



BTC

BELGIAN
DEVELOPMENT AGENCY



THE URBAN (F)ACTOR IN DEVELOPMENT TOO BIG TO IGNORE

***LESSONS LEARNED FROM 20 YEARS' EXPERIENCE OF THE BELGIAN
DEVELOPMENT COOPERATION IN THE URBAN SECTOR***

HABITAT III CONFERENCE - QUITO, 17-20 OCTOBER 2016

Benoit Legrand and Paul Verlé, Belgian Development Agency - BTC

INTRODUCTION

The urban problematic is a major challenge for developing countries. However, the support received from the donor community has been rather limited during the last two decades, some believing that aid directed towards rural areas would contain migration to cities. But urbanization proved unstoppable, and when it was demonstrated that it was an engine of economic growth, a shift in the perception has progressively been observed.

Today, the resources required to respond to the challenges remain huge, while the issue of climate change in cities has emerged as an additional burden. Among the numerous challenges linked to increasing urbanization, a major one is the production of green-house gases of which it is acknowledged that 70% are of urban origin, although cities occupying just 2% of the land (UN-Habitat, 2011).

Over the last decades, Belgium has supported city development both through loans in the framework of investments linked to Belgian export and through untied grants via BTC, the Belgian Development Agency. The grants focused on improved service delivery through pilot projects and institutional strengthening.

However, considering the required scope of support and the spirit of division of labour among donors, one could wonder whether urbanization should not be limited to the bigger players, including the development banks. Smaller donors, such as Belgium, would then only focus their support on sectors that require less resources. We will argue further on that this is not the case.

The objective of the current paper is to review some lessons learned of urban projects implemented by BTC during the last 20 years and to assess the added value these interventions could bring to the global reflection on the future of city development, while emphasizing how these lessons could help the local government bodies in the implementation of the new urban agenda.

LESSONS LEARNED

PRIMARY VERSUS SECONDARY CITIES

Over the past decades, the dichotomy between primary and secondary cities has been an important element of discussion among urban planners, including the attention and means each type deserved. The distinction is not only determined by demographics, but also by the economic, cultural and administrative status of the cities (Cities Alliance/UNOPS, 2014). These different urban contexts require different methodologies, tools and financial means. For a long time, donor attention, in consultation with national authorities, focused on primary cities, where the most striking challenges emerged. But considering that 75% of the world's urban population are living in urban settlements of less than 500,000 inhabitants (Cities Alliance/UNOPS, 2016) and that a network of dynamic and vibrant secondary cities is an efficient tool to limit the demographic attraction towards mega-cities, the focus has gradually been adjusted.

Belgium also mainly supported primary cities, such as Ho Chi Minh City, Kampala and Bujumbura. These cities vary in size but they all disposed of a certain level of autonomy and financial capacities. Common aspects were rapid and uncontrolled urbanization, high poverty prevalence, pollution and lack of basic infrastructure. All these cities received a relatively high percentage of the international aid to their country.

More recently, Belgium assisted the development of secondary cities, where the problems are dramatic and complex too. Specific trends in secondary cities are the greater lack of reliable data, less vision and more limited capacities of the local authorities, which influenced the chosen strategic orientations. There, similar quantities of Belgian support led to a relatively higher impact, innovative solutions allowing to tackle an issue not simply at the level of a portion of a city, but to cover an entire municipality.

In both contexts, the Belgian contribution positively enabled to respond to specific challenges and to support local authorities not so much in terms of infrastructure investments, but rather at the organization level. The approach included exploring innovative technical tools and institutional reforms, which had an effect on the scope of expected tangible results, at least in the short term.

INTEGRATED VERSUS SECTOR APPROACH

The strategic orientations of development aid can be either sector specific or structured around an integrated and holistic approach. The former is usually in line with the existing administrative organisation of the city and/or government bodies, whereby donors choose one aspect for support (e.g. water provision, solid waste, roads...). Such a strategy is relatively easy to implement and the outcomes are rather straightforward. However, too much attention to one aspect may disturb the balance of city development and hamper sustainability of results. Experience showed that tackling one specific sector can have several adverse effects on other issues.

In the nineties, Belgium also supported integrated approaches. The most emblematic example was *the urban and environment upgrading project around the Tan Hoa–Lo Gom (THLG) canal in Ho Chi Minh City*, one of the most polluted canals of this megacity with encroached slums along its banks. The strategy included canal reshaping, drainage, wastewater treatment and solid waste collection, but also slum upgrading, resettlement and socioeconomic support. The implementation was difficult, progress slow, partly due to active involvement of numerous authorities and stakeholders.

However, five years after the end of the intervention, it turned out that this was the best way to proceed. An independent evaluation revealed indeed that the approach had resulted in more substantial and unexpected positive changes that ever had been observed in sector support initiatives. As it combined a set of interrelated issues, it allowed the development of new ways of thinking as well as innovative solutions involving different governmental bodies.

Although primarily considered as an infrastructure project, the most striking impacts were socially related, including:

- The improved social status for illegal and semi-illegal residents;
- The sustainable management and maintenance of the housing facilities by the residents themselves;
- A better interaction between authorities and the population;
- The use of social workers as brokers between the local authorities, the communities and the project staff thanks to their ability to build consensus between conflicting interests.

Of the three housing options that the project explored (i.e. slum upgrading, site and services away from the relocation site, and on-site relocation in apartments blocks) the latter appeared to be the most successful solution, with only 13% of the relocated inhabitants moving out within five years, compared to almost 90% of any other relocation scheme in the City.

An interesting indicator of success was the fact that several pilot initiatives were implemented on a larger scale than planned either through additional donor support (e.g. the slum upgrading by the World Bank) or by the city authorities (e.g. the small transfer station of the solid waste collection system).



Urban and environmental upgrading around the Tan Hoa–Lo Gom canal in Ho Chi Minh City included canal reshaping, drainage, wastewater treatment and solid waste collection, but also slum upgrading, resettlement and socioeconomic support. © BTC / Eric de Milt

POVERTY AND INFORMALITY IN THE CITY

The holistic approach in Ho Chi Minh City enabled to directly focus on the needs of the poor and to assure that they had a decent place to live in the city. This not only required income-generating activities close to their living sites, but also other measures, such as:

- Appropriate construction norms and standards of housing to assure affordability. In the case of Ho Chi Minh City, the minimum norms of 54 m² per apartment unit were lowered to 32 m², leading to a cost reduction up to 40%;
- Provision of a certain degree of legal status in order to facilitate access to public services, such as health care and education;
- Facilitation of the co-existence of informal and formal economy. Informal income-generation provides a substantial part of employment opportunities in Asian and African cities (CUED, 2013). Informal economic activities are taking place both within the private arena and along public spaces, for production and selling. It is important not only to acknowledge its existence, but also to facilitate its development. In the canal project, this was taken into account for the design of the apartment blocks and the public spaces;
- To develop appropriate income-generating activities to help the poor not only to improve their daily subsistence, but also to be able to cope with the consequences of the slum upgrading initiatives that are inevitably leading to land value and housing rental increase, and, consequently, contributing to gentrification.

Such issues have also been integrated in other interventions supported by Belgium. The *Kampala Integrated Environmental Planning and Management* project in Uganda tried to address conflicting multi-stakeholder interests of daily workers, local residents, landlords, renters, local and city authorities. It started in 2007 with a study tour in Vietnam allowing the local authorities and representatives of the Kampala city Council to appreciate the lessons learned of the canal project.

The implementation faced many difficulties, not only technical but also institutional. It was acknowledged that a higher degree of decentralization towards the parishes was needed in order to bring more appropriate changes at the level of the citizen in the future. Addressing a variety of needs means using a variety of communication tools and a variety of solutions. After a long discussion process, a consensus was reached among the different actors on a set of priority interventions, i.e. to build roads, install drainage, running water, public toilets and to support improved solid waste collection on key locations.



Kampala: Numerous new shops mushroomed along the rehabilitated roads and the inhabitants greatly appreciated the different income-generating initiatives. © BTC / Dieter Telemans

The constructed roads significantly improved the access to the parishes and stimulated their economy. Numerous new shops mushroomed along the rehabilitated roads and the inhabitants greatly appreciated the different income-generating initiatives (e.g. the promotion of urban agriculture through the construction of ‘food towers’, the development of small factories to produce briquettes out of organic waste as fuel to replace charcoal...). However, house rent skyrocketed by 500%, forcing part of the population to leave the area for another slum. This type of risk should be considered in any intervention.

PARTICIPATORY APPROACHES

Participatory approaches played a crucial role in both the Vietnamese and the Ugandan project. This can be a time-consuming process, which explains why authorities were at first reluctant. Later, they acknowledged that the involvement of the communities significantly contributed to the success. A participatory approach can have many entry points, such as:

Participatory design and planning

This is complicated to introduce because it requires a certain flexibility in the institutional set-up. Following the ladder theory of Arnstein (1969), it can evolve from a simple information process, to real delegation of power. BTC's experience in Vietnam and Uganda was more at the level of people consultation. It significantly helped the projects to elaborate appropriate solutions, matching the real needs of the communities, while increasing local ownership.

Micro-credit scheme

In the case of the canal project, micro-credit proved not only to be a means to strengthen the solidarity among the communities and to finance small economic individual initiatives, but it was also an excellent instrument to enhance communication and build trust.

Labour-intensive method

This method optimises the balance between quality and labour at a minimal cost. It proved appropriate to implement low-tech construction works, while providing jobs and training to low-income people. It has been the key of success in the *Economic and Social Development through paving Project* in Bujumbura that was completed in mid 2016. Paving is easy to maintain and more sustainable than asphalt or concrete roads. It led to improved sanitation of the neighbourhoods and boosted urban development because it strengthened the feeling of ownership of the communities. The labour-intensive approach allowed to pave quality roads 30% cheaper than an equipment-intensive method, but also enabled to create up to five times more jobs for the same investment. Overall, 30 kilometres of paved roads have been constructed in three municipalities of the Burundian capital through an on-site training of more than 3,500 inhabitants, which received a temporary job during nine months. Every worker was entitled to professional training during 25% of his working time. Around twenty different options were offered to help the workers to find a job, or to create their own business after the employment period. Around 45% of former workers have developed profitable business, funded a micro-enterprise or found a permanent job.

Both the economic development activities and the physical works have drastically improved the living conditions of the targeted areas without the negative effects of gentrification. Meanwhile, throughout its implementation, the project became progressively more comprehensive, other activities being added. Beside drainage networks, protection against erosion, tree planting along catchment areas, and even solid waste collection have been addressed along the new paved roads.



Bujumbura: Paving is easy to maintain and more sustainable than asphalt or concrete roads. © BTC / Rosalie Colfs

INFRASTRUCTURE INVESTMENT PROJECTS AND COMPLEXITY

Over the past decades, the ambition of governance interventions and the extent to which they take into account the complex urban system has drastically changed. 20 years ago, decentralization programmes focused mainly on strengthening the planning capacities of local city authorities. Success was measured in relation to implementing the developed processes. Truly, these programs, that often included increased participation in local-decision making, have seen dramatic increases in quality in the level of administration in cities across the world, providing more transparent and equitable outcomes (Satherhwaite, 2007). But decentralization is far from an easy reform. It requires to local government to have financial means, competent and accountable urban government, but also mechanisms for being responsive to their citizens (Kelly, 2012).

Often these governance interventions also had an investment component for infrastructure. However, the ambition of these works was perceived as a direct conclusion of the planning process rather than to improve a specific aspect in their design or their implementation stages. On the other hand, traditional infrastructure projects rarely intended to influence the institutional settings of the stakeholders involved. This approach has progressively changed and much more attention is currently given to the institutional local context as well as the complexity of the sector in which the investments are taking place and their strategic orientations. On the one side, robust capacity building components have been introduced into infrastructure interventions, covering the planning, design, construction and the opera-

tion and maintenance stages. But some are also aiming at providing to the local governments the capacities to provide quality services to the population, develop mechanisms to be responsive to the citizens' opinions and needs, or even, to create enabling environment for local entrepreneurship, or to incorporate coordination mechanisms with neighbouring municipalities. On the other side of the spectrum, new ambitions are given to investments works in governance activities. This new type of project set-up –integrating governance together with design, planning and investment works – requires an assessment not only of the political economy and institutional set-up, but also of the appropriate investments to be in line with the strategies of specific sector policies.

An example of a positive linkage between infrastructure works and governance was the *Regeneration of Historical Centres project in the occupied Palestinian territories*. This project aims to revitalize historical centres of municipalities through stimulating local economic, social and cultural development. It combines three national strategies: supporting Palestine's historical cultural significance, favouring integrated planning processes and local economic development. The starting hypothesis was that regeneration is an integrated part of Municipal planning and the regulatory system, and that the socioeconomic regeneration will be enhanced using a multi-dimensional approach, requesting the direct support of the communities to formulate the vision of their city. Regeneration of historic buildings was not seen as something purely physical, but also as a tool

to stimulate sociocultural and socio-economic development, the idea being to put the people first, not the stones. The objective was not only to requalify private historic buildings and public spaces, but to bring them back to life, and through them, the entire community within which they are embedded. This required citizen mobilisation that could be provided thanks to continuous communication from the project start. In addition, it favoured collaboration within clusters of neighbouring urban centres.

The starting point was data collection and an analysis of the local context. An in-depth analysis was conducted through a systematic inventory of historic assets of urban centres, and municipality clusters were identified for Belgian support. A long-term development strategy was elaborated for each of them, and key historical assets that were up for restoration were selected on the condition of being associated with a socio-economic initiative for the benefit of the community. This was essential to develop an institutional framework and to guide the renovation of old buildings for the benefit of the municipalities and the private owners.

The necessity of tailor-made support was also illustrated in Vietnam, where most of secondary coastal cities are guided by the same type of Master Plan proposing the same recipes. Consequently, they all tried to develop an airport, a touristic area, an industrial zone, a (deep) sea port and attract the same type of export factories. This example confirms that decentralization may hamper a more collaborative type of governance at a higher scale. But the development of secondary cities requires to support new ways of collaboration between the authorities located within the same region, and therefore, a vision at the scale of the entire territory, such as the cluster approach in Palestine.



In Palestine, the regeneration of historical centres aims to revitalize these centres of municipalities through stimulating local economic, social and cultural development. © BTC

SPATIAL PLANNING AS A MEANS TO DEVELOP RESILIENT REGIONS AND CITIES

A major current challenge of urbanization remains to consider at once the city and its hinterland, and an interconnectivity with neighbouring cities. This is a complex task, especially when administrative borders have to be crossed, but it is essential for urban sustainability. This strategy requires a vision at a national and/or regional scale that should take into account various sustainability dimensions, such as:

- The development of compact cities and the limitation of expanding peri-urban areas in order to preserve the surrounding environment;
- The promotion of liveable cities through green areas, mixed land-use, multi-nodal public transport systems connected to the global network;

- Smart cities in order to promote self-energy production thanks to the development of renewable energy as well as high-tech communication and management systems;
- The support of an endogenous development, including short circuits of supply chains and polycentric type of development around economic specialised poles ;
- The enhancement of the social dimension of society, favouring sociocultural fulfilment in respect of the local culture and its history.

The literature (Legrand, 2008) provides evidence that structural strategic planning is an appropriate tool, both for cities and for regions. It requires the development of a long-term vision through active involvement of all stakeholders, an implementation through concrete action plans and regular updates through cyclic evaluation process.

Structural strategic planning has been applied in an on-going climate change programme, supported by Belgium *in three secondary coastal cities in Vietnam*. Climate change is a critical issue and will substantially reshape the landscape, the economic potential and the living conditions of cities, mainly in the South. Building climate-proof cities can therefore no longer be ignored. In the Vietnamese context, Belgium supports the de-

velopment of a study-based climate change response strategy, climate-sensitive master plans, short and long-term action plans based on appropriate engineering and town-planning solutions, including improved early warning systems.

The support included data collection, analytical studies, institutional support and pilot investments. It started with hydrological and hydraulic modelling in order to better understand the consequences of climate change at provincial level. Downscaling was a necessity, considering that available national projections were not accurate enough to face future flooding caused by the conjunction of sea level rise, local hydraulic conditions and changed rainfall patterns. The result is a strategy that in some areas gives more space to water in case of flooding (e.g. agricultural lands and green spaces) in order to better protect the areas with higher population density and assets. The climate strategy and concrete action plans will not only integrate the engineering solutions resulting from the studies and modelling, but also the outcomes of active dialogue with all the stakeholders, including the lower-income communities. The pilot investments integrate sustainable engineering solutions, such as the integration of retention lakes and sustainable urban drainage systems within the urban fabric.

CONCLUSIONS AND PERSPECTIVES

The BTC experiences indicate that small donors can indeed play a role in city development, both in primary and in secondary cities, beyond the provision of budgets for infrastructure investment. The Belgian experience of the last twenty years showed that the numerous problems can be tackled in different ways. Lessons learned of these interventions can enable to support the local authorities to find appropriate solutions and increase ambitions, but insight of the specific situation is key.

Notwithstanding the amount of funding, all donors can contribute to sustainable development of cities, their hinterlands and interconnected regions. They have the potential to support the authorities in stimulating reform processes and to focus on improving the living conditions of the population. This can be achieved through the promotion of fair and endogenous inclusive economic growth with respect of the environment.

Structural strategic planning should be a key tool to develop appropriate long-term vision and to select key strategic interventions in order to build resilient and climate-proof cities. Such tool calls for the systematic use of a participatory approach during the different project steps. Governance related challenges, such as implementing decentralization processes, institutional strengthening and capacity development should be integrated with the same concern of planning and design of physical infrastructure investments. These institutional supports are essential for the implementation of the new urban agenda that requires competent urban government being accountable to their citizens, while having direct access to financial means, either through locally owned revenues, fiscal transfers or, eventually, borrowing options. Such a holistic approach is required not only to improve the living conditions of the urban citizen of the cities of the South, but also to help them

to become resilient to climate change and the related natural disasters.

However, impact is not at all guaranteed and adverse effects can sometimes not be avoided. Unsurprisingly, all Belgian experiences revealed slow initial progress. The involvement of numerous stakeholders, sometimes with opposing interests, is a challenge. On this slow but steady way forward, donors, and certainly the smaller ones as they do not form a threat, may act as honest brokers, stimulating dialogue and mutual understanding. Through this approach they can assist the local stakeholders to obtain sustainable results. But this could only be achieved if enough time is provided during the implementation of the project.



BTC

BTC, the Belgian development agency, supports and provides expertise for development programmes for the account of the Belgian State and other commissioners.

Rue Haute 147
1000 Brussels, Belgium
T + 32 (0)2 505 37 00
info@btcctb.org
www.btcctb.org

Photograph cover:
© BTC / Rosalie Colfs



This publication is published under
Creative Commons Licence "by/nc/nd"

References

- Arnstein, S.R. (1969), *A Ladder of Citizen Participation*, Journal of the American Planning Association
- Baltissen, G., (2012), *From a slum to a little bit slum, Capitalization study of the Kampala Integrated Environmental Planning and Management Project*, Uganda, KIT, Rotterdam
- BTC, (2014), *Urban Upgrading in Ho Chi Minh City, Unexpected Social Impact of an Infrastructure Project*, Brussels, Reflection Paper n°002
- Legrand, B., (2008), *Quelles solutions pour un développement urbain durable à Ho Chi Minh City et dans les autres métropoles d'Asie-Pacifique*, thèse de Doctorat en architecture et Art de Bâtir, Université Catholique de Louvain-la-Neuve
- Cities Alliance/UNOPS (2016), *Top ten reasons for focusing on secondary cities*, Brussels
- Center for Urban Economics and Design – CUED (2013), *The Informal Economy in City Heights*, San Diego
- Kelly, R., (2012), *Strengthening the Revenue Side, Chapter 10 in Fiscal Decentralization in Indonesia a Decade after Big Bang*, Jakarta: University of Indonesia Press, pp. 173-206
- Roberts (2014), *Managing Systems of Secondary Cities*, Cities Alliance/UNOPS, Brussels
- Satterthwaite, D., (2007), *The Transition to a Predominantly Urban World and its Underpinnings*, London, Institute for Environment and Development (IIED). Human Settlements Working paper Series Urban Change n°4
- UN-Habitat (2011), *Hot cities, battle-ground for climate change*, Nairobi, United Nations Center for Human Settlements