I GUIDING CITIES

This section introduces the book, its intended audience, organisation and layout. It suggests that the task of guiding cities into the next millennium is as much in the hands of managers, administrators and policy makers as it is of the planners and professional traditionally associated with urban management and development. As such, it argues for the need of a straightforward guide to the problems and issues that need to be confronted and outlines the steps that can be taken to address them, drawing upon the lessons and experience of the Urban Management Programme. (A more detailed review of the UMP is provided in Section V)

The section continues with a Guide to the Guidelines that outlines the intentions and objectives of this book in providing a guide to urban managers based on the experience of and lessons from the Urban Management Programme.

The section concludes with a summary of the process of urbanisation, highlighting the rural-urban symbiosis and the growing evidence of the pivotal role of cities in economic as well as social development. It stresses the need for better, more effective urban management to address the social issues along with investment in economic infrastructure. This section traces the development of global responses and the increased understanding of urbanisation and urban issues since UNCED at Rio, through to Habitat II at Istanbul and as summarised by Local Agenda 21 and the Habitat Agenda, and the need for urban development to address and meet gender needs and eradicate poverty. It also outlines the parallel development of the Urban Management Programme since its inception and initiation in 1986 through to the current phase.

Iª INTRODUCTION

Objective and Audience

With increasing urbanisation, the majority of the world's population will soon be living in urban areas. At the same time, the majority of the world's poor will also be found in urban areas. Cities will find themselves as the main arena for both the generation of wealth and the locus of poverty. One of the main tasks facing all those concerned with economic and social development will be to ensure that while cities retain and expand their capacity for economic development they do so while containing and reducing poverty and its effects.

The way that cities are managed and administered has a direct bearing on their ability to support economic development and mitigate poverty. Therefore all those concerned with either economic or with social development should also be concerned with urban development and management and how their actions and interventions impact on cities and vice versa.

The primary objective of this book is to provide a guide for those concerned with economic or social development, as well as those concerned more directly with urban development and management, to the main issues and the range of options available to deal with them. The presentation of issues and options is accompanied by examples of practice generated by the Urban Management Programme in cities in countries around the world.

The target audience therefore includes policy makers, advisors, managers and administrators of national and local governments, aid and technical assistance programmes of multilateral as well as bilateral agencies and private and non-governmental organisations, institutions and foundations. They are the ones who are being called upon to make decisions regarding projects and programmes of development or to respond to social and economic problems in urban areas.

Much of this audience is non-technical, and this book aims to provide them with the background and familiarise them with the available options in straightforward, jargon-free language so that they can better engage in dialogue with professionals and technocrats in the task of guiding cities.

The Structure of the Book

This first section presents a very brief overview of urbanisation and urban management, setting out the processes by which cities grow and develop, and the role that they play in human and economic development. This section also introduces some of the main trends and directions of policy advice and intervention evolved through a series of recent international meetings and conferences, and highlights the emerging consensus regarding urbanisation and urban management.

This is followed by three sections, looking at Urban Governance, Urban Poverty Reduction and Urban Environmental Management that epitomise current concerns regarding cities. Within each section are particular areas, ranging from Leadership, accountability and democracy through privatisation, partnership and participation to vulnerability and social exclusion and integration, to Urban Heritage protection.

For each of the 13 areas of concern, the current problems are summarised, followed by an indication of some of the issues raised in dealing with them. This is followed by Guidelines for Action, presented as a series of steps that could be undertaken in order to confront the issues and resolve the problems. These Guidelines draw upon the experience of the Urban Management Programme, and case studies of (successful) interventions are presented. There is a brief list of resources and documentation that can provide further information and assistance.

In order to aid the reader in locating materi al and information of particular interest, the book is structured so that the bulk of it is organised in sections that reflect particular aspects of urban management. However, in reality, these areas are largely inter-linked, and the problems, issues and solutions apply across them. Rather than using an elaborate system of cross-linking, we have thought it easier to treat each section so that it can stand on its own. One implication of this approach is that a number of items are repeated in more than one section. This is particularly true of advice regarding what to do about urban issues and problems.

The Urban Management Programme
A summary of the UNDP/UNCHS/World Bank UMP, its origins, history and development is presented in Section V and many of the lessons learnt and experiences gained by the programme are used to substantiate the advice and analysis in the following sections. However, it is useful to outline some of the major lessons learnt by the UMP, often verified and reinforced by the parallel experience of the partner agencies, similar programmes and other organisations working on urban issues.

• The importance of documentation and exchange of good practice in urban management

Particularly during the first and second phases of the UMP, a deliberate effort has been made to synthesize the global experience with various aspects of urban management, in order to derive generic lessons of experience, which serve as starting points for city and country consultations in a specific context. Examples are the consolidated experience on municipal finance (Dillinger, UMP # 16, 1994), on urban environmental management (Bartone, et. al, UMP # 18, 1994) and on urban land tenure regularisation (Durand-Lasserve, UMP WPS 6).

• A shift from participation to partnerships

Over the years there has been increasing evidence of the advantages of involving "the beneficiaries" in the development process. From a relatively passive involvement as providers of information, or of labour, this involvement has changed both quantitatively and qualitatively, so that it is now accepted that the stakeholders should be involved in all stages of the process from design to implementation and evaluation. More importantly, it has been recognised that through such involvement, the people effectively become partners in the project and the development process. However, the UMPhas extended this principle to other domains of governance, only partly out of recognition that government alone cannot mobilise the resources required. More significantly, bringing the private and NGO sectors into the development process as partners provides more than just additional resources. The increase in commitment, knowledge and expertise plus the shared sense of ownership provide better chances for successful outcomes.

• A greater emphasis on the socio-political as opposed to technocratic aspects of urban management

The UMP responded to the need for more effective management of urban areas by replacing the largely technocratic processes utilised by urban planning agencies to initiate a more inclusive process of city consultation. It brought together all the actors involved and concerned with aspects and issues of urban development and management to discuss and develop a consensus on the priorities and possibilities for action, and then allocated tasks to the actors and agencies. This not only recognised political realities but also was able to ensure the support, consent and involvement of all parties. National and City Consultations have become the cornerstone of UMP practice and also underpin the strategic planning processes that can successfully overcome the problems of Master Planning and other such technocratic approaches.

• New approaches to capacity building

Recognising that even the best of approaches, tools and techniques will have little chance of being successfully invoked or applied, the UMP has learnt the value and need of ensuring that the institutions have the required capacity and the capability. In place of and to supplement many of the traditional methods of training, UMP has put in place a much more locally relevant network of experts and anchor institutions to respond to local and regional needs. Through these networks and anchor institutions, 'receptacles' of knowledge are nurtured and supported. They have a much greater affinity to and understanding of local regional needs than international experts, and through their networking improve and update their knowledge of local requirements.

• The benefits of donor collaboration

The very nature of the UMP as a multi-agency programme that has also utilised and incorporated bilateral donor involvement, helped demonstrate the benefits of donor collaboration. Not only were donors able to learn from each others' experience and expertise, they were able to take over and build upon UMP programmes with far greater understanding and acceptance of the preceding stages and steps. Such co-operation was also able to minimise duplication and waste. The UMP experience has shown that donor collaboration is not only possible but has mutual benefits for all those involved.

• The inter-connectedness of urban issues and problems

One of the lessons learnt from the thematic areas of focus of the UMP has been their complexity and the overlap and interaction with each other. This makes it difficult to take a purely "sectoral" approach to either the identification of problems or development of solutions. On the other hand, if handled with this awareness, it becomes possible to be more effective by having strategies that take a multi-objective approach within a consistent framework. (UMPAnnual Report 1995)

• The need for flexibility in demand-driven programmes

One of the obvious, but often overlooked consequence of taking a demand-driven approach to urban issues is that constituents often demand things that the programme is not prepared to deliver, or if it is, then not at that point in time. During city consultations, participants frequently brought up new areas for attention that they wanted the process to address. (UMPAnnual Report 1995)

In the sections that follow, these and the other lessons learnt by the UMP in respect of particular issues and problems have been used in developing and suggesting appropriate responses for Guiding Cities.

Ib A GUIDE TO THE GUIDELINES

Although the particular circumstances of each city are different, there are a number of areas and issues that have to be addressed by urban managers of all cites as matters of greater or lesser importance depending on the city concerned. Over time, a considerable body of information has been built up documenting this practice. Information has been collected on how different cities have resolved, confronted or tried to deal with their particular concerns. Some have done so successfully, while others have not. In some cases the environment in which they were operating has helped them, while in others their operating environment has proved to be an insurmountable obstacle. Many of these approaches have been tried in more than one city and under different conditions. The best of this practice has been used to build up "Guidelines" for action and intervention.

Guidelines for Best Practice

These guidelines summarise the "best advice" that is currently available, based on the UMP experience, on how to tackle and resolve the sorts of issues that urban management has to face,. Of course, the guidelines are generic rather than particular or specific to each situation. They are also reflective of the current wisdom regarding the overall role of cities and how to manage them. While not every expert would propose every one of these actions in every situation, the guidelines provide the basis for the sorts of options that an expert is likely to consider, if not recommend.

The concept of "best practice" is not to give a cachet or mark of approval, or to suggest that they are the best and therefore the only course to be followed. Rather, they include those approaches and courses of action that have worked well in at least one situation under at least one particular set of circumstances, and where there is reason to believe that they are likely to have beneficial application in other situations if used appropriately.

Amongst appropriate usage is the need to undertake an analysis or come to an understanding of the particular situation that needs addressing or resolution, and then arrive at a consensus as to the general approach to be taken. The best practice can both help provide an indication of the courses that are possible (by providing an example or demonstration) and an indication of how to go about implementing the selected option.

Using the Guidelines

The guidelines group the various issues and areas of concern under the headings of Governance, Poverty Reduction and Environmental Management, each with a series of subsections. Each of the subsections has an introduction that reviews and highlights the generalised **background** to and **problems** of current situation. This is followed by an outline of the key **issues** that need to be discussed and resolved, and is followed by an indication of the **options for action**.

The **background** should help provide some comparative basis for judging the extent or severity of conditions in the particular situation. It is likely that urban managers will find a certain degree of correspondence between the generic situation and that existing locally. If nothing else, this ought to provide some reassurance that the particular challenges and problems confronting the city are not unique. Moreover, that some urban managers have been able to meet or overcome obstacles and problems similar to the ones that they themselves face, should encourage them to tackle their own with greater confidence.

The **issues** provide an indication of the complexity of the subject and the fact that it is unlikely that there is a clear-cut solution that urban managers can apply to their own situation. The issues also suggest that in many instances, the choice is as much dependent on objectives and preferences than on right or wrong. The issues will and do need discussion and careful consideration, preferably through consultation with and the participation of a wide range of actors and stakeholders who are either affected by the particular issue or will need to be involved in the action necessary for its resolution.

Finally, the **options for action** provide an indication of the steps that could and perhaps should be taken. The intention is neither to suggest that these are the only possible ways of intervening, nor are the options presented in a way that they can be implemented without further consideration. The options are largely indicative. They form the starting point for local discussion to enlarge and amplify what should be done and how it should be done. They are pointers to the sorts of actions that others have found workable and successful.

Specific UMPcase studies of experience are summarized in boxes throughout the text. Each section concludes with references for further information. Anyone wishing to obtain further assistance and advice, should contact the UMP (regional) office nearest to their location, the addresses of which are there UMPregional office, whose address is given in Appendix 1.

Limitations and Cautions

The guidelines are not panaceas guaranteed to succeed, and therefore they should not be followed or implemented just like that. It is most important that local practice, experience and expertise be consulted and utilised. Therefore, the last section provides guidance on how to formulate and implement urban management policies. It also outlines suggestions for ensuring institutional capacity and informs how the considerable resources and assistance identified and assembled by the urban management programme in the regions could be mobilised.

Amongst the other cautions to be kept in mind regarding the options for action is that very rarely is a single action suggested. In every case, a number of actions are suggested. Some of these obviously reinforce and support each other, but some may be superfluous or unnecessary once others have been opted for. In the same way, it is unlikely that each or any problem is going to exist or be tackled in isolation. Therefore, the options that are selected to address problems in one sector or section should take these other problems and options into consideration.

I^C URBANISATION AND THE CHALLENGE OF URBAN MANAGEMENT

At the start of the new millennium, the world is also about to move into another significant period: the dawn of the urban age. For the first time, the majority of the population of the world will be urban. This reflects a shift that has been taking place over many thousands of years, starting with the formation of the earliest human settlements. What has changed over the last century, though, is the rate and pace of urbanisation, of the shift in proportion of population living in urban areas. This is not only through the growth of mega-cities, but increasingly also through an increase in the size and number of smaller settlements taking them past the urban threshold.

In itself, the fact that we shall soon be living in an urban world is neither dramatic nor alarming. It is the natural consequence of an inevitable process that has been linked very closely to human productivity and progress. The formation of settlements, made up of households living in close proximity in a permanent location, marks the beginnings of a different form of society and social order from scattered or nomadic hunter-gatherers. Whether formed on the strength of defensive, religious or trading imperatives, settlements can only exist if there is an agricultural surplus to sustain those households not engaged in growing or rearing their own food supplies. Equally, the need for the goods and services offered by those not engaged in agriculture creates a need for agriculturists to produce a surplus with which to pay for them.

Rural-Urban Linkages

There is, therefore, a symbiotic relationship between those engaged in agriculture and those in non-agricultural occupations. Each is necessary for the other to grow, and the growth of each provides the impetus for the growth of the other. Over time, there has been an increase in the number of people engaged in the production of non-agricultural goods and services, reflecting our desire and ability to lead more comfortable lives. This resulted in larger non-agricultural "urban" settlements or cities. That in turn created a demand for more "urban" goods and services, and, a stimulus for the "rural" population to produce greater agricultural surpluses.

However, at the same time, there has been another process at work. The production of agriculture has become more efficient, requiring less land and labour to produce more food. Some of this has been made possible by advances in our understanding of growth processes, but a lot more has been made possible by the production of machinery, seeds, fertiliser and other inputs. The latter often require "urban" settings for their production and distribution. The increased efficiency and productivity of agriculture has meant that fewer people are required to work the same area of land, creating a labour surplus that is unable to be absorbed locally.

Historically, large numbers of people have moved to "new" or sparsely populated areas of the world to make a new life for themselves in agriculture, as from Europe to the Americas and Australia. More often, many of the rural unemployed, perhaps made redundant by an increasingly efficient agriculture, migrate to the cities, attracted by the

possibilities of employment and opportunity. Cities, unlike the rural areas, have been able to absorb an ever-growing population.

For some time now, the majority of countries have been producing a significant (and increasing) proportion of their wealth through urban activities. "Urbanisation has been an essential part of most nations' development towards a stronger and more stable economy over the past few decades and it has helped underpin improvements in living standards for a considerable proportion of the world's population."[1] There is a strong correlation between those countries of the South that had the most rapid economic growth with those that had the most rapid urbanisation over the last two decades. It is increasingly recognised that cities, more so than the countryside are the engines of growth. They provide the possibility and the prospect of prosperity, but also the spectre of misery, brutality, environmental degradation and chaos. It is the reality of the latter that has many questioning the trends towards urbanisation and suggesting controls and counter-measures.

It is our contention that it is not the fact of urbanisation or the size of cities or the speed at which they are growing that is the problem, but rather that the undesirable effects and impact of urbanisation can be worsened by the way that cities are managed. The effective management of cities is necessary not merely to prevent or reduce the negative aspects of urbanisation, but also to allow cities to perform their role efficiently as centres of production, absorbers of population and distributors of goods and services.

Cities as Engines of Growth

Cities can perform efficiently as centres of production, transformation and trade as a result of their economies of scale. The presence of a series of inter-linked and inter-related industries, businesses and services, and the ability to access raw materials, intermediate goods and machinery and equipment, along with the availability of skills and human resources allows cities to function effectively. The availability of and access to effective and efficient infrastructure, and especially transport is an obvious and essential pre-requisite. Not surprisingly, therefore, considerable stress has been put on the planning and development of urban areas and their infrastructure in order to ensure that cities function effectively as centres of production, of distribution and, with their large concentrations of population, also of consumption.

What is less obvious (and has been less emphasised in the past) is the impact that regulatory frameworks and urban governance have on the effectiveness and efficiency of the urban economy. In the past, urban authorities have focussed their efforts on the provision, management and operation of infrastructure and the delivery of urban services. Not only have they been unable to meet the demand for these at the required rate and scale (given urban population growth rates of some 5% per annum in the aggregate), the way that urban infrastructure and services have been provided often has tended to stifle economic development. Long-established regulatory frameworks that worked well enough when both demographic and economic change were at a slow and steady rate, have often become obstacles and impede development, unable to respond at the speed and flexibility

[1] UNCHS, An Urbanising World: Global Report on Human Settlements 1996, UNCHS, Nairobi, 1996

required in an increasingly competitive and global economy. In many cities examples can be seen of the negative impact of the barriers and bottlenecks created by inefficient regulatory frameworks may be overcome through the intervention and innovation of the private formal or "informal" sector. UMPcity consultations in several cities, including those in Dhaka, Bangladesh; Bangalore, India; Kaduna and Lagos in Nigeria and St Louis, Senegal, were able to build on such examples of the role and performance of the private and the informal sectors.

The Impact of
Global Economic Trends

Since the late 1980s, several important factors - the end of the Cold War, global technological change (particularly as it relates to data processing, information, and communication technology), and global economic liberalisation trends (which have been particularly important in Latin America and Southeast Asia, but increasingly also in South Asia) - have heightened concern for global and regional interdependence. Many govern-ments have correctly perceived the opportu-nities for growth in this "globalising" eco-nomic environment. Accordingly, they have taken measures to liberalise their economies, while being fully aware of the risks of operating in a global competitive environment.

As a result, urban settlements today, particularly large cities, increasingly compete at global and regional levels for direct international investment to generate employment. This has required national governments to take a second look at their urban development strategies to find ways to support their cities as economic hubs in exploiting their comparative advantages. Often, this occurs in conjunction with cities or regions in neighbouring countries[2].

These recent trends are beginning to redefine national urban strategy responses to the traditional concerns of growth and equity. As globalisation of national economies proceeds, the room for effective and efficient direction from the national level is diminished. Increasingly, there is a recognition that the urban strategies of national governments need to move towards providing an enabling and supportive environment for cities to compete, as was noted at the UMP sponsored Asian Mayors' meetings in Honolulu, USA and Colombo, Sri Lanka in 1999. Similarly, it is now recognised that effective urban poverty reduction calls for action not only at the national macroeconomic policy level, but also at the local level, by municipalities and communities themselves[3]

This is not to say that national govern-ments should leave urban development completely in the hands of the international market place and local government. Numer-ous opportunities still exist for national governments to express their spatial and sectoral priorities. These include regulatory frameworks governing private investment and the operation of local government; the central government's co-ordinating mecha-nisms with provincial or state and local governments; and perhaps most powerfully, the allocation of national investment re-sources for urban infrastructure and poverty reduction programs. However, these instruments must be increasingly exercised in a highly competitive international economic environment.

[2] As documented in UMP-ASIA Occasional Paper Nr. 21, 1995, Nr. 26, 1996 and Nrs. 31 and 33, 1997
[3] UMP 20, Page 3

Thus, the related recent trends of economic liberalisation, globalisation, decentralisation and democratisation have a profound influence on cities. While urban areas have much to gain from and contribute to ongoing processes of decentralisation and democratisation, they are also potential sources of upheaval if their resources are left to stagnate and decline, as was dramatically illustrated in the Southeast Asian crisis at the end of the 1990s. UMP has participated in the thought process on what approaches may help to overcome such crisis, as is demonstrated by the recent governance oriented activities by UMP-ASIA, such as for example, several regional meetings sponsored by UMP on this topic, most recently the meeting held in Bangkok in June 1999 on "Social Consequences on Cities of the Asian Economic Crisis".

Along with the global trends of an urbanising population, poverty is being urbanised, as well. Within a few decades, the number of households living in poverty in urban centres will far exceed those in rural areas. The World Bank estimates that the number of urban poor will almost treble from 650 million today (1999) to 1,500 million by the year 2025[4]. At least 600 million people, most of them poor, already live in health- and life-threatening situations in decaying urban environments. A third of city dwellers live in substandard housing. At least 250 million urban residents have no ready access to safe piped water, and 400 million do not have adequate sanitation. Without an appropriate response, rapid urban population growth is likely to exacerbate the often mutually reinforcing effects of poverty and environmental damage.

The Role of Urban Management

This inevitability of urban growth, with all its attendant positive and negative features underscores the crucial role of urban management in improving human and economic development in a rapidly urbanising world. Needs and priorities differ by region. In Asia and Latin America, urbanisation has given rise to a call for new institutional responses in redefining roles and responsibilities of different levels of govern-ment, and in capacity building at the local level to more effectively deal with urban management.

Africa is experiencing unprecedented urban growth that has very significantly outstripped government's capacity. Between 1960 and 1980, total urban population in Sub-Saharan Africa almost trebled from 33 to 90 million, registering an annual growth rate of 5.2 percent during this 20 year period. It is conservatively estimated that by the year 2000 the urban population figure will be nearly 260 million (implying an average growth of 5.4 percent p.a. during the 1980-2000 period). Given this rapid and continuing rate of growth, it is not surprising that the institutional capacity of urban governments to plan for and manage such massive population changes remains inadequate.

New Approaches to Urban Development

Thus, in all major developing regions in the world, the rapidly changing socio-economic and political environment underscores the need for bold new approaches to the issues of urban develop-ment. Examples are the performance management orientation of several UMP supported city consultations (e.g. in Bangalore, India and Bangkok, Thailand), and the local economic

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[4] World Bank, Urban Development Strategies: Implications for the Bank, Final Draft, Jan. 1999 (for discussion in the Bank's Executive Board in June 1999).

development strategies discussed in city consultations in Windhoek, Namibia and Johannesburg, South Africa. As population growth will be virtually synonymous with urban growth in the coming decades, the focus of efforts to develop sustainable human settlements must be on cities, the places where most economic activity will take place, pollution will be generated, and natural resources consumed.

This also means that the focus of many of the various sectoral investment programs should be on human settle-ments, especially cities and towns. At this level, policy initiatives translate into operational reality, and must be co-ordinated, managed, and implemented. And because they directly affect people and interests, policies become an eminently political affair. Conflicts must be resolved and consensus found among competing interests and parties.

The tasks and the challenges that those concerned with urban management face and to which they have to respond include:
• ensuring that the regulatory frameworks and infrastructure provision of cities work efficiently to provide and capitalise on the opportunities for economic development;
• coping with the increased demand for housing and urban services posed by the growing size of cities through public-private and other partnerships;
• involving all sectors of the community in participatory decision-making and implementation processes;
• protecting, preserving and enhancing the urban environment and the cultural and historical heritage of cities;
• ensuring that economic development leads to employment generation and poverty eradication;

• ensuring that the particular needs of women, men, children, youth, the elderly and the disabled are taken into account in developing policy responses and implementation;
• assuring the health, safety and security of all citizens from the growing threat of urban violence;
• having in place open and transparent processes of government and ensures good governance.

The issues, problems and challenges posed here, and that were amongst the issues raised at Habitat II at Istanbul in June 1996, had also been the central concern behind the initiation and evolution of the Urban Management Programme. Over the last thirteen years, it developed and assembled a large body of knowledge and experience directed at guiding cities towards resolution of their management issues. This experience forms the central core of this book and is used to inform the guidance for cities presented in the subsequent sections.

While different urban managers perceive and prioritise their problems according to their own realities, most are becoming increasingly conscious of the need for urgency. Policymakers around the globe are becoming more aware of the lessons to be learnt from the successful examples of others, and therefore more receptive to the need for new institutional responses to this challenge, and to urban management initiatives at both country and regional levels.