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| | | 9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY: 78 B. QUARTER: 4 C. FINAL FY: 82 (Enter 1, 2, 3, or 4) | | |

58p

10. ESTIMATED COSTS (\$5000 OR EQUIVALENT \$1 -)

| A. FUNDING SOURCE | FIRST FY | | | LIFE OF PROJECT | | |
|------------------------|--------------------------|--------|----------|-----------------|--------|-----------|
| | B. FX | C. L/C | D. TOTAL | E. FX | F. L/C | G. TOTAL |
| AID APPROPRIATED TOTAL | 1,800 | | 1,800 | 9,030 | | 9,030 |
| (GRANT) | (1,800) | () | (1,800) | (9,030) | () | (9,030) |
| (LOAN) | () | () | () | () | () | () |
| OTHER U.S. | 1. Housing Gnty (20,000) | | (20,000) | | | (160,000) |
| | 2. | | | | | |
| HOST COUNTRY | | | | | 2,000 | 2,000 |
| OTHER DONOR(S) | | | | | | |
| TOTALS | 1,800 | | 1,800 | 9,030 | 2,000 | 11,030 |

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$5000)

| A. APPROPRIATION | B. PRIMARY PURPOSE CODE | PRIMARY TECH. CODE | | E. 1ST FY 78 | | H. 2ND FY 79 | | K. 3RD FY 80 | |
|------------------|-------------------------|--------------------|---------|--------------|---------|--------------|---------|--------------|---------|
| | | C. GRANT | D. LOAN | F. GRANT | G. LOAN | I. GRANT | J. LOAN | L. GRANT | M. LOAN |
| (1) SD(DS/H) | 720 | 860 | | 1,500 | | 1,200 | | 2,000 | |
| (2) SD(DS/UD) | 720 | 860 | | 295 | | 400 | | 700 | |
| (3) | | | | | | | | | |
| (4) | | | | | | | | | |
| TOTALS | | | | 1,795 | | 1,600 | | 2,700 | |

| A. APPROPRIATION | N. 4TH FY 81 | | O. 5TH FY 82 | | LIFE OF PROJECT | | 12. IN-DEPTH EVAL. SCHEDULED MM YY 1 810 |
|------------------|--------------|---------|--------------|---------|-----------------|---------|--|
| | D. GRANT | P. LOAN | R. GRANT | S. LOAN | T. GRANT | U. LOAN | |
| (1) SD(DS/H) | 1,300 | | 500 | | 6,500 | | |
| (2) SD(DS/UD) | 835 | | 300 | | 2,530 | | |
| (3) | | | | | | | |
| (4) | | | | | | | |
| TOTALS | 2,135 | | 800 | | 9,030 | | |

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

2 1 - NO
2 - YES

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| SIGNATURE <i>Peter Kyam</i> | <i>William Miner</i> | DATE SIGNED MM DD YY 07 10 78 | |
| TITLE Peter Kyam Dir. DS/H | William Miner Dir. DS/UD | MM DD YY | |

BEST AVAILABLE DOCUMENT

INTEGRATED IMPROVEMENT PROGRAM
FOR THE URBAN POOR (IIPUP)

I. SUMMARY AND RECOMMENDATIONS

A. Summary Description of the Project

1. The developing world is experiencing very rapid urbanization. Between 1950 and the year 2000 urban growth will be on the order of 800%. The rate of annual urban population increase is 5%, half of it caused by migration from rural areas which cannot be arrested in this century. This rapid rate of urbanization is creating massive groups of urban poor who are ill-housed, partially employed or unemployed, lack minimal levels of public services, and who are not well integrated into the urban sector. These marginal groups could number some 550 million persons by the end of this century.
2. Providing adequate shelter to the population is considered by developing countries to be central to dealing with the urban growth crisis. Yet, the shortage of shelter, employment opportunities, and basic urban services is becoming progressively worse; its effects fall largely on the poor; resources are not being effectively utilized; and governments tend to follow policies and develop programs which are unrealistic for the problem at hand. Governments maintain unrealistic standards in housing, zoning, and sub-division. Public services are delivered in an inequitable fashion. Credit either is not available or is administratively beyond reach.
3. The basic urban development and shelter strategies adopted by AID and the IBRD involve working with developing countries to help them develop and pursue policies which will provide employment, minimum health and educational services, and minimum standard shelter to large numbers of low income people. Because of limited financial resources, the strategies that have evolved indicate that such programs are to be implemented by altering and improving current investment patterns and not by inducing additional investment requirements, which could prove to be exorbitant.
4. The project being presented here, the Integrated Improvement Program for the Urban Poor (IIPUP), is intended to be an integrated development effort. It aims to provide improved social services (including employment generation and access to credit) in conjunction with HG and other DL and DG programs to segments of the population which have not previously been regular participants within either the credit markets or the urban services delivery systems. IIPUP projects are planned to be comprehensive and to concentrate on multiple services in a single neighborhood or project area. Moreover, the associated planning for service delivery is intended to involve public participation so as to create a sense of community identity and, more broadly, to reduce the social alienation associated with the phenomenon of "urban marginality".

INTEGRATED IMPROVEMENT PROGRAM

FOR THE URBAN POOR (IIPUP)

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5. The proposed grant program totalling \$9.03 million will be carried out during the 1978-82 period with annual obligations of approximately \$1.8 million. The DG resources will be utilized primarily to plan and oversee the initial operation of elements of slum upgrading programs such as:

Improved Social Services, including health and educational facilities and activities, child and family welfare programs, and transportation.

Increased Employment and Productivity, including managerial assistance for promotion and organization of private and cooperative enterprises; training programs; and credit for small-scale enterprises or community-based credit and savings vehicles.

Project Planning, Administration and Technical Assistance, including strengthening the implementing agencies by financing appropriate studies and surveys; and strengthening the executing agencies by funding certain specified training programs so that they are able to monitor, evaluate, refine, and replicate the project. These projects would be used most often in conjunction with HG or DG resources which would finance urban shelter programs with physical and environmental improvements, including regularization of land tenure, credits for neighborhood and home improvement loans, core shelter units, sites and services development, squatter upgrading, and basic infrastructure services such as water and waste disposal, and improvements to roads and footpaths.

6. IIPUP field projects will be of three different types (A, B and C): Type A will involve primarily about 10 already started and ongoing IIPUP efforts related to standard HG projects. Project selection, design, funding, management, and evaluation all will be by DS/H with advice from DS/UD and, as in all HG programs, participation and approval by field missions and regional bureaus.

Type B will involve a joint effort by DS/H and DS/UD on about 4 projects. This effort will be combined in terms of project selection, design, management, and evaluation, although funding will come through the DS/H account. The projects under Type B will be started under new HG efforts and will be designed to benefit from the experience gained from the other types of projects.

Type C will be demonstration IIPUPs intended as vehicles for testing new approaches to service planning and delivery. Of the four projects anticipated under this type, one or two will have as centerpieces AID development resources other than those of the HG program. This type will be funded, designed, managed, and evaluated by DS/UD, with DS/H concurrence when HG projects are involved.

7. All of the IIPUP field projects will employ the same general methodology in varying degrees and sequence. This methodology involves the following six-step process:

- (1) National survey of service needs, delivery, and utilization;
- (2) Target group and site surveys;
- (3) Project identification and design;
- (4) Institutional development and training;
- (5) Service delivery; and
- (6) Evaluation.

8. The overall IIPUP project also entails initial state-of-the-art surveys to guide field projects and a documentation/summary effort for purposes of future replication and expansion.

9. A substantial proportion of program costs financed from HG or DL resources will be recovered by implementing agencies. Revolving funds will thus be created to replicate the physical and environmental improvements in other slum areas.

10. The IIPUP funds requested in this paper will be employed for the types of activities identified above -- that is, mainly for technical assistance in the design, planning, and management of IIPUP projects. A small amount of funds will be utilized where necessary to assist the host country to employ a more innovative approach to service delivery.

11. In the event that resources for the purposes described in paragraph 10 above are available from field mission or regional bureau sources, no IIPUP resources will be applied.

12. Generally speaking, these funds will be obligated by grants to PVOs, Project Agreements, or by PIO/Ts for specific projects of the types described, subject to specific approvals as the PIO/Ts are developed.

B. Recommendations

DS/H and DS/UD recommend approval of the use of \$9.03 million of Section 106 funds at an annual rate of approximately \$1.8 million each year for the next five years for purposes and uses described above.

II. PROJECT BACKGROUND AND DETAILED DESCRIPTION

A. Background

1. Introduction: The Integrated Improvement Program for the Urban Poor (IIPUP) presented in this paper is a project developed jointly by the Office of Housing (DS/H) and the Office of Urban Development (DS/UD), in order to incorporate - and demonstrate the value of - integrated social services delivery as part of the Housing Guaranty (HG) Program. The three basic types of field projects included in IIPUP represent a unique opportunity for AID not only to induce developing countries to pool and coordinate their human service resources, but also to achieve the same kind of coordination in its own programs. The potential benefits from such actions are significant both for AID and developing countries. No problem of the poor exists in a vacuum but is usually the result of a combination of difficulties in health, education, employment, shelter and related basic human needs. A single service approach to a particular problem therefore is almost always destined to fall short of solving it. On the other hand, the more desirable multi-service approach almost always causes organizational, financial, and general political problems for governments because of the inherent complexity of such an endeavor.

2. The Urban Problem: Most countries of the developing world are presently facing the vast and complex problems which have resulted from the unprecedented growth of their urban populations due to natural increase and in-migration. The urban populations of the developing world increased by 300% between 1950 and 1975. Between 1950 and the end of this century, they will have grown by nearly 800%, and will represent a much greater proportion of the total population of the developing world, as can be seen in the following table.

POPULATION OF THE DEVELOPING WORLD
(in millions)
(based on U.N. estimates)

| | <u>1950</u> | <u>% of Total</u> | <u>1975</u> | <u>% of Total</u> | <u>2000</u> | <u>% of Total</u> |
|-------|--------------|-----------------------|--------------|-----------------------|--------------|-----------------------|
| URBAN | 273 | 16% | 819 | 28% | 2,153 | 42% |
| RURAL | <u>1,382</u> | <u>84%</u> | <u>2,075</u> | <u>72%</u> | <u>2,939</u> | <u>58%</u> |
| Total | <u>1,655</u> | 100% | <u>2,894</u> | 100% | <u>5,092</u> | 100% |

About half of the nearly 5% annual growth rate in the urban population is attributable to natural increase, while the remainder is the result of a world-wide rural to urban migratory trend, increasing the concentration of human settlements in larger cities. The number of

cities in the developing world with populations of more than one million increased from 24 in 1950 to 101 in 1975. It is estimated that there will be 147 such cities by 1985, and approximately 300 by the year 2000. These trends are leading to a broader acknowledgement that the rate of urbanization in general, and the rate of rural to urban migration in particular, will not and cannot be arrested - at least in what remains of this century.

Urban population growth in developing countries continues at an alarming rate but the number of urban poor is growing even more rapidly. Approximately 200 million of the 819 million people comprising the total urban population of the developing world in 1975, have been characterized by the World Bank as the "absolute poor". Roughly 20% of all of those characterized as the "absolute poor" are in urban areas. If it is assumed that no significant change will occur between 1975 and 2000 in the percentage of those designated as poor in the developing world, then approximately 40% of the "absolute poor", or 550 million people, will be in urban areas by the end of this century. While these numbers are rough estimates, and reflect the conceptual difficulties of finding an adequate and accepted definition of poverty, they do provide an order of magnitude of the problems confronting developing country governments in terms of the urban poor. Clearly, a crisis is at hand in the cities and it is getting worse.

It is now widely recognized that urban growth rates such as those cited above "make it certain that the cities of the developing world are going to find it incredibly difficult to provide employment, and minimally decent living conditions, for the hundreds of millions of new entrants into urban economies which are already severely strained". (R.S. McNamara, IBRD, Address to the Board of Governors, Sept. 1975). To deal with these conditions, Edward Joycox of the World Bank has observed:

"The objective of any responsible urban strategy must be to increase the capacity of the towns and cities to absorb the newcomers, that is, to provide productive employment and essential services at very basic levels for the unprecedented numbers of poor people which will inevitably dwell in urban areas.

"An urban strategy which aims at increasing the absorptive capacity of cities and towns, especially for poor people, would impact all sectors - housing, land, transportation, water supply and other facilities, modern and informal sector enterprises, including manufacturing technology, health, education, etc." (IBRD, "Housing the Poor", March 1977).

Yet the way in which governments typically use resources is to respond to the pressure of those population groups with the most influence -- upper and middle-income groups. Governments also have tended to maintain unrealistic standards in housing, zoning, subdivision, and public services. The housing units which are produced are beyond the means of the poor. Economic expansion in urban areas has failed to generate sufficient employment to absorb the growing work force, which increases rapidly through natural growth and in-migration. Subsidies to provide public services rarely accrue in an equitable fashion to the poor. The value added to land by public investment is rarely recaptured, and forced savings schemes benefit middle and upper-income groups. Some government housing programs for the poor produce standard units few in number and beyond the capability of governments to continue to produce on a significant scale, while many formal credit institutions fail to serve low-income people.

3. Problems in Providing Services to the Urban Poor: The descriptions above emphasize the need to consider economic opportunity, and the provision of physical as well as social and economic services in capital projects. This is essential, given the multi-dimensional nature of poverty and the charge to government to provide a variety of such services. A brief look at two types of urban services, health and education, helps to illustrate the kinds of problems to which IIPUP is addressed.

a. Health: The type of health care financed by government expenditures in developing countries in large part is unsuited to the needs of the poor, and the manner in which it is provided usually restricts the access of poor people to its benefits and reduces their participation in the health care delivery system. The most striking feature of health expenditures in less developed countries is the great emphasis on curative medical care despite the prevalence of diseases whose incidence could be greatly reduced by preventive measures. Although there is considerable variation among countries, the proportion of public health expenditures on preventive health care is rarely above 20 percent.

Most of the remainder (nearly 70 to 80 percent of the budget) is spent on curative care, and few of the poor get such care. The relatively low emphasis on the dispersal of clinics with out-patient facilities (or mobile clinics) indicates that the poor have less access to publicly provided health facilities, particularly those who live on the outer fringes of the cities and small towns. (Hollis Chenery, et al, Redistribution with Growth, Oxford, 1974).

b. Education: A striking feature of education policy in less developed countries is the relative emphasis on secondary and higher education as compared with developed countries. Governments in the former allocate a higher proportion of their expenditures to university education, where they have a smaller proportion of students, than do the developed countries. The annual per student expenditures on secondary and higher education, expressed as ratios to the expenditures per student at the primary level, are much higher in developing than developed countries. This results in an

inequitable distribution of educational resources and in inadequate educational opportunities for the poor.

4. Problems in Integrating Human Services Delivery: While obtaining and ensuring the delivery of any one service to the urban poor is, as noted above, difficult in itself, the task of integrating such services is even more formidable. There are obvious benefits, for example, in ensuring the early inoculation of children, at least at the time they first enter primary school. This not only helps reduce the incidence of various diseases in children but also contributes to better school attendance with fewer absences due to sickness. And with more education, children can become more informed about personal hygiene and the likely health hazards in their lives. Moreover, the unit cost of providing both health and education services most likely is reduced by such a joint program, as compared to non-integrated efforts.

The constraints to integrating services delivery arise from several different sources including: a) jurisdictional, regulatory, and "turf" discrepancies among agencies and groups responsible for individual services; b) dearth of administrative capability; c) lack of financial incentives to combine activities; d) expected reductions in the quality of one service if combined with another; e) loss of benefits or added costs to certain recipients if services are combined; and so on. Another major problem is simply the number and diversity of human services. It is not uncommon in the U.S. to have as many as 1000 public, quasi-public, and private human service agencies in one metropolitan area. Even if there were only one tenth this number in a developing country urban area, there would still be a large group of agencies to try to coordinate.

5. AID's Urban and Shelter Development Activities: The following are the two primary areas of AID activity with regard to shelter and urban development:

a. Shelter: The shelter activity supported through the Housing Guaranty (HG) Program has emphasized institutional development and ever sharpening focus on the shelter needs of low-income people. Prior to 1973, the major emphasis was the development of permanent financial institutions offering long-term housing credit to groups which had not previously had access to such financing. Subsequent to 1973, the program has focused on the development of shelter policies and institutions for the explicit purpose of housing low-income people through the introduction of minimum standard techniques and practices.

The HG Program has evolved to include the following specific priorities:

i. To provide assistance to developing countries to

increase their capacity to analyze shelter requirements, especially those of low-income people, and to develop plans, policies and programs which address these requirements within the limits of available resources;

ii. To assist developing countries in establishing and/or modifying both public and private institutions to increase their capacities to implement replicable shelter programs, and to mobilize the savings and other financial resources needed to extend long-term credit to low-income families;

iii. To assist in efforts to minimize or rationalize the use of subsidies in shelter development programs;

iv. To promote community development programming in which the provision of improved shelter serves as the catalyst for a program of comprehensive social and economic service delivery, including employment generation, and provides for the development of community cohesion through the establishment of community associations;

v. To introduce minimum standard techniques and practices for core housing, sites and services and squatter up-grading, and to promote the adoption of construction and land-use standards appropriate for minimum shelter forms.

b. Urban Development: The Foreign Assistance Act was amended in 1975 with additions to Section 103 (Food, Nutrition, and Rural Development) to focus on important off-farm and town-centered development activities, and to Section 105 (Education and Human Resources) to include attention to the urban poor. Section 106 (Selected Development Problems) was also amended to provide greater program emphasis. The relevant subsection dealing with urban development includes specific provision for

"...programs of urban development, with particular emphasis on small, labor intensive enterprises, marketing systems for small producers, and financial and other institutions which enable the urban poor to participate in the economic and social development of their country".

AID's Policy Determination 67 (PD/67 of May 27, 1976), "Urbanization and the Urban Poor" provides further elaboration on the kinds of programs which are to be emphasized:

"New activities designed to benefit the urban poor will consist of research and development and pilot demonstration projects in three areas. In order of priority they are:

- i. Problems and prospects for employment generation, especially in the informal sector of big cities;
- ii. Improved urban planning (analysis, methodologies, and techniques); and
- iii. The impact of social welfare programs on big city urbanization and on the relative cost and distribution of current social welfare between rural areas and big cities.

"Emphasis will be on projects which seek to demonstrate successful methods and approaches, thus increasing knowledge of how to help the poor majority. Projects which promote active participation of the urban poor in planning as well as implementation will be encouraged."

6. General Goals for Human Services Delivery Systems: Given the kinds of service delivery problems discussed earlier, it is incumbent upon service delivery agencies to develop goals by which their progress and achievements can be measured. The basic goal of human service programs is to provide those services which individuals cannot provide for and by themselves. While such services as health and education, the examples cited above, are needed by all segments of the larger society, regardless of income levels, there are those in every society whose need for such services is especially pronounced, yet whose resources are limited. The measurement of achievement for service delivery agencies then, can be based on the adequacy and equity with which services are delivered to all segments of society, particularly to those groups whose needs have been identified as most acute.

Such groups include individuals and families below the poverty line but capable of going over it with proper employment, training, and services. Another group includes people who are employed, but still not earning enough to put themselves above any commonly accepted poverty level. Then there is another set of people who because of "structural conditions" are unable to work to support themselves or their families adequately. Such conditions include general unemployment in a country, lack of natural resources, poor governmental administration, corruption, and the like. Finally, there are many people burdened by physical and mental handicaps, as well as by age, who cannot and for the most part never will be able to support themselves. Human service programs usually must address all four of these client groups.

In focusing on these groups, such programs must aim toward increasing service adequacy, equity, desirable socio-economic impacts, and efficiency, as identified by the eleven sub-goals below:

Adequacy

- a. Increased benefit levels (and continuity thereof)
- b. Increased utilization relative to eligibility

Equity

- a. Increased equity (horizontal and vertical)

Socio-Economic Impacts

- a. Increased independence
- b. Increased work effort and productivity
- c. Decreased social (mostly family-related) problems
- d. Increased multipliers (income, employment, etc.) of program expenditures

Efficiency

- a. Increased target efficiency (percentage of funds or assistance actually received by intended recipients)
- b. Decreased administrative requirements and complexity
- c. Decreased costs.

B. Detailed Description of the Project

1. Sector Goals: The foregoing discussion of problems in and AID's policy responses to the provision of integrated social services delivery to the urban poor in developing countries, leads to the following sector goals. These are:

- a. To increase the quality of life of the urban poor in a number of countries as manifested by increased access to and consumption of the benefits of social and economic service delivery systems, and increased participation in the relevant human service decision-making and implementation process.
- b. To affect national policy in a number of countries such that integrated and improved urban service delivery programs will become features of national action.
- c. To induce community development programming in a number of countries in which shelter forms part of a package of comprehensive human services.

These goals support and are consistent with AID's urban and shelter development activities and policies, as identified in paragraph 5 of the Project Background. Because the IIPUP project proposed in this paper is in fact an effort to impact the entire range of shelter and urban development activities in an integrated program, the goals of the project represent the goals which DS/H and DS/UD have identified for the sector as a whole.

2. Project Purposes: The project purposes leading to the achievement of these sector goals are:

- a. To demonstrate that the urban poor will receive more and better human services if public policies are changed to provide for integrated service delivery programs which are responsive to the needs and interests of the affected population.
- b. To assist in determining and demonstrating ways in which human services for the urban poor can be made more adequate, equitable, and efficient and have more desirable socio-economic impacts.
- c. To demonstrate that the costs for IIPUP type projects can be recovered through tax programs.
- d. To establish that IIPUP type projects will not induce additional, exorbitant investment requirements.

The evolution of AID's urban and shelter development activities and policies has affected its major operational urban program, the HG program. It has also affected its urban research and development efforts, and resulted in development of the concept of IIPUP presented in this paper. The approach proposed here recognizes that in squatter and slum upgrading and in sites and services programs, the provision of minimum standard shelter is but one of many basic services needed by the urban poor. Designs for programs for these kinds of communities will consist of a series of projects to be developed over time, as reflected in recent efforts authorized in Jamaica, Korea, and in the program developing in Egypt. Such programs represent a major departure from previous approaches to urban poverty and the provision of shelter. Their new direction and emphasis derive from three basic premises:

- i. Improvement in the living conditions of the deprived groups in the population is an essential factor in national economic and social development;

- ii. Urban poverty cannot be dealt with effectively without identifying and dealing with the socio-economic problems underlying poverty; and
- iii. To be effective, multi-sectoral urban poverty programs must focus on those most affected by the social and economic dislocation which are largely the result of rapid population growth and immigration.

In urban areas, these principles translate into the following: rather than ignore the slums or try dogmatically to remove them, programs should concentrate on integrating several related measures in the employment, industrial, water supply, housing, health, education, and social welfare sectors into three principal combinations of action programs. These are: improved social services; increased employment and productivity; and improved physical and environmental conditions. The task of providing such integrated services is, as noted earlier, not an easy one. The overall IIPUP effort proposed here thus involves a combination of activities intended to glean as much as possible from a series of direct first-hand experiences in the field, as well as from attempts at innovative research and development applications. Also at stake in such a proposal is the ability of offices within AID itself to pool their talents and resources in an integrated attack on problems of the urban poor in developing countries. The crux of the overall IIPUP project endeavor is a set of field projects that respond to the three concerns noted above. These projects consequently have been divided into three groups, which for simplicity have been labelled Types A, B and C.

3. Planned Outputs: In general terms, the IIPUP project outputs which are expected to lead to achievement of the project goals and purposes are:

- a. Rigorously designed and developed cases of urban service mechanisms and techniques which will significantly improve consumption and assets of the poor, and which will deliver services more efficiently, more equitably, and with more desirable socially adequate economic impacts.
- b. Programs of shelter and related services for the urban poor, the costs of which can be recovered from individual, community, and national resources.
- c. An increased supply of both public and private services to the poor as well as increased access to and utilization of these services.
- d. Increased capabilities on the part of AID and host

country agencies to survey and analyze the particular service needs of the urban poor, and to respond to these needs.

Specifically, the IIPUP project outputs include three types of field projects in concert with preliminary state-of-the-art surveys and monitoring/summary tasks. The Type A projects are the most straightforward attempts to add a social service component to the HG program. They involve some existing and ongoing efforts as well as new initiatives in some countries. Type B projects, managed jointly by DS/H and DS/UD, are intended to start from the beginning of an HG program and, based on the experiences of the other two types, create a highly workable and beneficial IIPUP. Type C projects are proposed as demonstrations of new and potentially valuable approaches to service delivery. One or two of these would focus on AID developmental resources other than HGs (e.g., Mission, DS/HEA, and DS/EHR) as centerpieces. Each of these specific outputs is described below, and summarized in Table I.

i. Preliminary Research and Development: The first stage in this task would be to summarize, both for developing and developed countries, the experience to date in efforts aimed at providing integrated human services delivery to the urban poor. The second stage would be to identify the types of data and analyses needed to operationalize the six-step IIPUP methodology described below in the section on Type C field projects.

A broad survey of the state-of-the-art in human service integration would be made. This would tap the written as well as unrecorded experiences of a variety of public, quasi-public, and private efforts to provide services to the urban poor. Particular attention would be given to the success of the programs in terms both of managerial/political acceptance and the actual impact on recipient groups. This survey would help to determine the types of data to be collected and the service delivery mechanisms that should be tried in the Type C projects.

ii. Type A Field Projects: These will involve primarily about ten (10) already started and ongoing field efforts related to standard HG projects. Project selection, design, funding, management and evaluation all will be by DS/H with advice from DS/UD and, as in HG programs, participation and approval by field missions and regional bureaus.

iii. Type B Field Projects: These will involve a joint effort by DS/H and DS/UD on about four (4) projects. This effort will be combined in terms of project selection, design, management, and evaluation, although funding will come through the DS/H account. The projects under Type B will be started under new HG efforts and will be designed to benefit from the experience gained from the other types of projects.

TABLE I

OUTPUTS OF OVERALL IIPUP ENDEAVOR

| Activity Description | Output |
|--|--|
| 1. Preliminary R&D a. Initial Thought Piece b. Service Sector Analysis c. Target Group Analysis d. Service Organization/Finance e. Service Planning/Management f. Organization Development/Training g. Project Evaluation h. Summary | State-of-the-Art Summary, Project Directions Guidelines Guidelines Summaries, Directions, Guidelines Guidelines Guidelines, Training Materials Summaries, Guidelines Overall Summary |
| 2. Type A Field Projects a. Project 1 " " j. Project 10 | Data, Experience, Tests, Training " " " " " " " " |
| 3. Type B Field Projects a. Project 1 " " d. Project 4 | Data, Experiences, Tests, Training " " " " " " " " |
| 4. Type C Projects a. Experimental Design b. Project 1 c. " 2 d. " 3 e. " 4 f. Review | Experimental Designs for Demonstration Projects Data, Experiences, Conclusions " " " " " " Operation " " " Operation Readjustment Strategies |
| 5. Summary a. Summary/Evaluation b. Monitoring/Utilization | Evaluation/Summary Document Diaries, Multi-Media Presentations |
| 6. Continuing Institutional Support | Continuity in IIPUP Programs |

iv. Type C Field Projects: These will be demonstration field applications intended as vehicles for testing new approaches to service planning and delivery. Of the four projects anticipated under this type, one or two will have as centerpieces AID development resources other than those of the HG program. This type will be funded, designed, managed and evaluated by DS/UD.

IIPUP field projects of all three types will employ the same general methodology in varying degrees and sequences. This methodology involves the following six-step process:

- National survey of service needs, delivery and utilization;
- Target group and site surveys;
- Project identification and design;
- Institutional development and training;
- Service delivery; and
- Evaluation.

(More detailed discussion of the field projects is presented in Section III, "Project Specific Analyses", below.)

v. Summary and Monitoring Activities: These are divided into two major categories:

- Summary/evaluation documentation
- Monitoring/utilization programs.

The first represents a rather straightforward conclusion to the project in which an overall evaluation would be undertaken and presented along with a review of project history, results and conclusions.

The second task is intended to be a thorough monitoring and documentation of the progress of the overall project. The reason for this is replicability. IF IIPUP is to become an on-line program, it is important to show prospective clients the process by which IIPUP field projects evolved, particularly as regards organizational and financial development. Periodic monitoring of a diary and pictorial nature thus is proposed as part of the Summary task. This would be done in sequence with periodic project reviews and evaluations.

vi. Continuing Institutional Support: In order to assure continued host country provision of integrated services brought about through IIPUP project activities, a small amount of funds has been set aside in this project for "continuing institutional support". These would be utilized, for example, in paying salaries of consultants or host country personnel for their efforts to explain IIPUP to other agencies and to

help them implement their similar programs. The funds also might be used to provide continuity in services delivery to a target group until anticipated host country organizational and/or financial changes were completed and indigenous funding mechanisms established.

4. Planned Inputs

a. Financial: In addition to an estimate of approximately \$2 million in host countries' counterpart support services, the total AID Development Grant funding of \$9.03 million, provided through DS/H (\$6.5 million) and DS/UD (\$2.53 million), will be utilized among the various project components as follows:

| | <u>DS/H</u> | <u>DS/UD</u> | <u>TOTALS</u> |
|-----------------------------------|--------------------|------------------|------------------|
| -Preliminary R&D | -- | \$ 160,000 | \$ 160,000 |
| -Field Projects | <u>\$6,200,000</u> | <u>2,200,000</u> | <u>8,400,000</u> |
| Type A | 4,800,000 | -- | 4,800,000 |
| Type B | 1,400,000 | -- | 1,400,000 |
| Type C | -- | 2,200,000 | 2,200,000 |
| -Experimental Design/Review | -- | 40,000 | 40,000 |
| -Summary Tasks | -- | 130,000 | 130,000 |
| -Continuing Institutional Support | <u>300,000</u> | <u>--</u> | <u>300,000</u> |
| TOTALS | \$6,500,000 | \$2,530,000 | \$9,030,000 |

The project envisions an average of approximately \$1.8 million each year over the five-year period from 1978 through 1982, applied to the project components described above. These resources will be combined with an estimate of approximately \$160 million in Housing Guaranty loans now programmed to those countries for which IIPUP field projects have been preliminarily identified. These funds could be supplemented or replaced by development loan and grant resources for at least some of the activities contemplated as part of the overall IIPUP program. Each of the sub-projects will average approximately \$450,000 for technical assistance in planning, design and implementation over a three- to five-year period. Inputs of funds will be required when Shelter Sector Assessments are undertaken, at the time of development of the Project Identification Document, at the time of development of the Project Paper, for on-site, long-term, and specialized technical assistance which may be required, for training of nationals of host-country institutions, and for expenses in connection with the additional cost of surveying and data analysis which are necessary in this kind of project.

b. Technical Assistance: A major element of the overall IIPUP project is the input of a total of approximately 988 person/months of technical assistance which will be required for all of the activities to take place under the project. The present estimates of technical assistance needs for each component of the project are detailed in the following table.

ILLUSTRATIVE TECHNICAL ASSISTANCE INPUTS FOR IIPUP
(in person/months)

| <u>PROJECT ACTIVITY/ LOCATION</u> | <u>FY 78</u> | <u>FY 79</u> | <u>FY 80</u> | <u>FY 81</u> | <u>FY 82</u> | <u>FY 83</u> | <u>TOTALS</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| -PRELIMINARY R&D | 10 | 15 | -- | -- | -- | -- | 25 |
| -TYPE A PROJECTS | | <u>180</u> | <u>178</u> | <u>137</u> | <u>81</u> | <u>--</u> | <u>576</u> |
| 1. Tunisia (2) | (2) | 24 | 24 | 24 | 18 | -- | 90 |
| 2. Liberia (4) | (4) | 24 | 12 | 12 | 3 | -- | 51 |
| 3. Togo (1) | (1) | 24 | 24 | 9 | -- | -- | 57 |
| 4. Bolivia | -- | 24 | 24 | 6 | -- | -- | 54 |
| 5. Botswana | -- | 12 | 12 | 12 | 6 | -- | 42 |
| 6. Panama | -- | 24 | 24 | 24 | 6 | -- | 78 |
| 7. Peru | -- | 16 | 14 | 12 | 12 | -- | 54 |
| 8. Philippines | -- | 16 | 14 | 12 | 12 | -- | 54 |
| 9. Honduras | -- | 16 | 14 | 12 | 12 | -- | 54 |
| 10. Sudan | -- | -- | 16 | 14 | 12 | -- | 42 |
| -TYPE B PROJECTS | <u>--</u> | <u>--</u> | <u>32</u> | <u>60</u> | <u>52</u> | <u>24</u> | <u>168</u> |
| 1. (to be selected) | -- | -- | 16 | 14 | 12 | -- | 42 |
| 2. " | -- | -- | 16 | 14 | 12 | -- | 42 |
| 3. " | -- | -- | 16 | 14 | 12 | 12 | 42 |
| 4. " | -- | -- | 16 | 14 | 12 | 12 | 42 |
| -TYPE C PROJECTS | <u>--</u> | <u>16</u> | <u>28</u> | <u>56</u> | <u>36</u> | <u>24</u> | <u>160</u> |
| 1. (to be selected) | -- | 16 | 12 | 12 | -- | -- | 40 |
| 2. " | -- | -- | -- | 16 | 12 | 12 | 40 |
| 3. " | -- | -- | 16 | 12 | 12 | -- | 40 |
| 4. " | -- | -- | -- | 16 | 12 | 12 | 40 |
| -EXPERIMENTAL DESIGN/REVIEW | 1 | 3 | 2 | 2 | -- | -- | 8 |
| -SUMMARY | 2 | 2 | 2 | 3 | 3 | 3 | 15 |
| -CONTINUING INSTI- TUTIONAL SUPPORT | -- | 3 | 3 | 6 | 12 | 12 | 36 |
| TOTALS | <u>13</u> | <u>219</u> | <u>245</u> | <u>264</u> | <u>184</u> | <u>63</u> | <u>988</u> |

III. PROJECT SPECIFIC ANALYSES

A. Technical Analysis

1. Field Projects: The core activities to take place as part of IIPUP are the field projects. The basic characteristics of each of the three types of field projects are summarized in Table II, and discussed in the following analysis.

a. Type A: This type will consist of about ten projects of a relatively direct nature. All will be included as part of HG projects but may also require the expertise and resources of other DSB offices, regional bureaus, and missions. The planning and technical assistance associated with some Type A projects already has started through PD&S and regional bureau funding, so that it may not be possible to carry through each step in the proposed IIPUP process (to be described in the next section). Nevertheless, the main concern in this type of field project is for the generation of experience on immediate, direct attempts to add a modicum of integrated social service delivery to ongoing HG programs.

The following illustration of a typical Type A IIPUP field project identifies four kinds of subprojects, and the sources of funding for technical assistance as well as the physical facilities for service delivery which may be financed through the HG program.

ILLUSTRATION OF TYPE A FIELD PROJECTS

- * SOCIAL SERVICE SUB-PROJECT: Would seek to raise living conditions of target group by making improved social services delivery available to the urban poor. The four components are:
 - i. Community Development Centers (HG): Facilities for health, education, vocational training and other services listed as "b" through "d" below.
 - ii. Education (IIPUP): Primary education coverage as well as informal training.
 - iii. Health (IIPUP): Preventative and curative community-based health, nutrition and population control services.
 - iv. Child/Family Welfare (IIPUP): Pre-school day care and family welfare advisory services.
 - v. Other Services (IIPUP, possibly HG): Includes individual and collective protection and safety, provision of food, nutrition, disaster prevention, transportation and communication.

TABLE II

SUMMARY OF FIELD PROJECT TYPES AND CHARACTERISTICS

| <u>Item</u> | <u>TYPE A</u> | <u>TYPE B</u> | <u>TYPE C</u> |
|---|---|--|---|
| 1. Relationship to HG Program | Integrated | Integrated | IIPUP with/without HG |
| 2. Approx. No. of Projects | 10 | 4 | 4; 2 to 3 with HG; 1 to 2 with other AID development resources |
| 3. Main Funding Office | DS/H | DS/H | DS/UD |
| 4. Orientation | HG Program Operational | HG Program Modified | Agencywide R&D |
| 5. Starting Point Relative to Six Component Process | Some projects already started on various components | From the Beginning | From the Beginning |
| 6. Project Selection and Design | DS/H | DS/H and DS/UD jointly | DS/UD, with DS/H concurrence on HG-related projects; with other office concurrence on nonHG-related projects. |
| 7. Project Management | DS/H | DS/H and DS/UD jointly | DS/UD; possibly with other offices on nonHG-related projects |
| 8. Contractor Service | DS/H | DS/H and DS/UD jointly | DS/UD; possibly with other offices for nonHG-related projects. |
| 9. Advisory Service | DS/UD | Other Offices | DS/H and other offices |
| 10. Type of Evaluation | Standard DS/H | Modified DS/H, with at least two being intensive | Intensive in conjunction with experimental design. |
| 11. Field Mission/Regional Bureau Role | Participation and Approval | Participation and Approval | Participation and Approval |

- * EMPLOYMENT AND PRODUCTIVITY SUB-PROJECT: Would aim at increasing production, employment and income. Its two components are:
 - i. Productive Credits: (Proposed broadened HG loans): Credits to individual entrepreneurs and small-scale enterprises for productive purposes.
 - ii. Training and Technical Assistance (IIPUP): Apprenticeship and managerial training as well as help in solving specific purchasing, production and marketing problems.

- * PHYSICAL AND ENVIRONMENTAL IMPROVEMENTS SUB-PROJECTS (all HG): Seeks improvement of the natural and man-made physical conditions. Its four components are:
 - i. Credits for Regularization of Land Tenure: Program of credits to municipalities for land use/ownership and related studies as well as for legal fees for transfer and regularization of titles.
 - ii. Neighborhood and Home Improvement Credits: Individual credits for home improvements and/or expansion, and neighborhood credits to municipalities for roads, foot-paths, markets, parks, etc.
 - iii. Sites and Services Credits: Credits to individuals for the purchase of serviced housing sites.
 - iv. Water Supply and Sewage: Credits to municipalities or public utilities for extending and improving distribution and collection lines to target areas.

- * PROJECT ADMINISTRATION AND TECHNICAL ASSISTANCE SUB-PROJECT (HG, IIPUP): Aims at strengthening the project management base by providing administrative and technical assistance through three components:
 - i. Area Development and Technical Assistance: Detailed studies related to the first three sub-projects, and to equipments and materials.
 - ii. Monitoring and Evaluation: Studies of management effectiveness, family benefit incidence, and overall impacts of the three sub-projects described above.
 - iii. Professional Training: Upgrading of planning and management skills of service agency personnel through seminars, workshops, etc., as well as training of recipients (beneficiaries) in utilization of services delivered.

b. Type B: This type of field projects will be initiated from the beginning of the six-step IIPUP process in conjunction with approximately four HG projects. These projects will not only demonstrate the elements

of a new HG/IIPUP undertaking, but also the mechanisms by which DS/H and DS/UD (and possibly other offices) can work together in jointly-operated projects. The Type B projects thus will draw from the most up-to-date field experiences as reflected in the results of Type A projects, and from similar research and development experiences as reflected in the Type C projects. In this regard, it is recommended that one or two of the Type B projects be evaluated intensively so that comparisons can be made to the outcomes of Type C project demonstrations.

c. Type C: The four projects of this type will emphasize new approaches to service delivery and includes testing and evaluation of these for further refinement and application. At least two, and perhaps three, of these will be done in conjunction with the HG program, with the remaining one or two carried out in concert with other AID developmental resources (e.g., DS/HEA, DS/EHR, field mission sewer project) as the centerpiece. Because of the demonstration nature of these projects, an intensive evaluation will be carried out on each Type C project, based on experimental designs with experimental and control groups, as well as pre- and post-project analysis.

An illustrative example of the kind of approach which could be employed in a Type C field project is the pooled funding and case management system tried on a demonstration basis in Hartford through the Community Life Association (CLA). The system worked as follows:

The CLA pool was made up of public and private funds contributed to the CLA by grant or contract for purchase of client services. Cash commitments to the pool were made by the City of Hartford (\$90,000), the United Way of Greater Hartford (\$50,000), the State Department on Aging (\$129,957, of which only \$52,186 was for the pool; the remaining \$77,771 paid for staff and administration), and the State Welfare Department (\$213,176 from Title VI of the Social Security Act, and \$129,286 from Title IV of the Social Security Act), and the Robert Woods Johnson Foundation (\$106,000).

The CLA requested pool funds from these sources on the basis of detailed program plans that outlined the purposes for which the funds would be spent, the types of services that would be purchased, and the outcomes that could be expected as a result of the expenditures.

Pool funds were used only for purchase of client services, not for CLA staff or administration, although it should be noted that the case manager staff did provide a few direct client services.

With this combination of funds available, the CLA case managers who issue service purchase orders against the pooled funds could obtain most necessary services on behalf of a client within the context of the CLA program objectives.

As special needs of clients in CLA programs were recognized, additional funds were sought for the pool.

The final evaluation report of the Hartford Project indicates that pooled funding is an effective device for increasing the responsiveness of service providers to the client and for identifying and filling gaps in the range of services available (D. John, Managing The Human Service "System": What Have We Learned From Services Integration?, Human Services Monograph Series, No. 4, Project Share, HEW, Washington, D.C., Aug. 1977.)

B. Administrative Feasibility (General IIPUP Methodology)

The typical project which fits the description of an IIPUP will be financed from DG, DL or HG resources, and involves the following six major steps, which are based on the structure for developing Housing Guaranty projects:

1. National Survey of Service Needs, Delivery and Utilization:
The typical DS/H Shelter Sector Assessment for HG projects covers such topics as housing needs, supply, finance, and developing country institutions and investment capacity. It will be expanded to consider those human services which are considered most critical, i.e., medical/nutritional, employment training, and educational services. In particular, this phase will also assess service utilization, for it is a common finding that many of the poor are suspicious of government services and thus do not take advantage of them.
2. Target Group Survey and Analysis of Service Needs, Delivery and Utilization: A typical Housing Guaranty project requires an identification of the target group and potential shelter sites at the time of preparation of the Project Identification Document (PID) to determine ownership patterns, household expenditures for mortgages or rents, size of site, physical services available, etc. An expanded survey will be employed in conjunction with this to bring out other relevant socio-economic characteristics in the target area as they relate to needs, types of services offered, and types utilized. This survey will focus on health, education, community development, job generation and income enhancement, and other relevant services.
3. Project Identification and Design of Urban Service Delivery Systems: Many Housing Guaranty projects result in the creation or improve-

ment of a housing authority or similar institution for the implementation of programs which are designed to deliver shelter services to a portion of the population. As part of the analysis of service needs described in #2 above, an identification will be made of the improved institutional capabilities, and/or new organizational and financial mechanisms, which may be required of social service agencies for them to provide integrated services delivery on a more efficient and equitable basis. In such cases, new institutional arrangements would be designed and described, as needed. In looking at the services aspects in the project area, certain major factors will be considered. Among these are: (a) benefit level; (b) coverage; (c) mode of assistance; (d) financial incentives; (e) administrative requirements.

4. Institutional Development Needs and Training: The experience in most Housing Guaranty projects in the past has been that existing organizations usually need to be strengthened, particularly in terms of training personnel, and in terms of understanding the complex process of housing development, management and financing. It is expected that the types of projects described in this paper will require that existing or new institutions are provided with special support in terms of training of personnel, data collection, and delivery of social services.
5. Delivery and Utilization of Urban Shelter and Related Services: In the type of project contemplated under the IIPUP, a significant part of the grant funds will be spent for preliminary studies and planning. / If the immediate project is an existing one or part of a program of housing guaranteed loans or capital projects to be carried out over several years, it probably will involve complex questions of project design and experimentation. In this case a decision might be made to finance long-term, on-site technical assistance. This would be concerned with helping host country institutions carry out more efficient programs of service and shelter delivery over the course of the program life, which might be as long as a decade. /
6. Evaluation: The Housing Guaranty activity of AID currently has an evaluation system which contemplates three kinds of evaluation procedures: intensive, regular and case studies. The evaluation procedure used for an IIPUP field project will depend on the type of field project being evaluated. Almost all of Type A will have "regular" evaluations, whereas all of Type C will be "intensive". Type B, as noted previously, will have one or two intensive evaluations, depending on host country conditions, interest and capabilities.

While all three types of field projects will follow the same general six-step methodology described above, the sequence and intensity will vary according to each field situation, primarily in terms of what has been done already. Moreover, since Type C projects have an R&D emphasis, they will require more in-depth investigation in certain of the six steps. More specifically, the following differences in methodology among field project types are expected:

"Step 2": Use will be made of the procedures suggested in Annex B and based in part on DS/UD's Guidelines for Formulating Projects to Benefit the Urban Poor. This report illustrates the nature of the expanded data collection and analysis effort focused on health, education, community development, job generation, and income enhancement. One objective of the Type C efforts would be to develop further and test this type of approach for locating the urban poor and determining their service needs.

"Step 3": Delivery of a wide range of human services, as envisioned in IIPUP, might require new types of organizational and financial design efforts. Examples might include:

- a. Direction of loans and grants through traditional line agencies;
- b. Community organizations with pooled funding;
- c. Service maintenance organizations;
- d. Regulated private corporations;
- e. Brokerage agencies (information, referral, negotiation);
- f. Urban development corporations;
- g. Vouchered service assistance.

An illustration of the last of these, involves a food voucher as a component of an integrated nutrition project sponsored in part by AID and IBRD. It is one example of the kinds of innovative approaches needed to help overcome many of the difficulties of traditional human service delivery systems. A significant R&D effort is proposed here to help identify such new and potentially beneficial organizational and/or financial approaches, to describe any relevant experiences with them, and to use and build upon them in the proposed Type C IIPUP demonstrations.

Service system design elements and interagency linkages also will be considered in depth.

"Step 5": It is anticipated that in some of the IIPUP field projects, matching funds could be employed as a means of leveraging

service operation monies from other sources. These could be utilized in ways identified in the preliminary IIPUP R&D studies.

"Step 6": IIPUP activity would provide methods and guidelines to complement and expand the HG evaluation system by focusing on the broader human service goals suggested in the section on General Goals for Human Services Delivery Systems (p. 9), namely:

- a. Adequacy (benefit levels, coverage, and utilization)
- b. Equity (horizontal and vertical)
- c. Socio-Economic Impacts (independence, work effort, family adjustment and multipliers)
- d. Efficiency (targeting, complexity and cost)

The emphasis in Task C field projects will be on developing approximate measures and methods for determining progress relative to these goals. And, as pointed out above, this would be done in an experimental design context.

C. Economic Factors

Within the context of a balanced development program, capital investment in housing can be shown to have strong, positive effects on the national economy for three principal reasons. First, housing investment typically has a low import component, which permits its stimulative expenditure effects to be retained within the domestic economy. Second, given appropriate financial arrangements, housing investment promotes domestic saving and thereby restrains the inflationary tendencies inherent in most developing economies. Third, housing construction and the domestic industries (such as building materials) to which it is linked tend to be labor-intensive activities which stimulate employment, particularly in the unskilled and semi-skilled segments of the labor force. Inasmuch as IIPUP field projects will be tied to capital development projects (either HG projects or others), these economic effects of housing investments will result from the overall project activities.

In addition, employment and productivity sub-projects such as those illustrated above on page 20, will increase the income-earning capacities of those target group beneficiaries who receive job training and improved access to credit for small-scale and/or home-based enterprises. Such impacts enhance the stimulative employment effects of housing investment by increasing the skill levels of those who find work in construction and related industries.

Finally, it has long been argued that the health benefits of improved housing by itself can induce increases in labor productivity with increased output in the local and/or national economy. (See, for

example, Leland S. Burns' "Capital-Output Analysis of Housing Programs for Developing Nations", Proceedings of Seventh Annual Meeting, Industrial Relations Research Association, December 1964.) While such effects have yet to be satisfactorily measured, the IIPUP concept of providing a comprehensive program of integrated services seeks to impact a broad range of social, economic and environmental factors within clearly identified communities of urban poor. In directly addressing sanitary and health conditions, job training and access to credit, and education, in the context of capital investments for improved shelter development, IIPUP assures that opportunities for such economic benefits as increased labor productivity will be maximized.

D. Social Soundness

Much of the background and rationale for an integrated approach to the delivery of improved social and economic services reflects the experience of AID and other development agencies in shelter and urban development. Demographic factors alone argue persuasively in favor of the kinds of positive social impacts expected to result from IIPUP project activities. Concern for such considerations is prevalent throughout much of the discussion in this paper. In fact, the first two steps of the general IIPUP methodology (p. 22), which include national and target group surveys and analyses of service needs, delivery and utilization, will assure that the capital projects which are linked with IIPUP project components will better address the social soundness of the development activity being undertaken. Thus, it is expected that issues of social soundness will be fully analyzed on the basis of data generated in the field in the course of project development.

E. Environmental Concerns

Because each capital project to which IIPUP field projects will be linked, will require environmental evaluation and/or assessment (IEEs or EAs), based on the specific environmental conditions which prevail in the project's location, no environmental review of the overall IIPUP project is either feasible or necessary. Appropriate IEEs will be conducted as part of project development for the HG and other capital projects which include an IIPUP project component.

IV. FINANCIAL PLAN

The total AID-funded project resources of \$9.03 million in Development Grants are expected to be utilized over the five-year life of the project in accordance with the following Summary Cost Estimate and Financial Plan Table; with funding provided through DS/H and DS/UD as noted:

ILLUSTRATIVE SUMMARY COST ESTIMATE AND FINANCIAL PLAN
(in thousands of U.S. dollars)

| <u>PROJECT ACTIVITY</u> | <u>FY 78</u> | <u>FY 79</u> | <u>FY 80</u> | <u>FY 81</u> | <u>FY 82</u> | <u>TOTALS</u> |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|
| -Preliminary R&D | 160 | -- | -- | -- | -- | 160 |
| -Field Projects: | <u>1,450</u> | <u>1,600</u> | <u>2,650</u> | <u>2,000</u> | <u>700</u> | <u>8,400</u> |
| Type A | 1,450 | 1,100 | 1,650 | 600 | -- | 4,800 |
| Type B | -- | 100 | 300 | 600 | 400 | 1,400 |
| Type C | -- | 400 | 700 | 800 | 300 | 2,200 |
| -Experimental Design/Review | 5 | -- | -- | 35 | -- | 40 |
| -Summary | 130 | -- | -- | -- | -- | 130 |
| -Continuing Institutional Support | <u>50</u> | <u>--</u> | <u>50</u> | <u>100</u> | <u>100</u> | <u>300</u> |
| TOTALS | <u><u>1,795</u></u> | <u><u>1,600</u></u> | <u><u>2,700</u></u> | <u><u>2,135</u></u> | <u><u>800</u></u> | <u><u>9,030</u></u> |
| <u>FUNDING SOURCE</u> | | | | | | |
| DS/H | 1,500 | 1,200 | 2,000 | 1,300 | 500 | 6,500 |
| DS/UD | 295 | 400 | 700 | 835 | 300 | 2,530 |

DS/H and DS/UD have preliminarily identified the following expenditure schedule for each component and sub-project of the overall IIPUP project:

PRELIMINARY FUNDING SCHEDULE
(in thousands of U.S. dollars)

| <u>PROJECT TYPE/ LOCATION</u> | <u>FY 78</u> | <u>FY 79</u> | <u>FY 80</u> | <u>FY 81</u> | <u>FY 82</u> | <u>TOTALS</u> |
|--|--------------|--------------|--------------|--------------|--------------|---------------|
| -PRELIMINARY R&D | 160 | -- | -- | -- | -- | 160 |
| -TYPE A PROJECTS | <u>1,450</u> | <u>1,100</u> | <u>1,650</u> | <u>600</u> | <u>--</u> | <u>4,800</u> |
| 1. Tunisia* | 600 | -- | 150 | -- | -- | 750 |
| 2. Liberia** | 325 | -- | 100 | -- | -- | 425 |
| 3. Togo** | 275 | -- | 200 | -- | -- | 475 |
| 4. Bolivia | 50 | 200 | 200 | -- | -- | 450 |
| 5. Botswana | 50 | 200 | 100 | -- | -- | 350 |
| 6. Panama | 50 | 200 | 200 | 200 | -- | 650 |
| 7. Peru | 50 | 200 | 200 | -- | -- | 450 |
| 8. Philippines | 50 | 200 | 200 | -- | -- | 450 |
| 9. Honduras | -- | 50 | 200 | 200 | -- | 450 |
| 10. Sudan | -- | 50 | 100 | 200 | -- | 350 |
| -TYPE B PROJECTS | <u>--</u> | <u>100</u> | <u>300</u> | <u>600</u> | <u>400</u> | <u>1,400</u> |
| 1. (to be selected) | -- | 50 | 100 | 200 | -- | 350 |
| 2. " | -- | 50 | 100 | 200 | -- | 350 |
| 3. " | -- | -- | 50 | 100 | 200 | 350 |
| 4. " | -- | -- | 50 | 100 | 200 | 350 |
| -TYPE C PROJECTS | <u>--</u> | <u>400</u> | <u>700</u> | <u>800</u> | <u>300</u> | <u>2,200</u> |
| 1. (to be selected) | -- | 400 | -- | -- | -- | 400 |
| 2. " | -- | -- | -- | 400 | -- | 400 |
| 3. " | -- | -- | 700 | -- | -- | 700 |
| 4. " | -- | -- | -- | 400 | 300 | 700 |
| -EXPERIMENTAL DESIGN/REVIEW | 5 | -- | -- | 35 | -- | 40 |
| -SUMMARY | 130 | -- | -- | -- | -- | 130 |
| -CONTINUING INSTI- TUTIONAL SUPPORT | <u>50</u> | <u>--</u> | <u>50</u> | <u>100</u> | <u>100</u> | <u>300</u> |
| TOTALS | <u>1,795</u> | <u>1,600</u> | <u>2,700</u> | <u>2,135</u> | <u>800</u> | <u>9,030</u> |

* PDS funds provided by regional bureau

** Funds which have been or will be transferred to regional bureau

V. IMPLEMENTATION PLAN

A. Implementation Schedule: A detailed project implementation schedule is presented in the bar chart on the following table. Several points should be noted concerning implementation of the overall IIPUP project. These are:

1. The preliminary research and development activities are scheduled, where possible, to precede the likely implementation of such tasks in the field projects. On the other hand, sufficient time is allowed to gain from those applications, especially those which have already started through PD&S and regional bureau funding. The vertical time lines through the critical activities 1a, b, c and d indicate the points where preliminary (first-cut) guidelines will be prepared for use in the field projects. These R&D activities are expected to continue, however, by receiving feedback from the applications.
2. For the typical field project:
 - a. The Shelter Sector Assessment or the updating of an existing one will be expanded to include the collection of national data in three major areas: health, employment and education. This will require the addition of approximately three months of specialized skills in each of these three areas at this point in the programming cycle.
 - b. At the Project Identification Document stage of HG project development, there will be a need to identify project-specific data. This activity will require approximately one and one-half months of special skills at that point in the process.
 - c. At the Project Paper stage of HG project development, there will be a requirement for three months of specialized services of the kind indicated in Step a above to plan and complete project details.
 - d. At the implementation stage of a project, assuming that each project is one in a series forming part of a program with an underlying strategy as outlined earlier, there will be a requirement for an on-site contract technician for up to two years.
 - e. Some projects will require intensive evaluation assistance each year during the three-year period of project implementation.

PROJECT IMPLEMENTATION BAR CHART
(Months After Start)

ACTIVITY DESCRIPTION

0 3 6 9 12 15 18 21 24 27 30 33 36 39 42 45 48 51 54 57 60

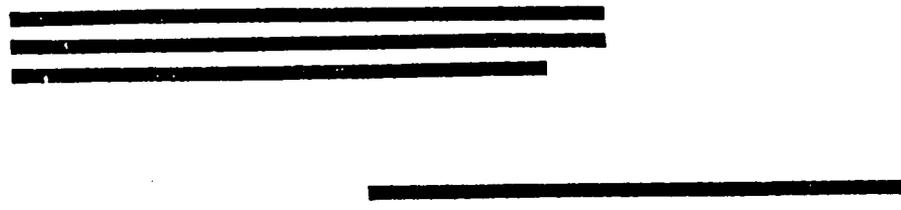
1. Preliminary R + D

- a. Initial Thought Piece
- b. Service Sector Analysis
- c. Target Group Analysis
- d. Service Organization/Finance
- e. Service Planning/Management
- f. Organizational Development/
Training
- g. Project Evaluation
- h. Summary



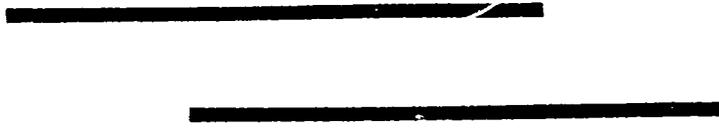
2. Type A Field Projects

- a. Project 1
- b. Project 2
- c. Project 3
- .
- .
- .
- j. Project 10



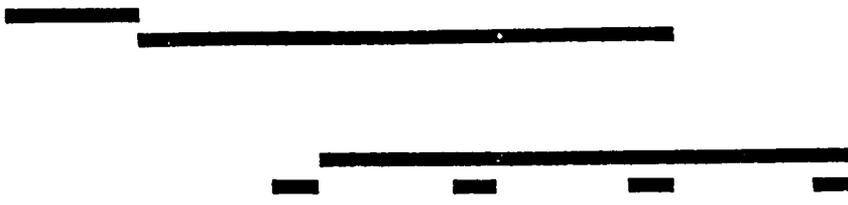
3. Type B Field Projects

- a. Project 1
- .
- .
- d. Project 4



4. Type C Field Projects

- a. Experimental Design
- b. Project 1
- .
- .
- e. Project 4
- f. Review



5. Summary

- a. Summary/Evaluation
- b. Monitoring/Utilization



6. Overall Project Evaluation



7. Continuing Institutional Support



3. Two of the Type C field projects have been assigned additional funding for extra leverage in obtaining human service operating monies from developing countries and other AID offices and international development agencies. All these funds then will be employed to provide the actual types of services planned as part of the early project efforts.

4. A major effort is intended in monitoring and documenting the progress of the overall project (activity 5b). Hence at approximately one year intervals, and in conjunction with the field project review and overall project evaluation efforts, monitoring and recording of the histories problems, and resulting strategies and changes will be recorded. These will be collected and culled at the end of the project to provide a concise information package for DSB offices, missions and host countries, who hopefully will initiate IIPUP-type activities of their own.

B. Management Plan

1. General Ground Rules: Management of the overall IIPUP project activity will be the joint responsibility of the Office of Housing (DS/H) and the Office of Urban Development (DS/UD) in the Development Support Bureau. Each office will have primary responsibility for implementation of specific activities and will fund these. Each office also will participate substantively in those project elements for which it does not have primary responsibility. In general, this participation will be in the form of assisting with or commenting on project design, evaluation, and technical backstopping.

Assignment of primary management responsibilities has been determined on the basis of predominant interest and capability and the comparative advantage each of the offices brings to the project. This division of labor, which is outlined below, is designed to enhance the contributions of each office to the project. It reflects the strengths of DS/UD in research and development and its experience in carrying out relatively high-risk experimental urban development programs in the field. It reflects the experience of DS/H with its wide range of operational low-cost shelter and slum and squatter improvement programs in a variety of situations and the efforts by that Office to broaden the HG concept to include community services.

2. Specific Management Responsibilities: Exact responsibilities for the field projects are spelled out in Table II, page 19.

Type A: DS/H will be responsible to select, design, manage, and evaluate all Type A projects which require the approval of field missions and regional bureaus. It also will fund such projects from its budget.

As was noted above, DS/UD and other DSB offices will participate substantially in these project elements, and will be called upon, as necessary, for advice on project design and management.

Type B: DS/H and DS/UD will jointly develop and manage projects of this type with the approval of field missions and regional bureaus. This includes project selection, design, evaluation, and contractor selection. Funding will be from DS/H's account. Other offices will be asked to advise as needed.

Type C: DS/UD will fund and manage this type of project, and other offices will be asked to participate depending on the nature of the "centerpiece" project. DS/UD will select HG-related projects with the assistance and concurrence of DS/H and the appropriate regional bureau and field mission. Other offices' and bureaus' advice will be requested as needed. Field missions will share as much of the project management responsibility as they are prepared to assume.

Other IIPUP Activities: DS/UD will fund and manage the Preliminary R&D as well as the Summary activities in the overall IIPUP endeavor. DS/H will be a member of the contractor selection committee, and will assist in evaluating the impacts of these activities.

3. Participation of Other DSB Offices: The nature of IIPUP is such that most DSB technical offices could play a role in some field projects. A DSB Project Committee will be established to develop this Bureau-wide participation in IIPUP. Its membership will include the following DSB Offices: Program, Urban Development, Housing, Health, Education, Nutrition, and Population. It will be led by the Bureau's Deputy Assistant Administrator for Development Technology or his designee. Other units in DSB and elsewhere in the Agency may participate as appropriate.

The purpose of the Committee will be to provide advice, guidance and support to overall IIPUP project activities. The Committee will be convened as necessary at the initiative of the chairman.

At least one field project will be identified during late FY 1978 or early FY 1979 in which several DSB technical offices will be asked to participate directly as an experiment in project design and implementation. This will be in addition to and beyond the consultative role of these offices as members of the Project Committee.

4. Field Mission Participation and Management: The degree of field and AID/W management responsibility will be negotiated on a case by case basis, subject to the following general ground rules: a) All IIPUP field projects will be developed collaboratively with field missions and host governments; b) Management and coordination responsibilities will be

transferred to the field to the maximum extent feasible and practical, as is the current practice; c) Where appropriate, project committees involving relevant technical divisions will be established in the cooperating field missions; d) Missions will be encouraged to participate directly in the funding and implementation of each project.

5. Implementation Documents: No one specific implementation scheme will be followed. However, the preferred model for field demonstrations is a Project Agreement signed on behalf of the DSB sponsoring office (DS/H and/or DS/UD) by the cooperating field mission with the host government. This approach would set out clearly the responsibilities of the parties to the project and would obligate immediately the funds reserved for the activity. It would help insure active participation of missions and host governments in project design and implementation.

Other arrangements for field implementation could include AID/W contracts and OPBs or grants to PVOs or combinations of the above. These arrangements will be determined jointly by the collaborating parties.

6. Review and Management Arrangements: Since management effectiveness is crucial to project implementation and success, management arrangements will be reviewed jointly by DS/H and DS/UD at the end of each year. Necessary adjustments will be made as mutually agreed. Either of the collaborating offices may call for a management review at any time this appears necessary.

C. Contracting Arrangements

Most of the contracting for the non-field demonstration tasks (i.e., research, design and evaluation) will be done through IQC, purchase orders, 8(a) and similar arrangements, while major field demonstrations will be contracted through directly competitive procurement.

Insofar as possible, Project Agreements will be used as the obligating instrument in field applications. Also, maximum use will be made of host country expertise and contractors. In some instances, host countries may be in a position to carry out effectively contracting responsibilities.

D. Evaluation

Evaluation activities have been programmed into the IIPUP project at three levels, as can be seen in the Project Implementation Bar Chart on page 30 (Activity Descriptions 1.g, 5.a, and 6). At the conclusion of the preliminary research and development, the evaluation will take the form of a state-of-the-arts set of guidelines for field project development and implementation. In addition, step six of the general IIPUP methodology (p.23) envisions either "intensive" or "regular" evaluations of Types A and

B field projects, as well as an expansion of the HG evaluation system which focuses on broader human service goals for Type C field projects (p.25). Finally, the Summary and Monitoring Activities which constitute a major output of the IIPUP Project (p.15), include an overall evaluation of the project which will expand on the Preliminary R + D effort and provide a documented summary of the project activities, thereby allowing for future replication of the IIPUP approach to the integration of service delivery for the urban poor.

LOGICAL FRAMEWORK MATRIX

Total U.S. Funding: Appx. \$9.03 millionProject Title and Number: Integrated Improvement Program for the Urban PoorDate Prepared: July 1978

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|---|---|---|---|
| <p><u>Program or Sector Goal</u></p> <p>1. To improve the quality of life of the urban poor in a number of countries as manifested by increased access to and consumption of benefits of social and economic service delivery systems, and increased participation in the relevant human service decision-making and implementation process.</p> <p>2. To affect national policy in a number of countries such that integrated and improved urban service delivery programs will become features of national action.</p> <p>3. To induce community development programming in a number of countries in which shelter forms part of a package of comprehensive human services.</p> | <p><u>Measures of Goal Achievement</u></p> <p>Replication of integrated urban development programs in countries where demonstrated.</p> <p>Development of integrated urban development programs in other countries.</p> <p>Improved quality of life among urban poor.</p> | <p>AID and host country records.</p> <p>Observation.</p> | <p><u>Assumptions for Achieving Goal Targets</u></p> <p>That the demonstration projects prove useful and gain the attention of other governments which will replicate them.</p> |
| <p><u>Project Purpose</u></p> <p>1. To demonstrate that the urban poor will receive more and better human services if public policies are changed to provide for integrated service delivery programs which are responsive to the needs and interests of the affected population.</p> <p>2. To assist in determining and demonstrating ways in which human services for the urban poor can be made more adequate, equitable, and efficient and have more desirable socio-economic impacts.</p> <p>3. To demonstrate that the costs of IIPUP-type projects can be recovered through tax programs.</p> <p>4. To establish that IIPUP-type projects will not induce additional exorbitant investment requirements.</p> | <p><u>Conditions That Will Indicate Purpose Has Been Achieved: End of Project Status</u></p> <p>Demonstration projects developed and operational.</p> <p>Improved housing, credit and social services available to urban poor.</p> <p>Significant portion of demonstration project costs recuperable.</p> | <p>AID and host country records.</p> <p>Policy review and action.</p> <p>Institutional changes formalized.</p> <p>Evaluation.</p> | <p><u>Assumptions for Achieving Purpose</u></p> <p>That governments of the countries selected are interested in trying to improve the lot of the urban poor even if it means changing existing agencies and vested interests.</p> <p>That the urban poor are good credit risks.</p> |

LOGICAL FRAMEWORK MATRIX (page 2)

| | | | |
|--|---|--|--|
| <p><u>Outputs</u> 1. Rigorously designed and developed cases of urban service mechanisms and techniques which will significantly improve consumption and assets of the poor, and which will deliver services more efficiently, and with more desirable socially adequate economic impacts. 2. Programs of shelter and related services for the urban poor, the costs of which can be recovered from individual, community and national resources. 3. An increased supply of both public and private services to the poor as well as increased access to and utilization of these services. 4. Increased capabilities on the part of AID and host country agencies to survey and analyze service needs of the urban poor and to respond to those needs.</p> | <p><u>Magnitude of Outputs</u> Minimum of 4, maximum of 16 IIPUP projects with appropriate established, host country coordinating entities. 160,000 families will achieve more and better consumption of shelter and related needs through loans and services.</p> | <p>Observation. Monitoring and evaluation. Base-line and subsequent sample surveys. AID and host country records.</p> | <p><u>Assumptions for Achieving Outputs</u> Urban service mechanisms can be skillfully developed. That the poor can and will support market-rate mechanisms. That the needs of people can be segmented.</p> |
| <p><u>Inputs</u> AID concessional and guaranteed resources. Host country resources. AID and host country staff support and management. Technical assistance from and to demonstration projects.</p> | <p><u>Implementation Target (Type & Quantity)</u> Appx. \$9.03 million AID grant resources. Appx. \$160 million HC guaranteed Loans or Development Loans Appx. 988 person/months of technical assistance in consultation, program design and evaluation. \$2 million in host countries' counterpart support services.</p> | <p>AID records. Host country records. Agreement of grant and guaranty</p> | <p><u>Assumptions for Providing Inputs</u> Loan and guaranty authority available. Host country budget authorized and appropriate funds. Both AID and host countries are interested in initiating and pursuing urban development projects.</p> |



ANNEXES

APPENDIX TO IPUP PROJECT PAPER

AN OVERVIEW OF DATA NEEDS AND
DATA COLLECTION FOR INTEGRATED PROGRAMS
FOR THE URBAN POOR (IPUP) PROJECTS

Prepared for:

Office of Urban Development
and
Office of Housing
Agency for International Development
Washington, D.C.

Prepared by:

PADCO, Inc.
1834 Jefferson Place, N.W.
Washington, D.C.

May 1978

May 31, 1978

Mr. William Miner
Office of Urban Development
Agency for International
Development
Washington, D.C.

Dear Mr. Miner:

PADCO is pleased to submit this paper under Contract AID/otr-C-1627, Work Order No.5. This paper draws on PADCO's experience and upon techniques developed in several different planning projects by PADCO in the developing countries.

The paper has been prepared for use as an appendix to the IPUP Project Paper. It outlines the use of three different techniques for data collection: 1) secondary source surveys; 2) the interpretation of aerial photographs; and 3) selective field surveys. It explains how data from these sources can be combined and used for project identification and appraisal in integrated programs for the urban poor (IPUP) projects. It also interprets how the Guidelines for Formulating Projects to Benefit the Urban Poor in the Developing Countries can be used in this process.

The exact procedures which should be used for data collection and analysis will, of course, vary from city to city, depending on the existing data base and the types of projects under consideration. The general methodology described here has been prepared in such a manner that its elements should be adaptable to the needs of most IPUP projects

Sincerely,

James O. Wright, Jr.
James O. Wright, Jr.
Senior Economist

JOW/dmc

P A D C O

AN INTERNATIONAL COLLABORATIVE FORMED TO PROVIDE GOVERNMENTS AND PRIVATE CLIENTS IN AFRICA, ASIA, LATIN AMERICA AND THE NEAR EAST WITH INTEGRATED RESEARCH, PLANNING AND MANAGEMENT SERVICES FOR URBAN AND RURAL DEVELOPMENT

AN OVERVIEW OF DATA NEEDS AND DATA COLLECTION
FOR INTEGRATED PROGRAMS FOR THE URBAN
POOR (IPUP) PROJECTS

The purpose of this appendix to the project paper is to highlight the means by which data can be collected and analyzed as part of ongoing IPUP efforts. This appendix draws from methodologies developed by PADCO in several different developing countries. It also draws from the Guidelines for Formulating Projects to Benefit the Urban Poor in the Developing Countries* and interprets how these guidelines can be used to identify and appraise IPUP projects.

The design of successful IPUP programs requires a comprehensive review of urban social and economic conditions and of existing delivery systems for shelter, infrastructure, and social services. This information should be analyzed to determine target group characteristics and needs, to identify the priorities and goals for those groups, and to identify appropriate projects and policies for them.

Figure I illustrates the methodology suggested for IPUP project formulation, from the initial gathering and interpretation of data to project and policy formulation. Data is to be collected through a combination of national and local secondary source surveys of service needs, delivery systems and utilization (boxes 1-6); selected field surveys (boxes 7-9); and the interpretation of aerial photographs (boxes 10-18). The information thus collected is to be combined in several analyses, as described below, to profile target groups and to develop appropriate goals, projects and policies for them (boxes 19-23). Figure I also shows how the Guidelines for Formulating Projects to Benefit the Urban Poor in the Developing Countries can be used in the project formulation process. The guidelines can be especially useful for the activities described in boxes 19 through 23.

Many of the specific details of the methodology are beyond the scope of this appendix. However, reference will be made to more thorough explanations and examples both in the guidelines and in other documents.

*PADCO, Inc., Guidelines for Formulating Projects to Benefit the Urban Poor in the Developing Countries. Prepared for the Office of Urban Development, AID, Washington, D.C., April 1976. These guidelines are currently being edited for publication by Praeger Publishers in book form. It will be part of the Praeger Special Studies Series and will be called Urban Action in the Third World: Guidelines for the Formulation of Projects.

National/Local Survey of Service
Needs and Delivery Systems

Demographic, Social, Economic
and Shelter Conditions

FIGURE I, Boxes 1-3

Much of this information is already collected for AID housing guaranty (HG) shelter sector assessments (SSAs). SSAs call for a review of demographic, social, economic, and shelter conditions; especially those of low-income groups. The precise details required for this assessment are outlined in other publications.* The expanded survey of social conditions for IPUP purposes should include more detailed information on health conditions and on the education and skill levels of the low-income population.

Much of the information required for the survey of existing conditions and delivery systems will be available from existing secondary sources. Census data and special surveys may be useful and are sometimes essential. Frequently, international agencies, universities or volunteer organizations have undertaken research or specialized studies which can be used. Local health and family planning officials may have reliable health data. Education and labor officials can be useful sources of information on learning and skill levels. In any case, it is important to fully exhaust existing secondary source materials and to utilize local experts before undertaking expensive and time-consuming field surveys.

In the survey of economic conditions one area in particular may have to be expanded beyond the scope normally covered in SSAs. Information on employment should be expanded as a foundation for potential employment generation projects. If available, information should be gathered on current formal and informal sector employment, unemployment, and underemployment. Studies or specialized surveys may be available on these and other aspects of low-income employment. It is important to know the spatial patterns and space needs of low-income employment. The markets for the products of small-scale and labor-intensive enterprises must be analyzed to see how they can be expanded and what skills, credit, technical

*For further detail see Guidelines for Preparing a Shelter Sector Assessment, SER/H Manual Order 44-1, September 20, 1977.

assistance, equipment, space, and infrastructure will be required to support this expansion. Information in these areas may be lacking and may have to be gathered in field surveys.

Delivery Systems for Shelter,
Health and Education
FIGURE I, Boxes 4-6

SSAs detail the elements of the shelter delivery system which should be investigated. These include land markets and the land tenure system, construction technology, labor and management, building materials use, the financing of housing and related infrastructure, institutional relationships, legislation governing shelter and human settlement, and major constraints in the shelter delivery system. The informal shelter delivery system should also be investigated. Much of this information can be gathered from existing sources, especially from institutions and local experts working in the field. Useful information on the informal housing delivery system may be especially difficult to find, however.

Additional information on social sector delivery systems is needed to plan more comprehensive IPUP programs. Information is needed on existing health delivery systems and systems for pre- and postnatal care and family planning. The relative emphasis of curative versus preventive programs should be assessed as well as the effectiveness of health delivery institutions. The particular impact of the health care system on poverty groups should be analyzed. This should be in the context of other sector programs related to health including water supply, sanitation, and housing. The potential for new health care programs in low-income neighborhoods should be assessed.

Existing formal and informal education programs for the urban poor should be analyzed including the adequacy of existing facilities and institutions, the impact of formal education on poverty groups, and the relevance of curricula for low-income groups. The efficiency of nonformal education programs in health, sanitation, and family planning should be evaluated. Adult remedial education as well as on- and off-the-job vocational education should be examined. The potential for new education programs for low-income groups should be assessed.

Additional Information Which
May be Necessary
FIGURE I, Boxes 1-6

The categories do not necessarily exhaust the secondary source survey requirements for developing IPUP projects. Other types of projects may be appropriate. In some cases governments or international assistance agencies may have already assigned priorities to certain sectors. Available financing may be limited to certain sectors. Programs in additional sectors -- such as transportation, communication, environmental protection, food supply and nutrition, public safety, disaster relief, solid waste removal, or urban management -- may also be important to priority poverty groups. In those cases, the survey can be expanded according to specific needs.

Interpretation of Aerial
Photographs and Field Surveys

In almost all cases, information from the national and local level surveys will have to be complemented by new information on the target group. For example, some housing stock data is frequently available but correlated with incomes or expenditures. Additional information is usually necessary to provide a useful format for project formulation. The amount of new information required will depend on the degree of detail achievable in the secondary source survey and the types of projects being considered.

Interpretation of Aerial Photographs*
FIGURE I, Boxes 10-18

The interpretation of aerial photographs together with selected field sample surveys have proven to be an excellent way to generate a citywide data base quickly for the development of shelter and related projects for low-income groups.

*PADCO is planning to undertake preparation of a detailed manual on the interpretation of aerial photographs for the analysis of low-income urban areas by the end of 1978.

First, aerial photographs of the city are to be prepared if recent ones do not already exist. A scale of 1:8,000 enlarged to 1:4,000 would be appropriate for analysis in most situations. The photographs are analyzed to identify a housing settlement typology to be used as a basis for subsequent field investigation of household characteristics. Most cities have identifiable areas with reasonably homogeneous house types and socioeconomic characteristics.

This is especially true in developing countries where squatter areas and other densely settled low-income areas are easily visible. The area occupied by each type should be measured, the number of houses in each type counted, and the land use parameters (lot size, street width, etc.) and construction materials prevalent in each area should be observed. The materials used for roofs can be easily identified from aerial photographs. Sometimes the sides of houses can also be identified. In any case, there is usually a high correlation between roof types and other construction materials used. This can be identified with limited field checking.

Next, maps should be prepared of the low-income settlements identified and of population density by area and housing type. Population density will have to be estimated initially from existing data on families per dwelling and persons per family by income group. This can then be cross-checked in field sampling. The degree of saturation, i.e. the extent to which available land is occupied, should be identified in each area of the city along with the capacity of each area to accommodate additional housing. Finally, a limited number of houses within each area should be identified for sample field surveys. The entire analysis to this point can be accomplished for a city of one million inhabitants by a team of six persons (three skilled technicians, three trainees), in three to four weeks if satisfactory aerial photographs are available.*

*See Plan de Developpement de Port-au-Prince et de sa Region Metropolitaine. Projet Nations Unies HAI/77/R-40. Volume I: Plan d'Ensemble, Annex Methodologique. (New York: United Nations, 1977). PADCO is currently applying this methodology in Yaounde, Cameroon and in Santo Domingo, Dominican Republic.

Preliminary Field Survey

FIGURE I, Box 7

A small field survey of physical conditions and rents (or imputed rents) should be carried out on the samples selected above. The samples can be small in number, because they are selected to be representative of the identified housing typologies. The information gathered on land use parameters, rents, and construction costs should be fairly representative because each housing type represents a homogeneous market area. The results from a small sample (10 to 20 per type) can be quickly extrapolated to an entire city.* Initial information can also be gathered at this stage on residents' priorities for development projects.

The results of the preliminary survey should be used to define some of the specific problems requiring further investigation in the more detailed survey (Figure I, box 18). The rent data can be combined with the housing typology to establish a distribution of rents by housing type (Figure I, box 16). Data on the percentage of household incomes and expenditures used for rent at various income levels are available in most countries. Where this is not available or reliable, it can be estimated and cross-checked in field surveys. This information can be used to convert the rent distribution into an estimated distribution of household incomes or expenditures. By combining the housing typology of the above results with demographic data (e.g. household size, occupants per house, population growth, migration) from the secondary source survey, the size of the total population, the size of the low-income population, and their relative rates of growth can be estimated (Figure I, box 17). This entire process can be accomplished in a city of one million with a staff of six in three to four weeks.

*The results will, of course, be subject to a margin of error, but they will yield adequate data for project planning purposes.

Detailed Socioeconomic Survey
of the Low-Income Population
Figure I, Box 9

At this point considerable useful information should have already been collected for IPUP project formulation including the size, growth rates, housing conditions, and income levels of the target population. Further detailed information on socioeconomic conditions is likely to be necessary prior to establishing target group profiles and proceeding with project identification.

A profiling of low-income target groups and the definition of their unmet needs and priorities for development should be the main product of additional field surveys. Some of the information gathered from secondary sources and from the analysis of aerial photographs will also be directly useful for this purpose.

Profiling Target Groups

Three basic types of target groups can be identified for project planning.* Each type will require different types of projects to meet its residents' needs.

Disadvantaged or handicapped households -- people who have little ability to improve their own conditions and who cannot readily benefit from traditional government assistance programs.

Potentially mobile households -- people who could improve their own conditions if provided with initial public support.

Already mobile households -- although still poor, people in this group have already demonstrated the capacity for continued self-improvement.

*Material in this section is excerpted from Social and Economic Components in Support of Housing Guaranty Projects (PADCO, October, 1976) and from Socioeconomic Survey Guideline for Mellassine (PADCO, May 1977).

Information should be collected in the following categories if not already available, so that identification can be made of subgroups within the urban poor (disadvantaged, potentially mobile, and already mobile) and so they can be grouped according to their particular needs. The detailed socioeconomic survey should have a larger sample than the preliminary survey, but its size can be limited by choosing samples from each housing type.*

Human Capacity. Human capacity, the ability to engage in productive work, is measured with the following indices:

- Rates of unemployment and underemployment.
- Self-help spirit as demonstrated by a community's contributions to its own betterment.
- Education skills as measured by school grade levels achieved by the adult population and existing literacy standards.
- Vocational skills (clerical, skilled labor, craftsman, etc.)

Household Income. The range and distribution of incomes is an important indicator of households' abilities to take advantage of improvement projects. Household expenditure data may be easier to ascertain and will itself be useful information. In some cases it may be more accurate than income data.

Control of Capital Assets. Household assets are a good indicator of the priorities families have for future socioeconomic development.

Home Ownership. Renters should be distinguished from home owners. Owners should be further distinguished according to those who bought homes, built them, inherited them, or occupied them through some other means.

Ownership of personal property such as radios, watches, and bicycles.

Ownership and control of businesses.

*Examples of survey questions for gathering this information are given in Socioeconomic Survey Guidelines for Mella sine, Appendix I. PADCO, May 1977.

Ownership or control of land. Households who have no secure tenure should be distinguished from those with no chance of securing tenure and those with some potential for negotiating secure tenure in the future.

Access to Credit. Households may have no access to formal credit but some access to informal loans from family, friends, or moneylenders. Some households have no recourse to credit at all.

Permanence/Stability. It is necessary to differentiate between stable residents with a sense of commitment to the urban area and unstable residents who view their stay as temporary. The latter may be more interested in spending and investing in rural areas and eventually returning to those areas. They have little incentive to invest in cities or to find permanent employment and will require different types of shelter programs and social service support.

Figure II shows how the data from this part of the survey can be used to classify target groups. It is intended as illustrative; the precise classification of poverty groups will depend on local conditions. Some subjective judgment and rough estimating will have to be used to classify the target population.

Priorities for Socioeconomic Development

The survey should give respondents the opportunity to list their own priorities for social and economic development. Families can list those factors with which they are most concerned and which most inhibit their development.

Availability of IPUP Program Components

The current availability and utilization of services must be assessed to determine deficits. Information of the following types is required.

Health Care. Information is required on the availability and utilization of health care facilities and services. Such services include maternal and child care, family planning, nutritional information, vaccinations, rodent and pest control, and first aid.

FIGURE II

Sample Framework for Identification of Target Groups

| Target Group Characteristics | Target Groups | | | Relevant Indicator |
|----------------------------------|--------------------------|-------------------------------|---------------------------|---|
| | Disadvantaged Households | Potentially Mobile Households | Already Mobile Households | |
| Human Capacity: | | | | |
| Unemployment/ underemployment | High | High-medium | Medium-low | Percentage labor force unemployed |
| Community effort | Low | Medium-high | High | Percentage in self-help projects |
| Educational skills | Low | Medium-high | Medium-high | Grade level attained by adults |
| Vocational skills | Low | Medium-high | High | Percentage labor force with skills |
| Household Income | Very low | Low-stationary | Low-improving | Monetary value |
| Control of Capital Assets: | | | | |
| Home ownership | Minimal | Minimal-partial | Partial-high | Percentage households owning home |
| Personal property | Minimal | Minimal-some | Some | Ownership of household items |
| Businesses | Minimal | Some | Some-a lot | Ownership of businesses |
| Land tenure | None | None-partial | None-permanent | Category of tenure |
| Access to Credit | None or informal | None or informal | Informal-formal | Percentage of households with loans by type |
| Permanence/ Stability:* | | | | |
| Migration | High | High-medium | Low | Length of time in area/intention remain in c. |
| Social | Unorganized | Partially organized | Organized | Group affinity and associations |

NOTE: *In a recent study it was emphasized that many new migrants already have a high degree of social mobility. (Sally Findley, Planning for Internal Migration. U.S. Department of Commerce, Bureau of the Census, GPO, Washington, D.C., 1977.) The main concern here is to measure the intent of households to stay and invest in cities.

SOURCE: PADCO, Inc., Toward a National Policy for a Kampung Improvement Program, Directorate General Cipta Karya and United Nations, May 1976, p.103.

Educational Opportunities. Information is required on the availability and utilization of schools and classrooms per school age population. Accessibility to supplementary educational programs (adult literacy, preschool learning, day care, etc.) should also be assessed. Informal private education may also be important and should be assessed.

Community Development. The availability of community organization programs and facilities should be examined. Program types include family guidance counseling, provision of recreational and other community facilities, civic participation, and local self-help.

Employment Generation and Income Enhancement. Information should be gathered on current assistance to small enterprises through means such as the provision of technical support, industrial/commercial space, infrastructure, and credit. The availability of vocational and on-the-job training programs should also be assessed. The assessment of the needs of small enterprises in low-income areas and of current programs to assist them may require a separate survey sampling of small-scale entrepreneurs.

Employment generation programs may require additional specialized surveys such as surveys of the marketing potential for products of labor-intensive industry. Labor-intensive employment is not found exclusively within low-income settlements nor in small-scale informal enterprises. It may therefore be necessary to survey enterprises outside low-income communities. Some of these may be large-scale formal-sector enterprises which intensively use unskilled labor.

Other Possible IPUP Program Components. Depending on the types of IPUP projects being considered and the amount of information already available, it may be necessary to survey residents on the availability of a number of other possible program components. These include: transportation, communication, environmental protection, food supply, nutrition, public safety, legal assistance, and disaster prevention.

The Use of the Urban Poor Project Guidelines in the Development of IPUP Projects

After the initial collection and analysis of data, the Guidelines for Formulating Projects to Benefit the Urban Poor in the Developing Countries can be a useful tool in IPUP project identification and appraisal.

Profile of Target Groups

FIGURE I, Box 19.

The guidelines suggest a somewhat more detailed methodology for target group evaluation than the one outlined above. Its use may be preferable in some circumstances. Poverty groups are considered in terms of: 1) their levels of current consumption and prospects for improving those levels; 2) the extent to which they already control and can be expected to control capital assets that could provide a basis for future consumption; and 3) their territorial orientation. The classification is intended to be dynamic, indicating not only present conditions but also prospects for changes in those conditions if no projects are undertaken. Chapter II of the guidelines outlines how households can be classified according to their consumption levels, assets, and territorial orientation and how this can be used to identify project opportunities.

Identification of Goals for Target Group Development

FIGURE I, Box 20

The guidelines suggest two fundamental goals for projects to benefit the urban poor: 1) the achievement of higher levels of essential consumption; and 2) the achievement of greater equity in the distribution of essential consumption. The term "consumption" is used in a broad sense to encompass all of the types of essential services which contribute to desirable living conditions -- including food, water, sanitation, fuel, electricity, clothing, shelter, essential information, recreation, and opportunities for participation in decisions that affect a person's future. Trade-offs must be made continually between increases in current consumption and the accumulation of human and physical capital necessary for increases in future consumption.

Another important goal is to reduce the levels of risk faced by the poor. Risks include physical risks from possible flooding or demolition, health risks from poor sanitation and medical care, and economic risks from uncertain employment and income sources.

Increases in consumption and assets by the urban poor should be the basic goals of project formulation. Thus, many measures such as improvements in employment or the achievement of a more equitable tax structure are really intermediate project purposes or instruments for achieving the more basic goals.

Chapter III of the guidelines discusses how goals can be formulated for target groups with specific needs. In Part IV of the guidelines the goals to which projects in each sector contribute are presented. These can be used to formulate more specific sector and project goals for target groups with particular deficits.

Identification of Possible Projects
FIGURE I, Box 21

The principal concern in project identification is to identify at least one project that will have a high probability of benefiting specified urban poverty groups. A sufficient number of alternative projects should be explored which have a reasonable probability of contributing to the specified goals.

The guidelines are especially useful as a tool in project identification. In Part II: Project Opportunities, the various types and subtypes of projects with potentially high benefits for the urban poor are listed. Specific examples are given for each type of project. This section is especially useful for the preliminary identification of potentially feasible projects by project officers who lack in-depth experience in each sector.

Part IV gives an outline of the types of projects to be considered in each sector which can be used to quickly identify project alternatives.

As indicated in Figure I, box 18, the information obtained in the interpretation and analysis of aerial photographs will also be useful for project identification. This is especially true for shelter projects. The analysis of the growth of the low-income population and the potential growth and densification of existing low-income settlements will facilitate the selection of an appropriate mix of community upgrading and sites and services projects. The information collected on materials usage can also be useful in evaluating alternative standards and costs for urban upgrading and sites and services projects.

Project Preparation and Appraisal and
the Analysis of Project Impacts
FIGURE I, Box 22

In the project preparation and appraisal stages there should be a thorough analysis of the impacts of proposed

projects on the target groups and other groups. Chapter XII of the guidelines describes the use of impact analysis as a tool for identifying the effects of proposed projects on target groups, goals, and other variables. Projects can have impacts on the current consumption of the urban poor as well as on their accumulation of assets. In Chapter XII there is also a discussion of the ways in which impacts occur, the timing of impacts, and the level of detail to which impact analysis should be carried.

In Part IV the potential impacts (benefits and disbenefits) of each type of project are presented. For example, the benefits for the poor of reducing losses in existing water systems are increased consumption (increasing the consumption of safe water), capital accumulation (e.g. increased property values) and reduced risk (e.g. health risk). Disbenefits include reduced incomes for low-income households who previously earned money from water carrying. The lists of possible impacts in Part IV are not exhaustive, but they should alert project officers to the principal impacts on low-income groups which should be considered.

Part IV also lists the other likely impacts of projects in each sector on groups other than low-income groups. The list alerts the project officer to a range of possible consequences (benefits and disbenefits) for groups outside the target group. For example, water projects for low-income groups can also improve health conditions for higher income groups by reducing disease levels and the risk of epidemics. Water pricing reforms may require higher-income groups to pay higher user charges.

The guidelines point out that all impacts cannot be reduced to a single dimension and that many are not easily quantifiable. Because of this, the best that can be done in most cases is to organize listings of the various types of expected quantitative and qualitative impacts and identify the particular target groups likely to be impacted.

The guidelines do not contain all the techniques necessary for thorough project evaluation. For example, they do not discuss the use of cost-benefit analyses. The impact analysis methodology proposed in the guidelines is intended to supplement other well-established techniques by quickly identifying the impacts of proposed projects on the urban poor and on other groups.

Specification of Necessary
Policy and Institutional Changes
FIGURE I, Box 23

Individual projects often cannot be fully effective in benefiting the poor unless they are supported by appropriate basic policies. For example, projects which are intended to incorporate labor-intensive technologies are unlikely to be fully effective if national import regulations, industrial incentives, and minimum wage laws make capital-intensive investments too attractive. The principal types of policies which may be necessary for projects in each sector are presented in Part II of the guidelines.

In addition to basic policy changes, some projects may require action in other sectors other than their own if they are to be fully effective. For example, housing projects can require extensions of water and sewerage facilities or of public transport facilities. The main such complementary actions which may have to be considered for each sector are discussed in Part II of the guidelines and are listed for easy reference in Part IV.

Some institutional changes may be necessary for projects to be fully effective. For example, to implement educational projects it might be necessary to change the way the educational system is administered or the way educational programs are financed. Part II of the guidelines lists the principal institutional changes which may have to be considered in each sector. It also discusses the potential for participation in project planning, financing, and implementation by the urban poor themselves.

The feedback in Figure I from the identification of policy and institutional changes to project preparation and appraisal should be noted. It is frequently necessary and desirable to formulate long-range policies prior to project formulation.

Conclusions

This paper has outlined how three data collection techniques can be used to produce a sufficient data base for IPUP activities. It suggests how data from the three sources can be combined and used for project identification and appraisal.

The use of these data-gathering techniques requires experienced professionals with sound judgment. The combined

techniques will be subject to a margin of error, but they have the advantage of being faster than more detailed survey techniques while still yielding results which are precise enough for project formulation. Furthermore, the techniques yield data in the format required for project formulation; this is not the case with much census and survey data.

The process outlined in this paper must, of course, be adapted to the characteristics of individual local situations. It has already been used with some adaptation in several developing countries. The process outlined is mainly intended to assess demand conditions for IPUP activities. It enables the project planner to understand the needs and effective demands of the different subgroups within the target population. Further sector-specific expertise and information will usually be required to design the details of the projects to be supplied.