



## SOCIAL DEVELOPMENT NOTES

COMMUNITY DRIVEN DEVELOPMENT  
&

## URBAN SERVICES FOR THE POOR

Number 85 /July 2004

## Community Driven Development in Urban Upgrading

*This note is part of a series that considers the linkages between CDD and urban operations. We would welcome your feedback.*

### Introduction

This note is a brief review of community-driven development (CDD) in World Bank-assisted urban upgrading projects. The purpose of the note is to help identify how CDD approaches have been applied in such projects, and it does not intend to be, nor is it conducted as an evaluation.

The review focuses on a small sample of urban upgrading projects that adopt CDD approaches, and draws from a combination of desk review and interviews with relevant Task Team Leaders. It briefly describes the projects, their CDD approaches, and concludes by highlighting emerging issues for future discussion.

### Background

The rate of urbanization throughout the world is steadily increasing, and by 2015 more than 49% of the population in developing countries is expected to live in urban areas (UNDP, 2000). Rapid urban growth has been accompanied by

#### Box 1: What is CDD?

Poor people are often viewed as the target of poverty reduction efforts. CDD approaches, by contrast, treat poor people and their institutions as initiators, as collaborators and as resources on which to build. CDD is broadly defined as giving control of decisions and resources to community groups. CDD frameworks link participation, community management of resources, good governance and decentralization (World Bank, 2003). With a view to generate sustainable and wide-ranging impacts, CDD operations and regional strategies have increasingly embraced two important pillars of sustainability and scale: linking communities to private sector and local governments.

#### Box 2: What is Urban Upgrading?

Urban upgrading is broadly defined as physical, social, economic, organizational, and environmental improvements undertaken cooperatively among citizens, community groups, businesses, and local authorities to ensure sustained improvements in the quality of live for individuals. (Cities Alliance, 2003). More specifically, the primary goals of upgrading projects are to provide secure land tenure in informal and often illegal areas, and to improve basic infrastructure and service delivery (Gulyani and Connors, 2002).

increasing poverty and proliferation of slums,<sup>1</sup> thereby placing enormous

burdens on municipal governments charged with managing cities and their peripheries. The Millennium Development Goal 7 recognizes this trend and sets the Target 11 to achieve by 2020, *a significant improvement in the lives of at least 100 million slum dwellers* (MDG, 2003).

Slums are unplanned and under-served neighborhoods typically settled by squatters without legal recognition or rights. These neglected urban areas are the result of poor or absent urban policies and dysfunctional land and housing markets. They are often located in high-risk and barely habitable sites, such as hill-sides, garbage dumps and river banks. Very often, slum residents are deprived of several or all of the most basic municipal services, such as water supply, sanitation and solid waste collection, and they frequently lack access to social services (e.g. schools, clinics and community centers).

National, state/provincial and city governments all over the world have attempted to address this problem in various ways, and one of them is urban upgrading. At its most basic level, urban upgrading involves enhancing living conditions in slums and bringing basic services to their dwellers. This includes improving and/or installing basic infrastructure such as water, sanitation, solid waste collection, access roads and footpaths, storm drainage, lighting, public telephones and other community services. Upgrading also deals with regularizing security of land tenure and housing improvements, as well as improving access to social services (e.g. health, education) and municipal services. Thus, urban upgrading aims to develop the existing community by its inclusion into the social and service fabric of the wider, formal city, with

minimum disruption and loss of physical and social assets.

### **Urban Upgrading projects through the lenses of CDD**

Over the last three decades, the Bank has been involved in a number of urban upgrading projects, which have demonstrated that quality of life in slums can be improved through realistic policies, investments and implementation processes<sup>2</sup>.

***CDD Approaches in Urban Upgrading – the Beginnings.*** Since the 1970s, community and public participation has been practiced in Bank-assisted urban upgrading projects as a means to enhance the achievement of project objectives. Community involvement in this initial form was often limited to project implementation and generally dependant upon the preexisting willingness, cohesiveness and organizational capacity of the targeted communities. Even if not necessarily encompassing all the types of CDD approaches as defined today, in most of the cases participation in early urban upgrading gave communities a high degree of direct control over implementation decisions. This experience greatly contributed to lay the foundations for more sophisticated forms of CDD approaches in subsequent urban upgrading projects.

In this regard, particularly relevant is the case of projects such as the Kampung Improvement Program (KIP) in Indonesia<sup>3</sup>, a long-term urban upgrading program, in which the degree of residents' involvement greatly varied from one Kampung to another, ranging from *decision-making* in implementation of small infrastructure projects, to simply *witnessing* the construction activities. Over the years of implementation, the KIP experience showed that the early involvement of communities in project design and preparation helped in joint decision-making and was critical to determine future sustainability of the urban upgrading interventions.

---

<sup>1</sup>The term "slum" has many connotations. It often refers to settlements illegally occupying land and lacking in basic services. Slums can vary from high density, squalid central city tenements to spontaneous squatter settlements without legal recognition or rights. While some slums are more than 50 years old, others are land invasions just under way. Slums are given various names in different contexts (such as Favelas, Bidonvilles, Barrios, Kampung, Tugurios, Bastis and Asentamientos Umanos), yet they share the same poor quality of living conditions.

---

<sup>2</sup> For a more detailed discussion on urban upgrading and slums, see the Urban Notes No. 2 and 3 of the Thematic Group on Urban Services to the Poor, available at <http://www.worldbank.org/urban/upgrading/urban-notes.html>.

<sup>3</sup> Four consecutive projects spaced over 7 years, from 1974 to 1981, for a total of 18 years of urban lending.

***Flexible and Incremental Approach to CDD in Urban Upgrading.*** The Bank's experience also demonstrates that a *flexible and incremental approach to CDD* in urban upgrading not only enhances joint decision-making, but also contributes to develop ownership of project deliverables and their sustainability. The *Bombay Sewage Disposal Project* (BSDP, India), active from 1995 to 2003, is one of such examples. The main objective of BSDP was to improve the sewerage system of the city and to strengthen the capacity of the Municipal Corporation to provide sewerage services. The project also included a pilot Slum Sanitation Program (SSP) component to test possible solutions to the sanitation problem of slum dwellers, who constituted 55% of the total 14 million population of Bombay/Mumbai (World Bank, 1995).

In its original formulation, the SSP only provided a conceptual framework for implementation, based on a demand-driven and participatory approach, and adopted a phased strategy. The initial learning phase of the program was very useful in demonstrating the power of an innovative partnership between the municipality and communities, and in developing appropriate mechanisms to deliver sanitation services to slums in a sustainable manner. The second phase focused more on the practical challenge of formalizing the partnership through adequate institutional arrangements for scaling up.

Over the years, BSDP demonstrated that a partnership between the poor communities and other key stakeholders, particularly the local government, is a key to success. Such partnership did not occur overnight but required investment over a lengthy initial learning and demonstration phase (which lasted about five years), in which stakeholders learned to understand, trust and work with each other. The implementation process was paralleled by incremental modifications to relevant regulations – from procurement to the mainstreaming for the formal registration of community-based organizations (CBOs) – to suit and support community initiatives, and to facilitate replication and scaling up (Nitti and Sarkar, 2003).

The experience of BSDP demonstrates how a single-sector infrastructure intervention can use

participation as a way to ensure sustainability and, over time, develop a more complex urban upgrading process using CDD approaches. Notably, this is producing important spin-off effects well beyond the life of the project, in terms of local government-community-private sector partnerships for the provision of services (e.g. maintenance of public spaces and garbage collection); local economic development (e.g. opening bank accounts, and training courses for youth and women); paradigm change in the use of CDD approaches (e.g. from empowerment as a means to implement the project, to empowerment as an end to achieve sustainability); new institutional frameworks to scale up the use of CDD approaches; an increased sense of belonging among slum dwellers, and their better integration into the wider social fabric of the city.

***Structured Approach to CDD in Urban Upgrading.*** In several countries in the Latin American region, similar early experiences (most of them in the 1970s and 1980s)<sup>4</sup> led to the development of a more structured approach to the application of CDD in Bank-assisted urban upgrading projects.

One such project is the *Caracas Slum Upgrading Project* (Venezuela), active since 1998. In its design, the project recognized that the absence of collective action mechanisms to provide public goods was a key factor hindering the development of *barrios*, and therefore outlined from the onset an enabling framework that would allow the slum dweller communities to effectively express their demands and participate in the relevant decision-making processes<sup>5</sup>. In order to do so, it followed a

---

<sup>4</sup> Important examples are the upgrading of El Mezquital (Guatemala), where cohesive and autonomously driven squatter communities initiated an upgrading process which was later on formalized by a World Bank project (Guatemala Municipal Development Project, 1988), and El Salvador (1974) where the project built on the experience of an NGO-led initiative (Fundasal) and, in a rare example, even used the NGO as implementing agency. A unique example of an early Government-Community partnership is the experience of Villa el Salvador in Lima (Peru), where the partnership also benefited over time from the World Bank Urban Sites and Services Development project (1976). Also see Imparato and Ruster (2003).

<sup>5</sup> When the project started in 1989, president Carlos Andrés Pérez introduced a program of decentralization and electoral reform. In the last four years, Venezuela has witnessed a process of re-centralization which has inverted this process.

three-tier approach including: (1) the establishment of *Local Co-management Groups*, comprising professional staff and community leaders, to manage upgrading activities; (2) the preparation of *Neighborhood Improvement Plans*, a coordination tool for the delivery of a selected package of services, and (3) the implementation of a *Social Assistance Outreach* program to mobilize communities at all stages of implementation.

Over time, the implementation of the enabling framework suffered due to the country's re-centralization trend, and the lack of social intermediaries who could work with communities independently from the government influence. But the project implementation has demonstrated that certain unplanned (or accidental) aspects can add to the strengths of a project. For example, since the functioning of planned *Local Co-management Groups* was proving difficult in larger neighborhoods, *Neighbor Inspectors* were appointed instead, who effectively function as community representatives responsible to supervise construction works in the *barrios*. The project also developed a gender focus by way of a change in the leadership of the implementing agency. This enhanced project performance and greatly contributed to the general improvement in the living conditions of slum dwellers by creating new income-generating opportunities for the women.

***CDD in Urban Upgrading and Governance Structures.*** The above examples show that CDD improves slum upgrading wherein institutional frameworks allow governments to systematically engage with communities. But there are contexts in which such governance structures and functions are weak and/or underdeveloped, if not completely absent, as is the case in many countries in Africa. In such situations, *the utilization of CDD approaches in urban upgrading goes hand in hand with the strengthening, if not restructuring, of governance structures*, often together with decentralization<sup>6</sup>. Such is the case of the *Mauritania Urban Development Program* (World Bank, 2001) set in

---

<sup>6</sup> New-generation urban upgrading programs in Mauritania, Tanzania, Ethiopia and Nigeria link urban development with local government restructuring and mostly fiscal decentralization.

a context where the legal framework for urban development and management is weak, and has not yet been adapted to the decentralization reforms introduced since 1986. In Mauritania, community participation in decision making and in the provision of urban infrastructure and services is in its infancy.

The Mauritania project is based on the recognition that the rate of urbanization in Mauritania has exceeded the capacity of both national and municipal governments to provide the necessary infrastructure and services as well as employment generation for the country's expanding urban centers. While promoting partnerships with local communities, the project supports central and local governments in their efforts to improve the living conditions of the poor, generate employment opportunities in the main cities and towns, strengthen institutions and build capacities for urban and land management.

The urban upgrading component is integrated by an 'Urban Communities sub-component' which promotes the use of CDD approaches. As such, it aims to support: (1) strengthening of the legal framework governing CBOs and the formalization of their links with local governments; and (2) building the capacity of CBOs for organization and management, self-regulation and active participation in decision making and service delivery.

Other new-generation urban upgrading projects in Africa are also based on the understanding that *urban upgrading and related CDD approaches are only viable within a relevant institutional framework that provides for local government restructuring*, e.g. in Tanzania and Nigeria.

In Tanzania, local governments suffer from capacity constraints, have limited budgets, and are still undergoing a process of restructuring. Within this framework, the *Tanzania Local Government Support Program* (World Bank, 2002a) combines (1) capacity building for local governments and a capital grant facility for local investment in infrastructure, with (2) a pilot Community Infrastructure Upgrading Program targeted to upgrading low-income, unplanned settlements in Dar-e-Salaam. The latter supports local governments in engaging with communities in a participatory process to prioritize, design and

implement Community Upgrading Plans. Thus, the program recognizes that (1) the community and local governments need to work in partnership and take joint responsibility for improving and maintaining community-level infrastructure and services (i.e. it is not just about community control); (2) it is important to build capacity and create incentives for local governments and communities to work with each other; and (3) the infrastructure investments need to be tied to city-level networks and systems.

Similarly, the *Nigeria Community Based Urban Development Project* (World Bank, 2002b) aims to: (1) establish partnerships between local governments and communities for jointly developing subproject proposals; (2) deliver basic municipal services in poor urban settlements; and (3) demonstrate viable approaches to infrastructure development and service delivery within a framework of financial reform of the local governments. Overall, the project intends to facilitate partnerships between poor urban communities and local Governments for decision-making on public expenditures in slums, and to demonstrate the relevance of inclusive and replicable approaches for the sustainable delivery of municipal services in poor un-serviced/under-serviced settlements.

### **Emerging perspectives**

Urban upgrading leads to physical, social, economic, organizational and environmental improvements in the lives of slums dwellers. The brief review of projects summarized in this note demonstrates that these wide-ranging improvements are not fully realized without the active involvement of communities within a CDD framework (see definition in Box 1).

Experience demonstrates that *CDD approaches complement the process of urban upgrading*, which provides opportunities to all stakeholders – local and higher-level governments, communities and private sector – to contribute with their comparative advantage at the most appropriate level of intervention, including long-term operation and maintenance. This does not undermine, and in some cases can strengthen, other forms of representation, e.g. through elected representatives, but rather complements them.

In addition, *CDD approaches in urban upgrading enhance post-project sustainability*. This is achieved through shared/joint decision-making processes and resource management, which in turn lead to community ‘ownership’ of project/program deliverables, creation of local knowledge, better cost recovery, and ultimately improved operation and maintenance over time.

Experience also shows that *CDD in urban upgrading is a gradual process* wherein communities and other stakeholders should be given the necessary time to learn to participate and collaborate in development projects. Furthermore, given flexible institutional frameworks which allow and sustain community participation, local governments and communities can move towards shared decision-making. The development of such institutional frameworks which strengthen *partnerships* among stakeholders clearly emerge as a key element of CDD in the urban context.

Last and most critical, scaling-up and replication of urban upgrading interventions which adopt CDD approaches are more likely to succeed if the *rules of the game* for effective collaboration are defined within an *enabling institutional framework*, which may include strengthening of governance structures at central, state/provincial and city government level. In fact, experience of urban upgrading operations suggests that in the absence of such frameworks, project interventions remain limited to the selected areas or group of slum settlements. On the other hand, most successful projects support the creation of institutional frameworks which enable communities to effectively express their needs and demands, to participate in decision-making processes and exercise control over development interventions which directly affect their lives. This approach contributes to increasing the resilience of the implementation process in the face of political changes and directly increases the potential for replication and scaling-up of successful initiatives.

### **References:**

Cities Alliance, 2003, *Cities Alliance website*, available at <[www.citiesalliance.org](http://www.citiesalliance.org)>.

Gulyani, S. and Connors, G. 2002, *Urban Upgrading in Africa: A Summary of Rapid Assessment in 10 Countries*, World Bank Africa Infrastructure Department.

Imparato, I. and Ruster, J. 2003, *Slum Upgrading and Participation: Lessons from Latin America*, World Bank Directions in Development Series.

MDG, 2003, *Millennium Development Goals website*, available at <[www.developmentgoals.org](http://www.developmentgoals.org)>.

Nitti, R. and Sarkar, S. 2003, *Reaching the Poor through Sustainable Partnerships: The Slum Sanitation Program in Mumbai, India*,

World Bank, Urban Notes Number 7.  
UNDP, 2000, *Human Development Report*, Nairobi.

World Bank, 1995, *India – Bombay Sewerage Disposal Project*, Staff Appraisal Report.  
World Bank, 1998, *Venezuela – Caracas Urban Upgrading Project*, Project Appraisal Document.

World Bank, 2001, *Islamic Republic of Mauritania – Urban Development Program*, Project Appraisal Document.

World Bank, 2002a, *Tanzania Local Government Support Program*, Project Appraisal Document.

World Bank, 2002b, *Nigeria Community Based Urban Development Project*, Project Appraisal Document.

World Bank, 2003, *Community Driven Development*, available at <http://lnweb18.worldbank.org/ESSD/essdext.nsf/9ByDocName/BasicConceptPrinciples>.

---

This note was prepared by Rosanna Nitti and Bharat Dahiya. You can contact the authors via e-mail: [rnitti@worldbank.org](mailto:rnitti@worldbank.org), [bdahiya@worldbank.org](mailto:bdahiya@worldbank.org)  
Additional copies can also be requested via e-mail: [socialdev@worldbank.org](mailto:socialdev@worldbank.org)