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PLANNING AND DEVELOPMENT COLLABORATIVE INTERNATIONAL  
1834 JEFFERSON PLACE, N. W. • WASHINGTON, D. C. 20036 • (202) 296-0004

INTEGRATED IMPROVEMENT PROGRAM FOR THE URBAN POOR  
(IIPUP)

PROJECT IDENTIFICATION AND DESIGN

Prepared  
by

PADCO, Inc.

AID Contract No. AID/SOD/PDC-C-0155  
Work Order No. 4

February 1980

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

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February 28, 1980

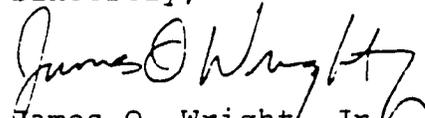
Mr. William Miner  
Mr. Eric Chetwynd  
Office of Urban Development  
Agency for International Development  
U.S. Department of State  
Washington, D.C. 20523

Dear Bill and Eric:

Enclosed is PADCO's final submission under Contract No. AID/SOD/PDC-C-0155, Work Order No. 4. In this report, we have responded to AID comments on our earlier report submitted November 21, 1979. We have also filled several gaps in the report which remained at that time.

Although this is the final submission under this Work Order, we will be providing a final integrated report of this and other papers under a separate work order.

Sincerely,

  
James O. Wright, Jr.  
Senior Economist

JOW/ja

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

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## FOREWORD

This report is one in the series produced under work orders issued by USAID to two contractors -- PADCO, Inc. and Mathematica, Inc. -- for the preparation of a study of the "state of the art" in Integrated Improvement Programs for the Urban Poor (known popularly as IIPUP). The general purpose of the study is to help AID offices, regional bureaus and field offices, as well as host country agencies, in the planning, designing and implementation of IIPUP projects. In addition to summarizing the state of the art in this area of international assistance, the work is intended to provide guidelines for new directions in IIPUP activity.

The reports which will constitute the output of the study are as follows:

*Project Identification and Design* (PADCO, Inc.)  
*Surveys for Designing and Evaluating*  
*IIPUP* (Mathematica, Inc.)  
*Organizational Development and Training*  
(PADCO, Inc.)  
*Evaluation Methodology* (Mathematica, Inc.)

These reports are not intended to provide a complete set of working manuals for technicians engaged in IIPUP projects. They are designed, rather, to sketch briefly what has been proposed (and in some cases implemented) to address the most urgent needs of the urban poor in the developing world, to identify likely pitfalls in such programs (including lessons which can be learned from earlier similar attempts in more developed countries) and to suggest ways in which IIPUP projects might be made more effective in the immediate future.

The problems associated with rapid urban population growth in the developing areas have been well documented. It is expected that the urban population of the developing world will have grown by about 800 percent between 1950 and the year 2000. In about 20 years from now the developing countries may have a total urban population of about 1.4 billion, equivalent to the combined 1970 populations of the People's Republic of China, India and Brazil.

Many developing countries already have cities which are larger than the urban areas of the developed countries. Such cities as Cairo, Calcutta, Jakarta, Karachi and Manila (all with populations near or in excess of 5 million) illustrate this point graphically. The annual growth of major cities of the developing world is often 5 or 6 percent, sometimes higher. In most countries a number of secondary

cities are also growing and adding to the national demand for urban services. For example, in 1971 Indonesia had five cities in addition to Jakarta with populations of more than 500,000 and 24 cities with populations between 100,000 and 500,000.

The vast majority of the inhabitants of these cities are poor. They have low and unstable incomes and low productivity employment. They suffer from serious deficits in the types of goods and services which are essential for their well-being. Their communities are overcrowded and housing is often inadequate. Settlement areas are frequently subject to flooding and other hazards. The urban poor generally have very limited opportunities to participate in the important decisions that affect their lives. They have very limited access to opportunities to improve their employment and very limited access to credit of any kind (for housing, for commercial activity or for current consumption).

The problems confronting the urban poor are on both the "demand" side and the "supply" side. The capacities of the poor to pay for improved services and physical environments are very limited. At the same time, the financial and administrative resources of the entities responsible for basic urban services are far below the levels needed. In addition to deficits in total supply, the authority for delivering relevant services usually is dispersed among a number of agencies -- including national-level ministries, provincial entities, municipal governments, quasi-autonomous entities, private commercial groups, voluntary organizations and others. Coordination at all levels and all stages of service delivery is typically weak. Collaboration in planning, budgeting and implementation is practically nonexistent in many countries.

In response to these problems, governments in the developing areas, international agencies (and, before them, governments facing similar problems with minority groups in the more developed countries) have attempted a number of solutions. Early efforts often focused on housing and related infrastructure. Gradually, it became evident that housing projects (which often were, in any case, too high in standard for the target groups to which they were supposedly addressed) were dealing with symptoms of more basic problems, rather than their causes. Recently, attempts have been made to deal with more fundamental issues such as unemployment, illiteracy, chronic malnutrition and disease and the unpreparedness of rural migrants for urban life.

IIPUP activities represent one of the current series of efforts to address some of the causes of urban poverty

as well as their most distressing symptoms, simultaneously and in an integrated way, learning from the more fragmented attempts of the past.

## INTRODUCTION

The present report is concerned with the project identification and design phases of program implementation. These two activities are part of a sequence of programming and implementation which usually comprises:

- an analysis of the existing situation and the identification of issues associated with the urban poor;
- the establishment of basic policies for dealing with those issues;
- the formulation and adoption of an IIPUP program;
- the identification and design of individual projects;
- project implementation and the monitoring of the progress of implementation; and
- the evaluation of the impact of individual projects and the program as a whole.

Feedback usually is provided for at several stages in this sequence. For example, the identification of options in project design and likely project consequences may result in modifications in policies and programs; the monitoring of implementation may result in changes in subsequent project design; the evaluation of project and program impacts may result in subsequent changes at the project, program or even policy level.

In principle, project identification and design should take place in the context of clear and strongly-supported policies and a systematic program which is consistent with other components of the host country's development plan. In practice, however, the experimental nature of IIPUP activity and the uncertainties associated with its outcome may mean that the degree of policy support it receives will fluctuate. Programs may be far from completely defined -- particularly in the early years of program development. Experimental projects, policies and programs are likely to have to evolve together. The severity and urgency of the problems of the urban poor are too great to allow for the luxury of waiting for the ideal context to be created before any action is taken.

It is useful to keep in mind the difference between activities at the program level and activities at the project level. An IIPUP program usually will be defined in the context of an overall country program, reflecting basic policies for assistance to poverty groups. It will identify the goals and purposes of all IIPUP projects in the country concerned, together with the target groups on which such projects are to be focused. It will make a general definition of program content and the basic institutional arrangements for implementation. The time horizon for the program is likely to be from three to five years, possibly longer. The description of the program will provide a framework for the identification and preparation of specific projects, and it is likely to contain guidelines and criteria for project selection. Individual IIPUP projects will be designed for specific population groups in specific locations. They will include detailed specifications of the physical development and service systems they contain and a budget, together with arrangements for financing, institutional responsibility and scheduling. The present report is addressed to the program level; it proposes guidelines for the identification and preparation of all of the projects in a program -- not detailed specifications for the preparation of individual projects.

Project identification typically will include an indication of project goals and purposes, a specification of the target groups expected to be impacted by the project and the types of impact anticipated, a general definition of project content, preliminary thinking on institutional arrangements, order of magnitude estimates of costs, a preliminary implementation schedule and an identification of the assumptions on which the preliminary proposals are based -- in other words, the kinds of information contained in an AID Project Identification Document (PID). Project design will entail more precise definitions of all of these project features, including operational measures for project evaluation and specific proposals for participation in project implementation.

The goals and purposes of IIPUP programs are discussed in Chapter I. There, the need to deal with the underlying causes of urban poverty, as well as their consequences, is stressed. It is pointed out that IIPUP projects should be designed not just to help low income households improve their conditions. On the contrary, an underlying aim of such projects is to initiate a sustained trajectory of improvement and assist the poor to integrate themselves fully into normal urban life.

In Chapter II, the importance of differentiating individual types, as well as levels, of poverty is discussed and

some of the more typical types of target groups for IIPUP projects are identified. Chapter III identifies the types of projects which are most likely to be effective in meeting these individualized needs.

The importance of appropriate participation at all stages in the IIPUP process can hardly be overstressed. This is emphasized in Chapter IV. Effective participation is required by government agencies at both the policy and the technical levels. However, although government agencies have a major role in IIPUP, their capacity is limited. Private sector groups must also be actively involved, including contractors, utility companies, private groups responsible for social services and private entrepreneurs providing low skilled employment. The households who are direct beneficiaries of projects also have an important involvement. The effective participation of these groups is critical to the achievement of adequate policy support, sound project design and adequate coordination among all executing agencies.

Chapter V suggests ways in which IIPUP programs might be financed to reflect the real economic constraints in the developing areas. Existing legislation and regulations (including the standards established in the past for physical development) are likely to have to be modified to reflect the realities of today. This is discussed in Chapter VI.

Suggestions are made in Chapter VII for achieving incremental changes which will not make excessive demands on existing institutions and practices. The experimental nature of IIPUP activities, the need for pragmatism and the importance of proceeding with fragments of programs -- particularly in early projects -- are stressed.

The potential role of USAID and other international agencies should be mentioned. The need for that participation is urgent. The scale of the effort required is immense already and is increasing. The total resource commitments required, both administrative and financial, are correspondingly large. The major international agencies can provide only a small fraction of the inputs required. Programs must therefore be largely sustainable with local resources. The most appropriate roles for international agencies supporting the IIPUP effort therefore will be the provision of technical assistance for project identification and design and the sharing of initial investment risks while programs are being introduced and tested. They can also perform a catalytic function in support of interagency coordination, including sustained training and technical support. They can also support the continuing international dissemination of information on IIPUP-like programs in the developing world and in relevant programs in the developed countries.

P A D C O

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## I. THE GOALS AND PURPOSES OF IIPUP PROGRAMS

### A. GOALS

The fundamental goal\* of IIPUP activity is to improve the quality of life for the low income and disadvantaged households which constitute a majority of the population in most of the urban areas of the less developed countries. The intent is to enable the individuals in those households to have significantly greater opportunities to enjoy fuller and more satisfying lives -- healthy, with access to the knowledge they need to realize their potential more fully, with enriched opportunities for social interaction, with satisfying and stimulating physical environments, with reasonable economic security and with the confidence and hope necessary to enable them to improve their condition.

As noted in the introduction, IIPUP programs are intended to initiate continued improvement in the condition of the target groups to which they are addressed, not just a series of one-shot projects which help to shift such households from extreme squalor to a better but static condition in which they permanently require special support. On the contrary, the aim is to help targeted households continue to improve their own condition and integrate themselves fully in normal urban life.

In pursuit of this goal, IIPUP programs must be concerned with improvements in the immediate condition of the poor and with the creation of a foundation for future improvement. They should result in early increases in incomes, improvements in health, nutrition, shelter and the physical and social environment and in immediate opportunities for the members of low income households to participate in decisions which are likely to affect their own well-being. At the same time, these programs should help to build up the human, physical and monetary capital needed for continued improvement. This latter concern implies a need for sustained improvements in the health and education of targeted household members, improvements in and additions to the stock of private and public physical capital and a more equitable distribution

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\* "Goals" and "purposes" are used here in accordance with the terminology of the AID Logical Framework Matrix, whereby "goals" are the ultimate objectives of projects and "purposes" are more intermediate means of achieving them.

of this capital, including land and infrastructure, the achievement of income levels and consumption costs which permit targeted households to begin to save, and improved access to credit, coupled with increased creditworthiness.

## B. PURPOSES

The achievement of IIPUP goals necessitates attention to both the "demand" side and the "supply" side of the problem.

Programs must help to increase the capacities of the urban poor to pay, in money or in kind, for the goods and services they need. Subsidies applied very selectively may be necessary at some stages of a program for some target groups, but most governments in the Third World simply cannot afford to maintain heavily-subsidized programs for the poor at the scales that are necessary to impact their condition significantly. IIPUP programs should therefore be largely self-sustaining, supported with the resources of the poor themselves. In addition to helping the poor to pay for what they need, these programs should also equip them to bargain more effectively for their rights and help them to use the limited assistance which is available resourcefully and responsibly.

In most countries the "supply" side is at least as much a part of the problem as the "demand" side. In some cases the agencies and programs necessary to deliver the goods and services required do not exist at all. In virtually all cases where potentially relevant agencies do exist, their administrative capacities are far below the levels needed and their activities are uncoordinated.

The purposes of IIPUP on the demand side include the following:

- The achievement of higher incomes for target households -- through increased opportunities for productive employment within IIPUP programs (for example, through participation in the construction and maintenance of physical improvements and through small scale enterprises incorporated in projects). It should be recognized, however, that only a small part of the employment needed by the urban poor can be generated on site through IIPUP activities -- by far the largest part of the necessary employment must be provided through more general economic development and employment programs.

- Increases in the capacities of the urban poor to use their existing skills and resources more effectively in the improvement of their own conditions -- through technical assistance, through the provision of information on opportunities for improvement and through support for the formation of cooperatives or other collaborative groups.
- Increases in the capacities of the poor to enjoy the social and cultural opportunities of urban life -- through increases in their incomes, through education and through the provision of information on the opportunities available.
- Increases in the capacities of the poor to negotiate effectively for the goods and services they need (including an increased capacity to negotiate for public services to which they are entitled and an increased ability to participate effectively in the urban land market) -- through increases in incomes, assistance in community organization and legal assistance.
- Increases in the capacities of the poor to participate in decisions affecting their own welfare -- through programs in basic literacy, informal education, support for community organization and legal advice.
- Increased creditworthiness for target households -- through increased incomes and abilities to save, programs in basic literacy and informal education, improvements in health and the potential for stable employment, through programs designed to support family and community stability, through incentives for saving and investment and through education in the rights and responsibilities of users of credit.

The purposes of IIPUP on the supply side include:

- Increases in the availability of land for IIPUP projects (land which is sufficient in quantity, suitable in location and supplied at prices achievable for targeted households) -- through fiscal and other measures designed to reduce the excessive withholding of land from the market for speculation and through direct purchases of land for IIPUP projects.
- Increases and improvements in the availability of essential goods and services -- through the strengthening (or, if necessary, creation) of entities for supplying them in programs which are financially viable and sufficient in scale to meet the needs of IIPUP target groups.

- Improved accessibility to essential goods and services -- through more efficient delivery, through distribution facilities which are geographically convenient for target groups and through improved information on the availability of relevant goods and services.
- Greater responsiveness of the delivery system to the needs and capacities of target groups. IIPUP projects exist for their users and should accommodate the needs of those users at all stages of project development; this implies, among other things, working closely with community leaders and organizations, as well as individual program participants, in the design and delivery of services.
- Cost effectiveness in the provision of goods and services. This implies efficiency in the operation of the individual entities participating in IIPUP programs and coordination among the entities whose activities are presently, or potentially, inter-related. The costs of many delivery systems can be reduced, and their effectiveness increased, by coordinating or consolidating functions. (However, integration is not costless and its advantages and disadvantages must be evaluated carefully in each situation. Forced integration may lead to a weakening of political support and/or interagency conflicts which reduce, rather than enhance, the effectiveness of the several services involved.)

### C. THE LIMITATIONS OF IIPUP PROGRAMS

Although there is a need for a wide range of services in IIPUP programs and the potential advantages of services integration may seem obvious, the difficulties of integration should not be underestimated.

It is important to plan IIPUP programs carefully. The substantive project components chosen should be limited, especially at the outset, and additional components should be carefully staged so that programs are manageable. Geographical expansion of an IIPUP program to new neighborhoods and cities should also be carefully planned and staged.

It is especially important to select IIPUP project components with regard not only to need but also to existing institutional capacity. There must be a thorough understanding of existing delivery systems for IIPUP-related services. This should include an evaluation of existing

programs and how they presently affect the urban poor, a review of the effectiveness of existing institutions, their personnel, their sources of financing, the principal constraints they face and their readiness for cooperative endeavors. In addition to the strength of institutions in each sector, the institutional structure chosen to achieve integration among sectors will be critical to achieving success.

Guidelines for resolving these and other issues related to project identification and design are presented in the sections which follow. Careful project design can help to minimize problems during the implementation stage. However, because many problems cannot be foreseen, flexible management systems and an ongoing training program will be important in coping with problems as they arise during implementation.

## PREVIOUS EDITIONS OF THIS REPORT II. TARGET GROUPS

The potential urban poor beneficiaries of IIPUP programs do not consist of one large homogenous group. In most cities in the developing countries, the "urban poor" population contains diverse groups with a variety of different needs and capacities. In identifying specific IIPUP projects, it is important to differentiate among the potential subgroups of beneficiaries in a way which will suggest the specific types of program support they require.

### A. CRITERIA FOR CLASSIFYING TARGET GROUPS

One useful method of classification is to analyze households' current consumption needs, the capital assets (or lack of capital) they have accumulated as a foundation for improving their future condition and their territorial orientation.

#### 1. Current Consumption

Deficits of essential goods and services vary widely from one urban poor group to another. Households with extremely unstable and/or low-wage employment -- for example, newly arrived migrants or chronically marginal households -- may have to give first priority to the upgrading of their literacy and skills. Because of their low and irregular incomes, they are also likely to be suffering from malnutrition and debilitating illnesses and disease. Many of them will not have relatives or a communal group on which they can depend for intermittent support. They are likely to be located in some of the most squalid and unsanitary areas of the city. Programs designed for them may have to focus on literacy, job skills, nutrition, preventive health services and basic environmental sanitation. They may not be good candidates for credit or technical assistance for shelter until they have begun to overcome their more fundamental deficits. Low income households who have chosen to occupy rental space rather than invest in permanent shelter in their present locations may require yet other types of assistance to improve their current consumption standards.

#### 2. Capital Assets

Capital assets, defined broadly, include human capital (represented by the health, education and physical and

intellectual capacities of household members to work productively and to enjoy the opportunities offered by urban life), property rights, cash savings and access to formal or informal credit. The worst-off households are likely to need program support to bring them to the threshold of being able to begin to save. Better-off households who have already invested in the shelter they occupy may be interested primarily in credit, technical assistance and legal assistance to help them to protect and enhance their holdings. Other relatively well-off households who have no commitment to their present locations may be more interested in improving their personal skills and capacities in order to increase their mobility.

### 3. Territorial Orientation

Territorial orientation also is a useful indicator of households' potential and priorities. At least three types of territorial orientation can be identified:

- Some households and individuals are "externally" oriented. They are largely interested in earning money to send back to families elsewhere, usually in rural villages. They are not interested in permanent settlement and investment in the urban areas.
- Other households are in transition, trying to gain a foothold in the urban areas. They may live in "staging areas" (usually squatter shacks or rental tenements), but ultimately they hope to move to more permanent areas as they become more secure.
- A large number of households are consolidating their position in the cities. They are interested in permanent investment and improvement in their present locations.

The level of community organization is usually related to territorial orientation and is higher in the more permanent communities of consolidating households.

### B. ILLUSTRATIVE TARGET GROUP TYPES

Table 1 shows how the above characteristics can be used to define target groups. Five illustrative target groups are distinguished according to differences in consumption needs, assets and territorial orientation. The actual target group types will vary from country to country. Target group definitions are necessarily broad and have a large degree of overlap in specific situations.

TABLE 1

Illustrative Target Group Classification

	PRIORITY CONSUMPTION NEEDS	ASSETS/SKILLS/TENURE	TERRITORIAL ORIENTATION
I. Chronically Marginal Households	Food, fuel, clothing; health care; water; sanitation.	Low levels of health; low skills; poor housing infrastructure; high vulnerability to flood, epidemics, etc.; no savings.	Trapped; no community organizations; capable of improving community welfare.
II. Single Migrants	Information on employment; opportunities for social interaction.	Low level of education; low skills.	Externally oriented; sending savings back to village; priority on improving employment situation; no community organizations.
III. Beachheading Households	Public services (water, sanitation, solid waste, etc.); sanitary facilities; legal assistance; employment; basic information; prenatal, mother/child care, family planning; opportunities for social interaction.	Poor skills; no legal tenure/squatting; high vulnerability to flood, epidemics, etc.; limited savings; limited access to credit (usually informal).	In transition; would like more secure tenure or to move to a more permanent neighborhood, but lacks stable employment, savings, and access to credit; limited community organizations.
IV. Households Renting by Choice	Improved sanitation, solid waste; legal assistance; basic information.	No savings; low skills levels; limited access to credit (usually informal); renting but lack full legal lease.	In transition; would like to settle permanently in city, but lack permanent employment, access to credit, savings; no community organizations.
V. Consolidating Households	Improved water and sanitation; improved housing; primary and secondary schools; public transportation.	Partial tenure, but not fully legalized; access to informal credit; limited access to formal credit.	Consolidating; would like to achieve full secure tenure; has some security of employment; some community organizations.

## 1. Chronically Marginal Households

Chronically marginal households are households which, for one reason or another, are desperately poor and stand apart from the rest of the urban population. They have little chance of upward mobility or integration with the rest of society unless dramatic changes are initiated by outside agents. Even then changes are difficult to achieve. In the more extreme cases, their unusual status may be the result of religious, ethnic or regional differences from the urban majority. Tribal and scheduled caste households in India are examples of this group.

The *akhdams* (streetsweepers) in the highland cities of North Yemen are another example of chronic marginality. They are ethnically distinct and come from the lowland Tihama region. They are desperately poor and willing to do a type of work which highland Yemeni consider degrading. They have somewhat lower incomes than the highland Yemeni urban poor, but it is largely because of their cultural differences that they are segregated from other groups. They have lower-standard sanitation habits, different traditional settlement types and different architectural styles. They have high rates of disease and mortality. Other types of employment are not available to them, and they are not allowed to settle freely throughout the cities. The largest streetsweeper squatter settlement in Sana'a is built of tin and cardboard on a sewerage disposal field.

Residents of the Brooklyn squatter settlement in Port-au-Prince, Haiti, are another example of chronic marginality. Although they are not set apart for ethnic or cultural reasons, they are desperately poor with little chance for upward mobility. They have very low incomes and high levels of unemployment and underemployment. The settlement is built on a salt flat with poor drainage and is subject to periodic flooding. It has virtually no infrastructure and lacks basic social services.

In some cases, the chronically marginal may be renting or sub-renting their quarters as in the case of many *bustee* tenants in Calcutta. In other cases, they are squatters. However, the common denominator of these groups is their desperate poverty, limited mobility and low self-esteem. Their most pressing need is for improved nutrition, clothing and fuel. They generally lack access to potable water, sanitation and health care. They are subject to high physical and social risks such as floods, landslides, epidemics, unemployment and serious malnutrition. In relation to these needs, improved housing is a relatively low priority.

## 2. Single Migrants

Many developing countries have large numbers of single migrants living in urban areas. Some have come to establish themselves permanently in the cities, but many more intend to stay only temporarily in order to support their families in the rural areas. Those intending to remain have needs similar to the "beachheading" households described below because they are preparing for the eventual relocation of those who have been left behind temporarily. However, those who remain externally oriented have a distinct set of needs and IIPUP project requirements.

The permanence of migration has been noted to vary among regions of the developing world.\* The least developed regions of South Asia and sub-Saharan Africa have the highest levels of temporary migration. The 132 males per 100 females in Karachi and 187 males per 100 females in the African population of Nairobi are indicative of high levels of temporary migration. Many migrants come each year during seasons of low rural employment. Others stay for longer periods, but their families remain behind and they intend to return. The more developed cities of Latin America appear to have less temporary migration which indicates that rural-urban migration tends to be more permanent in countries with higher levels of development. Caracas, Venezuela, for example, has only 96 males per 100 females.

The distinct problems of single migrants are epitomized by many migrants in North Yemen. The three largest cities, Sana'a, Hodeidah and Taiz, have male/female ratios of 1.32, 1.50 and 1.32 respectively. In 1975, there were an estimated 70,000 to 80,000 temporary migrants in these cities (about 25 percent of a combined urban population of 300,000). Groups of ten to twenty migrants crowd together in small rooms in the cities. They spend little of their earnings and send large amounts of money to the rural areas to maintain their families. They frequently finance the construction of elaborate houses in rural areas to which they plan to return.

Because of their external orientation, many single migrants are not interested in investing in the urban areas. Their highest priority is securing employment; the quality

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\* Joan M. Nelson, "Sojourners vs. New Urbanites: Causes and Consequences of Temporary vs. Permanent Cityward Migration in Developing Countries," Economic Development and Cultural Change, Vol. 24, University of Chicago Press, 1976.

of their immediate environment is secondary. However, many want to improve their skills and levels of education during residence in urban areas.

### 3. Beachheading Households

Beachheading households are households that are just beginning to get a permanent foothold in the urban area. Household heads may have come as single migrants but are now bringing their families with them as well. They are still very poor, but they differ from the chronically marginal in that they are more mobile and able to build a better life in the city. Beachheading families have begun to solve some of their employment problems and meet their most basic needs, although they still need help in these areas.

Some of the *tugurios* of San Salvador are examples of beachheading areas. They are dense, low-standard settlements located along ravines, stream beds and on some public rights-of-way. *Tugurio* families need to be close to job opportunities and the markets they serve through the informal sector. Some rent plots from private owners; others are squatting on public land. Most houses are of wood and cardboard. None have water, sanitary facilities or other basic infrastructure. Some *tugurio* families are subject to flooding, erosion and other serious risks. Many, however, want to improve their status by gaining secure tenure, improved shelter, education for their children and access to a range of urban amenities. Most plan to remain in the city indefinitely.

### 4. Households Renting by Choice

Many households prefer living in existing rental quarters instead of settling in the more newly developing fringe areas. Many cities in the developing countries have central areas with old housing that has been sub-divided for rental to the poor. These groups may need to be close to job opportunities, schools, hospitals and other amenities of the center city. They may also prefer the relatively high level of services of rental quarters (typically water and shared sanitary facilities) compared to newer areas which may be developing beyond the reach of existing urban services. Many lack the savings necessary to build housing in fringe areas.

Households in the *cuarterias* of Santo Domingo and the *mesones* of San Salvador are examples of this group. Housing units usually consist of one room with common services. Families in these areas tolerate crowded conditions in order

to be close to their places of work. Landlords frequently do not maintain rental units properly, especially in countries which have rent control laws which limit profitability to the landlord. In the *mesones* of San Salvador, leases are often verbal and seldom comply with the law which limits tenants' rights in rent disputes. The *mesones* are seldom maintained in accordance with sanitary standards set by law.

Households in rental quarters have a distinct set of needs. They frequently need legal assistance to help them deal with landlords. This effort may also require the development of tenants' organizations to protect their rights. Many rental units require improved sanitary facilities most urgently, but because of complex tenure patterns it is often difficult to carry out these or other physical improvements and recuperate investment costs.

#### 5. Consolidating Households

Consolidating households are those which have already gained a foothold in the urban areas and are trying to improve their position. They already have some marketable skills and relatively stable employment. To consolidate their position further they may require more secure land tenure, improved public services and shelter, schools and access to credit.

The *colonias ilegales* (illegal sub-divisions) of San Salvador are a good example of consolidating households. These are the rapidly expanding and primarily peripheral areas of the city which have been sub-divided illegally with practically no public investment in infrastructure, open space or community facilities. Households in these areas are not squatters. They have usually purchased their land and have begun to build permanent structures. However, their land title is usually not registered and their sub-divisions and houses do not meet minimum legal standards. They are relatively well-to-do and have less crowded neighborhoods compared to other poverty groups, but they lack most urban infrastructure and public services.

Households in these areas need legal assistance to secure full legal tenure to their land. Because they are willing and able to invest in physical improvements, they can benefit from infrastructure improvements and credit for home improvements more than other groups. Improved public transportation may be important to these groups. There are often some existing community organizations which can facilitate improvement programs.

C. THE USE OF TARGET GROUP CLASSIFICATION IN PROJECT IDENTIFICATION AND DESIGN

The specific target groups on which IIPUP programs and projects should be focused in a particular situation can be identified through analyses of census data and other published material (there often are socio-economic analyses of low income groups which have been undertaken by local universities or social organizations), the interpretation of aerial photographs of the urban areas involved\* and direct field surveys. Interviews with potential target households, representatives of community organizations in target areas and interviews with other people familiar with local socio-economic conditions, together with the direct inspection of physical conditions, are likely to play a key part in obtaining reliable information on the real priorities and capacities of potential target groups. Published data often will be unreliable and/or not specific enough for IIPUP purposes.

Decisions as to which potential target groups should be included in projects will depend partly on needs and capacities identified, partly on political priorities and partly on the probability of successful project implementation. In the early stages of a program, for example, projects for the worst-off groups may be very difficult to launch. Somewhat better-off groups with greater capacities for self-improvement and project participation may be focused on first, to enable the overall program to gain momentum and political support before it is addressed to the most difficult problem areas. In other cases, political pressures may dictate that the neediest groups be attended to first. Some of the issues associated with the establishment of priorities among target groups are discussed in Chapter VII, which deals with the evolutionary and experimental nature of IIPUP programs.

Table 2 indicates how target group classifications can be used to aid in identifying program and project requirements. The table is illustrative and generalized; the actual needs and priorities of individual groups in particular situations will, of course, be specific to those situations.

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\* The use of aerial photography for this purpose often can provide a very inexpensive and rapid method of identifying potential target communities as a basis for direct field investigation. For a description of the technique, see: CITRUD, Alain C. Bertaud, "Memorandum on the Use of Aerial Photography for Housing Policy Formulation and Identification of Design Parameters in Developing Countries," Washington, D.C., November 1979.

TABLE 2

Priority Needs of Target Groups

PRIORITY NEEDS OF THE URBAN POOR WHICH MIGHT BE ADDRESSED THROUGH IIPUP		I. Chronically Marginal Households	II. Single Migrants	III. Beachheading Households	IV. Households Renting by Choice	V. Consolidating Households
<i>PHYSICAL IMPROVEMENT NEEDS:</i>	Improved shelter		X	X	X	X
	Secure land tenure or rental status			X	X	X
	Water	X	X	X	X	X
	Sanitation	X	X	X	X	X
	Drainage/soil stabilization	X		X		X
	Open/recreation space				X	X
	Electricity				X	X
<i>COMMUNITY SERVICES AND FACILITIES NEEDS:</i>	Public transportation			X		X
	Solid waste removal	X		X	X	X
	Day care facilities			X	X	X
	Legal assistance			X	X	X
	Opportunities to participate in decisionmaking and support for community organization			X	X	X
	Emergency services (fire and security)			X	X	X
	Communication (public telephones)			X	X	X
<i>BASIC CONSUMPTION NEEDS:</i>	Adequate nutrition	X		X		
	Fuel	X		X		
	Clothing	X		X		

Table 2 (continued)

PRIORITY NEEDS OF THE URBAN POOR WHICH MIGHT BE ADDRESSED THROUGH IIPUP		I. Chronically Marginal Households	II. Single Migrants	III. Beachheading Households	IV. Households Renting by Choice	V. Consolidating Households
<i>HEALTH NEEDS:</i>	Community health facilities	X	X	X	X	X
	Preventive health services	X	X	X	X	
	Curative health services	X		X	X	
	Prenatal care	X		X	X	
	Infant/child care	X		X	X	
	Instruction on family planning	X		X	X	
	Instruction on basic hygiene	X		X	X	
	Instruction on basic health practices (care of illness, first aid, etc.)	X	X	X	X	
<i>EDUCATION NEEDS:</i>	Primary and secondary schools			X	X	X
	Vocational training	X	X	X	X	X
	Basic literacy	X	X	X	X	X
<i>EMPLOYMENT RELATED NEEDS:</i>	Space and facilities for small scale enterprise					X
	Technical assistance for small scale enterprise					X
	Information on available employment	X	X	X	X	
	Employment through direct government hiring	X	X	X		
<i>FINANCING NEEDS:</i>	Credit			X		X
	Advice on family budgeting, sources of credit, negotiating for credit and credit responsibilities			X	X	X

### III. COMPONENTS OF IIPUP PROJECTS

IIPUP involves the integration of a range of facilities and services for the urban poor. It is useful to consider each of the most common groups of facilities and services individually prior to discussing organizational arrangements for achieving integration. Table 3 provides a list of the most common project components which might be considered for an IIPUP program. Many of these are themselves integrated on a limited basis, comprising small packages of functionally related projects. Organizational means of integrating project components are presented in the next chapter.

In many situations in which all or a large number of the components listed in Table 3 are desirable, it will not be possible to introduce them all at once. This is typically the case where the capacities of the entities responsible for the service delivery are limited and where the incomes of target groups are too limited to enable them to pay for more than one. Where this occurs, it is likely to be necessary to introduce at first only the highest priority improvements which are both administratively and financially feasible. Other components which are more demanding financially and/or more complex administratively can be added later. This is discussed more fully in Chapter VII, which emphasizes the evolutionary nature of IIPUP programs and projects.

Table 3 indicates which needs each one of the project components tends to meet and the target groups (from Chapter II) for which each is likely to be important. This list is intended to be illustrative. Additional components may be needed in specific situations.

The project components listed in Table 3 are reviewed briefly in the remainder of this chapter. They are described in somewhat greater detail in Annex II.

The most common IIPUP components are listed first in Table 3. These are physical improvements in existing settlements. Shelter is a basic human need and a fundamental concern of most governments. In many cases, this concern for shelter has furnished the initial *raison d'etre* and the foundation for more integrated programs.

In many cases (for the reasons noted earlier), physical improvements such as water supply, basic sanitation, drainage and soil stabilization have been judged to be

the most immediately manageable high-priority components of projects. They provide a dramatic change which can be an inducement to follow-on social and economic programs. Shelter is, therefore, the most common focal point for integrated urban poverty programs. In some cases, however, it may not be provided at all.

The components to be introduced first in each situation will depend largely upon the types of target groups involved and the capacities of the entities potentially responsible for the facilities and services which are needed.

The most appropriate types of shelter projects for the urban poor are generally the upgrading of existing settlements and the development of new low income settlements. There have been many examples of both types of project in recent years. A range of components, standards and financial and legal mechanisms should be considered in designing appropriate shelter projects. Standards have to be kept low enough to be affordable on a wide scale. It is also important to recover the costs of shelter projects for reinvestment in subsequent ones.

The need to improve employment opportunities for the urban poor has become a key area of concern. Large numbers of the urban poor are typically unemployed or marginally employed in low productivity service sector occupations. It is realized that their productivity, employment and incomes must be improved as a prerequisite for many other types of improvements. Frequently individual on-site measures of the type which can easily be undertaken as part of IIPUP to improve employment may not attack the roots or the scale of the problem. More fundamental changes may be required at the national level in industrialization policies, tariffs, industrial credit, minimum wages and other measures which could provide an incentive for increased low skilled employment.

In other cases, assistance to small scale enterprises can be an appropriate means of generating some employment for the poor. Such assistance can include improving access to credit, increasing market size, providing land and facilities for business and providing technical assistance.

Additional types of employment assistance might include direct governmental hiring of individuals, vocational training and employment referral and information services.

Adult informal education projects can be important complements to other IIPUP components. They can also help the poor to overcome some of the deficiencies of formal education systems. Non-formal education in health, sanitation

and family planning can complement programs in environmental sanitation and health services delivery. Literacy can provide basic skills to the urban poor through a variety of media. Non-formal education can provide some of the basic information which is necessary for survival in cities such as legal information and information on available community services.

Environmental sanitation projects, although closely related to some aspects of settlement upgrading, can be considered separately. They focus heavily on the minimal investments necessary for a more healthy environment. Improved water supply, sanitation, drainage and solid waste disposal are so important they they can have a more cost effective impact on the health conditions of the urban poor than projects to improve health delivery services. In many cases, however, some minimal improvements to health services can be considered as part of IIPUP programs. These should focus on preventive services and community outreach. Mother/child, family planning and nutrition services can also be important to the poor.

Public transportation services are most important to the relatively prosperous "consolidating" groups who generally live farther from their places of employment. However, even the poorest groups can benefit from improved facilities and support for pedestrians, bicycles and traditional transportation modes such as bicycle rickshaws. Bus and mini-bus services can frequently be improved to benefit the poor.

Effective community participation is important for the achievement of most IIPUP project components. It is also an important end in itself to achieve greater self reliance and more sustained development in poor communities. Community groups can and should be involved in all stages of IIPUP project development.

In some cases, specific welfare components can be included in IIPUP programs for the neediest groups such as the disabled and the elderly. The shortage of resources will generally require that public assistance be focused on the most extreme cases. Appropriate private organizations may exist which can be encouraged to participate in IIPUP programs to achieve this end.

TABLE 3

	A	B	C	D	E	F	G	H	I	J
BASIC NEEDS OF THE URBAN POOR WHICH MIGHT BE ADDRESSED THROUGH IIPUP	Upgrading of existing settlements	Development of new low income settlements	Assistance to small scale enterprise	Other employment assistance	Informal adult education	Basic sanitation	Health services	Public transportation services	Participant mobilization	Welfare for neediest groups
Target group most appropriately benefited	III, V	V	III, IV, V	I-V	II-V	I, III, IV	I, III, IV, V	V	IV, V	I, III
<i>PHYSICAL IMPROVEMENT NEEDS:</i>										
Improved shelter	X	X								
Secure land tenure or rental status	X	X								
Water	X	X				X				
Sanitation	X	X				X				
Drainage/soil stabilization	X	X				X				
Open/recreation space	X	X								
Electricity	X	X								
<i>COMMUNITY SERVICES AND FACILITIES NEEDS:</i>										
Public transportation	X					X		X		
Solid waste removal										
Community centers									X	
Daycare facilities				X					X	
Legal assistance	X	X							X	
Opportunities to participate in decision making and support for community organization									X	
Emergency services (fire and security)									X	
Communication (public telephones)									X	
<i>BASIC CONSUMPTION NEEDS:</i>										
Adequate nutrition										X
Fuel										X
Clothing										X

TABLE 3 (continued)

BASIC NEEDS OF THE URBAN POOR WHICH MIGHT BE ADDRESSED THROUGH IIPUP	Upgrading of existing settlements	Development of new low income settlements	Assistance to small scale enterprise	Other employment assistance	Informal adult education	Basic sanitation	Health services	Public transportation services	Participant mobilization	Welfare for neediest groups
Target group most appropriately benefited	III, V	V	III, IV, V	I-V	II-V	I, III, IV	I, III, IV, V	V	IV, V	I, III
<p><i>HEALTH NEEDS:</i></p> <ul style="list-style-type: none"> <li>Community health facilities</li> <li>Preventive health services</li> <li>Curative health services</li> <li>Prenatal care</li> <li>Infant/child care</li> <li>Instruction on family planning</li> <li>Instruction on basic hygiene</li> <li>Instruction on basic health practices (care of illness, first aid, etc.)</li> </ul>	X	X			X X X	X X X X				
<p><i>EDUCATION NEEDS:</i></p> <ul style="list-style-type: none"> <li>Primary and secondary schools</li> <li>Vocational training</li> <li>Basic literacy</li> </ul>	X	X		X	X X	X				
<p><i>EMPLOYMENT RELATED NEEDS:</i></p> <ul style="list-style-type: none"> <li>Space and facilities for small scale enterprise</li> <li>Technical assistance for small scale enterprise</li> <li>Information on available employment</li> <li>Employment through direct government hiring</li> </ul>			X X	X X						
<p><i>FINANCING NEEDS:</i></p> <ul style="list-style-type: none"> <li>Credit</li> <li>Advice on family budgeting, sources of credit, negotiating for credit and credit responsibilities</li> </ul>	X X	X X	X X					X	X	X

#### IV. ORGANIZATIONAL ARRANGEMENTS FOR INTEGRATING URBAN SERVICES

##### A. BACKGROUND

In the discussion which follows, various arrangements for integrating social services will be proposed. Of necessity, many of the examples of integrating services are drawn from the American experience since experimental efforts to improve service delivery have been numerous in this country during the past decade. These experiences are worth examining, not only for their possible applicability to IIPUP projects but also because they suggest the difficulties and potential advantages associated with alternative integrated delivery systems. Experience suggests that services integration can be achieved through various means but that the state of the art is still in a very fluid and experimental stage. Domestic experience certainly does not indicate that there are specific approaches to service integration which will work in all situations. Services integration has not been an overwhelming success in all cases. This uneven history of integrating delivery systems in the United States points to many potential problems as integration is attempted in developing countries.

The rationale behind the development of integrated delivery systems is basically sound. The poor have multiple and interdependent needs and these are more likely to be met through arrangements which recognize the holistic nature of the problem. It can be argued further that duplication of services and the lack of coordination among agencies which administer service do not work to the advantage of the urban poor. However, the simple principles which have motivated public authorities to attempt integration are difficult to operationalize. Bureaucratic constraints at times are formidable and tend to frustrate the operation of integrated systems. In some cases, additional costs have been incurred and greater delays have been experienced in projects designed to produce totally opposite effects. Even with careful planning, services integration cannot be assumed to succeed in all cases.

Although integrated service systems confront many problems, evidence of some achievement in servicing the poor more effectively can also be demonstrated. It would be too simplistic to decide either in favor of or against integrated service systems. It would be more correct to recognize the experimental nature of the discipline and to proceed carefully to devise means of integrating services.

Experience suggests that a range of factors must be analyzed before deciding on the organizational arrangements most likely to work in any given situation. The methods and structures adopted to integrate services for the urban poor should depend on such factors as client readiness to use an integrated services system, the willingness of partners in the system to look beyond adherence to organizational territoriality and the feasibility of combining administrative and fiscal authority.

The following discussion presents alternative organizational arrangements which should be considered in designing new IIPUP programs. The arrangements presented here range from direct intervention in the services delivery system (supply side intervention) to less direct user referral and assistance programs (user side intervention). There is actually considerable scope for overlap in these arrangements; IIPUP programs may involve a mix of integrating mechanisms.

All of the alternative organizational arrangements are not equally relevant for developing countries. The principal advantages and disadvantages of each for developing country situations are discussed in the conclusion of this section.

## B. POSSIBLE APPROACHES TO INTEGRATION

### 1. Direct Services Integration at the National and Regional Levels

In direct integration, the service providers are legally subordinate to the integrator. The powers of the integrator include authority to compel participation by service providers in a single system of planning, programming, budgeting, evaluation and implementation of social service delivery.

The extent of the target group being served will affect the level at which integration is appropriate. This will obviously differ from country to country and project to project. It is important for the administrative level of integration to correspond to the defined target group. The extent to which national, regional or municipal governments can adequately coordinate the various service inputs required for the urban poor is largely a function of project scope.

A common means of attempting services integration is to establish a national or regional level coordinating entity. This approach is illustrated by the Department of Health and Rehabilitative Services in Florida. This department was created as part of a major government reorganization in 1968. Twenty-two agencies, boards, commissions and program offices were combined to form a single department. It includes health,

welfare, youth services, mental health, vocational rehabilitation, aging services, drugs, alcoholism services and correctional institutions. There are seven line and two staff divisions. The staff divisions are administrative services and planning and evaluation. Comprehensive health, planning, community medical facilities comprehensive rehabilitation, planning and research and evaluation are done by the division of planning and evaluation. Each line division has sub-state and district operations. However, services are coordinated through departmental level planning, programming and budgeting.

In some countries, central government ministries may be given the responsibility for sponsoring individual IIPUP programs. The following types of organizations are potential participants in this type of central coordinating mechanism.

(a) Planning bodies. Because congruence between the more specific goals of an IIPUP project and national goals is important, liaison with national planning boards and their state counterparts at the project planning stage is critical. This is also important because the project may have to be accepted as an experimental or prototype to be replicated elsewhere in the country.

(b) Budget agencies. Liaison with appropriate budget agencies should occur essentially for the same reason as it does for planning bodies. An additional responsibility of the budget agencies is to approve funds for certain components of IIPUP projects and to assure some continuity of funding for those projects requiring a longer period of implementation.

(c) Substantive ministries. The responsibilities of substantive ministries and departments vary depending upon whether the ministry has a primary coordinating responsibility in the project or is one of several sectoral contributors to the project. A related question concerns whether central ministries provide states and municipalities with grants leaving considerable spending discretion to state and local authorities or whether ministries earmark funds for specific uses. In the latter case, coordination with central ministries is critically important. If major spending authority is with the state agency, then these bodies should be a focal point of coordination -- especially in regionally focused projects.

Ministries or departments are also potential participants in IIPUP projects if they impose standards which effect the delivery of services or would be required to release personnel to assume staff responsibilities in projects.

(d) Non-substantive or regulatory agencies. These agencies include treasury or finance departments who must

release funds and who often establish the terms and conditions (scheduling) of the release of funds.

Personnel or civil service bodies who determine conditions of recruitment, placement, salaries and sometimes training should be involved in the project's organizational structure. If projects elect to make heavy use of public employees, existing personnel policies will have to be reviewed to assure that qualified staff will be available.

Most governments now have environmental control bodies whose relationship to sewerage or sanitation projects could be important. Zoning authorities, public safety agencies and certain accrediting bodies could also play a regulating role in service provision.

(e) Training bodies. Considering the importance of training in most IIPUP projects, training organizations could be prospective participants in IIPUP design and coordination. A variety of training programs will have to be developed to service IIPUP.

(f) Public or private sector industries. Projects which include capital improvements such as housing, roads or water and sewerage systems may have public or private implementing agencies. In many countries, funds are publicly administered, but the execution of development projects is handled through private businesses or autonomous entities.

(g) Financial institutions. Public or private financial institutions may be important to IIPUP projects. Credit terms and interest rates are important to many types of IIPUP projects. In some cases, financial institutions also provide technical assistance such as management advice to small scale business.

The direct access to and control of financing by central coordinating entities will, to a large extent, determine their success.

## 2. Direct Services Integration at the Municipal Level

Where the target group is a substantial percentage of the population of a city, it is appropriate that the municipality assume coordinating responsibility for the services required for the project.

An urban improvement project in Lusaka which covered 40 percent of the housing in the city clearly required a

key role by municipal authorities. The Lusaka project was an outgrowth of an earlier more modest project. The Lusaka Municipal Government coordinates inputs of the National Housing Authority which makes funds and technical assistance available for squatters to upgrade their homes through a cooperative, self-help program. The World Bank is providing financial assistance to the project. UNICEF and the American Friends Service Committee are also involved in the various social service components of the project.

### 3. Autonomous Coordinating/Facilitating Organizations

In some instances, coordination can be achieved through an *ad hoc* organization which is organized to stimulate service for the urban poor. The organization need not and, in most instances, should not be governmental but should be the linking agency between government agencies, private agencies and the target group. The organization could, by virtue of its experience with social services, be a catalyst for stimulating the involvement of other public and private bodies in assisting the urban poor. Its role would be particularly appropriate where the circumstances of the target groups to be served are very desperate and the prospect of an indigenous group taking initiative seems unlikely. With an autonomous broker, target groups have an independent advocate and management resource.

This type of integration is illustrated in the Ahmedabad Urban Improvement project where the ASAG, a voluntary independent body, served a key coordinating function in providing infrastructure from the Ahmedabad Municipal Corporation for a sites and services project as well as technical assistance from the American Friends Service Committee.

### 4. Coordination/Integration Through Community-Based Organizations

In certain target group areas, local organizations may exist which, with some restructuring, could form the nucleus for channeling various services. A proposed IIPUP project for Panama recommends this kind of institutional arrangement. While the Ministry of Planning and Economic Policy would be the chief coordinating agency for the project, funds for the project would flow directly from the central level to the community-based organizations which would administer the project. The services provided to the target groups and the personnel associated with dispensing these services would be the responsibility of the community-based organizations.

## 5. Coordination/Integration Through the Planning Process

Some attempts at integrating services, particularly in the United States, have limited themselves to the planning function without disturbing the structures of participating agencies. The participation of service agencies can be voluntary, which, of course, means that there is less assurance of compliance with the program. However, the results of the coordinated planning exercise, usually carried out by representatives of the participating agencies, can influence the allocation of resources by the various functional agencies. Agencies which participate in the planning process are also expected to contribute to a common data gathering or monitoring program.

Three domestic examples illustrate this approach. Under funding made available through Title XX of the Social Security Act of 1975 (the objective of which was to improve local planning and delivery of social services), Monroe County, New York attempted a comprehensive needs assessment and resource analysis. The project did not involve a forcible reorientation of existing agencies' programs. Rather, it provided information to agencies of where needs existed and how their resources might be better focused. The strategy assumed that a fairly broad range of services were already in place and that most needs could be met by redirecting existing programs.\*

A somewhat related program is carried out by San Mateo County's Human Services Coordinating Council which does not allocate funds or modify existing planning systems, but rather through coordinated needs analysis and planning activities attempts to make service delivery among several related agencies more purposeful for specific target groups. In both of the above examples, the agencies may be constrained by jurisdictional requirements which limit their ability to relate programs to clients. However, integration is achieved by securing interagency acceptance of the identified needs and by getting agencies to apply their specialties so that a complementary set of services can be provided.

Another example of integration through the planning process is found in some of the more sophisticated United Way programs. If an agency wishes to gain financial assistance, it must comply with the requirements for planning and coordination established by the United Way. A common data base is used by all participating agencies in this effort. Agencies participate in all stages of the planning cycle.

Indirect integration through improved central planning is less effective where gaps in service are numerous or where

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\* For more information on these examples, see Sharing, Vol. 3, No. 2, Spring 1979 and Vol. 2, No. 3, Fall 1978, Project Share, Rockville, Md.

the agency priorities and structures are inappropriate for the target group. Such a strategy may be effective to improve service delivery over a long period. It may not be as relevant in developing countries where needs are more urgent. However, this approach does have merit as a relatively non-threatening strategy which can lead to limited services integration and improved planning.

6. Integration Through Packages of Functionally-Related Programs/Block Assistance to Target Groups

Attempts have been made to redirect categorical funding programs which often are constrained in servicing target groups appropriately by introducing block grants focusing on particular target groups. This approach is illustrated by the Flexible Intergovernmental Grant program now being undertaken in three states with evaluation funds from the Department of Health, Education and Welfare. The program supposes that bringing categorical funds into block grants oriented toward particular functional areas will contribute to more effective human service delivery systems. The program aims to "take previously separate categorical formula grants and/or project grants and arrange them to form a package of functionally-related programs representing a continuum of services to a defined target population." The three states in which the program is now being tested have opted for programs for the elderly, maternal and child health care and employment services. The arrangement provides for a flexible funding mechanism which will improve the quality of service to designated clients.\*

The integrating principle in this instance is program packaging around a specific functional theme. Not only are administrative constraints likely to be eliminated, but clients are more likely to be served as their needs dictate rather than as program guidelines prescribe. As presently being tested, this approach does not go beyond clearly recognizable functional areas (such as child care, employment generation or service to the elderly). It is assured that broader coordinating efforts through block grants would be unwarranted until more limited integration is tested. This initial limitation might be appropriate for IIPUP planners and administrators to consider.

7. Integration Through Packages of Functionally-Related Programs/Structural Reorganization of Services

If administrative, financial and legal constraints were not a problem, integrated services would ideally reflect

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\* "Integration of Funds: The FIG Project," Robert Newhart in Sharing, Vol. 1, No. 4, Fall/Winter 1977, Project Share, Rockville, Md.

functional needs. For example, "services to children" would be a functional area with all problems (including mental and physical health and education) being grouped within a single administrative unit. Such integration, however, is difficult to achieve because of jurisdictional constraints on the allocation of funds and personnel. Only in instances where funds and personnel are pooled is it possible to achieve complete flexibility in program orientation. There are few examples where this has been accomplished.

One attempt in this direction was made by a major metropolitan county. Integration was achieved incrementally. The program has advanced to the point that some functional specialization in programs is possible. It grew out of a concern about the vast array of social service programs which were too haphazard to be successfully managed. A Department of Human Resources was created with three main units -- health, mental health and social services. Even this limited amalgamation of functions aroused feelings of territoriality among staff. However, by reorganizing middle management and by informing personnel continuously of the advantages of the new structure, the program began to yield results. The director of the experiment notes that "the benefits of the program were immediately apparent" in the form of better client/patient/family care, improved communication among staff from various functional areas and better service to multi-problem families. The director concludes that "all this did not happen overnight. Barriers that had become traditional were not removed until middle management had become reorganized."\*

It should be pointed out that this process of integrating services evolved over a span of ten years and endured a series of structural reorganization before proceeding to more complete integration. This example indicates the time needed to achieve integration as well as the kind of organizational and personnel adjustments required to win acceptance for systems which challenge traditional organizational boundaries.

#### 8. Services Integration by Expansion from Categorical Bases

Several attempts at services integration have begun by expanding categorical programs to include both a wider range of services as well as a larger target group. Such programs commence with a categorical funding base and are eventually expanded to combine complementary services and resources into an integrated set of services. The expansion usually entails the integration of services relating to a common area. This method of program integration generally characterizes Type-A IIPUP projects where housing assistance is the program base and is the point of departure for additional service.

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\* "Arlington County Department of Human Resources: A Decade of Development, 1968-1977," Helen Hackman in Sharing, Vol. 1, No. 2, Spring 1977, Project Share, Rockville, Md.

Two domestic examples illustrate this principle of integration. The first concerns a community mental health center formed in Lyon County, Kansas, through residents' initiative. Because of funding constraints, the project began with only the placement of juvenile offenders. A limited counselling service was soon added. With an improved funding base drawn from local assessments, the center's work was eventually expanded to include a wider geographic area and additional clientele. The emergence of a genuinely comprehensive community mental health program occurred a few years later when federal funds were sought to augment the program. With a more secure funding base, the center's work was expanded to include hospitalization services, in-patient counselling and 24-hour emergency treatment. The program included a broad spectrum of complementary mental health services (such as community education, evaluation and specialized counselling). Over a span of 15 years, the center had moved from an emergency service for juveniles to a comprehensive mental health facility serving virtually all facets of community mental health. The expansion of the program was incremental, moving from a modest program using only local resources to a comprehensive one involving both local and federal funds.

The Atlanta Rehabilitation Center provides a somewhat different example of expansion from a program which was initially more restricted and categorical in focus. Begun in 1965 under an Office of Economic Opportunity grant, the Atlanta Center provided comprehensive employment evaluation services by accepting referrals and coordinating the work of several smaller public and private agencies in the area. The Center eventually became a state facility under the operation of the State Division of Vocational Rehabilitation. This change of status occurred with the infusion of several categorical grants and a state appropriation. The services of the Center were then expanded to include job counselling, referral and workshop training. The combination of several smaller categorical grants was required in order to keep the Center going after OEO demonstration funds were terminated and the State Department of Vocational Rehabilitation declined to accept full financial responsibility for the program.\*

The Atlanta experience is distinct from the East Kansas project because of its financial origin. The Atlanta project began with federal funds and experienced quicker growth than did the East Kansas project. However, the Atlanta project is still highly dependent on external funding, whereas the East Kansas project grew from a secure local funding base to a more ambitious program with federal funding being a supplemental rather than a primary source of assistance.

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\* "Illustrating Services Integration from Categorical Bases," Human Services Monograph Series, No. 3, November 1976, Project Share, Department of Health, Education and Welfare, Rockville, Md.

information referral systems which strengthen knowledge among prospective clients and service delivery agents about available services.

There are many examples of information referral systems as coordinating devices. One good example is the Human Resources Coordinating Alliance serving Jefferson County (Louisville), Kentucky. This program is cited because of its status as a prototype project which has, since its inception, been adopted by several other cities.

The Louisville project was established to determine service deficits in the community and to reduce unnecessary duplication in the planning, programming and delivery of services. A fundamental lack of cooperation and communication among service agencies was also a principal motivation. The founders of the Louisville program define their system as a "mediated model"; that is, "an association or consortium of autonomous agencies or organizations which directs the coordinative activities of the various providers."\*

The Louisville project aims at coordinating the activities of autonomous agencies through a mutual sharing of information and decision making. This model is distinct from one where a super authority is constituted to provide linkages among subordinate agencies.

The Louisville model provides for voluntary participation in a system which includes an Intake-Screening-Referral System and a Human Service Information System. A common intake and referral form is administered to all clients regardless of the agency servicing the client and then fed into a data bank. Data retrieved from the bank suggests additional service needs which clients might have. It also points out service gaps within the community which are identified by the frequency of specific service deficiencies. The system provides for referrals and follow-up from other service providers. The agency which initially makes contact accepts responsibility for indicating additional services which might be provided to both the client and the relevant cooperating agency. The Human Services Information System also yields data for annual and long range planning by and among the concerned agencies.

While the system may be somewhat more advanced than many developing countries are prepared to institute, it has merit because it redirects service agencies toward missing links or service gaps among critical user groups. It also assists

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\* "Service Coordination: An Introduction to the Louisville System," Louisville/Jefferson County, Kentucky, 1977, p. 3.

Both projects indicate that there is a relationship between the extent of comprehensiveness and integration and the security of the funding base. More ambitious integration occurs when the funding base is larger and more secure.

#### 9. Service Co-Location as a Means of Service Integration

Access to a range of services can be improved by instituting centers to house them. It is assumed that convenience and access to service will improve client utilization. Multiple service centers are an alternative to more traditional single service delivery systems where services are made available but are not focused on particular localities. Clients are able to avail themselves more easily of services which are in physical proximity to one another. They can select for themselves the services necessary to satisfy their needs.

Co-location centers sometimes relate to a specific problem area (such as a multi-service center for disabled persons in a major American city). The center was organized by the municipal government's Department of Rehabilitation to offer all services to disabled clients such as medical treatment, psychiatric counselling, training, education and job referral. Referral to the kinds of assistance needed can be easily accomplished where all services are physically convenient. Handicapped persons can be easily reached by a series of services which they may need over time in order to achieve greater personal independence. The result is not just convenience but the possibility of an integrated, phased program of rehabilitation where both clients and staff can conveniently interact and monitor client progress.

Other multi-service centers combine services which are aggregated more broadly, having no functional relation. They are merely deemed appropriate to the client community being served. In such cases, convenience and access are the rationale behind the co-location of services.

#### 10. Coordination Through Information and Referral

Many poor urban residents lack knowledge about available services and how these services might be utilized. Many proponents of integrated service systems contend that the uncoordinated nature of services confuses citizens and impairs their ability to fully utilize the services which are available. The problem is compounded by the lack of knowledge among delivery agents about services that might be provided to complement their own programs. This has led to the formation of

clients in becoming aware of the range of services available. The system is, of course, not adequate in cases where agency orientations are totally inappropriate to the needs of the poor or where a well-established set of services is not already in place.

Although sophisticated referral systems may not be appropriate in many developing countries, the dissemination of basic information about available public services can be important. New migrants need information about available employment, housing and other opportunities. A program for the dissemination of information relevant for households in newly forming low income settlements was proposed in Pakistan in 1973 by the national television system in conjunction with a basic urban settlement project. Information was to be made available on such subjects as employment opportunities and available public health services.

#### 11. User Side Assistance as a Means of Integration

Partially in reaction to the bureaucratic constraints which impede service coordination, attempts have been made to place the responsibility for integrating services at the user level. It is assumed that user needs are too varied to be met adequately by agency initiatives. Usually user side assistance programs involve the client in determining what combination of services is required. Proponents of user side assistance generally feel that the client as consumer can induce agencies to be more responsive in giving service in the form needed. Often broker agencies or case workers function as intermediaries between the client and service providers, assisting with the identification of appropriate services and delivery agencies. The funding of such programs involves either a voucher system where clients redeem credits for essential services or community agencies which contract services from other agencies on behalf of the client.\*

Projects in Brockton, Massachusetts, and Hartford, Connecticut, are good examples of user side assistance. Hartford opted for an arrangement whereby public and private resources were pooled and managed by a single agency -- the Hartford Community Life Association. Special funds provided by the Department of Health, Education and Welfare supported this administrative arrangement. Clients approached the organization for services. When agencies were available to cater to client needs, the system worked. When service gaps existed, the Association could intervene to promote new service activities. The project has been terminated with the withdrawal of HEW funds.

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\* "Managing the Human Service System: What Have We Learned from Services Integration?" Human Services Monograph Series, No. 4, August 1977, Project Share, Department of Health, Education and Welfare, Rockville, Md.

The Brockton experiment with user side assistance was implemented through the Brockton Area Human Resources Group, a multi-service center. The project involves case workers who diagnose client needs and negotiate through the center for appropriate services. Client needs are exhaustively inventoried and conveyed to appropriate service agencies. The Area Human Resources Group can contract with participating agencies for services when sufficient demand exists. The focus is on categories of clients. As with other systems concerned with information and referral, the Brockton project identifies service gaps through its diagnostic and referral activities. It also attempts to influence the planning process of contributing agencies.

While giving clients a greater stake in directing the service sector toward their needs, the results of the project have been less than exemplary since monitoring clients is a demanding and expensive professional activity. Moreover, the servicing agencies are not all within the coordinated system and the ability of the managing agency to negotiate for necessary services is sometimes limited. The provision of service is contingent on the range of services available and the ability to negotiate for the provision of these services. The system appears to work best where a tradition of integrating services exists and where clients have experience in negotiating with the system to meet their needs. These conditions would not be commonly found in many developing countries.

User side assistance assumes that service delivery systems already exist and need only be reoriented. This is not the case in most developing countries. Where viable service systems are not functioning, scarce resources are probably more effectively focused on developing an adequate institutional base. Service supply rather than user demand is the most critical constraint. Vouchered user assistance may also be prohibitively expensive in developing countries where the poor constitute the vast majority.

### C. CONCLUSIONS

It is difficult to prescribe precise strategies for integrating the various project components. Domestic experience with service integration should be interpreted cautiously, recognizing that cultural, economic and political differences are likely to be encountered in most developing countries. However, certain principles derived from American and international experience can help to determine the organizational arrangements most likely to succeed in IIPUP projects. While these conclusions are generally useful, any organizational

structure will involve substantial risk. Organizational arrangements will, therefore, have to be applied flexibly and monitored closely.

1. Coordinating Arrangements Achieve Different Purposes

Some of the above arrangements focus on reorienting and reorganizing the service delivery system. Others concentrate on improving the access of user groups to existing services. Some involve elements of both.

Similarly, some types of arrangements involve a "package" structure of services which are brought to the target area by having service representatives physically present in the area working closely with counterparts from other agencies. Other examples involve a "network" structure where emphasis is on access, making it possible for people to obtain the services they need, only some of which may be physically located in the area.

Not all of these arrangements are equally relevant for developing countries. Arrangements which emphasize information and referral assume that users are positioned to take advantage of existing services and that most significant services are available. Such arrangements merely establish appropriate linkages between users and services. This approach has limitations in developing countries. Viable service systems may not already exist. Where they do exist, service agencies may not regard the urban poor as a primary constituency. Many chronically poor or new migrants may be unfamiliar with the range of services available. Their ability to negotiate with the existing system is limited, and the time and manpower required to develop these linkages may be prohibitively expensive. In these cases, it may be more efficient to concentrate on improving service systems rather than on improving access to systems which do not exist or are inappropriate.

2. Bureaucratic Rigidities Tend to Impair Attempts at Coordination

The readiness of service providers to involve themselves in cooperative arrangements is a principle determinant of how effectively integration can work. Individual agencies have their own attitudes, budgets and priorities which they may not be willing or able to amend to accommodate IIPUP. Inter-agency planning may help to rationalize service arrangements, but it does not generally achieve a direct and immediate impact. More direct coordination is more difficult to achieve.

3. Integration Can Increase Rather Than Reduce Program Costs

Integration is often justified by its alleged cost effectiveness since it avoids duplication of service and reduces administrative overhead. However, integrated projects in the United States have not always accomplished this purpose. The coordinating agency often represents another administrative layer or at least an additional staffing requirement. In most cases, for integration to actually reduce administrative costs, participating agencies would have to give up personnel and resources to support a new agency. Most agencies are naturally reluctant to do this. This may be a particular problem in developing countries where government employment is sought and given as a political reward. Existing agencies will resist attempts to streamline their operations by reducing jobs. In many countries, an implied responsibility of the public sector is to provide employment. Organizational efficiency may be a secondary concern.

4. The Inclusion of a Wide Range of Services Has Both Advantages and Disadvantages in Assisting Target Groups

Maximum inclusion seems feasible when projects focus on giving information and linking clients to services. Possibilities for conflicts and confusion are less likely to occur when the priorities and structures of existing provider agencies are not disturbed. However, when more profound changes are required which involve a co-mingling of services and new lines of authority, the inclusion of a number of project components compounds administrative difficulties. It can heighten jurisdictional wrangling to the point that more energy is absorbed in protecting agency "turf" than in responding to client needs.

5. Actions Taken to Improve Coordination Among Services May Achieve Better Cooperation at the Administrative Level Without Necessarily Having an Immediate Impact on Client Groups

This is especially true where the urban poor have not traditionally been an important target of an agency. Administrative arrangements aimed at coordination may only be an initial step in a long range process of increasing service effectiveness. Project planners and administrators should not expect to see immediate benefits to clients as a result of integration. There is a clear trade-off between the amount

of energy that should be invested in improving administrative arrangements and the need to meet compelling needs with urgent solutions. In most situations, the effort to improve service delivery should occur on both fronts. Efforts to improve long term planning and administration should be combined with more direct client oriented activities that yield quick returns.

6. Considerable Organizational Leadership is Required for Making Integrated Projects Work

Experience suggests that considerable leadership and diplomacy is needed to erode bureaucratic constraints. The success or failure of a program often depends on the strength of its leader. Much of the task of strengthening integration among agencies working with the poor must focus on training and organizational development. This will be examined in greater detail in subsequent chapters.

7. New Organizational Arrangements Require High Level Political Support

The instances of agencies voluntarily divesting themselves of authority to serve the larger goal of program integration have been rare. IIPUP efforts will frequently require new organizational arrangements. This implies that they must have high level political support, especially where new arrangements are required. Because new organizational arrangements are frequently required, the prospects of experimental coordinating arrangements continuing after IIPUP's seed money is withdrawn must be considered. Continuation may be unlikely without meaningful local support. There are numerous examples of project coordination terminating with the withdrawal of special funds. AID's specific role in fostering integration may be especially difficult because it will be somewhat external to the system and may lack the leverage needed to translate experiments into ongoing systems.

8. Administrative and Funding Arrangements Should Complement Each Other

Integrating units which rely only on their good offices to achieve results have been generally less impressive, especially in developing new or better service for client groups. Units which depend on voluntary contributors have also generally been less successful. Units with their own funds have had greater impact. This is considered in greater detail in the following section.

9. Readiness to Participate in IIPUP  
May Be a Crucial Factor in Determining  
Success

Organizations which are not prepared to surrender some autonomy to a coordinating authority or to cooperate with other agencies will be poor partners in an IIPUP project regardless of how important their input may be. Likewise, the readiness of user groups to participate in integrated projects is important. User side assistance, for example, would be of limited use for groups which are too depressed socially to take initiative in seeking social services. Information and referral systems may also be inappropriate for groups who lack familiarity with public assistance agencies or who are cynical about their responsiveness. The kind of integration adopted to achieve IIPUP's goals, therefore, must be especially sensitive to the culture of the organizations which it proposes to bring together as well as that of the client groups it proposes to serve.

10. Maximum Advantage Should be Gained  
from Existing Programs

IIPUP programs do not necessarily require creating new institutions. Many of the facilities and services needed may best be provided through existing programs. Indeed, one of the underlying principles of IIPUP programming should be to help target groups integrate themselves into normal (improved) systems of public and private facilities and services, rather than to encourage them to retain their identities as "IIPUP" clients. IIPUP should be building bridges between marginal populations and the rest of society, not creating islands of improvement. It should be designed to make itself unnecessary in the long run.

Coordinating entities may serve an important catalytic role at the national, regional or municipal levels, but they generally lack the expertise to undertake direct implementation. In a recent planning exercise in Medan, Indonesia, the municipality accepted the need to coordinate social services with housing programs, but it recognized that it was unable to provide most services directly. This had to be arranged with national service agencies.

11. Ensuring that the Priorities and Capacities  
of Target Groups are Taken into Account  
Should be a Major Concern

User oriented integration has this as its primary objective. Community priorities are also important for programs which involve more direct intervention in the services delivery system.

P A D C O

Adequate involvement of the target community in the planning of the project, as well as its implementation, is likely to be essential, not only to the initial success of the project but also to its sustained impact. Households should have an opportunity to be informed of the alternative "packages" of facilities and services available, the costs of each package and the kinds of benefits which can realistically be expected in each case. In a recent project, the target community was consulted in the early stages of planning and the proposed project components and their potential benefits were described by representatives of the two principal agencies concerned. The response of the community was, basically "it sounds fine. We are willing, in principle, to participate, possibly even to donate labor. But tell us two things now -- what will the costs be (what will be our monthly payments), and when will we get title to the land?"

## V. POSSIBLE FINANCING ARRANGEMENTS

### A. THE IMPORTANCE OF FINANCIAL VIABILITY

Financial viability is important because of the concern with longevity of delivery systems and the replicability of IIPUP programs. In general, projects should be designed so that the costs of programs can be recovered. This means that the standards of both physical improvements and services must be designed to be affordable. As noted below, it may be easier to recover the costs of physical investments such as housing and infrastructure than social services. However, services which may lead to the production of income such as vocational education or public transportation should also be considered for cost recovery.

In all cases, it is especially important to assure that secure funding sources exist for all of the services and support activities proposed for an IIPUP program. While absolute guaranties of funding sources over time cannot be secured in most instances, the vagaries surrounding the project's long term financial prospects should be minimized. This will depend in part on the compatibility of the project with national and/or state program priorities and the allocation of sufficient public funds to certain sectors or programs.

The need for financial viability could conflict with the degree of required coverage to meet the needs of a particular target group. For example, a comprehensive health program which includes preventive health care services might initially add substantial costs to health care. The cost of health services might ultimately be reduced, but time would be required before impact would be noticed and the economic benefits of the project realized.

The integration process may improve the financial viability of services compared to what the services would cost if provided independently. A water supply and drainage project can be integrated with a project in urban agriculture so that waste water is recycled for irrigation, thus reducing costs for the agriculture project without any significant increase in the cost of the water scheme. In other instances, integrated delivery systems (e.g. combined personnel, office space) can reduce duplication and waste. This is, however, not always true and should be considered for each IIPUP program independently.

## B. COST RECOVERY AND PROJECT TYPES

Many components of IIPUP projects can be financed through credit to beneficiaries and recuperated. This is especially true of physical projects such as shelter improvement and infrastructure installation. Although not without difficulties, a number of mechanisms exist for extending credit for these improvements and recovering costs. Although it is most common to recover costs for on-site improvements (land, shelter, utilities connections, etc.), means also exist to recover the costs of improvements in off-site infrastructure and facilities.

Costs can be recovered from many other IIPUP project types. Small businesses can be charged for the costs of space and facilities, technical assistance and credit. Where technical assistance is provided in connection with credit programs, its cost can be added to interest or other credit charges. The costs of other types of employment assistance can also be recovered. In some cases, vocational training can be financed by loans which are paid by subsequent earnings. Daycare facilities for working parents can be supported from the parents' increased earnings.

Direct employment by government could involve a considerable public financial burden. However, in many cases, unemployed people from the target groups can be employed on projects which would have otherwise been undertaken with less labor intensive means. Much of the cost of infrastructure and other works undertaken to employ the urban poor can itself be recuperated from the ultimate beneficiaries.

The cost of some informal adult education can be recuperated, particularly some types of vocational education, but this may be difficult. Public education is generally provided free of charge in most countries, including much adult education. Cost recuperation for basic education services focused on lower income groups may not be socially feasible or desirable.

The physical improvements in basic sanitation projects (water supplies and sanitation) may lend themselves to cost recuperation. However, to the extent that these projects are focused on the poorest groups, cost recuperation may be difficult. It is more difficult, for example, to recover costs for community water and sanitation facilities than for systems involving individual connections and facilities. The provision of basic sanitation to the lowest income groups free of charge may be justified by benefits to the rest of society (e.g. reduced social unrest and epidemics) as well as by the improved distribution of services to lower income groups.

It is neither feasible nor appropriate to charge the urban poor for most health services, especially preventive outreach services in poor communities and informal health instruction. This is also true for more specific programs involving pre- and post-natal care and family planning. To discourage the use of in-patient, curative health care, it may be advisable to charge for these services. However, this is probably not relevant for IIPUP which will generally concentrate on those health services which can be provided at the community level. Cost recovery may be more feasible and appropriate for financing some health facilities such as community health centers. However, in many cases, these too are normally funded from general revenues.

Public transportation services are likely to be important for relatively prosperous urban poor groups (generally Group V). For this reason, it is appropriate that most transportation services be paid for by the user groups. Private sector bus and light rail operations have shown throughout the developing world that these services can be provided on a financially viable basis. Governments should avoid the trap of subsidizing low income development at uneconomical distances from places of work. In many cases, however, credit and technical assistance can be provided to private operators or state corporations to enable them to improve and extend services to benefit low income groups.

Cost recuperation may be possible for many elements of participant mobilization projects. Some project related services such as legal assistance to help the beneficiaries of community upgrading projects secure tenure can be costed into the projects and recuperated as part of the capital cost of the project. In other cases, this may not be feasible. In a major community upgrading project proposed for San Salvador, the community organization services (social promoters) were to be paid from general funding. The cost of community centers, however, was to be paid by the community organizations which were supported by individual contributions.

Cost recovery is neither feasible nor appropriate in special welfare projects for the neediest groups. These services are generally financed from general funding or charitable organizations in order to relieve immediate needs and improve the distribution of services.

Community self-help through the contribution of labor and materials is an important means of reducing cost and avoiding the need for subsidy or cost recovery. Community contributions can be especially important in the construction of physical facilities such as schools, health centers and community centers. It can also contribute towards the cost of roads, drainage and other infrastructure.

IIPUP project planners should be sensitive to the fact that cost recovery is frequently a difficult political issue for governments. Whatever the economic arguments, it may be difficult to charge low income user groups for many types of public services. This is especially true if services and facilities are already being provided free of charge to upper and middle income groups. An example of this was found in the Kampung Improvement Program in Jakarta. Project designers and international lenders initially urged that the cost of community infrastructure be recovered. However, even if a means had existed to recover costs, it would not have been politically feasible to do so because similar infrastructure was being provided without charge in middle and upper income neighborhoods. It may be important to review the financing of infrastructure and services for all social groups to achieve a balance and economic system which does not discriminate against the poor.

### C. COST RECOVERY MECHANISMS

#### 1. Loan Repayments from Individuals

Cost recovery can be achieved through loan repayments from individuals, especially in the case of investments in individual houses such as building materials loans. The costs of additional IIPUP components can be aggregated to the indebtedness of individual homeowners. This can include a *pro rata* share of investments in community infrastructure and facilities. As mentioned above, in some cases services related to IIPUP such as legal assistance can be capitalized on to project costs and recuperated as loans from individual beneficiaries. This implies a careful prior analysis of the affordability of services and facilities by the target group.

There are a number of difficulties in these types of loans which must be overcome. First, low income groups generally lack secure mortgagable tenure as a guaranty for loans. Many IIPUP projects require normalization of tenure prior to the initiation of credit programs. Even when tenure is normalized, it may be politically difficult for governments to foreclose on unpaid loans.

Low income groups generally lack experience with formal sector credit. Although they may be borrowing in the informal sector at high rates of interest, they lack familiarity with established credit institutions which consider them an unreasonable risk. User education is important to reduce the risk of default. In many cases, only direct government lending

or government guaranties can make credit available to these groups.

Even in cases where government is the direct lender for IIPUP improvements, it may be useful for private credit institutions to service the loans. This removes the government from a direct relationship with beneficiaries and may reduce the risk of default. It also provides experience to the poor in dealing with formal sector credit institutions. It may introduce these institutions to potentially profitable operations with a client group that was previously considered too risky.

## 2. Loan Repayments from Enterprises

Costs can also be recovered through loan repayments, especially in the case of loans for the purpose of investment items such as workshops, equipment, tools, etc. This principle is illustrated by the Upper Volta Development Project of the World Bank which will make loans to 1,000 artisans for the purpose of obtaining materials to make fancy implements to be sold in rural areas. Interest rates to artisans will be 8.5 percent per year.

## 3. Utility User Charges

In some cases, the costs of infrastructure improvement, installation and connection can be recovered through utility user charges. In a recent IIPUP proposal for Honduras, for example, individual connections to the water system would be financed from a loan fund. The loans would be recuperated from monthly water charges.

In some instances it may be possible to recuperate the costs of additional community investments through water charges. This could be an especially useful mechanism in situations where loan foreclosure is not feasible and the threat of utilities interruption is the most effective incentive to pay.

## 4. Recuperation through Community Organizations

In some cases community organizations can work to recover the costs of IIPUP project components. Community organizations can collect a *pro rata* share of improvements from each household. This type of cost recovery may be effective where community organizations are representative, and where they have been intimately involved in the planning process. In these cases, the costs and benefits of the project are explained to the beneficiaries at community

meetings during the planning stage. The communities themselves select the types of projects they desire and accept the corresponding repayment obligation. It was found in the case of Zambia, however, that community organizations did not want to be associated with collections which were considered a political liability.

#### 5. Cost Recuperation from Landlords

Cost recuperation in projects involving rental housing can pose special problems. Landlords should be expected to pay for improvements to rental housing and infrastructure. However, they may lack the means to do so (or the incentive to undertake improvements in the first place) if they cannot collect additional rents from tenants. In situations where rent controls are in effect, landlords can be allowed to raise rents if they undertake improvements. In other cases, landlords may be allowed to densify rental buildings to increase their return if they undertake specified improvements. Such incentives to landlords can be combined with more intense enforcement of health and building codes, although existing codes may have to be revised to be more realistic.

#### D. INDIRECT COST RECOVERY

The improvement of local revenue collection and municipal finance systems can be important for generating the means to support IIPUP project components which do not lend themselves to direct cost recovery. While a thorough discussion of municipal finance is beyond the scope of this paper, some specific financial policies and mechanisms should be mentioned which are of potential importance for the financing of IIPUP programs.

##### 1. Valorization or Betterment Taxes

The recuperation through betterment or *valorizacion* taxes on property that is benefited by public investment will permit a more orderly development. It is equitable to recover the capital costs of a project through a special payment assessed on those properties whose value has risen. Once understood, this usually is acceptable to property owners since their benefits will greatly exceed their costs. The benefits to the urban poor are direct and indirect. Directly, it permits the implementation of more programs in low income areas with the monies recovered from previous investments. At the same time, a program of *valorizacion* can permit the

expansion of public activities and can provide a possible mechanism for subsidizing some of the investments required in low income areas. The types of public works that could be considered for *valorizacion* include street paving, sidewalks, public lighting, drainage, bridges, parks, etc.

## 2. Urban Property Taxation

Urban property tax systems in developing countries are sadly deficient. Their potential to mobilize resources, some of which could be used to subsidize IIPUP programs, is generally underutilized. The potential of land taxation to increase the efficiency of land use and to reduce land price speculation is also seldom realized.

Land taxation is often difficult because of the lack of an adequate cadaster to base the tax. This is especially true of low income areas which inhibits the use of land taxation to finance IIPUP projects directly. Where property taxes are used, they may discourage new construction or maintenance if they are levied against improvements or rental values. Site value taxation is preferable in many cases. It discourages withholding idle land from development, and it affords an opportunity to recapture, for public use, increases in land values. It is used in many developing countries, including Jamaica and Mexico. The capacity of local governments to finance IIPUP projects could be considerably enhanced by improved land taxation systems.

## E. FUNDING MECHANISMS TO SUPPORT SERVICES INTEGRATION

The success of services integration will depend, to a large extent, on the degree to which funds can be used to support that goal. The types of funding mechanisms used are, therefore, of critical importance.

### 1. Coordination of Categorical Program Funding

This is the weakest type of funding support for IIPUP, but it can be effective where service programs are complementary and agencies are willing to plan and work together. If programs are complementary, voluntary budget coordination is in the best interest of all the agencies concerned. In these cases, none of the agencies involved loses control of its budget.

An example of this is the Community Development Block Grant (CDBG) program of the Department of Housing and Urban Development. The program is primarily concerned with financing physical infrastructure, but it also provides administrative funding for coordination with complementary programs of other departments. Local small enterprises are encouraged to coordinate with assistance programs of the Small Business Administration. CDBG funds can also be used together with Labor Department funds to promote employment in urban renewal areas. This type of funding coordination is being contemplated for IIPUP programs in several countries.

## 2. Fund Pooling

Various fund pooling arrangements have been attempted in the United States to achieve integration, usually for co-located services. Funds from various government departments have been pooled to finance related services in multi-service centers under the HEW SITO program. However, many problems have developed. Agencies are reluctant to relinquish control over their funds. Frequently they cannot do so by law. Pooled funds usually have to be accounted for in detail to assure that they are spent for the categorical purpose of their original authorization. This detracts from any advantage gained from integration. It is also administratively difficult to accomplish.

In most cases, existing regulations prohibit the use of pooled funds for administration; they can only be used to finance program services. In many cases, the SITO program provided funding to administer services integration on an experimental basis, but when the program expired there was no way to pay administration costs.

## 3. Central Funding

The establishment of a central fund to support IIPUP activities is the strongest type of fiscal support for IIPUP programs, but it may be the most difficult to achieve. Participating agencies have no direct control over funding, but are reimbursed from the central fund as they perform services for IIPUP. Central IIPUP funds can be initiated with government grants and loans, loans from private institutions and foreign assistance grants and loans. They can be held at the municipal or national level as appropriate to the scope of the project.

A central fund has been recommended to finance community improvement and related services in El Salvador. The fund was to finance high priority urban improvements where public

agencies could not do so quickly enough within their basic budgets. Discretion in the use of the fund was to be vested in a central community upgrading entity. The purposes of establishing a separate fund were several:

- It would provide evidence of strong political support for urban poor projects.
- It would provide a device for focusing resources promptly and efficiently on high priority projects in several sectors.
- It would keep the accounting for low income projects distinct from other accounts.
- The availability of a special fund for low income projects would encourage executing agencies to participate in projects for the poor which they might otherwise have avoided due to lack of funds.

The central fund was to be capitalized in part by the government, in part by international donors and in part by deposits from autonomous public institutions holding excess liquidity.

## VI. LEGAL FRAMEWORK

At least three components of the legal framework should be utilized together to support IIPUP programs:

- The institutional laws and regulations which are needed to establish the governmental machinery for IIPUP and define the responsibilities of entities in the public sector.
- The laws and regulations defining private rights or regulating private activities associated with or relevant for the program.
- Related legislation -- which is linked only indirectly with the program but which has a potentially great impact on the well-being of low income groups.

### A. PRINCIPLES FOR THE ESTABLISHMENT OF AN APPROPRIATE LEGAL FRAMEWORK

#### 1. Feasibility

The regulations and procedures utilized must be feasible economically and socially for IIPUP target groups. The standards established for legal development must be within their economic means. Both standards and enforcement procedures must be consistent with their lifestyles and social practices. Judicial and quasi-judicial processes must be accessible and comprehensible.

#### 2. Equity

Laws and regulations established to support IIPUP programs should not be discriminatory among low income groups; nor should they discriminate unfairly against other groups (for example, by establishing simplified procedures for land acquisition in order to expedite the implementation of IIPUP projects but in so doing undermine the property rights of other groups not eligible for IIPUP support).

#### 3. Efficiency

The laws and regulations used should be efficient in the sense that they are inexpensive to administer, relative to

their effectiveness and in the sense that their application does not induce unnecessary costs for the individuals and groups affected by them. The economic costs of unnecessarily complex procedures can be very high because of the high opportunity costs of underutilized capital. Lengthy and/or complex procedures can also encourage economic distortions as well as inequities because they facilitate corruption and evasion.

#### 4. Minimal Change

The changes introduced into the existing legal framework for the purposes of IIPUP should be as limited as possible. They must be politically acceptable. They must be administratively digestible. Moreover, it often is possible to achieve substantial changes in the position of the poor through an integrated series of relatively minor changes in individual laws and regulations reinforced by other measures. This was the approach adopted recently in recommendations for a program for the upgrading of existing low income settlements in San Salvador, El Salvador: it has been proposed to strengthen the bargaining position of low income households in their attempts to obtain legal title to land by simplifying the requirements for legal sub-division and providing greater access to credit for the purchase of land -- instead of attempting large scale public land acquisition which would have constituted a drastic break with tradition.

#### 5. Flexibility and Openness

Because of the many uncertainties as to what will work and what will not work in low income development, laws and regulations should be flexible to provide opportunities for socially constructive initiative and innovation in their application. They should provide room for administrative discretion in order to facilitate intelligent administrative responses to unforeseen conditions. There is frequently a tendency to assure accountability of funds through rigid regulations. The result can be a more cumbersome system of which the poor are invariably the victims. To the extent possible, regulations should be formulated as performance standards, indicating the social objectives to be fulfilled and leaving open the question of precisely how they are to be fulfilled, rather than as rigid prescriptions which impose the same solutions on all whom they affect. Legislation and regulations should also be open in the sense that they can be modified relatively easily through due process as conditions change. Change will be the rule, rather than the exception, in the evolution of IIPUP programs.

THE TYPES OF LAWS AND REGULATIONS  
LIKELY TO BE RELEVANT FOR IIPUP

The following comments do not attempt to be exhaustive, but they will serve to indicate the principal types of instruments which should be considered in creating the legal framework for an IIPUP program.

1. Laws and Regulations Needed to Establish  
the Governmental Machinery for IIPUP

(a) The laws or administrative decrees establishing IIPUP and any special fund(s) associated with the program. The law or administrative decree establishing the program should include:

- A definition of the program's goals and purposes.
- A general definition of the subject matter to be dealt with in the program.
- A designation of responsibilities for policy making, planning, implementation, evaluation and supervision -- with a clear definition of the powers and responsibilities of the entities involved, including the powers of the principal planning and executing entities which will enable them (at least in principle) to achieve the coordination necessary in the program.
- An identification of the other principal laws and regulations relevant for IIPUP.

The law or administrative decree establishing special funding for IIPUP, if there is to be special funding, is likely to have to include:

- A definition of the general purposes of the fund(s).
- An identification of the sources which can be drawn upon to provide capital.
- A definition of the specific purposes for which the fund(s) can be used.
- Guidelines for or specific restrictions on the use of the fund(s) for each eligible purpose

(for example, requirements for cost recovery, terms for loans and grants from the fund, etc.).

- An identification of the entity responsible for the administering of the fund(s) and its specific powers and responsibilities.
- An identification of other laws and regulations relevant for the administration and use of the fund(s).

(b) Modifications in the laws and administrative decrees which define the powers and responsibilities of entities expected to participate in IIPUP. The laws and regulations affected will, of course, vary from country to country. A fairly typical set might include:

- Modifications in the laws governing the acquisition and disposition of land for public use or public purposes. (These modifications might, among other things, add IIPUP projects to the list of specified public purposes for which land can be expropriated.)
- Modification of statutes governing the administration of existing social service programs to determine whether they are unnecessarily restrictive regarding groups to be served, kinds of services to be provided and eligibility requirements for participation. Often categorical aid programs are unwittingly narrowly focused and thus are not amenable to being integrated into programs which have more open-ended objectives such as serving the urban poor.
- Modifications in the regulations governing the annual budgeting of participating entities, requiring them to allocate a part of their budgets to IIPUP, with the amount to be determined each year by the IIPUP program adopted for that year. Even where some joint funding is achieved, regulations may have to be changed so that categorical funds can actually be pooled and that the requirements for accountability from participating entities are not overwhelming.
- Modifications in the law(s) governing the powers and responsibilities of state and/or local governments to enable (or require) them

to assume responsibility for IIPUP or specific aspects of IIPUP. This may include, for example, their taxation and other revenue-raising powers.

- Modifications in the regulations governing the formal credit system to ensure or facilitate flows of funds into IIPUP on terms which will make it possible for the program to be financially viable and at the same time economically feasible for its target groups.
- Modifications in the laws or regulations governing participating entities to enable them to use the special fund(s) available for IIPUP.
- The introduction of legislation to permit relevant public entities to use betterment charges (called *valorización* in Latin America) for the financing of the capital costs of infrastructure and other public improvements appropriate for this type of funding.
- Modifications in the regulations governing the provision and pricing of public transportation to ensure adequate levels of service to low income areas, achieve efficiency in scheduling and help to ensure the financial viability of services.
- The introduction of a law or administrative decree or the modification of an existing one to provide for free or low cost legal services to be made available to IIPUP target groups and their members to assist them in acquiring titles to land, to help them acquire secure rights as tenants, to help them to negotiate more effectively for services to which they are entitled and to assist them in litigation.
- Develop regulations with respect to the allocation of personnel to enhance the possibility that programs oriented toward the poor will be served by personnel who are as well-qualified or better qualified than those serving more affluent groups. Often persons in cadres which provide the staffing for public assistance programs avoid assignments in areas where problems

are more complex and working conditions more onerous. Possibly, incentives can be given to personnel willing to work with the urban poor. Such arrangements would involve affirmative regulatory measures affecting the assignment of personnel to agencies serving the urban poor.

## 2. Laws and Regulations Defining Private Rights or Regulating Private Activities

The types of laws and regulations likely to be relevant in this category include:

- Laws, regulations and procedures pertaining to the transfer of property rights and the registration of rights in real property. For example, it may be necessary to modernize, simplify and accelerate procedures for title registration in order to enable low income groups to acquire secure titles and to discourage multiple mortgaging and other illegal practices which result in clouded titles or otherwise inhibit the participation of the poor in the formal real estate market.
- Regulations governing land use and construction. In many cases, it is likely to be necessary to introduce lower standards for the sub-division of land, the installation of infrastructure and residential (and possibly other) construction to reflect the real economic capacities of low income groups and enable them to participate in legal land use, thus entitling them to receive public urban services which they are presently denied on the grounds that their settlements are illegal. Often it will be desirable to provide the progressive upgrading of settlements in stages consistent with the economic capacities and social practices of IIPUP target groups. This has been done already in Bogota, Colombia, and has been recommended recently for the modification of land use regulations in San Salvador, El Salvador.\*

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\* EDURES, (Estudio de Desarrollo Urbano y Regional de El Salvador), Ministerio de Planificacion y Coordinacion del Desarrollo Economico y Social, Gobierno de la Republica de El Salvador. A Program for the Integrated Improvement of Critical Metropolitan Areas in El Salvador, Document No. 25, Final Report, Vol. 1, San Salvador, El Salvador: EDURES, May 1978, Chapter IX.

- Regulations governing basic sanitation in residential space. It may be necessary to modify these regulations to achieve standards which are economically realistic for landlords providing rental space to low income groups at rents they can afford to pay, at the same time achieving sanitary conditions which are acceptable from the point of view of tenants and the community at large. More modest standards may also be easier to enforce than existing standards which, though relevant for middle and upper income residential areas, are simply unenforceable in low income areas.
- Regulations governing the rights of tenants in residential rental space.
- Regulations governing the standards to be achieved in the public and private provision of primary and secondary education and vocational training.
- Regulations governing the standards of service and hygiene to be achieved in the public and private provision of health services.
- Regulations controlling the prices of commodities important for low income groups (including, for example, the regulation of residential rents. Frequently, rent controls have been introduced with the intention of ensuring an adequate supply of decent rental space for low and middle income groups, but the rent levels established have been economically unrealistic and the net effect has been very negative, resulting in the deterioration of existing rental space and the discouragement of the construction of new space. It may be advisable to remove such controls immediately, or in stages coordinated with other measures designed to encourage the improvement of new rental space. This has been recommended in El Salvador, for example.\*)
- Laws and regulations which provide incentives for increasing the supply of commodities important for IIPUP target groups. (For example, the introduction of incentives for increasing the

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DURES, op.cit., Chapter V.

supply of land and shelter -- through the legalization of higher residential densities than those presently considered acceptable and improvements in the urban property tax to encourage a more efficient use of land and discourage the withholding of land for speculative purposes, coupled with other measures suggested earlier -- the introduction of economically feasible development standards, the elimination of rent controls and the introduction of betterment charges for the financing of infrastructure.) This also has been proposed for San Salvador.\*

- Laws and regulations governing the creation and operation of cooperatives and other forms of communal organization.

### 3. Related Laws and Regulations

Some of the laws and regulations which need to be modified may be concerned with aspects of public or private powers, rights and activities which are related only indirectly to the improvement of conditions in low income settlements but which nevertheless can have a substantial impact on the well-being of IIPUP target groups. Changes in some of the laws and regulations in this category may have a significant impact on other groups and on national or local macro-economic conditions. These other potential impacts should be evaluated, together with the expected impacts on IIPUP target groups, in deciding whether or not to introduce such changes. The following are examples of laws and regulations of this type:

- Laws providing for the introduction or improvement of urban cadastral surveys. From the point of view of an IIPUP program, this may be desirable as a basis for modernizing property records, facilitating the introduction of betterment charges for the financing of infrastructure and the upgrading of the property tax to improve the functioning of the urban real estate market. Although it often will be difficult to get political support for such a change for obvious reasons, the results have been dramatic where sound cadasters have been introduced -- in Medellin, Colombia, for instance, and more recently in Tegucigalpa, Honduras.

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\* EDURES, op.cit., Chapters II, V, VI and IX.

- The legislation governing the urban property tax. It may be desirable to increase urban property tax rates to generate more funds for IIPUP. Increases in private property values in urban areas are partly the result of public investment; recouping part of the capital gains generated by such investment is a very reasonable way to finance IIPUP and other socially beneficial programs. In addition to being an elastic form of tax and a means of recouping for the public sector increases in value attributable to public action, the urban property tax, if properly designed and administered, can also encourage the efficient use of urban land, as noted earlier.
- Legislation and regulations concerned with working conditions and minimum wages. Modifications in these may be a potentially useful way to improve working conditions and increase incomes for IIPUP target groups, but the likely impacts of changes of this type need to be analyzed especially carefully because they may increase production costs without inducing increased revenues or otherwise burden employers and thus discourage the creation of new job opportunities. In many cases, employers have tended to work existing employees for longer hours, or even reduce their labor force, when "improvements" in labor legislation have been introduced.
- Industrial licensing laws and regulations. In some countries, import licensing, for example, is tied to capacity rather than production. This may encourage the development of a secondary market for imported materials and further concentrate wealth but does very little to increase employment opportunities so that its overall impact on the urban poor is negative.
- Laws and regulations designed to encourage the establishment of small scale enterprises under highly competitive conditions. Legal measures of this type may help to keep the prices of essential consumption items low at the same time as they encourage the generation of additional job opportunities for members of low income households.

- Restrictive laws and regulations which have a generally negative impact on IIPUP target groups. It may be desirable, for example, to repeal regulations which attempt to restrict or prohibit street vending -- measures often introduced simply to "improve" the appearance of central city areas for tourists and the elite or on the grounds that the removal of vendors will facilitate pedestrian traffic movement. Such regulations are fairly common; they have been applied with varying degrees of success in Karachi, San Salvador and Port-au-Prince, for example -- in each case with a negative impact on low income groups, at least to the extent that they have been enforced.
- Import and export regulations and tariffs which affect choices of technology and, in particular, decisions on degrees of capital intensiveness. Often these are structured to protect and encourage domestic (and inefficient) enterprises using capital intensive technologies.
- Laws and regulations designed to protect or improve environmental quality. Legal measures of this type, designed to control the discharge of wastes into rivers and stream beds, the dumping of solid wastes and the pollution of groundwater often are relevant for types of areas where low income groups settle by default (near river beds, on or near garbage dumps, in areas where shallow wells can be dug easily, etc.). Protective legislation, if economically realistic and well-administered, can help to improve the immediate environmental conditions of the poor at the same time as it improves conditions indirectly for the community at large.

#### C. STRATEGIES FOR INITIATING CHANGES IN THE LEGAL FRAMEWORK

The large amount of potentially relevant legislation and regulations serves as a reminder of the complexity of IIPUP programs. It serves also as a reminder that in the early stages of a program it is likely to be possible to modify only a small set of the relevant laws and regulations. The strategic selection of the instruments to be changed will be important to the full effectiveness of IIPUP activities; moreover, attempts to change intractable legislation or regulations may threaten the entire IIPUP effort.

In most situations, it will not be possible to introduce major new blocks of legislation and regulations which are designed explicitly and exclusively to benefit IIPUP target groups. A useful general strategy may be to seek out the administrative regulations which can be modified in relatively inconspicuous ways to change the "rules of the game" in the various marketplaces in which low income households negotiate to obtain the services they need. In some cases, it will be necessary to seek modifications in legislation also, but administrative rather than legislative instruments are usually more susceptible to change. As a part of this strategy, it will be useful to look for changes which will benefit other groups as well as the poor.

The specific instruments which will be most amenable to change and most effective from the point of view of IIPUP program needs will depend upon the particular institutional system involved and current political priorities. However, it is possible to identify, among the many potentially important instruments listed in the previous section, several which are likely to be useful in a number of countries to spearhead improvements in the legal framework.

A key area of concern will be the administrative provisions made for the IIPUP program itself -- which may require the creation of a new special-purpose entity and the legislative decrees associated with this. As a general rule, the creation of a new entity should be used as a last resort and only where all existing entities are functionally inappropriate or too weak to assume responsibility for the program. The creation of a new entity is likely to require the passage of special legislation. It is likely to drain skilled administrative manpower from other entities. And it may hinder, rather than facilitate, coordination and efficiency in government. As an alternative, it may be possible to strengthen a weak existing agency -- for example, a public housing agency which has considerable technical capacity but which has been focusing on conventional middle and lower-middle income housing and can be redirected towards the improvement and development of low income settlements.\*

A second potential area for the selective modification of legislation and/or regulations which often can be subject to early action is in the redefinition of the responsibilities of entities potentially relevant for IIPUP. The existing administrative decrees establishing their responsibilities may be defined too narrowly to permit (or require) them to

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\* This strategy has been proposed and tentatively adopted in El Salvador for the improvement of critical low income areas in San Salvador.

provide services for low income communities. A further useful device may be to enable the agency with principal responsibility for IIPUP to enter into contractual agreements with public, as well as private, entities for the provision of specific facilities and services in IIPUP projects -- with the IIPUP agency, in effect, providing a part of the budgets of the other agencies in the years in which they participate in this way.

It may be desirable also to modify banking and credit regulations to permit (and encourage) formal credit to be extended to low income groups. Analyses in several countries suggest that it is possible to extend formal credit to low income groups at market rates, including a special provision for risk, and still have them pay much lower rates of interest than they pay presently in informal credit markets.

An instrument which may take longer to introduce, although it already is being used very effectively in a number of LDCs, is a system of betterment charges (called *valorizacion* in Latin America) for financing the capital costs of basic infrastructure in IIPUP schemes.

The laws and regulations defining private rights and/or providing incentives for private action constitute another area in which selective early action is likely to be very effective. One of the most common problems in existing land use regulations is that even the lowest standards permitted for urban development are too high to be affordable by IIPUP target households. Work in a number of countries -- notably Colombia and El Salvador -- suggests that a lowering of standards, without sacrificing health or other social concerns, can bring low income settlements into the domain of legal, rather than illegal, development and thereby remove low income households from the threat of prosecution, facilitate their obtaining registered titles to land and facilitate their bargaining with public agencies to obtain the services to which they are entitled.

A related area of concern in many countries is the property title registration system. Often these systems are archaic, slow in operation and far from complete in coverage. This is one of the factors which makes it difficult for low income households to obtain formally registered titles. Slow procedures also facilitate multiple mortgaging and other practices which result in clouded titles.

An opportunity for action which may benefit other groups as well as the poor is in the provision of incentives for increasing the supply of low cost rental shelter. This may be supported through the provision of credit for improvements

in, and additions to, existing rental units through the simplification of building regulations and land use controls to reflect the realities confronting low income households and their landlords and through incentives for the construction of new low income rental space (possibly accompanied by the public construction of prototypes to demonstrate what is feasible).

Finally, there may be an opportunity for early action to modify laws or regulations which affect the welfare of low income households generally, although they were not enacted directly in connection with the provision or regulation of low income settlements. As suggested earlier, it may be possible, for example, to revoke regulations which restrict unnecessarily the activities of low income groups (e.g. street vending). It may be feasible also to introduce or improve legislation necessary to permit the cadastral surveys needed for modern property registration and taxation -- both of which are important to the proper functioning of the urban land market and to the raising of public revenues for the improvement of low income settlements as well as other purposes. Regulations which presently discourage the generation of additional employment for low income household members (for example, those which subsidize, directly or indirectly, the importing and use of capital equipment and thereby discourage the use of more labor intensive production technologies) may take longer to modify than the other instruments suggested here, but improvements in them may be important to a better utilization of resources from a national economic point of view, at the same time as they benefit the urban poor through the generation of additional employment.

The introduction of an IIPUP program at the national level may provide an opportunity and act as an incentive for the rectification of longstanding deficiencies in a variety of laws and regulations which will benefit the community as a whole, not only IIPUP target groups.

## VII. IIPUP EVOLUTION AND THE NEED FOR FLEXIBILITY

The concept of IIPUP stresses comprehensiveness and integration. This concern is largely an outgrowth of failures and frustrations with programs which have focused on only a few types of action (for example, water supply, sanitation and shelter or water supply and sanitation alone) in response to what have appeared to be the most urgent needs in particular situations. In some cases, especially where the arguments for comprehensiveness and integration are used also as arguments for the creation of a new special purpose entity, this may reflect a desire to bypass existing bureaucracies which are cumbersome, inefficient or corrupt. It may also reflect a desire for new empire building.

The plea that facilities and services should be more comprehensive and better integrated is appealing. However, the apparent appeal of comprehensiveness and integration should be scrutinized carefully and critically in each new situation. There are several reasons why it is likely to be difficult or impossible to achieve either quickly.

First, the priorities of the target groups who are supposed to be the beneficiaries of a program may be focused on just a few of the issues addressed by a comprehensive agenda -- perhaps employment, the securing of titles to land, improved water and sanitation and the maintenance of a tight limit on fixed monthly expenditures. They may be simply uninterested in and/or not sufficiently mobilized and organized to absorb a more ambitious program. They may also distrust ambitious projects which not only promise great achievements but also would place upon them a considerable burden.

Second, some of the features of IIPUP programs are innovative from the point of view of both the target groups and the governments involved (for example, where they involve the introduction of new types of physical layouts for settlements, the use of new forms of domestic fuel, new forms of household credit or new forms of community organization). Considerable experimentation is required to determine what is socially and administratively, as well as economically, feasible.

Third, the individual public entities which would have to deliver many of the services in a comprehensive program may need to be considerably strengthened before they can be ready to participate.

Fourth, the task of coordinating the variety of entities required for comprehensive coverage and for the integration of their individual contributions in policy making, planning, implementation and evaluation is formidable. It is rarely achieved in the so-called developed countries with well established administrative systems, let alone in the developing countries in which many of the potentially relevant entities are in the early stages of their own evolution.

Fifth, many governments, even those which are facing up to the growing problems of rapid urbanization and urban poverty realistically, still have a majority of their population living in even more desperate conditions in rural areas and cannot instruct their executing agencies, already overloaded, to give urban projects the additional priority implied by IIPUP.

Sixth, some governments are unwilling to encourage the kind of community mobilization and participation that the successful planning, execution and maintenance of an IIPUP program requires.

Faced with these realities, it is necessary to think carefully in each situation about the sequence in which program components might be introduced. In some cases, it is necessary simply to be satisfied with much less than full comprehensiveness or integration, more or less permanently. That may be all that is sensible in relation to the real priorities of target groups and the economic and administrative context of a particular country.

Because of the above constraints, there are several aspects of program development in which gradualism and flexibility may deserve attention:

- In selecting the target groups on which the program is to be focused.
- In deciding on the components to be introduced in individual projects.
- In deciding on the geographic coverage of the program.
- In the institutional arrangements for the program.

#### A. THE SELECTION OF TARGET GROUPS

There are at least two major criteria relevant in deciding which target groups should be focused on first -- the

scale and urgency of the problems faced by each potential target group and the feasibility of dealing effectively with their problems.

All of the urban poverty groups of a country (defined in terms of the U.S. Congressional mandate which refers to households at or below the median income or in terms of the World Bank definition which focuses on the income needed for basic survival) deserve early attention. However, financial and administrative resources are likely to be insufficient to tackle the problems of all of the specific target groups within this broad group simultaneously. Priorities based on urgency and equity may favor the lowest income households. Priorities preoccupied with feasibility and the desire to achieve visible results as a basis for enlisting additional political and popular support for the IIPUP program may favor households in the upper levels of the poverty group.

A fairly typical sequence for selecting target groups might be to begin with groups which are of the second kind, proceed later to lower income groups needing stronger support but still interested in improving their condition where they are and, finally, extending the program to support low income households in rental space. This might well be the sequence adopted eventually in the El Salvador program.\* The particular sequence which makes sense will depend upon local conditions and priorities.

B. THE GRADUAL INTRODUCTION OF PROGRAM COMPONENTS IN INDIVIDUAL PROJECTS

Once a decision is made about the priorities to be assigned to individual target groups it will be important to determine carefully what the priorities should be for these groups (recognizing that preliminary judgments about their priorities are likely to have entered into the decision establishing priorities among groups). The principal factors relevant here should be the priorities and capacities of the target groups themselves, the external effects of action (or failure to act) in target settlements on the rest of the community (for example, the communitywide health hazards likely to result from a failure to introduce basic sanitation) and the economic and

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\* EDURES, op. cit.

administrative feasibility of introducing individual program components.

Some of the organizational arrangements for integration entail a gradual introduction of project components. This is important in developing countries where administrative capacities and political commitment may be slow to develop. A sequence reflecting fairly common target group priorities might be, for example:

- Stage 1: Employment generation with vocational training.  
Community organization.  
Adult literacy.  
Legal assistance.  
Securing of land tenure.  
Provision of credit for land purchases and shelter.  
Upgrading of preventive health services.  
Improvements in garbage collection and disposal.
- Stage 2: Upgrading/introduction of safe water supply, basic sanitation, drainage and erosion control.  
Street lighting and street improvements.  
Domestic electricity.  
Technical assistance for the construction or improvement of shelter and community facilities.  
Improvements in shelter through self-help and mutual aid.
- Stage 3: Credit and technical assistance for small-scale enterprises.  
Introduction or upgrading of primary education.  
Improvement of links with secondary and higher education services.  
Improvement of links with higher level health services.

The particular sequencing which is appropriate will depend, of course, on the specific target groups involved and the situation.

#### C. THE EVOLUTIONARY GEOGRAPHIC EXTENSION OF THE PROGRAM

Because of the experimental nature of IIPUP and the limitations in administrative capacity which are typical of

most developing areas, it will not be feasible or advisable to attempt to launch the program in a larger number of urban areas simultaneously. Decisions as to which urban areas should receive attention first should be based on criteria which includes:

- The scale and urgency of the problems of the poor in individual cities and towns.
- Administrative readiness, including the readiness of the municipalities involved if local government is to play an important role in the early stages of IIPUP.
- Replicability, which will depend upon conditions in other areas.
- The political priorities associated with individual centers.

The first, second and fourth criteria might lead to a decision to introduce the program initially in the largest and/or fastest-growing major city which will often be the capital. If success can be achieved there, a second stage of coverage might include the city with the next most severe poverty problems and a smaller town selected as a pilot area for the purpose of identifying the major differences between desirable project characteristics in larger and smaller centers. In both the larger and smaller centers, the IIPUP program might be used as an entry point for the strengthening of local government at the same time as it is targeted on the urban poor.

In a recently designed IIPUP project in Honduras, the strategy calls for initial pilot projects in Tegucigalpa and San Pedro Sula. These two cities were chosen because they are relatively advanced administratively and because of the relative size and urgency of the problems there. In Tegucigalpa in particular, there is a strong interest in IIPUP, and the municipal government has improved its administration dramatically in the last five years with, among other things, the completion of a proper cadaster, the introduction of *valorizacion* for the financing of infrastructure and improvements in the property tax. The lessons learned from the experiences of these two cities will be useful in setting up the program on a national level through the Community Development Unit of the Ministry of Government and Justice during a second phase.

D. THE EVOLUTIONARY DEVELOPMENT OF THE  
OVERALL PROGRAM

The preceding discussion of sequencing issues serves as a reminder of the desirability of planning at the national level for the overall schedule in which the IIPUP program is expected to evolve. This is particularly important for the institutional development that may be necessary to prepare for the various stages anticipated in the evolution of the program.

The following hypothetical example serves to illustrate this point:

- Phase I:      Analysis of problems.  
                  Program design.  
                  Policy adoption of the program.  
                  Assignment of institutional  
                          responsibilities.  
                  Initial funding.
- Phase II:     Institutional preparation to provide  
                          for initial implementation.
- Phase III:    First pilot project in major city,  
                          with target group(s) with already  
                          established momentum.  
                  Evaluation of pilot project.
- Phase IV:     Second pilot project in major city,  
                          with more difficult target group.  
                  Evaluation of Phase IV.
- Phase V:     Extension of program to second major  
                          city.  
                  Pilot project in smaller town.  
                  Evaluation of Phase V.
- Phase VI:     National extension of the program,  
                          with priorities established in the  
                          context of the national socio-  
                          economic plan.  
                  Continuing evaluation and improvement  
                          of the program.

In this purely illustrative example, it is likely to be desirable to undertake additional institutional preparation in Phase III in order to be able to extend the program to target groups with more intransigent problems in Phase IV. It is likely to be desirable also to begin the strengthening of municipal administration if that is to be the vehicle for

implementing the program in a smaller center in Phase V. During Phase IV, it is likely to be necessary to begin a variety of types of institutional reinforcement to prepare for the extension of the program to all of the nation's urban areas in Phase VI.

#### E. CONTINGENCY PLANNING

Because of the uncertainties inherent in IIPUP, it is advisable to undertake contingency planning for the program explicitly. The key external events which are likely to affect it should be analyzed, and the alternative courses which those events might take should be identified (with probabilities attached to each alternative if this is feasible). A series of alternative strategies for the IIPUP program should then be established, allowing for each of the possible series of events which has been foreseen.

The types of questions which should be addressed in this process include:

- What is the range of resources that can realistically be expected for IIPUP and what should be done if the resources actually available turn out to be at the lower rather than upper end of that range?
- What are the foreseeable responses of the initial target groups to the program and what should be done in relation to each response?
- If public land acquisition is an important feature of the initial projects, what should be done if the necessary land purchases (or expropriation) prove to be impossible or are delayed a year?

Planning for important contingencies such as these should be a basic feature of IIPUP programming -- for the program as a whole and for individual projects within it. The systematic anticipation of alternative possible futures and explicit flexibility in the program are likely to greatly enhance its chances of success.

# PERMANENT FLOOD DAMAGE

## ANNEX I CASE STUDIES

## CASE STUDIES FROM DOMESTIC EXPERIENCE

The following case studies review the experience of several domestic programs with services integration. Because they deal with the problems of integrating services provided by a multiplicity of agencies, all of the cases have some relevance to IIPUP programs. The many difficulties cited in domestic experience with integration suggest that considerable caution should be exercised in developing services integration programs elsewhere.

The Model Cities program was the most ambitious federal program attempting to integrate urban services. It provided large grants for comprehensive programs in cities. It met with very limited success for a number of reasons, including a series of unforeseen obstacles to coordination among government agencies.

The Community Development Block Grant (CDBG) program which has superseded the Model Cities program gives grants for local discretionary use. Because it has a minimum of restrictions and does not establish priorities from above, the program has met with greater success in terms of project accomplishments. However, the government is less able to assure that projects are directed to the poor.

The Department of Health, Education and Welfare (HEW) Services Integration Targets of Opportunity (SITO) program experimented with several different types of services integration. While the results were varied, they showed many difficulties in building interagency linkages.

Title XX of the Social Security Act is another attempt to promote services integration. It combines several previously separate grants into a single funding source and encourages more coordinated planning. This system has met with some success, perhaps because its objectives were limited.

This section also includes a description of the geographic integration achieved by area Councils of Governments (COGs). Some minimal coordination of services is achieved from joint planning and information sharing, but the objectives of coordination in this case are also quite limited.

In the United States, improved coordination and joint planning have worked best when the purpose was to fill a gap in services. They have not worked nearly as well when they have attempted to restructure the existing service delivery system. This is partly because agencies are reluctant to

yield their "turf," even if it would decrease their workload. In the developing countries, many IIPUP efforts will inevitably involve new delivery systems where services do not already exist or where they are not being extended to the target population. In these cases, there is likely to be less conflict among agencies.

One of the major constraints to services integration in the United States has been the existing rules and regulations governing the spending of federal funds. The use of funds is often specified by client group and program category, together with detailed reporting requirements. This leaves government agencies with little room to adjust their programs to meet integrated service delivery plans. In the developing countries, this is less likely to be a constraint. New programs will be less constrained by existing regulations. In many cases, the availability of foreign assistance may be an inducement for changes in existing regulations.

The developing countries have less immediate need for user related services such as information systems, referral and individual outreach. Such systems assume that a basic service delivery capacity is already in existence. This is not the case in most developing countries. There, the emphasis usually should be on building effective delivery systems.

In spite of the differences between developed and developing countries, both will share many of the same difficulties and frustrations in building integrated service delivery systems. Many of the problems relate to the nature of individuals and of institutions which is similar in most countries.

Where some cooperation can be achieved in service delivery, there are serious questions about the cost effectiveness of integration. This points to the need to proceed cautiously with any effort of services integration. A deliberate, incremental approach is most likely to succeed.

A. MODEL CITIES (HUD)

1. Purpose of the Program

According to the enabling legislation, Title I of the Demonstration Cities and Metropolitan Development Act of 1966 (P.L. 89-754), the purpose of Model Cities was to provide assistance for:

"comprehensive city demonstration projects containing new and imaginative measures to rebuild or revitalize large slums or blighted areas, expand housing, improve job and income opportunities, reduce dependency on welfare payments, improve educational facilities and programs, combat disease and ill health, reduce the incidence of crime and delinquency, enhance recreational and cultural opportunities, establish better access between homes and jobs, and generally improve the living conditions of people who live in such areas."

To qualify for grants, cities were required to submit a proposal that described the nature and causes of the conditions requiring correction, explained the proposed approaches for solving the problems in an effective and imaginative way and demonstrated the competence of the city to execute the proposed program successfully.

The legislation has since been superceded by the Housing and Community Development Act of 1974 under which Model Cities type activities can be funded through Community Development Block Grants.\*

Prior to the Model Cities program, the type and organization of federally funded social services varied depending on the administration and on the social climate.\*\* In the 1930s when community development meant funding for public works such

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\* See Block Grant Case Study.

\*\* Community Development and the Model Cities Legacy, Bernard Frieden and Marshall Kaplan, Joint Center for Urban Studies, M.I.T.-Harvard, Cambridge, Mass., 1976.

as playgrounds, the relatively well-to-do communities usually benefited more than the poor. In the 1950s, local and federal funds destined to improve slum communities went into the physical aspects of urban renewal such as highway construction, water and sewer facilities and open space. Lyndon Johnson's Great Society program in the 1960s was designed to alleviate both the physical and the social manifestations of poverty. Between 1953 and 1966, the number and coverage of categorical aid programs had increased significantly. Congress established about 220 new grant programs, more than doubling the total number in existence prior to that time. Most of the programs qualifying for funds had to follow detailed federal regulations which blocked local initiative for solving poverty problems in a comprehensive manner. The cities could not easily make sense out of the sizable inventory of various federal categorical grants. In addition, the success of the principal urban categorical program was questionable. At a cost of over \$3 billion, the Urban Renewal Program had actually decreased the supply of low cost housing in American cities.

The War on Poverty, administered by the Office of Economic Opportunity, was a response to this and an effort to coordinate the operations of numerous federal and local institutions and also to encourage community participation. Thousands of Community Action Agencies were created. However, in many cases, mayors felt that their power was being threatened and demanded that Washington reduce the role of the poor.

The next phase began when President Johnson established the Department of Housing and Urban Development (HUD) to coordinate aid to cities. It was felt that the Executive Office could play a key role in the planning and implementation of urban policies and apply presidential pressure to encourage coordination among uncooperative agencies. A task force was set up to design a coordinated project. However, none of the task force members had sufficient experience with federal agencies and many underestimated the obstacles most agencies would place in the way of reform and change -- especially when agencies felt that their "turf" was being invaded. The task force proposed a demonstration city program requiring the coordination of all available talent and aid.

## 2. Administrative and Financial Aspects

The Model Cities program intended to coordinate levels of government vertically and independent federal agencies horizontally under the direction of HUD, which was newly established at the time. Many of the relevant programs would continue to be administered by other departments and agencies,

but HUD would be responsible for negotiation with those agencies to achieve coordination and policy consistency across departmental lines. The other departments to be involved were not represented on the task force that planned the program.

There were two stages to the program. The first gave municipalities a year to plan a one-year action plan and to set comprehensive five-year goals. The second stage was implementation.

While the cities were responsible for planning the programs, final decision making authority rested with HUD. The weakest link in coordination was the state. Governors were given no role in the program. Applications from the cities did not flow through them and they were not given a voice in selection. After cities had been chosen for participation, federal officials visited the governors to explain the program.\*

During the Model Cities program, there were projects in 145 cities costing a total of \$2,519,320,104 distributed as follows:\*\*

Planning grants:	\$ 22,222,450
Operating funds:	\$2,467,593,901
Technical assistance:	\$ 29,503,753

### 3. User Group Participation

While user group participation was encouraged under Model Cities, it was difficult because of the adverse reaction of government officials to the Community Action Agencies founded during the War on Poverty. Funds were made available for citizens' groups to hire their own professional planners. This was considered more effective than having the agencies' planners work for the citizens because there was often mutual distrust.\*\*\*

In some cases, citizens participated in implementation by finding locations for the project and making staffing

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\* Making Federalism Work -- A Study of Program Coordination at the Community Level, U.S. Department of Commerce Economic Development Administration, June 1969.

\*\* Programs of HUD, U.S. Department of Housing and Urban Development, Washington, D.C., June 1978.

\*\*\* Urban Planning for Social Welfare: A Model Cities Approach, New York, Praeger, 1970.

suggestions. Low level administrative positions became training grounds for low skilled community residents with potential to improve themselves.

It was found that neighborhood residents demanded and maintained more control over new programs that were started in their areas than in programs that were in place before the program began. New programs included the concentrated employment program, the community action program, health and recreation. This was because the more established programs such as welfare, education and police protection were more resistant to change. Citizen control in established areas was impeded by federal and state laws, the administrative interpretations of the laws and local procedural, personnel and program practices.

The descriptions of specific projects which follow this overview illustrate various types of user group participation.

#### 4. Difficulties Encountered

Concentrating federal resources in demonstration neighborhoods and improving the management of the federal grant system under the Model Cities program ran counter to the "deeply ingrained ways of managing programs in Washington."\* In particular, attempts in the following areas fell short of expectations:

- To establish Model Cities agencies as the single entry point for federal aid.
- To simplify the federal review process.
- To make categorical programs more flexible.
- To provide effective technical assistance.

Five overriding factors contributed to many individual impediments. They were: (a) a lack of national commitment; (b) lack of capacity in the cities; (c) lack of community power; (d) ineffective training and technical assistance; and (e) problems of coordination.

Politics of Neglect: Urban Aid from Model Cities to Revenue Sharing, Bernard Frieden and Marshall Kaplan, Cambridge Mass.: M.I.T. Press, 1977.

(a) Lack of national commitment.

(i) A program aimed at changing operating policy or procedures must provide a significant percentage of the total resources of the program in order to be effective. In the case of Model Cities, the federal government, for political reasons, was not willing to concentrate enough funds in a few cities to make the program successful.

(ii) There was not sufficient interagency cooperation at the federal level for comprehensive local programming, and cities had difficulty coping with the federal maze to get funds.

(iii) No provisions were made for existing client groups. By asking agencies to redirect their resources to the urban poor, the existing client groups who were politically important would lose out.

(iv) Even if agencies had wanted to cooperate through focusing programs on the model neighborhoods, it would have been difficult because most of their funds were already earmarked. Out of the HUD budget of 1968 for \$6.4 billion, only \$181 million was not committed prior to the start of the program.\*

(v) It was difficult for cities to take full advantage of the program because of national administrative procedures. One reason was the length of time which cities had to wait after submission of their plans before they received HUD approval, the contract signed and a letter of credit issued. It often took up to eight months during which time key staff left in both the lead and coordinating agencies and residents lost interest. Similar problems were incurred by the lengthy amendment process. There were more delays when cities began detailed negotiations with operating agencies. Mixing federal grants was difficult because a city may miss deadlines for grants while waiting for the preliminary funding for a project to be approved.

(b) Lack of capacity in the cities.

(i) Some cities were tied up by their own operating procedures which required lengthy reviews for all new projects. A study of why New York City was only able to spend half of its first-year grant of \$65 million revealed that purchasing a piece of equipment required 71 steps by 10 city

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\* Between the Idea and the Reality: A Study of the Origin, Fate and Legacy of the Model Cities Program, Charles Haar, Boston, Mass.: Little and Brown, 1975.

agencies; hiring a person required 56 steps by five different agencies; and a contract could not be signed until 12 agencies examined the papers.\*

(ii) Many cities delegated planning to planners whose primary interest and experience was in physical planning. In many cities, agencies such as school boards were not involved.

(iii) In many cases, the Office of the Mayor or Assistant Mayor lacked staff to administer the program. The staff available in the various city agencies lacked experience in planning and managing such a broad range of activities.

(c) Lack of community power. The Community Development Associations had the broad responsibility for coordination at the local level but lacked the power to control any of the agencies they were attempting to coordinate. In the case of the Atlanta program, they looked higher up in the government structure of the city for assistance in control but found the power lacking there also.

Cooperation did not necessarily lead to coordination. In the case of New York City, public and private agencies were willing to discuss with each other and the Community Development Associations issues of welding programs together, but they were not willing to give up any of their staff or authority to insure greater effectiveness of the program.

(d) Ineffective training and technical assistance.\*\*

(i) Members of staffs of implementing agencies below certain sizes were not allowed time away from the performance of routine tasks to learn from the consultants providing technical assistance.

(ii) Several cities experienced massive staff turn-overs during the contract period causing a loss in the impact of technical assistance efforts. In a city where the entire staff left, sophisticated training was terminated and replaced by training sessions for new staff which strongly stressed the rudimentary outlines of the Model Cities program.

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\* "\$65 Million U.S. Slum Aid Snarled in City Red Tape," New York Times, November 11, 1971.

\*\* An Analysis of the Impact of Training and Technical Assistance in Model Cities, Organization for Social and Technical Innovation, Inc., Atlanta, Ga., 1979.

Staff turnover on a less massive scale was also a problem. During a one-year consultant contract in 21 cities, key staff in nine cities who had been receiving or would have received training in planning and evaluation left.

(iii) Where directors were aware of deficiencies in themselves or their product, they felt threatened by the technical assistance consultants who might expose these deficiencies. When directors saw that the technical assistance remedy would be more damaging to their security than the continued existence of the problem, the effect of technical assistance was even more limited.

(e) Problems of coordination. The planned coordination that the program depended on never materialized. In spite of the legislative directive to "insure . . . maximum coordination of federal assistance," no mention was made of specific objectives of coordination or how they were to be achieved. It was felt that a review of all programs affecting a model neighborhood by the Community Development Associations and the mayors would improve linkages between the federal government and the city halls. Some federal agencies, however, did not want their programs reviewed and approved.

There were nine federal departments and agencies administering Model Cities activities which required coordination. At first, informal discussions took place. Then the agencies participated by reviewing the cities' applications. Six months later a Washington Interagency Coordinating Committee was set up. This arrangement was formalized in December 1968, more than a year after the program started, when a group of assistant secretaries and agency representatives was established to set policy and oversee coordination at the federal level. A regional interagency coordinating group was also set up to provide technical and informational services to the cities and to oversee federal agency coordination at that level. A third group at the city level was to assist the City Demonstration Agency in coordinating with other local agencies and solving daily problems. The interagency group, which included the Bureau of the Budget (now the Office of Management and Budget), Department of Health, Education and Welfare, Office of Economic Opportunity (OEO) and the Departments of Justice, Agriculture, Commerce, Transportation and Labor, met and made general agreements, but tangible commitments to coordinate were not forthcoming.

The performance of the regional and local interagency teams was also disappointing. Working groups existed in only a few Model Cities and attendance was irregular. The agency representatives did not have the authority to make commitments to programs. Even HEW, the most sympathetic of the agencies, used Social Security staff who were not the best qualified to represent a task of this sort.

OEO had organized citizens' groups (called Community Action Agencies) under a previous program. They were not subject to mayoral control as would be the Community Development Agencies which could coordinate the Model Cities activities at the community level. Each, naturally, favored its own citizens' groups.

The Department of Labor had two similar programs in manpower training and concentrated employment for poverty areas which it did not wish to integrate with the model neighborhoods and the mayors.

Model Cities participants continued to have to follow all statutory and administrative rules for the various categorical programs. They received no priorities in treatment or funding.

It was hoped that the Model Cities supplemental grants from HUD would attract other major categorical grants to the neighborhoods. The actual annual earmark of "new money" for all Model Cities was roughly equivalent to the Model Cities supplemental grant for two or three medium-sized cities.\* When this did not happen, the cities used supplemental funds for activities that could have been funded under the grants.

A further impediment to coordination was a difference of opinion as to who was an expert in a substantive area. Some functional specialists on the Model Cities staff felt that they knew better what should be done than the office whose expertise covered the area. Rivalries developed between agencies which inhibited coordination.

Haar's comprehensive analysis concluded that coordination was seen by the federal bureaucrats as a way to get control over others' resources:

"Like many supposedly all-technical scientific terms, 'coordination' is not wholly neutral. In part it is -- denoting the elimination of administrative incoherence and of inconsistent and overlapping structures. But it can also have a connotation of empire-building. On occasion departments expressed resentment over HUD having final approval authority of Model Cities plans because HUD, in their opinion, was attempting to control all programs operating in the neighborhoods. From

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\* Guidelines and Goals in the Model Cities Program, Lawrence Brown and Bernard Frieden, The Brookings Institution, Washington, D.C., 1978.

HUD's viewpoint, too, the program opened new horizons of a broader constituency for the entire department and greater influence for its secretary: by coordinating and convening, it could achieve recognition as the department for cities. While to HUD coordination meant the use of other agencies' funds by having them assign top priorities to the model neighborhoods, thereby giving HUD control over those programs for its own objectives, other departments, when not defensive of their own territorial imperative, viewed coordination as a way of using Model Cities funds as a source of extra cash to beef up, in turn, their own programs. In a large number of cities, the City Demonstration Agencies requested HUD to assume costs in programs cut down by other departments. For example, while the Department of Labor was phasing down the Concentrated Employment for Poverty Neighborhoods program, it developed a political momentum of its own, with the result that many applications contained requests that the programs be kept going with supplemental funds. HUD was, in effect, writing out a check to the other departments, whether it liked it or not."\*

## 5. Accomplishments

Although Model Cities did not live up to its expectations, it did have noteworthy successes, especially in comparison to previous federal programs.\*\*

(a) Model Cities agency and other government jobs were opened to the poor due to their required participation. Nationwide, 74 percent of Model Cities employees were model neighborhood residents.\*\*\*

(b) Low income and minority communities increased their political strength as new groups organized and already organized groups became stronger. An outstanding example is Reading, Pennsylvania, where both citizens' groups and city officials have formal veto power over each other. By becoming involved, more residents were encouraged to run for public office. Communities applied pressure to decrease disparities in money spent in various urban neighborhoods -- especially in cases where needier areas had been short-changed.

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\* Harr, p. 169.

\*\* Community Development and the Model Cities Legacy, Bernard Frieden and Marshall Kaplan, Joint Center for Urban Studies, M.I.T.-Harvard, Cambridge, Mass., 1976.

\*\*\* Model Cities: The Lessons Learned, National League of Cities, Washington, D.C., 1972.

An evaluation of Model Cities\* concludes that it was a success in some respects but not in others. The participation of minorities and the poor in government increased, funds were channelled to poor neighborhoods and cities were given more of an opportunity to exercise creativity in program design than in categorical programs. The actual services offered, however, were not very valuable.

The case studies at the end of this section illustrate two programs that were effective at the local level. A systematic analysis of all local programs has never been undertaken.

## 6. Replication

The lessons learned from the Model Cities program indicate that several basic changes in the system of government would be necessary in order to avoid repetition of the problems encountered. The concentration of power necessary for successful implementation simply did not exist. This is evident from the legislation as well as from the implementation attempts. Coordination with agencies other than HUD was needed in the form of flexible program guidelines, earmarked funds and technical assistance. This type of support was not forthcoming in spite of intervention by the Johnson and Nixon White House. The White House, due to statutory constraints and overwhelming departmental resistance, was not able to provide enough sustained support to cut through bureaucratic red tape, rivalry and statutory and administrative criteria.

At the local level, the mayors were committed to the program, but many city agencies were not. While HUD at the national level failed to bring in sufficient resources from other agencies, in the cities the mayors failed to coordinate agencies funded by other federal departments.

## 7. Examples of Model Cities Projects

(a) Educational Services Center (Turtle Creek Valley, Pennsylvania). The Educational Services Center (ESC), the administrative arm of the Turtle Creek Valley Consortium School District Superintendents, Inc., has established a comprehensive learning program. Funds from federal, state and local sources are funnelled through the Center to provide

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\* Marshall and Kaplan, *ibid.*

educational and family services to meet the unique needs of each of the five school districts in the model neighborhood. It includes 11 pre-school centers serving approximately 600 children. In addition, in cooperation with local universities, the ESC staff is establishing five development schools in the valley. These schools use innovative teaching methods which are designed to complement the pre-school program and can be disseminated to other elementary schools in the system.

Recognizing that education must be a cooperative endeavor between the schools, the family and the community, ESC has designed and implemented a project funded by the Pennsylvania Department of Public Welfare to provide family services to complement the pre-school program. Ideas for services are given by the community and cover a wide spectrum of activities, including recreation, adult education, leisure time activities, career counselling and drug abuse education and referral. Local schools are used for recreation.

The local cable television station is used to inform parents concerning the pre-school program so that they can reinforce their child's learning experience at home.

There is a tuition reimbursement program for model neighborhood residents and employees wishing to pursue higher education to increase their job advancement possibilities.

(Source: Lessons Learned from Model Cities, National League of Cities, 1972.)

(b) The Pikesville "Cut-Through" Project (Pikesville, Kentucky). Pikesville became eligible to receive Model Cities funds in 1968 to attack its problems of cultural confinement, isolation, lack of social opportunities and lack of education and employment opportunities. The city is a service center for a population of approximately 200,000 with the potential to become a regional center serving a larger part of southeastern Kentucky.

One of the major barriers to development is a shortage of developable land. Most is used for residential and commercial projects. The "cut-through" would rechannel the river and relocate a highway and the C&O Railroad. This would open up several hundred acres of land for industrial, commercial, residential and civic development. Land and services could put Pikesville in a take-off position for intensive development.

The Pikesville Model Cities Agency served as the catalyst in launching the project. It provided \$395,000 annually in local matching funds to attract additional money from the Kentucky Highway Department, HUD Renewal Assistance Grant Funds, the Appalachian Regional Commission, the Corps of Engineers and a special federal appropriation for the project. Failure of any one of the agencies to cooperate would have hurt the success of the project, but, under the leadership of a strong mayor, all cooperated.

(Source: Lessons Learned from Model Cities, National League of Cities, 1972.)

## B. COMMUNITY DEVELOPMENT BLOCK GRANTS

### 1. Purpose of the Program

A block grant is a grant in a broad functional area distributed by HUD under an allocation system and with a minimum of federal restrictions. Funds are provided to cities, counties, towns and states to develop viable urban communities by providing decent housing, a suitable living environment and expanded economic opportunities, principally for persons with low and moderate incomes. Eligible activities include acquisition and disposition of land; construction of public works and facilities such as water and sewer facilities, neighborhood facilities, senior citizens' centers, centers for the handicapped, pedestrian malls and certain public services; and rehabilitation of housing and economic development activities. Communities may carry out activities directly or contract with non-profit organizations or local development corporations. Social services programs must be directly related to physical improvements.

Block grants finance activities previously funded under six categorical grant programs and Model Cities. The separate categorical programs were water and sewer grants; neighborhood facilities grants; public facilities loans; rehabilitation loans; and open space, urban beautification and historic preservation grants.

### 2. Administrative and Financial Aspects

Eighty percent of the funds are earmarked for cities of at least 50,000 population and 20 percent for urban counties with populations of 200,000 or more. The amount each city is entitled to is calculated by a formula that takes into consideration population, poverty, overcrowded housing, age of housing and growth lag. Local governments that have

participated in certain categorical grant programs but do not qualify for an equivalent block grant were funded for three years at the same level as in the past in order to complete projects already under way.

For fiscal years 1978-80, \$10.95 billion was authorized. More than 1,300 communities received entitlement grants in each of the first two years.\*

The origins of the Community Development Block Grants (CDBG) program can be traced to Nixon's "New Federalism." While the executive branch stressed flexibility, Congress wrote in objectives, restrictions on the use of funds, established application and planning procedures a review by HUD state and regional bodies. State and regional reviewing bodies can make suggestions and comments on the consistency of the programs with areawide objectives, but they cannot veto an application. Reviews are largely perfunctory.

HUD area offices carry out application reviews, performance monitoring and site visits. Applications are automatically accepted if objections are not raised in 75 days. Out of 61 projects in the first two years of the program, only 16 cases were influenced by HUD as compared to 45 cases where HUD had little or no influence. Influence was the greatest in smaller communities with little or no experience in categorical grants.\*\* Applicants are required to estimate their lower income housing needs and address them in the overall community development plan they submit to receive their grant.

### 3. User Group Participation

There is less participation of poor people and minorities under the CDBG program than there was under Model Cities. Lack of participation by these groups has resulted in less money reaching the poor. In some cases, funds have been spent on programs that only marginally benefit the poor while they are directed at the community at large. Others do not benefit the poor at all and are backed by elected officials using the excuse that the poor do not vote.

For example, in Gulfport, Mississippi, local officials actively directed community development funds away from

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\* Programs of U.S. Department of Housing and Urban Development, HUD-214-4-PA2, Washington, D.C., June 1978.

\*\* Community Development and the Model Cities Legacy, Bernard Frieden and Marshall Kaplan, Joint Center for Urban Studies, M.I.T.-Harvard, Cambridge, Mass., 1976.

activities that would help the poor. Residents responded to a city questionnaire by listing their priorities in community development as housing rehabilitation, clearance of dilapidated buildings, storm drainage, streetpaving and lights and new sidewalks. Dissatisfied with these answers, officials sent out new questionnaires. The result of this second survey was that a higher priority was given to building a central fire station. The first station was built. In response to allegations that Gulfport failed to follow its own citizen survey, a HUD review states "The statute makes it very clear who makes the final decisions after it has followed the citizen participation process."\*

#### 4. Difficulties

As mentioned above, loopholes made it possible for cities to avoid targeting money to the poor. Model Cities was HUD's only program designated explicitly for the poor. The principal objective of the CDBG, on the other hand, is the tying together of HUD's urban programs to cut red tape. While in Model Cities funds were channelled to the poor, in the CDBG program they are more likely to go to politically stronger constituents. Between 1968 and 1972, the Model Cities program spent 18 percent of HUD's total community development aid budget in poor neighborhoods. Only 12 percent of this budget goes to such neighborhoods under CDBG programs.

#### 5. Project Accomplishments

The CDBG program is succeeding in simplifying the bureaucratic procedures which cities previously had to go through to get grants. Now, a single application does the work of seven under the previous system.

#### 6. Example of a Community Development Block Grant Program

(a) Community Development Block Grants (Baltimore, Maryland). In the Park Heights neighborhood of Baltimore, the city Department of Housing and Community Development is using block grant money to demonstrate that physical development and community service programs can be coordinated to revitalize a neighborhood. Park Heights is an area containing over 11,000 structures and about 45,000 people. It underwent rapid transition from a middle class white neighborhood to a lower and middle class black neighborhood during the 1960s. By 1973

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\* Frieden and Kaplan, *ibid.*, p. \_\_\_\_.

when the CDBG program started, schools were overcrowded because of a great increase in the number of young people. There was little social infrastructure and the housing stock built before World War II was rapidly deteriorating. Crime and drug abuse were increasing.

HUD requires that Community Development Block Grants be used in a "comprehensive" approach to community development in Neighborhood Strategy Areas such as Park Heights. Several programs have resulted, many of which are operated by the Park Heights Community Corporation (PHCC) which represents the entire community. The emphasis has been on sanitation, education and recreation. The PHCC has used CDBG funds to provide sanitation and education to residents, lead cleanups to which the city has assigned special sanitation crews paid for by CDBG funds, paid the city's Bureau of Animal Control to pick up stray dogs and hired its own rat eradication crew. The city Bureau of Recreation was paid to hire youths to keep recreation centers in the community open longer hours. Space in a public library was rented, supplies bought and salaries paid for the director and for the neighborhood highschool students who served as tutors in an after school tutoring program. The school building has been renovated and the salaries and operating costs have been paid at at the Park Heights Street Academy, a non-profit college preparatory school for 120 14 to 21 year-old dropouts.

Park Heights receives about \$2 million annually, of which about half is used to pay the salaries of 34 PHCC staff and the operating costs of the community service programs.

Baltimore receives a total of nearly \$29 million per year in block grants. Funding is awarded on a competitive basis within the city based on HUD guidelines. Over \$6 million supports 17 programs of the Urban Services Agency which is the successor to the Model Cities Agency and the Community Action Agencies. Another \$1 million funds projects in areas that have not been designated neighborhood strategy areas. These programs include:

- Starting a neighborhood credit union.
- Subsidizing operating costs for a neighborhood design center.
- Matching community funds for the purchase and remodeling of vacant buildings.
- Operating a neighborhood tool bank.

- Supporting scholarships to send promising minority students to top business schools on the condition that they return to Baltimore to work in the business community for a set number of years.

CDBGs have been much more effective than traditional urban renewal in improving communities. It is hoped that the projects will continue when block grant money stops.

*(Source: "Using Block Grant Money for People," Fred Schultz in Planning, American Planning Association Magazine, September 1979.)*

C. SITO (Services Integration Targets of Opportunity)  
EXPERIENCE WITH SERVICE INTEGRATION

1. Introduction

In the United States the organization of human services is generally vertical between a federal agency, a state bureau administering the federal-state program, local offices of the state agencies and client groups. Attempts to strengthen horizontal linkages have met with varying degrees of success. One such attempt was HEW's support of 45 Services Integration Targets of Opportunity (SITO) projects, most of which involved the establishment of state and local interagency linkages in attempts to solve the problems caused by the numerous categorical integrated programs. Of a total of 45 programs funded, ten were "technical studies" and the remaining 35 were planning and demonstration projects conducted by state or local governments or by private agencies.

Final reports or evaluations were available for 19 of the projects. They were analyzed in respect to five aspects of integration in the Human Services Monograph Series.<sup>\*</sup> A 20th project -- the Comprehensive Services Delivery System (CSDS) in Palm Beach County, Florida -- was also included. Although not funded as a SITO project, it was similar to many SITO projects and received HEW financial support.

The results of the program have been assessed to determine the impact of various types of service linkages on the delivery of services. The types of linkages which were evaluated include fiscal, personnel, co-location, planning and programming,

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<sup>\*</sup> Managing the Human Services System, Human Services Monograph Series, No. 4, August 1977.

administrative support, core services and case coordination. Experience was measured in terms of the following goals for improved service delivery:

- Accessibility.
- Availability.
- A holistic approach to clients.
- Responsiveness to clients.
- Impacts on costs and accountability.

As the following sections show, the results of the SITO experience have been varied. The SITO program has shown, however, that it is difficult to build interagency linkages. This process requires political skill and is best approached incrementally. The results also indicate that, while interagency linkages can improve service delivery in some cases, they are unlikely to cut costs.

## 2. Examples of Programs with Fiscal Linkages

The Jonesboro project found that barriers to joint funding were insurmountable. The original plan was to assess each agency a *prorata* share of the cost of staff and services to carry out a particular activity. However, this was prevented by federal regulations and to some degree by state law. Federal agencies insist that their funds be used only for purposes clearly consistent with their legislation. Thus, specific funds can only be used for specially defined groups of clients and specifically defined services.

The Hartford, Connecticut Community Life Association (CLA) project in the early 1970s had a budget of pooled public and private funds for client services. Sources of funds were as follows: the City of Hartford (\$90,000); the United Way of Greater Hartford (\$50,000); the State Department of Aging (\$129,957, of which only \$52,186 was for the pool with the remaining \$77,771 paid for staff and administration); the State Welfare Department (\$342,462); and the Robert Wood 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 type of services that would be purchased and the outcomes that could be expected as a result of the expenditure. Pool funds were

used only for purchase of client services and not for staff or administration. With the combination of funds available, the CLA case managers could issue service purchase orders against the pooled funds to obtain most of the services necessary on behalf of a client. As client needs not covered by pooled funds were discovered, additional funds were sought.

When it was determined that a service was faulty and resulted in dissatisfaction, CLA could turn to another type of service or another source of delivery. In the case of the Personal Care Program, a number of agencies were providing similar services, but CLA provided such a large proportion of business that some adjusted their services to be more in line with CLA needs.

The Community Life Association served as an entry point into the social service system for a wide variety of clients. Even if CLA could not respond to a specific need, the problem was documented in the management information system which could be used to generate a community needs assessment. When a service did not exist, it could be developed. If the service could be financed for expansion or development from the CLA resource pool, efforts could start immediately. If the required expansion was beyond the financing capabilities of the pool, CLA would have the documentation with which to seek additional funding.

The accounting procedures for joint funding proved much more complex and expensive than expected. It had to be assured that funds contributed to the pool would not be used for clients or activities that the donor agency could not legally support. For example, the United Way grant could not be spent on welfare clients despite the fact that they were most needy and made up the majority of CLA's case load.

The inability or unwillingness of donor agencies to remove the restrictions on their funds and a state and city fiscal squeeze brought an end to the project in 1975 when it was unable to obtain further funding after HEW funding expired. State funding that could have been used for CLA was instead used for state budgeted expenditures.

### 3. Examples of Projects with Co-Location and Personnel Linkages

The Comprehensive Services Delivery System in Palm Beach County, Florida, was the only one to report on the cost implications of co-location. They estimated that the project saved the state \$71,602 per year by joint use of conference rooms and other space in the co-located centers. Space utilization in counties where services were co-located was

one-half to two-thirds the space per staff member as in counties having separate facilities.

Experience in the effects of co-location on the accessibility of service to clients is often affected by other events. In Hawaii and Seattle, accessibility was increased simply because the new co-located facility was the first facility placed in the target area. In the Florida Comprehensive Service Delivery Program, co-location was combined with the inauguration of a bus route, thereby increasing accessibility. It is not clear whether co-location alone would have increased accessibility. In Bremerton, Washington, in the Washington Integrated Service Delivery Project, co-location involved moving existing offices to a less convenient location.

In only three of the 12 projects that attempted co-location did it result in increased accessibility *per se*. In the Glasgow, Montana Social Services Agency project, traveling case workers could for the first time use county welfare offices as their base of operations during visits to areas where their own agencies had no office. To cope with the difficulties imposed by the wide geographical area in Glasgow District, small outstations were shared by traveling service workers from several agencies. In rural areas, this type of co-location is as effective as the creation of a multi-service center, particularly if the traveling staff make use of the clerical staff (if any) at the outstations and use paraprofessional staff for outreach, referral, follow-up and case aide functions.

Evidence of the impact of co-location on interagency relationships is also mixed. In the Utah District Five-County Association of Governments Integration project, the staffs of different divisions of the state Department of Social Services were co-located and responsible to a single district manager. There was a strong case manager system. All of these factors taken together resulted in a greater number of informal case conferences between family service and mental health staff. This decreased the duplication of services between family service and mental health workers.

Several projects reported that co-location raised territorial issues between the agencies. In particular, there was tension between the managers of the co-location centers and the line managers of the co-located agencies. The lack of authority of the central manager in Nyssa led to a deterioration in the quality of interagency relations, and the agencies became more segregated. To avoid this the Arkansas program adopted co-location policies which provided for management under the direction of a coordinator instead of by each division manager.

#### 4. Examples of Projects with Planning and Programming Linkages

Eighteen of the twenty projects studied attempted a planning and programming linkage. A frequent problem was that agencies felt that their "turf" was threatened. Of the five projects which successfully implemented joint planning and programming, participation by agencies was voluntary in four. Questions of "turf" were avoided by limiting interagency discussions to new services. In the case of the Seattle project, a voluntary interagency board worked with participating agencies to modify and improve their programs. In two cases, a single manager had authority to enforce coordination. These cases were in East Cleveland and the Utah District project mentioned above. The District SITO project director had authority over all District personnel of the various divisions of the state Department of Social Service.

In eight other projects, joint planning was ineffective or counter-productive. The Duluth, Minnesota Human Resources Planning Coalition (HRPC) planned to bring agencies together for joint planning and programming but ended up giving technical assistance to individual agencies. The HRPC Board of Directors was weak and the agencies disagreed about the goals and means of coordination. In fact, many agencies saw HRPC as a competitor.

The five projects involving multi-service centers also had negative experiences with efforts to coordinate planning and programming. In Hawaii, Nyssa, Devils Lake, Jonesboro and CSDS-Florida, conflict over lines of categorical authority made it impossible for agencies to work together. In the Hawaii Waianae-Nankuli Human Services Center project, multi-service centers were designed without considering the relation of the center managers and division managers. The program was not successful because this issue was never resolved. The evaluation report concludes that "joint planning from the 'bottom up' will not work and that top managers must work out the implications of joint projects rather than leaving the task to the first line supervisors."

#### 5. Examples of Projects with Administrative Linkages

None of the projects evaluated used centralized or consolidated grant management. Three used some central support services such as centralized purchasing, auditing and equipment control, but no information on the impact of these is available. Ten projects attempted to develop common records or information systems for multi-agency use. The systems varied in design and met with various degrees of success.

All of these attempted to use a common intake form containing demographic and diagnostic information and usually the goals of providing service to the client. Only two -- the Devils Lake system (which was successful) and the Polk County, Des Moines, Iowa Integrated Services program were able to gather enough information to determine whether clients were eligible for particular services. Information included referrals made by the intake workers, whether the client reported to the referred agency, which services were provided and billing information. Many of the systems were computerized. In Devils Lake, staff was not trained in how to utilize the information available.

The Polk County system was designed to link eleven agencies. It would "equip intake workers at participating agencies to assess client problems, identify required services, consult a community resource inventory to locate the services needed, gather information concerning eligibility, make appointments for services at other agencies and track the clients' progress through the service delivery system." It was underutilized. The evaluation report lists factors that would be necessary for the success of a similar project but were lacking in this case:

"a high degree of interdependence between participating organizations, facilitative relationships (mutually supportive goals), a high volume of inter-organizational exchanges, standardization of these exchanges, and strong administrative and policy-level support for the linkage."

Consensus support for such a system is at least as important as its technical aspects. The system official changed its focus from interagency coordination to internal management and coordination use by the county Department of Social Services.

No program was able to develop a client information system that could replace the intake forms used by the individual agencies. Duplication led to resistance by agency workers to completing the interagency forms and a drop in system efficiency because of the time required for completing the duplicate forms. In the CSDS-Florida project, it was found that the time required to collect and handle client information increased by as much as 15 percent because of the duplication.

In most agencies, direct service workers preferred to save time by making oral referrals rather than by using the forms.

## 6. Examples of Projects with Core Service Linkages

Core service linkages include outreach, diagnosis, referral and follow-up. Most agencies provide information about services available from other agencies, refer clients to these agencies and may provide some follow-up services. Some projects which attempted to link core services by case coordination are discussed in the section on case coordination. In addition to coordination by case managers and case teams, nine projects attempted to institute some core services on a multi-agency basis.

In Chattanooga and Louisville, the core services of outreach, intake, referral and follow-up were provided by agencies participating in a multi-agency information system.

CSDS-Florida and East Cleveland operated bus systems for clients of several agencies. The Anacostia, Nyssa and Seattle operated outreach units attempt to service potential and current clients of many agencies. The Glasgow project employed a large staff of paraprofessionals who provided outreach, transportation and other services to clients of many agencies. The staff of the Mon Valley project provided core services for several co-located agencies. These services were usually provided in addition to the services already offered by agencies rather than by displacing them. There is little evidence of agencies voluntarily cutting back on their core service activities because a SITO project had begun to provide them.

Client education rather than agency coordination has been the best way of improving accessibility to services. In the Chattanooga Neighborhood Service Center project, suggestions of the delegation of supportive services met with disinterest. The focus was then shifted from the agency level to the client. Door-to-door surveys were made to inform residents of services offered through the Neighborhood Service Centers. In a short period, the number of clients increased by 414 percent.

## 7. Examples of Programs with Case Coordination Linkages

Twelve of the twenty projects discussed attempted some form of case coordination. The varieties were the case team model, a case manager or case coordinator model and some form of regular interagency case conferencing. Case conferencing was found to be relatively ineffective. However, case team and manager linkages increased accessibility,

comprehensiveness and the volume of services provided. The impact of case teams or case managers is greater when they have some control or influence over other agencies, such as the power to purchase services.

8. Example of a SITO Project  
Brockton Area Human Resource Group, Inc.

(a) Background. The Brockton Area Human Resources (multi-service) Center was formed in 1967 as the result of decisions by the Public Welfare, Mental Health, Rehabilitation and Public Health departments to form an integrated multi-service delivery system for the residents of Brockton, Massachusetts. The initial plan involved agreements between agencies to operate a coordinated system of services through the Brockton Multi-Service Center which was to be administered by the Department of Mental Health.

The focus of the project shifted from services integration at the agency level to a system which was client oriented. This development coincided with the availability of funds to establish service integration projects and the general acceptance among human service professionals that social service systems had been too strongly committed to agency priorities at the expense of client needs. Client dominance in determining service priorities was a more appropriate means of organizing social service systems. Thus in 1972, the Brockton project became a Services Integration Targets of Opportunity (SITO) project under grant assistance made available by HEW.

The Brockton SITO project represents a model of citizen control which places citizens in direct governance roles, relies heavily on citizen indications of service requirements and citizen assessment of the adequacy of services. The project's board is comprised of two state legislators, government representatives from ten communities which comprise the Greater Brockton area and at-large representatives of target groups, including various special interest groups.

(b) Administration. The responsibilities of the governing body and advisory group are to seek and secure funding, document performance, approve budgets, determine audit and evaluation procedures, contract with the system manager and conduct community audits.

The delivery system is administered by a single manager who is accountable to the governing board. The project had the same project manager for the first four years of its operation. The manager is assisted in carrying out his work

by client monitors who are the principal linkage between the system and clients. Monitors help citizens to assess their service needs and act as advocates of needed citizen services. Monitors do a fairly complete inventory of citizen needs through a Problem Oriented Record System (PORS) which records data on a range of problems, including physical and mental health, employment, family planning and legal difficulties. By feeding this data into a central information system, gaps in services required for individual clients can be identified. By aggregating data from individual client profiles, the system manager and the governing body can determine what service needs are most frequently demanded and gauge whether the provision of services is adequate to meet demand.

(c) Funding. The user participation system is intended to keep services as responsive to citizen needs as resources and technology permit. Integration is achieved not through coordinating agency efforts but rather through examining all client needs and negotiating for the various agency services that might be required. If a needed service is not available, the system can contract it. For example, an emergency housing service for welfare recipients was created through a contractual arrangement among the Brockton Multi-Service Center, the project's major administrative unit, the Brockton Welfare Department and a local hotel which made housing available. Some projects are undertaken directly by the Service Center (such as a 24-hour emergency medical hotline service for citizens who may not be able to afford or have access to primary medical care). In other instances, the system acts as the citizen's broker in arranging for the service which is needed. This function is facilitated by maintaining an exhaustive inventory of community resources which are, where possible, meshed with client needs. The system does not presume to integrate service providers but rather to put the service provider and the client into direct contact. Faulty performance by the provider would surface through the audit function which the system administers.

Some interagency collaboration has been achieved as evidenced by a legal referral program which has some funding from the Department of Mental Health with the Brockton Area Multi-Service Center providing space and services provided by volunteer staff of the Brockton District Bar Association.

The project is supported by funds from the Social Rehabilitation Service which finances the developmental and administrative activities of the project. Local governments, the Department of Mental Health (the major

contributor) and local private agencies are the funding base for the operational or service aspects of the project.

(d) Project accomplishments. Although still in the developmental stage, the project has given evidence of some achievement. The unique element of the project -- a system which integrates services through a client audit, monitoring and service referral rather than through agency coordination -- seems to avoid administrative difficulties encountered when agency jurisdictions and priorities must be reoriented in a more consolidated approach. More importantly, the system has the advantage of keeping client needs pre-eminent in determining how services are oriented. It gives the client the option of using service inputs at a time and in combinations which are deemed most appropriate to his needs. The system also has the flexibility to shift service priorities if client needs dictate that shifts are necessary. The system has the leverage through service provider agreements to influence the kind of service which providers offer to clients. Monitoring and evaluation are conducted independently of the agency providing the service; therefore, self-serving evaluations are less likely to be a problem.

(e) Project problems. A major premise of the project is that client monitors can guide and direct clients to appropriate services and that these services will be available. Project staff members cite the lack of a sufficient number of monitors with sufficient diagnostic skills to handle the range of client needs which arise. Because the service system is staffed largely by persons from the mental health profession, their orientation needs to be broadened to understand other client needs which might occur. As commented by a member of the project staff, "The need to educate monitors and service providers . . . getting across the importance to account for the people" is a task yet to be fully accomplished by the project.

Because the project depends heavily on agencies outside its jurisdiction for client services, it cannot easily assure that appropriate agency responses will be forthcoming. Jurisdictional boundaries may impede the ability of an agency to reorient its service as required. The project does not have full financial control of the local service delivery system and lacks authority for services outside the mental health area. The leverage of the system rests with its ability to negotiate with service providers for the kind of service needed. Nevertheless, the Brockton Area Human Resources Project is a flexible

SERVICES INTEGRATION TARGETS OF  
OPPORTUNITY (SITO) PROJECTS

SITO Demonstration Projects

A. State-level projects

- Arizona: Department of Economic Security
- Minnesota: Office of the Governor, Office of Program Development

B. Local projects

- Anacostia, Washington, D.C.: D.C. Department of Human Resources, Anacostia Social Service Center
- Brockton Area Human Resources Group: Brockton, Massachusetts, Brockton Multi-Service Center
- Chattanooga, Tennessee: City of Chattanooga, Urban Management Information System
- Contra Costa County, California: County Human Resources Agency, Allied Services Project
- Devil's Lake, North Dakota: Social Services Board of North Dakota, Devil's Lake Comprehensive Human Services Center
- Duluth, Minnesota: Human Resources Planning Coalition, Inc., Human Resources Planning Coalition
- East Cleveland, Ohio: City of East Cleveland, East Cleveland Community Human Services Center
- Glasgow, Montana: Montana Department of Social and Rehabilitation Services, Glasgow Social Services Agency
- Hartford, Connecticut: Greater Hartford Process, Inc., Community Life Association
- Hawaii: Office of the Governor, Waianae-Nanakuli Human Services Center
- Jonesboro, Arkansas: Arkansas Department of Social and Rehabilitation Services, Regional Integrated Services System
- Louisville, Kentucky: Human Services Coordination Alliance, Inc., Human Services Coordination Alliance
- Mon Valley, Pennsylvania: Mon Valley Health and Welfare Council, Inc., Centralized Intake, Screening and Referral System (CISRA)
- New York City, New York: City of New York, Office of Neighborhood Government
- Nyssa, Oregon: Oregon Department of Human Resources, Nyssa Service Center/Treasure Valley Migrant Project

Local projects (continued)

- Polk County (Des Moines), Iowa: Integrated Services Program of Polk County/Des Moines, Inc., Integrated Services Program
- Seattle, Washington: Washington Department of Social and Health Services, Integrated Service Delivery Project
- Utah District V: Five-County Association of Governments, District V Integration Project

service system which integrates services according to client needs and avoids some of the more intractable problems of coordination which more unified systems often encounter.

D. TITLE XX OF THE SOCIAL SECURITY ACT (HEW)

1. Purpose of the Program

Title XX of the Social Security Act, enacted in 1975, represents an attempt to coordinate social services funded by the federal government, particularly HEW services, with each other and with state social services programs. It is, therefore, directly relevant to IIPUP. Increased coordination was considered necessary to confront the range of problems faced by multi-generation family units. The program has attempted to accomplish this by combining previously separate federal grants to states under a single funding source.

There are five goals of Title XX:

- Encouragement of economic self support.
- Personal self support for the handicapped.
- Protection of children and adults from abuse and neglect and maintenance of the family unit during periods of crisis.
- Deinstitutionalization by providing services to the family and community.
- Appropriate institutionalization where necessary.

2. Administrative and Financial Aspects

The mix of programs and methods of coordination to be used is the decision of the states. There are, however, five regulations which must be adhered to:

- A Comprehensive Annual Service Program (CASP) must be designed with participation open to all groups and individuals.
- The plan for participation must be submitted for federal approval.
- At least one service must be directed towards each of the five goals listed above.

- At least three services must serve Supplemental Security Income Maintenance recipients (the aged, blind or disabled).
- There is a fiscal penalty if states do not offer family planning services at least to AFDC recipients.

Title XX does not actually require direct program coordination. Rather, it requires that states receiving Title XX funds submit CASP plans describing how the planning and provision of services will be coordinated with Aid to Families with Dependent Children (AFDC), Child Welfare Services, the Social Security Insurance and Medicaid programs and state financed human services programs, such as programs for senior citizens, children, the developmentally disabled, alcohol and drug abusers and programs in corrections, public education, vocational rehabilitation, mental health, housing, medical and public health, employment and manpower.

There is a limited annual authorization of \$2.5 billion for Title XX. In addition, Congress has made \$200 million available specifically for daycare services and to hire AFDC recipients for jobs in daycare. The training authorizations are not included under the ceiling. In the past, this amount was unlimited, but in 1980 a ceiling of \$75 million was imposed.

Services can be provided directly by the state or purchased from private agencies. The federal government provides 75 percent for Title XX, 90 percent for family planning and 100 percent for daycare, with the remainder payable by the states.

States have used several types of coordinating mechanisms including advisory committees, task forces, public hearings, advertisements, workshops and training sessions, formal agreements and joint funding. The Urban Institute has conducted a survey of coordination mechanisms in use and their effectiveness.\* All states have set up some type of advisory committee or task force. These were considered the most effective methods of coordination and were particularly effective when professionally staffed with clearly defined authority and responsibilities.

Public hearings or meetings are the second most frequently used coordinating technique. However, attendance at the

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\* "The Effects of Title XX on the Coordination of Social Services," Bill Benton et al., The Urban Institute, Washington, D.C., November 1977.

meetings generally dropped after the first year unless there were specific items of importance and interest to discuss.

Display advertisements are the only form of coordination specifically mandated by Title XX. It is felt to be the least valuable and there is no evidence that it has increased the number of people aware of Title XX services.

Workshops and training sessions provide an atmosphere conducive to the discussion of substantive issues not found in public hearings. Training is of limited use, however, because Title XX training funds cannot be used to train administrators of provider agencies under contract to the state or local agencies, even though purchased services represent about half of all Title XX expenditures.

Formal agreements on service coordination tended to be general and there was little implementation. The signing of agreements was sometimes considered the end rather than the beginning of the coordination effort.

Joint funding is successfully being used in many areas. For example, Title VII of the Older Americans Act is used to fund the noon nutritional component of Title XX-funded senior citizens centers; school lunch program funds are often used in Title XX daycare centers. CETA staff are used as personnel in some human services agencies.

Other coordination methods tried and found fairly useful include the sharing of staff between agencies, the formal exchange of written comments between agencies on their respective plans and open meetings of Title XX administrative staff.

### 3. Difficulties

(a) During the first two years beginning in 1975, Title XX was not well integrated with existing means of coordination. With the exception of North Carolina and New York, the Title XX advisory committees functioned separately and apart from pre-existing boards whose purpose was the formulation of social policy. This implies that policy or budgeting decisions were not determined in conjunction with CASP.

(b) There are few incentives to coordinate, and there are no penalties for failing to coordinate beyond the minimum required advertising and production of a CASP plan. When CASP plans include services not funded by Title XX, the other services have to comply with the contracting, reporting and eligibility requirements of Title XX. Even if other HEW-funded programs are included in the CASP plan, they must still

be published as separate plans. An HEW study observed that HEW itself "requires every state receiving funds under its 46 formula grant programs to submit or annually update 24 separate state plans."\*

(c) Title XX did not provide any new funds. Programs funded under different legislation were merely transferred to Title XX. Additional funds would provide more incentive for coordination. "This type of coordination among social services can only be achieved by expanding the resources each service needs in order to collaborate with other services. When scarcity prevails, coordination fails."\*\*

(d) State governments do not perceive Title XX as anything more than a source of funds. There is no focal point for comprehensive, coordinated social services at the federal level. Social services at HEW have been consolidated into an Office of Human Development Services (OHDS). OHDS is supposed to be concerned with cross cutting categorical programs. However, it categorizes Title XX as "miscellaneous," that is, serving none of the categorical groups such as the aged, disabled or children, into which it divides its programs.

(e) Even when coordinated planning takes place, it is difficult to change existing programs. They have been built up over time in response to perceived needs and have loyal staff and client groups. Also, there has been limited staff planning capacity and difficulty in restructuring. An evaluation of Title XX concludes that "Expectations for improvements in the planning process were most likely based upon unrealistic assumptions about the flexibility in shifting programs and presumptions that changes to the planning process would make a difference in service delivery."\*\*\*

#### 4. Training

Social services staff training is administered on the state level. It can be long or short term and either academic or in-service. The staffs of state social service agencies or other agencies directly involved in services delivery are eligible.

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\* "Ties That Bind. . ." U.S. Department of Health, Education and Welfare, Seattle, Wash., Region X, July 4, 1976, p. 16.

\*\* "Service Delivery Problems and Block Grants," Martin Rein, Bryn Mawr, Pa., Bryn Mawr College, undated memo.

\*\*\* Sharing, Project Share, Vol. 3, No. 2, Spring 1979.

There are five training mechanisms. In-service training is considered the most useful.\*

- In-service training by trainers who are part of agency staff.
- In-service training by outside experts.
- Educational leave for staff.
- Training for people who have a commitment to work for the agency in the future.
- Grants to undergraduate, graduate and secondary schools to develop curricula in classroom instruction or field work in any discipline related to Title XX. Two or more Title XX workers must be in each class.

##### 5. Project Accomplishments

The Urban Institute's research indicates that coordination has increased during Title XX.\*\* It assessed the extent of coordination among organizations or groups on a scale of 1 to 3 as follows:

- 1 -- Minimal effort in coordination
- 2 -- Active solicitation of input only
- 3 -- Fully coordinated planning

Groups assessed include state social services offices such as Aging, Mental Health, Vocational Rehabilitation and CETA, client groups and staffs.

The pre-Title XX average assessment was 1.7. It increased to 2.2 during the first year, decreased slightly to 2.0 during the second year and was expected to increase to 2.4 during the third year.

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\* Research on the state of the art of Title XX training, including case studies and policy recommendations, is now being carried out by the Social Welfare Research Institute for the Public Services Department of HEW.

\*\* The Urban Institute, ibid.

E. THE WASHINGTON AREA METROPOLITAN COUNCIL OF GOVERNMENTS (COG)

1. Purpose of the Program

Governments commonly face problems in services integration not only across sectoral lines but across geographically defined jurisdictions as well. The Washington Area Metropolitan Council of Governments (COG) actively addresses both of these issues.

The Metropolitan Washington COG has served as an example for COGs in other parts of the United States. The Washington chapter has 213 members including the area's major local governments and their governing officials plus the area members of the Maryland and Virginia legislatures and the U.S. Senate and House of Representatives.

The primary purpose of COG is the coordination of mutual efforts by the major governments in the Washington area against common interjurisdictional problems. It is the only forum in the area in which local officials can come together to assess problems and determine cooperative courses of action. Its programs to collect, analyze and disseminate data and assist governments in planning service programs are unique. It also demonstrates new ways of meeting metropolitan needs including innovative projects such as express bus lanes and model ordinances designed to permit parallel local legislative action on specific issues and problems common to area governments.

2. Administrative and Financial Arrangements

COGs are like non-profit corporations and membership is voluntary. They operate on the basis of consensus and do not have coercive authority. However, they are composed of and supported by local governments and carry out programs which the local governments initiate.

One of the Washington COG's key responsibilities is to serve as the "Metropolitan Clearinghouse" for reviewing federal grant applications. Federal law requires COGs to analyze applications by local and state governments and special agencies for federal grants in more than 200 different federal programs. This facilitates the coordination of planning decisions by local governments. During fiscal year 1978, 555 local applications were reviewed in Washington including community development block grants and projects under the recently enacted Local Public Works Act.

The Washington COG has established a role and work program in the following sectors:

Human Resources Programs

- Community services
- Health services
- Public safety

Environmental Resources Programs

- Air resources
- Water resources
- Energy resources
- Residuals management
- Noise pollution

Areawide Planning and Development Programs

- Housing opportunities
- Transportation services
- Land use and growth policy coordination
- Economic development and fiscal affairs

Agencywide Activities

- Citizen participation
- Activities not eligible for matching grants

The newest department, Economic and Fiscal Affairs, is about one year old. It has prepared a comprehensive development plan and is working on a Strategy Report recommending actions by state, local and federal governments and by the private sector to eliminate economic distress. The data collected is available to all members for use in planning. The studies have included analyses of sectoral as well as interjurisdictional coordination.

About 14.5 percent of the Washington COG's funding is from voluntary contributions from the 16 local participating jurisdictions. Various federal government grants-in-aid contribute about 6 percent, a large percentage of which is from the Economic Development Authority. The remaining 25.6 percent comes from state aid, special contributions and contributed services. The total budget is approximately \$10 million.

The COG employs a full time staff of about 135 people. All of the departments report to the Executive Director who is appointed by the Board of Directors.

### 3. Accomplishments and Replicability

Since many planning problems are of a regional nature, COGs are a valuable means of coordination. To date, however, their contribution to improved coordination has been largely limited to planning and information sharing. In the future, it is likely that their role will grow. The policy of the National Association of Regional Councils is to further coordination among various regional bodies and among sectors. It calls for the federal and state governments to recognize regional councils as the preferred entity for planning if local governments so request.\*

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\* Policies for Regional Action, National Association of Regional Councils, Denver, Colorado, 1978.

## CASE STUDIES FROM INTERNATIONAL EXPERIENCE

International experience to date with projects resembling IIPUP is quite limited. The major international lending agencies traditionally have focused their efforts on the improvement of existing settlements and the development of new low income neighborhoods. Only recently have components been introduced in many projects to improve social and economic conditions and to involve poor communities more effectively in their own development.

The Ahmedabad Urban Development Project in India was an early attempt to improve social as well as physical conditions and to involve the poor in the development process. The integration of a number of services was achieved under the leadership of a private voluntary group and with the collaboration of a number of local and international agencies. Although the project did have a significant impact, it involved a high level of subsidy and would be difficult to replicate on a large scale.

The Zambia sites and services and squatter upgrading project managed to integrate the physical improvements and social services provided by a number of international agencies. However, the project demonstrated the difficulties that can occur when the agencies supporting the different components of an integrated project themselves have distinct objectives.

The Indonesian Kampung Improvement Program has had a wide impact on the urban poor in Indonesia, particularly in Jakarta. Its success is due not only to the minimal nature of the physical improvements it has attempted. The number of social components has also been limited, and the program has been expanded slowly from a small beginning.

The details of two additional integrated projects planned for Kenya and Honduras are also presented. The Kenya project shows an interesting example of coordination between national and local authorities to deliver a variety of service components in an urban development project. Local committees with primary responsibility for project planning and implementation have representation from national as well as local agencies. This system has been developed based on previous successful interagency collaboration in similar projects. The project planned for Honduras recognizes the probable institutional resistance to services integration and the problems of initiating a large number of project components too quickly. It recommends a staged development of project components and of institutional structures.

A. AN INTEGRATED URBAN DEVELOPMENT PROJECT FOR  
THE URBAN POOR IN AHMEDABAD

The city of Ahmedabad in Gujurat State of India is typical of many metropolitan areas in developing nations. It has a high annual population growth rate (4 percent) and a lack of adequate housing to accommodate the burgeoning number of urban poor who need shelter. A Government of India housing survey in 1973 indicated that nearly 85 percent of Ahmedabad's housing shortage was being experienced by families with monthly incomes below Rs. 250 (\$30) per month. Some 65,300 families who needed shelter were in the income category of Rs. 100 (\$12.50) per month. About 81,000 families were residing in 700 slums or makeshift settlements throughout the city.

The desperate state of Ahmedabad's urban dwellers was matched by a modest response by the Ahmedabad Municipal Corporation, the agency initially responsible for providing shelter to slum dwellers. The Corporation provided about 36,000 housing units under a slum clearance program from 1956 to 1973. The need was in excess of 2.5 times what was provided by the Corporation.

The type of housing provided was not considered satisfactory in responding to the housing shortage of Ahmedabad's urban poor. The dwellings were multi-storey dwellings, too expensive for the poor who could barely afford to pay Rs. 15 (\$2) per month for rent and too different from traditional dwellings to allow for a lifestyle to which the urban poor were accustomed.

Environmental upgrading and sites and services projects were undertaken as alternatives to dealing with urban housing. Both measures were inadequate since most squatter housing was on private land and any upgrading involved legal issues which were difficult to resolve. Also, a lack of political commitment, particularly to sites and services projects, was a deterrent to any real progress in the housing sector.

1. A New Approach: Integrated Urban Development

A serious flood in the summer of 1973 precipitated a change in the city's approach to handling the housing problems of the urban poor. A private voluntary group, the Ahmedabad Study Action Group, offered an alternative to the usual flood relief programs by proposing a relocation program which would involve the victims in the planning and execution of

new communities. Affordable housing would be one component of the project. The group believed that the problems of previous programs were caused by a failure to involve the slum dwellers with projects. It felt that such projects should not be limited to housing alone; social and economic problems needed to be addressed if genuine improvement in the plight of slum dwellers was to occur. As the former director of the program expressed the group's objectives:

"(a) comprehensive approach incorporating social, economic, educational and motivational inputs, along with housing, would lead to the emergence of an alternative value system and bring about attitudinal and behavioral changes."

## 2. Administrative and Financial Aspects

Four separate agencies were involved in the project. The Municipal Corporation, which endorsed the more comprehensive developmental approach recommended by the ASAG, set aside a 43-acre site for a new community and provided a subsidy of Rs. 700 per family to assist them in resettlement. OXFAM, a private British voluntary agency, provided Rs. 400 per family to support a social action component of the project. The Corporation provided infrastructure services, even though the project site was outside its jurisdiction. Low interest, easy repayment loans for new housing were provided through the Housing and Urban Development Corporation. ASAG was the key coordinating and administering agency for the project. Administratively, the project was unique because a semi-autonomous organization was created to implement the project. State and municipal authorities had the major responsibility for securing resources and guiding the project through procedural and technical difficulties, but the major planning and implementation responsibility was assigned to the ASAG. OXFAM was instrumental in strengthening the project as a multi-disciplinary development effort. OXFAM was a training and technical assistance resource to the project. ASAG had previously been involved in low cost housing schemes in 20 rural communities; and, although the circumstances of the Ahmedabad project were different, ASAG had credentials in the housing/community development field.

After considering various alternatives, the prospective residents of the new community opted for a collective housing solution which would supplement the various individual subsidies. Their objective was to add to the subsidies provided in order to build permanent shelters -- an alternative that was possible only if costs could be held down through a collective borrowing scheme. HUDCO provided loans at 6.5 percent to be repaid in monthly installments over a 20-year

period. Occupants would pay Rs. 20 per month for 20 years for housing which would cost about Rs. 2,900 to construct. Part of the monthly payment would be used to defray the cost of municipal services.

### 3. User Participation

An important ingredient in the project was full participation of the residents since the ASAG organizers assumed that slum conditions could not be eradicated until slum dwellers developed new attitudes toward their environment. The population ratio of the project areas was 56 percent Hindu and 44 percent Muslim. Residents also opted for a housing design which conformed to their traditional preference for high physical and social interaction with fellow residents. The physical arrangement of the community required positive and cooperative attitudes among residents. Individual choice of the location of houses was worked out in consultation with residents through a rather elaborate exercise.

To respond to the community building objective, a social action component was provided. The social action component was concerned with facilitating the process of resettlement and building local capabilities to increase earning potential, to take fuller advantage of social welfare, education and health services. This component was carried out through trained community workers whose preparation was largely the responsibility of OXFAM.

### 4. Related Project Activities

Income generating activities were focused on about 300 families with incomes below Rs. 250 (\$30) per month. The purpose of this strategy was to provide a sufficient income level for the poorest persons to be able to buy and maintain property. Small scale entrepreneurship was made possible through a credit referral service and the inauguration of cottage industries. A primary education project was launched which emphasized the experimental, creative aspects of learning -- an objective supportive of the larger goal of building a more self-confident and enterprising community in the target area. Paramedics were used to provide low cost health care and preventive services as well as health education for the community. A daycare center for working parents was also included in the community services component.

## 5. Accomplishments and Difficulties

The fact that the project was comprehensive in its response to the needs of poor urban dwellers invited problems from the outset; yet the project organizers accepted the challenge as preferable to schemes which were concerned exclusively with housing. The social action component was not viewed as a project add-on but rather as an indispensable project component which had to be provided if the objective of removing slum dwellers from a permanent dependent situation was to be achieved.

Difficulties appear to stem from dissatisfaction with the quality of housing provided. Even though the housing is permanent, it is very basic and far from the *pukka* housing that many of the former slum dwellers had hoped for. This, however, might be viewed positively as a manifestation of the rising expectations of a group which previously had only survival as a goal. Relations among the municipality, the ASAG and the community are less harmonious than at the outset of the project, which results (according to the former project director) from the failure of the municipality to provide necessary social and physical infrastructure as promised. Also, allegations of financial mismanagement which are being investigated further strained relations between the residents and the municipality.

There have been accomplishments: in 26 months, 2,250 units were provided -- a faster rate of providing housing than under previous schemes; construction costs have been maintained at Rs. 11.25 per square foot; in community development, evidence is emerging that citizens are more assertive in demanding their share of municipal services; citizens have filed a civil suit against the municipal government for failure to provide services as promised at the time of re-settlement. While such developments indicate tension within the project, they also reflect a growing consciousness about improvements to achieve social and economic advancement among the urban poor.

The Ahmedabad Integrated Urban Development Project was undertaken as a prototype which might become standardized in dealing with the housing and related problems of the urban poor. However, widespread adoption of this type of project is unlikely. The project was subsidized to the extent of 65 percent -- a high rate of subsidy when compared to the rapid build-up of population, both from migration and natural increase in major metropolitan areas. This makes it difficult to cope through projects which are more long range and comprehensive in their approach. However, if the assumptions behind the development of the IUDP project are accepted -- that "the

problem of slums remain essentially attitudinal, political, behavioral, economic and social in nature" -- then the IUDP strategy after a longer period of implementation might become adapted to other comparable situations.

## B. THE PROPOSED HONDURAS IIPUP PROGRAM

### 1. Background

In Tegucigalpa and San Pedro Sula, approximately 310,000 people have incomes below the median level and live in settlements that lack potable water, sanitary waste disposal, drainage and other basic urban services. The 6 percent annual growth rate of the marginal population indicates the two major cities will have 390,000 marginal residents by 1983. The percentage of the urban population that can be classified as marginal is even greater in the secondary cities, and the shortage of services is even more severe.

There have been very few efforts of integrated development to address these problems. In response, a pilot project has been designed to reduce the negative effects produced by the lack of coordination of technical and financial resources in the provision of social and housing services for the urban poor. The major physical upgrading part of the program is environmental sanitation.

Both Tegucigalpa and San Pedro Sula have municipal departments of social work which work with representatives of the community organizations such as *patronatos* to coordinate their efforts with those of the municipality for *barrio* development. Through this process, schools have been constructed and settlements upgraded. Thus, both cities have experience in community development work, enjoy the confidence of the communities and have obtained financial backing from the Autonomous Municipal Development Bank (BANMA) and the Interamerican Development Bank.

### 2. Organizational Arrangements

Given that experience with integrated programs of the IIPUP type is very limited, the program would be initiated through pilot projects undertaken by Tegucigalpa and San Pedro Sula -- the two municipalities which are relatively strong administratively. In Tegucigalpa, in particular, there is a strong interest in IIPUP. The substantial improvements in local administration which have been achieved in the last several years indicate that there is a very real concern with the continued improvement of local government. If the pilot projects are successful, the lessons learned from them can

provide a basis for determining the exact configuration for the organizational arrangements for the program at the national level.

At the national level, the Institute of Community Development (INDECO) within the Ministry of Government and Justice is legally the most appropriate institution to develop and implement an IIPUP program. The law creating INDECO was enacted in 1966 to facilitate the establishment and regulation of community development and the implementation of integrated development projects coordinated at the local level through the joint efforts of the government and individual communities.

If INDECO eventually becomes involved as a national level program coordinator, a small, high level inter-ministerial Executive Council has been suggested within INDECO to represent the principal sectors that will be involved in the provision of services. It should be made up of the Ministers of Health, Transportation and Public Works and Interior and the National Social Welfare Committee. A small Executive Management Unit within INDECO would be responsible for inter-ministerial coordination, but the institutions in each sector would be responsible for the provision of services in that sector. The Executive Management Unit should have the power to make agreements and contracts with autonomous institutions, public interest associations and private entities in order to realize the basic goals of IIPUP.

One of INDECO's major coordinating instruments would be its control of the proposed IIPUP Development Fund which would initially be complemented by a \$350,000 grant from AID.

The Executive Management Unit of INDECO would be directed by an executive secretary chosen by the Executive Council. The other members of the unit would be chosen by the participating ministries, seconded to INDECO and devote full time to it. This would assure direct commitments by the ministries to the IIPUP concept. Private non-profit organizations (of which there are several working with the urban poor) would be informed of IIPUP activities and invited to participate. They may find this attractive since they can increase the impact of their programs by combining resources.

A contingency plan exists in case administrative problems cannot be resolved. If the project does not function smoothly under INDECO, it can be taken over by another agency such as the National Social Welfare Committee.

Community participation in the IIPUP program will be through the mobilization of community groups such as patronatos

and other community organizations. A community board representing the various interest groups will be formed to represent the *barrio* before local authorities. Where they do not exist, Community Development Departments will be formed to assist the communities in dealing with local and national institutions.

Paraprofessional staff will be trained in leadership for community development, environmental health and preventive medicine and will work in the communities where they live. Training at the municipal level will increase the capacity of the municipalities in planning and in augmenting municipal revenues. National level activities will include policy level training in service integration, technical training in the sectors covered by the project and training of service delivery personnel.

### 3. Other Project Components

Attention will be given to the following types of laws and regulations which affect the urban poor:

- Regulations pertaining to the transfer of property rights and the registration of rights in real property.
- Laws governing the rights of tenants and environmental sanitation in rental space.
- Laws governing the creation and operation of co-operatives and other forms of community organization.

A further component of the project will be the development of new techniques and capacities for *valorizacion* or betterment taxes and the study and updating of the regulations for land use and development.

### 4. Financing

The sources of IIPUP financing will be different at the three levels -- national, municipal and community. International assistance will be complementary to internal financing and assist in the initial organization of the program through loans and grants for technical assistance and specific projects. At the national level, the principal sources of funding to be developed include the central government, the ministries, autonomous institutions and private non-profit organizations. At the municipal level, effective sources of funding will depend

upon the upgrading and improvement of the local governments' cadastral systems, the sale of municipal bonds, the National Autonomous Municipal Bank, the creation of new taxes, more effective systems of tax collection and *valorization* or betterment tax systems. Community involvement and contributions will complement public funds. Community input will include contributions from community groups and organizations, unskilled and semi-skilled labor and locally available materials.

### C. ZAMBIA SITES AND SERVICES/SQUATTER UPGRADING SCHEME

#### 1. Purpose of the Project

The aim of the Lusaka project has been to provide improved social and physical infrastructure to 29,000 families in Lusaka through 4,000 serviced plots and the upgrading of 25,000 existing units. There are four upgrading sites and six areas of serviced plots. The project was to have been completed between 1974 and 1979, but construction has been slightly delayed by factors external to the project. It is about 90 percent complete.

While the World Bank is the major lender, the American Friends Service Committee (AFSC) and UNICEF are also involved. A smaller American Friends Service Committee community development project in the city of Kafue, 26 miles from Lusaka, involving 228 families had been important in securing government acceptance of the upgrading concept and the participation of the AFSC in the World Bank funded project. After successfully completing the Kafue project, AFSC and UNICEF had planned to carry out a somewhat larger pilot demonstration squatter upgrading project in Lusaka using government funds. The emphasis was to have been on social development rather than on physical works with programs in maternal and child health, pre-school care and vocational training. This was never carried out because both organizations were asked at that time to participate in the larger World Bank project.

#### 2. Administrative and Financial Aspects

The Lusaka City Council is the executing agency. A special Housing Project Unit divided into engineering, social services and finance and procurement divisions was established. It reports to the Council's Finance and General Purposes Committee which is made up of the chairmen and vice-chairmen of the other committees. Actual project work is done by field teams in which all divisions of the project unit are represented.

The main forum for coordination between physical, social and financial components at the project level is the weekly meetings attended by the field team leaders, their deputies, the heads of project unit divisions and the communications officer.

Coordination among the organizations funding various aspects of this program is achieved by involving each organization in providing the technical or financial assistance in its area of expertise. While the World Bank's major concern has been physical upgrading, both UNICEF and AFSC have focused on social development. The delivery of social services was not technically part of the project as agreed between the government and the World Bank, although a community dynamics component was included as an appendix to the government request for a loan. UNICEF has a separate agreement with the government to "promote the participation of social and family welfare services in the project" and particularly the participation of youth and mothers. UNICEF has been the major contributor to the Project Support Communications Unit which plays an important role in establishing links with the community. It also assisted in the establishment of a community development group in the Housing Project Unit of the City Council. Fifty assistant community development officers were trained by UNICEF and AFSC jointly.

AFSC is taking advantage of its grassroots level experience in Zambia to work closely with the communities in community development and organization for self-help.

A fourth organization called Social Action in Lusaka was indirectly involved. A private, non-profit organization supported by the Christian churches in Lusaka and later by a grant from the World Council of Churches, it publicized the activities in squatter settlements.

Physical aspects of social services include 20 primary schools, three health centers, 17 multipurpose community centers which will also serve as pre-schools, 17 markets and 11 demonstration houses/site offices. Sixteen sites for small industry are to be made available within squatter settlements.

The Housing Project Unit itself has carried out the training of community workers, using the facilities of the University of Zambia and the Kitwe Urban Community Development Staff Training College. UNICEF has paid the salary of the trainer and provided vehicles for field training. It also has assigned experienced community development staff as field training supervisors.

### 3. User Group Participation

Both the technical and social staff work together with the residents of the communities to assure their participation in the later stages of planning, including the location of facilities. In the earlier stages of planning, however, there has been no input from residents. This has been in order not to raise false hopes before money is available. It was originally planned to upgrade all of the squatter areas in Lusaka. In the end, some major areas had been left out. Had these citizens been involved in initial planning, they would have been left with unfulfilled expectations. There has been limited participation in implementation through collective self-help.

### 4. Difficulties

(a) The original time frame for the project was 1974-1979. It has been delayed by factors external to the project. The government has not been able to finance its counterpart contribution. Also, difficulties in importation have reduced the original scope of the project. The delay has particularly affected the delivery of community development and social services. It was decided to delay the construction of schools, clinics and multipurpose centers while proceeding with infrastructure and housing. As of 1978, only seven of the 17 proposed multi-service centers, three of the proposed 20 primary schools and the three community health centers had been built.

(b) The default rate on service charge payments is around 50 percent, and it is much higher on loan repayments. In most similar projects in Zambia, however, the rate has been even higher.

(c) The problem of poor maintenance, giving the impression that nothing has changed in the slums, has given the residents an excuse for withholding their service payments. The City Council has not been able to provide garbage collection because about 80 percent of the garbage trucks are out of use due to a lack of foreign exchange to purchase spare parts.

The housing project brought an additional 130,000 people under the City Council's authority with added responsibility for roads, drainage, pipelines and water system in addition to garbage collection. In terms of staffing, the Council was barely equipped to carry out its original responsibilities. Many senior Council positions remain unfilled due to a nationwide freeze on government hiring.

(d) The self-help component has not worked out as planned. Out of \$16.2 million budgeted for civil works in the project agreement, \$3.9 million has been allocated for works to be executed through self-help labor. As of 1978, only \$10,000 had been spent. Contractors have been reluctant to work with the communities because it reduces their overheads. It has been difficult for them to provide adequate supervision to unskilled community laborers whose participation increased construction time.

Construction advisors have normally been recruited directly from the building industry. Because they had little experience in dealing with the public, they have received brief community development training courses. This has been done during rather than before the start of the project and has resulted in some inconveniences.

(e) The community development staff of the project unit has not met the expectations of AFSC and UNICEF. Their work has reflected more the priorities of the government and the World Bank than those of UNICEF or AFSC. Attempts to change attitudes in the Community Development Department by training only junior staff have not been effective in bringing about structural change. They have actually led to frustrations among the trainees whose superiors did not understand the non-traditional approach they had been taught.

(f) The objectives of AFSC and UNICEF to implement social and community development components were not fully realized. In his AFSC appraisal of the project, Ledogar states that "while participatory agencies such as UNICEF and AFSC can provide a large urban project with important components such as training which are useful to the accomplishment of the project's goals, it is doubtful that such agencies can accomplish their own goals if these are not essentially identical with the goals, both explicit and implicit, of the project itself."\*

## 5. Accomplishments

The upgrading process which affected about 30 percent of Lusaka's total population has been carried out with a high degree of community acceptance due to the considerable effort of informing and involving community leadership. Some 35,000 to 40,000 former squatters have been given legal tenure to the land they occupy. However, the social service components have not been provided as planned. The role of smaller organizations in a project funded by a large donor, when goals

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\* The Role of the American Friends Service Committee in the World Bank Funded Lusaka Housing Project, 1973-1978, Robert J. Ledogar, American Friends Service Committee, 1979.

are not identical, should be considered before similar projects are undertaken.

*(Source: Based on materials from the World Bank and American Friends Service Committee.)*

#### D. THE INDONESIAN KAMPUNG IMPROVEMENT PROGRAM (KIP)

##### 1. Purpose of the Project

The Kampung Improvement Program in Indonesia began during the First Five-Year Development Plan (1969-74) as an attempt to improve the physical infrastructure in some of the worst kampungs (neighborhoods) in Jakarta. The size and scope of the program have been enlarged substantially since that time. It has added other components in addition to physical improvements, and it has been expanded to other cities.

The Kampung Improvement Program in Jakarta has been quite successful in terms of the number of beneficiaries. It has provided minimum infrastructure to a significant proportion of the urban poor at a reasonable cost. The items delivered include footpaths, secondary roads, surface drainage ditches, water supply systems and public standpipes, individual toilets, (mainly pit privies and some community toilets) and garbage collection facilities. The program also provides elementary schools. In addition, it has included a health and nutrition component which has sought to provide a health post for each 3,000 population. These are simple two-room facilities for general health care and young child care, focusing on nutrition, disease prevention and education of pre-school children. The health posts serve as bases for community health care personnel who make home visits. Training for the health care personnel was also included in the project.

##### 2. Administrative and Financial Arrangements

The Kampung Improvement Program in Jakarta is managed by a separate KIP unit within the city government. Because the program has been assigned a high priority from the beginning, the KIP unit has been able to coordinate effectively with other departments of the city government to provide health and education services to the projects. The KIP unit itself is responsible for the detailed planning and implementation of the projects.

As KIP has been expanded from Jakarta to other cities in Indonesia, the function of nationwide KIP coordination has been assigned to the Cipta Karya Department of the Ministry of Public works. It is expected that each large city (*Kotamadya*), of which there are 22, will eventually establish a KIP unit to direct local KIP projects. This has already happened in

Surabaya. The Ministry of Public Works will give technical assistance to the local KIP units. This system may have to be modified when KIP is finally expanded to smaller cities where the establishment of a separate KIP unit may not be economical, and complementary services such as health and education are not readily available within existing city government structures.

The World Bank has provided much of the recent financing for the program, but KIP was already an ongoing program functioning with IMPRESS grant funds from the national government before the World Bank was involved. It was expected in the first World Bank project that some cost recovery would be achieved through an improved property tax system, but this has been slow to develop. The Jakarta government has also considered levying a betterment tax on the beneficiaries, but this would be difficult because no such tax is collected in higher income neighborhoods.

### 3. User Group Participation

In the Jakarta KIP program, committees at the kampung level are directly involved in the planning, execution and maintenance of KIP works. The organization at the kampung level collects money for kampung maintenance work and distributes money for residents displaced by KIP. The committee is composed of the Lurah's (sub-district chief) staff and other residents. It establishes the priorities of kampung residents and responds to official proposals for social and physical infrastructure. It instructs kampung residents on the use of facilities and helps with the relocation of families displaced by KIP works.

### 4. Difficulties and Accomplishments

The program has been quite successful in meeting the scale of the problem with a minimal investment of \$59 per person (1976 prices). It has now been expanded to all of the more densely populated kampungs of Jakarta and is being expanded to other cities in Indonesia as well.

In Jakarta, it has been successful because it is managed by a strong KIP unit within the city government which has been assigned a high political priority and controls a special KIP budget. The KIP unit is responsible for planning and implementing physical works. The other components of the program (health and education) are provided by other departments of the city government, generally without resistance because of the high political priority assigned to the

program by the mayor. One of the main problems faced by the program has been the acquisition of land for health centers and schools. This is the responsibility of the five sub-mayors in Jakarta and has been more difficult to coordinate.

Perhaps one of the reasons for the success of the KIP program has been that it has not attempted too many components, and it has expanded slowly in area from a small initial base. The program has focused primarily on physical improvements with only limited health and education components. This has minimized the need for interagency coordination compared with more ambitious IIPUP type programs. It has also expanded slowly from a small, locally-financed base to a larger, internationally-financed nationwide program. This incremental growth has been largely consistent with local implementation capacities.

#### E. THE KENYA URBAN DEVELOPMENT PROJECT

##### 1. Purpose of the Project

The purpose of this World Bank financed project has been to increase the housing stock for the low income population, improve the supply of basic and essential services to the poor and increase income earning opportunities. Detailed design and engineering began in mid-1978. Overall implementation is expected to take four years.

In addition to the sites and services and physical upgrading components, it is intended to:

- Demonstrate an effective low cost delivery system for health, nutrition and family planning services.
- Stimulate and encourage employment and income generating activities for the urban poor.
- Strengthen the institutional capabilities of government and local authorities for implementing and managing urban development.
- Assist the government in improving the financial resources and management of local authorities.
- Help local authorities control the pattern of urban growth and develop land more effectively.

The project is located in the three largest cities -- Nairobi, Mombasa and Kisumu -- which together contain over 60 percent of the urban population of Kenya.

## 2. Administrative and Financial Aspects

National ministries are responsible for policy, financing, land acquisition and national level coordination. The local governments in the three cities are responsible for carrying out the project, operating and maintaining facilities and cost recovery. Local charitable organizations, local entrepreneurs and plot allottees contribute to the financing of physical facilities on project land.

The Ministry of Housing and Social Services is the lead agency responsible for coordinating with other ministries for both policy and implementation. A new Sites and Services Unit has been established under the Housing Planning Division for this purpose. The Ministry of Local Government will carry out its usual functions of supervising local governments and providing technical assistance in management, administration, accounting, financial management and property valuation.

Direct responsibility for implementation rests primarily with the city governments where Housing Development Departments (HDD) have been set up with the same status as other city departments except that, rather than reporting to a series of standing committees, they are responsible to a single Housing Development Committee. The members of the Committee are the chairmen of all of the other city standing committees, the mayor and deputy mayor and representatives of the Ministries of Housing and Social Services, Local Government and Finance, and the National Housing Corporation. The provincial or District Commissioners are also members. The Committee is unique in that no meetings are held without central government participation.

Several other groups are involved in specific project components. The Medical Research Center in Nairobi assists the Public Health Department staff in carrying out nutrition baseline and evaluation surveys. Home visits, which will be part of the project's health component, are expected to lead to more effective coordination between the city Public Health Department and the Family Planning Association in Kenya which has had a home visits program in Nairobi and Mombasa for about 20 years. The National Christian Council of Kenya (NCCK) has had successful programs in job generation and community development in the Nairobi slums for years. Land will be allocated to it at cost for training centers, community development work and workshops for individual entrepreneurs. In Nairobi, serviced land is also being offered at cost to two other non-profit groups. One is a Catholic foundation focusing on training and sponsoring individual entrepreneurs which will build a secondary technical school. The Lions Club is building a dispensary.

World Bank financing to the Government of Kenya of \$50 million will cover almost three-fourths of project costs. The remainder will be paid by the Government of Kenya. The government will lend funds to project cities.

### 3. User Group Participation

The communities will be informed and consulted on all aspects of development. Community information officers in the Housing Development Departments will give advance notification of the dates structures will be torn down and assist with plot applications and transportation to new sites, if necessary. Community development officers will assist in resettlement.

The final detailed plans for each site will be approved or amended by the residents of the site. Residents will also be involved in phasing decisions so that they can stay in their present dwellings until the new plots are ready.

It is the Government of Kenya's policy that primary schools be constructed using self-help. However, since community groups capable of organizing self-help do not exist in the project areas, building levies will be charged throughout the municipality at a small rate per pupil. All physical project components, including land for small businesses, will be self-financing.

Efforts will be made to attract small contractors from the project towns to construct community facilities by grouping contracts within their range.

### 4. Difficulties

This project follows the successful first urban project in Kenya. Standards of self-help and self-contracted construction were very high, and cost recovery has been excellent. Difficulties in the first project arose due to government administrative weaknesses rather than shortcomings of the target group. It is predicted that these difficulties will be fewer in the second project because of lessons learned in administrative procedures and because there is greater acceptance of both the concepts of sites and services and upgrading and of the physical standards involved.

Thus far, there have been few delays caused by administrative and political problems. This can be partially attributed to the continuous involvement of all the senior officers of the three City Councils in project preparation, particularly in decisions regarding standards.

### 5. Accomplishments

This project has not been in operation long enough to list its accomplishments. However, based on the experience of the first urban project in Kenya, it should meet its goals.

*(Source: This case study is based on information contained in World Bank documents.)*

P A D C O      I I P U P      A N N E X

ANNEX II

COMPONENTS OF IIPUP PROJECTS

## ANNEX II

### COMPONENTS OF IIPUP PROJECTS

#### A/B. PROJECTS IN URBAN SHELTER PROVISION (A. Upgrading of Existing Settlements; B. Development of New Low Income Communities)

##### 1. Shelter and the Urban Poor

Shelter is recognized as one of the basic human needs. Most developing countries have established some kind of public sector shelter program though the scale and terms of provision vary widely. As a general rule, the stated objective of public sector shelter programming is to meet the needs of the urban poor. However, all too often the actual result of such public sector activities has been to meet the needs of middle income groups, often with substantial subsidies, rather than the needs of the urban poor.\* Therefore, in designing IIPUP initiatives which involve the provision of shelter, particular concern must be given to insuring that the desired target group is in fact benefited.

The priority given to shelter will tend to vary according to the target groups of concern. Shelter will be given a high priority by "consolidating households," somewhat lower priority by "beachheading households" and "households renting by choice" and very low priority by "single migrants."

In responding to the shelter needs of the urban poor, governments have essentially three areas of intervention to consider:

(a) To build shelter. Governments can actually build the shelter units and provide them to the urban poor as rental or sales units -- with or without subsidy. This approach is the most expensive course of action as the government is the developer and financier of all aspects of the shelter construction process. It is also the most demanding on government technical and management resources which are often in short supply.

(b) To finance shelter. Governments can arrange for the financing of shelter with individual households or the

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\* For further details on this subject, see Preparing a National Housing Policy, Alfred P. Van Huyck, Washington, D.C., 1977.

private sector responsible for planning and construction. If government funds are used as seed money through financial institutions which also mobilize private savings, this approach can ultimately provide more total dwelling units with less public capital investment and with lower requirements for government technical and management resources.

(c) To facilitate shelter. Governments can also facilitate the provision of shelter by households and the private sector through incentives such as tax incentives, legislation such as building codes and zoning and provision of technical assistance. This is the least costly to government and, unfortunately, a frequently overlooked approach to reducing shelter deficits.

Shelter sector programs for the urban poor, to be effective, must meet certain basic criteria:

- Shelter programs for the urban poor must be capable of massive application on a sustained basis.
- They must have acceptable low per capita capital and operating costs with potential for cost recovery from the urban poor.
- They must provide substantial opportunity for self-help and participation from the urban poor themselves.
- They must have acceptable low levels of administrative requirements.
- They must be flexible and capable of change in response to changing needs of the urban poor target groups.

Increased cost recovery from the dwelling units provided is a particularly sensitive issue. Public housing units today are often almost given away without recovery of either principle or interest (in that if maintenance and administration were costed and inflation considered, recoveries would not cover the replacement cost). There is often little relationship between rents and the ability to pay. A much greater share of real cost must be borne by the occupants if housing production is to be increased.

At the heart of any public financial policy for housing is the basic issue of subsidies. The subsidy element implied in some public housing programs may be as high as 75 to 85 percent of the total cost of units for the low and middle income groups. The real subsidy will actually increase in

the years ahead as the real income of the target group lags behind the increased cost of construction. All too often subsidies in housing are not even known in quantified terms. Subsidy estimates frequently fail to consider land costs, trunk infrastructure and community facilities, steadily increasing estate management costs and, importantly, the need for a reserve for uncollected payments.

In most cases, the use of subsidies by governments acts to the detriment of the housing sector because it tends to limit the amount of housing which can be built by the public sector; it drives the private sector away from meeting the needs of middle and low income groups because they cannot compete with the subsidized pricing policies. It may not be possible for a country to terminate all subsidies abruptly, particularly in situations in which a large amount of subsidized housing has already been introduced in the market.

The objective should be to phase out general subsidies over a reasonable period of time in order to establish viable, self-financing public sector housing institutions. The first step is initiating adequate cost accounting of the subsidies provided and moving away from interest rate subsidies (which require annual subsidy contributions during the life of the mortgage) toward once-only write-down subsidies. Specialized modest subsidies, which have a national purpose, might be appropriate for clearly defined situations.

It is relatively new to consider the provision of shelter within the context of integrated programming for the urban poor. In part, the recognition of the need for a larger framework comes from the realization that higher standards of shelter alone can contribute very little to sustained economic and social improvement of households. Shelter alone does not add to family income except when subsidized shelter provides in-kind benefits. Shelter does not improve job skills for the unemployed, or literacy for the illiterate or health care for the sick. In short, better shelter is not a solution to the root causes of poverty. Therefore, housing planners have begun to think of shelter as one part of an integrated physical, economic and social program for the urban poor. In this sense, a shelter component should be considered as simply one possible element in IIPUP. The decision to include or not to include a shelter component must be made based on local conditions, the priorities of the target group beneficiaries and the availability of resources.

Shelter may or may not be a component of an IIPUP program, but if it is to be provided it should be related to other social and economic programming if the full benefits of shelter are to be realized.

The major advantages to including a shelter component in IIPUP are:

- It provides a locational focus to the program and clearly identifies the target groups of concern geographically.
- It provides a dramatic physical change in the residential environment which is often conducive to community participation in follow-on social and economic program components.
- If the shelter is provided on the basis of sales to the target group households, it can make a direct contribution to increasing the pool of capital assets of the urban poor. This is a major justification for sales of shelter rather than renting of shelter by the public sector. Equity in shelter can be used by households as collateral for borrowings the generation of economic activities, higher education or health care, if required.
- Shelter, when combined with secure land tenure, encourages a sense of security and reduced vulnerability which, in turn, is conducive to community organization and participation. These are vital elements in the IIPUP process.

The major disadvantages to including a shelter component in IIPUP are:

- Shelter tends to be capital intensive, even when care is taken to focus the program on minimum standards and cost recovery.
- Shelter and other physical components such as infrastructure can be planned and built in a relatively short time (say one year or 18 months), whereas other IIPUP components require much longer time spans to be planned, implemented and have the desired impact on the community. Therefore, the shelter component often does not integrate well into joint physical and social/economic programs. This problem can be overcome initially by recognizing the different time horizons of the various components.

## 2. Types of Shelter Projects Likely to be Important for IIPUP

Assuming that a shelter component is selected for inclusion in IIPUP, there are two types of projects likely to be most relevant: (a) upgrading of existing settlements and (b) development of new low income communities.

(a) Upgrading of existing settlements. In almost all developing countries, the shelter deficits among the urban poor are so great that the demolition of shelter units, no matter how low standard, is rarely justified. The ultimate objective of shelter policy should be the maximum net addition to the housing stock with the resources available. Since demolition results in a reduction of housing stock, it should be avoided except in necessary situations such as housing which is subject to flooding or along essential rights-of-way.

Once the decision has been reached that low quality shelter areas will not be demolished, it becomes logical to upgrade them to provide a healthier environment and to enhance the standard of living of the occupants. Thus, they become excellent potential sites for IIPUP.

Upgrading programs as currently being undertaken by developing countries, frequently with AID or World Bank assistance, have been primarily concerned with improvements in the physical infrastructure such as improvements in road surfaces and footpaths, drainage, water supply, sanitation and solid waste disposal. The standards used will obviously affect the cost, but, in Indonesia and India, significant environmental improvements have been made in upgrading areas with costs as low as U.S.\$40 to U.S.\$60 per capita.

Upgrading programs have been most successful when some form of legal land tenure has been provided for the occupants. With legal land tenure has come an increased sense of security which stimulates household investment in the shelter units themselves. This process can be further enhanced if the households are provided with access to credit for home improvement or for locally based economic activities. Other social and economic components can also be added to upgrading programs either concurrently or as follow-on activities after the physical improvements are in place.

The process of conducting an upgrading program can in itself be used to stimulate community organization for self-help. This is particularly useful for the maintenance of improvements which has frequently proven to be a problem if neglected during the planning.

The actual mix of physical, social and economic improvements to be provided in an upgrading program should be carefully selected to reflect the real needs and priorities of the target groups in the area. If the upgrading program does not meet the objectives of the community, it often leads to neglect of the facilities or even the departure of the target group and replacement by others. For example, if standards are set too high, the upgrading area may become so attractive to middle and upper income households that the urban poor will be forced out of the improved area.

Individual upgrading projects make less impact if they are not undertaken as part of an overall citywide program. From the start, upgrading should be thought of as a continuing program activity. Some cities have managed to upgrade 10 percent of the target areas per year with a second round of upgrading following during the second decade of the program. This requires the establishment of a permanent upgrading capability within the city government.

(b) Development of new low income settlements. One of the most dramatic phenomena of the last third of the 20th century is the accelerating shift from rural to urban centers of the population of the developing countries. This, coupled with continuing high rates of natural increase within the existing urban centers, places enormous pressure on governments to increase the housing stock.

The reality is that walk-up flats or complete housing units of relatively large size simply require too much capital per unit for the public sector to make the investment at the scale required or for the majority of the urban population. New approaches must be applied. Sites and services is one promising approach.

Sites and services is the general name given to an entire range of shelter solutions which fall short of the provision of complete dwelling units. Most often sites and services projects fall into one of the following categories:

- A land plot with community shared water supply (standpipes), sanitation (pit latrines) and footpaths.
- A land plot with individual plot connected water pipes and sanitation.
- A land plot with some form of partial dwelling unit ranging from a plinth, a plinth with walls or roof or a single room (frequently called a core house).

In every case, a sites and services project provides a household with a plot (the site) and some access to infrastructure (the services). The infrastructure and core house standards vary widely.\*

Sites and services projects assume that the individual household will continue to improve its shelter over the years of occupancy. This ability of individual households has been demonstrated in many existing projects. When additional credit is available to the household, this process can be accelerated.

The major advantage to governments of the sites and services approach is that it reduces the capital costs of providing initial shelter to a household. Experience has shown that six to ten sites and services units can be provided for the cost of one walk-up flat, depending on the actual standards used.

A major obstacle to increased use of the sites and services approach seems to be the resistance of politicians to accept the reality that government cannot provide mass shelter at high standards. There is also an apprehension that the sites and services solution is too far below the aspirations of the people to be accepted without political cost. (This ignores the fact that "aspirations" are frequently a reaction to the promises of the politicians themselves.)

It is frequently desirable to combine sites and services projects with other IIPUP components. Whereas in upgrading programs neighborhoods already exist with some form of social organization, sites and services projects involve new households with an urgent need for social services, community development activities and economic programs.

### C. PROJECTS IN EMPLOYMENT GENERATION: ASSISTANCE TO SMALL SCALE ENTERPRISE\*\*

#### 1. Assistance to Small Scale Enterprise and the Urban Poor

Industrial policy in the developing countries has traditionally encouraged the growth of large scale firms based on

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\* For a methodology for planning appropriate standards, see A Model for Analyzing Alternatives in Urban Project Design, Alain Bertaud et al., CITRUD, Washington, D.C., 1978.

\*\* This section relies heavily on the materials contained in Employment and Development of Small Enterprises, The World Bank, February 1978.

Western models. Although such a policy has clearly resulted in higher levels of output and productivity, unemployment levels have frequently remained very high. Thus, rising output has often been associated with rising poverty.

It is for this reason that creating jobs for the urban poor through assistance to small scale enterprise (SSE) is now regarded as an important component of industrial development policy. The policy's conceptual basis rests on the fact that the labor absorption capacity of SSE is greater than it is in other sectors. In other words, SSE is able to substitute labor for capital more efficiently than either agriculture, which suffers chronically from overemployment, or modern large scale industry where investment costs per job are relatively high.

Before this absorption capacity potential can be realized, however, SSE requires various types of external assistance to resolve certain problems tending to restrict its development.

Any catalog of these problems should distinguish between those faced by small (formal sector) enterprises that are relatively modern and organized and those faced by firms (informal sector) which account for the major share of non-agricultural employment typically engaged in repair work, artisan production, market vending, local transportation, handicrafts, custom jobbing, construction and small scale processing of primary products. On the other hand, the differences in these problem sets are often a matter of degree; all SSEs are faced to a greater or lesser extent with the following five types of problems:

(a) Limited access to credit. Securing credit to finance fixed and working capital needs is perhaps the most difficult problem confronting SSE in both the formal and informal sectors. Since neither has access to institutional credit facilities, firms in the formal sector are usually limited to internal cash generation and personal savings, while those in the informal sector whose saving propensities are much lower typically depend on the money-lender who charges rates of interest considerably in excess of market rates and who rarely makes loans for investment purposes.

(b) Limited markets. A central problem for most small businesses is the limited size of their markets. This constraint can be largely accounted for by the following factors:

- Shifts in consumer demand away from traditional SSE products.

- Spatial remoteness from medium and large scale industry.
- The lack of direct institutional (government) procurement of SSE products.

(c) Limited space for industrial establishment and expansion. Space for small scale industries is often limited. It is not unusual for small commercial enterprises to be located in densely inhabited dwelling units where space is already limited, particularly in low income areas. A study in Honduras found that a major constraint in the growth of small scale industry was a lack of space for expansion of existing enterprises and for the establishment of new ones.

(d) Limited access to material supplies. Due primarily to their dependence on middlemen whose services are often unreliable and to inadequate cash or credit for economic and timely purchases, SSE has poor access to both domestic and imported material inputs. Moreover, when supplies are acquired, they are likely to be of relatively inferior quality.

(e) Limited levels of technology and organization. Small scale businesses, by definition, cannot capture the benefits of scale economies and specialization. Thus, SSE is characterized by poor purchasing, production and marketing organization, particularly in the informal sector where a single person frequently performs all functions. Individually, the SSE cannot afford the large amounts of capital and specialized personnel needed for bulk raw material purchases, improved production technologies and sales promotions that would be essential to expanding their operations and creating additional jobs.

## 2. Types of Projects for Assisting SSE

As these developmental problems have come into sharper focus, external assistance programs have devised a number of projects to assist SSE in resolving them. The following summarizes some of the more noteworthy approaches.

(a) Projects for improving access to credit. Projects for improving SSE access to credit in the developing world usually concentrate on the working capital needs of labor intensive firms in the manufacturing sector. In some cases, they include loans for the purchase of buildings and equipment.

The most conventional approach utilizes financial intermediaries\* to make loans to SSEs in the formal sector at reduced interest rates over extended repayment periods. For example, in El Salvador, a World Bank loan to finance a SSE credit scheme is being administered by FEDICREDITO (Federacion de Cajas de Credito), an autonomous state enterprise which has 39 affiliated branches. Loans are made for working capital, tools and equipment and workshop construction and improvement. The loans are at 15 percent, repayable in one to 12 years.

The World Bank's Manila Urban Development Project provides yet another example of the approach. Here, the Development Bank of the Philippines administers a World Bank loan (\$440,000) to provide credit to small businesses at 12 percent, repayable up to 7 years. This is an experimental program to see if arrearage levels can be kept low enough to attract private sector banking interest in administering such funds.

The more non-conventional approaches to widening credit access feature efforts to reduce the collateral requirements of financial institutions through devices such as hire-purchase agreements, government guarantee funds or outright seed capital grants.

Unfortunately, efforts to channel credit to the informal sector are severely restricted by the inadequacy of existing financial institutions to service the needs of vast numbers of small non-manufacturing enterprises. There are, however, some projects in the experimental state that are seeking ways to replace middlemen and moneylenders with formal structures or to modify the nature of their relationships with small firms.

(b) Projects for increasing market size. A number of public programs to encourage direct institutional procurement of SSE products have been established in developing countries. These programs recognize that small firms can compete effectively in supplying many kinds of standard products: tools, uniforms, office equipment, etc.

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\* Financial intermediaries can include commercial banks, investment companies, mass-oriented intermediaries (such as worker's banks, credit unions, savings and loans, etc.), co-operatives, middlemen and moneylenders and institutions engaged in development programs which incorporate credit and assistance to SSEs.

To actually enable small firms to obtain contracts, however, a wide range of assistance mechanisms are required. In India, for example, the Government Stores Purchase Program reserves 192 types of products for the exclusive purchase from (21,000) SSE participants. In a less forceful manner, Botswana and Lesotho use SSE intermediaries which attempt systematically to keep the SSE sector aware of tender notices; to help them fill out contract forms and provide other technical assistance; to intercede with the authorities against unduly restrictive specifications or contract conditions; and to provide finance when needed.

In addition to final products, SSE is also capable of supplying many kinds of standardized intermediate goods if technical assistance to promote subcontracting is forthcoming. Institutional support to widen SSE markets through subcontracting has been extensively applied in Japan, Korea, India and Latin America where programs have ranged from the provision of blueprints and models to advice on using the right kinds of machines and fixtures to the application of new products and to intensive help on managerial problems.

Another important way to promote subcontracts for SSE in the formal sector is through the design of industrial estates that provide space and facilities for a wide range of establishment sizes. An illustration of this approach is provided by the Rabat Urban Development Project of the World Bank where the design of an 11 ha. industrial estate will promote SSE integration by means of a small business promotion unit that will provide technical assistance in marketing, production and management.

(c) Projects to provide space for commercial activity. Frequently land for commercial activities such as manufacturing units, workshops and commerce is included in sites and services and squatter upgrading schemes. Basic infrastructure necessary for small scale industry is difficult for entrepreneurs to obtain on their own. When serviced sites are provided in close proximity to each other, it makes it easier to provide services and technical assistance. It also may facilitate the transition from individual to cooperative transactions which permit bulk procurement of materials and supplies.

In the World Bank's Zambia project, industrial and commercial facilities will be grouped in areas of about one hectare consisting of about 40 sites. Serviced small industrial sites of about 250 <sup>2</sup> will be allocated with building loans at market prices for use by manufacturing or repair shops. Some groups of sites will be rented or sold to non-profit institutions which will provide

superstructures, credit, technical assistance, related training and cooperative activities. Land will also be developed for individual use for informal commerce. Rental kiosks for small shops will be provided at densities typical of existing low income areas. Market space for hawkers of food and consumer goods will also be provided.

(d) Projects for raising levels of technology and organization. Project support for small enterprises in this area typically falls into two categories:

- Technical assistance in modifying existing technologies in production and in quality control.
- Technical assistance in marketing, production planning and financial management.

An excellent example of the first type is the case of the Tanzanian Integrated Boat Building/Fishing Project whose objective was to increase employment and income by revitalizing two declining industries. The project successfully experimented with the conversion of traditional boats with simple tools and converted industrial engines. This approach had the advantages of using local resources, introducing a technology understandable to the craftsmen and enlarging the catch area for fishermen who use the boats. The use of imported boats would have furthered dependency rather than self-reliance.

Examples of the second type are often contained as items within an assistance package; the World Bank's Ghana Urban Development Project is a case in point. In addition to establishing a financial intermediary program for improving access to credit, the Project also provides for advisory services and training for small businesses in conjunction with a management intermediary: the Management Development and Productivity Institute. This component includes assistance in such things as filling out loan applications, advice on day-to-day management problems and information on training opportunities.

D. PROJECTS IN EMPLOYMENT GENERATION; OTHER EMPLOYMENT ASSISTANCE

Creating jobs for the urban poor is a large and complex task requiring programmatic action along a number of fronts. As such, the development of small scale enterprises must often be augmented by approaches that are more direct. Two of the most important of these approaches involve:

- Efforts to increase direct governmental hiring of individuals.

- Efforts to raise the productivity of individuals outside of specific enterprises.

Before describing each of these approaches, note that the latter would attempt to increase the supply of skilled labor, while the former, as in the case of SSE assistance, concentrates on the demand side.

### 1. Direct Governmental Hiring of Individuals

The relative importance of individual sectors in employment assistance projects based on direct governmental hiring of individuals will vary from place to place. Where nationalized industry is significant, there will be opportunities in manufacturing. Even where this is not a sector in which there is major governmental activity, there are likely to be opportunities in manufacturing. Even where this is not a sector in which there is major governmental activity, there are likely to be opportunities in construction, public transportation, environmental sanitation and administration.

In construction, it is likely to be possible to reach well down the income scale. Here, there are excellent opportunities for governments to influence both employment generation and product quality through experiments with more labor intensive building technologies, through building research and through demonstration projects. The scale of government building operations often is such that governments can also encourage standardization and efficiency in construction related industries such as brickmaking, joinery, hardware and furnituremaking. The nature of the employment impact of construction will depend partly upon the particular subsectors involved. In housing, for example, if there is a steady demand for housing, there will be an opportunity to generate relatively stable employment. In subsectors such as road construction, public buildings and utilities, levels of activity may fluctuate markedly; if this is the case, it will be important to schedule individual projects to avoid major localized peaks and drops in the demand for labor.

In the mass transportation sector, there are opportunities for generating employment at a variety of skill levels in production (e.g. body-building), operations, maintenance and management. This sector also provides a useful training ground for the development of skills that will increase labor mobility.

In sanitation, there may be opportunities to use traditional labor intensive technologies for street cleaning, drainage maintenance, garbage and the collection and disposal of human wastes. In addition to the employment advantages of this, it may also help to avoid the maintenance problems

and expense often associated with the adoption of sophisticated capital intensive technologies.

In administration, there are many opportunities to employ maintenance and security staff, messengers and low skilled support staff of various kinds. Support staff used purposely to back up the very limited number of skilled administrators usually available can increase the productivity of the latter greatly, especially where such things as communications and transportation are underdeveloped. A caution is in order, however, since excessive numbers of "support" staff can easily become counterproductive.

Direct governmental employment in sectors such as those suggested can impact virtually all target groups except those whose productivity is so inherently low that they need remedial or special support. It is important that it be used constructively and aggressively, however, to increase productivity -- not just as a cushioning device which maintains a permanent state of subsistence for the otherwise unemployable.

## 2. Increasing the Productivity of Individuals Outside of Specific Enterprises

Provided that real demand exists, other types of employment assistance projects may focus on the supply side -- that is, on increasing the productivity of individuals directly so that they can take advantage of existing or new demand. Such projects (in contrast to worker training in an enterprise) often are undertaken outside individual enterprises:

- Because their intention is to prepare individuals to respond to a variety of types of job opportunities.
- Because there is no formal training available in the enterprises for which individuals presently work.
- Because the individuals involved are not yet skilled enough to obtain jobs in any enterprise.

It may be useful to consider such productivity oriented projects in two broad categories:

- Projects intended to increase worker productivity generally.
- Projects intended to increase productivity for a specific skill or a specific range of skills.

Projects of the first type include those which incorporate such things as water supply, sanitation, nutrition, personal health care and literacy. Projects of the second type are designed to develop a specific set of skills; they often need to have projects of the first type undertaken with them if they are to be fully successful.

Projects of the first type often will be basic ingredients of household or community improvement programs. A word of caution is in order on projects of the second type. There have been many cases in which worker (or potential worker) training undertaken outside of a particular enterprise has failed -- either because the skills imparted were not really of high enough quality to be utilized by any serious enterprise or because there was no real demand for the skills provided. Some artisan training projects have suffered from the second problem. As a general rule (to which there are, of course, exceptions), it seems preferable to undertake technical training within enterprises so that the skills developed can be tailored to real needs. When this is not possible, there should at least be an opportunity for potential employers of trainees to influence training programs to help to insure that they will result in the development of employable skills.

In some cases, community center projects have been designed to increase local income and employment through the development of basic skills such as carpentry, masonry, plumbing, welding and sewing and through support for home industries which can be organized into cooperatives. Some training centers carry out market research and project identification work, as well as acting as production centers and marketing agents, achieving financial self-sufficiency through commissions earned on their marketing services.

Projects designed to increase productivity outside specific enterprises are likely to be most beneficial for the unemployed. Properly designed, they should be able to reach a wide variety of types of unemployed individuals, including women with continuing family responsibilities who can undertake only part-time employment. They are also among the types of support that should be able to reach those who are "externally-oriented" or "in-transit" and without property rights or secure squatting status.

In Guyana, a community "resource center" in an urban slum has evolved into a training, production and marketing center for the unemployed. The center began with the provision of pre- and post-natal care and developed into a local meeting place, thus establishing strong roots and identity within the community. It became an urban grassroots mechanism for the stimulation of community action. The self-help/training project utilized employment-oriented action programs as an

instrument for awakening productive community participation. Its principal objectives were to develop local skills and talents and to help organize home industries to produce income and employment where none presently existed. It also aimed to nurture self-reliance through self-employment. Twelve-week courses are now offered in carpentry, masonry, plumbing, welding, sewing and candymaking to a total of 500 students throughout the year. Those who complete the courses are encouraged to set up home workshops which will be organized into cooperatives, while those unable to work at home continue to use center facilities.

## E. SERVICES IN INFORMAL ADULT EDUCATION

### 1. Education and the Urban Poor

Formal education systems are frequently blamed for educational deficiencies in the developing countries. They often lack the coverage to provide even basic education to the poor. Although this problem is usually more critical among the rural poor than among the urban poor, the urban poor frequently lack the same access to formal education facilities as is provided to middle and upper income groups. This problem was highlighted in an appraisal of squatter settlements in Lusaka, Zambia, which showed that there was only one school in all of the city's squatter settlements. Fifty percent of the capital's population was virtually unserved. In squatter areas, primary school enrollment was only 36 percent compared to 90 percent in the rest of the capital. New school facilities and improved staffing and equipment could be considered as possible IIPUP components where formal education is inadequate. IIPUP planners should be aware of the need to improve access by the poor to educational systems. However, major improvements to formal education systems are generally beyond the scope of IIPUP programs and are not considered in detail here.

The content of school curricula is another issue which is potentially important to the urban poor. Formal education is frequently oriented too much towards preparation for higher education and modern sector employment. This is often dysfunctional because the majority of employment is in the informal sector and other jobs requiring low skills. The result in many countries has been large groups of unemployed youths with few practical skills. However, although the content of school curricula is important to the poor, major policy changes in the type of education offered in formal education systems will also generally be beyond the scope of individual IIPUP programs.

Problems of limited access to formal education and inappropriate education can be partly addressed through separate vocational education programs which teach practical skills in both on and off-the-job settings. Some types of vocational education which could be considered for IIPUP are presented in Section D.

In many cases, the most relevant types of educational services which can be considered for IIPUP are informal adult education programs. They are often run by health or social welfare agencies rather than by education officials. These can be organized relatively quickly to meet the most pressing educational deficits of specific low income communities through a variety of means. Examples of the most important types of adult informal education are presented below.

## 2. Types of Adult Informal Education Relevant to IIPUP

(a) Non-formal education programs in urban health, sanitation and family planning. Non-formal education can be an important complement to health services delivery programs and environmental sanitation programs for low income groups. People need basic information about the care and feeding of children, childbirth, the preparation of food, disease prevention and treatment, the protection of water and the disposal of human and other wastes. Community education campaigns concerned with mass vaccination, environmental sanitation, rat extermination and other related programs can help to develop new attitudes about health.

Basic information on health and related subjects can be conveyed to urban residents through a variety of means. Many health education programs involve the use of health "promoters" who make family visits, especially to council expecting and new mothers on child care and nutrition. Health promoters are frequently trained with basic paramedical skills as is the case of the "Red Medical Workers" in urban China who are local housewives. They provide basic health information to households as well as simple preventive and curative medicine. Television, radio, public billboards and other media have been used effectively. A new low income settlement project in Karachi, Pakistan, used television to deliver a number of types of informal education including programs dealing with public health, personal hygiene and sanitation.

Urban health centers are frequently important focal points in community education. One center in Chetla, in Calcutta, India, organized mass campaigns in smallpox vaccination, cholera prevention, environmental sanitation and family planning. It also provided consultation on malnutrition.

(b) Literacy programs. Wide-ranging literacy is clearly essential for effective social change of many kinds. In many countries, literacy rates are especially low among the less socially mobile families (Types I and II in Chapter II). In these cases, low literacy tends to be both a cause and a result of poverty. However, the urbanization process itself provides a useful opportunity for literacy programs. New Urban migrants are often more highly motivated for learning. The advantage of acquiring literacy is more evident to them than to those who remain in rural areas.

Many literacy programs have concentrated on the general population using such media as radio, television and newspapers to teach functional literacy. Others have used more standard literacy training. There are many good examples of innovative literacy instruction using these and other means. However, many have failed because they have not recognized the importance of individual motivation. While it is important to select motivated individuals for training, it is also important to offer literacy programs in an environment which is conducive to motivation. For this reason, many literacy programs have been combined with other programs of interest to the target population such as vocational training, on-the-job work training and social centers. An example of this is a functional literacy program in a West African country which was closely linked with a groundnut production program at the local and national levels.

Another example of this type of motivation was recommended for a low income settlement upgrading program in El Salvador. A maximum effort was to be made to generate employment for the unemployed residents of low income neighborhoods in the construction of infrastructure. Those benefiting from this employment would also be encouraged to participate in functional literacy training as well as limited on-the-job vocational education. The program was to be conducted in conjunction with several government adult education agencies.

(c) Education in civic participation. Much of the effort to involve residents in the development of their communities, as described in Section I, requires a range of non-formal education to bring residents into productive community participation. Households need certain types of basic information in order to adapt and survive in an urban environment. Less socially mobile households (Types I, II and III described in Chapter II) need basic information on employment opportunities, consumer information and information on available community programs and services.

Consolidating households generally require a wider range of civic education to facilitate their permanent settlement in the urban areas. This may include information on

participation in the political process, legal information, public safety information, information on family budgeting and the use of financial institutions. Many also require information on cooperative techniques and community organization.

There are many media channels available for this type of community education. These include household visits, community and religious meetings, advertisements in public places and mass media.

## F. PROJECTS IN ENVIRONMENTAL SANITATION

### 1. Environmental Sanitation and the Urban Poor

The components of environmental sanitation projects are likely to be important parts of physical improvement and new housing projects. Environmental sanitation is presented here as a separate project type, however, because of its special importance for the poorest urban groups. Many of the poorest urban communities urgently require at least minimal investments in water supply and sanitation. Such minimal investments may differ from projects involving more comprehensive urban upgrading because they involve a lower standard of service. Minimal services may be provided in communities which are not scheduled for permanent improvement but which suffer from immediate sanitation and disease problems. There may be a greater argument for not recuperating costs from such minimal investments because they are relatively small, and they benefit the poorest groups.

Environmental sanitation is extremely important for the health of the urban poor. It is generally a more important determinant of health conditions than the level of health services. Groundwater is frequently polluted by inadequate sewage disposal which makes surface wells unsafe for drinking. Populations with poor water supplies have high rates of morbidity and mortality. In Honduras, over half of all morbidity and mortality is due to water-borne diseases. The incidence of typhoid, cholera and diarrheal disease is significantly less where there is a safe municipal water supply. The incidence of disease has also been reduced by the introduction of sanitary excreta disposal.

The most vulnerable poor living in crowded and unsanitary conditions are the most exposed to the risk of disease. They must frequently live in low-lying marginal areas subject to flooding with little or no public services.

The problem of inequity has at least two important aspects -- the physical availability of services and their cost. Conditions in a major Asian metropolis illustrate the problem of physical availability. Only 30 percent of all households have piped water connections. Only 20 percent have sewer connections. In that city, and in many others, current policies are systematically biased in favor of the affluent minority and a very small middle class -- together constituting somewhere between 10 and 20 percent of the urban population. Water and sanitation systems are extended expensively to serve large plots they have purchased speculatively but do not occupy. Taxes and low interest borrowing are thus used to subsidize low density living for the few.

In addition to the lack of availability and poor quality of water in poor neighborhoods, the poor frequently pay a higher unit price for water. A gallon of water distributed through the informal system is generally more expensive than water from direct connections. In one Latin American city, the poor pay five to nine times as much for water as those connected to the formal system.

(a) Water supply.

(i) Optimization of existing systems. It is not uncommon for large amounts of water to be lost from existing systems. Repairs and maintenance of existing systems can lead to substantial savings and an increased availability of water for the poor. Meters can be placed on the supplies of large users. Overflow valves can be required on private reservoirs and tanks. Inspectors can find and eliminate illegal connections, damaged, missing and leaking faucets and valves. Financial losses can be reduced through better accounting, budgeting and collections. Many of these reforms may be politically difficult, but the possible savings can greatly reduce or postpone capital investment.

Rationing and improved pricing can also increase the water available for consumption by the urban poor. Water can be rationed to prevent wasteful consumption by upper income groups. It can be more directly allocated to outlets in poorer neighborhoods, especially during periods of critical shortage. Pricing systems can be reformed to establish more equitable unit costs. User charges can be adjusted to assure that affluent consumers (who typically use large quantities of water for non-essential purposes) pay the full cost of extending infrastructure to low density residential areas.

(ii) Expansion of distribution systems. It is important to expand water systems to unserved low income areas, especially where groundwater is contaminated. Some small improvements can be made to existing systems to increase

output without large capital outlays. The distribution system can be extended from existing mains to low income neighborhoods as part of squatter upgrading projects (where existing slum areas are being improved) or sites and services projects for new low income settlement. Additional community water taps can sometimes be added to existing mains with relatively little effort. Water supplies can be stabilized by installing balancing reservoirs. In addition, pressure in the system can be increased by greater pumping from existing sources. However, net benefits from increased pumping will be reduced if existing losses from the system are not first eliminated.

In many cases, large scale additions to treatment and distribution systems are necessary. One Asian city with a serious water supply problem has developed a 10-year program to expand its water supply. Estimates for 1973 showed a per capita consumption of 34.5 gallons per day and a total consumption of 138 million gallons per day. Total supply amounted to 162 mgd. Sixty percent of consumption was used by households, but domestic water consumption varied from 10 gallons per day among the lowest income households to 100 gallons per day by upper income groups. The 1985 water demand has been assessed at 390 mgd. for a population of 6.9 million. The cost of expanding the system has been estimated at about \$213 million, representing a cost of roughly \$1.0/ million for each additional mgd. of capacity. This includes roughly equal costs for developing new sources and expanding the distribution network. It is expected that the distribution of water will also improve among income groups. By 1985, approximately 80 percent of households are expected to have individual water connections compared with a 1973 level of 33 percent.

(b) Sewerage.

(i) Optimization of existing systems. High proportions of the populations of most cities in the LDCs, even the larger ones, have no access to a water-borne piped sewerage system. They are forced to use available open spaces, streams or river beds or use simple (essentially village) pit latrines, night soil collection systems or communal cess-pools. The use of urban open spaces clearly has to be discouraged where densities are high. The use of simple units such as pit latrines, however, may have to be considered acceptable, even at quite high densities, where capital resources are very scarce. In such situations, the task is to make the necessarily simple system as economic and hygienic as possible.

Latrines are often in poor states of repair. They should be inspected and repaired if necessary to assure they are not

accessible to flies or other animals. It should also be ascertained whether they represent a threat to groundwater, especially if they are close to surface wells. Night soil collection can first be improved by making them on a more regular basis and using more sanitary containers which minimize exposure and danger of spillage. Specialized trucks and other equipment can be used. Likewise, the collection of wastes from cesspools can be improved. In both cases, collected wastes can be used in agriculture. While the dangers of such systems can be minimized, contamination nevertheless remains a much more likely possibility than with piped systems.

(ii) Additions to systems. In areas which are not too densely populated, new pit latrines can be considered. This may not be possible where large amounts of waste disposal would risk contamination of underground water, surface water or surface soil.

In some cases, open surface sewers may be a "best possible" solution. The risks of contamination can be minimized by separating them as far as possible from homes, covering them at least partially and assuring their outfall to safe open water bodies or to existing trunk sewers. Where they must be close to residential or other major activity areas, it may be possible to organize housing and other land uses so that only small numbers of people are responsible for the maintenance of the sewers immediately serving them; if this can be done, there may be a direct sense of responsibility and relatively good maintenance. Even in the poorest areas, standards of hygiene and maintenance in private or semi-private (in contrast to public) space often are quite high.

Communal cesspools and septic tanks are other intermediate methods which may be appropriate in certain situations. Where populations are dense and latrines cannot be built, cesspools may be the best solution. This may be especially true for densely populated staging areas where residents and landlords are unable or unwilling to make substantial investments. As with individual night soil collection systems, cesspools must be periodically drained of waste, and it may be possible to process that waste for use in agriculture.

Conventional sanitary sewer connections are still preferable in a number of situations, especially for the more stable poor who are becoming permanently established in urban areas. Standards may be reduced through the use of less expensive fixtures without compromising on sanitation. Where individual installations are not feasible, as in the case of many squatter upgrading programs, community facilities may be constructed reasonably inexpensively from a limited

number of sewers in the project area. These can be combined with water outlets in bathhouses.

Incremental additions can be made to existing water-borne systems to use those systems more fully and make them more responsive to the needs of the poor. Additional collection points often can be added to existing sewerage lines at little expense.

(c) Drainage. The most vulnerable of the urban poor, especially those living in low-lying, flood-prone areas, suffer the most from the poor state of most drainage systems in the developing world. In addition to physical vulnerability, health conditions are notably worse among the urban poor during seasons of heavy flooding.

Many existing drainage systems were designed to service much smaller urbanized areas. However, as increased amounts of land are covered with pavement and housing, less rain water is absorbed by the soil. Frequently, it is necessary to expand existing systems to cope with larger amounts of flood water. The problems of drainage, however, are affected by problems in other sectors which should also be looked at. Sometimes water, gas or sewer lines may be laid across storm drainage channels to partially block the flow. During storm flows, debris carried by high water may be caught on such obstructions, block the flow and result in additional flooding. Where solid waste systems are inadequate, large amounts of human waste in storm drains, particularly during floods, pose a serious health problem. Short term actions can be taken to regulate street sweeping and the dumping of sewage into storm drains.

Poorly planned urbanization and improper agricultural methods can cause erosion which clogs storm sewers during floods. Where this is a problem, natural drainage channels are likely to have to be stabilized as an immediate measure to control erosion. Sustained improvements in the regulation of land use and the protection of ground cover are likely to be necessary long term measures in such situations, as noted later.

Several actions can be taken to alleviate the most immediate problems of drainage systems. Drains can be cleared of mud, debris and other obstructions, channels and pipes can be repaired and manhole covers can be replaced. This may involve the establishment of regular clearance schedules before seasonal rains to reduce flood damage. Private maintenance of local drains can be encouraged. In some cases, local surface drains can be constructed relatively quickly to discharge into existing main drains to utilize existing capacity fully.

A variety of long term programs should be considered to control erosion damage. Urbanization can be regulated in erosion-prone areas. Check dams can be installed in areas above cities to slow runoffs and to build up groundwater levels. In addition, harmful agricultural practices such as overgrazing may require organizational changes and staff training (including a rethinking of the territorial responsibilities of municipalities) as well as considerable public education.

(d) Solid wastes. Traditional collection methods can be regulated and upgraded. This may include improvements to handcarts, the organization of the manual recovery of reusable wastes and the organization and regulation of dumping. In some cases where conventional truck collection, incineration and sanitary land fill are already in use, they can be improved and regulated more efficiently.

Most cities in the LDCs must expand their conventional recovery, treatment and disposal systems substantially to cope with growing quantities of solid wastes. Such programs are likely to benefit the urban poor directly. Low income households are the most vulnerable victims of disease, rodent infestation and other problems resulting from poor solid waste removal systems.

One large Asian city is faced with a typical solid waste problem. Approximately 1.2 pounds of refuse are generated per head per day.\* This produced a total of about 2,000 tons of garbage per day in 1973. The figure may be as high as 4,000 tons per day by 1985. A refuse collection program utilizing heavy-duty 20-cubic yard compacting vehicles, two 20 ton per hour composting plants, eight bulldozers, 2,000 refuse bins and the development of disposal and land fill sites is under consideration there. The development of such a large scale program will require considerable staff training and user education.

Resource conserving recovery and reuse systems may be appropriate in some developing countries. Informal systems of recovery already exist in most cases. The economic feasibility of using such systems, or more labor intensive ones, in the developing areas is likely to vary greatly with the design of development. Scavengers extract every salable

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\* Rates of generation in the LDCs are generally much lower than in the MDCs (where seven or eight pounds per capita per day may be generated) because there is a necessarily more careful use of almost everything.

item -- old machine parts, used household utensils, scrap paper, metal and the rest.

## G. PROJECTS IN URBAN HEALTH SERVICES

### 1. Health and the Urban Poor

Although the rural poor often have more limited access to health services than the urban poor, the health conditions of the urban poor are in many ways more alarming. Low income neighborhoods typically have high residential densities and poor water supply and sanitation. These conditions facilitate the spread of a variety of air-borne and water-borne communicable diseases as well as serious epidemics. Environment related health problems are exacerbated by malnutrition and, in many cases, ignorance about basic health practices. Preventive and curative health services are also generally inadequate. Poor health can result in job absenteeism and low productivity. The cost of curative treatment can require a high percentage of household income.

It is difficult to separate the health problems related to poor environmental conditions from those related to poor health services and ignorance. It is clear, however, that health problems can frequently be addressed more effectively by improving environmental conditions, particularly sanitation and water supply, than by improving health services. In most instances, the types of improvements listed in Section F will be at least as important in improving urban health conditions as will be improved health services. The dissemination of information about basic hygiene and health practices will also be important (see Section E, "Services in Informal Adult Education").

### 2. Types of Health Projects Likely to be Important for IIPUP

Curative health services are unlikely to have adequate results if preventive measures are not adequate. The per capita cost of preventive services is also likely to be much lower than curative services. A wider impact can be achieved with preventive services from the same level of expenditure. Most health services provided through IIPUP should be concentrated on disease prevention, although improved low cost curative services may be important in some instances.

(a) Preventive health services. The most important components of preventive service projects are likely to include regular health surveillance, regular dissemination

of information on desirable health measures and available health services, vaccination and instruction in personal hygiene and nutrition. IIPUP programs can provide for the construction and staffing of community health centers, but such centers should generally require low amounts of capital expenditure. In many cases, the construction of new facilities should be discouraged.

The focus should be on preventive health services and improved community outreach. Paramedical personnel with a wide range of health skills may be more effective for this service than more specialized health professionals. Cases requiring more expensive curative care can be referred elsewhere. Where local clinics are not feasible or cannot achieve the necessary coverage, mobile units or other means of community outreach can be considered.

Paramedical personnel are an important part of urban health delivery in China where large numbers of "barefoot doctors," midwives and health aides are used in preventive medicine and in the treatment of minor health problems. Basic health services are thus made available to a broad segment of the population. Cases requiring specialized treatment are referred to central health care units.

An IIPUP project being implemented in a low income neighborhood in Tunis will provide improved preventive health services. An existing community health center is being strengthened to provide increased community outreach. Initially, it will also pay the salaries of some of the health personnel. Limited curative treatment will also be provided, but more serious cases will be referred outside the neighborhood.

(b) Mother/child, family planning and nutrition services. In many cases, services related to pre- and post-natal care and family planning are carried out separately from other health services. These services are aimed at a specific target subgroup which can often be reached more effectively with specialized services. In some cultures, it is preferable to treat these matters separately from other health services.

In Zambia, the emphasis in both nutrition and family planning is on outreach to the target groups in their homes as well as conventional activities in the clinics. The nutrition component will consist of making mothers aware of the importance of nutrition and of simple means of preparing locally available inexpensive foods. The project will fund vehicles and equipment for home visits.

The Tunisia IIPUP program is planning to provide improvements in mother/child care and family planning. The

basic health center which will be supported by the program will unite the services of a previously separate mother and child center with a health dispensary in a new, larger facility. The equipment and personnel will be improved, and new efforts will be made to extend the program to previously unreached families.

#### H. PROJECTS IN PUBLIC TRANSPORTATION SERVICES

##### 1. Transportation and the Urban Poor

Projects in urban transportation services have their most visible impact on "Consolidating Households" (Type V) who generally live in the newly developing outer areas of cities and in middle and upper income groups. These groups require transport to commute to work and have the means to pay for it. Nevertheless, in some of the larger cities with populations of several million, walk or walk-and-cycle trips may constitute as much as 40 percent of daily person work trips and 60 to 70 percent of all daily person trips. Transportation in its simplest form (including pedestrian paths, bicycles and traditional modes) is, therefore, very important to the lowest income groups. Many pedestrians are among the poorest and most debilitated of the poor for whom the shortening of trip lengths is important.

Transportation provides the poor not only with access to jobs. In itself, it is a source of employment. Transportation services facilitate the distribution of essential commodities and the access of the poor to essential urban services. They increase the supply of land suitable for low income families and increase the value of land which may be owned by those families.

There are several important issues which should be recognized in planning transportation services for the urban poor. They are important to the urban poor and should be considered during IIPUP project planning, but they generally involve policies which are beyond the scope of individual IIPUP programs. The most important of these follow:

- Policies should insure that a part of any additional land supply created by improvements in transportation becomes available to low income groups. Likewise, policies which affect land use and the density of residential and other land should strive to minimize the need for transportation services, especially for low income groups.
- It may be advisable to restrict the importation, production and use of private vehicles because they

are inefficient and often inequitable users of road space and energy.

- The choice of public transportation modes can be important to low income groups. Some employment in traditional modes may be lost (for example, as public transport is improved through the adoption of intermediate or modern technologies).
- Importation and tax policies are important if there is an intent to improve levels of service in mass transportation for the poor, and there is a heavy dependence on imports to achieve this. Import regulations and tariffs should be made consistent with this objective.

## 2. Types of Projects in Transportation Services Relevant to IIPUP

As opposed to the broad types of policy measures listed above, the following more specific project types may be of direct applicability in IIPUP programs.

(a) Improved facilities and support for pedestrians. Improvements in pedestrian movement benefit all low income groups and often can be achieved very quickly at low capital cost. In new low income areas, it is usually possible to arrange land use to keep trip lengths short enough for walking. In already built-up areas, it is often possible to improve conditions for pedestrians considerably -- by changing traffic regulations which neglect them; by improving sidewalks; by providing protective barriers between pedestrian and vehicular movements in areas of extreme conflict; and by preserving as pedestrian ways small streets that are not needed for major vehicle movement.

Recent examples of metropolitan planning in which an attempt is being made to exploit the potential of walking for low income groups include the Karachi Development Plan, 1974-1985.\*

(b) Facilities and support for bicycles. The bicycle is one of the most convenient and energy-efficient forms of individual transportation available. It is a mode generally available to all but the lowest income groups. Improvements in the levels of service can be achieved quickly at very low capital cost through changes in traffic

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\* Karachi Development Plan, 1974-1985, Master Plan Department, Karachi Development Authority, 1973, pp. 244, 247.

regulations and through reductions in import and sales taxes.

The types of support for bicycle transportation that can be considered include: assistance for production and servicing; use of bicycles as parts of payment-in-kind packages for labor contributed for housing and other projects; provision of rights-of-way and facilities; establishment of traffic regulations to support bicycle use; and road user education.

The bicycle is used extensively in urban areas in a number of countries including, for example, India, parts of Pakistan and Tunisia.

(c) Facilities and support for traditional modes. Traditional modes of goods and person movement for the poor bear a great variety of local names. They include animal drawn carts for goods movement, handcarts (small and large -- such as the 2-man handcarts common in India), animal drawn vehicles for passengers (for example, the tongas and victorias of Karachi), bicycle rickshaws and auto rickshaws.

All of these provide adaptable forms of transportation at relatively low capital cost. The production, maintenance and repair of vehicles, as well as their operation, provide useful sources of relatively low skilled employment. Like bicycles, they can serve widely dispersed origins and destinations. Because the equipment and experience necessary for operating traditional modes usually are readily available locally, expansions in traditional systems usually can be achieved quickly.

Their major potentially negative impact is their interference with mass transit vehicles. This can be ameliorated if fast and slow routes can be differentiated appropriately, but this is often difficult to do.

To the extent that they can be provided for without interfering excessively with essential forms of mass transportation as systems gradually modernize, traditional modes should be encouraged rather than discouraged. For the non-motorized traditional modes, the case for supporting them has become even stronger in the last several years as fuel prices have risen.

The types of project support for traditional modes that may be worth considering include:

- A differentiation of the services that traditional and modern modes can provide and the different incentives and restrictions appropriate for each -- with large mass transit vehicles excluded from

small streets that can be served best by smaller vehicles and *vice versa*.

- Support for owners and operators of traditional modes in the form of credit and assistance in obtaining parts and materials for construction and maintenance.
- Careful structuring of taxes and licensing fees to avoid discouraging traditional modes.

(d) Mini-bus systems. The mini-bus of Karachi, the jeepney of Manila, the tap-tap of Port-au-Prince are forms of a small mass transit vehicle that provides useful transportation services for a part of the low income population of those cities.

The ease and rapidity with which services can be expanded with project assistance will vary considerably from place to place depending, among other things, on the degree to which the purchase of chassis involves foreign exchange versus the conversion of existing used vehicles and the extent to which bodies can be produced locally.

For these reasons and because of relatively high fares, the role of mini-buses in low income transportation may be more limited than most of the other modes discussed here, but they can provide a higher level of service than buses since they provide seats, travel at higher speeds and make fewer stops.

(e) Buses. Buses are likely to play a major role in transportation for the poor throughout the foreseeable future in most cities of the developing world. Although many bus systems are poorly managed, dramatic improvements in services for low income groups can be achieved relatively quickly through programs which combine the purchase of additional vehicles with improvements in management, routing and scheduling.

In undertaking projects to improve bus systems, it often will be important to incorporate at least eight types of action -- each of which, of course, may deserve different emphasis in specific instances.

- (1) It may be necessary to expand bus fleets.
- (2) It may be desirable to provide funding and technical assistance for the design and production of complete vehicles or major components.
- (3) It is likely that technical assistance will be needed to improve system management. Deficiencies

usually range from service planning (including routing, scheduling and pricing) through purchasing procedures, workshop management and maintenance.

- (4) Realistic fare structures must be established to enable systems to be commercially viable.
- (5) Import regulations and tariffs, vehicle and fuel taxes and licensing fees should encourage the development of effective bus services, not hinder their development.
- (6) It may be necessary to construct additional bus terminals and/or intermodal terminals and improve layouts and facilities in existing terminals.
- (7) It may be necessary to improve overall traffic operations in order to help to take full advantage of the potential efficiencies of buses.
- (8) In almost all cases, it will be necessary to undertake sustained driver training and road user education programs.

## I. PARTICIPANT MOBILIZATION

### 1. Participant Mobilization and the Urban Poor

Effective community development is both an end in itself and an important means of implementing many of the other substantive components of IIPUP. The increased independence of the urban poor is a fundamental concern of IIPUP. It is important for the poor to be involved in the decisions which shape their lives. More participation by the poor in decision making will help to insure future self-reliance. Likewise, the opportunities for social interaction afforded by the community development process are themselves important to enrich the lives of the poor.

Community participation is also an important prerequisite for the successful implementation of most of the IIPUP project components described here. Where effective community leaders and organizations exist and are involved in the planning and implementation of IIPUP programs, the chances of success and longevity of those programs are much greater.

## 2. Types of Community Participation

Community participation is essential at a number of stages in the IIPUP process. The urban poor have important roles both as active participants in the planning and implementation process and as informed beneficiaries of IIPUP programs.

(a) Community involvement in project identification and design. Community organizations and representatives can be used in gathering socioeconomic data for IIPUP project planning. This may be especially useful in areas with strong community organizations.

In many cases, community groups and leaders should be involved in the project design process. This may be necessary to obtain community acceptance of a project. The World Bank community improvement project in Zambia involved community leaders in the physical design process. A group of community leaders was formed to decide on the alignment of roads and community facilities. The project's professional staff acted as consultants to them.

The community improvement project planned for San Salvador recognized the importance of community involvement and acceptance during the project design process, especially where the costs of the project were to be recovered from beneficiaries. In that project, community groups were to be presented with sets of alternative levels of service for infrastructure and community facilities together with cost estimates in terms of the monthly payment required per family for each level of service. The communities were then to be given the opportunity to choose the set of standards they were willing to pay for.

(b) Community involvement in project implementation. Many projects give community groups the opportunity to participate in implementation. This can reduce the cost of works and help build local self-reliance. In the Indonesian Kampung Improvement Program, the kampung communities help to organize self-help labor, but most major works are executed by contractors. There are many obstacles to be overcome in organizing effective community mutual help projects. The Zambia project ran into considerable problems with self-help and it played a considerably smaller role than was expected. Because mutual help used unskilled and inexperienced labor, it required a large amount of supervisory personnel and was not cost effective. In the end, contractors were allowed to use hired personnel in cases where self-help interfered with the timely execution of the project.

Self-help or mutual help should be distinguished from individual self-help. In many cases, individual self-help is a more effective means of inducing participants to contribute labor than mutual help. However, projects involving individual self-help have to be carefully designed. In many projects where participants were intended to contribute self-help, they hired outside labor instead. Beneficiaries frequently do not have enough spare time to contribute the required self-help.

Cooperatives can be a useful means of involving communities in IIPUP projects. Housing cooperatives have been used in many cases to mobilize support for planning and implementation. They are useful vehicles for project management and maintenance after the implementation period. Cooperatives can themselves be a means for achieving service integration by channeling a range of services to members.

The Kampung Improvement Program in Jakarta, Indonesia, has kampung (neighborhood) committees that are directly involved in planning, execution and maintenance of works executed in each kampung. The organization helps to establish priorities for improvements which reflect the views of residents. They respond to official proposals concerning the balance of social and physical infrastructure, location of roads, footpaths, community sanitary facilities, schools and health centers. They also respond to proposals on the relocation of households and collections and expenditures of compensation.

Community participation is especially important where substantial road realignment, reblocking and relocation are to occur (i.e. the value of people's assets are to be affected). For this reason, community participation has been especially active in the Tondo Foreshore Redevelopment Project in Manila where large numbers of households are being relocated and otherwise significantly affected by the project.

In many projects, there are opportunities for community residents to work as paraprofessional staff. This is the case, for example, of the "Red Medical Workers" in China who perform a number of health maintenance and educational tasks in their communities.

Many projects involve community residents in ongoing project management, maintenance of improvements or collection of payments. In the Indonesian Kampung Improvement Program, the Kampung Committees collect money for kampung maintenance work and distribute money to help residents who are displaced. However, in some cases, collections through community organizations are difficult. In the Zambia project, community

leaders did not want to be involved in payment collection as it was not to their political advantage.

(c) Community involvement in project evaluation. IIPUP projects require constant feedback from beneficiaries to assure their success and to improve the design of subsequent projects. Community organizations, together with project staff and social workers, have an important role to play in determining the impact of projects on beneficiaries and conveying the results to IIPUP project planners.

(d) Community preparation for project participation. Many of the urban poor require specific information or counseling in order to benefit fully from the services offered under IIPUP. Some of these types of information are referred to in Section E. Two other areas are of such importance that they merit specific mention.

(i) Information on credit. Many of the urban poor have no experience in the use of credit. They need to be familiarized with credit institutions and trained in the use of credit for home purchase and productive investment. They must be convinced of the importance of repayment. The education of beneficiaries in the use of credit is the best way to reduce the risk of lending to low income groups and to increase the replicability of credit programs.

(ii) Legal assistance. Many complex legal actions may be necessary to implement IIPUP programs, particularly where changes in land tenure or rental status are involved (see Chapter VI). It is important to provide legal assistance to individual residents affected by these changes. The type of legal assistance will vary depending on the specific types of changes contemplated. For example, renters with landlord disputes will require different services from those who own their houses and need to legalize their tenure.

#### J. PROJECTS TO IMPROVE THE WELFARE OF THE NEEDIEST GROUPS

In every society, there are people in a position of dependency. This includes the physically and mentally handicapped, senior citizens and children. Households headed by women are particularly disadvantaged in many societies. Chronically unemployed persons may require special attention. In most countries, extended families have traditionally cared for those who cannot care for themselves. However, traditional patterns frequently break down as societies become urbanized. The pattern of this breakdown varies from country to country. Urban

migrants who remain externally oriented may be performing a welfare function for old and young relatives left in the villages. As they become more consolidated in urban areas, welfare ties usually become less important.

Most developing countries do not have the resources for comprehensive welfare programs. For this reason, governments should strive to encourage family and other private welfare activities. In most developing countries, there are private religious or other social services groups providing specialized welfare assistance to the neediest groups.

It may be appropriate to include specialized welfare assistance in some IIPUP programs where a clear need can be identified among the target population and a means of service delivery exists. It may be less appropriate for governments themselves to undertake major new programs in this field unless resources are available and a high priority is attached to the service. A full listing of the types of welfare services that that might be required is beyond the scope of this paper.

Some of the types of services that might be considered include programs to train the physically handicapped and the blind and deaf, programs for orphans, programs for the elderly and programs for the chronically ill. Daycare facilities may help single parents who must work. Temporary shelter and remedial shelter may be required by the chronically unemployed.