AID RESOURCES FOR URBAN ANALYSIS AND ASSISTANCE

This document attempts to describe a significant body of technical resources which currently exists in AID Washington and are available to Missions to assist in analyzing urban issues and developing appropriate urban strategies and projects.

A short summary of these resources is presented below for quick reference and a more detailed description of the methods, tools and resources follows the summary.

SUMMARY OF TECHNICAL RESOURCES

A. Available from the Office of Housing and Urban Programs (PRE/H), or through PRE/H's Regional Housing and Urban Development Offices (RHUDOs) Overseas

1. Urban Development Assessments
2. Urban Finance and Management Assistance
3. Urban Land Policy Assessments and Special Studies
4. Urban Training Needs and Training Institution Assessment Methodologies
5. Urban-Focused Participant Training Programs
6. Urban Development Support Services Project

B. Available from WASH (Water and Sanitation for Health Project) through the Office of Health in the Bureau of Science and Technology (S&T/H)

Water Supply and Sanitation Assistance

C. Available from the Office of Rural and Regional Development in the Bureau of Science and Technology (S&T/RD/RRD)

1. Regional Analyses
2. Land Tenure Center Assistance
3. Managing Energy and Resource Efficient Cities (MEREC)

D. Available from the Employment and Small Enterprise Division in the Bureau of Science and Technology (S&T/RD)

Urban Employment and Enterprise Promotion

DETAILED DESCRIPTION OF TECHNICAL RESOURCES

A. From the Office of Housing and Urban Programs (PRE/H) and its RHUDOs

1. Urban Development Assessments

An Urban Development Policy Paper will be issued by the Agency shortly. The first recommendation in this paper makes two points. The first is that AID Missions, in planning a development strategy, consider programs located in urban areas as part of a total development effort. The second point is that before developing urban programs, Missions should broadly assess the urban situation in a country. The Office of Housing and Urban Programs has developed an approach for conducting such a broad analysis called an "Urban Development Assessment" (UDA). The UDA is intended to provide well-founded answers to the following questions:

-- Is urbanization having significant effects on national economic development patterns and prospects, or vice versa?

If so:

-- How are major economic trends or national investments influencing the pace or pattern of urbanization?
-- What challenge and opportunities are posed by urban growth and the structure of the settlement system?
-- How should governments and international agencies begin responding to these challenges and opportunities?

The primary purpose of a UDA is to identify and analyze key urban development issues and opportunities and to outline a broad, economically achievable strategy which defines the basic urban development parameters within which specific priority sectoral initiatives can be carried out.

An important point to make is that a UDA is issue driven, not data driven. That is, the analytic emphasis is on country-specific urban development issues. However, a review of the existing urban situation and trends should appear in every UDA. Specifically, every UDA should have the same "core" -- an analysis of the role of urban growth and the settlement system in national economic development. This core should address:

-- The macro-economic context within which urbanization is occurring
-- The framework of economic development policies, practices, and institutions which implicitly and explicitly affect the settlement system
-- The demographic trends accompanying urbanization
-- The physical development characteristics of the urban settlement system
-- In light of the above, the development objectives that are realistically achievable through interventions in the settlement system

The main product of a UDA is a set of urban development strategy recommendations which can be considered by the Mission, other donors, and the host country. These recommendations should include:

a) Modifications in existing government policies, whether explicit or implicit which will be needed to establish a coherent urban development strategy.
b) New legislation or modifications to existing legislation or regulations needed to implement existing or proposed urban development policies.
c) A suggested framework for public and private sector capital investments.
d) Technical assistance, staff training and instituitional modifications needed to implement the strategy proposed.
e) Special studies or further analysis required to adequately address issues, problems or opportunities identified.

These answers and others that come out of an urban assessment should be useful to Missions in the analysis that culminates in the Country Development Strategy Statement (CDSS). Specific urban program initiatives that are identified through the CDSS or another mechanism will be assisted and supported in Washington by the ongoing Central and Regional Bureaus' work in that specific area.

To date UDAs have been conducted at the request of Missions in Peru, Senegal, Somalia, and Nepal. As a result of this experience, PRE/H has revised its "Guidelines for Conducting UDAs" which presents guidance to Missions, RHUDOs, and contractors in both preparing terms of reference for and conducting a UDA. The revised Guidelines can be obtained from PRE/H directly or from one of the overseas RHUDOs.

From the experience to date PRE/H estimates that a UDA requires four to six person months of effort and costs between $55,000 and $80,00. For the remainder of FY 84 PRE/H has limited unprogrammed funds remaining from its Urban Development Support Services grant project to support Missions interested in undertaking a UDA during FY 84. Significant additional funds are anticipated to be available in FY 85 to assist Missions with these and other urban development studies.

Missions interested in conducting a UDA should contact the RHUDO in their region. PRE/H is prepared to provide full support to Missions in identifying, contracting, and supervising consultant teams. Conducting a UDA consists of three phases: (1) data collection and preliminary review (generally one month in Washington); (2) field work and consultations (3-4 weeks in the field); and (3) analysis and synthesis of material and report preparation (4-6 weeks in Washington).

2. Urban Finance and Management Assistance

The development planning capacity of local governments, including the process in place for programming and budgeting for capital improvements and recurrent expenditures, the capability of local governing bodies to plan for and deliver essential urban services to rapidly growing urban populations, the effect of revenue-generating measures, and collection and records management practices on the financial position of a local authority are examples of the kinds of key issues that impinge directly on the ability of cities and towns to effectively manage urban growth.

PRE/H through its IQCs and in response to field needs, has developed a number of approaches for analyzing these issues. Examples of work completed over the past year include the following.

a) Financial Condition Assessment of 11 Small Town Local Authorities in Kenya
b) Management Audit of the Kingston and Saint Andrews Corporation (municipal authority), Jamaica
c) Prototype Property Tax Records System, Tunisia
d) Local Government Financial Management Workbook for the Philippines
e) Municipal Information System for Costa Rica
f) Urban Financial Management Study, Ecuador

Missions interested in exploring assistance in the areas of urban finance and urban management should contact the RHUDOs in their region.

3. Urban Land Policy Assessments and Special Studies

Natural increases in urban populations and continuing rapid urbanization throughout the developing world are having profound effects on land requirements for shelter, community facilities, industry, and commerce. Demand pressure on an increasingly limited supply of urban land, particularly land with urban services, is forcing dramatic increases in prices. This problem is further compounded by imperfect land markets in which the high demand for land cannot be met due to lags in servicing, speculative withholding, bureaucratic delays by public authorities in granting development permits, and in many cases clouded titles and outmoded recording systems which construct supply by making transfer of ownership difficult or impossible. The result is that urban land markets operate with major distortions which usually result in inefficient location of urban uses, additional costs for the provision of infrastructure, and the denial of low-income households from land ownership at suitable locations at prices they can afford.

At the request of PRE/H, PADCO, Inc. has developed an approach for assessing urban land policy issues which may be of use to Missions who have identified a need for a broad review of land policies and practices for a single city or a group of cities or towns. In most situations, an

Urban Development Assessment will serve the purpose of identifying and analyzing key urban land issues and opportunities for a particular country and will recommend areas of possible intervention, including issues which need further research. In those cases, the Urban Land Policy Assessment Guidelines may be helpful in guiding preparation of a terms of a reference for further investigation of a specific issue.

An example of a special study currently underway is a 3-week effort being conducted by PADCO, Inc. under the supervision of RHUDO/East and Southern Africa, for USAID/Somalia. A draft land sale policy for Mogadishu is being prepared to establish land use and infrastructure standards to guide future land sales of public property to low, middle, and high income groups, businesses, and industries. Alternative standards are being costed out and proposals made for recovering the costs of land development through alternative financial instruments and charges.

Missions interested in considering a comprehensive urban land review, a special study, or technical assistance effort using PRE/H contractors in this subject area should contact the RHUDO in their region.

4. Urban Training Needs and Training Institution Assessment Methodologies

RHUDO/E&SA in collaboration with UN Habitat and the World Bank has developed two assessment methodologies: (a) an assessment methodology and strategy to determine local government training needs; and (b) a conceptual model and a methodology for diagnosing and evaluating public training institutions. Both methodologies have been field-tested in Kenya and refinement of the methods will be completed by April 1984. A French-language version prepared by the RHUDO in West Africa, which has been adjusted to reflect the unique characteristics of local government and public administration in Francophone countries, will be completed by May 1984 and field-tested in the Ivory Coast.

For more information on the English-language methodologies, write to:

Mr. Fredrik A. Hansen, Director
RHUDO/East and Southern Africa
USAID
P. O. Box 30261
Nairobi, Kenya

or

Box 241
APO NY 09675

For information on the French-language methodologies, contact:

Mr. Michael Lippe, Director
RHUDO/West Africa
c/o American Embassy
Abidjan, Ivory Coast

5. Participant Training Programs

Strengthening the management, planning, and administrative capacity of urban government institutions is essential to improve urban development delivery performance. A number of training initiatives in this area have been developed by PRE/H, are offered through its IQCs, or are short courses offered outside of AID by U.S. universities and affiliated institutes. These include:

a) Urban Financial Management Training Program

The Research Triangle Institute (RTI) in North Carolina offers an intensive 3-week course in urban financial management designed specifically for participants from developing countries. It presents innovative analytical instruments and financial management tools useful in local government finance. The course covers the critical issues in municipal financial management including revenue generation, expenditure controls, budgeting, financial information systems, and innovative financing of public services. Each course is limited to 12 participants and costs $3.300 per participant. A French-language course will be available in early summer 1984. Further information about this course, and a newly-developed one-week workshop in improving revenue raising, can be obtained from one of the RHUDOs, from PRE/H, or from RTI directly:

Dr. James F. Hicks, Jr.
Urban Financial Management Training Program
Research Triangle Institute
P.O. Box 12194
Research Triangle Park, N.C. 27709-2194

RTI also offers in-country training of LDC professionals in microcomputer and application to various financial and information systems.

b) International Program for Housing and Urban Officials

This is a highly individualized program operated by the University of California at Berkeley in collaboration with PRE/H in which a personally-tailored course of study (one academic term) is formulated for each participant based on the individual's prior training, current responsibilities, and host country institutional needs. It combines graduate level coursework, extensive field visits, and directed research. To date the program has worked with 10 senior professionals from 4 countries. For further information, you may contact:

Margaret P. Woodring, Project Director
International Program for Housing and Urban Development Officials
373 Wurster Hall
University of California, Berkeley
Berkeley, CA 94720
(415) 642-2896

c) International Shelter Workshop for Senior Housing Professionals

This is a month-long intensive Workshop held in Washington sponsored by AID in conjunction with the Department of Urban and Regional Planning at George Washington University. It focuses on the fundamental issues affecting the provision of shelter and urban services in LDCs. The 1983 Workshop focused on the four themes of cost recovery and project design; the role of the private sector; national housing policy; and building institutional and management capacity. The next Workshop will be held in Spring, 1985. About 25 senior-level shelter professionals are accepted. RHUDOs or Mission Training Officers should be considered contact points. Screening and final selection from candidates is by RHUDOs. Cost per participant is $5,000 plus travel and per diem. RHUDOs have limited funds to cover costs. Missions interested in sponsoring participants are encouraged to request funding in their FY 85 training budgets.

d) Urbanization, National Urban Policy, and Infrastructure Planning

The Special Program for Urban and Regional Studies (SPURS) at MIT is offering this short course June 18-29, 1984 at the MIT campus in Cambridge. The program will be divided into two parts. Week 1, June 18-22 will cover Urbanization and National Urban Policy, including the experience of promoting secondary cities. Week 2, June 25-29 will cover National Urban Policy and Infrastructure Planning, including infrastructure pricing, appropriate technologies and standards, and the application of the Bertaud Model for infrastructure planning at the project level. The cost for one week only is $1000, for two weeks $1850. Accommodation is $30 per night. For further information and registration, contact:

Director, SPURS Summer Program
School of Architecture and Planning
Room 10-400
MIT
Cambridge, MA 02139

6. Urban Development Support Services Project

An Urban Development Support Services Project (UDSS) was developed by PRE/H and approved by AID in September 1983. It is a five-year project with an anticipated funding level of $11 million between FY 84 and FY 88.

The project purpose is to "provide AID with a vehicle for demonstrating to LDCs methods, techniques, and programs consistent with its policy objectives, and to build agency expertise in urban programming activities ..."

Two important concepts underpin the UDSS project: the need to assess broadly and to target selectively. The concept of assess broadly recognizes the critical need for AID and LDCs to understand the basic relationships between urbanization, national economic growth, and the incidence of urban poverty in order to initiate an urban policy dialogue on a mutually developed information base. The concept of target selectively recognizes the limited capital and human resources which AID can mobilize in urban program development. It acknowledges the strategic need to focus the available resources on activities and target groups which offer the potential of high impact and useful demonstration effects.

The types of assistance envisioned by the UDSS project under this conceptual framework include the following:

	ASSESS BROADLY	TARGET SELECTIVELY
Support to LDCs	1. Assistance in the preparation of national urban policies and strategies.	1. Support for urban institutional development: - modification of policy - improvement of efficiency - training to enhance capacity
	2. Assistance in the preparation of sector assessments within urban centers or settlement systems, e.g., Urban Management and Finance Assessments, Infrastructure Assessments, etc.	2. Support for action planning and programming: - for an urban center - for urban service delivery - for urban finance systems - for public/private partnerships
		3. Support for the preparation of urban capital assistance projects.
Support to AID	1. Conduct Urban Development Assessments	1. Develop urban program management capacity, PRE/H or RHUDO.
	2. Monitor urbanization trends in LDCs.	2. Support AID offices and Missions in the preparation of urban project PIDs and PPs.
	3. Applied urban research and development of methodological approaches.	3. Support AID offices and Missions in undertaking urban project evaluations.
	4. Support preparation of urban sections of Mission CDSSs.	

About $1 million has been made available to PRE/H in the UDSS project for FY 84 for use worldwide. Most of these funds have been programmed by PRE/H through its RHUDOs in response to field requests. As much as $2.4 million may be available to the UDSS project in FY 85 in anticipation of increased field demand for urban analysis and assistance. Missions are encouraged to carefully consider their needs for assistance in this area and to discuss their ideas with the RHUDO in their region. In view of the anticipated increased worldwide demand on this limited resource Missions should consider their own resources available to support this kind of assistance, joint-funding with UDSS project resources, in addition to full funding through the UDSS project.

Copies of the UDSS Project Paper are available from PRE/H.

B. From WASH (S&T/H)

Water and Sanitation Studies and Assistance

One of the most critical challenges facing developing countries over the next decade will be meeting the growing demand for basic social services, infrastructure and public facilities in cities. By the end of the 1990s the majority of the poorest households will be concentrated in urban areas in slums and squatter settlements with minimal access to potable water and sewerage facilities. Inadequate distribution and inequitable access to these basic services by the poor have profound implications for adult and child productivity, infant mortality, and political and social stability. Maximizing the financial resources and administrative and planning capacity of local governments and utility agencies to rapidly extend services to the poorest neighborhoods is one solution. Another is in the area of policy reform - policies directed at lowering the cost of providing services through changes in service delivery regulations, the application of affordable standards and appropriate technology to water and sewerage infrastructure, reforms in current pricing policies and collection practices, and through increasing the participation of the private sector in the provision of utility services and facilities, to name some areas of policy consideration. Creative combinations of both organizational arrangements and policy alternatives will be needed to meet critical urban services deficiencies.

From August 1980 through March 1984 WASH (Water and Sanitation for Health Project) has executed 16 Orders of Technical Direction and 21 C-Tasks in "peri-urban"-related technical assistance for RHUDOs and Missions at a total cost of $744,000. A significant number of these efforts have assessed water and sanitation delivery systems and have recommended design, institutional and policy changes to improve distribution and access to essential services to the urban poor. As most of you know, the WASH Project is under the technical direction of the Office of Health in the S&T Bureau. A new contract with WASH is expected in May 1984. A recommendation has been made by an Evaluation Board to lift the current limitation on WASH assistance to urban water supply and sanitation projects.

C. From the Office of Rural and Regional Development (S&T/RD/RRD)

1. Regional Analyses

Regional analysis focuses on one or more specific regions in a country and can be performed for the purpose of overall regional planning or strengthening regional planning and development institutions, as RD is doing in collaboration with the Tunisia Mission. It can be done in connection with a focused rural community improvement program keyed to specific regions as in the case of RD's support to the Rural Community Development project in Jordan. Or, regional analysis can be done to provide an informed context for a single or combined sector approach to agricultural development, resource management or employment generation, to cite a few examples. Assistance for regional analyses can be obtained from S&T/RD/RRD through the Clark University-Institute for Development Anthropology (Clark-IDA) Cooperative Agreement on Settlement and Resource Systems Analysis (SARSA). Various types of regional analysis include:

-- Regional natural resource assessments.
-- Analysis of regional cities' and market towns links with surrounding rural areas and agricultural development.
-- Development of regional town-based strategies for stimulating agricultural production and off-farm employment.
-- Assessment of regional urban-rural dynamics, including population, resource, economic and other linkages to help create a knowledge base for setting development priorities and for policy and program formulation.
-- Developing institutions or training programs to strengthen local capacity for any of the above.

These services are available also on short-term bases through the existing and new group of Rural Development IQCs, which will be the subject of a separate announcement.

2. Land Tenure Center Assistance

S&T/RD's Cooperative Agreement and IQC with the University of Wisconsin's Land Tenure Center makes available services on land tenure problems, problem analysis, land titling, cadastres, land markets and land reform. Previously focused primarily on rural land tenure problems, LTC is beginning to move into problems of urban land tenure -- particularly in those situations in which rapid urban growth is creating interaction between traditionally urban and traditionally rural land tenure systems. Inquiries may be addressed to S&T/RD/RRD.

3. Managing Energy and Resource Efficient Cities (MEREC)

S&T/RD is sponsoring a demonstration project initially in three intermediate sized cities, the purpose of which is to demonstrate the effectiveness of resource conserving approaches in managing cities in this

size range. This project, which has one demonstration in Portugal and two in Asia, is described at length in the March 1983 issue of Horizons. It is based on an interactive approach to management of town development which has worked well in demonstrations. Resource (water, land, energy) efficient development strategies are developed on a sector by sector basis and consolidated into a practical guide to town development which takes into account critical resources shortages.

The project is run for S&T/RD by the Tennessee Valley Authority, Office of Community and Economic Development (TVA) which has the capability now to assist individual missions. The MEREC project does not have resources for further demonstrations and interested missions, of course, would have to finance TVA's services, while drawing on the experience and informational resources of the existing demonstration projects. Missions may contact S&T/RD/RRD for further information.

D. From the Employment and Small Enterprise Division (S&T/RD)

Urban Employment and Enterprise Promotion

The Employment and Small Enterprise (ESE) Division in the S&T Bureau has responsibility for a portfolio of technical support and research projects concerned with employment generation and small/medium enterprise promotion, including in urban areas. Resources in the following subject areas, which may be called upon by Missions, are available through ESE staff and contractors/cooperators:

- -- Analysis and assessment of country policies affecting employment and enterprise performance;
- -- Research on employment and productivity, including basic surveys of the small/medium enterprise sector;
- -- Development of institutions (credit, training, TA, etc.) which support indigenous small/medium enterprise,
- -- Labor force planning, development and utilization;
- -- Market and technology access through U.S.-LDC private enterprise cooperation
- -- Agroindustry development and support
- -- Transfer, dissemination and commercialization of appropriate, labor-intensive, local resource-using technologies;
- -- Identification, training and promotion of entrepreneurs and entrepreneurship;
- -- Microenterprise and informal sector project development; and
- -- Support for joint Peace Corps/USAID projects focusing on employment and enterprise development.

Missions interested in using any of these services, or related ESE services available through IQCs, are invited to contact S&T/RD/ESE for further details.

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