

Meeting the challenge of poverty in urban areas



**Strategies for achieving the international
development targets**

The international development targets

Economic well-being

- a reduction by one-half in the proportion of people living in extreme poverty by 2015.

Social and human development

- universal primary education in all countries by 2015;
- demonstrated progress towards gender equality and the empowerment of women by eliminating gender disparity in primary and secondary education by 2005;
- a reduction by two-thirds in the mortality rates for infants and children under age 5 by 2015;
- a reduction by three-fourths in maternal mortality by 2015;
- access through the primary health-care system to reproductive health services for all individuals of appropriate ages as soon as possible and no later than the year 2015.

Environmental sustainability and regeneration

- the implementation of national strategies for sustainable development in all countries 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.

While not amenable to quantification, there is a range of qualitative elements of development that are essential to the attainment of the quantitative goals. These include democratic accountability, the protection of human rights and the rule of law.

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Meeting the challenge of poverty in urban areas

Strategies for achieving the international
development targets

Department for International Development

The Department for International Development (DFID) is the UK 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 central focus of the government's policy, set out in its first White Paper on International Development in 1997 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. The government's second White Paper on International Development, published in December 2000, reaffirmed this commitment, while focusing specifically on how to manage the process of globalisation to benefit poor people.

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, Maputo, Lilongwe, Lusaka, Beijing, Suva, Bridgetown and Montserrat. In other parts of the world, DFID works through staff based in British embassies and high commissions.

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List of Acronyms

APIFF	Africa Private Infrastructure Financing Facility
CCGHS	Commonwealth Consultative Group on Human Settlements
CDF	Comprehensive Development Framework
CDS	City Development Strategies
CIDA	Canadian International Development Agency
C3	City Community Challenge Fund
DAC	Development Assistance Committee
DETR	Department for the Environment, Transport and the Regions
DFID	Department for International Development
EU	European Union
GNP	Gross National Product
GUO	Global Urban Observatory
IDT	International Development Targets
IMF	International Monetary Fund
IULA	International Union of Local Authorities
KaR	Knowledge and Research
LIFE	Local Initiatives for the Urban Environment
NGO	Non Governmental Organisation
NSSD	National Strategies for Sustainable Development
OECD	Organisation for Economic Co-operation and Development
PPIAF	Public Private Infrastructure Advisory Facility
PPPUE	Public Private Partnership for the Urban Environment
PRSP	Poverty Reduction Strategy Paper
UNCHS	United Nations Centre for Human Settlements
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
USAID	United States Agency for International Development
WACLAC	The World Association of Cities and Local Authorities Co-ordination

Foreword by the Secretary of State

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 inside front cover.

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 live in urban areas and this proportion will increase. Urban centres provide considerable social, economic and political opportunities for poor people. 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. They are also, for many, places of squalor, pollution and crime. With the rapid growth of cities, especially as seen 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. Well-governed and managed urban areas can be a positive force for national economic growth and therefore offer 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.

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 January 2001, the UK Government published a second White Paper on International Development, focusing on managing the process of globalisation to the benefit of poor people.

The White Paper includes 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 British 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

Executive summary

This paper sets out the central role that well-governed and managed cities and towns can play in reducing poverty.

The key message is that achievement of the International Development Targets will depend in part 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. It underlies the need to address the particular characteristics of urban poverty which can constrain these opportunities.

This discussion is particularly relevant because of the rapid growth in the numbers and proportion of the population of developing countries living in cities and towns. While their rural populations are projected to remain around the 3 billion mark, their urban populations are forecast to grow from 2 billion now to about 4 billion by 2025, or from about 40% to about 57% of their total population.

Increasing urbanisation provides potential for a significant contribution to the achievement of the International Development targets 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 reducing poverty and 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-governed and managed, inclusive 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 UN 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, insanitary 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 in addressing 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 twenty-first 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.

Section 4 highlights the approach to the challenge at the local, national and international levels. Local government and municipalities are responsible for the effective governance and efficient management of cities and towns and are at the forefront of efforts to improve the living conditions of poor people. National governments 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. DFID already has a wide range of programmes on the ground, and has played an active role in strengthening the capacity of the leading urban international organisation, the UN 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 member of the international community, and as a partner 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.

1 The targets

1.1 The international development targets and urban development

1.1.1 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.

Box 1. Targets for international development

Economic well-being

- a reduction by one-half in the proportion of people living in extreme poverty by 2015.

Social and human development

- universal primary education in all countries by 2015;
- demonstrated progress towards gender equality and the empowerment of women by eliminating gender disparity in primary and secondary education by 2005;
- a reduction by two-thirds in the mortality rates for infants and children under age 5 by 2015;
- a reduction by three-fourths in maternal mortality by 2015;
- access through the primary health-care system to reproductive health services for all individuals of appropriate ages as soon as possible and no later than the year 2015.

Environmental sustainability and regeneration

- the implementation of national strategies for sustainable development in all countries 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.

While not amenable to quantification, there is a range of qualitative elements of development that are essential to the attainment of the quantitative goals.

These include democratic accountability, the protection of human rights and the rule of law.

1.1.2 This paper draws attention to the rapid growth in the population of developing countries living in urban areas and the specific nature of urban poverty. It highlights the potentially significant contribution that well-governed and managed cities and towns can make towards the reduction of poverty.¹ Together with the other papers in this series (see inside front cover) it sets out the framework within which DFID and others can make a positive contribution towards the achievement of each of the international development targets. This framework is based on the integration of rights into development, pro-poor economic growth with increased equity and security, good governance, reducing discrimination against women, improving education, health and service provision, as well as the sound management of the environment.

1.1.3 The process of urbanisation can have a positive impact on the reduction of poverty. Cities and towns are at the forefront of global movements to reduce poverty. 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. Cities 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 developing countries can be effected.

1.1.4 Cities and towns, and the industrial and commercial activities which are located in them, generate 55% of gross national product (GNP) in low income countries, 73% in middle income countries, and 85% in high income countries.² They are a positive force for national economic growth. As the paper “Halving World Poverty by 2015” in this series demonstrates, economic growth, with increased equity and security can improve the incomes of poor people.

¹ The term cities and towns, urban centres, urban areas are used inter-changeably.

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

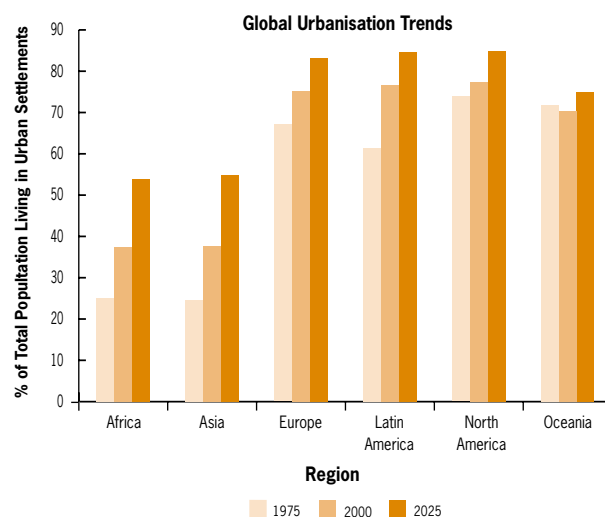
There is generally a direct correlation between the speed at which a country is urbanising and the relative success of its economic development.³

1.1.5 Sustainable development is dependent on the application of pro-poor policies and approaches that enable poor families to participate in and take advantage of economic, growth and social and political opportunities in urban areas. Sustained growth, in an urban context, 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 within the political process and among city managers to implement change and reform in response to the requirements of a highly fluid and competitive global market place.

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. Family members living in urban areas are also able to provide a vital lifeline for rural families through the remittances they send, either through full-time or seasonal employment or the increased knowledge and services they can access.

1.1.7 As we enter the twenty-first century, these conclusions about the dynamic relationship between well governed and managed urban development, economic growth and poverty reduction are particularly pertinent. While the rural populations of developing countries are projected to remain around the 3 billion mark, their urban populations are forecast to grow from some 2 billion now to about 4 billion by 2025, or from about 40% to about 57% of their total population. Many nations in Latin America and the Caribbean region already have 75% of their populations living in urban areas. In contrast, only one-third of the populations of Africa and Asia live in urban areas. The greatest increases will however occur in Africa and Asia. The percentage of the total population living in urban areas is expected to rise from 37% to 54% in Africa and from 38% to 55% in Asia by 2025 (see Figure 1).^{4,5}

Figure 1: Urban Population Growth



Source: UNHCS, 1996

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, conflict, natural disasters 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.

1.2 Scope for achieving the international development targets

1.2.1 For poor people, 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 presents, and where they can actively participate in processes of socio-economic and political change. People often 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 is open to them about how and where to live their lives. They stay in cities which continue to meet those needs. In many situations, however, the inability

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

⁴ UNCHS (1996). *An Urbanising World, Global Report on Human Settlements*. Oxford University Press.

⁵ UNCHS (1996) estimate that by 2025 80% of the world's urban population will be in developing countries.

of families and individuals to improve their livelihoods in rural areas forces them to seek opportunities in cities. Once there they may be unable to leave.

1.2.2 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.

1.2.3 In spite of the positive opportunities that urban areas offer for 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.⁶

1.2.4 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, of which an estimated 600 million live in life and health threatening homes and neighbourhoods.⁷

1.2.5 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?

1.2.6 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.

1.2.7 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 dense concentration of people, and by the corresponding need for complex delivery systems to meet their resource and service needs (food, water, shelter, transport, and waste). The resulting competition for space means that housing, a primary asset for the urban poor, and the land to build on are at a premium. 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.

1.2.8 Many urban managers are 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 week.⁸ 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 land is intense and access to a regular flow of income is critical. The potential for corruption is high under these circumstances.

⁶ L Haddad, M T Ruel and J L Garrett 1999. Are Urban Poverty and Undernutrition Growing? Some Newly Assembled Evidence. World Development, Volume 27 Number 11.

⁷ UNCHS (1996).

⁸ UNCHS (2000). The State of the World Cities. Nairobi.

1.2.9 ‘Unwilling’ because many urban governance systems discriminate against the rights of particular groups of people and their 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.

1.2.10 This means that many poor people are forced to live in overcrowded, under-serviced slum settlements, where the threat to health from environmental hazards – vector borne diseases, indoor air pollution, fires, floods, landslides, earthquakes and exposure to untreated waste is a daily reality.⁹ 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.

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 twenty-first century. It introduced the new themes of Urbanisation and Sustainable Urban Development and highlighted “with a sense of urgency, the continuing deterioration of conditions of shelter and human settlements”. The output of the conference is the Habitat Agenda which recognises that urban poverty has distinctive features which need to be identified correctly so that appropriate interventions are developed. It also draws attention to the immense capacities of poor people to take advantage of the opportunities that dynamic urban development affords. It calls for global, national and local action to address these challenges, based on the principle of upholding human rights and enabling the poor to participate in decision making and to benefit from the development process (see Figure 2).

Figure 2: The seven Habitat Agenda commitments



Source: Habitat Agenda, UNCHS 1996

⁹ In this paper the term “slum settlement” refers to settlements characterised by a lack of formal legal status, adequate housing and services, as well as overcrowded and inadequate formal housing.

1.3.2 This marked a seminal shift in focus, and placed Istanbul among the major UN conferences of the 1990s. Indeed the Habitat Agenda embodies the conclusions and objectives of all these UN conferences. Istanbul+5, in June 2001, will mark a significant stage in the process of establishing international goals for human settlements. The adoption and preparation of a series of measurable urban development goals is already underway in order to provide a human settlement perspective to the International Development Targets and a framework for reducing urban poverty.¹⁰

1.3.3 The OECD's Development Assistance Committee (DAC) earlier this year requested that all data indicating progress towards achieving the IDTs should be disaggregated for rural and urban areas. DFID supports progress towards achieving this objective, which will require improved statistical and data collection capacity at the local level if meaningful and accurate urban data, is to be made available, particularly as it relates to urban poverty.

1.3.4 In this context, the UN General Assembly Millennium Summit, of September 2000, adopted the Secretary General's Millennium Declaration which included a specific target dealing with urban poverty, that is:

- by 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers as proposed in the Cities Without Slums initiative."¹¹

1.3.5 DFID has placed great importance on appropriately defined targets as a means of energising and measuring progress and exercising accountability. We therefore endorse the work of national governments, through forums such as the Commonwealth Consultative Group on Human Settlements (CCGHS), in establishing targets and indicators that inform their national processes for sustainable development and improve their ability to monitor progress within the context of reducing extreme poverty by half by 2015.¹²

1.3.6 The Commonwealth Heads of Government meeting, held in South Africa in November 1999, adopted a target prepared by the CCGHS to assist with their

reporting against the objectives and commitments of the Habitat Agenda, this is:

- demonstrated progress towards adequate shelter for all with secure tenure and access to essential services in every community by 2015.¹³

1.3.7 Building upon the Millennium Summit Declaration we will seek opportunities to promote the adoption of this target within the UN system in support of the Cities Without Slums initiative and the implementation of the IDTs. The measurement of these targets will be the responsibility of national governments and the Global Urban Observatory developed by UNCHS (Habitat) (See Box 8).

1.3.8 The international body with responsibility for monitoring the implementation of the Habitat Agenda 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 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".¹⁴ 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.

1.3.9 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 the Habitat Agenda required, while international development assistance and support from the World Bank, the Regional Development Banks, and bilateral donors, has been limited.¹⁵

¹⁰ This data will need to recognise the higher cost of living in urban areas and that poverty can be reduced by reducing individual and household expenditure on essential services.

¹¹ The Cities without Slums initiative is one of the components of the multi-donor, joint World Bank/UNCHS (Habitat) initiative Cities Alliance.

¹² 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).

¹³ "Demonstrated Progress" has been identified as "the progressive implementation of a plan of action".

¹⁴ DFID, p52, (1997) Eliminating World Poverty: A Challenge for the 21st Century, White Paper on International Development.

¹⁵ Milbert, Isabelle with Vanessa Peat (1999). What Future for Urban Co-operation. Swiss Agency for Development and Co-operation. Graduate Institute of Development Studies, Geneva.

1.3.10 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. In turn, many development agencies are supporting decentralisation processes and are increasing their focus on, and support to, urban areas. Methodologies, such as participatory poverty assessments, are involving the poor in a better understanding of their needs and livelihood strategies and strengthening the political will to do something about urban poverty 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 have their voices heard in political arenas, and are willing and able to participate in urban reform processes.

1.3.11 At the International level, many governments have, since the Habitat II conference in 1996, been taking

steps to reorganise and strengthen UNCHS (Habitat), and this is beginning to reap dividends. The World Bank, the Regional Banks, the EU and a number of bilateral donors have recently prepared urban strategies, signalling their interest in urban development and urban poverty reduction. Also a number of 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).

1.3.12 In this context, the development of a coherent, well focused, urban development strategy for DFID, and agreement on clear international targets to reduce urban poverty, is timely and appropriate. It will feed into international and national planning frameworks, such as the evolving National Strategies for Sustainable Development, Agenda 21 and Poverty Reduction Strategies, and contribute to the development by international organisations, donors, national governments and city managers of improved mechanisms to reduce poverty, within the context of vibrant urban economic growth.

2 The challenge

2.1 Introduction

2.1.1 If poverty is to be reduced it is important that national governments and international organisations understand the causes and the enormity of the growing urban challenge. Population increases have fuelled the growth of overcrowded and insanitary living conditions for many poor people. The diversity and flexibility of both formal and informal urban labour and land 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 and allocate land for housing development 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

(I) 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, 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 administrative and legal practices; and through failures of the political process and the efforts of urban managers and social programmes to keep pace with the growth of settlements on the urban fringe where many poor residents live. Many non-recognised slums for instance, even in city centres, are not considered to be part of the city, and therefore receive no civic amenities or legal protection.

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.) in order to meet their basic needs or as supplementary sources of income, energy, medicine, food or indeed water.

2.2.3 Urban poverty is therefore invariably associated with over-crowded, insanitary living conditions within large slum settlements, with limited or no access to basic utilities or services such as water, sanitation, affordable transportation, health care, education, energy and law and order. Furthermore, the paper “Addressing The Water Crisis” in this series highlights that, 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 air borne diseases are endemic, exposure to fires and other natural hazards are a constant hazard, and inter and intra-household violence and crime without legal forms of redress, is a factor of everyday life. Infant mortality rates are often higher for the urban poor living in these conditions than for their rural counterparts.¹⁶ In addition, the high costs of transportation and the length of time spent getting to and from places of employment increases household expenditure and reduces the time available to engage in productive activities.

2.2.4 In this context, the challenge is to ensure that poor people are able to participate in and benefit from the process of urban development. In the first instance, the urban poor need somewhere secure and healthy to live, and they need to have access to a broad range of essential services. Alongside this, policy makers must support the development of social, political and legal structures which are inclusive and provide opportunities for all people, including the poor and disadvantaged, to obtain the services they want and need, and to participate actively in development and political processes. This must recognise

¹⁶ World Resources Institute (1997), page 35. World Resources, A guide to the Global Environment: The Urban Environment. WRI, New York.

the considerable assets, both financial and human, on which the urban poor can build given the right political and social circumstances, to help improve their livelihoods. The management of assets at the community, as well as the household level, is vital for cohesive pro-poor development. Communities are able to command more of the development potential of neighbourhoods, raising the value of their common assets, than is often realised by urban managers.

b) Assets

2.2.5 In a monetised urban economy, people need access to cash, savings and credit, in order to remain healthy and productive. Cash is essential for the purchase of food, land, shelter, energy, transport, water from vendors, and sanitation from pay as you use facilities. Savings and credit are essential to invest and make longer term plans. Often, people's key assets are land and their house, their capacity to sell their labour for money, and the ability to participate 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. In this context, income definitions of poverty fail to recognise the scale and depth of urban poverty.

2.2.6 Housing: Safe and secure housing, plus supporting infrastructure, provides a wide range of benefits for low-income households. A house provides a location for access to employment, collateral for securing credit, and is a potential 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.

2.2.7 In these circumstances, security of tenure, whether this is the right to occupy a room or a dwelling for a given period or the right to occupy and develop a plot of land, becomes a critical issue. Secure tenure of a dwelling or plot of land makes it easier to access legal services and reduces the levels of risk faced by the poor from eviction. This security often leads to families improving their homes and

to communities improving the environmental quality of their neighbourhoods.¹⁷

2.2.8 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.

2.2.9 In many developing countries there has been a massive growth of the informal sector and casual employment. While the informal sector makes a substantial contribution to economic development, through employment creation and innovation, access to jobs and training is often constrained by the capacity to secure credit, and other financial services as well as to mobilise support from local leaders who control entry to different markets. When jobs are available women are commonly being paid much less than the male wage (often as little as 50%) for the same employment.

2.2.10 With relatively insecure income streams, and in the absence of credit and 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 (e.g. rent payments), it stores up more problems for the future as loans are called in, and families fail to meet their repayment obligations.

2.2.11 Social organisation: 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. This can induce new forms of social organisation at the community and city level which provide the basis for more effective pooling of resources for lobbying of political leaders, for engaging in partnerships with civil society, the private sector and local government and for undertaking community development and management initiatives.

¹⁷ Security of tenure does not necessarily mean a full title to land or property but freedom from the threat of eviction without due recourse to the law.

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.

2.2.12 Knowledge generation: The urban poor are often prevented from participating and benefiting from the development process because of their own lack of access to knowledge and the lack of knowledge of others about their situation, conditions and development needs. Once knowledge and information is accessed and shared, it can place the community on a more equal footing when negotiating with others. Such knowledge can also be usefully shared between communities and cities, improving prospects for pro-poor development.

2.2.13 Some of the key challenges for the future will be to support the growth of formal and informal labour markets to the advantage of employers and employees alike and to mitigate the risks faced by urban families which prevent them engaging in development activities that have the potential to strengthen their asset base.

c) Vulnerability context

2.2.14 Urban poverty is invariably associated with cumulative deprivations at individual, household and community level, which lead to high levels of vulnerability and risk. Some individuals are more vulnerable than others, often related to their gender, age, ethnicity or where they live. Women for instance, are commonly discriminated against both within the household and in the workplace. In many countries, women’s development opportunities are constrained by practices which privilege male child education over that of girls. The rapid rise of HIV/AIDS among women, particularly in the urban market areas along transport routes, stems from failures by health services to recognise the need to treat sexually transmitted diseases, which make women highly vulnerable to HIV/AIDS.¹⁸ Children, the disabled and the elderly are also likely to be vulnerable to ill-health, and often highly dependent on the capacity of other family members to support them.¹⁹ 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. In this context, the spread and rise of

HIV/AIDS, in urban areas poses a particular problem to poor communities.²⁰ Whole communities are vulnerable if a fire, flood or earthquake wipes out people’s homes, or city authorities decide to embark on slum clearance programmes without providing alternative living spaces.

2.2.15 Poor people often have limited or no right to make demands on the political system and have to operate within a legal framework which does not guarantee them their civil and political rights – the right to representative government, the right to organise and make demands, the right to get a fair hearing and a response, and the right to justice. Further processes of inequality may manifest themselves in particularly acute forms in urban areas, whereby particular groups are deliberately excluded from access to assets and services as a consequence of their religion, ethnicity, class, gender or for other reasons. In urban contexts, the poor among these socially excluded groups will be especially vulnerable as a result of the combination of a systematic denial of their rights, and their weak social and financial capital.

2.2.16 Box 2 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.

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 Rs 15, 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 (6 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 have a ration card but do not buy rice because they can’t afford it...sometimes a neighbour will buy some rice for them”.²¹

¹⁸ Gender issues are further dealt with in the DFID Strategy Paper “Poverty Elimination and the Empowerment of Women”.

¹⁹ It is recognised that the elderly and children are often relied upon to contribute to the well-being of family households through caring for those with ill health, such as HIV/AIDS.

²⁰ HIV/AIDS issues are further dealt with in the DFID Strategy Paper “Better Health for Poor People”.

²¹ Cochin Corporation and DFID (1996). Cochin Poverty Profile Study. Project Design Report.

2.2.17 The family lives in squalid, insanitary 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 generally 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.

2.2.18 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.

2.2.19 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.

2.2.20 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.

(II) Pressures on the environment

2.2.21 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.^{22, 23}

2.2.22 High population densities, however, do provide opportunities for improving the living environment and the health of urban populations, particularly the poor.²⁴ For instance, the high concentration of populations in urban areas lowers the average cost of providing infrastructure and essential services and also make it possible to establish viable fuel efficient public transport services, which increase the mobility of low-income groups, while limiting the use of less environmentally friendly forms of transport.

2.2.23 Many of these opportunities in developing countries are not realised, as the paper “Achieving Sustainability: Poverty Elimination and the Environment” in this series illustrates. 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 market and regulatory based 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.²⁵

(III) The economic challenge and the rural-urban dimension

2.2.24 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

²² UNCHS (1996).

²³ Water and Sanitation issues are further dealt with in the DFID Strategy Paper “Addressing the Water Crisis: Healthier and More Productive Lives for Poor People”.

²⁴ OECD (2000). Shaping the Urban Environment in the 21st Century: A DAC Reference Manual on Urban Environmental Policy. OECD, Paris.

²⁵ OECD (2000).

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 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.

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

2.2.26 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 through full time as well as seasonal employment. 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. Likewise agricultural activities in urban and peri-urban areas, particularly food production, provide an important supplementary food supply and income generating opportunities for poor people, especially for women.²⁶

²⁶ UNDP (1996). *Urban Agriculture: Food, Jobs and Sustainable Cities*. UNDP, New York.

²⁷ World Commission Urban 21 (2000). Prepared by the Federal Ministry for Transport, Building and Housing of the Federal Republic of Germany.

2.2.27 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

2.2.28 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.

2.2.29 Some of the contextual conditions within which urban development takes place at a regional level are captured in Box 3 overleaf. 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 geo-political and economic conditions, as by global trends.

2.2.30 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 21 has divided cities into three types.²⁷ 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 levels of 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
- c) The weakening mature city coping with ageing. This is characterised by a stable or declining population and a changing industrial base.

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. 76% of the population now 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 twenty-six 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 2000.²⁸ 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.

2.2.31 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.

2.2.32 It should also be pointed out that within the boundaries of urban settlements themselves, there are also considerable spatial differences, which disproportionately 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 due to informal land subdivisions, which contributes to sprawling low density settlements. Over time as the city expands they become under-serviced slum settlements.

2.2.33 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.

2.3 Institutional and political challenges

(a) The national and local context

2.3.1 Existing institutional, political, administrative and legal structures within countries have the main responsibility for reducing urban poverty and achieving effective and efficient urban development, economic growth and dynamic rural-urban synergies. The paper "Building state capability for Poverty Eradication" 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.

²⁸ OECD (2000).

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, despite decentralisation, 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 work through partnerships with their citizens and the private sector to mobilise additional resources and capital for development. 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 – 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, cadastral records 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 political representatives, urban managers and communities to realise the economic potential of their cities and to mobilise the resources necessary to improve the health, education and well being of all urban citizens, to reduce crime and to improve the capacity of management and accountability systems in support of pro-poor urban development. This will require that the decentralisation of public sector responsibility runs in parallel with the appropriate allocation of financial resources, authority and political and professional capacity.

(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 urban areas have been fairly low. In addition, mixed messages have circulated about the role of development in an urban context (e.g. to directly alleviate poverty 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, the Asian Development 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, including the Regional Development Banks, will be to 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 reduce urban poverty and create an enabling environment in which urbanisation and economic growth flourish and in which rural-urban linkages are supported, and where the needs and priorities 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 people living in cities and towns must be able to participate in the identification of their needs and priorities if a sustained reduction in their 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 key 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 re-located to the urban fringe.

3.1.4 Policy makers have learnt that the provision of basic infrastructure and services, within specifically defined slum settlements, while necessary is not sufficient for reducing poverty in urban areas. This is because:

a) The needs and priorities of different social groups were not sufficiently understood. As a result infrastructure and service improvements, while largely successful because they resulted in improved living conditions, especially for women, did not address the specific and

immediate survival and security needs of the poorest and most vulnerable, for food, health, and shelter. In addition, community development inputs, such as vocational training, were often badly targeted and vulnerable to being taken over by urban elites.

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

3.1.5 Urban poverty is a dynamic condition. An individual or household's position can decline or improve over short periods according to changing circumstances – illness, unemployment, eviction or other events. People can move in or out of poverty. This means that policy makers must look to the wider context within which structural and chronic poverty can become established or within which certain groups are vulnerable to becoming poor in a given time period.

3.1.6 A livelihoods approach, which builds on the assets of people in or vulnerable to a state of poverty, can be useful in dealing with both types of situation. Programme planning and service delivery needs to take account of the complexities of urban poverty, rather than focusing on the issues of particular groups. Policy needs to be targeted on combating the factors which give rise to and reinforce poverty and on supporting the efforts of people themselves to overcome these factors.

3.1.7 Recent studies²⁹ 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, eviction, loss of employment). Those who are just coping or those who's situation is declining, need safety nets.

3.1.8 The next key objective for poor people is a search for security, the means to protect, as well as improve, their

²⁹ Impact Assessment Study (1999) Slum Improvement Projects, Final Report, University of Birmingham and DFID 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.

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.

3.1.9 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 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.

3.1.10 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 least 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 poorest and most vulnerable, it might mean being invited to participate directly in decisions about the direction of their own life, e.g. home based help for the disabled.

3.1.11 The important lesson is that poor people have multiple needs and that they must be able to participate in identifying which services they need, where they should be located, and how the potential benefits should be distributed. Furthermore, poor communities must be empowered to participate in decision-making, and to play an active role at each stage of the development process so that they can identify, manage and monitor the improvements that they see as being necessary. 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 poorest and most vulnerable falling further, protect the coping and least poor against risks, which could lead to a reversal of fortunes, and provide graduation prospects for all.

Lesson 2: Improved governance and management of cities and towns can contribute significantly to the reduction of poverty in urban areas

3.1.12 "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, civil society and community – 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

3.1.13 In the eighties and early nineties, international organisations often by-passed 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.

3.1.14 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.

3.1.15 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 process and Local Government 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.

3.1.16 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 and community partnerships

3.1.17 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.

3.1.18 In partnership development, there is no one right solution. The key is clarity about the local framework within which different parties operate. This means that one of the key roles for local government is to 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.

3.1.19 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.

3.1.20 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 and small business services, including community credit and savings, NGOs such as the Self Employed Women's Association (SEWA) in Ahmedabad, India, and the Grameen Bank in Bangladesh have demonstrated that they are often better placed to manage these programmes than government. In Pune, where 40% of the population live in slums, the municipality has been unable to deliver the scale of affordable sanitation necessary to service the ever increasing demand. However, since the Pune Municipal Corporation has sought to contract out slum sanitation initiatives to community organisations themselves (including the Alliance of the National Slum Dwellers Federation, Mahila Milan and SPARC), 225 community toilet blocks and over 3,500 toilets units have been built. The toilet blocks are designed to meet the specific needs articulated by the communities and users, so that there are disabled and children's toilets included. Community ownership ensures effective maintenance and affordability, while the development of a community-led partnership with municipal authorities provides the potential to scale up such programmes to reach even more poor urban communities.

3.1.21 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 and priorities. In Lusaka, Zambia, for instance, CARE is working with communities and the City Council to set up representative area based organisations 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

3.1.22 Policy makers have learnt that a sustainable urban environment, which will improve the livelihoods of poor people and the potential for economic growth, is dependent on the improved provision, management and coverage of services, better land management and regulatory planning systems, and the regulation of businesses which generate high levels of pollution.

3.1.23 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.

3.1.24 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 develop.³⁰

3.1.25 Recent studies³¹ have demonstrated the importance of land tenure arrangements, legal and regulatory frameworks, for improving local and city environments, and the livelihoods of the poor. If poor people feel secure and safe from eviction, over time they improve their neighbourhoods. Statutory forms of tenure offer many advantages, such as full individual rights, security and access to formal credit systems. However, there may be a number of negative short and medium term consequences, such as: increased rents which often contributed to the eviction of tenants; formation of more illegal and informal settlements, and; the encouragement of landowners and developers to hold and transfer land without investing in its improvement or paying taxes on its increased value. This serves to attract even greater levels of investment and land price inflation. In addition, if incomes remain low, and the capacity of finance institutions is weak, security of tenure may not necessarily stimulate neighbourhood improvements.

3.1.26 Consequently, policies, together with technical and administrative procedures for land management, require careful analysis of existing systems of informal and customary tenure and property rights before incorporating

major reforms. Such systems can provide acceptable levels of security and sufficient access to credit to stimulate improvements to local neighbourhoods and the reduction in levels of poverty. For this reason, it may be preferable to increase the rights of residents (e.g. by protecting them from the threat of forced evictions, or increasing access to essential utilities or credit), rather than assuming that they need freehold or leasehold titles. In general, land and housing markets are likely to be more efficient and equitable if a wide range of tenure categories are available to meet the needs of all sections of the population. By increasing tenure security incrementally, speculation can be discouraged and improvements in housing conditions encouraged.

3.1.27 Strategies for improving shelter increasingly recognise the positive role which housing can contribute to social and economic development at both national and local levels. They also recognise that the most effective way of mobilising the resources required is to encourage investment in housing by individuals, communities and the private sector. This requires local government, where appropriate, and national governments to create regulatory frameworks which enable all sections of the urban population to gain access to land, safe and secure shelter and services on terms which are appropriate and affordable.

3.1.28 Indeed, recent experience shows that some governments are now introducing positive approaches, which are market sensitive and encourage more efficient use of available land. These include measures to encourage land-owners and developers to allocate a specified proportion of units to low-income groups out of profits generated from planning permission granted by (and therefore partly created by) the government. Public-private partnerships and revisions to planning standards, regulations and administrative procedures have also demonstrated that it is possible to reduce the costs of access to land for the poor even under conditions of market led development, thus reducing urban sprawl and the occurrence of under-serviced slum settlements.

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

3.1.29 It is clear from Lesson 2 above, that city based development is also dependent upon national governments because these set the context within which city managers

³⁰ WDR 1999/2000.

³¹ Geoff Payne, (2001) Innovative Approaches to Tenure for the Urban Poor. forthcoming.

operate, create the conditions within which a healthy and robust civil society can develop, determine economic policies, and establish the legislative and regulatory framework which protects and promotes the interests of different groups, including poor people, and can empower them to mobilise against the threat of forced evictions. 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

3.1.30 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.

3.1.31 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.

3.1.32 Too much focus on the formal aspects of political representation and accountability ignore the informal systems which exist in any towns and the numerous other constraints which affect poor people's capacity to participate in political processes. In addition, too much reliance 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 system.³²

3.1.33 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.

3.1.34 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 watch-dog, 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 change in attitudes.

3.1.35 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 can be substantial. There are a number of examples where city authorities have changed their policies or procedures to provide more scope for greater participation by grass-roots organisations in municipal plans and actions. Examples include participatory budgeting in Porto Alegre and other Brazilian cities and the participation of low-income squatter groups in determining the location, timing and form of their relocation in Mumbai, India.

b) Economic policy and regional development

3.1.36 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.

3.1.37 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

³² Batley, R. (2000) Urban Governance and the Poor. Paper prepared for DFID.

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 development.³³ As a result, many rural service centres, towns and cities continue to be starved of funds to support their economic expansion.

3.1.38 Indeed, the factors that underpin rural impoverishment also limit urban development. Highly unequal land-owning 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 over-stretched services. Rural roads are critical to improving the economy of rural and urban areas and livelihoods of poor people, as they link rural producers to urban markets, services and opportunities. However, in the absence of good land management, road networks into rural areas may simply reinforce or increase unequal land owning structures, particularly around the peri-urban fringe, where a buoyant land market invariably leads to the eviction of tenant farmers and agricultural labourers for economic gain. This may eventually lead to the wholesale destruction of 'urbanised' village life.

3.1.39 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

3.1.40 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.

3.1.41 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.

3.1.42 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.

3.1.43 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

³³ Satterthwaite, D. (2000). Seeking an understanding of Poverty that recognises rural-urban differences and rural-urban linkages. IIED.

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 (CDF) and national Poverty Reduction Strategies (PRSPs). These will provide a view on the contribution of the urban system within the macro-economy.

3.1.44 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 and the Canadian International Development Agency have developed similar strategies. The European Community, has concentrated on developing guidelines for programme managers on sustainable urban development.

3.1.45 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. These organisations have stemmed from a growing perception among city mayors, Chief Executives and others, of the need to have a voice in international meetings.

3.1.46 Increasingly, therefore, DFID and others are recognising that success in reducing urban poverty and meeting the IDTs 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 against poverty reduction targets. In practice, this will also mean developing coherent responses to scaling up approaches to urban issues across all the international agencies.

4 Meeting the challenge

4.1 Introduction

4.1.1 On the basis of the lessons learnt, this section identifies the collective effort required, by national and local government, the private sector, local actors and international donor agencies, to reduce levels of urban poverty and to ensure that the process of urbanisation contributes to the achievement of the International Development Targets. In order to meet these challenges, the international community must support country-led efforts to scale-up what works, and local innovation. This will require that poor people are empowered to participate in the development process; improved governance and management capacity at national and local government level; a more prosperous, equal and inclusive society, built on partnerships and respect for human rights.

4.2 Effective national and local action

4.2.1 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. Meeting the challenge of poverty in urban areas will require national governments to provide the right enabling, legislative and regulatory framework, that is pro-poor and market sensitive in support of urban development.

4.2.2 Success will therefore depend upon bringing about changes in social attitudes to poverty, harnessing the political will for pro-poor urban development, and empowering poor people themselves to demand and realise their rights and entitlements, 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.

4.2.3 The previous section of this paper has emphasised that appropriate actions at city level can bring substantial direct benefits to poor people, and encourage economic growth with equity. Lessons at city level can 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.

4.2.4 It is clear that 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, but give cities and local governments the space, human and financial resources, and authority, effectively to empower and represent local needs and priorities.

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 (CDF) and Poverty Reduction Strategy Papers (PRSPs) 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 sourcebook provides separate chapters addressing both the urban and rural dimension of national and local strategies. Rural-urban linkages are addressed in both. An additional tool, the City Development Strategy, will complement these approaches at city and town level (see Box 4).

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.

4.2.7 Many cities and towns have begun to reassess the importance of taking forward strategies within the framework of national development, in order to take advantage of current decentralisation, liberalisation and globalisation processes. A number of City Development Strategies (CDS), while in the early stages of development in many countries, highlight the emergence of new priorities and changing approaches (see Box 4). The challenge for developing countries is to turn these early attempts at producing CDSs into an effective tool for developing a new approach to stimulating economic development, improving urban governance and management approaches, in order to bring about a sustainable reduction in urban poverty. Furthermore CDSs must evolve to become cross-sectoral in scope and able to mainstream cross-cutting issues such as HIV/AIDs, and gender.

Box 4. City Development Strategies (CDS): new priorities and changing approaches³⁴

A recent DFID/World Bank funded assessment of current City Development Strategies (CDS) in ten cities identified the changing approaches being adopted in response to emerging priorities. While the process and CDS product vary in each city, an understanding is emerging as to how it can become a potentially effective tool for stimulating economic development and improving urban governance leading to a reduction in poverty in urban areas.

City Development Strategies demonstrate a strong intent to foster participatory approaches to strategic and economic planning. The stimulus for this is often driven by the need to mobilise private sector and community resources to support development in times of growing budgetary constraint. However, actual stakeholder involvement is often being driven by the necessity to tackle ever mounting urban service delivery problems, rather than to building community wide capacities and capabilities.

The CDS product is a strategic plan of action that focuses on the process of change, highlights economic dynamics and opportunities and adopts a flexible strategy to respond to new economic realities and sources of competition. Thinking about a new economic future within an CDS framework can change the way the city is managed and planned. However, current approaches are largely being driven by a priority need or sector specific issues, such as poverty or municipal service delivery; Kampala is an example of the former and Colombo an example of the latter.

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 (CDFs), National Strategies for Sustainable Development (NSSD), Agenda 21, 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 In order to achieve lasting impact, the international community will need to engage with failures of prioritisation, planning, management, resource generation, regulation, accountability, and definition of role and function, at both national and local government levels. In view of this, the international community must support mechanisms to ensure that urban centres, and especially those with limited resources, continue to provide the economic, social and institutional conditions within which existing business can flourish, and new enterprises can develop. They must support the development of open, transparent and accountable local political process and professional capacity, ensure that regulatory frameworks support business development, enhance quality, and enforce equitable and fair practices, not only in employment regimes, but also in the distribution and provision of services. They must also ensure, where possible, that business activities accord with sustainable environmental management practices, and thereby reduce the likelihood of environmental hazards.

4.3.4 The international community must recognise that services are provided by a range of agents – government, the private sector, the not-for-profit sector, and civil society itself – based on market opportunities, comparative advantage, resource availability, interest and need. In some cases, providers exploit the poor, in others, they provide a key service at low cost. The challenge for policy makers is to ensure that all service providers operate a pro-poor approach, which recognises the needs of the poor, achieves and maintains a good quality of service, and that potential abuses of the system are checked through an effective and appropriate regulatory framework. Two major pre-conditions for this will be to develop the capacity of civil society to advocate for their rights, while making service providers accountable to their customers.

³⁴ GHK (2000). "City Development Strategies (CDSs) Taking Stock and Signposting the Way Forward: A Discussion Report for DFID and the World Bank".

4.3.5 The international leadership to address the urban challenge will need to 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 ‘Urban Governance’.³⁵

4.3.6 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 5).

Box 5. International programmes for urban poverty reduction

- **Habitat Global Urban Observatory Programme:** UNCHS (Habitat) led initiative of capacity building programmes 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)/UNDP 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)/UNEP 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.

4.3.7 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 6). 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, international local government bodies, and city authorities from both developed and developing countries. DFID has committed funds to this programme.

4.3.8 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 previously been the case. It gives the International Local Government bodies – the World Association of Cities and Local Authorities (WACLAC),

³⁵ The Global Campaign on Secure Tenure promotes the security of tenure of the urban poor. The Global Campaign for Urban Governance promotes inclusive decision-making as a strategic entry point to urban poverty reduction and is firmly grounded in human rights.

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.

Box 6. 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 CA partners. Two priority action areas are identified:

Cities without slums: nation-wide 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 slum 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.

4.3.9 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 UNDP. 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.

4.3.10 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 Priorities for DFID

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. The most recent White Paper, *Eliminating World Poverty: Making Globalisation Work for the Poor*, highlights the need to manage the new demands created by the demographic transition of people to urban areas. In particular, it emphasises the important role of local government and local institutions in ensuring that the opportunities created by globalisation are captured by the poor.

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 (e.g. water and sanitation, health and education)³⁶. 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, Uganda, Zambia, Tanzania, 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.³⁷

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 on a city-wide basis. Alongside this, programmes have increasingly focused on improving the legal, policy and enabling environment as well as local governance structures, through which change can be sustained.

5.1.4 At city level, this has involved capacity building support for political representatives and urban managers to improve local leadership, management systems and optimise the opportunities afforded by decentralisation.

It has also included direct support to civil society groups 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 in service delivery, small business opportunities and the development of socially responsible business. At national level, DFID's work has included Public Sector Reform Programmes, support to improvements in the legislative, policy and regulatory framework, and capacity building support for decentralisation. More recently, DFID has sought to engage with the broader question of urban economic development (e.g. in the proposed Calcutta Urban Services for the Poor Programme, 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 United Nations Development Programme led Urban Management Programme, and to assist with the dissemination of material from the Habitat 'Best Practices Programme'. Collaboration with the International Finance Institutions on urban issues has also increased (e.g. 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.

³⁶ The actions highlighted in this paper must be read in conjunction with the other DFID Strategies for Achieving the International Development Targets.

³⁷ 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.

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.³⁸

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 Guiding principles

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. DFID's priorities will be guided by our commitment to the international development targets and the vision outlined by the two White Papers on International Development. It signals an intention to move away from ring-fenced projects, and towards more fundamental areas of policy reform. This will entail an increased emphasis on supporting the rights of poor people. Direct support to poor urban people so that they can improve on their livelihood strategies and participate in local and city level decision-making processes will be matched by an increasing 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.

5.2.3 Given the comparative strengths, wealth of knowledge and experience in urban development and management among UK partner organisations in local government, the private sector, universities and NGOs, DFID is well-placed to make a full and substantial contribution to meeting the urban challenge. At the same time, we acknowledge and value the different skills and approaches of our international development partners and the need to match our expertise to the requirements of developing countries in a complementary way.

5.3 Priorities for the strategy

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 IDTs 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, and broad based policy work. 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.

5.3.3 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

³⁸ 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.

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 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 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 the decision-making process, and to benefit from urban development

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 and methodologies for supporting poor people's development activities, ensuring their participation and listening to their ideas, both at home and at work. This will require us to strengthen our own and our partners' understanding and use of participatory methodologies and livelihoods approaches, if the dialogue between communities, ourselves, the private sector and local government is to be improved.

5.4.3 DFID will contribute to programmes that help to improve the living and working conditions of the poor. This will include improving access to safe drinking water and sanitation facilities, cleaner energy sources,

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 social services, including health care, education, financial services, law and order and safety nets. This will require the strengthening of civil society's capacity to organise and promote citizens rights. DFID will support the participation of poor communities in the delivery and management of services and income-generating activities. Particular emphasis will be placed on ensuring that women participate in decision making and benefit from the urban development process, (e.g. securing rights to own property).

Action 2: Develop the capacity of local actors 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 and local political representatives to plan for urban growth and increase their capacity to 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 (e.g. 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. Recent research funded by DFID has resulted in a sourcebook, which provides guidance on how the capacity of Municipalities and local government can be strengthened to improve community participation in the development process and decision making.³⁹

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,

³⁹ Plummer, J (2000). *Municipalities & Community Participation*. Earthscan, London

over a 7 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. 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 (e.g. better financial base, more competent staff, management and maintenance of services) and promote the use of integrated city and regional planning mechanisms (e.g. the City Development Strategy framework), that recognise the importance of mixed use development in core areas of cities, the need to mitigate the effects of natural and man made hazards, and recognise the relationship of urban areas to their rural hinterland. DFID will also assist in the strengthening of partnerships between local governments, the private sector and civil society. The C3 Challenge Fund is a funding mechanism, recently developed and promoted by DFID in partnership with others to support community-municipality partnerships for local neighbourhood and environmental improvements (See Box 7). In addition DFID will extend its support to cities in their efforts to develop appropriate regulatory systems, tenure arrangements that support housing improvements, micro enterprise and business development initiatives.

Box 7. The C3 Challenge Fund

Innovative community-based or municipal government initiatives to reduce poverty often have difficulty obtaining official donor funding – since this is channelled through national or state institutions or international NGOs. DFID is aiming to provide direct support to community-based and municipal initiatives under a new initiative – the City-Community Challenge Fund or C3. C3 will be managed through international civil society, and local government organisations.

The Challenge Fund will provide half of the total local project costs by matching funds from existing local resources and local funding streams, to support local initiatives for poverty reduction. It will support partnerships and encourage new working practices between the urban poor and their local government representation – and also, where relevant, to tap the local resources of service providers and the development experience and private sector investment potential – credit, materials supply and construction expertise.

Action 3: Support national governments to strengthen the legislative and regulatory 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 legal and regulatory 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 and developing legislation and regulations that protect the rights of poor people. DFID will work with national governments to ensure that these legislative and regulatory frameworks are implemented and that the poor are able to fully access their legal rights. For example, eviction from land or property must not take place without recourse to the legal process and payment of fair compensation. DFID will not support infrastructure projects that displace poor people without involving them in decisions on their relocation. DFID will also aim to ensure that urban issues are incorporated in national planning frameworks, such as National Strategies for Sustainable Development (NSSDs), Comprehensive Development Frameworks, and Poverty Reduction Strategies. These will refer to, and complement, City Development Strategies.

5.4.8 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 (e.g. 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 the urbanisation process which involves the participation of poor people.

5.4.9 DFID recognises that the scale of the challenge to meet the IDTs 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 Finance 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.

5.4.10 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 vision for pro-poor urban development. 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, the implementation of the two global campaigns, 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.

5.4.11 In particular, DFID will support international efforts to strengthen national and city based urban planning under frameworks such as Poverty Reduction Strategies (PRSPs) 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.

5.4.12 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 IDTs in urban areas. Within the UK, we will aim to expand our work with the Department of Environment, Transport and the Regions (DETR), 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).

5.4.13 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 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.

5.4.14 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.

5.4.15 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.

5.4.16 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 IDTs and the Habitat Agenda in urban areas.

5.4.17 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. Urban development guidelines being produced by the European Union⁴⁰ and the development of a Poverty Reduction Strategy Sourcebook, by the World Bank,⁴¹ will provide timely practical guidance for field and programme managers on key sector and cross cutting issues in urban areas and how they can be scaled up to address broader sustainable urban development objectives. We will also find new ways of involving our field based staff in partnership development with other agencies, and ensure that Headquarters' work with multi-laterals is both informed by, and informs, field experience.

5.4.18 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 our different professional and policy groups work together within urban teams on the key issues identified above.

⁴⁰ European Union. Towards Sustainable Urban Development: A Strategic Approach. (2001) Forthcoming.

⁴¹ World Bank. Poverty Reduction Sourcebook. (2001) Forthcoming.

6 Monitoring progress

6.1 The effectiveness of the IDTs 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 IDT indicators through their web-site and by other means, this will be regularly up-dated 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 IDTs. 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 over-emphasis 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 IDTs 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:

- a) develop a better understanding of urban poverty, and to match measurement criteria to the realities on the ground;

- b) place emphasis on generating good quality country and location specific data;
- c) 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 Cities Without Slums target adopted by the UN General Assembly and the target developed by the Commonwealth Consultative Group on Human Settlements in 1999 (see 1.3.6), provide one means of measuring progress towards meeting the IDTs 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 opposite.

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, within Local Urban Observatories. The GUO 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
- 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
- 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

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.

6.12 It should always be remembered that statistics refer to people and the changes in the conditions they face. The more that ordinary people are involved in local observation the more the link can be made with development. Box 9 illustrates how this has been achieved in one particular instance, and suggests that “local urban observatories” can provide both development insights as well as measurements of progress.

Box 9. Knowledge creation within communities of the urban poor in Zimbabwe

In the 1990s, the town of Victoria Falls in Zimbabwe grew rapidly but there was little reliable information available about the population living in slum settlements. A community-led enumeration, conducted by the Zimbabwe Homeless People's Federation, discovered that there were more than 15,000 people living in shacks, that there was only one toilet for every 507 shack dwellers and that 1,350 people shared each water point. Such community-led shack counting and enumeration practices are well-developed within Shack Dwellers International, a network of organisations of the urban poor. The Victoria Falls enumeration involved South Africans and Federation members from Harare, who trained community members from Victoria Falls to develop questionnaires, conduct interviews, compile and analyse the results and present this information back to their community and local officials. As a result of the enumeration, the local authority allocated 500 plots of land to the Federation. The Victoria Falls enumeration and other community-led surveys have created assets through:

- Mobilising communities and drawing people into local, national and international networks of the urban poor to share knowledge and experiences;
- Enabling people traditionally excluded from decision-making processes in their communities to be empowered with the knowledge generated, because the knowledge base remains in the community, and can be used as a negotiation tool to earn the recognition of local authorities and to influence development strategies; and,
- Creating confidence in individuals and community organisations about their own capacities. In the words of Cornelia Lungu, an enumeration leader in Harare: *“There is such a mystery about information gathering that I never thought that I, an uneducated person, could actually collect information that is useful to myself and others in my situation. Moving around talking to people also enabled me to understand my settlement better and I found out that there was so much I shared with people in my community.”*

Sources: Homeless International, Dialogue on Shelter for the Homeless in Zimbabwe and the People's Dialogue newsletter from South Africa

Annex A

Size and Growth of Urban and Rural Populations, Urbanisation Trends

	Level of Urbanization			Urban Population			Annual Growth Rate		Rural Population			Annual Growth Rate	
	Urbanization (%)			Estimates & Projections (thousands)			Growth Rate (%)		Estimates & Projections (thousands)			Growth Rate (%)	
	2000	2015	2030	2000	2015	2030	2000-2015	2015-2030	2000	2015	2030	2000-2015	2015-2030
WORLD	47.0	53.4	60.3	2845049	3817292	4889393	2.0	1.7	3210000	3337074	3222587	0.3	-0.2
More developed regions	76.0	79.7	83.5	902993	968223	1009808	0.5	0.3	284987	246171	199699	-1.0	-1.4
Less developed regions	39.9	48.0	56.2	1942056	2849069	3879585	2.6	2.1	2925013	3090903	3022888	0.4	-0.2
AFRICA	37.9	46.5	54.5	297139	501015	765709	3.5	2.8	487306	576781	640216	1.1	0.7
Algeria	60.3	68.5	74.4	18969	28214	36721	2.7	1.8	12502	12985	12661	0.3	-0.2
Angola	34.2	44.1	53.6	4404	8691	14911	4.5	3.6	8474	11011	12925	1.8	1.1
Benin	42.3	53.0	61.4	2577	4735	7449	4.1	3.0	3520	4206	4681	1.2	0.7
Botswana	50.3	58.4	66.0	815	1148	1558	2.3	2.0	807	819	803	0.1	-0.1
Burkina Faso	18.5	27.4	37.0	2204	4953	9646	5.4	4.4	9733	13143	16403	2.0	1.5
Burundi	9.0	14.5	21.9	600	1378	2731	5.5	4.6	6095	8114	9767	1.9	1.2
Cameroon	48.9	58.9	66.4	7379	12657	19209	3.6	2.8	7706	8846	9708	0.9	0.6
Cape Verde	62.2	73.5	78.4	266	425	563	3.1	1.9	162	153	155	-0.4	0.1
Central African Republic	41.2	49.7	58.6	1489	2368	3604	3.1	2.8	2126	2396	2548	0.8	0.4
Chad	23.8	30.9	40.8	1820	3459	6202	4.3	3.9	5831	7727	9005	1.9	1.0
Comoros	33.2	42.6	52.2	231	425	656	4.1	2.9	464	573	601	1.4	0.3
Congo	62.5	70.1	75.7	1841	3095	4803	3.5	2.9	1103	1320	1544	1.2	1.0
Côte d'Ivoire	46.4	55.5	63.6	6854	11125	15754	3.2	2.3	7932	8922	9023	0.8	0.1
Dem. Republic of the Congo	30.3	39.3	49.1	15641	31522	57562	4.7	4.0	36014	48739	59776	2.0	1.4
Djibouti	83.3	86.3	88.8	531	747	975	2.3	1.8	106	118	124	0.7	0.3
Egypt	45.2	51.2	59.9	30954	43641	60115	2.3	2.1	37515	41583	40256	0.7	-0.2
Equatorial Guinea	48.2	61.4	68.6	218	396	596	4.0	2.7	234	249	273	0.4	0.6
Eritrea	18.7	26.2	35.7	722	1439	2568	4.6	3.9	3129	4058	4617	1.7	0.9
Ethiopia	17.6	25.8	35.3	11042	23441	45110	5.0	4.4	51523	67506	82706	1.8	1.4
Gabon	81.4	88.9	90.9	998	1472	1943	2.6	1.9	228	183	195	-1.5	0.4
Gambia	32.5	42.5	52.1	424	774	1199	4.0	2.9	882	1047	1103	1.1	0.4
Ghana	38.4	47.8	56.9	7753	14247	22866	4.1	3.2	12460	15573	17340	1.5	0.7
Guinea	32.8	42.9	52.5	2435	4500	7019	4.1	3.0	4995	5989	6362	1.2	0.4
Guinea-Bissau	23.7	31.7	41.6	288	514	879	3.9	3.6	925	1108	1236	1.2	0.7
Kenya	33.1	44.5	54.0	9957	16752	23696	3.5	2.3	20123	20859	20220	0.2	-0.2
Lesotho	28.0	38.9	48.7	602	1126	1848	4.2	3.3	1551	1767	1945	0.9	0.6
Liberia	44.9	53.9	62.2	1416	2767	4603	4.5	3.4	1738	2364	2792	2.1	1.1
Libyan Arab Jamahiriya	87.6	90.3	92.0	4911	6841	8465	2.2	1.4	693	732	735	0.4	0.0
Madagascar	29.6	39.7	49.5	4721	9277	15631	4.5	3.5	11221	14081	15961	1.5	0.8
Malawi	24.9	44.1	54.8	2723	6961	12097	6.3	3.7	8202	8809	9987	0.5	0.8
Mali	30.0	40.1	49.8	3375	6672	11768	4.5	3.8	7859	9985	11863	1.6	1.2
Mauritania	57.7	68.6	74.4	1541	2665	3856	3.7	2.5	1128	1221	1324	0.5	0.5
Mauritius ¹	41.3	48.6	57.6	478	632	810	1.9	1.7	680	670	597	-0.1	-0.8
Morocco	56.1	65.6	72.0	15902	22829	29139	2.4	1.6	12448	11955	11312	-0.3	-0.4
Mozambique	40.2	51.5	60.2	7917	12989	20160	3.3	2.9	11764	12222	13348	0.3	0.6
Namibia	30.9	39.4	49.2	533	801	1228	2.7	2.9	1193	1230	1267	0.2	0.2
Niger	20.6	29.1	38.9	2207	4865	9310	5.3	4.3	8523	11825	14605	2.2	1.4
Nigeria	44.0	55.4	63.5	49050	84875	125124	3.7	2.6	62456	68432	72010	0.6	0.3
Réunion	70.9	77.2	81.4	496	628	737	1.6	1.1	204	185	168	-0.7	-0.6
Rwanda	6.2	8.9	14.2	476	939	1864	4.5	4.6	7257	9599	11296	1.9	1.1
Saint Helena ²	70.6	80.4	84.0	4	6	7	2.7	1.0	2	1	1	-4.6	-
Sao Tome and Principe	46.7	56.2	64.2	69	107	148	2.9	2.2	78	83	83	0.4	-
Senegal	47.4	57.4	65.2	4498	7845	11863	3.7	2.8	4983	5820	6330	1.0	0.6
Seychelles	63.8	72.3	77.5	49	65	79	1.9	1.3	28	25	23	-0.8	-0.6

	Level of Urbanization			Urban Population			Annual Growth Rate		Rural Population			Annual Growth Rate	
	Estimates & Projections			Estimates & Projections			Estimates & Projections		Estimates & Projections			Estimates & Projections	
	(%)	(%)	(%)	(thousands)	(thousands)	(thousands)	(%)	(%)	(thousands)	(thousands)	(thousands)	(%)	(%)
	2000	2015	2030	2000	2015	2030	2000-2015	2015-2030	2000	2015	2030	2000-2015	2015-2030
Sierra Leone	36.6	46.7	55.9	1779	3118	4909	3.7	3.0	3076	3559	3872	1.0	0.6
Somalia	27.5	35.9	45.8	2776	5869	10846	5.0	4.1	7321	10481	12838	2.4	1.4
South Africa	50.4	56.3	64.3	20330	24431	30624	1.2	1.5	20047	18955	17020	-0.4	-0.7
Sudan	36.1	48.7	57.7	10652	19381	28237	4.0	2.5	18838	20430	20723	0.5	0.1
Swaziland	26.4	32.7	42.3	266	481	813	4.0	3.5	742	989	1110	1.9	0.8
Togo	33.3	42.5	52.1	1540	2871	4851	4.2	3.5	3089	3878	4456	1.5	0.9
Tunisia	65.5	73.5	78.4	6281	8528	10491	2.0	1.4	3305	3079	2890	-0.5	-0.4
Uganda	14.2	20.7	29.5	3083	7132	14518	5.6	4.7	18695	27343	34703	2.5	1.6
United Republic of Tanzania	32.9	46.1	55.4	11021	21769	34948	4.5	3.2	22496	25452	28170	0.8	0.7
Western Sahara	95.4	97.9	98.2	280	408	490	2.5	1.2	14	9	9	-3.0	-
Zambia	39.6	45.2	54.6	3632	5794	9169	3.1	3.1	5537	7023	7635	1.6	0.6
Zimbabwe	35.3	45.9	55.2	4121	6225	8745	2.8	2.3	7548	7346	7108	-0.2	-0.2
ASIA	36.7	44.7	53.4	1351806	1943245	2604757	2.4	2.0	2330744	2403649	2271823	0.2	-0.4
Afghanistan	21.9	30.1	39.9	4971	11066	19552	5.3	3.8	17749	25715	29433	2.5	0.9
Armenia	70.0	75.0	79.6	2462	2856	3175	1.0	0.7	1057	954	814	-0.7	-1.1
Azerbaijan	57.3	64.0	70.7	4429	5632	6791	1.6	1.3	3305	3163	2811	-0.3	-0.8
Bahrain	92.2	95.0	95.8	569	724	858	1.6	1.1	48	38	38	-1.6	-
Bangladesh	24.5	33.9	43.8	31665	54758	81991	3.7	2.7	97490	106782	105157	0.6	-0.1
Bhutan	7.1	11.6	17.9	152	360	771	5.8	5.1	1972	2753	3533	2.2	1.7
Brunei Darussalam	72.2	78.7	82.6	237	322	395	2.0	1.4	91	87	83	-0.3	-0.3
Cambodia	15.9	22.8	31.9	1778	3284	5539	4.1	3.5	9390	11119	11840	1.1	0.4
China ³	32.1	40.7	50.3	409965	576634	752051	2.3	1.8	867593	841086	743892	-0.2	-0.8
China, Hong Kong SAR ⁴	100.0	100.0	100.0	6927	7689	7621	0.7	-0.1	..	..	..	-	-
China, Macau SAR	98.8	99.0	99.2	468	507	527	0.5	0.3	5	5	4	-	-1.5
Cyprus	56.8	64.6	71.2	446	559	647	1.5	1.0	340	307	262	-0.7	-1.1
Dem. People's Rep. Of Korea	60.2	65.6	72.0	14481	17950	21739	1.4	1.3	9558	9420	8456	-0.1	-0.7
East Timor	7.5	9.5	15.0	66	103	185	3.0	3.9	818	979	1044	1.2	0.4
Gaza Strip	94.6	95.5	96.2	1060	1897	3095	3.9	3.3	61	90	121	2.6	2.0
Georgia	60.7	67.7	73.7	3015	3445	3839	0.9	0.7	1952	1642	1367	-1.2	-1.2
India	28.4	35.9	45.8	288283	435113	633382	2.7	2.5	725379	776552	749340	0.5	-0.2
Indonesia	40.9	54.8	63.5	86833	137177	179915	3.1	1.8	125275	113206	103605	-0.7	-0.6
Iran (Islamic Republic of)	61.6	68.8	74.6	41709	57139	74011	2.1	1.7	25993	25915	25175	0.0	-0.2
Iraq	76.8	81.6	85.0	17756	27804	37326	3.0	2.0	5359	6259	6603	1.0	0.4
Israel	91.2	92.6	93.8	5668	7026	8048	1.4	0.9	549	565	530	0.2	-0.4
Japan	78.8	81.5	84.8	99788	102763	100157	0.2	-0.2	26926	23306	17988	-1.0	-1.7
Jordan	74.2	79.8	83.5	4948	7906	10869	3.1	2.1	1721	2003	2150	1.0	0.5
Kazakhstan	56.4	60.6	67.9	9157	10258	12216	0.8	1.2	7066	6661	5773	-0.4	-1.0
Kuwait	97.6	98.2	98.5	1924	2574	3067	1.9	1.2	47	48	48	0.1	-
Kyrgyzstan	33.3	35.0	44.0	1563	1912	2817	1.3	2.6	3136	3549	3592	0.8	0.1
Lao People's Dem. Republic	23.5	32.7	42.6	1275	2566	4467	4.7	3.7	4158	5278	6015	1.6	0.9
Lebanon	89.7	92.6	93.9	2945	3651	4324	1.4	1.1	337	291	282	-1.0	-0.2
Malaysia	57.4	66.4	72.7	12772	18292	23656	2.4	1.7	9472	9248	8893	-0.2	-0.3
Maldives	26.1	31.5	41.3	75	132	222	3.8	3.5	211	288	315	2.1	0.6
Mongolia	63.5	70.5	76.0	1691	2330	2949	2.1	1.6	972	977	933	0.0	-0.3
Myanmar	27.7	36.7	46.6	12628	19655	27959	3.0	2.4	32983	33878	32046	0.2	-0.4
Nepal	11.9	18.1	26.4	2844	5912	10636	4.9	3.9	21087	26780	29708	1.6	0.7
Oman	84.0	92.8	94.0	2135	3805	5636	3.9	2.6	407	297	360	-2.1	1.3
Pakistan	37.0	46.7	55.9	57968	103847	156567	3.9	2.7	98515	118741	123678	1.2	0.3
Philippines	58.6	67.8	73.8	44530	65542	84115	2.6	1.7	31437	31190	29907	-0.1	-0.3
Qatar	92.5	94.2	95.2	554	690	755	1.5	0.6	45	42	38	-0.5	-0.7
Republic of Korea	81.9	88.2	90.5	38354	45025	47893	1.1	0.4	8490	6025	5005	-2.3	-1.2
Saudi Arabia	85.7	89.7	91.5	18526	29259	39331	3.1	2.0	3081	3364	3660	0.6	0.6
Singapore	100.0	100.0	100.0	3567	3994	4205	0.8	0.3	..	..	..	-	-
Sri Lanka	23.6	32.0	41.9	4435	7013	10159	3.1	2.5	14392	14870	14065	0.2	-0.4

	Level of Urbanization			Urban Population			Annual Growth Rate		Rural Population			Annual Growth Rate	
	Urbanization (%)			Urban Population Estimates & Projections (thousands)			Annual Growth Rate (%)		Rural Population Estimates & Projections (thousands)			Annual Growth Rate (%)	
	2000	2015	2030	2000	2015	2030	2000-2015	2015-2030	2000	2015	2030	2000-2015	2015-2030
Syrian Arab Republic	54.5	62.1	69.1	8783	14063	19409	3.1	2.2	7342	8583	8669	1.0	0.1
Tajikistan	27.5	29.5	39.3	1704	2289	3699	2.0	3.2	4484	5467	5710	1.3	0.3
Thailand	21.6	29.3	39.1	13252	20194	28954	2.8	2.4	48147	48678	45075	0.1	-0.5
Turkey	75.3	84.5	87.3	50164	67833	79681	2.0	1.1	16427	12451	11615	-1.9	-0.5
Turkmenistan	44.8	49.9	58.8	1997	2782	3902	2.2	2.3	2462	2792	2739	0.8	-0.1
United Arab Emirates	85.9	88.8	90.8	2097	2688	3065	1.7	0.9	344	339	311	-0.1	-0.6
Uzbekistan	36.9	38.6	47.4	8968	11522	16658	1.7	2.5	15350	18361	18480	1.2	0.0
Vietnam	19.7	24.3	33.7	15749	23484	37991	2.7	3.2	64083	73127	74866	0.9	0.2
Yemen	24.7	31.2	41.0	4476	9221	17943	4.8	4.4	13636	20374	25791	2.7	1.6
EUROPE	74.8	78.6	82.6	544848	565599	570612	0.3	0.1	184039	153709	120364	-1.2	-1.6
Albania	41.6	50.8	59.5	1294	1779	2356	2.1	1.9	1820	1722	1601	-0.4	-0.5
Andorra	93.0	93.0	94.2	73	116	156	3.1	2.0	5	9	10	3.9	0.7
Austria	64.7	68.5	74.4	5308	5706	5985	0.5	0.3	2902	2622	2061	-0.7	-1.6
Belarus	71.2	77.2	81.5	7283	7600	7582	0.3	0.0	2953	2248	1725	-1.8	-1.8
Belgium	97.3	98.0	98.3	9892	9882	9616	0.0	-0.2	270	203	164	-1.9	-1.4
Bosnia and Herzegovina	43.0	50.8	59.5	1706	2223	2530	1.8	0.9	2266	2154	1720	-0.3	-1.5
Bulgaria	69.6	74.5	79.3	5722	5610	5363	-0.1	-0.3	2503	1916	1403	-1.8	-2.1
Channel Islands	29.9	36.9	46.8	46	61	82	1.9	2.0	107	105	93	-0.1	-0.8
Croatia	57.7	64.4	71.0	2582	2801	2912	0.5	0.3	1891	1548	1188	-1.3	-1.8
Czech Republic	74.7	77.4	81.6	7653	7683	7527	0.0	-0.1	2591	2246	1702	-1.0	-1.9
Denmark	85.3	86.8	89.1	4516	4610	4611	0.1	-	777	699	566	-0.7	-1.4
Estonia	68.6	69.4	74.5	957	845	814	-0.8	-0.3	439	373	278	-1.1	-2.0
Faeroe Islands	38.2	47.0	56.2	16	18	20	0.8	0.7	26	20	16	-1.8	-1.5
Finland	67.3	74.2	79.0	3482	3897	4113	0.8	0.4	1694	1358	1096	-1.5	-1.4
France	75.6	79.4	83.2	44644	48544	51284	0.6	0.4	14436	12564	10348	-0.9	-1.3
Germany	87.5	89.9	91.7	71977	73340	72646	0.1	-0.1	10244	8234	6606	-1.5	-1.5
Gibraltar	100.0	100.0	100.0	25	23	21	-0.6	-0.6	..	..	..	-	-
Greece	60.1	65.1	71.6	6397	6755	6852	0.4	0.1	4248	3623	2719	-1.1	-1.9
Holy See ⁵	100.0	100.0	100.0	1	1	1	..	..	..	..	..	..	..
Hungary	64.0	68.5	74.1	6422	6441	6396	0.0	-0.1	3614	2968	2231	-1.3	-1.9
Iceland	92.5	94.4	95.4	260	296	319	0.9	0.5	21	18	15	-1.0	-1.2
Ireland	59.0	64.0	70.5	2201	2668	3159	1.3	1.1	1529	1501	1325	-0.1	-0.8
Isle of Man	76.6	80.7	84.2	61	75	87	1.4	1.0	19	18	16	-0.4	-0.8
Italy	67.0	70.7	76.2	38387	38500	37730	0.0	-0.1	18911	15948	11804	-1.1	-2.0
Latvia	69.0	71.4	76.4	1626	1474	1432	-0.7	-0.2	731	589	442	-1.4	-1.9
Liechtenstein	22.6	31.0	40.9	7	12	17	3.6	2.3	25	26	25	0.3	-0.3
Lithuania	68.4	71.4	76.5	2511	2515	2544	0.0	0.1	1159	1006	782	-0.9	-1.7
Luxembourg	91.5	94.9	95.9	394	439	442	0.7	0.1	37	23	19	-3.2	-1.3
Malta	90.5	92.6	93.9	352	390	404	0.7	0.2	37	31	26	-1.2	-1.2
Monaco	100.0	100.0	100.0	34	38	41	0.7	0.5	..	..	..	-	-
Netherlands	89.4	90.8	92.4	14108	14476	14433	0.2	-	1678	1461	1184	-0.9	-1.4
Norway	75.5	80.1	83.7	3369	3776	4051	0.8	0.5	1096	939	787	-1.0	-1.2
Poland	65.6	71.4	76.8	25415	28109	29690	0.7	0.4	13351	11240	8990	-1.2	-1.5
Portugal	64.4	77.5	81.6	6362	7486	7481	1.1	-	3512	2175	1682	-3.2	-1.7
Republic of Moldova	46.1	50.3	59.1	2022	2252	2697	0.7	1.2	2359	2222	1864	-0.4	-1.2
Romania	56.2	62.0	69.1	12539	13071	13357	0.3	0.1	9787	7996	5978	-1.4	-1.9
Russian Federation	77.7	82.0	85.2	114141	117155	115245	0.2	-0.1	32793	25791	19962	-1.6	-1.7
San Marino	89.4	89.9	91.6	24	28	30	1.0	0.5	3	3	3	-	-
Slovakia	57.4	62.0	69.1	3094	3392	3679	0.6	0.5	2294	2075	1646	-0.7	-1.5
Slovenia	50.4	55.2	63.3	1000	1058	1115	0.4	0.4	986	858	645	-0.9	-1.9
Spain	77.6	81.3	84.7	30761	31271	30164	0.1	-0.2	8868	7195	5447	-1.4	-1.9
Sweden	83.3	85.2	87.9	7424	7742	7948	0.3	0.2	1486	1345	1099	-0.7	-1.4
Switzerland	67.7	70.9	76.3	5003	5408	5729	0.5	0.4	2383	2217	1775	-0.5	-1.5
TFYR Macedonia ⁶	62.0	68.5	74.4	1255	1500	1701	1.2	0.8	769	688	585	-0.7	-1.1

	Level of			Urban Population			Annual		Rural Population			Annual	
	Urbanization			Estimates & Projections			Growth Rate		Estimates & Projections			Growth Rate	
	(%)			(thousands)			(%)		(thousands)			(%)	
	2000	2015	2030	2000	2015	2030	2000-2015	2015-2030	2000	2015	2030	2000-2015	2015-2030
Ukraine	68.0	71.5	76.6	34316	34222	34092	0.0	0.0	16140	13659	10441	-1.1	-1.8
United Kingdom	89.5	90.8	92.4	52639	54071	55071	0.2	0.1	6191	5496	4548	-0.8	-1.3
Yugoslavia	52.2	57.7	65.4	5551	6240	7089	0.8	0.9	5089	4579	3745	-0.7	-1.3
LATIN AMERICA	75.3	79.9	83.2	390868	504184	604002	1.7	1.2	128275	126931	121534	-0.1	-0.3
Anguilla	12.0	18.1	26.3	1	2	3	4.6	2.7	7	8	8	0.9	-
Antigua and Barbuda	36.8	43.3	52.8	25	31	40	1.4	1.7	43	41	36	-0.3	-0.9
Argentina	89.9	92.6	93.9	33299	40281	45898	1.3	0.9	3733	3217	2998	-1.0	-0.5
Aruba	...	...	...	...	...	...	...	...	...	...	...	-	-
Bahamas	88.5	91.5	92.9	271	343	402	1.6	1.1	35	32	31	-0.6	-0.2
Barbados	50.0	58.4	66.1	135	168	197	1.5	1.1	135	120	101	-0.8	-1.2
Belize	54.2	64.0	70.9	131	204	281	3.0	2.1	110	114	115	0.2	0.1
Bolivia	62.5	70.1	75.7	5203	7861	10591	2.8	2.0	3126	3358	3409	0.5	0.1
Brazil	81.3	86.5	88.9	138269	173564	200135	1.5	1.0	31846	27133	25026	-1.1	-0.5
British Virgin Islands	61.1	71.4	76.7	13	22	30	3.5	2.1	8	9	9	0.8	-
Cayman Islands	100.0	100.0	100.0	38	61	86	3.2	2.3	..	..	..	-	-
Chile	85.7	88.7	90.7	13031	15887	18363	1.3	1.0	2181	2025	1877	-0.5	-0.5
Colombia	73.9	79.1	83.0	31274	42093	52021	2.0	1.4	11048	11090	10674	0.0	-0.3
Costa Rica	47.8	53.4	61.4	1925	2794	3833	2.5	2.1	2099	2438	2405	1.0	-0.1
Cuba	75.3	78.5	82.3	8436	9137	9702	0.5	0.4	2765	2509	2089	-0.7	-1.2
Dominica	71.0	76.0	80.5	50	54	60	0.5	0.7	20	17	15	-1.1	-0.8
Dominican Republic	65.0	72.6	77.7	5526	7447	8957	2.0	1.2	2969	2804	2565	-0.4	-0.6
Ecuador	65.3	75.8	80.6	8262	12074	15032	2.5	1.5	4384	3862	3609	-0.9	-0.5
El Salvador	46.6	53.6	62.0	2927	4278	5922	2.5	2.2	3349	3700	3632	0.7	-0.1
Falkland Islands (Malvinas)	89.7	95.2	96.0	2	2	2	-	-	..	..	..	-	-
French Guiana	78.1	82.3	85.5	142	257	398	4.0	2.9	40	55	68	2.1	1.4
Grenada	37.9	47.2	56.3	36	47	60	1.8	1.6	58	53	47	-0.6	-0.8
Guadeloupe	99.7	99.9	99.9	454	533	582	1.1	0.6	1	1	1	-	-
Guatemala	39.7	46.2	55.4	4515	7564	11884	3.4	3.0	6870	8821	9557	1.7	0.5
Guyana	38.2	48.0	57.1	329	461	617	2.3	1.9	532	500	464	-0.4	-0.5
Haiti	35.7	45.6	54.9	2935	4758	6994	3.2	2.6	5287	5682	5736	0.5	0.1
Honduras	52.7	64.3	71.0	3420	5817	8083	3.5	2.2	3065	3228	3309	0.4	0.2
Jamaica	56.1	63.5	70.3	1449	1870	2382	1.7	1.6	1134	1075	1007	-0.4	-0.4
Martinique	94.9	96.6	97.1	375	417	443	0.7	0.4	20	15	13	-1.9	-1.0
Mexico	74.4	77.9	81.9	73553	92887	110488	1.6	1.2	25328	26292	24424	0.3	-0.5
Montserrat	18.4	26.7	36.3	2	3	4	2.7	1.9	9	8	7	-0.8	-0.9
Netherlands Antilles	70.4	75.6	80.1	153	185	210	1.3	0.9	64	60	52	-0.4	-1.0
Nicaragua	56.1	62.6	69.5	2848	4552	6504	3.1	2.4	2226	2720	2849	1.3	0.3
Panama	56.3	61.7	68.6	1606	2130	2687	1.9	1.6	1249	1321	1231	0.4	-0.5
Paraguay	56.0	65.0	71.5	3077	5050	7223	3.3	2.4	2420	2723	2881	0.8	0.4
Peru	72.8	77.9	81.9	18674	24821	30485	1.9	1.4	6988	7055	6717	0.1	-0.3
Puerto Rico	75.2	79.9	83.6	2910	3421	3813	1.1	0.7	959	858	747	-0.7	-0.9
Saint Kitts and Nevis	34.1	39.3	49.1	13	14	17	0.5	1.3	25	22	18	-0.9	-1.3
Saint Lucia	37.8	43.6	53.1	58	81	116	2.2	2.4	96	105	102	0.6	-0.2
Saint Vincent and the Grenadines	54.8	68.0	73.9	62	85	99	2.1	1.0	52	40	35	-1.8	-0.9
Suriname	74.2	81.4	84.8	310	389	461	1.5	1.1	108	89	82	-1.3	-0.6
Trinidad and Tobago	74.1	79.3	83.1	959	1126	1262	1.1	0.8	336	294	257	-0.9	-0.9
Turks and Caicos Islands	45.2	53.0	61.4	8	14	23	3.7	3.3	9	12	14	1.9	1.0
United States Virgin Islands	46.4	53.9	62.2	43	46	52	0.5	0.8	50	39	31	-1.7	-1.5
Uruguay	91.3	93.6	94.8	3045	3445	3805	0.8	0.7	292	236	211	-1.4	-0.8
Venezuela	86.9	90.0	91.8	21010	27782	33547	1.9	1.3	3160	3096	3001	-0.1	-0.2
NORTHERN AMERICA	77.2	80.9	84.4	239049	277563	313663	1.0	0.8	70582	65602	58112	-0.5	-0.8
Bermuda	100.0	100.0	100.0	65	72	77	0.7	0.5	..	..	..	-	-
Canada	77.1	79.9	83.6	24017	28197	32597	1.1	1.0	7129	7104	6414	0.0	-0.7
Greenland	82.0	85.2	87.9	46	49	53	0.4	0.5	10	9	7	-0.7	-1.7

	Level of Urbanization (%)			Urban Population Estimates & Projections (thousands)			Annual Growth Rate (%)		Rural Population Estimates & Projections (thousands)			Annual Growth Rate (%)	
	2000	2015	2030	2000	2015	2030	2000-2015	2015-2030	2000	2015	2030	2000-2015	2015-2030
Saint Pierre and Miquelon	92.0	93.4	94.5	6	6	7	-	1.0	1	..	..	-	-
United States	77.2	81.0	84.5	214915	249239	280929	1.0	0.8	63442	58489	51690	-0.5	-0.8
OCEANIA	70.2	71.2	74.4	21338	25688	30650	1.2	1.2	9055	10401	10538	0.9	0.1
American Samoa	52.7	60.6	67.9	36	67	108	4.1	3.2	32	43	51	2.0	1.1
Australia ⁷	84.7	86.0	88.5	15994	18462	21035	1.0	0.9	2892	3014	2742	0.3	-0.6
Cook Islands	59.4	63.3	69.8	12	14	17	1.0	1.3	8	8	7	-	-0.9
Fiji	49.4	59.9	67.5	404	596	780	2.6	1.8	413	398	375	-0.3	-0.4
French Polynesia	52.7	54.0	61.5	124	157	209	1.6	1.9	111	134	131	1.3	-0.2
Guam	39.2	46.7	55.9	66	96	133	2.5	2.2	102	109	105	0.4	-0.3
Kiribati	39.2	47.5	56.5	33	49	72	2.6	2.6	51	54	55	0.4	0.1
Marshall Islands	71.9	77.8	81.9	46	77	116	3.4	2.7	18	22	26	1.3	1.1
Micronesia (Fed. States of)	28.3	35.0	45.0	34	56	92	3.3	3.3	85	103	113	1.3	0.6
Nauru	100.0	100.0	100.0	12	15	19	1.5	1.6	..	..	..	-	-
New Caledonia	76.9	87.6	90.3	165	227	269	2.1	1.1	49	32	29	-2.8	-0.7
New Zealand	85.8	87.7	89.8	3314	3837	4340	1.0	0.8	548	539	493	-0.1	-0.6
Niue	32.7	39.1	48.6	1	1	1	-	-	1	1	1	-	-
Northern Mariana Islands	52.7	56.2	63.7	41	93	183	5.5	4.5	37	72	104	4.4	2.5
Palau	72.4	76.8	81.1	14	21	29	2.7	2.2	5	6	7	1.2	1.0
Papua New Guinea	17.4	23.7	33.0	837	1538	2601	4.1	3.5	3970	4944	5280	1.5	0.4
Pitcairn	..	..	..	..	..	..	..	..	..	..	..	..	..
Samoa	21.5	26.7	36.3	39	63	105	3.2	3.4	141	173	184	1.4	0.4
Solomon Islands	19.7	28.6	38.3	87	190	339	5.2	3.9	356	475	545	1.9	0.9
Tokelau	..	..	..	..	..	..	..	..	2	2	2	-	-
Tonga	38.0	47.1	56.3	37	48	60	1.7	1.5	61	54	46	-0.8	-1.1
Tuvalu	52.2	64.1	70.8	6	11	16	4.0	2.5	6	6	7	-	1.0
Vanuatu	20.0	27.0	36.7	38	72	126	4.3	3.7	152	194	217	1.6	0.8
Wallis and Futuna Islands	..	..	..	..	..	..	..	..	15	16	18	0.4	0.8

Source: United Nations, World Urbanization Prospects: The 1999 Revision.

1. Definitions

Urban Population

Estimates and projections of the urban population for each country, 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.

Annex B

Global and regional indicators of development progress for the international development targets

		World total	Developing country total ^a	East Asia & Pacific	Eastern Europe and Central Asia	Latin America and Caribbean	Middle East & North Africa	South Asia	Sub Saharan Africa
Population [millions]	1980	4,430	3,641	1,398	426	360	174	903	380
	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 [millions]	1987	„	1,183.2	417.5	1.1	63.7	9.3	474.4	217.2
	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% [share that accrues to the bottom 20% of the population]	1980s	„	„	6.3	9.8	3.7	6.6	7.9	5.7
	1990s	„	„	6.9	8.8	4.5	6.9	8.8	5.2
Prevalence of child malnutrition, weight for age [% of children under 5 years old]	1992–98 ^b	30	31	22	8	8	15	51	33

			World total	Developing country total ^a	East Asia & Pacific	Eastern Europe and Central Asia	Latin America and Caribbean	Middle East & North Africa	South Asia	Sub Saharan Africa
Universal Primary Education										
Net primary school enrolment [school age in school as % of all school age children]										
	Female	1980	77	72	82	91	85	64	52	49
		1990	86	83	96	95	88	82	65	52
		1997	88	86	99	99	93	84	70	54
	Male	1980	86	83	90	93	86	84	75	59
		1990	91	89	99	95	88	92	82	59
		1997	92	91	99	100	95	91	83	66
	Total	1980	81	78	86	92	85	74	64	54
		1990	88	86	97	95	88	87	74	56
		1997	90	88	99	100	94	87	77	„
Persistence to grade 5		1990–1995 ^b	77	74	91	„	76	90	56	67
[% of children enrolled at Grade 1 who reach Grade 5]										
Youth literacy rate [% of people 15–24]										
	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+]										
	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]										
	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
Gender equality in adult literacy [female literacy rate as a % of male literacy rate]										
		1980	75	73	71	95	94	50	48	57
		1990	79	78	82	96	97	61	58	67
		1998	83	82	86	97	98	70	63	75

		World total	Developing country total ^a	East Asia & Pacific	Eastern Europe and Central Asia	Latin America and Caribbean	Middle East & North Africa	South Asia	Sub Saharan Africa
Infant and Child Mortality									
Infant mortality rate [per 1,000 live births]	1980	80	87	55	41	61	95	119	115
	1990	60	65	40	28	41	60	87	101
	1998	54	59	35	22	31	45	75	92
Under-5 mortality rate [per 1,000 live births]	1980	123	135	82	„	78	136	180	188
	1990	87	91	55	34	49	71	121	155
	1998	75	79	43	26	38	55	89	151
Maternal Mortality									
Maternal mortality ratio [per 100,000 live births]	1990	430	480	210	95	190	320	610	980
Births attended by health staff [% of total]	1990	„	49	58	„	„	58	39	„
	1996–1998 ^b	52	47	„	92	78	62	29	38
Reproductive Health									
Contraceptive prevalence [% of women 15–49]	1997–1998 ^b	49	48	52	67	59	55	49	21
HIV prevalence ^g [Percentage of adults (15–49 years) living with HIV/AIDS in 1999]	1999	1.1	„	0.07	0.14	„	0.13	„	8.0
Environment									
National strategies for sustainable development [countries with effective processes for sustainable development]	1998	„	„	„	„	„	„	„	„
Safe water [% of population with access]	Urban 1990–98 ^b	90	89	95	„	88	97	86	77
	Rural 1990–98 ^b	62	62	58	„	42	72	78	39
	Total 1990–98 ^b	72	72	69	„	78	85	80	50
Forest Area [% of National Surface Area]	1990	30	29	25	36	49	4	14	23
	1995 ^h	25	26	24	36	45	1	16	17
Biodiversity: land area protected [% of total land area]	1994 ^h	6.7	5.1	6.2	3.6	6.5	3.0	4.4	5.8
	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 [tonnes per capita]	1980	3.4	1.5	1.4	„	2.4	3.0	0.4	0.9
	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

			World total	Developing country total ^a	East Asia & Pacific	Eastern Europe and Central Asia	Latin America and Caribbean	Middle East & North Africa	South Asia	Sub Saharan Africa
General Indicators										
Life Expectancy at Birth [in years]	Female	1980	64	60	67 ^e	72	68	60	54	49
		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 [births per woman]	1980	3.7	4.1	3.0	2.5	4.1	6.2	5.3	6.6	
	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 [Atlas method (current US\$)]	1980	2,530	790	330	„	2,110	2,040	270	650	
	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	

^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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