

**Strategies for Achieving the
International Development Targets:**

Meeting the Challenge of Urban Poverty

November 2000

consultation
document

This draft paper is the last in a series of Strategies for Achieving the International Development Targets to go out for public consultation. We intend to publish it in the spring of 2001. We would therefore be grateful for your comments by 12 January 2001. These should be sent to:

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This paper can also be found on the DFID website (www.dfid.gov.uk) under 'What we do' followed by 'Strategy Papers', where comments can be posted. The final versions of the first four papers in this series – *Halving world poverty by 2015: economic growth, equity and security*; *Poverty elimination and the empowerment of women*; *Realising human rights for poor people*; and *Achieving sustainability: poverty elimination and the environment* – are now available on the site. Consultation drafts of the remaining papers – *Better health for poor people*; *Education for all: the challenge of universal primary education*; and *Making government work for poor people* – are published on the same page.

November 2000

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

The Department for International Development (DFID) is the British government department responsible for promoting development and the reduction of poverty. The government elected in May 1997 increased its commitment to development by strengthening the department and increasing its budget.

The policy of the government was set out in the White Paper on International Development, published in November 1997. The central focus of the policy is a commitment to the internationally agreed target to halve the proportion of people living in extreme poverty by 2015, together with the associated targets including basic health care provision and universal access to primary education by the same date.

DFID seeks to work in partnership with governments which are committed to the international targets, and seeks to work with business, civil society and the research community to encourage progress which will help reduce poverty. We also work with multilateral institutions including the World Bank, United Nations agencies and the European Commission. The bulk of our assistance is concentrated on the poorest countries in Asia and sub-Saharan Africa.

We are also contributing to poverty elimination and sustainable development in middle income countries, and helping the transition countries in Central and Eastern Europe to try to ensure that the widest number of people benefit from the process of change.

As well as its headquarters in London and East Kilbride, DFID has offices in New Delhi, Bangkok, Dhaka, Kathmandu, Nairobi, Dar-es-Salaam, Kampala, Harare, Abuja, Pretoria, Suva and Bridgetown. In other parts of the world, DFID works through staff based in British embassies and high commissions.

Department for International Development

November 2000

The preparation of this draft paper was led by Michael Mutter and involved a team comprising Cormac Davey, Susan Loughhead, Tony Lloyd-Jones, Peter Roberts, Deborah McGurk, Ilias Dirie, Peter Smith and Andrew Preston under the guidance of John Hodges, Chief Engineering Adviser of the Infrastructure and Urban Development Department (IUDD), at DFID. Cross-sector and geographical support was provided by the Urban Reference Group and IUDD Brigaded Advisers. Substantive contributions have been made by a Drafting Group led by the Development Planning Unit (DPU) at the University College London, with major inputs from the International Institute for Environment and Development (IIED), GHK International, International Development Department, University of Birmingham, Max Lock Centre at the University of Westminster, the Intermediate Technology Development Group (ITDG), Geoff Payne Associates, and Andrew Whiteman. Many other DFID personnel, including Directors and Chief Advisers, provided helpful commentary and drafting suggestions.

STRATEGIES FOR ACHIEVING THE INTERNATIONAL DEVELOPMENT TARGETS: MEETING THE CHALLENGE OF URBAN POVERTY (CONSULTATION DOCUMENT)

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This paper is one of a set. Together, they spell out actions which could transform the lives of hundreds of millions of poor people and make the planet a better and safer place for our children and grandchildren. They say what needs to be done to achieve key targets for international development.

These International Development Targets have been agreed by the entire United Nations membership, following a series of summit meetings held by the UN and its specialised agencies over the past ten years or so. The meetings discussed progress in poverty reduction and sustainable development and set targets for measuring that progress.

In the past, targets have often been set and then disregarded. This time, however, the international community is giving them greater weight. In 1996, all the main Western donor countries, grouped together in the Organisation for Economic Co-operation and Development (OECD), committed themselves to a partnership with developing countries and countries in transition from centrally planned economies. The success of this partnership would be measured against key targets from the UN summits. In the following year, the new UK Government made these targets the centrepiece of its 1997 White Paper on International Development. More recently the World Bank and the International Monetary Fund (IMF) decided to co-ordinate their development efforts behind the targets. These targets are listed on page 1 (Box 1).

Neither the United Kingdom nor any other individual donor country can achieve the targets alone. The targets are challenging, some particularly so. But if, by working together, we can increase the effectiveness of the international community, our assessment is that these targets are achievable for developing and transition countries as a group by the target date, or soon after in some cases, even though they may not be achieved in each region or country individually. It is clear that each developing country must lead the effort if the targets are to be achieved. If this commitment is lacking civil society institutions need to press their governments to take action as, without a local lead, progress cannot be achieved. The international community, in turn, must provide support for those governments committed to the reforms which are necessary to achieve the targets. Most countries should be able to register very considerable progress towards meeting the targets by the due date.

This paper is concerned with the specific issues of urban poverty and the means by which it can be reduced. Almost half of the population of the world now lives in urban areas and this proportion will increase. Urban centres provide considerable social, economic and political opportunities for poor people. They are also, for many, places of squalor, pollution and crime. But urban centres can be a positive force for national economic growth, and thereby contribute to increased incomes. They are places where poor people can have a range of employment options, can participate in local political movements, and can benefit from access to a wide range of key services, education, health, electricity, solid waste collection and welfare programmes. With the rapid growth of cities, especially in developing countries over the last 30 years, the urbanisation process needs to be managed better to ensure that it becomes a mechanism through which poverty in the South can be reduced on a sustainable basis. Dynamic urban development therefore offers a key means through which the International Development Targets can be advanced.

Targets need to be used intelligently. They cannot capture the full richness and complexity of individual and collective transformation that makes for sustainable development. Individual countries should select and debate in normal democratic ways their own measures of achievement. But regular public assessment of how countries as a group and by region are performing against a simple standard is essential, in order to focus development assistance on achieving real outputs. Doing so will show what works and what does not, will provide accountability for the efforts being made in the name of development, and will give impetus to extending basic life opportunities that should be available to all.

Targets also need to be grounded in reality. For this, we should not underestimate the value of good statistics. The political debate in Britain was strongly influenced by 19th and early 20th century surveys documenting the reality of grinding poverty in our own society. A similar effort of political will is needed in many developing and transition countries if they are to give sufficient emphasis to the needs of their own poor people. Better quality and more accessible information on people's standards of living is one essential element in creating that will. Much work is needed to improve the collection of reliable and comparable data, and to strengthen local statistical capacity.

FOREWORD BY THE SECRETARY OF STATE

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These papers do not attempt to go into detail; that will follow, country by country and institution by institution, from ongoing discussions with our partners in poor countries and in the international community. Many detailed proposals for action in pursuit of the targets are published, or soon will be, as Country and Institutional Strategy Papers. Our bilateral programmes are being reshaped. We are also encouraging the multilateral development institutions in the same direction. One example of this is the policy of the International Development Association – the concessional lending arm of the World Bank – which following its Twelfth Replenishment now focuses on poverty elimination in the context of the International Development Targets. Another example is the enhanced Heavily Indebted Poor Countries Debt Initiative, agreed at the IMF and World Bank in September 1999, which has started to deliver faster, deeper and broader debt relief to countries committed to eradicating poverty. The G8 Summit in Okinawa endorsed the targets and asked for annual reports on progress.

We must also take advantage of the opportunities of 'globalisation', to help achieve the International Development Targets. In December 2000, the UK Government will publish a second White Paper on International Development, focusing on managing the process of globalisation to the benefit of poor people. The White Paper will include commitments by the Government covering a wide range of issues, such as international trade, relevant to the way developing countries participate in the global economy.

This paper, and the others in the collection, assess the

challenge and set out an overall approach and strategy for our involvement in achieving the development targets in a clear, focused and realistic way. Each reflects a process of consultation in the United Kingdom and overseas.

I hope that you will find them a valuable statement of what the UK Government will do and how the United Kingdom seeks to use its influence to make a reality of the targets, to which we and the rest of the United Nations membership are committed. We stand ready to be judged against our delivery of this strategy. And the whole development community – governments, international agencies, civil society organisations – should be judged collectively against delivery of the targets.

Clare Short
Secretary of State for
International Development

This paper sets out the central role that urban development can play in reducing poverty. The key message is that achievement of the International Development Targets will depend on the development of strategies which recognise the important role played by cities and towns in strengthening poor people's capacity to improve their socio-economic and political conditions, matched by a corresponding need to address the particular characteristics of poor urban development which can constrain these opportunities.

This discussion is particularly relevant now because nearly 50% of the world's population presently live in urban centres. By 2025, it is estimated that the number of urban residents in developing countries will double, increasing by over two billion inhabitants. They will constitute 80% of the world's urban population.

The reason why increasing urbanisation provides potential for a significant contribution to the achievement of the International Development Targets is because cities are centres of politics, culture, complex service provision systems, enterprise development and innovation. They create spaces where poor people can participate in a range of socio-economic and political activities, which can radically improve their well-being and status. They can also provide a range of services (environmental, health, education, infrastructure, safety nets etc.) on an efficient and cost effective basis, which can provide benefits for poor people – good health, educational and job opportunities, libraries, savings and loans facilities, and access to environmental services.

Dynamic, well managed cities generate benefits far outside their boundaries. A buoyant regional economy which fosters productive exchanges of goods, services, people and capital between rural and urban areas, makes a significant contribution to national economic growth. Indeed, all the nations in the South with the greatest economic successes over the last 30 years have urbanised rapidly; most of those with the least economic success have not. There is a direct correlation between economic growth and poverty reduction.

Section 1 of the paper demonstrates the important role urban centres can play in the achievement of the International Development Targets, but also outlines why many urban centres to date have failed to deliver real benefits to poor people. It stresses that national governments, donors and other international organisations have tremendous opportunities right now to support the development of dynamic, well managed cities, which can distribute benefits to poor people. Many international organisations have developed new urban strategies and plan to increase their investments in urban areas. Most governments have jointly signed up to an international framework, the Habitat Agenda, to address their urban problems, and the next United Nations Global Conference for Human Settlements, Istanbul+5, in 2001, will take forward this framework.

Section 2 describes the range and breadth of the challenge to ensure that poor people optimise their benefits from urban development. It highlights particular aspects of the urban experience which make life in cities particularly difficult for poor people, especially those living in crowded, unsanitary slum settlements. It also demonstrates how opportunities can be constrained through the variable capacities and willingness of cities and national governments not only to meet poor people's rights and needs directly, but also to create the enabling economic and governance framework within which poor people's expectations can be realised in the longer term.

Section 3 describes the evolution of international experiences to address the urban challenge, and make cities work for poor people. It highlights the fact that planning and policy reform processes must take place at city, regional and national levels, and stresses that an understanding of poor people's rights, needs and capacities must be placed at the centre of the development agenda. There are major opportunities for reform at the beginning of the 21st century. These include the spread of democracy and decentralised government, the growth of new tools and mechanisms to understand the needs of poor people, and ways of working with local governments, civil society and the private sector.

EXECUTIVE SUMMARY

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Section 4 stresses that the approach to the challenge must be on a twin-track – both national and international. National governments must be at the forefront of the reform process. They set the enabling framework within which local governments at town level operate, shape macro-economic conditions, and outline the rights and responsibilities of all citizens, including poor people. International bodies in turn must support national governments in their efforts to ensure that policies and resource flows contribute to reductions in poverty in urban areas.

Section 5 is concerned with the priorities for DFID in supporting this agenda. It demonstrates that DFID is already doing a lot. We have a wide range of programmes on the

ground, and have played an active role in strengthening the capacity of the leading urban international organisation, the United Nations Centre for Human Settlements (UNCHS Habitat), to respond to the challenges it confronts. Based on these experiences, and the lessons identified in this document about the scale and nature of the urban challenge, this section goes on to outline the actions DFID proposes to take (as a members of the international community, and as a partners of national governments and civil society) to help reduce poverty in urban areas.

Section 6 explains how this reduction in poverty will be measured and monitored in countries and in cities and towns.

I. THE TARGETS

I.1 THE INTERNATIONAL DEVELOPMENT TARGETS AND URBAN DEVELOPMENT

I.1.1 The UK Government is committed to the elimination of poverty, and has based its policy for international development on a commitment to an internationally agreed set of development targets (see Box 1). These represent milestones against which progress towards the goal of poverty elimination can be measured. They are not, however, an exhaustive list. For policy-makers they do represent headline economic, human and social development, and environmental targets, which will require engagement at global, regional and local levels, across different sectors, in both rural and urban locations.

I.1.2 Dynamic urban development in the countries of the South can (and will need to) provide a major contribution to the achievement of these targets. Urban centres are places where important social and economic transformations take shape.¹ They are centres of government and politics; artistic, scientific, and technological innovation; and of culture and education. They provide the space where people can have diverse experiences, where different cultures can mingle through a range of human contacts, where a broad range of economic activities take place, and where services (including health and education) can be provided on an efficient and cost-effective basis.

BOX 1: TARGETS FOR INTERNATIONAL DEVELOPMENT

ECONOMIC WELL BEING

- The proportion of people living in extreme poverty (less than US\$1 per day at 1993 purchasing power parity) in developing countries should be reduced by at least one half by 2015.

SOCIAL AND HUMAN DEVELOPMENT

- Universal Primary Education: There should be universal primary education in all countries by 2015.
- Gender Equality: Progress towards gender equality and the empowerment of women should be demonstrated by eliminating gender disparity in primary and secondary education by 2005
- Infant and Child Mortality: The death rates of infants and children under the age of five years should be reduced in each developing country by two-thirds the 1990 level by 2015.
- Maternal Mortality: The rate of maternal mortality should be reduced by three-quarters between 1990 and 2015.
- Reproductive Health: Access should be available through the primary health care system to reproductive health services for all individuals of appropriate ages, no later than the year 2015

ENVIRONMENTAL SUSTAINABILITY AND REGENERATION

- There should be a current national strategy for sustainable development, in the process of implementation, in every country by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015.

¹ The terms 'urban centres', 'urban areas', 'towns' and 'cities' are used interchangeably.

I. THE TARGETS

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1.1.3 For poor people, therefore, cities present tremendous opportunities for social and economic development. They represent key centres where poor people can and do demand their right to a share of the opportunities that urban development present, and where they can actively participate in processes of socio-economic and political change. People make a rational choice to move to urban centres where the opportunity to secure and improve their livelihoods through paid employment in both the formal and informal sector is greatest, and where a range of choices are open to them about how and where to live their lives. They stay in cities which continue to meet those needs. In many situations, the inability of families and individuals to improve their livelihoods in rural areas force them to seek opportunities in cities.

1.1.4 People's choices affect, and are in turn affected by, the scale and scope of economic development. Economic migrants both respond to, and fuel, the process of urban growth because most enterprises concentrate in urban areas where production costs are lower, support services and markets are accessible, economies of scale reduce investment costs, and a diverse and skilled labour force is available. Urban centres develop because enterprises want to take advantage of these economies of scale; people in their turn have made a choice about where and how they want to meet their livelihood needs.

1.1.5 If urban development is managed effectively, it is a positive force for national economic growth and poverty reduction. As the paper *Halving world poverty by 2015* in this series has demonstrated, economic growth increases the incomes of poor people. Cities and towns, and the industrial and commercial activities which are located there, generate 55% of gross national product (GNP) in low income countries, 73% in middle income countries, and 85% in high income countries².

1.1.6 Indeed, the impact of economic growth stretches far beyond the boundaries of urban centres themselves. A prosperous urban centre provides markets, financial resources and employment opportunities for agricultural producers; a productive rural hinterland provides the food,

materials and labour that buoyant urban centres require. There is perceived to be a direct correlation between the speed at which a country is urbanising and the relative success of its economic development.³

1.1.7 As we enter the 21st century, these conclusions about the dynamic relationship between urban development, economic growth and poverty reduction are particularly pertinent. Over the past 50 years, the urban population of the world has doubled so that now nearly half the world's population, representing almost three billion people, currently live in urban areas. Within a generation, this number is likely to double.⁴ Much of the growth will occur in developing countries. By 2025, it is estimated that the number of urban residents in these countries will then constitute 80% of the world's urban population (see Figure 1).⁵

1.1.8 The pace and scale of urbanisation is occurring at a much faster rate now than in Europe and North America in the previous century. Most urban population growth can be explained by natural internal growth and the redrawing of political boundaries to incorporate erstwhile rural and peri-urban areas within city limits. Less than half the growth of urban areas is now attributed to rural urban migration. These patterns are likely to continue. The impact of globalisation, and the growing interdependence of countries and people, is also promoting massive changes in the way in which countries are urbanising, and where people choose to invest, live and work.

² World Bank (1999). *World Development Report: Entering the 21st Century*. Washington.

³ UNHCS (1996). *An Urbanising World, Global Report on Human Settlements*. Oxford University Press.

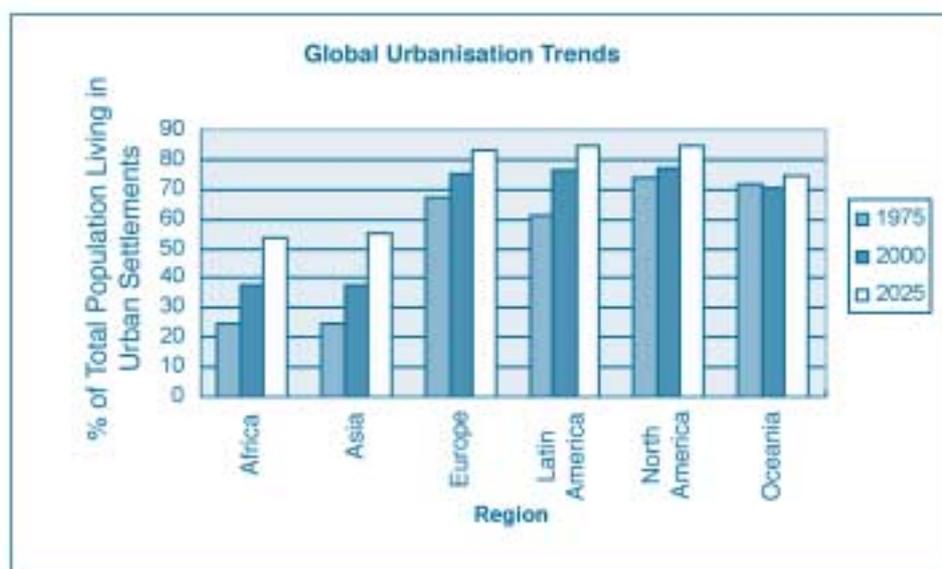
⁴ UNCHS (1996).

⁵ World Bank (2000). *Cities in transition: A Strategic View of Urban and Local Government Issues*. Washington.

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FIGURE I: URBAN POPULATION GROWTH



Source: UNHCS, 1996

1.1.9 The process of urbanisation can have a positive impact on the reduction of poverty, and make a significant contribution to the achievement of the International Development Targets. Cities are at the forefront of global movements to reduce poverty. They have the resources and capacity to improve the conditions within which people live and work; they create the corresponding space within which poor people can demand and obtain redress from political and bureaucratic systems; and they both feed off, and contribute to, productive rural development. In turn, socio-economic and political growth creates the conditions within which cities themselves can flourish. For international policy-makers, urban centres represent key focal points through which systemic changes in socio-economic and political development in the South can be effected.

1.2 SCOPE FOR ACHIEVING THE INTERNATIONAL DEVELOPMENT TARGETS IN URBAN AREAS

1.2.1 In spite of the positive contribution that urban development can clearly make to poverty reduction, it is important to recognise that the processes of urbanisation

alone will not reduce poverty; nor does it follow that poverty in urban areas will decline at a quicker rate than in rural areas. Indeed, current statistics suggest that poverty in urban areas is rising, and that the number of poor people in urban areas in some countries is now increasing at a faster rate than in rural areas.

1.2.2 These increases are partly fuelled by movements of poor people from rural to urban areas, so that the spatial location of poor people has simply shifted. It is also, however, a symptom of specific conditions in many urban centres themselves, which do not necessarily benefit poor people. In Latin America, East and Central Europe and Central Asia, more than half the poor already live in urban areas. By 2025, it is estimated that two thirds of the poor in these regions, and a third to almost half the poor in Africa and Asia, will live in cities or towns. More than 90% of the urban poor already live in the South.⁶

1.2.3 So why have the potential opportunities from urban development in many countries not been maximised by poor people, and what has constrained their capacity to realise social, economic, cultural, civil and political rights?

⁶ UNCHS (1996).

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1.2.4 In part, it can be explained by the fact that governments, civil society and the private sector frequently operate policies and practices, as the paper *Realising human rights for poor people* in this series illustrates, which discriminate against people on the basis of gender, class, age, ethnicity, disability or other aspects of social identity. These create inequalities in education, health status, income levels, and political power, and mean that many of the opportunities afforded to poor people by urban growth are not maximised.

1.2.5 Beyond these endemic factors, however, there are particular issues in urban areas which affect the conditions within which people live and work, and how they experience and cope with poverty. Urban centres are characterised by the concentration of people in densely populated areas, and by the corresponding need for complex delivery systems to meet their resource and service needs (food, water, shelter, transport, and waste). But density of population also provides great opportunities, due to the economies of scale, for the wide-scale provision of services to poor urban communities. In addition, people's livelihood strategies are dominated by the need for cash to meet their transaction costs (rent, food, utilities etc.) in a monetised urban economy. The opportunity to earn cash does, however, provide poor people with more choice in how they sustain and improve their livelihoods.

1.2.6 Many urban managers are frequently either 'unwilling', or 'unable', to deal with these pressures. 'Unable' because the scale of the problem is so enormous. In the course of the last decade, for instance, developing countries have had to accommodate an astonishing 150,000 new urban dwellers every day. During this decade, the figure is likely to rise to 180,000 daily, or more than one million a week⁷. This places huge pressures on access to land and shelter in already overcrowded settlements, on the capacity of infrastructure and service industries to meet rising demands, and on regulatory systems to protect workers from discriminatory and exploitative practices in formal and informal sector employment. It also places increased pressures on the ability of existing urban inhabitants to secure their livelihoods, where competition for living space is intense and access to a regular flow of income is critical.

1.2.7 'Unwilling' because many urban governance systems discriminate against the rights of particular groups of people. Many governments manage their urban problems by dividing the poor between the legitimate (those entitled to services and citizenship rights), and the illegal. The latter are then generally at the mercy of private service vendors who charge them high rates for essential services, such as water, have no entitlement to welfare benefits, are vulnerable to eviction at any time, and suffer frequent harassment from penal and judicial systems, which do not respect their fundamental right to an equal hearing before the law. Without a strong civil society with the capacity to demand and secure justice and rights for all from accountable government systems, these conditions will continue.

1.2.8 This means that many poor people live in concentrated, under-serviced slum and squatter settlements, where the threat to health from environmental hazards – vector-borne diseases, indoor air pollution, fires, floods, exposure to untreated waste – is a daily reality. In spite of this, many poor people choose to stay in cities because they perceive potential opportunities in urban labour markets. For many others, including second generation settlers, the choice to move on, and escape from extreme poverty is severely constrained. Box 2 overleaf illustrates the conditions under which one Indian family lives. This description is not unique. Indeed it parallels the experiences of a high proportion of urban households throughout the developing world.

⁷ UNCHS (2000). *The State of the World Cities*. Nairobi.

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BOX 2: A POOR URBAN HOUSEHOLD

"A family living in temporary accommodation – bamboo partitions and tar-coated asbestos for the roof...originally they paid a monthly rent of 15 rupees, now they can pay nothing (so face the possibility of being evicted at any time)...the husband has TB and a heart condition, he started to be ill 10 years ago..... he cannot stand or sit alone, he is mainly in the hospital she has to stay with him ... so the children have been sent to an orphanage... her brother is the breadwinner of the family (six people in total).... he takes coolie work in the fisheries harbour nearby...he earns 20-30 rupees a day but is likely to have only 15-16 days work a month...whatever they earn goes on the husband's treatment before they buy any food....they eat nothing in the day and boiled rice and chutney at night...they have a ration card but do not buy rice because they can't afford it...sometimes a neighbour etc. will buy some rice for them".⁸

1.2.9 The family lives in squalid, unsanitary conditions in an informal slum settlement. It is one step away from homelessness and destitution. These conditions have both contributed to, and been caused by, the chronic ill health of the main income earner. The family lacks access to a secure income stream, has few, if any, assets, and is dependent on exploitative daily wage labour. It cannot afford the health care that the husband clearly needs, even though these services are geographically accessible in urban areas. As a result, they cannot purchase sufficient nutritious food, which would improve their capacity to cope, are dependent on the occasional kindness of neighbours, and can see no way out of their predicament.

1.2.10 The 'urbanisation of poverty' is likely to increase, alongside the rise of urban populations, unless urban managers and governance systems improve urban planning, recognise the rights of poor people, and create the space, services and opportunities for poor people to improve their conditions and participate in the distribution of the benefits that the urbanisation process has to offer.

1.2.11 In this context, the Universal Declaration of Human Rights and the International Development Targets set out a framework within which DFID and others can make a positive contribution to reduce poverty. The other papers in this series set out the strategies for: integrating rights into development, pro-poor economic growth, efficient government, reducing discrimination against women, improving education and health, service provision, and the sound management of the environment. Each represents a set of essential building blocks for pro-poor urban development.

1.2.12 This paper, in turn, highlights the contribution that dynamic, efficient and effective urban centres can make to the achievement of each of these targets. Urbanisation can, in the right circumstances, contribute to poverty reduction. Sustained economic growth and national development will be dependent on the development of pro-poor policies and approaches so that poor families can take advantage of the economic, social and political opportunities in urban areas. Sustained growth is equally dependent on the creation of conditions within which economic development can continue to take advantage of the economies of scale that cities provide, matched by the availability of adequate infrastructure and services and a skilled and healthy workforce. Both will require increased commitment at the global, national and local level to plan for growth, and increased capacity among city managers to implement change and reform in response to the requirements of a highly fluid and competitive global market place.

1.3 THE UN GLOBAL HABITAT II CONFERENCE AND THE HABITAT AGENDA

1.3.1 Many governments have acknowledged the need to improve their response to the urban challenge, and in particular to urban poverty. Not least, most have participated in two UN global conferences. Habitat I, in Vancouver in 1976, focused on human shelter and housing. Habitat II, in Istanbul in 1996, mapped out the urban agenda for the 21st century. It introduced the new themes of Urbanisation and Sustainable Urban Development in response to spiralling urban degradation and decay, and outlined the Habitat Agenda which calls for global action to address these challenges.

⁸ Cochin Corporation and DFID (1996). *Cochin Poverty Profile Study. Project Design Report.*

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FIGURE 2: THE SEVEN HABITAT AGENDA COMMITMENTS



Source: Habitat Agenda, UNCHS 1996

1.3.2 This marked a seminal shift in focus, and places Istanbul among the major UN conferences of the 1990s. The Habitat commitments were not, however, included in the present International Development Targets because the conference was held after the other targets had already been agreed. It is likely that Istanbul+5, in 2001, will have headline status alongside the other global conferences and will mark a significant stage in the process of incorporating goals for human settlements alongside the other targets. Indeed, the preparation of a series of measurable urban development goals is already underway, while the OECD's Development Assistance Committee (DAC) earlier this year requested that all data indicating progress towards achieving the International Development Targets should be disaggregated for rural and urban areas.

1.3.3 The international body with responsibility for urban development is the 58-member nations Commission on Human Settlements, and its executive body, the United Nations Centre for Human Settlements (UNCHS),

otherwise known as UNCHS (Habitat). The UK Government reaffirmed its interest in UNCHS in the 1997 White Paper on International Development and stated its intention to play "a full and influential role in supporting urban development policies that contribute to the reduction of poverty and sustainable development objectives". Participation in UNCHS presents an opportunity to highlight critical aspects of the urban challenge, with particular reference to its impact on poverty, and to work with other governments and international organisations to develop strengthened goals, commitments and instruments.

1.3.4 National governments are at the forefront of strategies to address the urban challenge. Success depends on their technical, financial, and human capacity to manage this complex process, but experiences to date, as section 3 of this paper will demonstrate, have been mixed. At an international level, UNCHS (Habitat) has not, until recently, been able to provide the leadership and vision that

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the Habitat Agenda required, while international development assistance and support from the World Bank, the regional development banks, and bilateral donors, has been limited⁹.

1.3.5 There are, however, considerable grounds for optimism. At the national level, many governments in the South are engaged in active decentralisation programmes, which should, if designed appropriately and implemented effectively, bring government closer to the people and facilitate city-based development. In turn, many development agencies are supporting decentralisation processes and are increasing their focus on, and investments in, urban areas. Methodologies, such as participatory poverty assessments, are increasing understanding of the needs of the poor and strengthening the political will to do something about the urban poor in the context of urban development. New initiatives to involve private sector money and ideas in urban development, and to strengthen public-private partnerships in infrastructure and service delivery, particularly in poorer areas, are underway. In addition, an increasing number of poor people in developing countries are seizing opportunities to get their voices heard in political arenas, and are willing and able to participate in urban reform processes.

1.3.6 At the International level, many governments, since Istanbul, have been taking steps to reorganise and strengthen UNCHS (Habitat), and this is beginning to reap dividends. The World Bank, the regional banks, the European Union (EU) and a number of bilateral donors have recently prepared urban strategies, signalling their interest in urban development and urban poverty reduction. Also new international commitments are being developed in preparation for Istanbul+5, and a new international instrument, the Cities Alliance, was launched in late 1999 (see Section 4).

1.3.7 In this context, the development of a coherent, well focused, urban development strategy for DFID, coupled with agreement on clear international targets to reduce poverty, is timely and appropriate. It will feed into the planning framework for the Special Session of the UN General Assembly at Istanbul+5, and contribute to the development by international organisations and donors, national governments and city managers of improved mechanisms to reduce poverty, within the context of vibrant urban economic growth.

⁹ Milbert, Isabelle with Vanessa Peat (1999). *What Future for Urban Co-operation?* Swiss Agency for Development and Co-operation.

2. THE CHALLENGE OF ACHIEVING THE KEY CAPABILITIES

2.1 INTRODUCTION

2.1.1 The second global conference on Human Settlements, Habitat II, highlighted “with a sense of urgency, the continuing deterioration of conditions of shelter and human settlements”, and recognised that urban poverty has distinctive features which need to be identified correctly so that appropriate interventions are developed. It also drew attention to the immense capacities of poor people to take advantage of the opportunities that dynamic urban development affords, and the potential for concerted international action under the umbrella of the Habitat Agenda to support poor people to realise their rights in urban areas

2.1.2 If the opportunities are to be grasped, it is important that national governments and international organisations understand the enormity of the growing urban challenge. Population increases have fuelled the growth of overcrowded and unsanitary living conditions for many poor people. The diversity and flexibility of both formal and informal urban labour markets are often constrained by inappropriate regulations. Much environmental degradation is both caused by overcrowded living conditions, and, at the same time, is a symptom of the failure of city managers to provide essential services in these areas. Continued economic growth, which generates benefits for urban inhabitants (jobs, income, investment opportunities), is dependent on the capacity of cities to provide sufficient infrastructure and services to meet business needs. The overall challenge for policy-makers is therefore to create the conditions within which poor people can have the space and opportunity to maximise the benefits that urbanisation presents, and to reduce the conditions which impede that process.

2.2 THE IMPACT OF URBANISATION

(1) LIVING AND WORKING CONDITIONS IN URBAN CENTRES: THE POVERTY DIMENSION

a) Living Conditions and Service Provision

2.2.1 Towns and cities are well placed to provide access to a wide range of services at a relatively low cost. This

means that poor people should benefit from improved health care, better education opportunities, drain clearance programmes and a wide range of services and products which support different labour markets, such as banking and shops. Unfortunately for many poor urban people, this is not the case. Many are socially excluded on the grounds of cost, discriminatory practices, and the failure of urban managers to keep pace with the growth of settlements on the urban fringe where many poor residents live. For instance, many non-recognised slums, even in city centres, are not considered to be part of the city, and therefore receive no civic amenities.

2.2.2 In crowded urban centres, residents are dependent on the provision of public and private services to mitigate the environmental effects of the conditions within which they live – accumulations of solid waste, human excrement, polluted water sources, high levels of indoor air pollution, and limited access to fuel. They cannot dispose of their rubbish on waste land or down ravines; they cannot find uninhabited areas in which to relieve themselves, and they cannot rely on access to common property resources (forests, pasture land etc.) as supplementary sources of income, energy, medicine or indeed water.

2.2.3 Urban poverty is therefore invariably associated with overcrowded, unsanitary living conditions within large slum settlements, with limited or no access to basic utilities, or services such as health, education, energy and law and order. Indeed, in many instances, the lack of access to basic utilities forces the poor to pay many more times the unit cost of water and energy than the rich do. These factors, combined, fuel the conditions within which water and airborne diseases are endemic, exposure to sexually transmitted diseases (including HIV and AIDS) is high, fires and other natural disasters are a constant hazard, and inter and intra-household violence, without legal forms of redress, is a factor of everyday life.

2.2.4 In this context, the challenge is to ensure that poor people benefit from the process of urban development. They need somewhere secure and healthy to live, and they need to have access to a broad range of services. Alongside this, policy-makers must support the development of political structures which provide opportunities for all

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people, including the poor and disadvantaged, to demand the services they want and need, and to participate actively in political systems.

b) *Assets/Income*

2.2.5 In a monetised urban economy, people need access to cash to purchase not only food, but also many non-food items, such as housing and rent, energy, transport, water from vendors, and sanitation from pay-as-you-use facilities. Often, people's key assets are their house, their capacity to sell their labour for money, and their participation in social networks. For poor people, the high cost of living in urban areas, coupled with the need for a secure income and asset base, can put additional pressures on their lives.

2.2.6 **Housing:** A house provides a location for access to employment, and is a source of income through renting out rooms and home-based or small-scale enterprise. However, with high population growth rates and inappropriate government controls on land, housing and house construction, the cost of conventional housing is frequently beyond the reach of the majority of the poor. Rooms are therefore commonly rented from someone else, sometimes at exploitative rates, and many houses are unfit for habitation – a cause of, rather than a bulwark against, environmental hazards. In these circumstances, security of tenure (the right to occupy a given space) becomes a critical issue.

2.2.7 **Income and Employment:** The economic opportunities open to poor people in towns and cities vary considerably. The growth of small and medium-sized towns attracting surplus labour from rural areas, has not always been matched by levels of infrastructure and amenities to support their needs. This has also restricted the level of private sector capital investment and productive employment opportunities. By contrast, in many of the older industrial centres, for example in Eastern Europe, the decline of the industrial base has pushed many un-skilled and semi-skilled workers into unemployment. The poor are seldom equipped with the skills and training to take advantage of newer opportunities in modern industry and the service sector.

2.2.8 In many developing countries there has been a massive growth of the informal sector and casual employment. Here, access to jobs and training is often mediated by the capacity of individuals or households to mobilise support from local leaders who control entry to different markets, with women commonly being paid much less than the male wage (often as little as 50%) for the same employment

2.2.9 With relatively insecure income streams, and in the absence of insurance schemes against ill-health, poor people can be pushed increasingly into debt, forced to take loans from private money lenders who charge very high rates of interest. While this might ease immediate consumption needs (for example, rent payments) it stores up more problems for the future as loans are called in, and families fail to meet their repayment obligations.

2.2.10 **Social Capital:** As far as other assets are concerned, the social capital (or informal networks) built by households over generations in the village may take on a different form in a dynamic, multi-cultural urban context where people come and go. The pressures of living in close proximity with strangers can induce new forms of social organisation to meet common needs. It can also, however, promote an increasing sense of isolation as slum newcomers are denied the 'citizenship' rights of older occupants, and tenants are excluded from participating in community activities.

2.2.11 Some of the key challenges for the future will be to support the growth of labour markets to the advantage of employers and employees alike, to protect urban families against risks, and to strengthen their physical (tenure status), financial (savings and credit) and social (supportive networks) asset base.

c) *Vulnerability*

2.2.12 Urban poverty is invariably associated with cumulative deprivations at individual, household and community levels, which lead to high levels of vulnerability to risk. Some individuals are more vulnerable than others, often related to their gender, age or ethnicity. Women, for instance, are commonly discriminated against both within

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the household and in the workplace; children, the disabled and the elderly are vulnerable to ill-health, and highly dependent on the capacity of other family members to support them. Households, as a whole, are vulnerable if, for instance, the main household income earner becomes ill, the family subsequently falls into debt and lacks access to alternative resources to stave off eviction and homelessness. And whole communities are vulnerable if a fire or flood wipes out people's homes, or city authorities decide to embark on slum clearance programmes without providing alternative living spaces.

2.2.13 In an urban context, where the likelihood of exposure to accidents and diseases is high, and social support systems may not be able to cope with complex family problems, exacerbated by rapid processes of socio-economic change, individuals and households can become homeless and destitute. These people add to a growing number of existing urban vagrants – street children, the mentally ill, the elderly, and abandoned women – who are drawn to urban centres to beg for food and money. It is estimated that at least 100 million people world-wide are homeless. They also swell the ranks of many desperate individuals who turn to exploitative employment arrangements, such as the sex trade, in order to meet their livelihood needs.

2.2.14 These factors call for a specialised range of services, targeted at the needs of particular disadvantaged groups. The challenge is to provide these services on a cost-effective basis to ensure that poor men, women and children do not fall further into poverty, and provide prospects of an improvement in their condition.

(ii) PRESSURES ON THE ENVIRONMENT

2.2.15 Urban centres can create environmental opportunities for poor people. For instance, the concentration of industries reduces the unit cost of making regular checks on plant and equipment safety, as well as on occupational health and safety, pollution control and the handling of hazardous wastes. Cities can also limit the use of motor vehicles, and reduce environmental costs in rural areas – for instance, the safe utilisation of sewage for intensive crop production and of partially treated wastewater by industry.

2.2.16 Unfortunately, many of these opportunities in developing countries are not utilised, as the paper *Achieving sustainability* in this series illustrates. Many of the most serious diseases in cities are 'environmental' because they are transmitted through air, water, soil and food, or through insect or animal vectors. The concentration of people in areas where the provision of water, sanitation, garbage collection and health care is inadequate creates the conditions where infectious and parasitic disease thrive and spread. Around half the urban population in developing countries is suffering from one or more of the diseases associated with inadequate provision of water and sanitation.¹⁰

2.2.17 In addition, the scale and severity of many chemical and physical hazards increases rapidly with industrialisation and the growth of road traffic. Small towns, for instance, often grow up around clusters of industries, which may be small, but highly polluting. Procedures to regulate enterprises' activities are often lacking.

2.2.18 The urban environmental challenge is therefore to ensure that environmental opportunities are realised, and that environmental hazards, especially those most commonly associated with premature death, or serious illness or injury, are reduced. It must also include strategies to reduce the loss of natural resources, and damage or disruption of the ecosystem, created through the resource demands and wastes of urban consumers and enterprises.

(iii) THE ECONOMIC CHALLENGE AND THE RURAL-URBAN DIMENSION

2.2.19 Urban areas create enormous employment opportunities for poor people, because they account for a disproportionately large share of national economic production. This is due to the fact that they allow increasing returns to land, labour and capital, and as a result, savings, investment and wealth become accumulated in cities. Businesses demand the availability of basic infrastructure at a reasonable cost – transport, water, building materials, energy – as well as complex information exchange systems, a skilled local labour force, and a wide range of service industries, including finance and banking to meet their transaction needs. With the increased ease of movement of

¹⁰ UNHCS (1996)

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goods, services, capital and information within and across national borders, manufacturing and service industries are placing an increasing premium on what cities can provide to meet their changing needs. Successful cities are those which can respond to these shifting challenges, provide strong public services, command and retain a skilled labour force, and overall, create a secure environment within which business can flourish.

2.2.20 The challenge, in these circumstances, is to ensure that (a) the distribution of the opportunities of economic growth reach the poor, and (b) the process of urbanisation in particular countries and regions, with its attendant potential for massive national economic success, keeps pace with the demands that different national and international firms, as well as their investors, place upon it. If it does not, capital and business will move elsewhere.

2.2.21 Urbanisation does not take place in a vacuum. Within most nations or regions, there are strong development linkages between rural and urban areas, linked to the large and complex flows of people, goods, services, money, social transactions and information flows between the two which serve both rural and urban development. Rural and agricultural development supports urbanisation, and many urban-based enterprises will benefit from progress in agriculture and a more prosperous rural population. Agricultural producers in turn benefit from these enterprises and from the access to markets that urban centres provide or facilitate. Many rural households benefit from local urban services, such as district hospitals and banks, and many draw some of their income from urban centres, in the form of remittances from family members employed in the town. In

rural areas close to cities, or along corridors linking cities, it is common for non-agricultural economic activities to form a central part of many rural households' livelihoods. Such activities are often particularly important for low income households as the means to diversify their livelihoods.

2.2.22 The overall challenge is therefore to ensure that this synergy is realised; that agriculture benefits from, and at the same time helps provide resources for, improved infrastructure, such as roads, electricity, health services and telecommunications; and that agricultural markets meet the food and produce needs of urban centres.

(IV) CITIES – THE CHALLENGE OF DIVERSITY

2.2.23 Cities are distinctive economic, social and political entities. They have their own management systems, human and financial resource base, cultural patterns, and historical experiences. This means that although the issues related to poverty outlined in (i) to (iii) above are common to all urban centres, the challenge for policy-makers is as much about understanding diversity, and the opportunities and constraints it presents, as it is about understanding the similarities between cities within and across national boundaries.

2.2.24 Some of the contextual conditions within which urban development takes place at a regional level are captured in Box 3. In each, the driving force for urban growth and development, with their accompanying implications for poor people, has been distinct, driven as much by local geopolitical and economic conditions, as by global trends.

BOX 3: REGIONAL DIFFERENCES

Latin America and the Caribbean. The region as a whole went from being predominantly rural to being predominantly urban between 1950 and 1990, although there are significant differences between countries. Today 76% of the population live in urban areas, and confront environmental management challenges which cannot keep pace with this change. In addition, the economy of cities is undergoing rapid change as some industrial centres have declined, and migratory patterns increasingly reflect urban-urban migration in response to changing employment opportunities

East and Central Europe. By 1992, 56% of the population of Eastern Europe was in urban areas. Within the former Soviet Union, 83% of the central region was urbanised. Since then, the collapse of the eastern bloc, and the accompanying relaxation of controls on economic planning and the movement of people, has led to out-migration to non-Eastern Bloc countries, and the introduction of market-based systems. This has had a significant impact on urban economies and settlement patterns. The greatest pace of change has occurred in Poland, Hungary and the Czech and Slovak republics.

Asia and the Pacific. Asia contains three-fifths of the world's population, and many of the world's fastest growing cities. These figures mask great differences. In 1990, Asia contained 72% of the world's rural population, and 44.5% of the world's urban population, reflecting the rate of urbanisation in China and India. Within the region as a whole, 32% of the population live in urban areas. Eighteen of the world's 26 mega-cities, with populations in excess of 10 million, will be in Asia by 2015.

Africa. Conservative estimates suggest the proportion of urban dwellers in Africa rose from 25% to 37% between 1975 and 2000¹¹. Yet rapid urbanisation has not been accompanied by strong economic growth, which has resulted in a decline in the levels of investment in basic infrastructure and urban services. Lack of investment has in turn inhibited economic expansion. Despite the fact that cities are not performing as engines of growth in the economy the percentage of people living in urban areas is set to rise to over 50% by 2025. .

2.2.25 At a sub-national level in all countries, urban development is heavily influenced by conditions within cities themselves. The problems of mega cities, for instance, are not the same as those of smaller ones in provincial areas. Similarly, some cities are linked to the global economy, while others have greater links with their rural hinterland. Recent work by the World Commission Urban 21¹² has divided cities into three types. The division is not necessarily North-South, or between regions, but rather reflects different stages in a city's development. The categories are:

- a) cities coping with hyper-growth – an economy dependent on the informal sector, and increasing poverty (common in sub-Saharan Africa, the Indian sub-continent, the Middle East, and the poorer cities of Latin America and the Caribbean);
- b) cities coping with dynamic growth – especially true in

middle income countries, where economic development is progressing and population growth is reducing;and

- c) the weakening mature city coping with ageing. This is characterised by a stable or declining population, a changing industrial base leading to the growth of smaller cities, which challenge the viability of older centres, and slow economic growth and adaptation.

2.2.26 Each category has its own developmental opportunities, needs and constraints, and is, at the same time, part of a wider economic and political framework which determines its room for manoeuvre and reform.

2.2.27 It should also be pointed out that within the boundaries of urban settlements themselves, there are also considerable spatial differences, which disproportionately

¹¹ OECD (2000)

¹² *World Commission Urban 21 (2000)*. Prepared by the Federal Ministry for Transport, Building and Housing of the Federal Republic of Germany

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affect poor people. Life in the urban centre can be very different to life on the periphery. These peri-urban areas are characterised by a high degree of population mobility between rural and urban areas, which is driven by new employment opportunities in urban centres and changes in rural occupations to meet growing urban market needs. It is also characterised by volatile land markets, the rapid loss of agricultural land, and massive informal, and under-serviced squatter settlements.

2.2.28 Although differences between and within cities have always been a feature of urban development, this pattern has been hastened in the last decade or so by two processes: (a) the impact of globalisation, which has increased the flow of goods, services, capital and resources between regions and urban centres, and thus shifted attention to the efficiency and effectiveness of different city management systems to encourage inward investment; and (b), by political and institutional reforms in many parts of the world which have decentralised power, resources and authority to city managers and empowered them to implement and manage their own development to benefit urban inhabitants. The challenge for policy-makers is therefore to develop mechanisms 'to strategise holistically, and intervene selectively, in support of cities and local governments'.¹³

2.3 INSTITUTIONAL CHALLENGES

(a) *The National Context*

2.3.1 Existing institutional, political and bureaucratic structures within countries have the main responsibility for achieving effective and efficient urban development, economic growth, dynamic rural-urban synergies, and overall reductions in poverty. The paper *Making government work for poor people* in this series covers the broader issues of politics, government and governance, and their affect on poverty. This paper relates these points to particular features in the urban context, especially the role and function of local government and other local agents in poverty reduction and urban development.

2.3.2 Rapid urbanisation has posed major challenges to urban management systems, and especially to local

governments. Their capacity to keep pace with the demands of change – population increases, deregulation of the economy, privatisation of state assets – and, at the same time, respond to the changing needs of different urban residents, including the poor, affects people's living and working lives, and determines whether business invests in a particular city or moves elsewhere.

2.3.3 Unfortunately, many local authorities lack the financial resources to invest in new infrastructure and services, or to maintain them, and often fail to identify opportunities to mobilise additional capital from the private sector, and additional revenue from their population. Systems are also strained where urban managers lack the human, physical and financial resources to meet rising demand, and where a political willingness to recognise the needs of different groups of the urban population, and especially those of poor people, is lacking.

2.3.4 In these circumstances, many other organisations outside government – non-governmental organisations (NGOs), civil society organisations, and private sector organisations – have had to become involved in meeting local gaps in basic services delivery, such as health care, education, water supply and sanitation, but at a cost. Coverage is rarely universal, and questions of quality and equity are not necessarily assured. Invariably, the most costly failures in the administration of urban services are maintaining up-to-date revenue collection mechanisms and the routine maintenance of physical infrastructure: roads, drains, water supply, and public amenity buildings.

2.3.5 One of the key urban challenges will be to assist urban managers and communities to realise the economic potential of their cities, to mobilise the resources necessary to improve the well being of all urban citizens, and to improve the capacity of management and accountability systems to support pro-poor urban development and economic growth.

(b) *The International Context*

2.3.6 National governments have received variable support from international bodies to address urban poverty issues and resource flows from development agencies to

¹³ World Bank (2000). *Urban and Local Government Strategy*. Washington.

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urban areas have been fairly low. In addition, mixed messages have circulated about the role of development in an urban context (for example, to alleviate poverty directly or encourage private sector investment). Investment into research, documentation and lesson learning has been limited, and co-ordination and collaboration between agencies engaged in urban development programmes has been weak. Key opportunities to work with governments in the South on urban development issues, including how to address the scale and depth of urban poverty and attract private sector development, have not therefore been maximised.

2.3.7 These problems have been compounded by the fact that the lead UN agency with responsibility for human settlements, UNCHS (Habitat), is relatively weak compared with other UN agencies. The organisation also has a weak financial base, and is only now recovering from funding the Habitat II Global Conference.

2.3.8 More recently, a number of international agencies, including the World Bank and the EU have turned their attention to the issue of urban poverty, and a programme to re-vitalise UNCHS (Habitat) and assist it to regain international confidence in preparation for Istanbul+5 is now underway. The key challenges for national governments and international organisations will be develop coherent and co-ordinated strategies to address the urban challenge, and to support the efforts of UNCHS (Habitat) to provide stronger leadership and vision.

3. EXPERIENCE TO DATE

3.1 INTRODUCTION

3.1.1 This section summarises the lessons learnt to date about how to create an enabling environment in which urbanisation and economic growth flourish, in which rural-urban linkages are supported, and where the real needs and interests of the urban poor are both recognised and addressed. It should be read alongside the other papers in this series, because each has a bearing on urban development.

Lesson 1: Poor urban people's needs and priorities must be understood and addressed if a sustained reduction in poverty is to take place

3.1.2 During the 1970s, 1980s, and early 1990s, urban development programmes showed that the living conditions of urban residents, and especially those of the poor, in particular towns and cities could be improved significantly through a focus on the direct provision of basic infrastructure (water, access roads, energy, drainage, sanitation etc.), and improvements in particular services (health, education, solid waste collection) especially to low income neighbourhoods or slums.

3.1.3 One of the major strengths of slum improvement programmes of this period was the fact that municipal services, on both a large-scale and a permanent basis, were extended to slums for the first time. This approach has contributed to a process to regularise slums through in situ development, and thereby enabled poor people to retain ready access to jobs, as well as become more readily recognised as equal members of the society, rather than be relocated to the urban fringe.

3.1.4 Policy-makers however have learnt that an overemphasis on service and infrastructure provision within specifically defined areas has a number of limitations:

a) People within slums were not differentiated. This meant that although the infrastructure improvements were largely successful because they benefited everyone, other inputs, such as vocational training opportunities, which target individuals, were often taken over by urban elites.

b) Many of the poor, and potentially the most vulnerable, were excluded altogether. They included those living in non-recognised slums (located on precarious sites along canal banks and railways lines) who were in constant fear of natural disasters and eviction, as well as those living outside slums altogether, on pavements, in hostels and brothels, or inhabiting scattered dwellings alongside richer houses.

3.1.5 Given that urban poverty is a dynamic condition, and that an individual or household's position can decline or improve over short periods, according to changing circumstances – illness, unemployment, a pay rise, eviction etc. – policy-makers have learnt that a sustained reduction in urban poverty will only take place if the needs of all poor people are taken into account in programme planning and service delivery.

3.1.6 Recent studies¹⁴ have identified the particular priorities of poor urban people themselves. The bottom line for poor people is a fear of destitution and homelessness which could threaten their very survival. All poor people, including those whose conditions are improving, want a range of measures to protect them from risks (such as ill-health, loss of employment). Those who are coping or declining, want support to stop them falling still further (safety nets).

3.1.7 The next key objective for poor people is a search for security, the means to protect, as well as improve their current quality of life, and ensure that potential risks, such as unemployment, do not threaten their well-being. Security is associated with income streams, security of tenure, access to consumption and investment savings and loans, educational opportunities which are an investment for the future, and strong social networks to support families in times of crisis. For women, improved security includes income as well as protection against violence and discrimination.

3.1.8 Once these needs are met, but also alongside them, poor people are interested in improving their quality of life. They may want to participate in local politics, and participate in decisions about their local area. They may be interested in participating in skill training programmes

¹⁴ Impact Assessment Study (1999). Slum Improvement Projects, Final Report, University of Birmingham and DFID.

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which offer them the chance of better employment prospects in the future. They may want to invest time and resources in lobbying for, and maintaining, basic environmental infrastructure, and in attending courses to improve basic hygiene and health care.

3.1.9 These points are captured graphically in Box 4 below¹⁵. The table demonstrates that people's needs for survival, security and an improved quality of life, and the expression of these needs, varies according to their level of vulnerability. For instance, political voice is a 'quality of life' issue. For the improving poor, who have the time and money

to take risks, and to stand back from a hand to mouth existence, it might mean standing for local election, or attending ward meetings. For the coping poor, with less time on their hands, it might mean participating in community-based events where decisions about the local environment are made. For the declining poor, it might mean being invited to participate directly in decisions about the direction of their own life, for example, home-based help for the disabled.

BOX 4: POOR PEOPLE'S PRIORITIES

	Declining Poor	Coping Poor	Improving Poor
Survival	Free and accessible health care; Cash, Pensions, unemployment and disability benefits; Food subsidies, legal aid Housing/shelter Free and affordable health care	Free and accessible health care Food subsidies and public works programmes Financial services Community-based support	Affordable health care State and employer insurance schemes Regulations against discrimination etc. enforced Financial services - loans
Security	Income Stream Tenure rights Basic education, plus some skill training Savings schemes Community support systems	Income Stream Secure housing tenure/ownership Skill up-gradation opportunities Education, legal support Savings and credit	Income Stream\ Home Ownership Enterprise development schemes Loans for enterprises Legal support
Quality of Life	Participate in decision-making about matters of immediate concern Environmental improvements	Participate in community based decision-making Environmental improvements	Health and safety at work Political Role

¹⁵ This table is adapted from (a) *Impact Assessment Study (1999)* and (b) Loughhead, S., Mittal, O., and Wood, G. (2000 forthcoming). *Urban Poverty and Vulnerability in India: DFID's experiences from a Social Policy Perspective*. DFID India.

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3.1.10 The important lesson is that poor people have multiple needs and that they must be consulted about which services they need, where they should be located, and how the potential benefits should be distributed. It also means that a sustained reduction in urban poverty will require action in all spheres and across a wide range of policy interventions to stop the declining poor falling further, protect the coping and improving poor against risks, which could lead to a reversal of fortunes, and provide graduation prospects for all.

Lesson 2: Cities and towns must be effective and efficient management units

3.1.11 The challenge section of this paper highlighted the importance of cities and towns as focal points for development. They are the point at which different sectoral activities converge; where local decision-making affects the living and working conditions of poor people and the growth of the regional economy; and where the interplay between different institutional, political and bureaucratic structures – local government, the private sector and civil society – sets the context within which urban development and reductions in poverty take place. Lessons from experience indicate that if these institutions work well together, they can play a critical role in meeting poor people's needs and interests.

a) Local Government Service Providers

3.1.12 In the eighties and early nineties, international organisations often bypassed local government in the development of new services. National governments established development authorities and parastatal agencies to channel capital investments for urban development and major infrastructure improvements, because they often perceived strong local government as a political threat.

3.1.13 As a result, many local governments were simply handed new assets to maintain, irrespective of the quality of design and construction. The lack of capital investment projects and financial resources in the municipalities had already weakened the professional cadre, leading to inadequate, poorly trained, badly paid technical staff, with little or no incentive to do better. This, in turn, contributed

to an inability to provide effective land use planning, and to operate and maintain, manage or renew its existing infrastructure and other assets. Lack of adequate finance paralysed them in making new investments and in taking risks. Many became bankrupt. Alongside this process, city and regional planning functions were not developed on a systematic basis. Cities therefore developed on an ad hoc basis, with little thought given to how they would sustain themselves financially, economically and physically in the longer term.

3.1.14 This process contributed to the fact that many local governments were unable to take advantage of the opportunities that decentralisation from central government departments presented. At the same time, constructive relations between the political arm of local government (the Mayor and the Council) were often not fully developed. Planning frequently became ad hoc in response to competing political pressures, and systems of accountability both to elected representatives and to the electorate were not strengthened.

3.1.15 This means that if local governments are to provide services for poor people, they must develop their planning functions and have suitable revenue sources and sound financial management practices. They must have competent and committed staff, who are able to plan, deliver, manage and maintain services, and managers must be accountable to their political leadership, while being sufficiently autonomous and professional to maintain a service which is above day-to-day political pressures.

b) Public-Private Partnerships

3.1.16 Policy-makers have learnt that the development of strong local partnerships at city level contributes to poverty reduction and urban development. Indeed, partnerships in many wealthier and well managed cities have improved the quality and range of infrastructure provided to low income groups, and improved their protection against eviction from private land.

3.1.17 In partnership development, there is no one right solution. The key is clarity about the local framework within

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which different parties operate. This means that one of the key roles for local government is to set up and manage an appropriate regulatory and enabling framework, including effective urban planning, to promote partnerships, regulate their performance, and ensure an equitable distribution of benefits. This creates the conditions within which public bodies can work with the private sector to operate and manage services which benefit the whole community.

3.1.18 Private provision of services is easiest to apply where consumers can be charged and competition is possible. While the type of private sector competition is dependent on the scale of the investment, the technology required and the maturity of the business sector, it will only be effective if independent regulators have the capacity to protect the public from excessive charges and ensure affordable services to low income consumers. This applies not only to water supply and sewerage, but also to electricity supply, public transport, and commercial refuse collection.

3.1.19 Not-for-profit organisations have also become service providers, or acted as intermediary groups for poor people. Policy-makers have learnt that they have certain comparative advantages – accessibility to particular groups of the poor, flexible management arrangements, and a capacity to work at micro-level. The urban basic services programme in Cebu, in the Philippines, is notable for the range of NGOs involved alongside government. Here, NGOs are managing projects and providing social services, while government is providing the logistics, technical support and legislation. In the field of financial services, NGOs such as the Self Employed Women's Association (SEWA) in Ahmedabad, India, have demonstrated that they are better placed to manage these programmes than government.

3.1.20 In addition, policy-makers have learnt that NGOs can play a significant role in facilitating communications between local government and poor communities, including strengthening the capacity of poor people to articulate their needs. In Lusaka, Zambia, for instance, CARE is working with communities and the city council to set up representative area-based organisations (ABOs) to respond to community needs. The activities have grown from improving water supplies to environmental health, micro-

finance and encouraging participation (especially by women) in broader political arenas.

c) *Environmental and Economic Management*

3.1.21 Policy-makers have learnt that a clean urban environment, which will improve the health status of poor people, is dependent on the improved provision, management and coverage of services, better land management and planning systems, and the regulation of businesses which generate high levels of pollution.

3.1.22 Unfortunately, many cities, for the reasons stated above, have not proved adept at addressing these issues. In addition, city managers have not been good at investing in the infrastructure which will provide the basic services necessary to encourage inward investment and economic growth, or in optimising rural-urban linkages.

3.1.23 Decentralisation has provided opportunities for some local politicians, especially in more developed countries, to make investment decisions in response to local priorities, but in many developing countries, macro-economic instability means that the risk of taking long-term loans to finance investments is invariably too high. Lessons from experience have, however, shown that local government can play a significant economic role through the regulation and management of land markets using local tax systems, and the use of public land and transportation systems. All of these affect where people choose to live, and where firms choose to locate. Up to half of urban land, for instance, is commonly in the public domain, including roads, pavements, parks, public buildings and facilities. The way in which local governments choose to use this land affects where industry locates, how congested a city is, where people will live, and how the city will develop¹⁶.

Lesson 3: National public policy sets the framework for successful urban development

3.1.24 It is clear from the lesson 2 above, that city-based development is also dependent upon national governments because these set the context within which city managers operate, create the conditions within which a healthy and robust civil society can develop, determine economic

¹⁶ WDR 1999/2000

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policies, and establish the legislative and regulatory framework which protects and promotes the interests of different groups, including poor people. In many countries, national governments have also established Ministries for Urban Development which set funding levels for different urban centres, run a range of anti-poverty development schemes, and advocate for urban issues within national and international policy arenas. Urban programmes from the late 1980s onwards have, therefore, increasingly focused on policy reform and institutional change at a national level.

a) Governance Structures

3.1.25 The decentralisation of power, resources and accountability to local bodies has taken place in a number of countries in recent years. This is taking place under the assumption that it will increase democratic representation and facilitate pro-poor decision-making at the local level, based on the premise that a government closer to the people will address their needs.

3.1.26 As the paper *Making government work for poor people* in this series has shown, democracy and decentralisation do not necessarily cause development or redistribution, and any economic growth supported by decentralisation does not necessarily benefit the poor. For instance, in South Africa, the transition to democracy has reduced repression for the urban poor and brought more services. It has not, however, been translated into increased incomes.

3.1.27 Too much focus on the formal aspects of political representation and accountability ignore the informal systems which exist in any town (which frequently favour the better off) and the numerous other constraints which affect poor people's capacity to participate in political processes. In addition, too much hope is often placed on progressive reform agendas to deliver a redistribution of wealth and services which will benefit the poor, without appreciating that this can place too much pressure on an already overburdened system¹⁷.

3.1.28 In part, these problems are due to the fact that decisions to decentralise functions to local government have been made without any real political commitment at the

centre, do not match the phasing of the transfer of revenue sources and assets, and take place before relations between different levels of government are worked out. Limited gains may not, therefore, immediately translate directly to the ends desired. For instance, policy-makers must understand that improved democratic systems may increase participation, but may not be translated into empowerment or poverty reduction because the poor are weakly organised, and accountability mechanisms under developed.

3.1.29 In these circumstances, therefore, it is important to support those elements of the democratisation and decentralisation process which are likely to lead to improved local government performance and accountability, and, at the same time, to strengthen the opportunities for civil society and other players, including the private sector, to organise and influence policy and practice. It is also important to ensure that national government acts as a watchdog, safeguarding the interests of weaker groups in different cities, or weaker parts of the country. This may involve channelling more financial and technical support to weaker and poorer local governments, or promoting attitudinal change.

3.1.30 Over the past few years, it has become clear that where local government has decentralised powers, and civil society is buoyant, the gains for poor urban people have been immense. There are a number of examples where city authorities have changed their policies or procedures to provide more scope for greater participation by grassroots organisations in municipal plans and actions. Examples include participatory budgeting in Porto Alegre and other Brazilian cities, and supporting the rights of women pavement dwellers in South Africa through the Homeless People's Federation.

b) Economic Policy and Regional Development

3.1.31 National governments have often tried to influence the pace or location of urbanisation. At times, they have done this through shifting resources from agriculture to financing industries concentrated in cities, or by attempting to stem the tide of migration by forcibly moving people out of cities and issuing restrictive permits to limit movement. This was the case in pre-reform South Africa, the former Soviet Union and Vietnam.

¹⁷ Batley, R. (2000) *Urban Governance and the Poor*. Paper prepared for DFID

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3.1.32 More recently, it has become clear that many governments have had an insufficient understanding of the dynamic nature of urban and rural linkages and dependencies, and that their policies have undermined growth, rather than stimulated it. All too often for instance, focus has been placed on mega-cities, rather than on secondary towns where most urban growth is occurring and where the pressures of the rural-urban drift are at their most acute. It is now clear that this needs to be factored into regional economic and spatial planning. In addition, there is little evidence of governments recognising that a prosperous agriculture supports urban development¹⁸. As a result, many rural service centres, towns and cities continue to be starved of funds to support their economic expansion.

3.1.33 Indeed, the factors that underpin rural impoverishment also limit urban development. Highly unequal landowning structures in rural areas also mean a lack of rural demand for the goods and services which allow urban enterprises to prosper. Rural poverty drives surplus labour to cities in search of a better life, and therefore adds to the burden on already overstretched services. Road networks into rural areas may simply reinforce or increase unequal land owning structures, and in the absence of good management, buoyant land markets around the peri-urban fringe invariably lead to the eviction of tenant farmers and agricultural labourers for economic gain, and the wholesale destruction of 'urbanised' village life.

3.1.34 In addition, policy-makers have not always taken account of the impact of the process of globalisation on economic relations between rural and urban areas. The sequencing of the liberalisation of trade in certain goods and services, for instance, has an impact on the balance of activity and change experienced in rural and urban areas. If trade in certain manufactured goods is liberalised first, then change will have to be managed first in urban centres where most manufacturing takes place. If agricultural products open up first, then rural areas face change first. Similarly, the liberalisation of particular services, such as telecommunications and rules on competition, will affect the flow of investments by the private sector into particular areas where they are guaranteed adequate communications services, and access to markets. Liberalisation policy in

future needs to take account of the order and scale of impacts that are likely in rural and urban areas, and take necessary mitigation actions if required.

Lesson 4: A co-ordinated international approach is essential

3.1.35 Although increasing attention is now being focused on the challenge of urbanisation, policy statements and international interest have, until recently, not been matched by concerted action on the ground. This has had an impact on the scale and nature of engagement and financial investment in urban issues, on the identification of priorities for action, and on different governments', donors', and international organisations' commitment to collaborate in support of pro-poor urban development. Partly as a result of this, UNCHS (Habitat) has remained a fairly weak institution, compared to other international bodies with similar remits..

3.1.36 The lessons from experience have, however, shown that urbanisation, and its impact on world poverty, is a matter of pressing concern and that the international community must organise itself to address these issues. As a result, interest in UNCHS (Habitat) and the Habitat Agenda has been renewed. There has been a concerted effort to strengthen the capacity of the organisation to enable it to take forward the Habitat Agenda, with a strategic focus on urban poverty. A fundamental reform process, supported by a number of donors (including DFID), is enabling UNCHS (Habitat) to strengthen its core role of monitoring the implementation of the Habitat Agenda and to becoming the global UN centre for disseminating good policy and practice in urban development, governance and management.

3.1.37 The reform process is also helping to strengthen the framework of co-operation and support for the implementation of the Habitat Agenda, through the establishment of improved international co-operation and closer links with local government and civil society. As a result, links between a range of bodies, such as the World Bank and, for example, the joint UN/multi-donor Urban Management Programme, Cities Alliance and others with interests in urban areas, have expanded.

¹⁸ Satterthwaite, D. (2000). *Seeking an understanding of Poverty that recognises rural-urban differences and rural-urban linkages*. IIED

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3.1.38 Several donors, including the World Bank, the Asian Development Bank, and the European Community have been reshaping their own urban strategies. There are remarkable parallels in the way in which these international organisations are approaching the challenge. The new World Bank Urban and Local Government Strategy is concerned with ensuring that countries and their population, including the poor, extract the most benefits from urbanisation. It places emphasis on developing liveable, competitive, well-governed and managed and bankable cities, within the context of national Comprehensive Development Frameworks and national Poverty Reduction Strategies. These will provide a view on the contribution of the urban system within the macro economy.

3.1.39 Similarly, the Asian Development Bank's new strategy focuses on infrastructure and services, transport and housing, complemented by capacity-building and policy reform work at city and national levels to support decentralisation measures designed to improve the management and performance of services and service providers, especially for poor people. The Swiss Agency for Development and Co-operation, the United States Agency for International Development (USAID) and the Canadian International Development Agency (CIDA) have developed similar strategies. The European Community has concentrated on developing guidelines for programme managers on sustainable urban development.

3.1.40 A number of new players have also entered the international urban arena. The World Association of Cities and Local Authorities Co-ordination (WACLAC) was formed on the eve of HABITAT II. Regional associations are also growing in stature. Both organisations have stemmed from a growing perception among city mayors, chief executives and others of the need to have a voice in international meetings.

3.1.41 Increasingly, therefore, DFID and others are recognising that success in meeting the International Development Targets in urban areas will depend on strong international leadership and vision, matched by the capacity to co-ordinate the international response to the urban challenge, and to hold countries themselves to account for the achievement of the International Development Targets in urban areas. In practice this will also mean developing coherent responses to urban issues across all the international agencies.

4.1 INTRODUCTION

4.1.1 On the basis of the lessons learnt, this section identifies the collective effort required to ensure that the process of urbanisation contributes to the achievement of the International Development Targets, and in particular, to the overarching objective of reducing by half by 2015 the proportion of people living in extreme poverty.

4.2 THE URBAN DEVELOPMENT AGENDA: EFFECTIVE NATIONAL ACTION

4.2.1 The previous section of this paper has demonstrated that actions at city level can improve city management systems. This can bring direct benefits to poor people, and encourage economic growth with equity. Lessons at city level also provide key learning points informing practitioners and policy-makers alike about what works and what does not work to reduce poverty in urban contexts.

4.2.2 An emphasis on small-scale localised initiatives will not, however, bring about lasting change unless it is linked to, and complemented by, policy development, laws and regulations, and interventions at the national level. This means that national governments must take the lead in managing the urban and regional development process.

4.2.3 Lessons from experience have shown that some of the key constraints to poverty reduction, urban development and pro-poor economic growth have been market and government failures. National governments provide the enabling and regulatory framework for urban development at country level, and in the global community through international agreements, and their interface with donors and other organisations. They also control significant financial, human and physical resources which affect actions on the ground, and set the enabling context within which local government operates.

4.2.4 Success will therefore depend upon harnessing the political will for pro-poor urban development, and creating the space for poor people themselves to demand and realise their rights, matched by the financial, human and technical capacity to create opportunities for socio-

economic changes on the ground. It must also be supported by the ready availability of appropriate knowledge, based on experience, outlining how to introduce and implement an urban reform agenda.

4.2.5 New instruments to assist national and local governments to develop anti-poverty frameworks were announced in late 1999 by the World Bank and the International Monetary Fund. Comprehensive Development Frameworks and Poverty Reduction Strategy Papers will provide long-term co-ordinated and coherent approaches to addressing the numerous development challenges that countries face, including the challenge of urbanisation. Indeed, the PRSP source book provides a separate chapter, addressing the urban dimension of national and local strategies. An additional tool, the City Development Strategy, will complement these approaches at city and town level.

4.2.6 Success will also be dependent on the capacity of national governments to harness these initiatives to locally driven processes. Effective and efficient partnerships will need to be developed with local government, the private sector, and with civil society. Each has a significant role to play in national and local socio-economic and political development, and in ensuring that policy commitments are translated into real changes for poor people on the ground.

4.3 CO-ORDINATED INTERNATIONAL ACTION

4.3.1 At an international level, the World Bank, the Regional Development Banks, the EU, and various bilateral donors have learnt that they need to work in collaboration both with each other and with national governments to achieve common goals. Given that financial contributions from these bodies are modest in urban areas, effective changes will therefore only come about through all parties – international agencies, national governments, civil society, the private sector – working within a shared international framework, which has the leadership and vision to support and guide change, and the capacity to learn from, and disseminate, lessons from the past.

4.3.2 Frameworks for this collaboration such as the Comprehensive Development Frameworks, National

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Strategies for Sustainable Development and Poverty Reduction Strategies are now being established in many developing countries. As the donor community increasingly turn their attention to the urban challenge under these mechanisms, their influence on urban development and the reduction of urban poverty will significantly expand.

4.3.3 The international leadership to address the urban challenge must come from UNCHS (Habitat). In May 1999, the 17th Session of the UN Commission on Human Settlements held in Nairobi agreed that UNCHS (Habitat) should be developed as the 'UN global advocacy agency for cities and human settlements with an explicit focus on the reduction of urban poverty'. Its strategic work will continue to concentrate on 'Adequate Shelter for All' and

'Sustainable Urban Development', within the new focus on two global campaigns, 'Security of Tenure' and 'Good Urban Governance'.

4.3.4 In May 2000, UNCHS (Habitat) developed four goals, designed to contribute to the UN target to reduce poverty by half by 2015. These are intended to guide the agenda at Istanbul +5. The first of these, referring to shelter and services for poor people, endorsed a target prepared by the Commonwealth Consultative Group on Human Settlements in May 1999. This was subsequently adopted at the Commonwealth Heads of Government Meeting in South Africa in November 1999. These goals are shown in Box 5 below.

BOX 5: PROPOSED URBAN GOALS FOR ISTANBUL +5 (JUNE 2001)

THE HABITAT GOALS, NAIROBI, MAY 2000

Within a context of reducing extreme poverty by half by 2015:¹⁹

- a) Demonstrated progress towards shelter for all and access to basic services in every community.
- b) Demonstrated progress in improving urban governance, particularly in promoting economic and social policies that are favourable to the poor and inclusive.
- c) Demonstrated progress in the removal of discriminatory legislation and practices that prevent women from inheriting and owning land and property.
- d) Continued excellence within the Centre [Habitat], in the management of its resources, development of its staff and in the quality and integrity of its work.

The Commonwealth Target, Durban, 1999²⁰

To achieve demonstrated progress towards shelter for all, with secure tenure and access to essential services in every community, by 2015.

¹⁹ "Demonstrated Progress" has been identified as "the progressive implementation of a plan of action".

²⁰ The Commonwealth Consultative Group on Human Settlements (CCGHS) 1999 *Focus On The Habitat Agenda, The Commonwealth Development Framework for Human Settlements*, Commonwealth Human Ecology Council, (UK).

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4.3.5 The process of meeting the urban challenge is being supported by a number of international mechanisms and programmes, which encourage the integration of locally driven strategies into holistic and co-ordinated frameworks for action. These together have the potential to underpin, and support initiatives at community, city, regional and national level, as well as to translate the Habitat Agenda commitments and goals into operational activities (see Box 6).

4.3.6 To date, however, co-ordination of various programmes has left much to be desired. In 1999, a new international mechanism, the UNCHS (Habitat)/World Bank-led Cities Alliance, was formed (see Box 7). This promises to provide the main global framework under which most of the international community's efforts to address the urban challenge will be co-ordinated. In addition to the Bank and UNCHS (Habitat), the members include other UN agencies, bilateral donors, and international local government bodies, city authorities from both developed and developing countries. DFID has committed funds to this programme.

BOX 6: INTERNATIONAL PROGRAMMES FOR URBAN POVERTY REDUCTION

- **Habitat Global Urban Observatory Programme:** UNCHS (Habitat)-led initiative of capacity-building programs and resources to help governments, local authorities and their partner groups to monitor progress in implementing the Habitat Agenda and to expand the base of knowledge for better urban policy.
- **Local Leadership and Management Training Programme:** UNCHS (Habitat)-led programme supporting national capacity-building institutions to provide training in leadership and management to elected local government officials and other urban managers.
- **Public Private Infrastructure Advisory Facility (PPIAF):** This multi-donor initiative hosted by the World Bank will provide advice and expertise to governments in developing countries on issues associated with attracting private sector involvement in their infrastructure and utilities sectors
- **Urban Management Programme:** UNCHS (Habitat)/UN Development Programme-led multi-donor initiative designed to strengthen the contribution that cities make towards urban poverty reduction, participatory urban governance and the urban environment
- **Sustainable Cities Programme:** UNCHS (Habitat)/UN Environment Programme-led programme to build the capacity of urban governments in urban environmental planning and management, using participatory methodology.
- **Public Private Partnerships for the Urban Environment (PPPUE):** UNDP-led programme to promote the formation of public-private partnerships in the delivery, management and operation of urban services and infrastructure.
- **Local Initiatives for the Urban Environment (LIFE):** UNDP-led programme promotes local-local dialogue and the strengthening of local institutions. LIFE methodology focuses on local solutions to urban environmental problems in low income settlements.

BOX 7: CITIES ALLIANCE: A MECHANISM FOR URBAN DEVELOPMENT CO-OPERATION

The Cities Alliance is a multi-donor coalition of cities and their development partners, which aims: “to make unprecedented improvement in the living conditions of the urban poor.” It sets out to:

- improve the quality of urban development co-operation and lending
- strengthen the impact of grant-funded urban development co-operation
- increase the level of resources reaching the urban poor
- provide a structure for advancing collective know-how

The Alliance will focus on fostering new tools, practical approaches and knowledge sharing among the partners, while responsibility for implementation will be left to Cities Alliance partners. Two priority action areas are identified:

Cities Without Slums: nationwide and city-wide slum upgrading to improve the livelihoods of the urban poor, the key challenge being to improve the lives of 5-10 million dwellers by 2005 and 100 million by 2020.

City Development Strategies: support for city-based consensus building processes by which local stakeholders define their vision for their city and establish city development strategies that prioritise actions.

4.3.7 The Cities Alliance will provide the key mechanism through which co-ordinated international funding and lesson learning, targeted on urban poverty reduction, will take place in the future. Cities Alliance represents a forum where city authorities from developing countries – mayors and managers – will have a better opportunity to present their case for development funding on a more co-ordinated basis with donors and lending institutions than has been the case previously. It gives the international local government bodies – the World Association of Cities and Local Authorities (WACLAC) and the International Union of Local Authorities (IULA) – a positive role in assisting their constituent local governments with an informed expression of requirements in the fight against poverty. The Cities Alliance also provides a forum for the exchange of ideas and experiences between city managers from both developed and developing countries.

4.3.8 In addition, there are a growing number of international instruments to facilitate public-private partnerships focused on support to national and municipal governments. The Public-Private Infrastructure Advisory Facility (PPIAF), hosted by the World Bank and supported by DFID, provides technical advice and expertise to governments on issues associated with attracting private

sector investment in infrastructure at the national utility level. Smaller initiatives working mainly at the community and municipal level, are the Public Private Partnership for the Urban Environment (PPPUE) and the Local Initiatives for the Urban Environment (LIFE), both of which are hosted by the UN Development Programme. A new facility, the African Private Infrastructure Financing Facility (APIFF), is currently being developed by DFID in partnership with private banks. This aims to provide a mechanism for leveraging in additional private sector investment in the essential infrastructure of sub-Saharan African countries.

4.3.9 The Cities Alliance will be working with, and where appropriate through, other multilateral initiatives active in the sector to ensure that the programmes are complementary.

5.1 PROGRESS TO DATE

5.1.1 The 1997 UK Government White Paper on International Development affirmed DFID's commitment to contribute to the reduction of urban poverty. It has provided an invaluable platform for DFID's urban work. Since then, DFID has sought to refine its existing approaches and develop, where appropriate, new methods to reduce urban poverty, drawing on past experience, and increasing its collaboration with international partners.

5.1.2 Many of DFID's existing programmes are having a major impact on urban areas, but are defined by sector, rather than by location (for example, water and sanitation, health and education). Most of DFID's urban development projects have been concentrated in India and Pakistan, although more recently the work has extended to include Kenya, Cambodia, Egypt, Botswana, Ethiopia and Jamaica. DFID is also working with UNCHS (Habitat) in Kosovo and with the Cities Alliance in the Philippines. In addition, DFID is supporting a number of NGO managed urban projects in Latin America, Asia and Africa.²¹

5.1.3 DFID has learnt that slum development approaches to poverty reduction are only part of the story. Programmes from the mid-nineties onwards include specific elements tailored to meet the needs of vulnerable individuals and groups, as well as poor people in general. Alongside this, programmes have increasingly focused on improving the enabling environment and local governance structures, through which change can be sustained.

5.1.4 At city level, this has involved capacity-building support for urban managers to improve systems and optimise the opportunities afforded by decentralisation. It has also included direct support to civil society to strengthen their capacity to advocate for poor people's needs, participate in political systems, and provide essential services; and more recently, support to the private sector to encourage public-private partnerships and socially responsible business. At national level, DFID's work has included Public Sector Reform Programmes, support to improvements in the

regulatory environment, and capacity-building support for decentralisation. More recently, DFID has sought to engage with the broader question of urban economic development (for example, in the proposed Calcutta Urban Services Project) and is in the process of developing its understanding, through commissioned research, of the process of urbanisation on the links between rural and urban poverty. These findings will be absorbed into future programme planning.

5.1.5 At a global level, DFID has increased funding and support to UNCHS (Habitat) and supported efforts to strengthen the organisation, in line with our Institutional Strategy Paper Working in Partnership with Habitat. We have also supported a number of core activities with various international agencies active in the urban sector and have commissioned research which will contribute to international knowledge about how to address the urban challenge. For example, a recent research project with the World Bank undertook an assessment of City Development Strategies (CDS) and how the donor community can enhance their support for CDS initiatives in identifying opportunities for city managers to reduce poverty on a sustainable developmental basis. In addition, we have committed ourselves to support the UNDP-led Urban Management Programme, and to assist with the dissemination of material from the Habitat 'Best Practices Programme'. Collaboration with the international financial institutions on urban issues has also increased (for example, through support to the Cities Alliance Programme), and a broad range of partnerships have been forged with other bilateral donors, NGOs and national governments, including Commonwealth countries through the Commonwealth Consultative Group on Human Settlements.

5.1.6 We work closely with our European partners through the European Urban Development Experts group, which informs the European Commission's Directorate for Development on urban issues in the EU's development co-operation programme; and jointly with our EU partners in agreeing a combined policy approach at the Commission on Human Settlements in determining priorities for UNCHS (Habitat) and the implementation of the Habitat Agenda through multilateral programmes.²²

²¹ The DFID Issues Paper *A review of the UK's development co-operation activities in the urban sector*, produced for the 17th Session of the Commission on Human Settlements, held in Nairobi, May 1999, provides a detailed review of DFID supported urban development activities.

²² For three years DFID has seconded a detached national expert on urban development to the EC Directorate for Development (formally DG VIII) in order to assist in the development of *Guidelines for Sustainable Urban Development* – to be published shortly.

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5.1.7 While DFID provides the Government lead on Habitat, responsibility for reporting on the implementation of the Habitat Agenda in the United Kingdom lies with the Department of Environment, Transport and the Regions (DETR). DFID works in tandem with the DETR's International Planning Division co-ordinating activities on urban issues within the EU, the UN and other international bodies such as the OECD.

5.2 PRIORITIES FOR THE STRATEGY

5.2.1 For DFID, this paper presents an opportunity to re-examine past programmes and actions, and to highlight where our policies and programmes will go from here. It signals an intention to move away from ring-fenced projects, and towards more fundamental areas of policy reform. Direct support to poor urban people will still be a priority, but will be matched by an equal commitment to considering how these actions contribute to overall policy reform and to shaping the context within which change takes place. The strategy also signals the need to work more strategically with a broad range of partners, and to support international efforts to strengthen donor co-ordination and collaboration.

5.2.2 This approach will bring a much sharper focus to our work. It will help us to define what we do well; what we should do more of, or indeed start doing; and who we should work with. It will support the incorporation of the urban dimension to all sector work in urban areas, and will improve the capacity of DFID to support locally driven strategies responsive to local needs and conditions. It will, in addition, contribute to enhanced collaboration with our international colleagues in meeting the challenge posed by the Habitat Agenda.

5.3 SPECIFIC OBJECTIVES

5.3.1 Over half of DFID's overall budget is channelled through our bilateral development co-operation programme. The greatest challenge in meeting the International Development Targets is in the poorest countries, and DFID's bilateral work, including its urban programme, is focused primarily in these. We will continue to press for our multilateral partners to increase their poverty focus. Over

the next few years, we will be seeking ways in which our spending can provide an increased contribution to the reduction in urban poverty, in balance with our continued work on reducing poverty in rural areas. We expect to find the two objectives increasingly linked by their relationships and interdependence.

5.3.2 It is not of course possible for DFID to accord equal weight or resources to all the challenges outlined in this paper, everywhere in the world. We will focus our bilateral work with the countries where we have large programmes and, in particular, where the urban challenge is greatest and commitment to reform is strong. This work will not necessarily take place under urban specific programmes; it will, in many instances, be incorporated in other sectoral activities. It will also be integrated into regional and international collaboration. Country and Institutional Strategy Papers will increasingly focus on the urban challenge and its relevance for their work.

5.4 KEY ACTIONS

5.4.1 The objectives outlined above will be delivered through five key areas of work. These embrace DFID's central emphasis on poverty reduction, and thus the need for direct engagement with the interests and priorities of poor people. They also capture DFID's commitment to continued work at city level, matched by a corresponding engagement at both national and international levels.

Action 1: Enable the poor to participate in, and benefit from, the urban development process

5.4.2 DFID will continue to place emphasis on the rights and needs of poor people in the process of urban development. We believe that they should participate in decisions which affect their lives, the lives of people around them and, more broadly, the needs of the city itself. DFID will seek to develop further opportunities for consulting poor people about their priorities, both at home and at work, and to strengthen participatory methodologies and livelihoods approaches. This will mean the development of improved dialogue between communities and local governments.

5.4.3 DFID will contribute to programmes that help to

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improve the living and working conditions of the poor. This will include strengthening tenure arrangements, the supply of safe and affordable land for housing and health and safety regulations in the workplace. DFID will also work towards improving poor people's access to a wide range of services (for example, environmental infrastructure, health, education, financial services, law and order, safety nets). This will require the strengthening of civil society's capacity to organise and promote citizens rights and participation in service delivery. Particular emphasis will be placed on ensuring that women participate in decision-making and benefit from the urban development process, (for instance, securing rights to own property).

Action 2: Develop the capacity and resources of cities to manage pro-poor urban development and regional growth.

5.4.4 To date, much of DFID's experience has been at city level, and this experience provides a strong base from which to develop our work. We will continue to support mechanisms to strengthen the capacity of city managers to plan for urban growth, increase their capacity address issues of local concern, raise revenue, improve their accountability systems, and increase their willingness to consider the needs of poor people. In addition, we will work to increase the capacity of cities, to attract investment, develop improved links with rural economies (for example, transport systems), and strengthen partnerships between local government, the private sector and civil society. We will also encourage city authorities to develop overarching planning frameworks within which the needs and interests of different city stakeholders can be accommodated.

5.4.5 Within countries, DFID will increasingly seek to work in areas where urban pressure is greatest. As discussed earlier in this paper, this is likely to be in declining industrial centres, where many of the poor are losing their jobs, and in fast growing small and medium-sized towns, where the supply of infrastructure cannot keep pace with demand, and where the level of urban poverty is greatest. The new Andhra Pradesh Urban Services for the Poor Project in India is designed with this end in view. It aims, over a seven-year period, to develop the capacity of 32 Class One Towns (those with a population of above 100,000 people) to manage their cities more effectively, taking account of the needs of the poor. It is likely that more programmes of this nature will be developed in the future.

5.4.6 DFID will help to strengthen the capacity of local government to manage pro-poor urban development (for example, better financial base, more competent staff, management and maintenance of services) and promote the use of integrated city and regional planning mechanisms (for instance, the City Development Strategy framework). DFID will also assist in the strengthening of partnerships between local government, the private sector and civil society. In addition, DFID will extend its support to cities in their efforts to develop appropriate regulatory systems that support micro enterprise and business development initiatives and to introduce innovative funding mechanisms to assist communities efforts to improve their livelihoods (e.g. city – community Challenge Funds).

Action 3: Support national governments to strengthen the enabling framework within which city-based development takes place

5.4.7 Work at city level will continue to be matched by an engagement with national governments, which provide the enabling frameworks, the resources, and the mandate under which city-based development can take place. Particular emphasis will be placed on supporting public sector reform measures, and encouraging the decentralisation of power and resources to the local level. DFID will also aim to ensure that urban issues are incorporated in National Strategies for Sustainable Development, Comprehensive Development Frameworks, and Poverty Reduction Strategies. These will refer to, and complement, City Development Strategies.

5.4.8 Although the bulk of DFID's current urban spending has been, and will remain, in the Asian sub-continent, where the majority of the poor of the world live, we will also be examining the range and scale of our engagement, both through multilateral and bilateral channels, in other parts of the world in the light of demographic changes and increased urbanisation being experienced. This includes sub-Saharan Africa, where the anticipated growth of the urban population over the next few years is predicted to be accompanied by a corresponding growth in urban poverty. DFID's response will be set within the context of our increasing support for agreed poverty reduction strategies for the countries concerned. Within our much smaller programme in Latin America, DFID is already

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examining the implications of the scale and extent of urban poverty and how to address these issues. DFID's engagement with urban problems in Eastern Europe and the former Soviet Union will be largely through inputs to multi-donor and multilateral initiatives which take account of the need to support urban regeneration in old and declining industrial areas.

5.4.9 DFID will assist with the development of mechanisms to strengthen and regulate private sector investment in under-developed regions. DFID, will also support improvements in the use and sustainable management of the resource base (for example, water, electricity, building land), including strengthening the environmental regulatory framework (e.g. pollution). In addition we will support the efforts of national governments to co-ordinate national, local and regional development.

Action 4: Strengthen efforts by the international community to support an urbanisation process which takes account of the needs of poor people.

5.4.10 DFID recognises that the scale of the challenge to meet the International Development Targets in urban areas can only be achieved through a co-ordinated and strengthened international effort. DFID cannot take on all these tasks alone, nor can it hope to have an individual major impact across the broad spectrum of the urban challenge. DFID will therefore seek to meet the challenge outlined in this strategy through partnerships with others (other donors, including the international financial institutions, civil society, governments, and the private sector). It is likely that an increasing amount of our resources and efforts will be devoted to building and strengthening key urban alliances in the future. This will be consistent with DFID's large annual financial commitment to multilateral organisations.

5.4.11 DFID places emphasis on increased collaboration and co-ordination within the donor community, including the European Union, the UN system, the World Bank and other international bodies. We will support mechanisms to strengthen the authority of international organisations to hold countries to account for achieving the targets in urban areas, and support the strengthening of international

leadership for a coherent pro-poor urban development vision. This means that we will work with all the international agencies pursuing urban policies and programmes, and in particular, UNCHS (Habitat). With respect to the latter, we will continue to support the reform process, be active participants in Istanbul +5, and work closely with the Commonwealth Consultative Group on Human Settlements to translate the Habitat Agenda into practical action. At country level, we will aim to strengthen co-ordination between donors and national government to stimulate joint initiatives in policy development, programme funding and sector wide support.

5.4.12 In particular, DFID will support international efforts to strengthen national and city-based urban planning under frameworks such as Poverty Reduction Strategies and Cities Alliance. We will also support national governments and others in developing indicators and measurement systems to report progress against the Habitat Agenda, including support to the UNCHS (Habitat) Global Urban Observatories Programme.

Action 5: Improve DFID's and others' capacities to address the urban challenge through information support, and knowledge and research development.

5.4.13 DFID and others will need to build on their existing capacities and experiences in urban development. At an international level, we will therefore collaborate in the collection and sharing of statistics and other information on urban development, urban poverty, and rural urban linkages, in order to identify best practice, and support achievement of the International Development Targets in urban areas. Within the UK, we will aim to expand our work with the Department of Environment, Transport and the Regions, the Local Government International Bureau, and other organisations engaged with urban poverty. In this regard, we will strengthen our work as the UK Government department responsible for reporting on national and international actions to address urban development at the UN through UNCHS (Habitat).

5.4.14 Our research programme already supports much internal lesson learning, and lesson sharing between our partners in the South. Indeed, many of the ideas for our

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research programme are generated by our partners. It is informing our work on municipal capacity-building, urban governance, partnerships with civil society, and urban indicators, among others. We will seek to build on these linkages, and encourage our regional offices to play a greater role in identifying good projects. It will be important in future to ensure greater dissemination of lessons learned and we will aim to develop improved methodologies and systems to ensure that this is done.

5.4.15 Given the breadth and range of the complex urban challenge, we will place particular emphasis on using our knowledge and research programmes to learn more about the scale and depth of urban poverty, including measures to mitigate it. This will complement, and feed into, our collaborative efforts with national governments and other organisations.

5.4.16 In particular, DFID will seek to gain a greater understanding of the factors that drive urbanisation in different country contexts and the impact of the urbanisation process on the linkages between rural and urban areas. We will need to know more about how economic growth, particularly in small and medium-sized towns, can be supported and strengthened, while at the same time benefiting the urban poor. Knowledge of how the regeneration of both economically and socially, declining industrial centres in the transition countries and in the mega-cities of developing countries (e.g. Calcutta) takes place will be a priority. This will also require the development of appropriate methodologies and strategies to address complex, multi-disciplinary urban issues.

5.4.17 Our knowledge and research programmes in the urban sector will include work to help raise awareness among policy-makers of the particular needs of poor people when attempting to address urban poverty issues. DFID will also support research efforts to generate more effective and representative global and locally generated statistical data about urban poverty and economic development, which could form the basis for indicators to measure progress in reaching the International Development Targets and the Habitat Agenda in urban areas.

5.4.18 In addition, DFID will develop new ways of working. In particular, we will 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. We will also find new ways of involving our field-based staff in partnership development with other agencies, and ensure that Headquarters' work with multilateral agencies is both informed by, and informs, field experience.

5.4.19 Finally, we will ensure that staff in DFID have a good understanding of urban issues. This will be reflected in Country Strategy Papers, sector-based work in urban areas, and the way in which different DFID supported initiatives in urban areas are informed by a cohesive, well focused vision. It will also be reflected in the way in which different professional groups work with urban teams on some of the key issues identified above – for instance, pressures at the peri-urban interface (with Livelihoods Department), economic regeneration in post-industrial cities (with Economics and Enterprise Departments), and municipal government reform (with Governance Department).

6 MONITORING PROGRESS

6.1 The effectiveness of the International Development Targets will depend on the extent to which progress towards them can be monitored and strategies towards improving performance can be developed and implemented. Different international organisations collect data that will be important for measuring progress against the targets. The OECD's Development Assistance Committee is committed to disseminating information on all the International Development Targets indicators through their website and by other means, this will be regularly updated as more information becomes available.

6.2 The targets are, however, not just global ones; they have specific implications for every country. Progress towards reaching the targets should be reflected in national level planning and monitoring, and should reflect both locally defined poverty lines and the International Development Targets. DFID, as shown in the other papers in this series, is working with the World Bank and others to strengthen the indicators, and to identify intermediate factors and outputs which will affect these global outcomes, and thereby translate these targets into more operational objectives.

6.3 DFID is also committed to assessing its own contribution to progress towards the International Development Targets. An important instrument for doing this is DFID's Public Service Agreement which sets out indicators for assessing DFID's performance against key departmental objectives, including the International Development Targets. The linkages between DFID's inputs – our spending and activities – and 'real world' results, in terms of progress towards the targets, are complex and difficult to quantify. However, the Public Service Agreement provides a basis for linking the performance of DFID programmes with the achievement of our overall objectives and, consequently, with the contribution we are making towards the International Development Targets.

6.4 DFID has also prepared strategies to guide its work both at country level and in relation to other development institutions. These Country Strategy Papers and Institutional Strategy Papers include indicators for assessing progress of DFID-assisted programmes sectorally, nationally and internationally. Regular review of country and institutional strategies will provide a basis for assessing the extent to

which DFID operations successfully incorporate poverty reduction in all our urban work.

6.5 Some of the factors that affect achievement of the targets are in DFID's ability to influence. Many, however, are not. DFID can therefore make a contribution through supporting national governments, international organisations, and the work of UNCHS (Habitat) in indicator development, and in developing more rigorous in-house monitoring and evaluating systems with its partners to learn what works, and what does not.

6.6 Work to date on the development of specific international measurements to assess the impact of urban development on poor people is in its infancy. As a starting point, there is no general agreement among governments about how to define a 'town', an 'urban centre' or a 'city'. This means that differences in calculations not only affect national and global statistics, but also affect the context within which urban policies are shaped, and the priority accorded to poverty reduction in different urban centres in regional planning and resource allocations.

6.7 There is some concern therefore that an overemphasis on meeting national targets, without disaggregating rural and urban data and reflecting urban specific issues, may simply reflect declines in rural poverty, without capturing the fact that in many places, rural poverty is decreasing disproportionately to urban poverty. This problem is compounded by continuing information gaps about what aspects of urban poverty are different from rural poverty, and what works, and what does not in urban areas. Further analysis is required of the symbiotic relationship between rural and urban areas and how to build on these to better promote economic growth and poverty elimination.

6.8 There is also some concern that the International Development Targets will not be met in urban areas within the specified time periods because of the complexity and dynamic character of the urban environment. Indeed, it will be important not to overload the system with too many new initiatives, but rather to seek incremental gains in key areas which should stimulate progress in others. The development of global, regional, national and local planning frameworks will be central to this process.

6.9 In the short term, therefore, the key tasks will be to:

- develop a better understanding of urban poverty, and to match measurement criteria to the realities on the ground;
- place emphasis on generating good quality country and location specific data; and
- refine the statistical mechanisms against which broad international comparisons can be made.

6.10 A start on this work has already been made. The World Bank has assisted in the preparation of an urban sourcebook for the preparation of PRSPs, outlining how urban specific data can and should be collected at city and national level. This is intended to assist governments to identify locational specific variations, and thereby help target interventions to cities or regions of greatest deprivation. The targets developed by UNCHS (Habitat) and agreed at the Nairobi conference in May 2000, and the target developed by the Commonwealth Consultative Group on Human Settlements in 1999 (see Box 5), provide one means of measuring progress towards meeting the International Development Targets in urban areas. Istanbul + 5 will provide a good opportunity to firm up this framework and set programme objectives to be achieved in each five year period. UNCHS (Habitat) has also developed the Global Urban Observatory framework in order to provide a co-ordinated, internationally accepted, data base on the State of the World's Cities. This is described in Box 8 below.

6.11 DFID is already supporting a number of these programmes. We will continue with this support when the programmes complement our existing work to develop methodologies for participatory poverty assessments, participatory monitoring and evaluation systems and, the identification of community-based indicators in urban areas. We will also continue support to programmes to improve the capacity of national statistical institutions to collect and disaggregated, urban specific data on a systematic basis.

BOX 8 : THE UN GLOBAL URBAN OBSERVATORY NETWORK

The Global Urban Observatory (GUO) is a system of capacity-building programmes and resources to help Governments, local authorities, communities and their partner groups to monitor and evaluate their own performance in working toward sustainable urban development and adequate shelter for all. It will:

- stimulate broad-based consultative processes to help identify and integrate urban information needs;
- build their capacity to collect, manage, analyse, and apply urban indicators and indices;
- to provide information and analyses to all stakeholders for more effective participation in urban decision-making;
- identify and adopt effective urban policies, plans and practices;
- evaluate the impact of policies, plans and practices on urban development; and
- share information, knowledge and expertise using modern communication technology and infrastructure.

This is complemented by the **Urban Indicators Programme (UIP)**, a decentralised networking and capacity-building programme that responds to one of the most critical needs of urban policy – the need for better information on urban conditions and trends.

Source: www.UNCHS.org

ANNEX I

URBAN AND RURAL POPULATION DISTRIBUTION AND INCREASE

Source: <http://www.unchs.org/tenure/Indicators/Populat.html>

POPULATION DISTRIBUTION AND INCREASE (000's)

CODE	COUNTRY	POPULATION DISTRIBUTION				POPULATION INCREASE		
		2000		2025		FOR NEXT 25 YEARS (2000-2025)		
		URBAN	RURAL	URBAN	RURAL	TOTAL	URBAN	RURAL
4	Afghanistan	21.9%	78.1%	36.6%	63.4%	19,670	10,965	8,704
8	Albania	39.1%	60.9%	53.8%	46.2%	802	944	-142
12	Algeria	59.3%	40.7%	71.7%	28.3%	15,723	15,193	529
16	American Samoa	52.4%	47.6%	65.4%	34.6%	44	37	7
20	Andorra	95.1%	4.9%	96.1%	3.9%	72	70	2
24	Angola	34.2%	65.8%	50.5%	49.5%	12,766	8,534	4,232
28	Antigua & Barb.	36.8%	63.2%	50.0%	50.0%	16	17	-1
31	Azerbaijan	57.3%	42.7%	68.6%	31.4%	1,886	2,185	-298
32	Argentina	89.4%	10.6%	92.8%	7.2%	10,128	10,685	-557
36	Australia ¹	84.7%	15.3%	87.7%	12.3%	5,093	5,032	60
40	Austria	64.7%	35.3%	72.6%	27.4%	13	666	-652
44	Bahamas	88.4%	11.6%	92.6%	7.4%	89	95	-6
48	Bahrain	92.2%	7.8%	95.6%	4.5%	245	255	-9
50	Bangladesh	21.2%	78.8%	37.3%	62.7%	51,670	39,994	11,676
51	Armenia	70.0%	30.0%	78.2%	21.8%	523	709	-186
52	Barbados	50.0%	50.0%	63.9%	36.5%	32	57	-24
56	Belgium	97.3%	2.7%	98.2%	1.8%	14	102	-89
60	Bermuda	100.0%	0.0%	100.0%	0.0%	9	9	0
64	Bhutan	7.1%	92.9%	15.6%	84.4%	1,614	423	1,192
68	Bolivia	64.8%	35.2%	77.1%	22.9%	4,802	4,726	76
70	Bsnia.&Hrztvna.	43.2%	56.9%	57.0%	43.0%	-35	579	-615
72	Botswana	73.6%	26.4%	90.1%	9.9%	957	1,130	-173
76	Brazil	81.3%	18.7%	88.1%	11.9%	47,394	53,380	-5,987
84	Belize	46.3%	53.3%	56.8%	42.9%	133	101	32
90	Solomon Islands	19.6%	80.4%	35.1%	65.0%	400	209	192
92	Br.Virgin Is.	61.9%	38.1%	75.0%	25.0%	11	11	0
96	Brunei	72.1%	27.6%	81.3%	18.7%	124	131	-6
100	Bulgaria	70.1%	29.9%	78.5%	21.5%	-853	31	-884
104	Myanmar	27.7%	72.3%	43.3%	56.7%	18,301	15,653	2,648
108	Burundi	9.0%	91.0%	19.2%	80.8%	5,367	1,744	3,623
112	Belarus	74.4%	25.6%	82.9%	17.1%	-643	335	-978
116	Cambodia	23.5%	76.5%	39.5%	60.5%	5,783	4,085	1,698
120	Cameroon	48.9%	51.1%	64.1%	35.9%	13,392	10,867	2,524
124	Canada	77.1%	22.9%	82.4%	17.6%	5,706	6,325	-618
132	Cape Verde	62.2%	37.8%	76.9%	23.1%	242	250	-8
136	Cayman Islands	100.0%	0.0%	100.0%	0.0%	21	21	0

ANNEX I

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CODE	COUNTRY	POPULATION DISTRIBUTION				POPULATION INCREASE FOR NEXT 25 YEARS (2000-2025)		
		2000		2025		TOTAL	URBAN	RURAL
		URBAN	RURAL	URBAN	RURAL			
140	Central Africa	41.2%	58.8%	55.7%	44.3%	2,366	1,849	517
144	Sri Lanka	23.6%	76.4%	38.6%	61.4%	5,113	4,810	302
148	Chad	23.8%	76.2%	37.5%	62.5%	5,378	3,010	2,369
152	Chile	84.6%	15.4%	88.5%	11.5%	4,337	4,440	-103
156	China ²	34.3%	65.7%	52.2%	47.8%	204,129	334,919	-130,791
170	Colombia	74.9%	25.1%	82.6%	17.4%	13,763	14,324	-561
174	Comoros	33.2%	66.8%	49.1%	50.9%	628	422	206
178	Congo	62.5%	37.5%	74.0%	26.0%	2,765	2,385	380
180	Zaire	30.3%	69.7%	45.9%	54.1%	54,176	32,903	21,272
184	Cook Islands	65.0%	35.0%	72.0%	24.0%	5	5	-1
188	Costa Rica	51.9%	48.1%	65.3%	34.7%	1,810	1,692	119
191	Croatia	57.7%	42.3%	69.0%	31.0%	-242	337	-579
192	Cuba	77.9%	22.1%	84.8%	15.2%	597	1,280	-682
196	Cyprus	56.7%	43.3%	69.1%	30.8%	157	206	-50
203	Czech Rep.	66.3%	33.7%	74.4%	25.6%	-568	412	-980
204	Benin	42.3%	57.7%	58.7%	41.3%	6,054	4,580	1,474
208	Denmark	85.7%	14.3%	89.3%	10.7%	50	230	-180
212	Dominica	70.4%	29.6%	79.3%	20.7%	11	15	-4
214	Dominican Rep.	65.2%	34.8%	76.3%	23.7%	2,669	2,981	-311
218	Ecuador	62.4%	37.6%	74.4%	25.6%	5,150	5,350	-200
222	El Salvador	46.6%	53.4%	59.3%	40.7%	2,902	2,525	377
226	Eq. Guinea	48.2%	51.8%	66.3%	33.7%	346	311	35
231	Ethiopia	17.6%	82.4%	32.0%	68.0%	70,113	31,967	38,146
232	Eritrea	18.7%	81.3%	32.5%	67.5%	2,695	1,397	1,298
233	Estonia	74.3%	25.7%	81.4%	18.6%	-162	-31	-130
234	Faeroe Islands	35.4%	64.6%	50.0%	48.0%	2	8	-7
238	Falkland Is.	100.0%	0.0%	100.0%	0.0%	1	1	0
242	Fiji	42.3%	57.7%	56.5%	43.5%	322	302	20
246	Finland	65.0%	35.0%	74.6%	25.4%	115	583	-468
250	France	75.6%	24.4%	82.0%	18.0%	1,332	4,918	-3,586
254	French Guiana	78.2%	21.8%	84.5%	15.5%	124	116	8
258	French Polynesia	57.1%	43.3%	67.7%	32.3%	97	91	5
262	Djibouti	83.3%	16.7%	88.0%	12.0%	447	426	21
266	Gabon	55.2%	44.9%	70.6%	29.5%	883	813	70
268	Georgia	60.7%	39.3%	71.9%	28.1%	344	852	-509
270	Gambia	32.5%	67.5%	49.0%	51.1%	740	568	173
274	Gaza Strip	94.6%	5.4%	96.0%	4.0%	1,510	1,464	47
276	Germany	87.5%	12.5%	91.1%	8.9%	-1,811	1,307	-3,119
288	Ghana	38.4%	61.6%	54.0%	46.0%	16,413	11,965	4,446
292	Gibraltar	100.0%	0.0%	100.0%	0.0%	0	0	0
296	Kiribati	37.2%	62.8%	51.1%	48.9%	45	35	10

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CONTINUED

CODE	COUNTRY	POPULATION DISTRIBUTION				POPULATION INCREASE FOR NEXT 25 YEARS (2000-2025)		
		2000		2025		TOTAL	URBAN	RURAL
		URBAN	RURAL	URBAN	RURAL			
300	Greece	60.1%	39.9%	69.6%	30.4%	-523	640	-1,163
304	Greenland	81.7%	18.3%	88.2%	11.8%	8	11	-3
308	Grenada	38.3%	61.7%	53.1%	46.9%	19	24	-5
312	Guadeloupe	99.8%	0.2%	100.0%	0.2%	117	118	0
316	Guam	39.6%	61.0%	52.8%	47.2%	54	50	3
320	Guatemala	40.4%	59.6%	54.5%	45.5%	9,446	6,872	2,575
324	Guinea	32.8%	67.2%	49.4%	50.6%	7,425	4,968	2,456
328	Guyana	38.2%	61.8%	54.2%	45.9%	240	270	-29
332	Haiti	34.9%	65.1%	51.1%	48.9%	4,696	3,672	1,025
336	Holy See	100.0%	0.0%	100.0%	0.0%	0	0	0
340	Honduras	46.9%	53.1%	61.6%	38.4%	4,171	3,517	654
344	Hong Kong	95.7%	4.3%	97.0%	3.0%	130	213	-84
348	Hungary	66.9%	33.1%	76.6%	23.4%	-1,144	74	-1,218
352	Iceland	92.2%	7.8%	94.6%	5.4%	54	58	-4
356	India	28.4%	71.6%	42.5%	57.5%	323,431	279,476	43,954
360	Indonesia	40.2%	59.8%	58.3%	41.7%	62,680	74,887	-12,207
364	Iran, Isl.Rep.of	61.6%	38.4%	72.8%	27.2%	51,822	46,295	5,528
368	Iraq	76.8%	23.2%	83.9%	16.1%	18,491	17,164	1,326
372	Ireland	58.5%	41.5%	68.5%	31.5%	149	459	-310
376	Israel	91.2%	8.8%	93.4%	6.6%	1,900	1,912	-13
380	Italy	67.0%	33.0%	74.5%	25.5%	-5,450	220	-5,670
384	Cote d'Ivoire	46.5%	53.5%	61.2%	38.8%	9,253	7,885	1,369
388	Jamaica	56.1%	43.9%	68.2%	31.8%	783	846	-63
392	Japan	78.9%	21.1%	84.3%	15.7%	-5,080	2,516	-7,596
398	Kazakhstan	61.7%	38.3%	72.4%	27.6%	3,119	4,079	-960
400	Jordan	74.2%	25.8%	82.3%	17.7%	5,564	5,097	466
404	Kenya	33.1%	66.9%	50.9%	49.1%	19,862	15,520	4,342
408	Dem.Rep.,Korea	62.8%	37.2%	72.9%	27.1%	6,133	6,892	-759
410	Rep. of Korea	86.2%	13.8%	93.1%	6.9%	5,650	8,539	-2,887
414	Kuwait	97.6%	2.4%	98.3%	1.7%	938	937	1
417	Kyrgyzstan	40.1%	59.9%	54.1%	45.9%	1,407	1,395	12
418	Lao	23.5%	76.5%	39.3%	60.7%	4,509	2,674	1,835
422	Lebanon	89.7%	10.3%	93.5%	6.5%	1,135	1,185	-49
426	Lesotho	27.9%	72.1%	45.5%	54.5%	1,737	1,193	544
428	Latvia	74.3%	25.7%	81.5%	18.5%	-289	-62	-227
430	Liberia	47.9%	52.1%	62.2%	37.8%	3,317	2,529	788
434	Libyan A.J.	87.6%	12.4%	91.5%	8.5%	6,498	6,192	306
438	Liechtenstein	21.2%	78.8%	38.1%	61.9%	9	9	0
440	Lithuania	74.7%	25.3%	82.6%	17.4%	-169	154	-323
442	Luxembourg	90.9%	8.8%	94.6%	5.4%	36	50	-13
446	Macau	99.0%	1.0%	99.1%	0.9%	79	79	0

ANNEX I

CONTINUED

CODE	COUNTRY	POPULATION DISTRIBUTION				POPULATION INCREASE FOR NEXT 25 YEARS (2000-2025)		
		2000		2025		TOTAL	URBAN	RURAL
		URBAN	RURAL	URBAN	RURAL			
450	Madagascar	29.5%	70.5%	45.9%	54.1%	17,081	10,689	6,393
454	Malawi	15.3%	84.7%	28.6%	71.4%	9,407	4,155	5,253
458	Malaysia	57.3%	42.7%	70.6%	29.4%	9,278	9,515	-237
462	Maldives	28.5%	71.9%	43.0%	57.0%	287	167	119
466	Mali	30.0%	70.0%	46.6%	53.4%	12,016	7,683	4,332
470	Malta	90.5%	9.5%	93.6%	6.6%	46	55	-8
474	Martinique	95.0%	5.0%	96.9%	2.9%	78	83	-6
478	Mauritania	57.7%	42.2%	72.6%	27.4%	1,863	1,738	126
480	Mauritius ³	41.3%	58.7%	54.7%	45.3%	302	323	-21
484	Mexico	74.4%	25.6%	80.6%	19.4%	31,315	31,426	-111
492	Monaco	100.0%	0.0%	100.0%	0.0%	9	9	0
496	Mongolia	63.5%	36.5%	74.3%	25.7%	1,316	1,271	44
498	Rep. of Moldova	55.2%	44.8%	68.5%	31.5%	411 877	-466	
500	Montserrat	18.2%	81.8%	33.3%	66.7%	1	2	-1
504	Morocco	55.3%	44.7%	68.8%	31.2%	10,941,111,453	-512	
508	Mozambique	40.2%	59.8%	57.4%	42.6%	15,881	12,483	3,399
512	Oman	84.0%	16.0%	93.6%	6.4%	3,821	3,838	-17
516	Namibia	40.9%	59.1%	58.9%	41.1%	1,266	1,059	207
520	Nauru	100.0%	0.0%	100.0%	0.0%	7	7	0
524	Nepal	11.9%	88.1%	23.4%	76.6%	16,207	6,604	9,603
528	Netherlands	89.4%	10.6%	92.0%	8.0%	270	673	-403
530	Neth.Antilles	70.1%	29.4%	78.8%	21.3%	39	48	-8
540	New Caledonia	64.1%	35.9%	74.5%	25.5%	60	65	-5
548	Vanuatu	19.8%	79.7%	33.2%	66.8%	142	73	70
554	New Zealand	86.9%	13.1%	90.7%	9.3%	1,118	1,156	-38
558	Nicaragua	64.7%	35.3%	75.0%	25.0%	2,945	2,689	255
562	Niger	20.6%	79.4%	35.6%	64.4%	11,580	5,751	5,829
566	Nigeria	44.0%	56.0%	60.9%	39.1%	109,611	88,566	21,045
570	Niue	50.0%	50.0%	100.0%	100.0%	-1	0	0
578	Norway	74.2%	25.8%	80.8%	19.2%	255	498	-244
580	Northern Mariana	54.7%	45.3%	65.8%	32.9%	23	21	1
583	Micr.,Fed.St.of	29.8%	70.2%	45.6%	54.8%	111	73	39
584	Marshall Islands	72.3%	27.7%	81.2%	19.5%	68	61	8
585	Palau	72.2%	27.8%	78.6%	17.9%	10	9	0
586	Pakistan	37.0%	63.0%	52.9%	47.1%	112,897	84,488	28,409
591	Panama	57.7%	42.3%	69.4%	30.6%	923	974	-51
598	Papua New Guinea	17.4%	82.6%	29.8%	70.2%	2,735	1,410	1,325
600	Paraguay	56.0%	44.0%	69.5%	30.6%	3,859	3,421	438
604	Peru	72.8%	27.2%	80.7%	19.3%	9,856	9,983	-127
608	Philippines	58.6%	41.4%	71.9%	28.1%	30,157	31,651	-1,494
616	Poland	65.6%	34.4%	75.1%	24.9%	1,246	4,633	-3,387

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CONTINUED

CODE	COUNTRY	POPULATION DISTRIBUTION				POPULATION INCREASE FOR NEXT 25 YEARS (2000-2025)		
		2000		2025		TOTAL	URBAN	RURAL
		URBAN	RURAL	URBAN	RURAL			
620	Portugal	38.0%	62.0%	52.9%	47.1%	-350	1,272	-1,622
624	Guinea-Bissau	23.7%	76.3%	38.3%	61.7%	741	455	286
626	East Timor	7.5%	92.5%	13.0%	87.0%	316	90	226
630	Puerto Rico	75.2%	24.8%	82.5%	17.5%	782	926	-145
634	Qatar	92.5%	7.5%	94.9%	5.1%	183	188	-5
638	Reunion	70.8%	29.2%	80.1%	19.9%	206	230	-24
642	Romania	58.2%	41.8%	69.8%	30.2%	-1,407	1,630	-3,037
643	Russian Fed.	77.7%	22.3%	84.2%	15.8%	-14,801	-2,905	-11,895
646	Rwanda	6.2%	93.8%	12.2%	87.8%	5,307	1,111	4,195
654	St. Helena ⁴	66.7%	33.3%	75.0%	12.5%	2	2	-1
659	St.Kitts & Nevis	34.1%	65.9%	46.8%	53.2%	6	8	-2
660	Anguilla	12.5%	87.5%	27.3%	72.7%	3	2	1
662	Saint Lucia	37.5%	61.8%	50.3%	49.7%	47	43	5
666	St.Pierre & Miq.	85.7%	14.3%	87.5%	0.0%	1	1	-1
670	St.Vin. & Gren.	54.7%	45.3%	72.1%	27.9%	30	42	-12
674	San Marino	96.3%	3.7%	97.1%	2.9%	7	7	0
678	Sao Tome & Pr.	46.6%	53.4%	61.9%	38.6%	69	65	5
682	Saudi Arabia	85.7%	14.3%	90.9%	9.1%	20,702	19,948	754
686	Senegal	47.0%	53.0%	61.9%	38.0%	7,401	6,004	1,396
690	Seychelles	58.4%	41.6%	71.6%	28.4%	18	23	-5
694	Sierra Leone	36.6%	63.4%	53.0%	47.0%	3,334	2,559	775
702	Singapore	100.0%	0.0%	100.0%	0.0%	625	625	0
703	Slovakia	61.1%	38.9%	72.1%	27.9%	97	660	-563
704	Viet Nam	19.7%	80.3%	30.4%	69.6%	29,558	17,616	11,942
705	Slovenia	52.6%	47.4%	64.0%	36.0%	-176	105	-281
706	Somalia	27.5%	72.5%	42.5%	57.5%	12,139	6,894	5,245
710	South Africa	50.4%	49.6%	61.8%	38.2%	25,364	20,948	4,416
716	Zimbabwe	35.3%	64.7%	52.2%	47.8%	6,924	5,707	1,217
724	Spain	77.6%	22.4%	83.6%	16.4%	-2,301	473	-2,775
732	Western Sahara	95.5%	4.5%	98.2%	1.8%	155	160	-5
736	Sudan	36.1%	63.9%	54.8%	45.2%	17,027	14,902	2,125
740	Suriname	52.2%	47.8%	65.8%	34.2%	153	162	-9
748	Swaziland	35.7%	64.2%	53.4%	46.6%	691	543	149
752	Sweden	83.3%	16.7%	87.0%	13.0%	613	863	-251
756	Switzerland	62.6%	37.4%	72.4%	27.6%	169	849	-680
760	Syrian Arab Rep.	54.5%	45.5%	66.9%	33.1%	10,177	8,820	1,355
762	Tajikistan	32.9%	67.1%	46.7%	53.3%	3,349	2,447	902
764	Thailand	21.6%	78.4%	35.8%	64.2%	8,594	11,676	-3,081
768	Togo	33.3%	66.7%	49.0%	51.0%	4,086	2,739	1,347
772	Tokelau	0.0%	100.0%	0.0%	100.0%	0	0	0
776	Tonga	46.0%	54.0%	62.5%	36.6%	12	24	-13

ANNEX I

CONTINUED

CODE	COUNTRY	POPULATION DISTRIBUTION				POPULATION INCREASE FOR NEXT 25 YEARS (2000-2025)		
		2000		2025		TOTAL	URBAN	RURAL
		URBAN	RURAL	URBAN	RURAL			
780	Trin. & Tobago	74.0%	26.0%	81.9%	18.1%	351	393	-42
784	U.Arab Emirates	85.9%	14.1%	90.2%	9.8%	853	874	-21
788	Tunisia	65.5%	34.5%	76.9%	23.1%	3,687	3,952	-264
792	Turkey	75.3%	24.7%	86.4%	13.6%	20,059	24,618	-4,560
795	Turkmenistan	45.5%	54.5%	58.2%	41.8%	1,991	1,729	262
796	Turks & Caicos	41.2%	52.9%	59.3%	40.7%	10	9	2
798	Tuvalu	50.0%	50.0%	69.2%	30.8%	3	4	-1
800	Uganda	14.2%	85.8%	26.4%	73.6%	22,524	8,696	13,827
804	Ukraine	72.5%	27.5%	80.8%	19.2%	-4,822	304	-5,126
807	TFYR Macedonia	62.0%	38.0%	72.6%	27.4%	308	459	-153
818	Egypt	45.9%	54.1%	59.2%	40.8%	27,647	25,390	2,257
826	United Kingdom	89.5%	10.5%	91.9%	8.1%	1,199	2,501	-1,302
830	Channel Islands	30.1%	69.9%	43.4%	56.6%	20	29	-9
833	Isle of Man	77.2%	24.1%	83.2%	16.8%	22	23	-2
834	U.R. Tanzania	27.8%	72.2%	44.9%	55.1%	28,749	18,651	10,098
840	United States	77.2%	22.8%	83.4%	16.6%	54,656	62,741	-8,085
850	U.S. Virgin Is.	46.3%	53.7%	59.4%	40.6%	25	29	-4
854	Burkina Faso	18.5%	81.5%	33.7%	66.3%	11,394	5,686	5,709
858	Uruguay	91.3%	8.7%	94.0%	6.0%	418	480	-62
860	Uzbekistan	42.4%	57.6%	56.1%	43.9%	11,482	9,859	1,623
862	Venezuela	87.4%	12.6%	91.5%	8.5%	10,605	10,708	-103
876	Wallis & Futuna	0.0%	100.0%	0.0%	100.0%	4	0	4
882	Samoa	21.8%	78.7%	32.9%	67.1%	81	46	34
887	Yemen	38.0%	62.0%	55.3%	44.7%	21,471	14,990	6,480
891	Yugoslavia	59.9%	40.1%	72.1%	27.9%	177	1,418	-1,241
894	Zambia	44.5%	55.5%	57.4%	42.6%	7,030	5,212	1,818
900	World Total	47.4%	52.6%	58.9%	41.1%	1,947,779	1,846,345	101,434
901	More Developed Region ⁵	76.1%	23.9%	82.6%	17.4%	33,260	104,318	-71,059
902	Less Developed Region ⁶	40.5%	59.5%	54.7%	45.3%	1,914,519	1,742,027	172,493
941	Least Dev. Countries	25.4%	74.6%	40.9%	59.1%	498,908	305,715	193,193
903	Africa	37.8%	62.2%	51.7%	48.3%	633,989	442,431	191,558
935	Asia	37.6%	62.4%	52.4%	47.6%	1,096,298	1,121,011	-24,711
908	Europe	74.9%	25.1%	81.7%	18.3%	-28,251	26,529	-54,780
905	Northern America	77.2%	22.8%	83.3%	16.7%	60,380	69,085	-8,705
904	Latin America	75.4%	24.6%	82.1%	17.9%	174,930	178,579	-3,649
909	Oceania	70.0%	30.0%	73.5%	26.5%	10,434	8,712	1,722

Data from HSDB (Human Settlement Statistics Database), UNCHS (Habitat)

1. DEFINITIONS**Urban Population**

Estimates and projections of the urban population for each county, region and major area. "Urban" is defined in the national context (the definitions of urban are generally the national definitions incorporated in the latest available census).

Rural Population

Estimates and projections of the rural population for each country, region and major area.

2. SOURCE

United Nations World Urbanization Prospects: The 1996 Revision

3. FOOTNOTES

1. Including Christmas Island, Cocos Island and Norfolk Island.
2. For statistical purpose, the data for China do not include Hong Kong Special Administrative Region.
3. Including Agalesa, Rodrigues and St. Brandon.
4. Including Ascension and Tristan da Cunha.
5. Comprising Northern America, Japan, Europe, Australia-New Zealand.
6. Comprising Africa, Latin America, Asia (excluding Japan), Melanesia, Micronesia and Polynesia.

ANNEX 2

GLOBAL AND REGIONAL INDICATORS OF DEVELOPMENT PROGRESS FOR THE INTERNATIONAL DEVELOPMENT TARGETS

		World Total	Developing Country total	East Asia & Pacific	Eastern Europe & Central Asia	Latin America & Caribbean	Middle East & North Africa	South Asia	Sub Saharan Africa
POPULATION									
Population	1980	4,430	3,641	1,398	426	360	174	903	380
[millions]	1990	5,255	4,414	1,641	466	439	238	1,122	508
	1998	5,897	5,011	1,817	475	502	286	1,305	627
REDUCING EXTREME POVERTY									
Population covered by at least one survey for poverty data [%] 1985-98 ^b .. 88.1 90.8 81.7 88.0 52.5 97.9 72.9									
Population living on less than \$1 a day ^c	1987	..	1,183.2	417.5	1.1	63.7	9.3	474.4	217.2
[millions]	1990	..	1,276.4	452.4	7.1	73.8	5.7	495.1	242.3
	1993	..	1,304.3	431.9	18.3	70.8	5.0	505.1	273.3
	1996	..	1,190.6	265.1	23.8	76.0	5.0	531.7	289.0
	estimates for 1998	..	1,198.9	278.3	24.0	78.2	5.5	522.0	290.9
Population living on less than \$1 a day ^c	1987	..	28.3	26.6	0.2	15.3	4.3	44.9	46.6
[%]	1990	..	29.0	27.6	1.6	16.8	2.4	44.0	47.7
	1993	..	28.1	25.2	4.0	15.3	1.9	42.4	49.7
	1996	..	24.5	14.9	5.1	15.6	1.8	42.3	48.5
	estimates for 1998	..	24.0	15.3	5.1	15.6	1.9	40.0	46.3
Poverty Gap ^{c,d}	1987	..	8.6	6.8	0.1	5.2	1.0	13.0	20.0
[%]	1990	..	9.0	7.6	1.0	6.0	0.5	12.0	20.4
	1993	..	8.9	7.5	1.3	5.8	0.4	11.2	21.7
	1996	..	7.5	4.0	1.5	5.3	0.4	10.6	21.5
	estimates for 1998	..	7.2	4.2	1.6	5.3	0.2	9.5	20.1
National income/consumption by poorest 20% 1980s		..	..	6.3	9.8	3.7	6.6	7.9	5.7
[share that accrues to the bottom 20% of the population]	1990s	..	..	6.9	8.8	4.5	6.9	8.8	5.2
Prevalence of child malnutrition, weight for age	1992-98 ^b	30	31	22	8	8	15	51	33
[% of children under 5 years old]									
UNIVERSAL PRIMARY EDUCATION									
Net primary school enrolment	Female	1980	77	72	82	91	85	64	49 ^e
[school age children in school as % of all school age children]		1990	86	83	96	95	88	82	52 ^e
		1997	88	86	99	99	93	84	54 ^e

ANNEX 2

CONTINUED

			World Total	Developing Country total	East Asia & Pacific	Eastern Europe & Central Asia	Latin America & Caribbean	Middle East & North Africa	South Asia	Sub Saharan Africa
Persistence to grade 5 [% of children enrolled at Grade 1 who reach Grade 5]	Male	1980	86	83	90	93	86	84	75	59 ^e
		1990	91	89	99	95	88	92	82	59 ^e
		1997	92	91	99	100	95	91	83	66 ^e
	Total	1980	81	78	86	92	85	74	64	54 ^e
		1990	88	86	97	95	88	87	74	56 ^e
		1997	90	88	99	100	94	87	77	..
	1990-1995 ^b	77	74	91	..	76	90	56	67	
Youth literacy rate [% of people 15-24]										
Youth literacy rate	Female	1980	70	69	85	96	89	47	38	44
		1990	77	77	92	97	92	63	50	60
		1998	81	81	95	98	94	75	58	72
	Male	1980	83	83	95	99	90	73	64	66
		1990	87	87	97	99	92	82	71	75
		1998	89	89	98	99	93	87	76	81
	Total	1980	77	76	90	97	89	60	52	55
		1990	82	82	94	98	92	73	61	68
		1998	85	85	97	99	94	81	67	76
Adult literacy rate [% of people 15+]										
Adult literacy rate	Female	1980	54	52	57	92	77	28	25	28
		1990	62	61	71	94	83	41	34	40
		1998	68	67	78	95	87	52	41	51
	Male	1980	72	71	80	97	82	56	52	49
		1990	78	78	87	98	86	67	59	60
		1998	82	82	91	98	89	74	65	68
	Total	1980	63	62	69	94	80	42	39	38
		1990	70	69	79	96	85	54	47	50
		1998	75	74	84	96	88	63	53	59
GENDER EQUALITY										
Gender equality in school [female gross enrolment ratio as a % of male gross enrolment ratio]										
Gender equality in school	Primary	1980	87	84	87	99	97	74	67	76
		1990	90	88	94	99	100 ^f	86	75	82
		1994-1998 ^b	94	92	100	98	98 ^f	86	82	84
	Primary & Secondary	1990	..	..	88	93	98	82	75	82
		1996	..	..	91	85	95	86	94	87

ANNEX 2

CONTINUED

		World Total	Developing Country total	East Asia & Pacific	Eastern Europe & Central Asia	Latin America & Caribbean	Middle East & North Africa	South Asia	Sub Saharan Africa
Gender equality in adult literacy	1980	75	73	71	95	94	50	48	57
[female literacy rate as a % of male literacy rate]	1990	79	78	82	96	97	61	58	67
	1998	83	82	86	97	98	70	63	75
INFANT AND CHILD MORTALITY									
Infant and Child Mortality	1980	80	87	55	41	61	95	119	115
[per 1,000 live births]	1990	60	65	40	28	41	60	87	101
	1998	54	59	35	22	31	45	75	92
Under-5 mortality rate	1980	123	135	82	..	78	136	180	188
[per 1,000 live births]	1990	87	91	55	34	49	71	121	155
	1998	75	79	43	26	38	55	89	151
MATERNAL MORTALITY									
Maternal Mortality	1990	430	480	210	95	190	320	610	980
[per 100,000 live births]									
Births attended by health staff	1990	..	49	58	..	..	58	39	..
[% of total]	1996-1998 ^b	52	47	..	92	78	62	29	38
REPRODUCTIVE HEALTH									
Contraceptive prevalence	1997-1998 ^b	49	48	52	67	59	55	49	21
[% of women 15-49]									
HIV prevalence ^a	1999	1.1	..	0.07	0.14	..	0.13	..	8.0
[Percentage of adults (15-49 years) living with HIV/AIDS in 1999]									
ENVIRONMENT									
National strategies for sustainable development ^b1998		..	..	..	..	..	..	..	..
[countries with effective processes for sustainable development]									
Safe water									
[% of population with access]	Urban	1990-98 ^b	90	89	95	..	88	97	86
	Rural	1990-98 ^b	62	62	58	..	42	72	78
	Total	1990-98 ^b	72	72	69	..	78	85	80

ANNEX 2

CONTINUED

		World Total	Developing Country total	East Asia & Pacific	Eastern Europe & Central Asia	Latin America & Caribbean	Middle East & North Africa	South Asia	Sub Saharan Africa	
Forest Area	1990	30	29	25	36	49	4	14	23	
[% of National Surface Area]	1995 ^h	25	26	24	36	45	1	16	17	
Biodiversity: land area protected	1994 ^h	6.7	5.1	6.2	3.6	6.5	3.0	4.4	5.8	
[% of total land area]	1996 ^h	6.6	5.3	6.9	3.2	7.3	2.2	4.5	6.2	
Energy efficiency: GDP per unit of energy use	1990	..	..	..	0.7	..	1.5	..	..
	1997	..	..	..	0.8	..	1.3	..	..
Industrial Carbon Dioxide emissions	1980	3.4	1.5	1.4	..	2.4	3.0	0.4	0.9	
[tonnes per capita]	1990	3.3	1.7	2.0	..	2.2	3.3	0.7	0.9	
	1996	4.0	2.5	2.7	7.4	2.5	3.9	0.9	0.8	
GENERAL INDICATORS										
Life Expectancy at Birth	Female	1980	64	60	67 ^e	72	68	60	54	49
[in years]		1990	68	65	69	74	71	66	59	52
		1998	69	67	71	74	73	69	63	52
	Male	1980	59	56	64 ^e	63	62	57	54	46
		1990	63	62	66	65	65	63	59	49
		1998	65	63	67	65	67	66	62	49
	Total	1980	61	58	66 ^e	68	65	59	54	48
		1990	65	63	67	69	68	65	59	50
		1998	67	65	69	69	70	68	62	50
Fertility Rate		1980	3.7	4.1	3.0	2.5	4.1	6.2	5.3	6.6
[births per woman]		1990	3.1	3.4	2.4	2.3	3.1	4.8	4.1	6.0
		1998	2.7	2.9	2.1	1.6	2.7	3.5	3.4	5.4
GNP per capita		1980	2,530	790	330	..	2,110	2,040	270	650
[Atlas method (current US\$)]		1990	4,030	940	570	..	2,250	1,720	380	550
		1998	4,890	1,250	990	2,200	3,860	2,030	430	510

World Bank & UN Sources DFID Statistics Department Version 6, September 2000

^a Combined figure for low and middle income countries used as a proxy for developing countries with the exception of the indicators for persistence to Grade 5, maternal mortality ratio and safe water where a true developing countries figure is used.

^b Data refer to the most recent year available within the specified period.

^c At 1993 purchasing power parities (PPPs) adjusted to current price terms

^d The poverty gap is the mean shortfall below the poverty line (counting the non-poor as having zero shortfall), expressed as a percentage of the poverty line. The measure reflects the depth of poverty as well as its incidence.

^e Data are for nearest available year.

^f Figures are based on net enrolment ratios.

^g The indicator actually relates to HIV prevalence in 15 to 24 year old pregnant women. However, until satisfactory data coverage is achieved on this indicator, the prevalence of HIV infection in all adults will be used.

^h Data may refer to earlier years

.. = Not available

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