

# The City Development Strategy Process



# Institutionalizing the City Development Strategy

## The CDS Process

Cities are the prime drivers of economic growth, and they need to become the focus of good government and the venue for social inclusion and poverty reduction. The outputs of a City Development Strategy (CDS) focus on creating an environment to ensure that this happens. A CDS is defined by its process and outputs. The CDS process

- Enables the building of trust and relations between stakeholder groups as a mechanism of social inclusion;
- Builds and improves the capabilities of stakeholder groups to ensure good governance, changes institutional behavior, and creates an internal institutional ability to guide the economy and manage civil society;
- Encourages people to think about the development of their city differently from the past by enabling a critical mass to think strategically;
- Achieves a coordinated strategic approach toward addressing the complexity of development; and
- Precipitates a change in dependency attitudes and behavior among stakeholder groups.

The process is shown diagrammatically as Figure 1 and specific guidelines for each phase are found in Appendix 1.

The CDS has five stages:

**Preparation:** identification of the drivers of change and key partners, process management systems, objectives, and work program;

**Analysis:** baseline information collection, analyzing strengths and weaknesses, consensus building around a common understanding of the city's problems and priorities;

**Strategy formulation:** defining a vision and mission, formulating and evaluating options, identifying stakeholder roles, and developing action plans within an affordable financing framework;

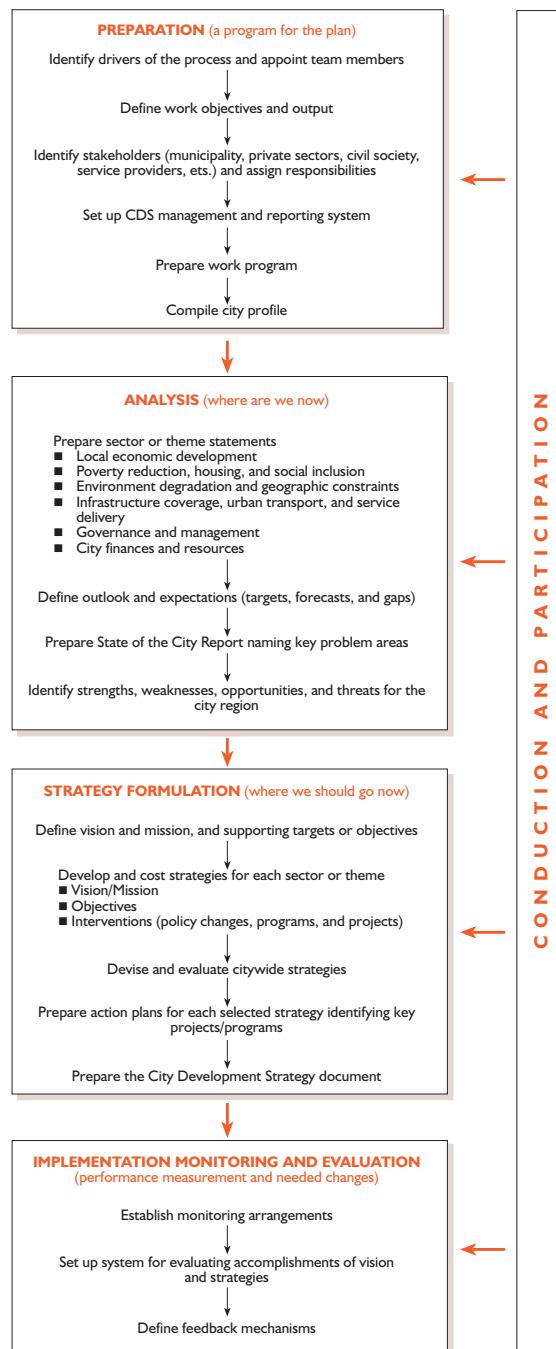


Figure 1: The CDS Process

## Box 4: Collective Vision

The vision for Calicut is to become the regional development center of Malabar. Caloocan aims to become a progressive and peaceful city. Da Nang aspires to be a type-A city and a center of trade and tourism for central Viet Nam. The vision for Quezon City is to become a quality city, meaning a dynamic, healthy, productive, safe and secure, caring, environment-friendly, and well-governed city. Taguig's vision is to be a premier city recognized for its quality environment, people-oriented services, and economic opportunities for its residents. These visions represent the common aspirations of the majority of the city residents including the poor.

**Implementation:** implementing demonstration projects, resource mobilization by stakeholders, agreed investment plans, and donor support. CDS focuses on monitoring and evaluating progress against the vision and mission; and

**Consultation:** across the above four stages is a continuous participatory process involving stakeholder group meetings and consultations to arrive at a formal political commitment, agreed vision, and a strategic framework.

## Outputs of a City Development Strategy

These are:

- A collective vision and strategy for a city, to act as the foundation for economic growth and

introduce strategic thinking into city development, institutional, and financial plans;

- Defined priorities and action plans, to promote economic change and assist stakeholders in determining development priorities and resolving issues related to intersectoral priorities and investment programming;
- Development strategies that promote economic growth and address poverty reduction; and
- Defined policies that lead to an improved investment climate.

In summary, a CDS should have clearly defined aims and outputs, be based on an agreed program logic, incorporate a performance management and evaluation system, establish effective processes, and focus on appropriate outcomes and implementing mechanisms (see Box 4). The ultimate goal is for the city to create the internal institutional and political capacity to innovate and respond to the rapidly changing economic and social realities of today.

## City Development Strategy Document

Ideally, the CDS should be presented as a summary document, comprising an executive summary (2–3 pages) and a main text (about 20–30 pages).

It should contain the following:

- State-of-the-city report, covering a summary city profile, key problem areas, economic base analysis, and sector statements;
- Findings of the analysis of strengths, weaknesses, opportunities, and threats;
- Vision and mission statement, including measurable targets or objectives;
- Outline development strategies, including cost estimates;
- Action plans and interventions for each strategy, including priority projects and programs; and
- Monitoring, evaluation, and feedback mechanisms.

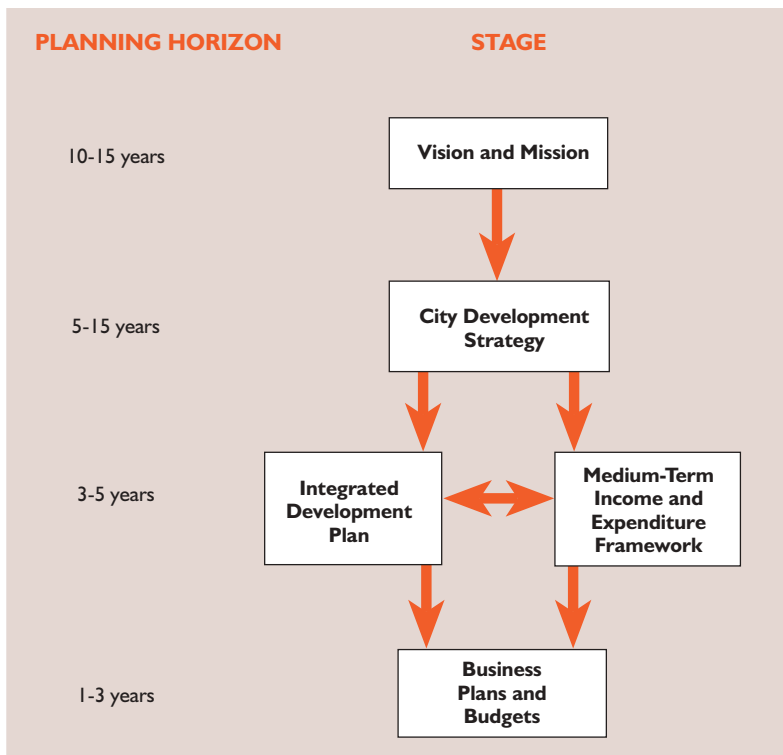
The relationship between the CDS and the planning process is presented in Figure 2.

## Sustaining Stakeholder Participation

Saying Yes to Participation

Getting the participating cities to accept that managing a city is not the sole call of the city mayor was the easy part in most cases. Stakeholders were

Figure 2: CDS Process and Development Planning



identified. Their views were solicited. Opinions of the experts were heard. Together the stakeholders assessed the city's strengths and weaknesses, reflected in their aspirations for the city, and formulated a shared vision. Carrying on the CDS process through strategy formulation, selecting solutions from various options, initiating an action, a program, a project, or a policy change was the difficult part.

Participation takes time, particularly since the CDS initiative must work within the stakeholders' capacities and initiatives. Moving the CDS process too fast would have undermined participation. Participation requires commitment building. It is a process that is based on ownership and partnership, and involves consultation, information sharing, debate, and empowerment. It is a fundamental ingredient of good local governance (Gaventa and Valderrama 1999). Through participation, governments become more accountable, responsive, transparent, predictable, and effective in delivering services.

Time-consuming as it may seem, being able to participate makes people feel good. It enhances a sense of ownership. It boosts project performance. Yet sustainability of participation or its outcomes is difficult.

#### Developing Sustainability

One key lesson from the CDS exercise is the critical role of champions in sustaining the process. Those who have taken the lead in the preparation of a CDS (such as mayors and local government heads) should find allies to support the city's vision and mission. These allies will be in the private sector, in government, in civil society, among the urban poor, and even among interested stakeholders who operate outside city boundaries: donor agencies who may also provide support. It is the stakeholders' mission to network, form alliances, and enable champions to emerge, make decisions, and drive the process forward. During the discussions in the Final RETA Workshop in May 2003, one of the city mayors related how "champions" are developed. A song about the city's aspirations was popularized by schoolchildren to instill in the residents' minds the ideals of their city. Another mayor in Metro Manila is planning to develop an audiovisual presentation that will depict the municipality's vision, mission, and programs in order to mobilize the residents' support for the city's programs and seek more champions.



A change in people's attitude and behavior is also necessary to sustain participation. Stakeholders must be initiated into the participatory process. Often, a project is designed without factoring in stakeholders' concerns. Stakeholders should be involved early on in all other phases of the CDS process, wherever appropriate.

Based on experience, cities that establish clear targets, show results, are transparent and responsive to the needs of the residents could encourage better participation. For instance, matching results with targets makes it easier for residents to monitor how the city performs and thus would encourage them to participate. Keeping the residents informed is essential to sustaining participation. Development goals or performance targets should be translated into monitorable units that are both quantitative and qualitative. Translating the targets into performance indicators, for example, clarifies the objectives of motherhood-type vision statements. Cities may choose the themes or drivers of the monitoring system such as customer focus and develop specific performance targets and indicators to measure progress and to facilitate sound actions.

In Melbourne, Australia, two sets of priorities were developed. One was based on the council's plan and the other was based on the city development plan to reduce duplication of direction and effort. The nature of the council's work relates to addressing environmental, social, and economic inequity or other problems of the city, and the internal priorities are determined by the city government. Examples of performance measures for the municipal government are (i) total number of days lost to staff absenteeism or sickness, (ii) proportion of rates as a percentage of total revenue, and (iii) total quality of waste generated per year by council facilities.

## Box 5: Women Participation in Poverty Reduction in Kerala, India

The Community Development Society (CDSoc) is a successful model of women in development that has now been replicated in 57 towns and 1 entire district in Kerala State, which includes Calicut. The CDSoc was organized in 1993 by 10,300 women from poor families, with assistance from UNICEF and the federal and state governments. Its objective is to improve the situation of children under 5 and of women 15–45 years. The CDSoc has undertaken the planning, resource mobilization, management, implementation, and monitoring of programs and activities to eradicate hunger, malnutrition, and poverty. Poor families were identified by the local community members through the use of a newly developed poverty index. The poverty index is based on the following 10 risk factors, malnutrition and ill health, illiteracy, unemployment, substandard housing, lack of safe water supply, lack of sanitation, consumption of two meals or less a day, alcoholism, one or more children under the age of 5, and membership in scheduled castes and tribes.

CDSoc plans to eliminate the 10 risk factors. Examples of their activities are: enrollment in literacy programs, school attendance campaigns, income-generating schemes for women, thrift and credit, shelter upgrading, provision of safe drinking water, low-cost household sanitary latrines, immunization; and child care.

The community structure of the CDSoc is organized in a three-tier pattern with neighborhood groups of women consisting of 20–40 poor families, area development societies at the ward level, and a community development society at the town level.

The CDSoc has resulted in the empowerment of women and the building of community leadership. It is a unique example of community-based poverty reduction efforts of women. Since its organization in 1993, CDSoc has grown into a large-scale women's movement with a membership of 357,000 poor women from rural and urban areas, covering 20% of poor people in the state.

Source: <http://iisd.ca/50comm/commdb/desc/d33.htm>

## Box 6: Indicators

Indicators are the interface of policy and data. Data are usually assembled into statistics, which often take the form of tables or other partially organized data frameworks. Indicators are usually single numbers, mostly ratios, such as the unemployment rate or the economic growth rate, which permit comparisons over time and space and have normative and policy implications.

Indicators are not data. They are models simplifying a complex subject into a few numbers that can be easily grasped and understood by policymakers and the public. They should be user-driven and are generally highly aggregated, so that changes or differences in the value of an indicator may be more important than its absolute level.

Source: ADB. 2001. *Cities Data Book: Urban Indicators for Managing Cities*. Manila..

To measure how the development plan or the city's vision/mission achieves its targets, other measures are surveyed such as (i) number of visitors who feel safe in the central business district, (ii) immunization coverage rates, (iii) amount of investments coming in, and (iv) percentage of breakdown of municipal waste stream (percent recycled, percent to landfill).

In the case of Kerala, India, the Community Development Society (CDSoc) is geared toward eliminating nine risk factors. These factors are measurable and can be monitored over time (see Box 5).

The CDS Guidelines (see Appendix 1) give a brief on performance monitoring. ADB's publication "Urban Indicators for Managing Cities" available at the web site <http://www.citiesdatabook.org> includes a suite of indicators for measuring cities' performance. The development of the indicators system was based on a study of 18 cities in Asia and the Pacific that represent different sizes and patterns of growth. The study maintains that developing indicators requires capacity building since the cities have insufficient resources. It is essential for cities to start on a manageable scale and, in consultation with stakeholders, identify a small number of meaningful objectives and indicators that are a priority for them and demonstrate measurable progress. Some of the targets may be easier to measure than others. Cities can build on the objectives and indicators as their capacity improves. A description of indicators is contained in Box 6.

Some local governments are "service driven" when it comes to social and infrastructure areas (e.g., how many police outposts were constructed? how many vaccinations rather than how many crimes responded to? how many kids get sick with what disease?). These indicators may represent a one-dimensional view and may be collected, but should later be supplemented with more meaningful messages juxtaposing two or more indicators. Over time the cities may adopt new priorities and new mission targets, and new sets of monitoring indicators will be developed. This iterative nature of the monitoring process is essential to its success and sustainability.

In the process of improving performance, cities will measure what they have accomplished in certain areas such as solid waste management or health delivery against other cities. The process is called benchmarking and is another way to sustain stakeholders' interest and participation.

# Integrating CWS Programs

## Slums Defined

**The United Nations has defined slums as**

buildings, groups of buildings or areas characterized by overcrowding, deterioration, unsanitary conditions or absence of facilities or amenities which, because of these conditions or any of them, endanger the health, safety or morals of its inhabitants or the community.

**An alternative definition provided by the Government of India describes slums**

as any area where such dwellings predominate which by the reason of dilapidation, overcrowding, faulty arrangement of design of buildings, narrowness or faulty arrangement of streets, lack of ventilation, light or sanitary facilities, inadequacy of open spaces and community facilities or any combination of these factors, are detrimental to safety, health or morale.

**There is therefore a close correlation between the characteristics that define slum settlements and those define poverty (see Chapter 1), especially the lack of security and access to basic infrastructure and services. It is clear that in those cities that have slums, these areas are mostly the domain of the poor. They represent an initiative on the part of the poor to provide for themselves what government or the private sector is otherwise unwilling or unable to provide.**

## CWS Program Scope and Links to the CDS

A major consideration in the selection of participating CA cities was the need to address pressing issues of urbanization and poverty. Poverty reduction is an overriding CDS objective that is reflected in the identification and development of key CDS sectors or themes.



The CWS Program focuses the poverty reduction effort in each participating city on slums and squatter settlements: after all, these areas are where the majority of the urban poor live. Preparing a poverty map identifying the various slum and squatter settlements, and comparing baseline physical and socioeconomic data for these areas with data for the entire city, will serve to confirm this assumption.

The CA identifies secure tenure and improved sanitation as the principal indicators of CWS Program accomplishment. The CWS Program therefore focuses on related legal and environmental issues, to ensure the provision of secure, serviced housing for poor urban families. This will be achieved not only through the upgrading of existing slum settlements, but also by (i) resettling households from slums in danger areas, on strategic government reservations or private land otherwise



Lalluthan Kadavu  
Slum Settlement in  
Calicut

committed; and (ii) providing new, affordable serviced housing and sites in anticipation of future slum formation. An assessment of low-cost shelter for participating cities will lead to a plan for achieving this, which will take into account the limited affordability of housing for the urban poor, their competing development priorities, and capacity and financial resource constraints, among others.

The city shelter needs assessment is an important component of the CWS Program. But the CWS Program must look beyond shelter provision and address other causes of poverty in slum areas. The CWS Program will need to create the policy framework and conditions that will enable greater private investment and stakeholder participation in slum upgrading. It will also have to (i) stimulate economic regeneration to create employment and income growth; (ii) promote social development and improve systems of governance and empowerment in poor urban communities; (iii) link local infrastructure and services to wider strategic networks; and (iv) assist in creating a more skilled and productive community through improved public health, education, and welfare services.

To address all these aspects of poverty reduction, the CWS Program will have to draw upon the strategies identified in the CDS. In this sense, the CWS Program is a focused application of the CDS to specific communities and conditions, namely, poor urban households in slum settlements.

There is a high level of interdependency between the CDS and the CWS Program. See Figure 3. But because of the urgent need to initiate the slum improvement in the face of continued rapid urban population growth and slum formation, it is essential that, whatever the status of CDS preparations, existing pro-poor initiatives be continued, and those identified in the CWS Program be started as soon as possible. Priority interventions will be identified as part of a CWS Action Plan drawn up on the basis of agreed criteria linked to “doability,” the need to exploit any ongoing or committed pro-poor initiatives, and prevailing resource constraints. As these priority CWS initiatives are being undertaken, the CDS may well need to be further refined and finalized through research and study in certain key sectors (themes) identified in the course of the CDS preparation process. Many of these sectors will have

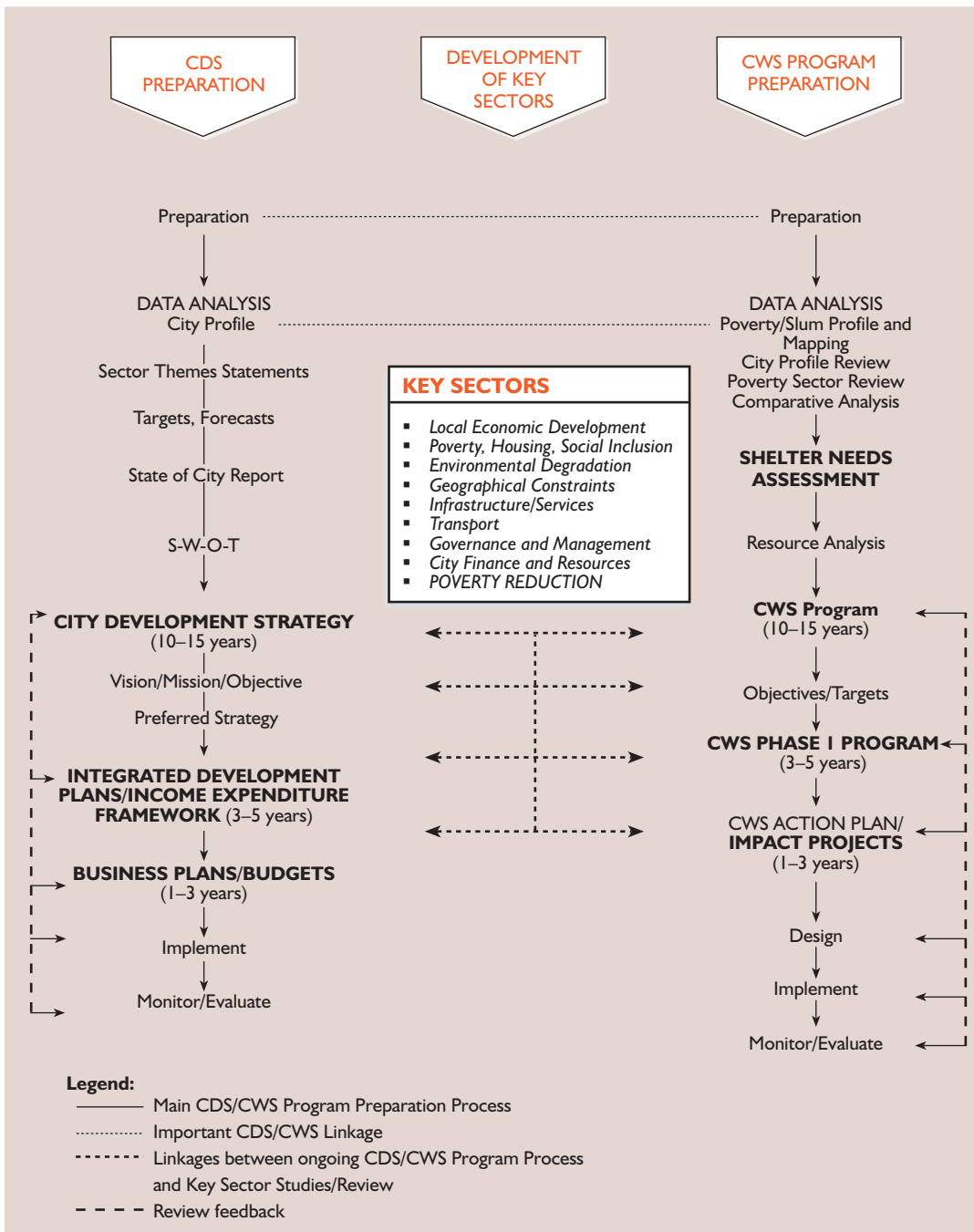


Figure 3: The CDS and CWS Processes Interrelation

important poverty reduction/slum upgrading implications that will inform and sustain the longer-term CWS Program.

Details of the proposed guidelines for CWS Program preparation are given in Appendix 2.

## Potential CWS Program Components

The CWS Program will identify a wide range of policy and program interventions that will help formulate and sustain the program over the long term.

It will also include interrelated project and subproject components that will address the many causes of poverty, such as the following:

- *Land acquisition:* including the subdivision and titling of land in existing slum settlements or for new low-cost housing and resettlement sites;
- *On-site/off-site civil works:* including site preparation (in some instances reclamation), and the upgrading or provision of public infrastructure, services, and facilities;
- *Provision of affordable serviced plots and housing;*

- *Finance and microfinance*: to support house or plot purchase, small business enterprise and livelihood development, and home improvement loans;
- *Community training and capacity building programs*: to empower and promote greater self-reliance, and to support training for improved community organization, estate management, and small business/livelihood activities;
- *Institutional strengthening of key stakeholder groups*: including training and capacity building of local government agencies, NGOs, and microfinance institutions; and
- *Education and awareness-raising campaigns*: including those directed to the private sector to encourage investment in pro-poor programs, and to communities in relation to HIV, crime and drugs prevention, and the encouragement of community savings and loan programs.

The preparation of CWS Program projects and subprojects will involve a wide range of activities, including physical, structural, and socioeconomic surveys; feasibility study preparation including economic and financial analysis; resettlement action plans; project/subproject design and implementation; contract documentation; and additional studies and research needed for further program/project development.

## The CWS Program Document

The CWS Program should be presented as a document that contains the following:

- *Poverty/Slum Settlement Mapping/Profile*: This will list and locate all slum and squatter areas in the city, and provide key physical and socioeconomic data for each. This will provide the basis for (i) reconciling the CWS Program objective of poverty reduction with its slum settlement focus; (ii) preparing the shelter needs assessment; and (iii) preparing the CWS program and action plan including the prioritization and detailing of identified impact projects and subprojects.
- *A Review of the City's Profile*: This will be undertaken on the basis of the data derived from the CDS. It will describe existing conditions in the city, including key physical and socioeconomic characteristics that define citywide poverty, and lead to a comparative assessment of relative poverty in the city with that in slum areas.
- *Poverty Sector Overview*: This will describe existing and proposed government and private sector poverty reduction/slum upgrading policies, programs, and projects, and the activities of NGOs, the private sector, and funding agencies in the sector.
- *Low-Cost Shelter Needs Assessment*: This will be based on the existing backlog and future need (including resettlement) for low-cost housing and infrastructure, and will include (i) upgrading, resettlement, and new housing provision; (ii) social services, livelihood, and employment needs; and (iii) an analysis of affordability and resource constraints.
- *Cities Without Slums (CWS) Program*: This will comprise a phased program of intervention over a 10–15-year period linking the outputs of the shelter needs assessment to resource availability. It will incorporate policy and program interventions to sustain the CWS initiative, and projects/subprojects designed to address all poverty-related issues in slum settlements including economic, social, and governance issues. The CWS Program will include a more detailed phase 1 program of about 3–5 years.
- *CWS Action Plan (1–3 years)*: This will identify a range of priority slum upgrading and poverty reduction interventions derived from the first phase of the CWS Program. These may include policy, program, and project interventions, some of which will be defined spatially in existing slum settlements or identified new low-cost housing sites.
- *CWS Impact Projects/Subprojects*: These will be drawn from the action plan, and will be designed to (i) maintain poverty reduction/slum improvement momentum from ongoing government/private sector initiatives; (ii) maximize impact; and (iii) provide a basis for the implementation of the sustained, long-term CWS Program.
- *Potential CA Funding Proposals*: These will be drawn from the CDS or from the CWS Program and based on CA eligibility criteria. The proposals will support the implementation of the action plan/impact project.
- *Monitoring, Evaluation, and Reporting Mechanisms*: for the performance monitoring of identified action plans and impact project proposals. Guidelines for the preparation of a CWS Program are contained in Appendix 2.