



ESID Briefing No. 24

Promoting Urban Poverty Reduction: Lessons from Uganda

KEY FINDINGS:

- The Transforming Settlements of the Urban Poor in Uganda (TSUPU) programme has contributed to urban poverty reduction by transforming relationships between municipal officials and the urban poor through the co-production of services and new participatory governance spaces called Municipal Development Forums (MDF)
- The MDF approach has now been taken up by the World Bank-funded Uganda Support to Municipal Infrastructure Development (USMID) programme which is building the capacity of municipal local governments to proactively manage urbanisation
- Coalitional working between donor agencies, transnational social movements, government, civil society, and the organised urban poor, has been critical to the embedding of new forms of partnership between municipal local governments and the urban poor within policy and practice
- Greater fiscal and administrative devolution to municipalities, with investments in technical capacity building and subsidies for the co-production of services in informal settlements, are necessary to sustain the progress achieved under TSUPU

INTRODUCTION

Uganda has a relatively low level of urbanisation at 18.4 per cent but one of the highest urban growth rates in the world at an estimated 5.2 per cent.¹ Uganda's secondary cities—while still fairly small—are expected to expand significantly in the coming decades. An estimated 60 per cent of Uganda's urban population lives in informal settlements with inadequate tenure security and an acute lack of access to decent housing and basic services. This briefing reports on research into outcomes achieved by *Transforming Settlements of the Urban Poor in Uganda: A Secondary Cities Support Programme* (TSUPU) and on the relationship between TSUPU and the World Bank-funded *Uganda Support to Municipal Infrastructure Development* (USMID) programme.

“ *An estimated 60 per cent of Uganda's urban population lives in informal settlements* ”

The TSUPU programme was co-designed by the Ministry of Lands, Housing and Urban Development (Ministry of Lands hereafter), Cities Alliance² and Shack/Slum Dwellers International (SDI); and was implemented in partnership with the National Slum Dwellers Federation of Uganda (NSDFU), ACTogether Uganda, and five municipalities between 2011-2014. The programme has focused on aligning urban development efforts at the national, municipal, and community scales, and including the urban poor in planning and decision-making processes with the intention of rolling out these approaches nationally. USMID is a partnership between the World Bank and the Ministry of Lands, and was developed to address capacity and infrastructure gaps faced by urban – as distinct from rural – local governments.

The research explored the factors shaping government vision, commitment and capacity for the promotion of urban poverty reduction in Uganda, taking the TSUPU programme as the main focus, and in particular examining the dynamics of implementation and outcomes achieved in Kabale and Mbale municipalities. As well as providing a summary of key outcomes from the programme nationally, this briefing focuses on facilitative and constraining dynamics at the national and municipal level which enabled the programme to come into being and have shaped its trajectory within our case study municipalities.

FINDINGS

TSUPU and Urban Poverty Reduction: key outcomes

“ *The TSUPU programme has resulted in the formation of 13 new regional slum dwellers federations* ”

The TSUPU programme has resulted in the formation of 13 new regional slum dwellers federations, and the strengthening of federations in Jinja and Kampala. These federations are reducing poverty by strengthening local organizations and advocating for pro-poor urban developments. Through effective participation in project

planning and management, and within the MDFs, the organised urban poor have broken down negative stereotypes about people living in informal settlements and built trust between low-income residents and municipal officials. However, officials in our case study municipalities claim that they are now struggling to support the project management committees formed under TSUPU because of constrained financial resources.

The very limited funds available for community upgrading under TSUPU have meant that transformed relationships between municipal officials and federation members are a more significant legacy than the basic services themselves which, although often of good quality, have only been able to make a small scale contribution to urban poverty reduction. Nonetheless, municipal officials and members of federation savings groups have been exposed to new ideas and developed new skills in how to develop inclusive and sustainable basic services for informal settlements.

There are also new municipal development forums in the 14 municipalities participating in USMID which are in the process of developing or have already created municipal development strategies which will guide future urban development investments. The Kampala Capital City Authority has adopted learning from TSUPU and USMID by setting up its own City Development and Divisional Development Forums in which the organised urban poor are playing an active role. The Municipal and City Development Forums are now to be institutionalised in an amendment to the Local Government Act and a new National Urban Policy has been developed which has drawn on learning from the TSUPU programme.

TSUPU and Urban Poverty Reduction: actors, ideas and institutional dynamics

Transnational actors and ideas

Relationships developed between the Minister for Housing and SDI at the 2001 World Urban Forum led to the mobilisation of slum dwellers and local government in Kampala and Jinja municipality around slum transformation projects in 2003, and then to the birth of the NSDFU. This initiative went on to shape the National Slum Upgrading Strategy and Action Plan in 2008. These were the early seeds of partnership between SDI and the Government of Uganda which later bore fruit in the form of the TSUPU partnership between SDI, Cities Alliance and the new Ministry of Lands, Housing and Urban Development in 2010. The Cities Alliance partnership has brokered significant resources while the SDI network has played a fundamental role in shaping ideas about how to achieve urban poverty reduction within existing contexts for development at ministerial, municipal, and community levels.

The organised urban poor

With support from the SDI network and ACTogether Uganda, and following a decade of experiential learning in Jinja and Kampala, leaders of the NSDFU were able to support slum-dwellers to mobilise and establish municipal federations in four new municipalities in just 12 months. They faced hostility from residents of informal settlements because of historical experiences of land-grabbing and embezzlement by micro-finance organisations. They also had to contend with opposition from municipal officials and politicians resistant to the inclusion of the urban poor in decision-making and service delivery. Transnational, national and local interviewee accounts concur that the organisational capacity of the national and regional federations was a fundamental success factor without which neither the basic services nor the MDF initiatives could have been developed. Box 1 describes the critical role played by the organised urban poor in securing pro-poor outcomes from the TSUPU programme in Kabale. It was advocacy by the five federations that ensured a community contracting model was used for Phases II and III of the TSUPU programme leading to more pro-poor use of resources under stronger community influence and scrutiny. It was the NSDFU with ACTogether who enabled the MDF process to be rolled out to a total of 14 municipalities under USMID through federation expansion.

Box 1. Federation mobilisation and improved governance

During the first phase of TSUPU, the newly formed Kabale Slum-Dwellers Federation experienced intense resistance to their involvement in the programme from the municipality's political and technical leadership. Tensions came to a head when plans for the construction of a bridge over a river where several children had drowned were not implemented despite approximately 30 million shillings³ being allocated from TSUPU funds. The Kabale slum-dwellers federation mobilised their membership to occupy the municipal offices where the Mayor and Town Clerk were in a meeting. They demanded accountability for the bridge construction and for more inclusive implementation of the TSUPU programme. The Resident District Commissioner intervened; the bridge was constructed; the Ministry of Lands and Cities Alliance came to get the programme back on track; and a new Town Clerk has been appointed who is working in partnership with the federation.

Dynamics of vision, commitment and capacity at the national level

Urban poverty is not a priority for most central government actors outside the Ministry of Lands. However, the TSUPU and USMID programmes have raised the profile of urbanization among other national stakeholders. These include Parliament and the Ministry of Finance through deliberation as to whether to take out the \$150 million World Bank loan for USMID; and the Ministry of Local Government and the National Planning Authority who are supporting the institutionalisation of the MDFs within the Local Government Act. Donors, civil society activists, and municipal officials have all identified progressive thinking and professionalism among key actors within the Directorate of Urban Development (Ministry of Lands) as a key driver of the advances that have been made in terms of the promotion of inclusive approaches to urban development. Our findings also suggest that Parliament's decision to take out the \$150 million USMID loan was swayed by strong economic arguments about high proportions of GDP being generated in urban areas, that urbanisation holds the key to national economic growth, and that this will only happen with the right investments in municipal capacity building and proactive management of rapid growth.

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While this Directorate has been able to carve out space for innovations in urban governance in Uganda's secondary cities, it is clear that the intertwining of capital city and national politics in Kampala makes this a more challenging field of intervention. Although the Kampala Capital City Authority has adopted the City Development Forum and City Development Strategy approach, space has closed down for local level influence and decision-making. Even as TSUPU was unfolding in Uganda's secondary cities, evictions and clearances of informal street vendors were taking place in the capital.

Dynamics of vision, commitment and capacity at the municipal level

Municipal technical officials did not share the longer-term transformative vision of the TSUPU programme held by certain national and transnational stakeholders and sustaining partnerships with project management committees beyond implementation has been a problem. This appears to be a challenge of both commitment and capacity. Highly motivated technical officials argued that they had a duty to, and were actively attempting to, sustain partnerships at settlement level. Others argued strongly that the municipality lacked the financial capacity to continue to work with project management committees to ensure new initiatives are well-maintained. Even senior technical officials see themselves as implementers of ministry directives. Greater inclusion of municipal officials in programme planning may have fostered a stronger long-term vision and greater commitment to sustaining outcomes achieved during the initial three years. The regular transfer of Town Clerks makes it difficult for any sustained technical leadership to emerge in terms of carrying forward a locally-owned development vision. Mayors appear more able to mobilise technical and political wings behind a particular vision and this was a key contributory factor in pushing for increased transparency and commitment in Mbale. In Kabale, active support for TSUPU and the slum-dwellers federation by a divisional chairman contributed to his election as Mayor in 2016. He now lends his support to the MDF as an information-sharing and accountability platform.

“Technical officials sometimes had direct experience of living in informal settlements and were motivated by the opportunity to contribute to poverty reduction”

Significant shifts in levels of municipal commitment clearly occurred in both our case study municipalities during the TSUPU programme. This was driven by an integrated suite of top-down, horizontal, and bottom-up incentives and accountability pressures. Top-down pressures included ministry directives and performance incentives but also the provision of resources that meant officials could actually use their skills and make some progress. Technical officials frequently expressed a strong sense of professional ethics and also sometimes had direct experience of living in informal settlements. They were motivated by the opportunity to contribute to poverty reduction. Horizontal incentives were experiences of exchanges to other municipalities or learning from the technical approaches used by other professionals. From the bottom-up came advocacy and scrutiny from settlement dwellers but also the effects of working in partnership with organised groups of the urban poor to produce positive outcomes.

Municipal capacity for implementing inclusive urban development is a major challenge. Investments in capacity building through USMID (renovations to municipal offices, professional development and postgraduate study, infrastructure developments, finance in support of the MDFs) have been motivational among technical officials. The most pressing capacity issues expressed by local officials were debilitating levels of local revenue and discretionary resources for development; bureaucratic constraints on innovation and efficiency such as slow and rigid procurement procedures or delayed central government transfers; and the lack of suitable land for development by the municipality. In such a context, financial incentives have inevitably also been an important determinant of behaviour throughout the programme chain. The sustainability of new projects and deliberative structures is now highly dependent on the continued investment of resources into these initiatives.

POLICY IMPLICATIONS

A more enabling operating environment for municipal officials:

- Subsidising access to basic services within informal settlements and exploring alternative approaches to land access for slum upgrading⁵ would create room for municipal officials to apply their capabilities to urban poverty reduction in partnership with the poor
- Increased investment in making public service within municipal local governments an attractive career, for example through higher salaries and more professional development opportunities would increase capacity and incentivise commitment.
- Greater devolution of fiscal and administrative power to municipal local governments would create space for innovation and increase citizen influence over development resources

A more enabling environment for progressive state-society relations:

- A reduction in the frequency of transfer of senior administrative officials would enable progressive relationships to develop over time between the municipal leadership and the organised urban poor while creating a stronger sense of leadership and ownership at the top
- Financing regular cross-municipality learning exchanges for municipal officials and community representatives would have the dual benefit of strengthening relationships between municipalities as well as within municipalities, creating horizontal solidarity in support of inclusive urban development investments from the centre.
- Mentoring arrangements attached to the MDF structures would enable experienced professionals to assist community representatives to understand complex council processes.
- New municipal federations need ongoing assistance from their more experienced counterparts in Jinja and Kampala, from SDI affiliates in other countries, and from ACTogether, to consolidate their associations, ensure inclusion of lower-income groups, and to be able to contribute effectively to the MDFs and other existing channels for representing slum-dweller interests
- Provision of shared motorcycles for leaders of the organised urban poor as well as technical and community development staff would support community mobilisation and partnership working.
- The informal 'facilitation' costs that motivate technical officials to do community outreach are controversial. Cultivating commitment without also giving a financial incentive for partnership working at settlement level does not appear to work beyond funded programme timescales. Can stronger systems for enforcement of duties be introduced? Should targeted investments cover these informal fees until financial capacity exists locally?

ABOUT THIS BRIEFING

This briefing reports on findings from an ESID project exploring what shapes state vision, commitment and capacity for the promotion of urban poverty reduction in Uganda which was carried out in partnership with the National Slum Dwellers Federation of Uganda and ACTogether Uganda. It draws conceptually on an earlier ESID research project exploring urban poverty programming in India. Accompanying briefings which provide more detail on municipal level dynamics and summarise findings about the activities of participating urban poor federations can be found at: www.effective-states.org/publications. This briefing was drafted by Sophie King (University of Salford), Peter Kasajja (Makerere University) and Diana Mitlin (University of Manchester).

¹ Government of Uganda (2015) *Second National Development Plan (NDPII) 2015/16 – 2019/20 Uganda Vision 2040* <http://npa.ug/wp-content/uploads/NDPII-Final.pdf>

² Cities Alliance is a global partnership of bilateral and multilateral agencies financing urban development. TSUPU is also referred to as the suite of eight research and capacity building projects that have made up the Cities Alliance Country Programme 2010-2016.

³ Approximately £6,000 GBP.

⁴ Such as existing approaches employed by ACTogether and the NSDFU