



IN BRIEF...

Urban development and environment

Today approximately 50 per cent of the world's population live in cities. The urban population in developing countries is growing by between five and six per cent each year, which is twice as much as population growth in rural areas.

The urbanisation process is most explosive in the poorest countries where there is a considerable amount of immigration to the cities from rural areas. In many countries people are forced to move as a consequence of wars, environmental degradation or natural disasters, but the most common reason for moving is poverty and hope of a better future. Even if the movement into the cities from rural areas is an important component, the main reason why the cities are growing is natural population growth. Attempting to check immigration from rural areas is therefore not a solution to all the problems caused by rapid urbanisation. At the same time the cities are important for economic growth and most of the new job opportunities are to be found in the service industries in the cities.

Sida sees three main reasons for working with the cities. They are: *poverty reduction, economic growth and the environment*. Urban development is a relatively new field for Swedish development cooperation, which has previously focused mostly on rural areas.

Economic growth takes place in the cities

The cities often constitute the motors for economic growth in poor countries. Two-thirds of the gross national product is created in the largest cities, despite the fact that only between one-third and one quarter of the population live there. Growth is impeded when communications, electricity supplies, water supplies and other forms of infrastructure do not function properly.

Environmentally the cities are a source of pollution and places where resources are consumed. The majority of the urban population, particularly the poor, women and children, live in environments that are hazardous to health and characterised by a lack of water, low standards of hygiene, refuse and wretched housing. Rapid economic growth and the concentration of industries in the cities are harmful to the environment. The cities in developing countries thus have the environmental problems associated with poverty and prosperity.

Houses and slum improvements

The number of poor people living in the cities is growing rapidly and many of them live in total misery.

Urban poverty is also characterised by the money economy. It is dependent on and subject to fluctuations in the economy. Examples of Swedish contributions for urban development that focus on the poor are house construction and projects for slum improvement in Honduras, Guatemala, El Salvador, Costa Rica and Nicaragua.

In Costa Rica, Sida has worked for almost ten years with projects that permit poor people living in slums to build their own houses. First and foremost the projects help them to obtain rights of ownership to the land, since they are regarded as illegal occupants.

The people concerned borrow money from a local foundation that has been established with support from Sida. They work together to build their houses and those who are most industrious move in first. After the houses have been completed, the foundation eventually receives back the money it has lent and can invest in new projects. The contributions have been extremely successful at several levels, and have permitted thousands of poor families to acquire new or improved houses. Of those taking part in the building work, 40 per cent are single women. Possibly the most important success is

that it has been possible to build up a sustainable scheme based on the revolving fund, with the effect that building can continue for many years without external support. The method developed for house construction is also innovative and has received attention internationally.

Small loans provide big benefits

A programme in Nicaragua provides help in poor areas in eight cities. In Nicaragua Sida has also focused on improving infrastructure, i.e. streets, water, wastewater and electricity, as well as sports grounds. The infrastructure projects have been administered by the local authorities, but a committee appointed by the residents takes part in the selection of projects and organises the participation of the residents in the form of work inputs. This participation in the decision-making process is an important factor that can explain the success of the programme. The residents are also given small loans to improve their houses, for example for a new roof. The money is repaid and can be lent again. The most important aspect of the programme is that it contributes to ensuring that poor people have healthy homes with proper water and sanitation facilities, and that new job opportunities are created. There are several good examples of Swedish

contributions for house construction and local development in Latin America and both the World Bank and the Inter-American Development Bank have shown considerable interest in Sida's experience. Among other things it is a matter of regarding the poor as a resource and not as a problem.

The most important thing for poor people is, of course, to have an income, but a paid job is an unattainable dream for most people. People have to find other ways of making a living. Sida supports this by providing loans to "micro-companies". These companies can be one-person companies, often women who, for example, sell soft drinks or sew clothes. They pay back the loans together with interest and the money then continues to revolve and does some more good.

Improving the environment in the cities

In Vietnam Sida has cooperated with Hanoi's People's Committee to improve the traffic environment. Another project has the aim of preserving the old city centre.

In South Africa Sida has started a major programme that has the aims of facilitating house construction for poor black people, of unifying cities that were split in two by apartheid,

and of introducing consideration of the environment into the planning process.

In Gaza and on the West Bank Sida is working with issues relating to water, wastewater, streets and employment. One project that has received widespread attention refers to the rehabilitation of streets, a market place and square in the old town of Bethlehem. Sida is also working with the urban environment in China, Thailand and Chile.

Where the environment is concerned, Sida's work has the aim of making life more tolerable for people living in poor housing areas, for example by improving sanitary conditions. It also has the aim of reducing emissions into the air and water, and thereby counteracting damage to nature. Urban environmental development is therefore often a question of waste management, water and wastewater systems, traffic and air pollution, and town planning. Sida provides modern technology and know-how but also uses local resources and popular participation.

Sida's urban development cooperation is administered at the Department for Infrastructure and Economic Cooperation, INEC, by the Division for Urban Development and Environment. The Head of Division is Pelle Persson.

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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