁹⁸

DFID has examples of good practice for addressing a number of these and many other urban development issues from its India programme. Geoffrey Payne told us that:

DFID is doing some extremely good things and those need to be built on. [...] [In India's Bihar State] a new Chief Minister is being supported by £50 million, a six-year programme of DFID funding, to improve urban governance, land administration policy and public sector capability and management. [...] That is very much the sort of example on which DFID might do well to expand.²⁹⁹

Transferable lessons should not just come from DFID's own programmes. There are many other examples of slum upgrading and urban development work from Asia—for example, community-led sanitation initiatives in India, Thailand and Pakistan—that could potentially be replicable within African countries.³⁰⁰

163. Andy Rutherford of One World Action was concerned that “institutionally there has been a weakness in the lesson learning and sharing within DFID”.³⁰¹ He said that identifying and disseminating successful aspects of a DFID-funded urban development initiative in Africa, the Luanda Urban Poverty Programme in Angola (LUPP, which has received DFID support since 1999), had been an “uphill challenge”.³⁰² Yet there are many potentially replicable aspects of the LUPP, especially around urban governance.³⁰³ David Satterthwaite told us that:

Slum dwellers in Africa have learned from the slum dwellers in India. There is this amazing exchange. Women's savings groups which formed originally from pavement dwellers in India have gone all around Africa [...] It would be nice if DFID did the same.³⁰⁴

297 For example, Q 139

298 Respectively: Qq 57, 59 and 140; Ev 158; Ev 61; and Q 57

299 Q 102

300 Q 142

301 Q 54 [Andy Rutherford]

302 Q 52

303 Ev 144

304 Q 140

164. The DFID Minister told us that expertise from different country programmes is shared by infrastructure and urban development advisers during departmental “retreats”.³⁰⁵ He made the point that a key determinant of success in India has been the presence of high-level political will to address urban poverty, and that this would need to be present within other countries if DFID was to have an impact.³⁰⁶ He said that another influencing factor in DFID’s closer engagement within Asian countries was that they had a higher level of community organisation and participation than African ones.³⁰⁷

165. We recommend that DFID assess with urgency how it can replicate within African countries successful strategies from its well-established urban development programme in India. Africa is the world’s fastest-urbanising region and has the highest proportion of slum dwellers. It therefore needs immediate assistance with urban development. DFID has successful examples of urban interventions from its India programme. It also has a handful of successful urban programmes within Africa, such as the Luanda Urban Poverty Programme in Angola. We recommend that the Department look carefully at which of these strategies could be replicated across DFID’s African programmes. Of course, some approaches will be context-specific. Their replication will also depend on the presence of high-level political will to address urban poverty within national governments. However, we do not believe that the fact that there is currently greater community participation in some Asian countries than African ones is a reason not to focus on urban development programmes in Africa.

166. We believe that DFID’s ability to replicate approaches from Asia in African countries will depend on its ability to re-configure expertise—so that major African programmes have access to at least one urban poverty specialist—and make better use of research that documents successful strategies for urban development from around the world.

DFID’s role in moving urban poverty up the international agenda

167. Our final suggestion for DFID’s response to urban poverty relates to the global political arena. The DPU believes that, “just as it did in the [...] 1990s, DFID should once again play a leading and progressive role in the global urban agenda and arenas of debate.”³⁰⁸ Caren Levy told us:

DFID has an advocacy role to play [...] In the same way as DFID has [...] played an important role in raising climate change issues on to international agendas, it has the same role to do with urban development. It has to make the arguments and has to engage with partners in the same way as it does with everything else.³⁰⁹

Geoffrey Payne highlighted that a Shelter, Land, and Urban Management (SLUM) Assistance Act has just been put forward in the US House of Representatives, aiming to

305 Q 177

306 Q 187

307 Q 176

308 Ev 106

309 Q 78

make addressing the challenges of slums a higher priority in US foreign aid programmes. He said that “DFID would do well to follow a similar step”.³¹⁰

168. Clearly, this would require co-ordinated UK Government action and may or may not be a realistic option in the short term. But higher international prioritisation of urban issues is undoubtedly needed. Geoffrey Payne said that “constraints to progress in urban development are ultimately about governance and political will, rather than resources or know how.”³¹¹ As we have said, building this political will requires a committed approach by all stakeholders, including the prioritisation of urban issues within national poverty reduction strategies and concerted action from UN agencies working in urban contexts.

169. Some commentators discern an element of anti-urban bias within certain developing country governments, especially in Africa. The NGO Habitat for Humanity perceived a similar reluctance to engage with urban issues within some donor agencies. They believed that the main reasons for the lack of donor focus on urban poverty are donors’ beliefs that rural poverty is “both more prevalent and more acute in absolute dollar terms”, and that urban poverty is highly complex and requires multi-sectoral approaches, “something aid agencies struggle with due to structural reasons”.³¹² They said that “while it is true that urban poverty may be more complex, it is also true that if handled well, the impacts on the poor can be felt in much greater numbers and in more lasting, sustainable ways”.³¹³ It certainly struck us that the sheer concentration of people in many urban centres should make it possible for donor funds to be particularly cost-efficient when spent in these contexts.

170. It is difficult to comment on DFID’s overall prioritisation of urban and rural poverty because the Department categorises assistance by sector but not by type of beneficiary (for example, the rural versus the urban poor).³¹⁴ A 2007 study by the National Audit Office (NAO) asked DFID country teams for their estimates of the proportion of their expenditure benefiting the rural poor. Fewer than half described their country programme as more rural than non-rural. However, the NAO found that, of a sample of 515 DFID projects and programmes, approximately two-thirds of bilateral assistance had a rural focus. It is worth noting that, in the same countries, around three-quarters of the poor lived in rural areas.³¹⁵

171. We reiterate our recommendation that DFID and other donors advocate for increased attention to urban poverty by all partner governments, especially those in Africa. We also recommend that DFID take a leading role in helping to build political support for this approach within the international community. None of the changes that we have suggested in this report will be possible unless urban poverty is given higher priority at the global level. Unless the full range of development actors, including other donors, the UN and international civil society, is convinced of the need

310 Ev 151

311 Ev 151

312 Ev 112

313 Ev 112

314 National Audit Office, “Tackling Rural Poverty in Developing Countries” (2007), p.11

315 National Audit Office, “Tackling rural poverty in developing countries” (2007), p.11

to act, enhanced DFID efforts will not be able to achieve additional funding and resources to address urban poverty.

172. The ability to generate political will amongst developing country governments will require donor agencies to demonstrate that they themselves attach sufficient priority to urban, as opposed to rural, contexts. We believe that seeking to overcome the challenges associated with the complexity of the urban sector is not only the right thing to do but is potentially a cost-efficient development strategy, offering sustainable solutions to large numbers of people. It is difficult for us to comment on DFID's own prioritisation because the Department categorises assistance by sector but not by type of beneficiary. However, we recommend that DFID carefully assess the overall balance of its support to urban and rural poverty and keep this under review as the world continues to urbanise.

6 Conclusion

173. Urban poverty is under-estimated and under-prioritised both by developing country governments and by the international community. National leaders and international institutions have yet to recognise the enormity of the social, economic and spatial changes taking place within their cities. This is one of many reasons why key international donors such as DFID need to take immediate action to push urban poverty back up both their own and the international agendas. Without such action, the size and the poverty of developing country cities—especially in Africa—will continue to grow sharply. This could trigger crises in a number of cities as overcrowding overwhelms weak infrastructure and deficient public services. Delaying action will cost lives and money; it is easier, safer and less costly to repair broken infrastructure and build up basic services now than it will be to pick up the pieces later. Otherwise, there could be crises and possible conflict in some particularly vulnerable countries within just five years.

174. DFID has been a leading donor to urban development within the past decade. This gives it the opportunity quickly to re-establish the necessary staffing and policies. This can be done without the need for substantial additional resources. By re-prioritising urban poverty DFID would set an example which could encourage other donors to do the same, thereby leveraging considerable resources for only a modest cost. We urge DFID to act quickly and give urban communities the support they deserve in pulling themselves out of poverty. Then the positive forces of urbanisation—economic growth, cleaner air, healthier and more productive populations—can be unleashed worldwide.

Conclusions and recommendations

The responses of developing country governments to urban poverty

1. We were concerned to hear that few governments in sub-Saharan Africa have effective urban poverty reduction programmes, despite Africa's status as the world's fastest-urbanising region and the fact that it has the highest proportion of slum dwellers. We encourage DFID and other donors to advocate for increased attention to urban poverty by all partner governments, especially those in Africa. This will necessitate greater prioritisation of urban development within national poverty reduction strategies. (Paragraph 17)

Measuring urban poverty

2. Ensuring that policies and programmes are based on accurate measurements of urban poverty is vital. We recommend that DFID encourage the World Bank and other key international institutions to explore new forms of measuring urban poverty that move beyond the use of crude poverty lines to take proper account of the high costs for housing and basic services paid by many of the urban poor. (Paragraph 20)

The decline of donor urban programming

3. We were concerned to hear that overall donor financing for achieving the Millennium Development Goal 7 slum upgrading target is very low. We are also concerned about the level of staffing capacity within donor agencies to meet the target. DFID is one of a number of bilateral donors that have withdrawn their dedicated urban poverty teams or units. It seems counter-intuitive to us that, as the process of urbanisation and levels of urban poverty have increased, staff capacity to work on these issues has been reduced. (Paragraph 27)

Unemployment and crime

4. We welcome the pledge made in DFID's White Paper to address a key driver of conflict and crime—unemployment amongst young men. We also welcome DFID's recognition of the importance of developing women's skills. However, we were disappointed that neither point was linked to urban contexts specifically. In slum settlements, where large numbers of young, poor and unemployed people may be concentrated, the risks of internal conflict, crime and extremism are heightened. Women and children are at particular risk to exploitative and dangerous work. We recommend that DFID ensure that urban settings are given a specific focus for its crime reduction, employment generation and skills development schemes. (Paragraph 32)
5. Local and community responses to urban crime have been proven to be highly effective. We credit DFID's support to community security and policing initiatives in Jamaica and Nigeria and urge the Department to look at other contexts where these approaches can be applied. (Paragraph 34)

Social exclusion

6. Street children have different needs from other children living in urban contexts. We urge DFID to ensure that both the Department and its key partners include tailored policies and programmes for street children within their approach to urban development. We are concerned that indicators based on reaching vulnerable children more generally may not ensure that street children receive the discrete and targeted assistance they require. We recommend that DFID adopt indicators specific to street children within its new Institutional Strategy with UNICEF. (Paragraph 37)
7. A lack of secure property rights is a major barrier to poor urban dwellers' inclusion in city-wide service provision. It also exposes poor residents to the risk of forced eviction. During our visit to Nigeria we witnessed the benefits emerging from a DFID-supported project to establish secure land tenure and property rights in Lagos. Establishing tenure can help residents improve their living conditions, access basic services and raise capital. We recommend that DFID disseminate lessons from and build on their support to the Lagos State Land Registry, and actively support other programmes supporting secure tenure. However, we would caution that land and property titling may not always be the most appropriate form of providing secure tenure for poor urban dwellers and we would encourage DFID to use the approach judiciously. (Paragraph 42)
8. Slum dwellers face multiple levels of social exclusion, and their marginalisation may be exacerbated by other forms of discrimination based on, for example, gender, ethnicity, age and migrant status. We believe that DFID should allocate resources towards urban programmes that strengthen inclusive governance, transparency and accountability. This should include support to community groups working for urban development, including women's organisations. (Paragraph 46)
9. Social protection schemes provide an important safety net for households at risk from poverty and economic shocks. We urge DFID to ensure that its expansion of social protection schemes over the next three years is focused as much on urban as rural contexts. We encourage DFID to look beyond cash transfers alone to broader measures of protection that will ensure all vulnerable groups are reached. (Paragraph 48)

Population growth

10. We were struck by the paucity of evidence received in this inquiry addressing the links between urbanisation and population growth. Natural population increase accounts for some 60% of urban growth. We understand that population control is a sensitive issue but it seems surprising to us that neither UN-Habitat nor DFID provided us with information on linking their support to urban development with a population strategy or with co-operation with the UN Population Fund. We suggest that both agencies look more closely at how such linkages could be achieved. (Paragraph 52)

Climate change and the environment

11. We were pleased to hear that DFID is seeking to bring the climate change and urbanisation agendas closer together. However, we urge DFID and other international agencies to ensure that attempts to address the impacts of climate change in cities do not divert resources from targeted programmes for urban poverty reduction, including basic service provision and slum upgrading. We recommend that, as well as ensuring its own programmes avoid this outcome, DFID advocate for UN-Habitat, in conjunction with the UN Framework Convention on Climate Change, to lead efforts to boost the capacity of cities to address climate change impacts without neglecting vital urban poverty reduction strategies. Building capacity at local government and community level is central to managing this tension. (Paragraph 58)

DFID's response to urban poverty

12. We were surprised at what appears to be a sharp imbalance in the level and profile of DFID engagement in programmes addressing urban development in Asia compared to Africa. We understand that programmes that benefit urban contexts may not always be labelled as such. But given the impressive range of programmes explicitly labelled as “urban” in India, we fail to understand why DFID does not support similar initiatives in Africa—especially given its status as the world’s fastest urbanising region and the fact that it has the highest proportion of slum dwellers. We are concerned that, without a new and comprehensive approach to urban development in Africa, a number of cities could face a humanitarian crisis in as little as five years’ time, given the huge expansion of their urban populations. (Paragraph 66)
13. We were impressed with the Community-Led Infrastructure Finance Facility (CLIFF), which is forging new relationships between urban poor organisations, governments, donors and banks—and leveraging considerable financial resources in the process. We commend DFID’s decision to provide a second phase of funding to CLIFF, and recommend that DFID encourage other donors to support this highly worthwhile initiative. We were pleased to hear that the second phase of funding will facilitate the expansion of the Facility into two further countries beyond the initial three (India, Kenya and the Philippines). We recommend that at least one of these countries, and if possible both, are located in sub-Saharan Africa, where improved urban housing and infrastructure is urgently needed. (Paragraph 70)
14. Slum dwellers and other low income urban groups need targeted support to improve their living conditions. Housing microfinance offers an effective and sustainable route towards funding these improvements. We recommend that DFID explore options for strengthening funding of housing microfinance schemes, as a way to boost the current relatively low level of financing it allocates to the housing sector. (Paragraph 74)
15. DFID’s approach to strengthening healthcare by supporting discrete projects, channelling funds through multilateral frameworks and providing social protection ‘safety nets’ is well-established. However, there are a number of specific challenges

associated with health care provision in urban areas, especially regarding communicable diseases such as HIV/AIDS, mental health and inequalities in access to services. DFID should differentiate specific urban components of its health programmes so that steps being taken to address these particular challenges are made clear. We recommend that DFID help ensure that international efforts are based on a solid knowledge base by funding research into the current gaps in detailed understanding of the nature of disease and health problems in poor urban settlements as part of its 2008-13 Research Strategy. (Paragraph 79)

16. We believe that, as with healthcare, there are a number of specific challenges associated with education provision in urban areas, including cramped and unhygienic classroom conditions, the problem of absenteeism due to child labour (especially for girls) and a lack of government schools due to non-recognition of informal settlements. Similar steps to differentiate specific urban components of DFID's education programmes are needed to identify the measures being taken to address these challenges and enhance interventions where necessary. We recommend that DFID work with partner country governments to tackle the issue of official recognition of slums so that more local schools can be provided for children in slum areas. (Paragraph 82)
17. We welcome the support to water and sanitation that DFID is providing through its India programme. However, we are aware once again that there are few examples of DFID support to these essential services in African countries. We assume that DFID provides some support through country programme work but we were not given details of this. It is also clear that DFID provides support through international initiatives such as the Community-Led Infrastructure and Finance Facility and the Water and Sanitation for the Urban Poor partnership. These are both highly commendable ventures, and we urge DFID to extend its funding of these and other projects with strong community participation. We recommend that DFID carefully consider whether it is doing enough to help meet the MDG 7 target to halve the proportion of people without sustainable access to safe drinking water and basic sanitation, especially within urban contexts in Africa, the region which is most off-track on this target. (Paragraph 89)
18. We recommend that DFID keep under careful review the commitment in its new Water and Sanitation Policy to continue to direct much of its support to sanitation and water in rural areas. Undoubtedly, provision in many rural and remote areas is very low. But the balance of need may be shifting in line with the trend of urbanisation; services in urban areas, particularly within the sanitation sector in Africa, are often very poor. In order for DFID to make informed choices about where to commit its resources, it will need to ensure it is working from accurate measures of urban poverty. We reiterate our earlier recommendation that DFID encourage the World Bank and other key international institutions to explore new systems for measuring urban poverty. (Paragraph 91)
19. The challenges associated with providing adequate power and transport services within poor urban areas were self-evident during our visit to Nigeria. Lack of electricity and constraints upon movement around cities makes life even more difficult for poor people and limits their ability to escape poverty by running their

own businesses or going out to work. We were pleased to see that DFID is supporting the Nigerian Government to strengthen both sectors through the Nigeria Infrastructure Advisory Facility. We urge DFID and the World Bank to continue to boost investment in these sectors in Nigeria and in other African and Asian countries to ensure that power and transport services assist, rather than hold back, the process of poverty reduction. (Paragraph 98)

The response by other stakeholders

20. We believe that all development actors, including DFID, should do all they can to unlock private sector investment in urban development. These flows have the potential to substantially reduce urban poverty. Our recommendations to DFID, multilateral donors and other global stakeholders are thus based on the premise that the greatest impacts will be achieved when donor funds are used to stimulate private, alongside public, investment in urban development. (Paragraph 100)
21. We commend the work of UN-Habitat on human settlements and urban development across a wide range of contexts. We were disappointed to learn that the UK's contribution to the agency's core funding has fallen from 12% in 2002 to 7%. We recommend that DFID's £1 million annual contribution to core funding (or 7% of the total from all donors) is boosted to bring it closer to that of Norway and Sweden, who provide 15% and 11% of the core budget respectively. Non-earmarked funding of this kind is vital for the agency to pursue its identified priorities which cover an important range of urban development outcomes. (Paragraph 105)
22. We agree with DFID that co-ordination across UN agencies on urban poverty is highly important and that the work carried out by different UN agencies on urban issues needs to be fully integrated at country level. In particular, UN Development Programme and UN-Habitat, with their close on-the-ground operational partnership, should ensure that they work coherently so that impact can be boosted and urban poverty moved higher up the agenda in the countries in which they work. (Paragraph 106)
23. We commend DFID's decision to provide half of the initial funding for the Slum Upgrading Facility and to contribute to enabling this important project to get off the ground. We support DFID's planned evaluation of the initiative as a basis for future funding decisions, but encourage it to find extra funding to facilitate a two-year extension of the project. Local Finance Facilities have provided a unique forum for bringing together all the major players across a city involved in the slum upgrading process. Results may have been slow in emerging, but once momentum has been gained we believe that the Facilities offer considerable potential for upgrading slum settlements on a large scale. (Paragraph 110)
24. The Cities Alliance's attempt to highlight the opportunities of urbanisation is a worthy one and we commend DFID's continued collaboration with the coalition. However, we encourage the Alliance to consider dropping its "Cities without Slums" slogan, which promotes an unworkable outcome that may encourage slum clearance or forced evictions. We see the long-term strategic focus of the Slum Upgrading

Facility as equally, if not more, worthy of DFID support as the somewhat problematic Cities Alliance. (Paragraph 112)

25. We were concerned to hear that the African Development Bank (AfDB) currently focuses so little attention on urban poverty. Whilst Africa is still predominantly rural, it is the fastest urbanising region in the world and has the highest proportion of slum dwellers amongst its urban population. This represents a huge and growing problem for the African continent and it is imperative that its regional development bank does more to address the growing crisis of urban poverty. The UK should use its leverage as the largest bilateral donor to the Bank to ensure that the new AfDB urban strategy, currently under development, makes strong commitments to addressing urban poverty. This should include a particular focus on infrastructure, one of the Bank's priority areas and a crucial component of future progress. We recommend that DFID press for a dedicated department on urban development to be set up within the Bank. (Paragraph 114)
26. We commend the increased focus on urban development by the World Bank and the Asian Development Bank. We welcome the World Bank's development of a new urban strategy. Given its substantial funding of the World Bank, we urge DFID to engage fully with the development of the Bank's new strategy and to ensure that it is sufficiently comprehensive, with strong focus on African, as well as Asian, countries. We welcome the Asian Development Bank's Cities Development Initiative for Asia, and its planned increase in specialised urban staff. We encourage the African Development Bank to emulate this enhanced focus and capacity to take forward urban development work. (Paragraph 118)

The role of community-led initiatives

27. We were impressed to hear that federations of poor urban dwellers are facilitating slum upgrading and urban improvement schemes in more than 20 countries, with large-scale partnerships being developed between these groups and governments in several instances. We believe that supporting community-led initiatives not only strengthens citizenship and boosts democracy, but is also an incredibly cost-efficient way of promoting urban development. Evidence shows that small amounts of external financing can help deliver substantial development gains. (Paragraph 125)
28. We believe that DFID should boost its funding for urban community-led initiatives. We recommend that DFID begin funding the Urban Poor Fund International, an existing financing mechanism that has brought about improvements to housing and basic services for 30,000 households for less than £1.8 million over the past six years. If this success can be replicated, as little as £5-10 million of additional DFID funding could potentially reach another 150,000 households. (Paragraph 126)

The role of local government

29. We believe that a key opportunity exists for UK local government expertise to be shared on a more systematic basis with municipal authorities in developing countries and we welcome DFID's acknowledgement of this in its response to our earlier report. DFID's ability to expand its human resources is currently constrained

but expertise on urban issues exists within many UK local authorities. This seems to us to create the perfect opportunity to tap into an available but currently under-exploited source of knowledge. We recommend that DFID look at partnership models used by Canada and Norway whereby small amounts of international development funds are used to support the logistical arrangements for sending local government staff overseas. It is important that the objective of such projects should be to facilitate capacity-building and should involve robust on-the-ground collaboration and strategic follow-up. This will require strong commitment from DFID, the Department for Communities and Local Government and local government if it is to be effective. But we believe that a relatively modest amount of funding could have great impact in strengthening local government capacity in areas such as financial management, governance and accountability, the ‘greening’ of urban economies and regeneration. This would be a two-way learning process and would bring mutual benefit. (Paragraph 131)

Improved collaboration across Whitehall

30. Co-operation between DFID and the Department for Communities and Local Government on urban development currently appears to be weak. For example, DFID sent just one staff member as part of the joint delegation to the last World Urban Forum held in 2008. Closer joint working will be necessary if DFID is to provide support for UK local government to contribute to international development and it will only become more important as the world continues to urbanise. We recommend that, in response to this Report, DFID provide us with information on how it intends to improve joint working. We also encourage DFID to use the forthcoming Fifth World Urban Forum in Rio de Janeiro in March 2010 as an opportunity to move towards new, closer working practices. (Paragraph 135)

Poverty reduction strategy papers

31. We believe that urban issues require far more emphasis within developing countries’ national Poverty Reduction Strategy Papers (PRSPs). We disagree with DFID that implicit references to urban issues within PRSP texts are sufficient. Urban poverty will only be prioritised when it is made visible as an issue on national agendas with the necessary political will underpinning firm targets. We believe that achieving higher prioritisation within PRSPs will require concerted efforts from key players in the process, including the World Bank, civil society and major donors. We recommend that DFID make much more vigorous efforts to encourage development partners to ensure that urban poverty reduction is given specific and detailed coverage in their strategy papers. (Paragraph 139)

Implications for DFID’s organisational response

32. We believe that DFID’s reluctance to label programmes as “urban” has contributed to a decline in the visibility of urban development within the Department. This decline is linked to a recent period of fragmentation of urban expertise within DFID, with specialised staff now scattered confusingly across the UK Headquarters and international programmes. Without a coherent grouping, the Department’s

capacity to carry out effective policy analysis and programming for this complex issue risks being compromised. Furthermore, the lack of a designated urban team or unit makes it difficult for external organisations to engage with DFID on urban poverty issues. Although it is for DFID to decide on the precise configuration of its urban expertise, we recommend that it put structures in place that clearly convey how and where its core staff for urban development are located. (Paragraph 149)

33. We recommend that this urban poverty team or unit, in whatever form it takes, reflect the multi-sectoral nature of urban development. We believe that DFID's current reliance on its infrastructure cadre for urban expertise is misplaced. Issues such as slum upgrading require inputs from a range of DFID advisory cadres, including governance, infrastructure, social development and climate change. We believe that all of DFID's more substantial country programmes should include urban advisers. This is essential if DFID is to capitalise on opportunities to push urban poverty higher up national agendas. (Paragraph 150)
34. We believe that another way of strengthening DFID's "community of practice" on urban development would be to make better use of the research and practitioner base both within the UK and internationally. The UK has world-reputed university departments, research institutions, NGOs and professional organisations working on the urban sector. We recommend that DFID develop an approach to reach out to these groups and make effective use of the skills and expertise that they have to offer. (Paragraph 154)
35. We recommend that DFID use its new Research Strategy to fund research into the most effective policies and interventions for addressing urban poverty. There are many potential topics for such research, but we believe that managing and understanding slum growth should be at the top of the agenda given the urgency of reaching the MDGs. We also reiterate our recommendation that the Strategy should help fill the current gaps in detailed understanding of the nature of disease and health problems in slums and informal settlements. The intersections between urbanisation, urban poverty and climate change is another crucial topic, and we suggest that the Department's new Climate and Development Knowledge Network look at funding such research work. (Paragraph 155)
36. We believe that, given the pace and scale of urbanisation, DFID should produce a new strategy paper on how it intends to address urban poverty. Such a paper would help to raise the profile of urban development both within and outside DFID, and enable urban specialists within DFID to bring their knowledge to bear. A new strategy would also help communicate more clearly DFID's work on urban poverty, which is currently subject to some confusion in terms of where the Department works and what its priorities are. We are not satisfied that the development of a new infrastructure paper will go far enough towards meeting these objectives and believe that what is needed is a comprehensive document along the lines of DFID's well-received 2001 urban strategy paper. (Paragraph 160)
37. We recommend that DFID assess with urgency how it can replicate within African countries successful strategies from its well-established urban development programme in India. Africa is the world's fastest-urbanising region and has the

highest proportion of slum dwellers. It therefore needs immediate assistance with urban development. DFID has successful examples of urban interventions from its India programme. It also has a handful of successful urban programmes within Africa, such as the Luanda Urban Poverty Programme in Angola. We recommend that the Department look carefully at which of these strategies could be replicated across DFID's African programmes. Of course, some approaches will be context-specific. Their replication will also depend on the presence of high-level political will to address urban poverty within national governments. However, we do not believe that the fact that there is currently greater community participation in some Asian countries than African ones is a reason not to focus on urban development programmes in Africa. (Paragraph 165)

38. We believe that DFID's ability to replicate approaches from Asia in African countries will depend on its ability to re-configure expertise—so that major African programmes have access to at least one urban poverty specialist—and make better use of research that documents successful strategies for urban development from around the world. (Paragraph 166)
39. We reiterate our recommendation that DFID and other donors advocate for increased attention to urban poverty by all partner governments, especially those in Africa. We also recommend that DFID take a leading role in helping to build political support for this approach within the international community. None of the changes that we have suggested in this report will be possible unless urban poverty is given higher priority at the global level. Unless the full range of development actors, including other donors, the UN and international civil society, is convinced of the need to act, enhanced DFID efforts will not be able to achieve additional funding and resources to address urban poverty. (Paragraph 171)
40. The ability to generate political will amongst developing country governments will require donor agencies to demonstrate that they themselves attach sufficient priority to urban, as opposed to rural, contexts. We believe that seeking to overcome the challenges associated with the complexity of the urban sector is not only the right thing to do but is potentially a cost-efficient development strategy, offering sustainable solutions to large numbers of people. It is difficult for us to comment on DFID's own prioritisation because the Department categorises assistance by sector but not by type of beneficiary. However, we recommend that DFID carefully assess the overall balance of its support to urban and rural poverty and keep this under review as the world continues to urbanise. (Paragraph 172)

Annex: Committee's Visit Programme in Nigeria

The Committee visited Nigeria from 11-18 June 2009.

Members participating: Malcolm Bruce (Chairman), Hugh Bayley, Mr Virendra Sharma, Mr Marsha Singh, Andrew Stunell

Accompanied by: Carol Oxborough (Clerk); Ben Williams (Assistant Clerk)

Lagos

Thursday 11 June

Briefing from DFID and FCO officials

Meeting with Ben Akabueze, Lagos State Commissioner for Economic Planning and Budget

Visit to Land Registry project

Meeting with Professor Akin Mabogunje, Chair of the Lagos Mega-City Development Authority

Friday 12 June

Visit to urban HIV/AIDS project in Ketu

Field visit through Lagos on new City Bus and briefing on the transport sector from Lagos Metropolitan Area Transport Authority (LAMATA)

Visit to Obalende urban community regeneration project

Meeting with the Enhancing Financial Innovation and Access for the Poor (EFINA) project

Meeting with Programme Managers of DFID-funded programmes in Lagos

Kano State

Saturday 13 June

Visit to Tiga Dam (water resource management)

Field visit to rice parboilers and millers rural livelihoods project in Karfi village (part of DFID's Promoting Pro-Poor Opportunities through Commodity and Service Markets programme)

Kano city

Sunday 14 June

Field visit to Thamarul Qur'an Islamiyya School

Field visit to Market Division Community Policing Project

Dinner briefing from Programme Managers of DFID-funded programmes in Northern Nigeria

Monday 15 June

Meeting with the Kano Deputy State Governor and State Commissioners

Field visit to Garun Mallam primary health care facility

Abuja

Tuesday 16 June

Meeting with Dr Shamsuddeen Usman, Federal Minister for National Planning

Meeting with Professor Humphrey Asobie, Chairman of the Board of the Nigerian Extractive Industries Transparency Initiative (NEITI)

Meeting with Professor Babatunde Osotimehin, Federal Minister for Health

Meeting with Dr Mansur Muhtar, Federal Minister of Finance

Wednesday 17 June

Meeting with Amina Az-Zubair, Senior Special Assistant to the President on the Millennium Development Goals

Meeting with Chairs of the National Assembly House Committees on Donors and Inter-Parliamentary Relations

Roundtable meeting with civil society organisations

Dinner briefing from Donor Partners: African Development Bank, Canadian International Development Agency (CIDA), IMF, UN Development Programme (UNDP), World Bank

Formal Minutes

Tuesday 13 October 2009

Members present:

Malcolm Bruce, in the Chair

John Battle
Hugh Bayley
Richard Burden

Mr Virendra Sharma
Mr Marsha Singh
Andrew Stunell

Draft Report (*Urbanisation and Poverty*), proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 174 read and agreed to.

Annex and Summary agreed to.

Resolved, That the Report be the Seventh Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report, together with written evidence reported and ordered to be published on 12 May, 25 and 30 June 2009.

[Adjourned till Tuesday 20 October at 10.00 am

Witnesses

Tuesday 12 May 2009

Page

Mr Paul Taylor, Chief of the Office of the Executive Director, and
Mr Michael Mutter, Senior Adviser, Slum Upgrading Facility, UN-Habitat

Ev 1

Tuesday 2 June 2009

Mr Andy Rutherford, Head of International Partnerships, One World Action Group, **Mr Gordon McGranahan**, Head, Human Settlements Group, International Institute for Environment and Development (IIED), and
Ms Louise Meincke, Advocacy Manager, Consortium for Street Children

Ev 15

Ms Caren Levy, Director and **Ms Ruth McLeod**, Senior Teaching Fellow, Development Planning Unit, University College London

Ev 24

Tuesday 23 June 2009

Mr Geoffrey Payne, Geoffrey Payne & Associates, Consultants, and **Mr Richard Shaw**, Chair, UK Local Government Alliance for International Development

Ev 31

Mr David Satterthwaite, Senior Fellow, Human Settlements Group, International Institute for Environment and Development (IIED), and
Mr Larry English, Chief Executive, Homeless International

Ev 37

Wednesday 1 July 2009

Mr Gareth Thomas MP, Minister of State for International Development, **Dr Yusaf Samiullah**, Deputy Director and Head of Profession - Infrastructure, Growth and Investment Group, and **Mr Peter Davies**, Senior Infrastructure Adviser, Growth and Investment Group, Department for International Development

Ev 46

List of written evidence

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Brazilian Embassy in London	Ev 62
Gilbert Chilinde, Physical Planner—Policy Monitoring and Evaluation, Malawi	Ev 64
Consortium for Street Children (CSC)	Ev 67
Cormac Davey	Ev 70
Department for International Development	Ev 72; 98; 104; 171
Development Planning Unit, University College London	Ev 104; 108
GALVmed	Ev 108
Professor Alan Gilbert	Ev 110
Habitat for Humanity	Ev 112
Homeless International	Ev 116
Indonesian Embassy in London	Ev 121; 123
International Housing Coalition (IHC)	Ev 132
David Satterthwaite and Diana Mitlin, International Institute for Environment and Development	Ev 134
Luanda Urban Poverty Programme partner agencies: One World Action, Development Workshop, CARE Angola and Save the Children in Angola	Ev 142
One World Action	Ev 148
Geoffrey Payne, Brenda Murphy and Cormac Davey	Ev 150
RESULTS UK	Ev 151
Royal Institution of Chartered Surveyors (RICS)	Ev 160
UK Local Government Alliance for International Development (LG-AID)	Ev 165
Jonathan Wood	Ev 170

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2008-09

First Report	Work of the Committee in Session 2007-08	HC 138
Second Report	DFID Annual Report 2008	HC 220 (HC 440)
Third Report	DFID and China	HC 180 (HC 535)
Fourth Report	Aid Under Pressure: Support for Development Assistance in Global Economic Downturn	HC 179 (HC 1009)
Fifth Report	Sustainable Development in a Changing Climate	HC 177 (HC 1008)
Sixth Report	Scrutiny of Arms Export Controls (2009): UK Strategic Export Controls Annual Report 2007, Quarterly Reports for 2008, licensing policy and review of export control legislation	HC 178

Session 2007-08

First Report	DFID Departmental Report 2007	HC 64-I&II (HC 329)
Second Report	Development and Trade: Cross-departmental Working	HC 68 (HC 330)
Third Report	Work of the Committee 2007	HC 255
Fourth Report	Reconstructing Afghanistan	HC 65-I&II (HC 509)
Fifth Report	Maternal Health	HC 66-I&II (HC 592)
Sixth Report	DFID and the World Bank	HC 67-I&II (HC 548)
Seventh Report	DFID and the African Development Bank	HC 441-I&II (HC 988)
Eighth Report	Scrutiny of Arms Export Controls (2008): UK Strategic Export Controls Annual Report 2006, Quarterly Reports for 2007, licensing policy and review of export control legislation	HC 254 (Cm 7485)
Ninth Report	Working Together to Make Aid More Effective	HC 520-I&II (HC 1065)
Tenth Report	The World Food Programme and Global Food Security	HC 493-I&II (HC 1066)
Eleventh Report	The Humanitarian and Development Situation in the Occupied Palestinian Territories	HC 522-I&II (HC 1067)
Twelfth Report	HIV/AIDS: DIFID's New Strategy	HC 1068-1&II (HC 235)

Session 2006–07

First Report	DFID Departmental Report 2006	HC 71 (HC 328)
Second Report	HIV/AIDS: Marginalised groups and emerging epidemics	HC 46-I&II (HC 329)
Third Report	Work of the Committee in 2005–06	HC 228
Fourth Report	Development Assistance and the Occupied Palestinian Territories	HC 114-I&II (HC 430)
Fifth Report	EU Development and Trade Policies: An update	HC 271 (HC 622)
Sixth Report	Sanitation and Water	HC 126-I&II (HC 854)
Seventh report	Fair Trade and Development	HC 356-I&II (HC 1047)
Eighth report	DFID's Programme in Vietnam	HC 732 (HC 1062)
Ninth report	Prospects for sustainable peace in Uganda	HC 853 (HC 1063)
Tenth report	DFID Assistance to Burmese Internally Displaced People and Refugees on the Thai-Burma Border	HC 645-I&II (HC 1070)

Session 2005–06

First Report	Delivering the Goods: HIV/AIDS and the Provision of Anti-Retrovirals	HC 708–I&II (HC 922)
Second Report	Darfur: The killing continues	HC 657 (HC 1017)
Third Report	The WTO Hong Kong Ministerial and the Doha Development Agenda	HC 730–I&II (HC 1425)
Fourth Report	Private Sector Development	HC 921-I&II (HC 1629)
Fifth Report	Strategic Export Controls: Annual Report for 2004, Quarterly Reports for 2005, Licensing Policy and Parliamentary Scrutiny	HC 873 (Cm 6954)
Sixth Report	Conflict and Development: Peacebuilding and post-conflict reconstruction	HC 923 (HC 172)
Seventh Report	Humanitarian response to natural disasters	HC 1188 (HC 229)