Integrating employment into urban investment planning: towards a planning and impact evaluation methodology

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Employment Intensive Investment Programme (EIIP)
International Labour Office Geneva
May 2000

Acknowledgements

I wish very much to thank Arend van der Goes, Jean Majeres (EIIP Geneva), David Mason, Jan Fransen, Wilma van Esch, Anne Obara, Peter Ngoha (ILO-ASIST, Nairobi), John Mwangosi (ILO Dar es Salaam), and Rose Figueiras (ILO Manila), some more particularly for the invaluable ideas and material they contributed to shaping the concept presented here, and others more for their friendly support and help, which sustained me while the concept presented here was taking shape!

I particularly want to thank John Lupala, UCLAS Tanzania, and Nori Palarca, IRAP Philippines who, as local consultants, set up meetings and visits in their respective countries and made fact-finding in their country a very positive experience. Their practical and conceptual inputs contributed immensely to the production of this report.

ABBREVIATIONS

AIP	Annual Investment Plan
ASIST	Advisory Support, Information Services and Training Programmes of the ILO (ASIST Nairobi, ASIST Harare, ASIST- Asia Pacific)
BESED	Boosting Employment through Small Enterprise Development, ILO In-Focus programme
CBO	Community Based Organization
CDA	Community Development Association – Hanna Nassif
CDC	Community Development Committee – Hanna Nassif
CIP	Community Infrastructure Programme/Community Initiatives Programme
DILG	Department of the Interior and Local Government
DOLE	Department of Labour and Employment
EIIP	ILO's Employment Intensive Investment Programme
GUO	Global Urban Observatory Programme, Habitat
HAYOFADA	Hanna Nassif Youth Farmers and Development Association
IRA	Internal Revenue Allocation
IRAP	Integrated Rural Accessibility Planning
KIMWODA	Kinondoni Moscow Women Development Association
LGU	Local Government Unit
NAROKA	Nakuru Ronda Kaptembwo Greeners Self Help Group
NIGP	National Income Generation Project
NMT	Non Motorized Transport
MBN	Minimum Basic Needs Programme
PESO	Public Employment Service Offices
SCP	Sustainable Cities Programme
SDP	Sustainable Dar es Salaam Project
UASU	Urban Authorities Support Unit
UCLAS	University College of Lands and Architectural Studies
UDD	Urban Development Department
UIP	Urban Indicators Programme, Habitat
UNCED	United Nations Conference on Environment and Development
UNCHS	United Nations Center for Human Settlements (Habitat)
UNEP	United Nations Environment Programme

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Cities : a new window of opportunity

1. Background

In the 1990s, the ILO's Employment Intensive Investment Programme (EIIP) developed a planning tool for **rural** areas: Integrated Rural Accessibility Planning (IRAP). IRAP has been successfully applied in The Philippines, Laos, Zimbabwe, Malawi, etc., by local planners at district level.

IRAP identifies and prioritizes real access needs of rural households for all types of basic services, and the interventions that may meet these needs. The interventions typically either (a) improve the distribution of facilities, bringing them closer to people, or (b), improve people's ability to reach facilities, i.e. their mobility. Among the first type of intervention might be the maintenance of grinding mills or the building of a market, while the second type of intervention might involve improving bus services or laying down a footbridge. In the Philippines, IRAP will go nationwide in 2000, bringing the methodology to the remaining 26 (out of 52) provinces where it is not yet being applied.

Given the success of IRAP, the EIIP wanted to find out whether and how the methodology could be adapted to similarly capture the real needs of **urban** populations, and assist in identifying effective, labour and local-resource based solutions to meeting their needs. This work was carried out between 24th November and 19th December 1999. It involved 3 five-day missions: to the Philippines, where IRAP is moving into high gear, and to two African countries, Kenya and Tanzania, where interesting developments in urban planning and implementation are taking place. The terms of reference of the mission are included as Annex 1 and the list of people met as Annex 2.

What has come out of this assignment is a proposal to develop a planning methodology for urban infrastructure investments that is different from IRAP. The proposed methodology will adopt employment, instead of access, as an entry point for improving urban situations. It is presented here, along with a discussion on its implications for significantly reducing poverty through the creation of community assets, improved income distribution and a more dynamic and productive local economy.

2. Urban poverty takes centre stage

For many years, development efforts focused on rural areas, as that was where the poorest people were to be found. These efforts were however not enough to stem the flow of people migrating from the rural areas to the urban areas – in search of jobs. Most cities in the developing world have proved unable to cope with high growth and immigration rates. Unplanned settlements, which are often squatter settlements and slums, have become inescapable features of third world cities at the end of the twentieth century. All cities have these areas which have few roads, intermittent water supply, inadequate sewerage or waste management, and make for a difficult and degrading living and working environment. Sometimes close to the city center, they are more often found on its outskirts, pushed out by developments needing the prime

locations. They are often in environmentally unsuitable or fragile zones: valleys prone to flooding or slopes prone to erosion. And very often, the people living in these unplanned areas are poor, their incomes inadequate even to meet basic needs such as food, water, shelter, etc. Lack of income is people's number one complaint, picked up and relayed by their associations and governments. And this urban poverty is turning out to be more acute and even more desperate and demeaning than rural poverty, justifying a widening of the focus of development preoccupation to urban areas. Urban populations are growing at a phenomenal rate, accompanied by the growth of urban poverty.

At the same time, cities represent an enormous potential and opportunity for growth and human development: people are more easily accessible; those who come to towns and cities from the countryside are already prepared for change; greater numbers mean ready markets, and also that impacts are likely to take place faster and be more easily measurable – for instance as riots because living conditions have altered for the worse.

Within a generation, the majority of the developing world's population will live in urban areas. To quote from the presentation of Habitat's Global Urban Observatory Programme, "For better or for worse, the development of contemporary societies will depend largely on understanding and managing the growth of cities; ***the city will increasingly become the test bed for the adequacy of political institutions, for the performance of government agencies, and for the effectiveness of programmes to combat social exclusion and promote economic development."***

3. The absolute need to increase the incomes of urban households

Survival for an urban household depends critically on a cash income, more so than for a rural household, because an urban household has to pay cash for the satisfaction of virtually all of its needs. Analysis of how poor urban households spend their income is very enlightening for poverty reduction efforts. Analysis of expenditure by poor households reveals that a high proportion, up to 80-90% of their meager incomes, is spent on essentials such as food, rent and water. Transport is often a luxury for such households, meaning that their members often have never traveled outside their settlement and do not know the city in which they live.

It is possible to miss the implications of this expenditure pattern. It basically means that at the end of the day, even if improvements are made to the services available in the neighbourhood to which poor households belong, unless they can afford these services, they will continue **not** to use them as before. Which leads to the next point. Where people's incomes are the lowest in the city, and where 80-90% of these already low incomes goes towards food and rent, how will such people be able to afford refuse collection or improved water supply on the remaining 10-20%, particularly when the trend is towards setting up small community or individual businesses to provide these services? From where will they get disposable income to pay taxes or the development levy, and contribute to the financial health of their community or local authority? Raising the incomes of the poor households, even where services are upgraded is an absolute necessity.

Effective poverty reduction is unavoidably a matter of increasing the incomes of the poor – at the same time as putting in basic services and essential productive infrastructure.

4. Employment and urban development

This link between reducing urban poverty and providing incomes for the poor through employment is widely recognized in international development policy.

Agenda 21 of UNCED calls for joint efforts by governments and NGOs in a wide range of activities for poverty reduction, including:

- Employment generation through the provision, improvement and maintenance of urban infrastructure and services with labour-based technology;
- Adoption of appropriate legal and regulatory frameworks
- Strengthened institutional capacity of local authorities
- Development of the small construction industry, including locally produced building materials with local raw materials.

The **Copenhagen Declaration on Social Development** agrees to "put the creation of employment… at the centre of strategies and policies of governments, in full respect for workers' rights, with the participation of employers, workers and their respective organizations". The associated Programme of Action, in a chapter on the expansion of productive employment and the reduction of unemployment, encourages labour-intensive investments in infrastructure.

The **Habitat Agenda** similarly: stresses the need to strengthen linkages between shelter and employment creation at the policy level, advocates the use of contracts with community-based organizations (CBOs) for shelter delivery and promotes strengthening of the capacity of both public and private sectors to deliver infrastructure through cost-effective, employment-intensive methods (where appropriate), in order to optimize the impact on employment creation. It supports the redirecting of public resources to encourage community-based management of services, participation of all stakeholders and the ratification of core ILO conventions promoting fair working conditions.

Although the links between urban poverty and urban under- and unemployment are explicitly recognized at the level of international policy, in practice, when it comes to the urban development projects undertaken by cities or governments under Agenda 21, or Habitat, large-scale urban employment creation does not receive the attention it requires. This is most probably because the ILO through the EIIP is only now gearing up to propose a methodology for taking employment into account in urban development planning. In this respect, the ILO lags behind UNEP, for instance, which has succeeded in providing conceptual and methodological means for integrating the environment into development planning and activities.

The Philippines is the first case of employment being given the profile it deserves in planning, through the creation of units (PESOs) at the municipal level to plan and

supervise the labour-based, equipment-supported construction of infrastructure with a view to maximizing employment generation. In Kenya, though there are town councils "localizing" Agenda 21, they have tended to look at employment as a by-product of the mainly environmental activities. In Tanzania where Habitat's Sustainable Cities Programme (SCP)[1] is spreading to 12 of Tanzania's towns and cities, the focus again is on the environment, and does not include employment to the extent that the policy recommends. Though in both Kenya and Tanzania, participatory planning in urban areas is a reality, the issue stakeholders are asked to address is environmentally sustainable cities. In the Philippines, where local level planning is completely established and there are professional planners almost right down to the village level, the process tends to be more one of the municipal planning office guiding barangay[2] representatives in their development choices. Until the PESOs, employment in the Philippines was addressed through relatively small scale "livelihood projects."

Collaboration with the agencies which already have extensive experience of the urban development context, particularly Habitat, will be desirable and necessary for the ILO's EIIP. At the operations level, collaboration between the EIIP and Habitat already takes place; during the mission, discussions with Habitat officials in Nairobi revealed a willingness to explore possibilities for collaboration (see the section on urban indicators). It does seem however that a high level agreement between the ILO and Habitat is necessary to provide an operational framework for the integrated activities that meeting the needs of urban populations urgently requires.

5. Introducing employment into urban planning – an unexpressed need

Although there are other sources of income for a household (e.g. in the Philippines, remittances from abroad), employment is in most cases the main source that an urban household can rely on. Given that government transfers to the poor (e.g. unemployment, social security and other benefits) are unlikely to take place on a significant scale in developing countries in the immediate future, the desperately urgent need for income is expressed as the need for employment. Employment will therefore be taken as a proxy for income in most of this report.

All officials met acknowledge this need: the barangay captain in Mindanao, Philippines, the Urban Development Department of the Ministry of Local Authorities of Kenya, the District Planner of Morogoro, Tanzania, the town planner of Nakuru… the estimated 800,000 street hawkers in Dar es Salaam express the same need in a different way. The government of The Philippines developed and implemented a Community-based information system throughout the country, the Minimum Basic Needs programme. In the MBN programme, people identified insufficient income as their biggest problem.

[1] More than 20 countries in the industrialized and developing worlds and in countries in transition, are taking part in the Sustainable Cities Programme.
[2] The smallest local government unit, representing a community or neighbourhood.

The reality on the ground, policy-making at the highest level, the ILO's mandate and the endorsement of practitioners of urban development, thus all give the EIIP the green light to go ahead and develop a planning methodology that brings employment into the urban planning process as a focus in its own right, and not just a spin off. The responses to this proposition were so clearly positive – the "problem" was that people had not thought of it before. Planners who are normally more focused on physical or economic planning, welcomed it, as did project implementers in ILO as well as Habitat, likewise the authorities responsible for the cities of Nairobi and Dar es Salaam. The Urban Development Department of the Ministry for Local Authorities, Kenya would even prefer to be associated with the development of the methodology, rather than wait for a finished product.

6. Features of an urban planning methodology – borrowing from IRAP

In outlining a planning and impact evaluation procedure for integrating employment into urban investment planning, the main objectives have been, firstly, to keep the elements that made IRAP a powerful planning tool, responsive to real needs; and secondly, to bear in mind the ILO's strategic objectives, specifically employment creation (Strategic Objective No. 2). Also, the ultimate concern of the Employment Intensive Investment Branch, is "to reduce poverty by increasing the opportunities for decent employment for the working poor."

The main features that distinguish IRAP from other planning methodologies, and which have also led to its successful adoption wherever it has been introduced are: 1) a set of easy-to-use indicators that capture real needs, and can be understood by stakeholders with basic education, and 2) a participatory prioritization/ranking procedure which is just as simple and very effective. IRAP's prioritization is a very powerful tool in the hands of the rural planner, who can present an "objective" picture of needs, on the basis of which decision-making can then proceed.

On the other hand, although the IRAP process leads to the identification of the specific interventions which will remove the heaviest constraints on the time and energy of rural communities, it has not, until now, pushed through to promoting the local resource-based methods for implementing these interventions, which would create employment in the communities concerned. As far as the EIIP is concerned, participation of the community through community contracting is a essential part of the delivery process for community infrastructure, i.e. minor works of direct benefit to, and carried out by the community. For major works, e.g. the main road in a planned section of town, the community participation required will be less intensive. The level of participation of community organizations in the IRAP planning process has varied. It has tended to be low in the Philippines, whereas in Laos and Cambodia the planning process is fully participatory.

This report defines the 4 main areas in which further work needs to be done, to arrive at planning and impact evaluation procedures that incorporate employment into urban infrastructure investment planning:

I. The definition of a simple-to-use, indicator-based methodology for urban investment planning that will capture real urban needs, and help all stakeholders to estimate the potential employment to be generated by meeting these needs through local resource and labour-based methods. This will require, among other things, the (participatory) identification of suitable indicators.

II. Defining and refining an impact evaluation procedure that also uses indicators. Monitoring of these indicators – and subsequent analysis - will help people assess and understand whether the policies and interventions are creating planned levels of employment and reducing poverty/creating wealth, or need to be adjusted.

III. Producing guidelines for introducing the proposed procedure into planning processes with varying degrees of community participation.

IV. Proposals for action by the EIIP

These areas are developed in the next 4 sections of this report.

7. Adopting an employment focus

It is stressed that what the report proposes is to take employment as the key to tackling urban poverty, improving living and working conditions of the urban poor, mainstreaming the urban informal economy, etc. Traditionally, the EIIP's approach to obtaining these results has been both area-based and sector-based. In providing basic infrastructure and services, and employment in low-income urban and urbanizing settlements, the focus has been more area-based and the programmes are multi-sectoral. In strengthening the capacity of small-scale contractors to undertake a range of works from community infrastructure to major works, or to provide good quality, affordable local building materials, the focus has been sectoral.

This report proposes a third approach: the "employment-based" approach. It suggests that an important preoccupation is to get urban investment planners to "think employment", i.e. to constantly be assessing how the investment they plan could create employment. Here, it does not matter whether the intervention is area-based or sector-based: if bringing cable television to rich neighbourhoods is done by labour-based methods, if richer households build mansions using local dressed stone, if micro-enterprises supply basic services to whoever needs them, all of this creates employment and (re)distributes income to the poorer people doing the job. All such sources of employment need to be encouraged to expand the volume of employment and income-earning opportunities available to the urban poor, on a city-wide basis.

PART I Proposal for methodology development

Introduction: turning crisis into opportunity

In all developing countries, there is a daunting backlog of infrastructure to be provided to ensure people with decent living and working conditions. Paradoxically, amazingly, with so much work to do, people are underemployed or unemployed because there are so few jobs available. The main interest of an urban planning methodology which can estimate the employment to be generated in solving urban problems, is that it offers the means to reconcile this paradox, to turn crisis into opportunity.

The question is: how to arrive at an investment planning methodology that captures the real needs of urban people, then relates these to the employment generation potential of the possible solutions, finally permitting ranking of interventions on the basis of employment generation potential (where called for)? The use of indicators seems an appropriate starting point. The main steps would be the following:

a) **Selection of a user-friendly set of indicators that gives an accurate and useable picture of needs, lack of basic infrastructure and shortage of services, in urban communities.**

b) **Estimation of the immediate, long-term, and indirect employment creation potential of interventions towards meeting identified needs, using different technology options including, of course, options based on labour-based**

c) **The above information would be used to rank interventions across different areas for employment generation potential where a community has earlier in the planning process defined employment as its No. 1 priority area[3]. Where employment generation has not been defined as first priority, the above can provide employment-related information to assist decision-making on implementation.**

I.1 Step one: selection of a set of indicators

I.1.1 Accessibility indicators do not capture all situations in urban areas

Urban, more densely populated areas are very different from rural areas in some significant ways, meaning that travel time is not the most informative indicator of a number of urban situations. Take water supply for instance. Water may be available through household connections, or through standpipes, or at water kiosks. It could be delivered by tanker. The time people take to obtain water at a standpipe, a kiosk or from a tanker could be the same, but the implications for availability can be very different, particularly where the price of water is concerned. Average water consumption per person, and the price of water are critical indicators. Water may be

[3] See Step 4 in the proposed Participatory Planning Framework, III.1

available 2 minutes away from a household which may only be able to afford a per capita consumption considered inadequate for normal living. This kind of situation is no longer captured by a time-based accessibility measurement. And how to measure access to drainage in terms of household time?

This means that other more appropriate indicators are needed for areas such as:

- water supply
- drainage
- waste management
- basic services such as electricity, telephone
- housing.

There are also areas which do not yet receive all the attention they deserve in urban planning: urban access, and MSEs, particularly those in the informal sector. The Sustainable Dar es Salaam Programme is innovating by introducing a Trade and Informal Sector Department into the new city councils.

Follows a discussion of where more appropriate and additional indicators may come from.

I.1.2 The Habitat Urban Indicators Programme (UIP)

The consultant proposes to use as a source of urban indicators, the set of indicators which have been devised by the Habitat Urban Indicators Programme, under the Global Urban Observatory (GUO) Programme. This programme was set up to fulfill the commitment of the international community to use indicators for monitoring the implementation of the Habitat Agenda, "through comparable human settlements and shelter indicators".

The Urban Indicators Programme (UIP) is in its 2nd phase, and 237 cities worldwide have participated in it. City databases are to be updated by July 2000, in preparation for the Istanbul+5 Conference in the year 2001.

Kenya	**Philippines**	**Tanzania**
Kakamega, Kisumu, **Nairobi**, Nakuru, Nyeri, Mombasa	Cebu, Davao, **Metro Manila**	Arusha, **Dar es Salaam**, Mbeya, Mwanza

Table 1. Cities in countries visited for which Urban Indicators databases exist

To quote from the Urban Indicators Programme,

> "The Urban Indicators Programme is not primarily a data collection programme. It is a policy and strategy development and technical cooperation programme, which aims to build in-country and local capacity to collect and use indicators as an integral part of the national and local policy and development framework. Wherever possible, the indicators are intended to be part of an enabling process, measuring sector-wide progress of all actors towards achieving social goals, rather than as a narrow measure of government activity."
>
> Monitoring Human Settlements with Urban Indicators (Draft) Guide, Global Urban Observatory, UNCHS, Nairobi 1997.

One key idea of the GUO is that **indicators should be sensitive to policy**. To take an example, urban transport studies done by the Sub Saharan Africa Transport Programme (Non Motorized Transport Project) reveal that walking accounts for a high proportion of trips city-dwellers make, sometimes up to 80%. Pedestrians are however absent from conventional transport studies, which focus on motorized vehicles and roads. To take them into account, two further important variables are needed to characterize an urban transport system: the volume of pedestrians crossing traffic, and the **pedestrian fatality rate**. The variable most suitable to become an indicator in this case is the pedestrian fatality rate. It is data usually easily available from police records, and sensitive to policy: when measures are taken to calm traffic down and improve pedestrian safety, the number of pedestrian fatalities is reduced. The traffic crossing volume will not however change.

A high pedestrian fatality rate on a given street, in an given part of town, in a city will indicate the need for investment, usually to urban transport infrastructure and networks, which readily be done by labour-based methods and so create jobs.

Another key idea of the GUO is that **a participatory approach should be taken to designing indicators**. Hence the Urban Indicators consist of two sets of indicators:

i. a set of Key Indicators, to be collected for all urban settlements, in a global database; and
ii. a non-exhaustive set of Extensive Indicators from which countries can select for a fuller picture - in addition to designing any further indicators they might need for national and local databases.

Both sets of indicators are relevant to the work of the EIIP: the first set of Key Indicators provides city-wide data for policy, planning and implementation, while the second can provide supplementary indicators for settlement level planning and implementation.

The GUO Key Indicators are grouped into Background Data and six modules. The Key Indicators are simply listed in Table 2, and their definition is given in Annex 3[4].

As the list makes clear, the GUO indicators cover many of the areas relevant to labour-based and local resource-based investments, for both planning and impact evaluation purposes. Indicators such as the city product per capita, or the Local government per capita capital expenditure, income distribution, etc., will be particularly useful in impact evaluation, just as annual population growth rate, and most of modules 2 to 4 and 6 will be useful for planning. Furthermore, the UIP has constructed indexes such as the City Development Index, itself a composite of 5 indexes covering areas such as infrastructure and health; and it has made it possible to calculate the UNDP Human Development Index at the city level from the indicators' database. These will be valuable for measuring impact of policies and interventions.

Given that the UIP already exists (though urban indicators are not yet incorporated into planning procedures encountered) it would make sense to put it to use, rather than introduce yet another data collection exercise with its own set of indicators, for the same urban planners to apply.

[4] The survey tool for compilation of the key indicators, along with complete definitions and guidelines are available in spreadsheet format and hard copy, in English, French and Spanish from www.UrbanObservatory.org.

Background data

D1 Land Use,
D2 City population,
D3 Annual population growth rate,
D4 Women-headed households,
D5 Average household size;
D6 Household formation rate,
D7 Income distribution,
D8 City product per person,
D9-1 Housing tenure type,
D9-2 Total land tenure

Module 1 : Socio-economic development

1. Poor households,
2. Informal employment,
3. Hospital beds,
4. Child mortality,
5. Life expectancy at birth
6. Adult literacy rate,
7. School enrolment ratios,
8. School classrooms,
9. Crime rates

Module 3: Transportation

15. Modal split,
16. Mean travel time,
17. Expenditure in road infrastructure,
18. Automobile ownership,
19. Length of road

Module 2: Infrastructure

10. Household connection levels,
11. Access to potable water,
12. Consumption of water,
13. Median price of water,
14. Infrastructure expenditure

Module 4: Environmental Management

20. Wastewater treated,
21. Solid waste generated,
22. Disposal methods for solid waste,
23. Regular solid-waste collection,
24. Housing destroyed

Table 2. Urban Indicators modules

Module 5: Local Authorities

25. Local government per-capita income,
26. Local government per capita capital expenditure,
27. Debt service charge ratio,
28. Local government employees,
29. Personnel expenditure ratio,
30. Contracted recurrent expenditure ratio,
31. Number of associations,
32. Government level providing services,
33. Control by higher levels of government

Module 6: Housing

34. House price to income ratio,
35. House rent to income ratio,
36. Floor area per person,
37. Permanent structures,
38. Housing in compliance,
39. Land price to income ratio,
40. Housing production,
41. Housing investment.

The UIP set of key indicators thus has the following modules from which the most appropriate for Step Two will have to be selected:

Background data
Module 1: Socio-economic development
Module 2: Infrastructure
Module 3: Transportation
Module 4: Environmental management
Module 5: Local Authorities
Module 6: Housing

The Global Urban Observatory Programme expressed willingness to collaborate with the EIIP. It has developed the urban indicators, but has little information as to how they are being used; also, it is interested in knowing what policies are giving rise to the trends observed. For the EIIP, the advantages of collaboration with the GUO programme are:

- a comprehensive set of basic urban indicators are already defined;
- these indicators have been and continue to be used in hundreds of towns and cities around the world, providing a big database from which to work;
- city-level monitoring and impact evaluation are simplified and facilitated where National and Local Urban Observatories exist – they will exist in 12 countries in 2000;
- the EIIP can contribute to the formulation of better indicators necessary to monitor the impact of urban policies on employment and other areas it promotes (see discussion of employment indicators to follow).

I.1.3 Additional urban indicators

While Urban Indicators serve both planning and impact evaluation purposes, for the purposes of the EIIP, they would need to supplemented at both city and settlement levels, with additional indicators on: non motorized urban transport, small enterprises, (including on home-based enterprises), and employment.

i. Non-motorized urban transport – i.e. people, bicycles…

The term “urban transport” does not immediately evoke images of pedestrians as much as it does vehicles, but pedestrian traffic can be a significant component of urban transport in many towns and cities in developing countries. Where public transport may be too expensive, the urban working poor will rely heavily on walking and if they can afford it, non-motorized means of transport such as cycling. The flows of non-motorized traffic, i.e. pedestrians and cycles when quantified are impressive: some 16,000 pedestrians and 800 cyclists share Jogoo Road in Nairobi with motorized traffic every working day. Jogoo Road has the highest pedestrian fatality rate in the city, one which has been increasing at 40% per year over the past three years.

Rarely, however, is the urban transport infrastructure designed to meet the needs of non-motorized traffic. Few cities have designated NMT routes, and much remedial work needs to be done to improve safety on the existing motorized network: curb realignment, pedestrian bridges and islands in the middle of roads, separate cycle trails and pedestrian walkways, etc., etc. From the EIIP's point of view, assessing the need to improve the urban transport network is worthwhile because it can be done most readily by labour-based methods. Extensive Indicators permitting this assessment are:

- **Pedestrian** fatalities: as discussed before instead of total fatalities or passenger fatalities. This is Extensive Indicator A40. A city or settlement could look into the rate of pedestrian fatalities and decide whether or not it wishes/needs to invest in upgrading the urban transport network for non motorized traffic by labour-based methods.
- **Relative cost of public transport** (Extensive Indicator A34, transport household budget share), Public and mass transport seats, (Extensive Indicator A41). Time taken to nearest public transport and average waiting time for public transport are other indicators that could be developed to assess the need for improving public transport at the settlement level.

Safer transit also tends to lead to a shift in transport mode, which has implications for the development of small and larger enterprises providing and supplying non- and small motorized means of transport, and running transport businesses. The SSATP reports that more people would go by bicycle if the roads were less dangerous. Making the urban transport system accommodate NMT traffic (pedestrians and intermediate means of transport) is a source of both short-term and long-term jobs. (See Annex 4 and Nori Palarca's report).

ii. For micro and small enterprises

If the idea of employment intensive investment is not just to make people more comfortable in their improved neighbourhoods but to jump start processes of local development, then the upgrading of MSEs in urban areas through the investment is a critical step in the process.

Investments in infrastructure affect micro enterprises through backward and forward linkages to the interventions. For backward linkages, a suitable, policy-sensitive indicator to assess just how much the intervention is using micro-enterprises would be the proportion of expenditure going to these enterprises for materials, tools, works, etc.; as well as indicators on training and other strengthening measures given to them.

Where forward linkages are concerned, it has proved difficult to make direct links between infrastructure provision and the expansion of MSEs. Nonetheless, it is accepted wisdom that while adequate infrastructure is by no means sufficient to make MSEs grow, it is a necessary precondition[5] to a) improving living and working

[5] Improving drainage reduces the incidence of water-borne diseases, which has a direct impact on the health, and thus the productivity of residents.

conditions in the informal sector, and b) improving the productivity of those micro-enterprises with real growth potential (estimated to make up between 10-20% of the total). One thing is certain, even if micro enterprises are found in formal settlements, no small or medium-sized firms are found in unserviced slums, particularly if they lack electricity… Infrastructure provision may be said to create the potential for growth of MSEs, because in the absence of adequate infrastructure, growth is simply not possible, it does not happen: only those activities which do not rely on electricity, roads, water, waste disposal etc., can take place, severely limiting people's options, even for subsistence activities[6].

It is possible to make infrastructure investments work more effectively for MSEs through forward linkages. The urban planning methodology proposed by the EIIP can address MSEs in urban settlements just as IRAP assessed households, to find out the constraints on physical access of enterprises to their sources of raw materials, clients, etc., and on access to basic services. Then labour/local resource-based investments can be proposed to relieve these. These have the added advantage that, in addition to providing the infrastructure, the wages they pay increases demand in the settlements, addressing another frequent constraint on the expansion of MSEs. Training, credit and other measures will however need to complement these efforts and the entrepreneurship of MSEs, before the potential created by the infrastructure upgrading can be materialized.

There is no UIP module on MSEs, and none of the indicators specifically addresses them. Time to access may thus be reintroduced as an indicator for MSEs, particularly as concerns the help the EIIP can extend to them, and visualized through an IRAP-type map overlay exercise. When looked at together with the indicators that apply to the wider community, a better idea of what improvements should take priority can emerge. Solving MSEs specific access problems will increase their chances of growth (or the number that can set up), and of employing additional people to cope with expansion.

In this respect, electricity deserves special mention. The provision of electricity is in itself not particularly labour-intensive (unless dams have to be built), but without electricity, most urban enterprises have little hope of growing above subsistence level[7], and thus of employing more people. The expansion of the micro-enterprises with growth potential will create jobs for those who are in the informal sector for lack of jobs. Therefore, taking the perspective of jump starting processes of local growth, electricity is an essential employment-creating infrastructure investment, the provision of which needs to be included in the programme of the Employment Intensive Investment Branch.

The data collection will need to be designed to address this, preferably in collaboration with the ILO's MSE programme, SED. A preliminary suggestion, which would need to be refined, is that the following data should be collected using an appropriate methodology (e.g. mixed household and enterprise surveys), suitable indicators elaborated and maps drawn.

[6] Executive Summary and Chapter 1, Linkages between Infrastructure Development and Improved Working Productivity and Working Conditions in Informal Sector Enterprises, Synergie Consultants for the EIIP, ILO, Geneva, March 1998.
[7] In Hong Kong, some computers parts are assembled in little home-based units…

- The range of MSEs operating in the area under consideration, numbers in each line of business, and their location (this was done in Hanna Nassif); identification of home-based enterprises and of bigger enterprises using inputs of MSEs;
- Access to water, electricity, telephone, drainage and waste disposal;
- Location of the sources of raw materials/inputs for the businesses involved in production/transformation, and of deposits of raw materials within the planning area with business potential;
- Identification/location of the sphere of influence of the business, where the clients come from for all MSEs, per business category;
- Time taken for categories of MSEs to source raw materials/inputs, typical loads carried, time taken by clients to access business, time necessary for businesses to deliver to clients (who may be other businesses), or to bring/distribute its products directly to end-user clients; and associated costs;
- Current staffing, output, turnover and (qualitative) profitability information… transport costs as a percentage of overheads/total costs.

In the current state of knowledge, it appears indispensable to carry out baseline and longitudinal surveys on the performance of the informal sector in employment intensive infrastructure programmes, preferably using the "*approche filière*" or sub-sector approach. This will also shed light on the links between infrastructure improvements, micro and small enterprise development and employment generation, and so better our understanding of urban development processes and of entry points for effective action.

iii. Employment

Both the ILO's Key Indicators of the Labour Market project (KILM) and the UIP propose the following employment-related indicators that would be relevant to planning and evaluating the impact urban employment intensive investments :

- Urban Informal Employment (KILM 7, UIP Key Indicator 2)
- (Poverty and) Income distribution (KILM 18, UIP Key Indicator D7)

It is not, however, for the sake of increased employment that employment is being introduced into urban development planning, but as a means for satisfying assessed needs for income, infrastructure and basic services in urban areas. In the planning stage, employment indicators would thus appear to have more importance for establishing the baseline from which to later on evaluate impact.

Later on, direct employment created by the investment (we are no longer talking about employment potential) will be obtainable from project figures. What will need to be known more accurately is: what indirect and long-term employment was created (the multiplier effect), how was income distribution affected, what was the effect on poverty, on productivity, on participation of men and women, etc. In particular, information on the multiplier effect can then be fed back into the planning process to make more accurate estimates of employment creation potential.

The measurement of employment created and the development of employment indicators suitable for evaluating the reduction of poverty and the local creation of wealth will therefore be discussed in greater detail in the section on Impact Evaluation.

I.2 Step 2: Estimating the employment generation potential

Step 2 : Estimation of the immediate, long-term, and indirect emplyoment creation potential of interventions, using different technology options, including, of course, options based on labour-based methods and small-scale enterprises.

Three options have been put forward for this stage. The first measures employment intensity potential; the second, employment as a percentage of investment; and the third aims at estimating numbers of jobs to be created on the basis of indicators of need. It is important to remember here the twin objectives of a) alerting urban investment planners and communities to the employment potential that labour and local resource-based approaches create from their problems, and b) permitting the ranking of interventions on the basis of their employment generation potential.

I.2.1 Option 1: Measuring employment intensity potential

Here, the experience of the EiIP would be called on to give a ranking of low, medium or high employment intensity to interventions in different sectors. For example it is well known that the labour intensity in roads and housing construction is much higher than that in providing electricity (if no dam-building is involved). To be meaningful, the rankings would have to correspond to ranges of labour intensity comparable across sectors, e.g.

“high” > 0.05 work years created per unit investment.
“medium” : between 0.01 and 0.05 work years created per unit investment
“low” : < 0.01 work years created per unit investment

This would give planners and planning participants, probably more at city-level, an idea as to the relative employment merits of different interventions, but is unlikely to convince them that local resource-based approaches represent a solution to their problems.

I.2.2 Option 2: Measuring employment as a percentage of investment

This second option is related to the first, but provides more information. It calls on the experience of the EIIP to estimate what percentage of total investment in different local resource-based interventions typically goes to wages. In primary solid waste management, it can be 80-90%, in urban gravel roads, 30-40%, in urban paved roads

60-70%, etc. Knowing the applicable wage rate, and the total investment likely to be involved, it becomes possible to estimate the number of jobs a specific investment could create using local resource-based methods.

This option has more scope for waking up urban planners and communities to the idea that local resource-based approaches can generate jobs in solving problems. It becomes more complicated though, when it comes to prioritizing among interventions, as the following example illustrates.

Example: a community needs 30km of storm water drains and environmental protection, 20 km of roads, and waste disposal for 15,000 inhabitants. To prioritize by employment generation potential requires knowledge of unit investment cost per type of intervention, and the wage percentage of the investment. Complicated.

I.2.3 Option 3: Measuring employment potential using indicators

It is possible to calculate directly the employment generation potential of satisfying certain needs using indicators. The demonstration effect would be here at its highest, while the ranking procedure would be simple. The estimation procedure can be illustrated by the following examples.

Housing

The housing example is drawn from the ILO/Habitat publication, *Shelter provision and employment generation*.[8] The authors were able to calculate how much labour was required to produce $1m^2$ of housing of different standards in Sri Lanka.

House type	Average area	Cost (Rs/m^2)	Employment generated (work years)	
			Per m^2	Per Rs million expenditure
Luxury	181	475	0.133	280
Conventional	50	190	0.097	510
Traditional	37	76	0.038	500

(Employment figures include labour inputs from the stage of manufacturing the building materials to finishing the house, and take into account that 1m2 of floor has 1m2 of foundation, 1m2 of roof, and a few m2 of wall. The conventional house was virtually unserviced.)

The relevant key urban indicators are:

- the urban growth rate (D3), e.g. 6% per year
- the average floor area per person, (No. 36), e.g. 6 m^2 per person

[8] *Shelter Provision and Employment Generation*, UNCHS (Habitat) Nairobi, ILO Geneva, 1995. p54

Given that to build 1 m^2 of housing using mainly local materials (brick walls, clay tiles on timber roof, lime and cement mortar for foundations and flooring) requires 0.1 work-years per m^2:

- labour productivity (standard housing) [9] **0.1 work-years per m^2**

the labour required to produce the total additional floor area required by the growth of the city, using mainly local materials is the product of the two indicators and the labour factor:

Labour to produce total additional floor area =

urban growth rate x floor area per person x labour to produce unit floor area

= 3.6 per cent of city total population

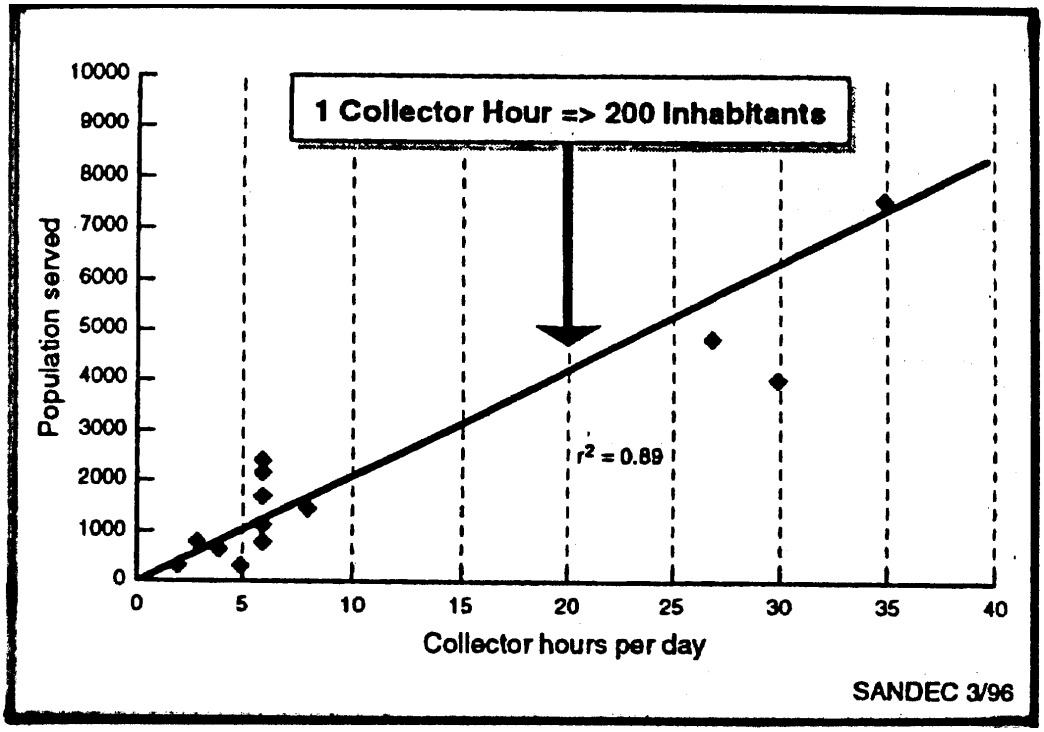
N.B. 3.6 per cent of total population, the publication states, can easily represent 10% or more of the active population. To obtain jobs created, the urban growth rate can be replaced by the number of additional people it represents. The same kind of calculation can be done for housing destroyed due to man-made or natural disaster.

Solid Waste Collection

The publication "Non-Governmental Refuse Collection in Low-Income Urban Areas"[10] provides the data for the solid-waste disposal example. Not only does it set out technical options for collection, but it gives productivity values and factors influencing productivity. These figures are derived from analysis of productivity data from several schemes.

[9] This is in fact Extensive Indicator A104, On-site productivity, defined as the man-hours per square metre on a typical median-priced dwelling in the formal construction sector.

[10] *Non-Governmental Refuse Collection in Low-Income Urban Areas – Lessons learned from selected schemes in Asia, Africa and Latin America*, by Roger Pfammatter and Roland Schertenleib, published by the Swiss Federal Institute for Environmental Science and Technology (EAWAG) and Department of Water and Sanitation in Developing countries (SANDEC)



To quote from the publication (for primary collection done house-to-house):

> "The overall correlation is surprisingly good, and the data obtained provide a rough estimate of productivity. On the average, **around one daily collector hour is necessary to serve about 200 inhabitants. This seems a reasonable value and may be used to estimate labour requirements in a collection scheme."**

Knowing the population of a city or settlement and its growth rate, it would then be possible to give estimates for the jobs to be created through labour-based and other methods of waste collection, in the short and long-term. To illustrate using the labour productivity rate above:

D2 Settlement (city) population : 20,000 inhabitants

Labour productivity/requirement : 1 collector hour per 200 inhabitants

Potential employment generation: 20,000 / 200 = 100 daily collector hours or 12.5 full time jobs

Waste collection and other community services can be viable small business ventures, (as of course can plastics or organics recycling) and these indicators help to see how much business can be generated in a settlement or a city[11].

[11] The ILO-BESED will publish *Start your Waste Collection Service* and *Start your Water Supply Business* in 2000.

This third option clearly presents the same desirable simplicity **in concept** as IRAP does when it uses the time taken to go from A to B as a measurement of needs for basic goods and services.

From the point of view, therefore, of putting urban planners and communities in a position to see through their problems to employment opportunities, and giving them the simple means of estimating orders of magnitude of employment to be generated through infrastructure investments, this option has great potential. Until now, people generally have no idea that these jobs can be created because they are not aware of the technological solution of local resource-based methods; moreover, they do not know whether solving a problem in a given sector will generate 1,000 or 10,000 work months; and they cannot make comparisons between the merits of different technological options. This report suggests that making the data to estimate employment generation potential readily available and user-friendly will be a significant contribution to investment decision-making with development as an objective.

From the implementation point of view, the requirement is different: it is necessary to do precise calculations based on alternative designs.

Behind the simplicity of the proposed method lies, however:

a) an exercise in methodology development (selection and development of suitable indicators, etc.)
b) a substantial effort in data collection, verification and analysis, to produce country-specific labour productivity/requirement data
c) an IRAP-type capacity building exercise to introduce the relevant target groups to the concepts and methodology.

In discussions with ILO-ASIST in Nairobi it appeared that the collection of labour requirements/productivity rates for a wide range of activities for which labour-based options exist: drainage, roads, non motorized transport interventions, building, soil conservation, erosion control, water supply, etc., etc., was a feasible proposition for a programme of work. The two examples above suggest that enough information exists in the literature and in projects to begin to give ranges of productivities/labour factors that can be refined as time goes on[12]. They also suggest that some of the factors will be country-specific, while others will have more general application. On-going, and if necessary, pilot projects can be used to obtain starting data where really none is available.

It is more than likely that other programmes and institutions will be interested in forming a network to gather, monitor, exchange and update figures. The SSATP Non Motorized Transport Project in Nairobi is for instance willing to collaborate with the EIIP to collect labour-productivity rates for road and pavement/kerb realignments, humped zebras, etc. The SSATP-NMT will be starting in three new countries in January 2000, and will need to be contacted before they do.

[12] E.g. Field Notes of the UNDP-World Bank Water and Sanitation Program, Nairobi

I.2.4 Immediate, long-term and indirect employment creation

Labour-based infrastructure investments create employment in the short-term which is readily calculable, but that is not where their employment generation potential stops. For certain kinds of infrastructure, further jobs are created in the maintenance and operation of the infrastructure. In Hanna Nassif, the storm drains are maintained by the women's association who are paid a fee by the CBO, and, early 2000, the water supply project will be complete and the CBO will start operating water kiosks, providing long-term jobs. In Nakuru, the NAROKA Greeners Self-Help Group (Nakuru has a Sustainable Cities Project) has as one of its priorities the construction of a park in the settlement with water supply, where they will set up paying public toilets, showers, a water selling kiosk and a Coca Cola stand. The NAROKA project proposal includes examples of indirect employment creation, i.e. the jobs which become possible because the infrastructure exist.

The EIIP will need to start monitoring more closely long-term employment creation following labour-based investments, in order to include this as information for the planning process. Long-term direct employment creation, or maintenance is fairly easily calculated. For indirect employment creation, standard multipliers are currently used, since it is known that these lie between 1.5 to 3 times the employment generated during construction.

The following table illustrates the type of information it should be possible to present after applying labour productivities to needs indicators for a city of a given size. In the example, the city population is 1 million inhabitants, roughly half of whom live in unserviced settlements. It is assumed that the city has a local resource-based infrastructure investment policy, which means that these resources are used where feasible in major works too, and by better off segments of the population. For the sake of simplicity, the unweighted average of the labour productivities for luxury, standard and basic housing is used; the other figures are invented. The indirect employment generation potential has not been included, and only one local resource-based technology option has been assumed.

Sector	**Immediate job creation potential (work-years)**	**Job creation potential in maintenance (work years)**
All housing	**20,000**	**2,000**
Community buildings (schools, markets, etc.)	**4,500**	**500**
Electrification[13]	**400**	**8**
Waste disposal	**100**	**312**
Drainage and storm protection	**5,000**	**100**
Environmental	**6,000**	**650**

[13] Electrification is not usually labour-intensive, but it is essential infrastructure for growth.

conservation		
Access roads + NMT networks	**6,000**	**500**
Urban transport	**2,000**	**-**
Water supply	**5,000**	**250**
Cable network	**1,000**	**-**
TOTAL	**50,000**	**4,320**

Table 3 Employment generation potential of local resource-based urban infrastructure investments in City X (Calculation illustration)

Where income distribution is a priority, households may be given six-month jobs, meaning that in this example nearly 100,000 households a year could benefit from an additional income through infrastructure construction alone, while over 4,000 permanent jobs could be created.

The idea is to make it easier for stakeholders to:

1) look at the numbers of people who would need to find jobs/incomes through labour-based type of programmes over a planning period (e.g. 2 years, 5 years)
2) compare this against the work to be done in the settlements and recurrent and investment budgets, and
3) plan urban infrastructure investments in such a way as to generate employment for the urban poor in a more systematic way.

City-specific cost data also needs to start being collected and collated more systematically, though here again guidelines may suffice in the beginning. Cost considerations can also be an important means of investigating investment options.

I.2.5 City or settlement?

The EIIP is currently involved in implementation of projects in urban settlements as opposed to the city-wide projects Habitat is involved in (Hanna Nassif, Kalerwe and Dandora are settlements in Dar es Salaam, Kampala and Nairobi, respectively). Where the planning area is a settlement, indicators would also need to be collected at the settlement level and made available for participatory planning, and subsequent monitoring. Detailed estimation of job creation potential is already carried out as part of project design. Once low-income communities realize that solving their problems can actually be a source of jobs and incomes, this can be an added motivation to help them organize to plan and implement these solutions.

There is one other critical area for which organized action is particularly necessary for low-income communities, and that is the question of land tenure. Often, people are not willing to invest in their communities because they do not know whether or how long they will be allowed to stay on land they do not own. Acquiring title to the land they live and work on can powerfully motivate people to commit resources towards improving their living and working conditions. Though the question of tenure is not

directly linked to infrastructure investments or job creation, the EIIP can encourage the community-based organizations it works with to put it on their agenda.

The EIIP also stands to make significant progress towards its objectives if it can have city-wide projects. For this the Programme needs to collaborate with cities, national governments and Habitat in developing its urban infrastructure planning and impact evaluation methodology with an emphasis on employment.

PART II Impact Evaluation

II.1 What impacts are being sought?

These are best expressed by the Declaration of Philadelphia which, in 1944, restated the ILO's mandate to recognize that there was little point in fighting for the rights of workers if people were not employed, and to make employment creation central to the ILO's mandate. The Declaration of Philadelphia states the ILO's mandate as being to create the "conditions of freedom and dignity, of economic security and equal opportunity" in which "all human beings… can pursue their material well being and their spiritual development." ILO shorthand for this goal is "peace and prosperity".

The Employment Intensive Infrastructure Programme pursues the ILO's mandate for the poorer people in developing countries:

- All labour-based programmes promote equal opportunity and equal pay for work of equal value, opening up employment and income opportunities to women from which were previously not open to them.
- There is also a complete break between today's labour-based programmes and construction works under colonial and other more ancient times, since labour-based programmes uphold the principle of freely chosen work. A labour-based programme makes the distinction between minor works from which the community alone benefits directly, and where therefore an employment relationship does not exist; and major works which are all other works where beneficiaries are not limited to those working, who must then be paid fairly for their work. Labour-based programmes also promote community contracts for minor works, in which the responsibilities are clearly shared among all partners, the community, the local authority, the donor, the technical agency, the NGO, etc.

The Synergie report[14] documents the fact that infrastructure investments carried out in this spirit ensure freedom, dignity and equal opportunity, and reinforce social cohesion.

"Many persons interviewed mentioned that before the upgrading works in Hanna Nassif, they were ashamed to say that they lived or worked there because every one knew about the poor conditions prevailing there. …**Infrastructure upgrading has an important psycho-social impact which cannot be ignored: welfare, self-esteem and the pride of living and working in a better environment.** This was the most striking but not measurable impression emerging from the interviews with persons in Hanna Nassif as a whole. **The fact that the community participates in the works also increases these feelings.**"

[14] Linkages between Infrastructure Development and Improved Productivity and Working Conditions in Informal Sector Enterprises, op.cit., p 39

By their very nature infrastructure investments contribute to creating the basic conditions in which people can hope to pursue their material well being. This is borne out by Habitat, which investigated the correlation between infrastructure and social services indexes from the Urban Indicators global database, and the UNDP Human Development Index, to conclude:

> In general, indicators such as access to various forms of social and physical infrastructure and the provision of social services correlate much better to the HDI than they do to income, showing that *greater concentration on the provision of infrastructure can have a marked impact on life outcomes*.
>
> State of the World's Cities: 1999 – Cities in a Globalizing World, Habitat Nairobi

While the EIIP uses infrastructure delivery as a means of contributing to the ILO's goals, it lays enormous emphasis on capacity-building and organization among target groups (communities, workers, entrepreneurs, local authorities, etc). Whether or not this may be conceived of as spiritual development, it certainly gives the people concerned more skills and greater confidence in their abilities to cope with the tasks of living and prospering in a difficult environment.

II.2 Operational concepts for peace and prosperity

In recent history, particularly since the disheartening "lost decade for development" constituted by the 1980s, poverty alleviation has replaced peace and prosperity as the end goal of development. As the EIIP points out in the presentation of its policy *Jobs to Build Society*,

> Poverty reduction does not necessarily lead to prosperity. On the other hand, if people create and distribute wealth, absolute poverty will disappear and relative poverty, within nations and internationally, can be reduced to socially acceptable levels.
>
> Jobs to build society: Employment Intensive Investment in Infrastructure, ILO, Geneva 2000

While the wish to be intellectually honest and to aim for modest, achievable goals can be detected in the adoption of poverty alleviation as the goal of the development effort, it is on examination an insidious piece of negative thinking. Its like wanting to make a patient "less sick". In *Jobs to Build Society*, the EIIP takes the perspective that

even small things, even intangible things, contribute to a nation's wealth and goes on to propose that

> "wealth creation, no matter how modest the scale, is a more positive, more uplifting frame of mind and perspective for humanity, particularly its poorer members, than poverty reduction."

People want to be better off, they don't want to be less poor! Having said that, wealth creation does not necessarily lead to prosperity if only a minority benefit from it: the term "prosperity" carries with it notions of being shared by everyone, and of stability. Perhaps **prosperity may be defined as a self-sustaining, widespread process of creation and distribution of wealth**, with all this implies of: knowledge of the mechanics (economics, social aspects) of wealth creation and distribution, investment, coordination of efforts, productivity improvements, etc.

What could the setting in motion of such a process look like? The upgrading of the low-income settlement of Hanna Nassif in Dar es Salaam provides some empirical elements of an answer.

II.3 Heading for prosperity in Hanna Nassif ?

Hanna Nassif is one of the 44 or so unplanned settlements which are home to approximately 60% of the population of Dar es Salaam. In 1998, some 20,000 people lived there. The Hanna Nassif upgrading project started in 1994 and is now into its second phase, scheduled to end in August 2000. The Hanna Nassif Upgrading Project has as its development objective: "improved living conditions and expanded employment opportunities".

The Community Development Association (CDA) of Hanna Nassif, representing the residents, is both beneficiary and implementor of the project activities. Residents contribute both paid and unpaid labour. The ILO was executing agency in Phase I, with Habitat associated agency supporting local government in the implementation of enabling, affordable and sustainable human settlement policies. In Phase II, the University College of Lands and Architectural Studies (UCLAS) has replaced ILO as the executing agency, with the ILO becoming associated agency and providing technical support. Other institutions participating in the project include UNV, the Ford Foundation (micro-credit), and the National Income Generation Programme which has financed Phase II. Phase I cost an estimated US$608,000 plus a local contribution of Tshs 24 million, The Phase II budget is $707, 430.

Immediate objectives in Phase I were the following:

- Support to community-based initiatives and associations;
- upgrading of the storm water drainage infrastructure and roads by labour-based methods;

- creating and expanding the capacity of the Dar es Salaam City Council (DCC) to deal with Community-based urban upgrading projects.

Hanna Nassif Phase II involves:

- building the capacity of the CBO, of the ward, of the private sector and of NGOs in community and employment intensive construction methods, and preparation of a training manual for replication of the process;
- development of management procedures, financial systems, standard contracts
- more infrastructure upgrading (drinking water, solid waste management, roads and footpaths, storm water drainage);
- a micro-credit revolving fund, which had disbursed Tshs 28,739,000 as of June 1999[15];
- more capacity building in the DCC.

By 1998, in the middle of Phase II when UCLAS conducted a mid-term impact assessment of the project, this mix **and sequence** of investments and activities had yielded the following sample of returns[16]:

Activity/issue	Situation in 1994	Situation in 1998	Observed changes
Direct employment created by the project	None – start of project	24,430 workdays created, 65% man days, 35% woman days	improvement of income generation within settlement
Location of workplaces	17% of employed households work in HN	30% have income-generating activities in HN; diversification of activities	increase in quantity of home-based or income generating activities within the settlement.
Enterprise development	296 enterprises recorded in HN; no solid waste collection	340 enterprises recorded; waste collected by women's groups	an increase of 17% ; 6 places created in one women's group for drains maintenance and solid waste collection
Gender distribution of credit	NA	120 women's and 35 men's enterprises	Expansion in the scope of women's activities
Water borne diseases	4137 reported cases	2520 reported cases	a reduction of nearly 40%
Rent per room	On average less than Tshs 4,000	50% of tenants pay between Tshs 4,000 to 5,500, 36% pay between 2,000 and 3,500; 10% between 6,000 and 10,000	Rents have kept pace with the depreciation of the shilling and inflation, but have not increased otherwise.

[15] 1US$ ≅ Tshs 800 in 1999

[16] Baseline study and mid-term impact assessment 1998, Hanna Nassif Community Based Infrastructure Upgrading Project Phase II, University College of Lands and Architectural Studies, Dar es salaam, ILO Geneva, August 1999.

Participation

Organization in the community has been strengthened. The CBO started out in 1993 as a group of concerned members of the community: at the time of the mid-term assessment, elections were due to be held to turn it into a democratically-elected association. Regarding participatory decision-making, the mid-term assessment reports that 65 per cent of households would prefer to make cash contributions, and 35 per cent to attend meetings and contribute ideas. Nonetheless, there is a system of household representation in operation for decisions, and the CDA was able to resolve the question of how much to pay different types of workers to the general satisfaction. Other associations have started up since the beginning of the project: a second women's group, the Kinondoni Moscow Women Development Association, KIMWODA, and the Hanna Nassif Youth Farmers and Development Association, HAYOFADA.

The CDA is financially viable. At the end of Phase I, it had accumulated a total of Tshs. 358,980 from community contributions and Tshs. 4,782,167 in the maintenance account, accruing from 10% retained on community contracts. It introduced a road toll at the two entrances to the settlement between February 1997 and May 1998, from which it realized the sum of Tshs. 6,292,900. Other revenue sources include house-to-house contributions and interest from the revolving fund, and, as of 2000 revenue from the water kiosks. From this money, the CDA pays for the maintenance of the constructed roads and drains, paying the women's association Tshs. 45,000 a month for the latter task; and for administrative support. It owns computer and office equipment and employs one person for administrative support.

Women have been playing a key role in decision-making, and in construction, operation and maintenance of the infrastructure. Eleven out of 20 members of the CDA committee members are women. The women's association which predates the project is involved in income-generating activities, including charging households for solid waste collection. The newer KIMWODA (20 members in 1998) is a registered association. It has two sources of income linked to project activities: commercial household waste collection and the contract from the CDA for clearing the drains.

Capacity and confidence building

To quote from the UCLAS study, the skills and experienced acquired during the implementation of Phase I and part of Phase II have enabled the community to build its capacity to construct and maintain infrastructure, to use community contracts, to plan and budget, to procure materials and to manage labour contracts. Formal training has included: financial management and regulation, building crafts, community mobilization. CDA members have gone on study tours, including to present the Hanna Nassif experience at the City Summit in Istanbul where it received a Best Practice award. Local construction enterprises have received management and technical training. Skilled workers having received formal and on-the-job training in labour-based construction and maintenance in the project are finding jobs within the community and elsewhere.

Economic security

The CDA's priority was "to spread the job opportunities as wide as possible", which ensured that the project became a wealth distribution as well as an asset creation

endeavour. (Not all CBOs start of with this objective, for NAROKA in Nakuru, the first priority was long-term jobs for its members). Although it will only be possible to measure changes in the distribution of income (for 1998 - 2000) in the post-evaluation of the project in 2000, there are already clear indicators of increased incomes and improved standards of living and working in the settlement: a local economy has started ticking over.

Where enterprises are concerned however, economic activity has not increased enough. Despite increased consumption representing injection into the community of 24,000 days of wages, and despite the credit facility, they complain of limited demand, poor business premises, lack of working capital. Since improvement of the settlement has led to more business start-ups, they also face stiffer competition. Clearly, without specific attention to the needs of micro-enterprises in the settlement, the link between employment promotion and economic prosperity will not happen automatically.

Two points are relevant here for the design of programmes aiming at prosperity. Firstly, it seems that the additional consumption created by the wages injected into the community determines how much "room" is (initially) available for the expansion of enterprises. This suggests that for a labour-based investment to trigger off the self-sustaining economic processes that could lead to prosperity, the total volume of wages paid has to be in some way related to the amount of demand that needs to be created in order for enterprises to expand and start employing more people. The second point is that enterprises need help and support to raise their productivity: those micro-enterprises in particular which have growth potential, and are not just survival solutions, need working capital, training, marketing assistance, credit, better business premises, improved work methods, etc., etc. It is conceivable that when they expand, they will then create additional employment opportunities with decent working conditions, absorbing, in particular, those self-employed in the informal sector for want of a job. In a prosperity perspective, labour-based investments and MSE development need to go hand in hand.

A winning combination?

The Hanna Nassif outcomes could not have been achieved if only infrastructure had been provided without credit, if only the credit facility had been provided, or if the community had been requested to provide its labour as an input to the project and had received no payment. The first conclusions are therefore that, in a context of an active community-based organization which identifies its priorities, first carrying out labour-based infrastructure improvements **for which the community gets paid**, and **following this with the introduction of a credit scheme** is the beginning of a winning combination for local wealth creation and distribution. Payment can take the form of cost-sharing contracts or straight payment of the community as a wage labour or service provider. The observation made in the introduction that it is of vital necessity to increase the incomes of urban households is borne out here and reinforced.

A sure sign that things have improved in Hanna Nassif is that residents now feel that having drains is very nice, but the fact that these are not covered is dangerous for their children. This is the normal pattern as communities become better off: the

infrastructure stock is constantly being improved on and upgraded. If the community can generate the funds to upgrade its infrastructure from within itself, that would definitely be an indicator that something sustainable has been put in place.

II.4 Designing indicators for a process of local, self-sustaining wealth creation

Indicators for assessing whether a self-sustaining local process of wealth creation and distribution is taking place need to be devised. Some of them will have to be locally defined: what signs will convince the people directly concerned that they are, at last, durably better off? The other indicators will need to be more directly useful for policy formulation and monitoring. Indicators for this might cover:

- **Participation**: the existence and viability of community organizations, extent of democratic decision making, etc. (see the UIP's latest module)
- **Income**: household income distribution; Has total income increased? Has the proportion of household incomes spent on basic needs decreased? Are people able to pay for basic services? Are they paying taxes? Paying their development levy?
- **Enterprise development**: numbers, line of business, turnover, size, productivity (see MSE section).
- **Employment**: see section below on employment indicators
- **Local authorities**: efficiency, public-private partnerships, revenue, expenditure on basic needs (see UIP module)
- **Social protection systems**: existence, beneficiaries and benefits
- **Other aspects to be defined**.

A neat next step for the EIIP (and for the beneficiaries) would be collaboration between the EIIP and the ILO's micro-enterprise development programme, SEED. Joint/phased EIIP –SEED programmes would put the ILO in a position of making very credible, coherent propositions for local economic growth to governments, communities and development partners. Linking such programmes to the SCP process would then make… participatory, environmentally-sustainable local economic growth more and more feasible for poor people living in the world's cities.

To what extent do available sets of indicators permit assessment of whether communities are moving towards being better off?

II.5 Measuring impact using Urban Indicators

UIP indicators were not expressly designed to measure whether a sustainable wealth creation process was in place, nonetheless, they cover some of the areas outlined above. For instance, it has designed a new module exclusively on how participatory decision-making processes in the city are. At the time of the mission, the Urban Authorities Support Unit in Dar es Salaam was collecting data for this new module.

The Key Indicators also include the Local Authorities module, which appears to fit the bill, but existing Key and Extensive indicators for Income, Employment, Enterprise development and Social protection systems are inadequate for the purpose.

Nonetheless, though they are not designed specifically to measure the wealth creation process, UIP indicators are designed to be sensitive to policy, i.e. they directly measure outcomes. Where they are regularly collected (i.e. at a periodicity reflecting the rate at which the indicator is expected to change), they will give information on the effectiveness of policy and interventions in the area and or sub-sector of interest.

Where a labour-based infrastructure investment policy has been implemented, it can be expected to impact on indicators in the Background Data Module (e.g. *Income distribution*), in the Socio-economic Development module (e.g. *School classrooms, Poor households*), and on relevant indicators in the Infrastructure, Transportation, Environmental management and Housing modules (see page . For instance, the *Access to potable water* indicator will change dramatically in Hanna Nassif as a result of the project, as will *Regular solid waste collection*. The *Number of associations* (Local Authorities module) will also increase, since the democratically-elected Community Development Association, the KIMWODA and the HAYOFADA (youth group) all started with/after the project.

The indicators will provide a ready framework for UCLAS to document changes in the settlement. Dr. Mbyopyo, the Hanna Nassif Phase II Project Coordinator and Mr. Lupala have agreed that UCLAS will present the 1998 survey results of Hanna Nassif in the form of UIP indicators as far as possible, and collect 2000 evaluation data so as to permit the calculation of the full set of Key Urban Indicators.

At the city level, institutionalizing the monitoring of indicators is achieved in Tanzania, where UASU, the Urban Authorities Support Unit, is responsible for both the Sustainable Cities Programme and for the Urban Indicators Programme. It is not however clear to what extent UASU uses Urban Indicators to monitor the impact of the SCP projects and to feedback into decision-making. In Kenya, the urban indicators were collected by a consultant. In the Philippines, the city planning offices visited were not aware of the UIP. It is however this year, 2000, that the technical assistance programme aspect of the GUO will start, establishing urban observatories in collaboration with national institutions in 12 countries. The GUO recommends first introducing the Urban Indicators into existing projects, and after people have become more familiar with them, more participatory use of them can be made.

Of particular interest to all stakeholders in urban development are two indexes derived from the urban indicators: the City Development Index and the Human Development Index for Cities.

For the first time, with the ongoing collection of urban indicators to be ready July 2000, it will be possible to measure the UNDP Human Development Index at the level of individual cities, to see just how much human development is taking place in one city, as compared to another in the same country or elsewhere.

The City Development Index, or CDI, is a composite index similar to that used by UNDP for the Human Development Index. The CDI makes it possible to describe the

performance of a city with one figure, and to rank cities according to their performance in the five measured areas[17]. Cities can thus compare their performances over time and with other cities.

As of 1999, the index was combined from 5 separate indexes on:

- Utilities
- Health
- Education
- Environmental management
- City product per capita.

A more detailed description of the CDI, how the composite indexes are constructed, is included in Annex 4. Virtually all the indexes are influenced by infrastructure investments: *School classrooms* measures the number of school children per classroom, the City Product index measures the *City product per person*, where City product[18] can be measured as total final demand, i.e. consumption plus investment plus exports, or total income/value added: wages plus business surplus plus taxes plus imports. Either way, it is easy to incorporate the exact value of labour-based investments.

The information both indexes provide is thus useful for a range of stakeholders, for a range of uses: from business people seeking where to set up, voters wanting to assess the record of a politician, communities wanting to modify resource allocations, policy-makers, donors, sectoral agencies, NGOs, etc., etc., etc.

The Habitat Urban Indicators therefore provide a ready framework for measuring specific and overall outcomes of urban local level investment programmes. Though projects operating at the level of settlements will have to collect them, the EIIP need not collect them at city level, since cities or the UIP will be collecting them, and providing an independent impact evaluation. Where urban indicators are collected in a timely fashion and integrated into policy-making and planning, they will form the basis for a continuous evaluation of impact, both at city level and at community/project level. Where employment is concerned, however, indicators need further refinement before they can usefully serve this purpose.

II.6 Designing employment indicators for impact evaluation

Neither the traditional labour-market statistics, nor the 18 indicators in the Key Indicators of the Labour Market (KILM), nor the 3 Key and Extensive Urban Indicators on employment, are really suitable for measuring the impact of employment promotion policies on poverty reduction/wealth creation. No set of indicators currently exists to accurately measure the relationship between work,

[17] www.istanbul5.org
[18] As defined in national accounts procedures

employment, income and poverty in developing countries, for both urban and rural areas. Meaning that, although it is undeniable that it is through jobs that people most often get incomes, in the absence of adequate information, it has been difficult to give employment promotion a specific, well-defined and measurable role as part of a prosperity programme. In order to do this with confidence, indicators are needed which adequately capture the relationship described above, and reflect the extent to which the poor are sharing in the rewards of growth.

There are several problems with existing indicators in this respect. The problems are practical, conceptual, and even ethical. Classical employment statistics usually start with three variables:

- the labour-force participation, defined as the numbers of people working plus those wanting a job; sometimes called the economically active population;
- those who have a job: the employed, and
- those who want a job but don't have one: the unemployed.

While these indicators can reflect reality where most employment is waged employment in the formal sector, they fail to do so where wage employment is relatively unimportant and people receive income from work in the informal sector, through transfers from social networks, etc. As a first measure, an additional indicator has been developed:

- urban informal sector employment,

used both in the KILM and the UIP, which measures the numbers of people who receive an income from work in the informal sector, regardless of whether they hold other jobs or have other sources of income. While this indicator can give information on the extent to which people are relying on the informal economy for income, it does not give much more, nor does it say much about their productivity. Furthermore, unless there is a clearly-stated policy to reduce numbers of people in the informal sector - and policies on the informal sector are not usually expressed in these terms - urban informal sector employment is difficult to use as a planning and impact evaluation indicator.

Women's work is another area where the three indicators above give reality a wide berth. Women are often doing work that is "atypical" with respect to waged employment. Examples include: the combination of economic activities with child-raising and home-making (making it difficult to distinguish between the two); engagement in non-market production, namely production of goods for own final consumption or fixed capital formation of the household; seasonal, intermittent or part-time employment; self-employment and engagement in informal sector activities; subcontracting and home-work; and work as contributing family worker in a family business.

To begin with, given the gender-biased historical and conceptual origins of the ILO, work is defined as activity that produces goods and services for consumption. The ILO therefore does not consider other occupations as essential to individual and social well being (and more critical to our spiritual and moral development) as child-raising and home-making, to be work. People stating this to be their main activity are accounted for under the Inactivity Rate. As a logical consequence of making the

original faulty concept operational, labour force statistics have been designed in such a way that they do not permit a good understanding of what such people, mainly women, actually do, what their income-earning strategies and options are in attempting to reconcile conflicting priorities, and the extent to which they are being helped out of poverty and into prosperity. Other forms of work and time use which labour market indicators have problems with are volunteer/community work and time spent on participation – attending meetings, conflict resolution, etc.

Income is another area where more information is needed for a full picture on the basis of which to formulate effective "making more people better-off" policies. Two important points to be noted here relate to 1) the fact that employment may be only one of the sources of income of an individual or household in a developing country; and 2) the fact that in many developing countries, the income-earning unit is the household and not the individual.

Transfers may be an important source of income in developing countries. There are basically two kinds of transfers: social transfers and transfers from the state. To illustrate the former, in the Philippines for instance, remittances from (mainly) Filipina working overseas are an important source of family income. Their husbands mostly do not work, and are called "chemists", because when servants are asked about all the things in the house, they answer, "Ke Missis", its Missis… It seems that the real poor in the Philippines are those who have no expatriate workers in their families, not necessarily all the unemployed... In other countries, remittances from abroad may not represent so substantial a source of household and national income, but transfers from relatives and friends could be very important. In Hanna Nassif, although 57% of entrepreneurs did not state their source of start up income, 4% cited loans from friends and 17% grants from relatives. Knowledge of the extent of social transfer payments contributes to a better understanding of how policies can/will affect incomes, poverty and wealth distribution.

Transfers from the state are more common in developed countries, in the form of social benefits. In developing countries, they tend to be more limited, and to take on a different guise. For instance, it is well known that the poor tend to pay more for basic services (water supply, etc.) than the rich, because of economies of scale in modes of service delivery. Richer households receiving tap water at home will usually pay less per litre than poor households having to buy it by the bucket (though it may be argued that richer households probably pay taxes). Richer households may thus be receiving a form of subsidy or public transfer, denied to poorer households, which in a way contributes to the income of the former. There needs to be some way of taking this into account as it can provide important information for a wealth distribution policy formulation.

So… informal employment, women's work, transfers, the household as an income-earning unit: how to obtain as realistic a picture as possible of what is going on in order to formulate effective policies? From both within and outside[19] the ILO come suggestions that time-use surveys are key to the solution. The ILO has developed a draft Alternative Classification of Time Use Activities, ACTUA, which was being

[19] The Synergie study op. cit., states that mixed household and enterprise methodologies have advantages over labour force and establishment surveys where the informal sector is concerned, as they make it easier to measure productivity and income generation.

tested for the first time in …Canada in 1999. This was presented last year at a seminar on time-use surveys by Ralf Hussmanns of the ILO's Bureau of Statistics. Disadvantages of time-surveys, which probably explain why this one is being piloted in Canada, are that they are relatively more costly than labour market/establishment surveys; the conventional design is to have respondents keep a diary of all their activities over a reference period; and data editing and processing can be complex and time-consuming. The EIIP can however explore ways of simplifying this process, using for instance observers to fill in time-use observations for different households instead of relying on respondents. Policy-sensitive indicators will need to be designed.

Proposals to improve on employment indicators as a means of assessing just how well the poor are doing are not as new as ACTUA might suggest. One of the older ones, a paper entitled *"Employment Growth as an Indicator of Poverty Alleviation"*[20] has suggested that what is needed are indicators that establish:

- how time is spent,
- the different types of income from work,
- transfer payments through the social networks[21]
- payments from public sector sources
- people's awareness of impact of government policies
- people's perception of recent trends: things that have been improving/deteriorating.

The paper proposes guidelines for simple data collection and for the design of indicators and indexes for: time allocation, labour remuneration in different occupations, public sector and private sector transfers over time, productivity, etc. Collected over time, a more complete picture would emerge from this, one that would reflect more accurately relationships between work, employment, income and poverty, and be a more accurate measurement and policy-information system.

The EIIP could collaborate with the branch in the ILO responsible for labour statistics, to develop together indicators for efficiently and effectively assessing the real impact of its programmes on people, and progress being made towards the ILO's objectives.

[20] *Employment Growth as an Indicator of Poverty Alleviation*, by H.J. Bruton, in *Third World Poverty*, edited by William Paul McGreevy, Lexington Books, Toronto 1980. p. 83

[21] In Hanna Nassif, more than 50% of businesses raised start-up capital through own savings, family grants and loans from friends.

PART III Possible planning scenarios

III.1 Participatory local-level investment planning

A local/city level planning and impact evaluation methodology based on indicators presents a number of advantages, simplicity of use being the biggest. The UIP suggests that two groups of stakeholders, residents and mayors/city managers will most probably find the following advantages to urban indicators.

Residents

Residents are very commonly exposed to indicators through the media and often see indicators as a measure of the health of society and the success of government policy.

Residents typically use such indicators as a guide to voting, in deciding which organizations or activities to support, in moving to other places, or in making investment, education, health or other major life decisions.

Residents can also expect to benefit from the better governance that a comprehensive Urban Indicators Programme will encourage.

The information needs of residents are for simple and easily understood indicators presented in easy-to-follow formats without technical detail, and which are relevant to their daily lives.

Mayors and City managers

Indicators are typically used as guides to which policies to follow and in monitoring the progress of existing policies. They are also used to monitor performance of the internal programmes of governments and as measures of whether funds are being properly used.

The UIP will help mayors, city managers and local planning agencies to prioritize needs and actions in line with urban objectives or strategy plans. A critical role for indicators is to influence future policy, programme and project initiatives.

Major investment decisions can be monitored through indicators to ensure that desirable outcomes are being achieved, that target groups are being reached and that there are not undesirable unanticipated side-effects of development.

Frameworks for local level planning are already in use, for instance in the Philippine local government units, or under the Sustainable Cities Programme in Tanzania. There is therefore less of a need to define an urban planning framework, and more of a need to show how a concern for employment could be incorporated into planning, particularly where it has been voted No.1 priority area.

The following flowchart takes a typical participatory planning framework, and highlights where estimating employment generation potential can be inserted into it.

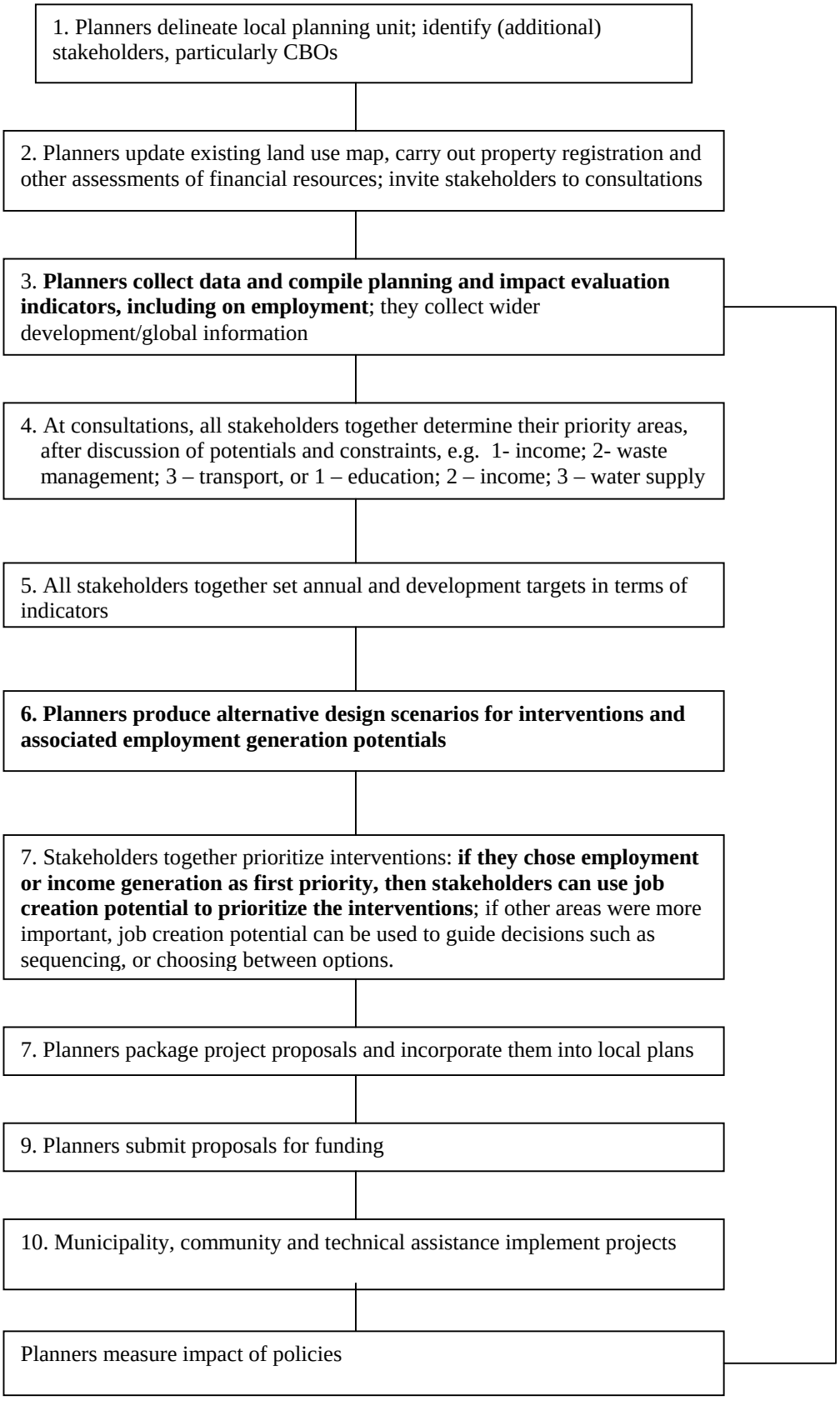


Figure 1 *Integrating employment into urban infrastructure planning*

The flow chart is adapted from *Developing Planning and Impact Evaluation Procedures for Employment-Intensive Works in the Urban Areas,* p. 11.

The application of the above proposition can be put into the context of the three countries visited.

III.2 The Philippines

See also Nori Palarca's report, *Developing Planning and Impact Evaluation Procedures for Employment-intensive Works in Urban Areas,* included as Annex 5.

The Philippines represents an excellent scenario for local level planning. Local-level planning is fully instituted there, with well staffed planning offices, which are usually well-equipped, right down to the barangay[22] level. The local government units are provinces, cities, municipalities (which may be part of provinces or cities) and barangays (which are a sub-unit) of municipalities.

The Philippines Local Government Code designates the barangay as the basic political and primary planning unit, and prescribes that barangays maintain socio-economic profiles and formulate medium-term barangay development plans. Although barangays collect indicators, (e.g. under the Minimum Basic Needs programme) in practice, actual planning begins at the municipal level. The municipal planning office will indicate to the barangays what the (mayor or provincial governor's) priorities are for the year, and the Barangay Development Council will produce and approve Annual Investment Plans (AIPs - project proposals) within this context.

What sources of funds do the local government units (LGUs) have? The Code provides that all the local government units are given 40% share of the national internal revenue taxes based on the collection of the third fiscal year preceding the current fiscal year. This internal revenue allocation (IRA) is as follows:

Provinces	23%
Cities	23%
Municipalities	34%
Barangays	20%

The share of each LGU is released directly to them, without delay, on a quarterly basis within 5 days after the end of each quarter. Each LGU then earmarks no less than 20% of its IRA for development projects. In addition to the IRA, each LGU also enjoys an equitable share in the proceeds derived from the use and development of the national wealth within its area (mining taxes, royalties, forestry and fishery charges, and other fees derived from co-production, joint venture or production sharing agreement, etc.). These proceeds, declared to the LGUs in the following fiscal year, form the basis of their AIPs. LGUs can also generate internal funds by imposing taxes and other revenues[23].

[22] A barangay is the smallest local government unit, corresponding to a village, or part of a town/city.
[23] A barangay in a rich city like Quezon City can receive around $70,000 as its annual budget, while in Manila where there are far more barangays, a barangay will receive around $30,000. City planners are

This planning framework lent itself very readily to the planning tool that IRAP represents. Participation has been institutionalized, but until IRAP, both the planning office and the (rural) barangays had very little with which to counter the preferences of the provincial governor. IRAP provided factual data on actual needs, simply, and thus resulted in more than 70% of projects identified through the methodology being included in the Annual Investment Plans and implemented. The third phase of IRAP in the Philippines, ***"Nationwide Application of the Integrated Rural Accessibility Planning Procedure in the Philippines"*** is due to start early 2000. It will bring IRAP to the remaining 50% of provinces in the Philippines where it is not yet used, for planning accessibility improvements in their rural areas.

The use of urban and impact evaluation indicators is similarly likely to enable urban investment to be more responsive to needs than to politics. While the institutional set-up in the Philippines will probably not immediately allow for a fully participatory planning process in which all stakeholders prioritize together (the mayors and provincial governors will continue to have a big say), nonetheless all stakeholders can use regularly updated and reliable indicators to measure progress in areas of interest to them and to compare.

The planning situation in the Philippines is about to become even more conducive to local level planning with an emphasis on employment creation. PESO, or Public Employment Services Offices are about to be set up in all municipalities, following on Presidential Order 94, which institutes labour-based methods as preferred construction method in the Philippines. A PESO will comprise the municipal planner, the municipal engineer, and the municipal labour official. The PESOs will be entrusted with planning to meet local needs for employment and basic services through labour-based investments. This constitutes a world first. It constitutes a world first in another respect, as it also features the decentralization of the Department of Labour and Employment down to municipal level.

Currently the Implementing Rules and Regulations are being worked out, as both the Department of Local Government (planners and engineers) and the Department of Labour and Employment would like to host the PESOs.

The idea of Urban Investment Planning with an emphasis on employment creation had not sufficiently matured to be presented to planners in the Philippines, but ILO-ASIST Asia-Pacific who were instrumental in initiating the PESOs could take it up with them: with the PESOs, the Philippines represents an ideal terrain for developing and using the proposed methodology. There is also a need to introduce the municipal labour officials to labour issues in labour-based programmes, and the planners to the proposed impact evaluation methodology. The EIIP, ASIST-Asia Pacific and the CTA of the IRAP III will need to work out together a plan of action for the Philippines, to take full advantage of this scenario.

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exploring a partnership system whereby rich barangays who often have more funds than they can spend, can adopt barangays which have more problems than they have funds, and share.

III.3 Kenya

The Government of Kenya has the objective of eradicating poverty by the year 2015, and has given employment generation the priority as a means of achieving this objective.

The Urban Development Department (UDD) of the Ministry of Local Authorities has been tasked to produce an urban development policy in line with government policy. The consultant met the deputy director, Mr. Chege, and the senior planner, Mr. Matara, who are very keen to get going with an employment-intensive urban development policy and its implementation. Mr. Matara attended the first International Training Course for Engineers and Town Planners organized by ASIST.

The situation as concerns local government and planning in Kenya at the present moment is that "there is a slow movement towards better governance, and the conviction now exists that local government can deliver where central government has been unable to do so." This is evidenced by the increasing transfer of funds, alongside decision-making authority, to the local level: local authorities now receive 20% of the fuel levy, (and will be receiving more), and the Local Authorities Transfer Fund puts 2% of the internal revenue at their disposal on condition that they keep books and formulate investment plans. While this is a positive development, the problem subsists that local authorities in Kenya are very weak, and there is virtually no planning capacity at this level. The UDD receives urgent requests from the local authorities, practically pleading for help with planning. Their other needs are for more good quality personnel, and awareness-raising and training in community involvement and partnerships.

The UDD is prepared to embark on an employment-intensive urban development policy, which would require all its partners, e.g. the World Bank, Habitat, bilateral donors, etc., to use labour-based methods wherever feasible. They are prepared to incorporate ILO concerns with labour issues into the policy, and into implementation (targeted procurement).

As they are in a hurry, they would prefer to collaborate with the ILO in developing the proposed employment planning methodology, rather than wait for the finished product. They are also interested in starting by introducing IRAP to county councils, and bringing the urban planning approach on stream as soon as feasible. On a practical note, they will put at the disposal of the ILO an office equipped with computers for the urban methodology development team. For training in IRAP, they envisage a decentralized approach, which will enable participants – county council planners and engineers - to meet their own travel and accommodation costs.

At the time of this consultancy, the UN system in Kenya was making an effort to coordinate the activities of UN System Agencies and NGOs in the country. This was being carried out as a consultancy by Mr. James Mutara, who was given the task of producing a framework for this coordination. The findings of this report, which emphasize the need to systematically integrate employment/income generation and asset creation for the poor into urban development planning and describe programmes for achieving this (see Part IV), can contribute to the elaboration of this framework.

An interesting perspective which seems to integrate easily all development concerns, seems to be the concept of productivity. Managing the environment improves living and working conditions while preserving the productive resource base; creating and maintaining economic and social assets improves living and working conditions while increasing the productivity of people, their communities, the informal sector, etc., etc. Increases in productivity are known to be the main source of a country's wealth: an interesting approach could then be to ascertain what is needed at the local level to initiate self-sustaining processes of productivity improvement, in line with concerns such as participation, environmental sustainability, creation and distribution of wealth, gender equity, employment, enterprise, etc.

There is a US$16 million trust fund for local development in Kenya under the African Development Bank, which has not yet quite found a disbursement formula.

III.4 Tanzania

See also John Lupala's report, *Integrating Employment Planning in Developing Urban Planning Guidelines and Methodology*, included as Annex 6.

The planning framework in Tanzania has been in a state of flux for a number of years. A lot is happening, but not all of it is coordinated. After a period of very centralized decision-making and budgetary control, the government has been moving towards decentralization in a staged manner. It used to be that power was held at the regional level, with levels lower down, i.e. (the district, the division, the ward (urban areas) and the village) receiving decisions on their proposals.

Since the 1990s, the districts have been doing their own planning and budgeting, the relevant departments being staffed by economic and town planners who were originally regional planners. The transition has not been smooth. It is the ward however, that is meant to be the planning institution at the ground level, but until recently, they have not had the capacity to play this role. This is changing in Dar es Salaam in particular, where Ward Executive Directors in some 50 wards are now graduates.

In order to speed up the reform process, the government is carrying out pilot projects in 35 out of the 110 districts. Other districts are being helped with planning by outside donors, each of which contributes its own way of doing things. Some districts are taking the initiative and requesting for donor conferences or "stakeholder fora" to attempt to coordinate all these efforts, and the University College of Lands and Architectural Studies (UCLAS, managing the Hanna Nassif Project on behalf of the ILO) also conducts special programmes to help planners find their way among the different approaches.

The main towns and cities in Tanzania are part of the Habitat/UNEP Sustainable Cities Programme. The SCP is a global programme in more than 30 developed and developing countries, and is the key instrument through which Habitat and UNEP are implementing the environmental component of the Habitat Agenda, and Agenda 21. It is formally recognized as such by the governing bodies of the two agencies. Put

simply, the programme's objective is building the capacity at various levels for environmentally sustainable urban development. A Sustainable Cities Programme starts with a demonstration, in one city in a country, in which the Environmental Planning and Management Process (EPM) will be undertaken. In Tanzania, this was the Sustainable Dar es Salaam Project.

The EPM is a process approach, based on enabling participation and building commitment. It involves several activities:

- Consultations in which rapid assessments are conducted, environmental issues are clarified, key actors are drawn in, political commitment is achieved and priorities are set through an informed consultative process;
- The formulation of an integrated Urban Environmental Management Strategy that embodies long-term goals and phased targets for meeting the goals; and agreement of issues-oriented strategies (that cut across the concerns of various actors) and actor-specific action plans (that cut across various issues) for achieving the targets, including the identification of least cost project options, policy reforms and institutional actions; and
- Follow-up and consolidation in which agreed programmes and projects are initiated/implemented, policy reforms and institutional arrangements are solidified, the overall process is made routine and monitoring and evaluation procedures are put in place.

The Sustainable Dar es Salaam Project has been a huge success, both in terms of the institutionalization of the process, and its achievements on the ground. Outputs include: the production of the City Environmental Profile, a Geographical Information System (GIS) Unit, the Draft Strategic Urban Development Plan for Dar es Salaam City (one click on the map of Dar es Salaam and all the planning information relative to that area appears on the computer screen), and formulation of action plans and projects. Among these, the privatization of parking in the city centre; moving the long-distance bus station out of the city centre where there was no longer enough space for it; the Community Infrastructure Project, now renamed the Community Initiatives Project; the greening of the city; and two projects undertaken in collaboration with the ILO: the privatization of waste collection and cesspit emptying and the Hanna Nassif settlement upgrading.

Replication of the demonstration project is another measure of its success: the SCP has been extended to nine other towns in Tanzania: Moshi, Tanga, Tabora, Arusha*, Mbeya*, Iringa, Mwanza*, Dodoma and Morogoro, which to date have completed their first consultation stage. This has produced priorities for each town (each stakeholder ranks identified issues and the issues most frequently given the highest rank become priorities). The next phase is the constitution of working groups of stakeholders (those affected by the problems, those who create the problems and the people with the institutional responsibilities, tools, instruments and resources to manage the problems). These groups will take each priority, develop its problem tree, and negotiate strategies and action plans, finally coming up with priority programmes and projects.

* These three, along with Dar es Salaam, have participated in the Urban Indicators Programme.

Although there is collaboration between the ILO and the SCP at operational level, the above clearly shows that there is as yet no conceptual or methodological framework to address the employment/income distribution component of the Habitat Agenda and Agenda 21. There is a high-level agreement between the ILO and Habitat but it is not an operational one.

The planners overseeing the Sustainable Cities Programme, the Community Initiatives Project, the Non Motorized Transport Project, and the division of Dar es Salaam would all like to see employment generation introduced into the planning process. For the nine towns to which the SCP has been extended, the start of the working groups could still be an opportune moment to highlight the employment dimension in the planning, even though, typically, lack of employment/income was not formally recognized as one of the priorities. If the EIIP can participate in these working groups, employment can still emerge as an important factor in the negotiation of strategies and action plans.

Dar es Salaam will be divided into 3 municipalities with elected city councils in 2000, after 7 years of being managed by a City Commission appointed by the President. The consultation process will therefore be undertaken again in each of the new municipalities. This presents another opportunity for the EIIP to bring it to the realization of stakeholders that, thanks to the local resources-based approach, employment creation for the poor can be approached as a planning problem with quantifiable solutions, and not as a random side effect of the solutions to other problems.

Labour-based methods are used for instance in the Community Initiatives Project, whose mission statement is “building community infrastructure through collaboration with and capacity building of stakeholders”. But because the employment - poverty reduction – wealth creation dimension is missing, capacity is being built and living and working conditions are being improved, but the full potential of labour-based community infrastructure projects to expand local economic activity is not necessarily being achieved. **This requires (part) paying the community to do the works instead of asking them to contribute their labour as an input to the project.** This can take the shape of cost-sharing contracts or straight payment of the community as a wage labour or service provider The Hanna Nassif experience suggests that paying the community results in an injection of cash which jump starts the local economy: it increases consumption, which businesses (taking advantage of the improved infrastructure) can start up/expand to meet; this creates additional jobs which redistribute surpluses; more people can afford to pay for community services such as maintenance, and ultimately this leads to sustainability.

In the new Dar es Salaam municipalities where each new municipality will have a planning department, introduction of employment creation into the planning process would receive the support of the city planner, Mr. P. Bitwale.

PART IV Proposals for action by the EIIP

Introduction: its time to move on!

In the past two decades, the EIIP has made significant contributions to the development effort. It developed the labour-based approach to infrastructure investments (primarily for rural areas) and promoted its institutionalization in some 30 countries throughout the world. Millions of people have found employment and earned income thanks to the EIIP having established the link between infrastructure investment and employment creation. Similarly, in elaborating the Integrated Rural Accessibility Planning methodology, the Programme has, very successfully in Asia, enabled local authorities to direct resources towards meeting the needs of the poor for basic infrastructure and services.

Thanks to the EIIP having demonstrated their social desirability and technical and economic feasibility, labour-based methods are now promoted and implemented by bilateral donors, development banks, NGOs, etc: the EIIP has succeeded in doing what a development agency is supposed to do (and what most fail to do), i.e., render its services unnecessary... There are also signs that IRAP will become public domain, a widely adopted planning tool for local rural development. At the same time we are witnessing a phenomenal growth in the urban population around the world, accompanied by worsening urban poverty. It would seem that it is definitely the right time for the EIIP to turn its talents as trail-blazer to the urban development scene and to bring its expertise and experience to bear in this relatively new context for the Programme.

Traditionally, the ILO's target groups in urban areas have been wage earners, employers and to some extent the informal sector. If the EIIP can help to influence urban investments towards employment creation and income distribution for the urban poor, it will usefully contribute to extending the ILO's mandate to more people than previously and bringing the goals of prosperity and peace within their reach. It will also fulfil the mandates given to it by Agenda 21, the Social Summit and Habitat 2. In order to do this, it will need to act in six areas:

1. Planning and impact evaluation methodology development
2. Strategic alliances for effective intervention
3. Strengthening the conceptual basis for labour and local resource-based investments
4. Public information on community organization and on technology choice and technological options; increasing support to the university programme
5. Promoting legal and administrative changes required for an enabling environment
6. Increasing the flow of investment to the local level.

IV.1 Developing the planning and impact evaluation methodology

This report recommends that the EIIP investigate the planning and impact evaluation methodology based on indicators, as a first priority. This will entail three main tasks:

- Collection and analysis of productivity data, from the literature, from projects, through collaboration, to produce initial sets of productivity rates for local resource based infrastructure and services in a variety of situations;
- Selection and development of most appropriate indicators, including for MSEs/ the informal sector and for employment;
- Developing the training methodology and programme for testing and use of the above.

The Programme should carry out this part of the plan of action in collaboration with:
- the authorities responsible for urban investment planning in a selected number of countries, e.g. Kenya which has proposed to be part of it, the Philippines and Tanzania;
- EMP/ENT, the ILO's Job Creation and Enterprise Development Branch, for indicators on MSEs;
- STAT, the ILO's Statistics Department, for employment indicators;
- Institutions recognized for the professionalism of their operations and the reliability of their studies and surveys, for productivity rates, and
- Habitat's Urban Indicators Programme.

IV.2 Forming strategic alliances

In order to work productively in the urban sector, the EIIP needs a global technical cooperation programme that is a collaboration between the ILO and the leading agencies in the sector, primarily Habitat, and probably also UNEP. Although the EIIP has collaborated with the Sustainable Cities Programme in some countries, this collaboration is not always smooth – it wasn't in Hanna Nassif, for instance – for lack of an appropriate framework. To arrive at this, the EIIP will need to sharpen the concepts behind what its offering and deliver the methodological tools.

Before this stage, this report recommends that the Programme consider undertaking programme R&D with the ILO's SEED branch, in order to propose a unique, coherent, and high-performance development package that will again distinguish the ILO as an organization at the forefront of workable solutions for today's problems.

IV.3 Conceptual strengthening: moving from a technology focus to a process focus

The EIIP has good programmes and concepts, but badly needs a conceptual framework that links these directly to a process of sustainable widespread wealth creation and distribution, i.e. the ILO goals of prosperity and peace. The key elements of the process by which societies create wealth are known for the better part; they include investment, capital accumulation, equity, productivity growth, increased consumption, etc.

While the EIIP promotes investment towards meeting the basic needs of the poor, it does not for instance put this in the context of productivity growth, depriving itself of a major argument in its favour. The training the programme provides community

organizations, workers, local authority and technical agency staff, enterprises, the infrastructure that it delivers, the administrative and legal reforms it promotes, all contribute to significant growth in productivity at different levels, from individual, through community, to national. EIIP activities are productivity improvement programmes for the disadvantaged, the poor communities and the informal sector. And these activities help them take what the ILO's Enterprise Department calls "the high road" to productivity improvements, i.e. productivity growth with social progress, in the form of wider respect for international labour standards.

Similarly, the EIIP needs to stress further the effect of increased consumption its programmes bring about as part of the process of wealth creation. Although Keynesian economics seems to have lost favour with contemporary economists, in paying people wages for building and managing their infrastructure, the programme encourages spending/increased consumption, which, as virtually every country has proved at a time of economic difficulty, helps to start the economy going again. Of course it also takes action on the supply side, e.g. strengthening enterprises, and therefore the EIIP would need to collaborate with the enterprise development people to formulate that aspect of the conceptual framework, and design its operational aspects. If, for instance, an augmented Programme starts being able to give guidelines on thresholds of investment required to reach specific stages in a sustainable process of wealth creation and distribution through employment and productivity growth, that would be a significant contribution to make.

Perhaps a renowned economist with an interest in these issues, such as Professor Amartya Sen, might be interested in collaborating with the EIIP/SEeD/ILO to research, lend credibility to and promote the conceptual framework.

IV.4 Public information

There are two crucial pieces of information that the urban poor need to know to become more active in solving their problems of basic needs. The first is that they need to organize and acquire skills so as to become competent partners to other development actors: the community-based approach is now widely recognized and adopted as the way forward in urban development. This the people need to know, they also need to know that community organization is a process and become familiar with its typical stages; who development partners are, what procedures a community organization needs to follow to arrive at its objectives and where to find resources, this is all information that should be widely known. The aim would be to have people start the process of organization themselves, which would vastly speed up the process of delivering whatever assistance is lacking.

The second piece of information which, if it were widely known by the general public in developing countries would speed up "development delivery", is that they can now easily access technical solutions which make use of locally available resources. All the research and testing that has been done over the last twenty years into intermediate technologies, has yielded technically sound solutions for a variety of development problems. On the whole, these solutions have tended to remain in research institutions, project reports, universities, NGOs. The main problem has been that the effort required to get the general public to accept and adopt them has been largely

underestimated and uncoordinated, probably because of a mistaken idea that people will somehow automatically adopt what is "good" for them.

Public information exercises have generally not been carried out on a large enough scale, or in a professional way, so as to inform the public of new products or new ways of doing things, convince it of their viability, and, where necessary, package what is proposed in a way that corresponds to people's aspirations. For instance, compacted soil cement blocks in the past have been promoted "for the poor" whereas the effective approach would consist of marketing them to the general public like any other building material, on the basis of their attractive qualities.

Having successfully introduced and mainstreamed reliance on local resources into the public and private sectors in a number of countries, the EIIP could start looking at the next stage in this process, making this common knowledge by using the media and professional communications strategies and methods. The traditional approach to going large-scale has been "project replication", whereby successful projects were picked up and reproduced elsewhere by the government or proposed to and adopted by other bi- or multilateral development agencies. This top-down approach has turned out to be a remarkably slow way of addressing problems whose rate of growth is more exponential. The world's urban population grew at a rate of 46% between 1985 and 1999. Which development solution spread at even half the pace? More effective and efficient means of communication for development are definitely needed. Ideas in this line:

- producing and broadcasting short documentaries on technical options for common development problems, their requirements, and sources of technical information and assistance;
- producing and broadcasting community development experiences, both successful and unsuccessful;
- producing and broadcasting the construction of e.g. a road with community involvement and private sector execution, from policy making through planning/prioritizing, to maintenance, illustrating as many different aspects, including decent working conditions;
- collaborating with a local newspaper to produce a weekly section of development solutions, ideas and experiences;
- etc.

Another source would be to use fairly traditional marketing techniques, adapted for the development context. For example, before launching a new product a company will do market education, i.e. inform the targeted segment of the population of the existence of the product and what it can do for them, make people feel interested in and positively disposed towards the product/subject.

Competitions are often used in this context[24] and would particularly suit the promotion of local building materials. For example, the EIIP could collaborate with Habitat and architectural associations to launch a competition in which architects would submit designs they have produced for their clients which use locally produced

[24] The United Nations Environment Progamme (UNEP) and CANON organize a competition every two years rewarding best photographs of the environment.

building materials. In addition to drawing architects' attention to these and getting them to promote the materials, a communication campaign would be designed around the competition to stress the materials' desirability. When these materials are no longer branded "for the poor", their appeal will be wider, their use more widespread and their wealth distribution impact reinforced. Even if it is first "the rich" who build with locally produced materials, it will still create employment – and there is ample scope for introducing cultural elements into design, which will a) be even more employment-creating and b) strengthen cultural identity and self-confidence.

The time really is ripe for a more bottom-up approach to the replication of development solutions. The demand for these solutions, presently latent, needs to be made effective, even if it initially outstrips the supply of technical assistance. This can be substantially increased at the local level by expanding the EIIP's programme of work with universities. The emphasis would be on stimulating a "can do" frame of mind in people: "We can do it – be more healthy, produce more, give our children something to dream about, etc., etc." People will then innovate, or they will put pressure on the political level.

IV.5 Adapting laws, planning regulations and other reforms

National labour law usually needs to be reviewed and extended to provide protection for community workers and for the temporary workers employed by labour-based contractors, and to ensure that decent working conditions prevail throughout the infrastructure sector. Decent working conditions include the right not to be forced into unpaid development work which benefits others, the right to form organizations to promote one's interest, equal payment for work of equal value, regular cash payments (can be partly in kind), protection of children from working prematurely, minimum health and safety conditions at the work place, a weekly day of rest, etc.

How to make sure in practice that labour-based programmes can extend good working conditions to previously unreached parts of the population all the while ensuring adequate productivity, is documented elsewhere, for instance in the EIIP's Guide to Labour Policies and Practices[25]. The Programme will need to intensify collaboration with employers' and workers' organizations and ministries of labour and employment, to bring about the necessary reforms and organization of the urban informal sector.

With regards to facilitating more widespread use of local materials, the EIIP has to join the effort to adapt planning regulations. One important measure consists of examining building and planning codes for unnecessary provisions that prevent locally produced materials from being used in towns and cities, even where it would be safe and technically acceptable to do so. The Kenyan government for instance has developed "Code 95" a set of by-laws for building standards in unplanned settlements.

[25] Employment Intensive Infrastructure Programmes: Labour policies and practices. GUIDE. By David Tajgman and Jan de Veen, EMP/INVEST, ILO, Geneva 1999

If it is going to work successfully in urban areas, the EIIP will also need to help communities put the question of tenure on their agenda, and give them whatever support it can.

Finally, reforms towards the decentralization of decision-making and budgetary control are necessary for local initiatives and management to take place. Most countries are already implementing these, and the EIIP can continue to encourage this.

IV.6 Increasing the flow of investment from the global to the local level

Of course it takes more than ideas to get things going, it also takes hard cash. But in an age when all development actors are being encouraged to think of innovative public-private partnerships, there are more sources of funds to be tapped than before, if one knows how. For instance, the consultant discussed the idea of setting up an investment fund for local development with the manager of a US180m venture capital fund in Geneva, which invests in high technology. He came back twice saying, "The idea might work, there are many young people there, with lots of money who have not yet been corrupted by 20-30 years in business." It would be a matter of the EIIP collaborating with the professionals in venture financing to develop the "product" and package it in a way that would be appealing to people willing to turn their virtual millions into something concrete of wider benefit.

It would not even be that much of an innovation: Ted Turner and Bill Gates have already donated money to the UN, there's no reason why EIIP-based programmes, **properly presented** to the business community should not attract funds too… Here again, communications would play an important part, although a different brand from the development public information campaigns.

Viable development solutions are widely available, local institutions are ready to move, and money is now more available than ever before.

Concluding remarks

- It is of vital necessity to increase the incomes of poor urban households.
- Everyone reading this report lives in a city or a town, with good reason - cities can be such fun. Wouldn't it be great to give all those living in them the opportunity to discover that this is so?
- This is the 21st century. Is the ILO's EIIP heading where others want to follow?

TERMS OF REFERENCE

Developing Planning and Impact Evaluation Procedures for Employment-intensive Works in Urban areas.

Employment Intensive Investment Branch
November 1999

Background and Justification.

The Employment Intensive Investment Branch (EMP/INVEST) of the ILO is ultimately concerned with reducing poverty by increasing the opportunities for decent employment for the working poor. EII is one of ILO's largest and best-known technical co-operation programmes. The Employment-intensive Infrastructure Investment Programme assists Governments and enterprises to create additional employment under infrastructure investment programmes in both urban and rural areas. A significant body of work dealing with employment intensive investments for infrastructure exists. On the planning side a general methodology (Integrated Rural Accessibility Planning or IRAP) has been developed under different rural field projects enabling community participation in the deciding of infrastructure investment priorities and the subsequent implementation of area-based multi-sectoral construction and maintenance projects. The principle objective of these projects is to optimize employment creation through cost effective labour-based approaches while maximizing the impact of the assets created and strengthening community participation, community empowerment and the decentralization process.

Well-planned productive infrastructure facilities and good access to important economic and social services therefore are a necessary pre-condition for local economic development. Well-planned infrastructure minimizes the risk of providing the wrong facilities at the wrong place for the wrong people and wasting scarce resources. Better planning contributes strongly to a sustainable development process, in which employment and other income generating opportunities arise and can grow.

There is a clear link between local level planning techniques and the ILO mandate of employment generation. This linkage lies in the relationship between public and community investments and the potential for employment and income generation. Rational and cost-conscious planning, prioritizing, funding and implementation of local infrastructure investments is essential for optimizing the creation of employment and generation of income. Likewise, the participation of people in planning and implementation, local ownership, and equal and rational distribution of benefits are key elements of the planning concepts. Such elements justify making financial and political commitments to plan and develop low-cost appropriate infrastructure investments. The planning tools developed by the ILO therefore aim to strengthen and empower communities and local Governments to realize the goals of improving accessibility, employment creation and poverty reduction. They are for this reason strongly promoted by EII as a prerequisite to all local level development programmes.

The EII considers the linkage between the planning and implementation of appropriate infrastructure investments to be crucial in this context. An increased use of labour-based technology, justified through a rational planning and decision making process, deserves priority, both in construction and maintenance of infrastructure.

The Assignment

About half of Asia's population lives in urban areas. Often a lack of or poor infrastructure, unemployment and a lack of income earning opportunities all have a negative impact on the urban population, especially on people living in semi-urban areas and slums. The process of properly planning, designing and implementing labour-based works to improve living conditions while optimizing employment and income is certainly as relevant in the urban areas as it is in the rural areas.

In order to assist urban planners, engineers and decision-makers to better identify, design and implement labour-based infrastructure works, the EII intends to adopt and modify the existing rural planning and impact evaluation tools.

A consultant with professional experience in local level development planning will be hired to review the existing local level planning and impact evaluation process with the objective of modifying the existing tools for use in a more urban context. Particular emphasis will be given to the relation between public and community investments and the potential for employment and income generation. This analysis will further contribute to the development of a procedure which will be applicable in an urban setting and will complement the existing work on accessibility planning. The users of the tools will include decentralized and local urban Governments, EII projects and other urban development programmes.

The assignment will build upon earlier EII experiences in Africa and Asia as well as the studies and programmes of UNHCS (such as the Sustainable Cities Programme) and the World Bank Sub Saharan Urban Transport Programme.

This assignment will on the one hand focus on the Philippines where an ongoing EII programme presently builds national capacity for access planning and where the Government has adopted the use of accessibility planning as a tool for the identification and selection of infrastructure projects and labour-based technology as the most appropriate process for project implementation.

It will furthermore focus on the experiences with urban towns urban informal settlements in Kenya and Tanzania, as well as the ILO regional training course for Urban Planners and Civil Engineers.

Tasks to be performed

A total of 25 working days will be allocated to:

1. Review the current status of the rural planning procedures and in particular the special and unique link to employment intensive works;

2. Recommend steps to be taken to develop a modified approach towards the identification, selection and design of urban infrastructure works with a special emphasis on the impact on employment creation, income generation and poverty alleviation;

1. Review existing alternative but related initiatives in urban areas and consult staff on the relevance and appropriateness of the planning procedures in an urban setting and the different steps recommended under 2;

1. Prepare a final report recommending the outline for an urban accessibility planning methodology.

A local consultant will be hired in the Philippines to review, research and develop procedures in relation to points 1-4. In preparation for this s/he will collect relevant documentation, select two medium-sized cities with unplanned settlements, and prepare the visits that will be conducted jointly with the international consultant. A report setting out the recommendations will be jointly prepared with the international consultant, overall responsibility lying with the latter.

This research as well as the African research will be conducted in unplanned urban settlements of medium-sized cities in the Philippines, Kenya and Tanzania. The consultant(s) will have to consider the following sectors: drainage, sanitation, water supply, health facilities, primary education, solid waste, roads and footpaths, markets, public electricity, communal facilities and small and medium scale enterprises (MSE).

The international consultant will towards the end of the assignment meet with the consultant of the related ToR (*Analysis of Planning and Impact Evaluation Methodologies and their Linkages to Implementation of Employment-intensive Infrastructure Works*) for a joint review of both outputs. A similar provision is written into the other ToR.

PEOPLE MET

GENEVA 15th November 1999

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PHILIPPINES 29th November to 3rd December 1999

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Mr. Edward Sadie - City planner and development coordinator
Ms. Au Ciego - Assistant city planner

Butuan City, Mindanao
Mr. Alberto Bulabo - Council member, Barangay 15 (or was it 17?)

Office of the City Planner
Mr. Dexter de la Riarte City planning and development coordinator
Ms. Lounella Villanueva Planning officer
Ms. Carmelita Sulla - Economist
Mr. Vicente Laguada - Project evaluation officer
Ms. Ma. Laurisse Gabor Sociologist
Mr. Lulno Villanuova - Project development officer
Ms. Jocelyn Ebdalin - Environment and natural resources officer

Local Government Academy, Manila
Ms. Marivel Sacendoncillo Assistant director

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KENYA 6th to 10th December 1999

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Nakuru Municipal Council
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Mr. Paul Chege - Town Planner
Ms. Marianne Lateste - Associate Expert, UNCHS-Habitat

NAROKA meeting
Mr. Bernard Bargurei - Chairperson
Ms. Gladys Langat - Vice chairperson
Mr. Erastus Mukina - Secretary
Ms. Muthoni Ngotho - Assistant secretary
Ms. Helen Bett - Treasurer
And some 20 other members

TANZANIA 13th to 17th December 1999

Mr. John Lupala
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Mr. Patrick Doughty
Deputy Director
ILO Area Office, Dar es Salaam

Sr. No	Name And Address	Day, Date Place and Time of Meeting / visit
1.	George Mbyopyo, Alphonce G. Kyessi UCLAS, P. O. Box 35176, Tel: 0255-51-75004, 71272, E-mail: ihsbr@uclas.ac.tz	Monday 13th, December, 1999 at 10.30hrs.
2.	Saskia Bakker, John Van Rijn, ILO Area Office Dar es salaam, P. O. Box 9212, Tel. 666024-9, Home (Saskia),: 666750, Fax (John) 255 (51) 666004, E-mail:anrijn@ilo.org Dar es salaam	Tuesday 14th, December 1999, ILO Area Office at 09:30 hrs
3.	Prof. T. Rwebangira, University of Dar es salaam, P. O. Box 35091, Dar es salaam.	Tuesday 14th, December 1999, at the University of Dar es salaam at 11.00 hrs.
4.	Site visit, Non Motorized Transport Project, Temeke area, Tel: 255 (51) 862628, Dar es salaam.	Tuesday 14th, December 1999, at Temeke, 12.00hrs.
5.	Dr. Fred S. Lerise, University College of Lands and Architectural Studies (UCLAS), department of Urban and Rural Planning, P. O. Box 35176, Tel: 0255-51-75004, 71272, E-mail: urp@udsm.ac.tz Dar es salaam.	Tuesday 14th, December 1999, at UCLAS, 17.00hrs.
6	Mr. Martin Kitila, Sustainable Cities Programme, Urban Authorities Support Unit (UASU), P. O. Box 99182, Old Boma, Tel: 255 (51) 110513-15, Fax: 255 (51) 114014/113272 E-mail:sd.project@twiga.com	Thursday 16th , December 1999, at Old Boma, 11.00 hrs.
7.	Peter Bitwale, Dar es salaam City Commission, P. O. Box 9034, Tel: 255 (51) 115505, 133034, Home: 602472.	Thursday 16th , December 1999, at DCC's office, 12.00 hrs.
8.	Hanna Nassif CDA, P. O. Box Tel: 255(51) Dar es salaam	Thursday 16th , December 1999, CDA office Hanna Nassif, 15.00 hrs.
9	Ms Margareth Mazwile, Community Infrastructure Programme (CIP), P. O Box 9084, Tel: 137561 Fax: 255 (51) 114014, E-mail: cip@raha.com Dar es salaam	Friday 17th, December 1999, CIP offices, Old Boma, at 07:30 hrs
10.	Mohammed Mkupete, Morogoro Municipal Council, P. O. Box 166, Tel: 255 (56) 4727, Fax: 255 (56) 4553, Morogoro	Friday 17th, December, 1999 at Morogoro Municipal Office, 15.00hrs

DEFINITIONS OF KEY URBAN INDICATORS

(Extracted from the Urban Indicators Guidelines, UIP, Habitat)

URBAN TRANSPORT AND EMPLOYMENT CREATION

Urban transport has undergone the same revolution in thinking as rural transport underwent, when the EIIP redefined transport as "the movement of people and goods by any means and for any purpose." Thanks to this redefinition, rural people headloading water and firewood along footpaths came to be recognized as part of the rural transport system, and a much more significant part than the small amount of motorized traffic that was taking place on rural roads. The same fascination with the automobile has similarly meant that the huge pedestrian traffic flows of the urban poor in developing countries, which can reach several thousands of people per hour on weekdays on an individual road, were not until recently recognized as part of urban transport. Hardly any provision is made for them in terms of transport infrastructure or measures. Direct, dedicated and well-maintained routes and facilities for NMT (i.e. pedestrians, cyclists, other non-motorized travelers) do not exist, with the result that the trips of the urban poor are lengthy, uncomfortable and unsafe[26]. The Urban Mobility and Non Motorized Transport Project of the Sub Saharan Africa Transport Policy Programme, present in both Kenya and Tanzania, has undertaken studies and pilot projects in different towns in these countries which show that the problem is quite serious (and the cost of accidents is high), but very sensitive to policy interventions.

> Low-income *favela* dwellers on the outskirts of Rio de Janeiro spend four hours or more a day traveling to and from low-paying jobs on overcrowded public transport vehicles and fares continue to rise. Upper- and middle-income Bangkok residents also spend four or more hours a day stuck in traffic. They may now travel in vehicles equipped with telephones, refrigerators and even portable toilets, but they too lose time and productivity. The urban poor of Nairobi cannot even afford public transport, much less a private vehicle or bicycle, and spend almost four hours a day walking to and from their place of work, risking their health and their very lives on a daily basis.
>
> The Missing Link. Towards Sustainable Urban Transport, by Brian Williams, in Habitat Debate, Vol. 4 No. 2 1998, UNCHS

In the Philippines[27], as in other Asian countries, people come up readily with excellent improvisations in providing urban transport. In Metro Manila, people near railroad tracks designed and developed a multi-purpose trolley that carries 8 adults a

[26] Some 16,000 pedestrians and 800 cyclists share Jogoo Road in Nairobi with motorized traffic every working day. It has the highest fatality rate in the city, and one which has been increasing at 40% per year over the past three years.

[27] Developing Planning and Impact Evaluation Procedures for Employment-Intensive Works in Urban Areas, Nori Palarca, Philippines, December 1999. Pages 8-9

day. as well as household goods and supplies. For a capital of about US£75.00, using wood, bamboo and surplus bearings, an owner-driver earns an average of $7.50. With daily minimum wage for unskilled labour pegged at $5.30, the net earnings of a trolley operator are significant. On one line which takes about 5-10 minutes to negotiate, there are about 100 trolleys… When passengers were asked why they prefer to ride the trolleys rather than the motorized public transport servicing the area, the answers were: for convenience, ease of travel and less time.

In Quezon City, a barangay enacted a resolution to provide an alternative source of income for residents of its depressed areas. Two pedicabs (bicycle with a side car) were purchased to ferry people to the nearest road where they can get motorized public transport. … Soon, some 300 units were servicing five areas in the barangay. Initial cost: $190.00 and average daily income for a driver owner: $5.00. The pedicabs are however not allowed to ply the major streets to compete with cars and other vehicles.

In Butuan City, .. although the city has enacted an ordinance preventing motorized tricycles from using the national road, allowing them to ply most of the city's streets can be regarded as a recognition of such transport facility as a source of livelihood for a number of its residents.

While water, waste disposal, etc., are readily recognized as basic needs for the urban poor even when they are not met, the need for a better non-motorized transport system is not even recognized. It is important to start "seeing" that an efficient urban transport system includes these hundreds of thousands of pedestrians and NMT users, and to start making this system more efficient, energy-saving and safe for them too. All benefit. One of the effects of separating pedestrian walkways from the road, (e.g. through a NMT network including routes away from roads) is for instance to increase the capacity of the road for motorized transport. Traffic calming measures (raised zebras, pedestrian islands in the middle of wide roads, etc.) mean fewer accidents. Designated, protected, public transport halts with amenities make people prefer to wait for buses, matatus, etc. at these stops, rather than anywhere along the road, which makes traffic safer for everyone.

Why this is particularly relevant to the EIIP is that upgrading and redesigning the urban transport infrastructure in this manner involves infrastructure works that are readily done by labour-based methods. Safer transit would also make a shift in transport mode possible, which has implications for the development of small and larger enterprises providing and supplying non and small motorized means of transport, and running transport businesses. The SSATP reports that people would go by bicycle if the roads were less dangerous. Making the urban transport system accommodate NMT traffic is a source of both short-term and long-term jobs.

As discussed earlier, the relevant indicator for the safety and efficiency of the urban transport system for NMT is **pedestrian** fatalities (not passenger fatalities as is usually measured). It is readily available from police records, and sensitive to policy interventions: loss of life on roads in the SSATP-NMT project areas fell very significantly. Other urban accessibility-related indicators would include: time taken to nearest public transport, and average waiting time for public transport.

THE CITY DEVELOPMENT INDEX