

Sida's Portfolio within Urban Development 2006-2010

Since 2008¹, a majority of the world's 6,7 billion people live in cities. The urban growth of particular smaller cities is faster than ever seen before. In a recent report² it is estimated that although over 20 million people annually are coming out from slum conditions³, 830 million still live in informal settlements, which are typically overcrowded, polluted and dangerous, with precarious housing and lack of basic services such as clean water and sanitation. Poverty is now growing faster in urban than in rural areas.

Although urban issues have had difficulties being prioritized by governments and development agencies, the trend is slowly changing. Decentralization policies of national governments are also increasingly placing urbanization issues at the forefront and Brazil, China and India are now setting urbanization as part of their national policy for reducing poverty.

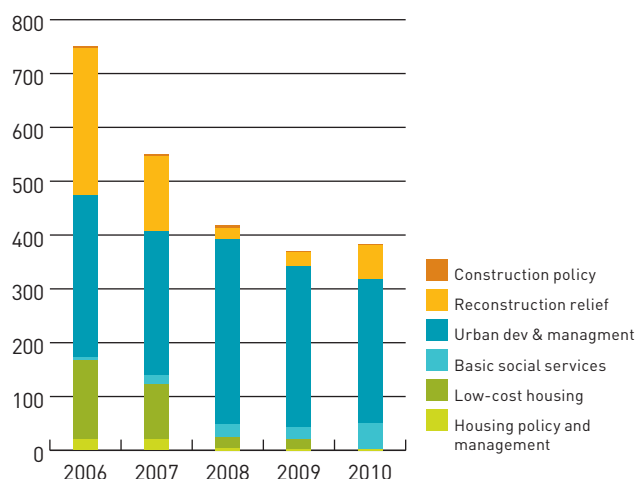
Swedish policy and thematic focus on urban development

Swedish support to the thematic area of Urban Development is mainly manifested through the Swedish Government Policy on environmental and climate issues.

Sida supports urban development initiatives, programs and projects at the global, regional, national and local level and focuses its support in the following areas;

1. Urban management and governance
2. Infrastructure and municipal services
3. Land management and
4. Housing

Chart 1: Disbursements per sub-sector 2006-2010 (MSEK)



Sida's disbursements to urban development 2006-2010

Sida's disbursements to urban development amounted to approximately 380 million SEK in 2010, distributed over 870 contributions. The payments represented approximately 2.3% of Sida's total disbursements in 2010. Pay-outs to the urban sub-sector have been falling since 2006 when it peaked at appr 750 mSEK. Support to sub-area of integrated urban development was the largest focus area with 70% of disbursements, followed by reconstruction (17%) and urban infrastructure (13%) in 2010. The support to urban development has been stable in volume while the support to re-construction and low-income housing has fallen drastically.

In addition to grant support, during 2009 and 2010 Sida also supported urban programs with Environmental loans. The disbursements amounted to 100 and 50 mSEK for 2009 and 2010 respectively.

Country view

In 2010, Sida financed bilateral urban programs or projects in 24 countries and 7 regions. Substantial support was also given to organisations and initiatives at the global level, mostly in the form of bilateral assistance to multi-lateral organisations/initiatives such as UN Habitat and Cities Alliance

¹ State of the Cities report – Unleashing the potential of urban growth, UNFPA 2007

² State of the World's Cities 2010/11, UN Habitat, March 2010

³ The main reason is the result of substantial slum upgrading programs

Disbursement per country category and region

Sida's disbursements to different regions show a focus on cooperation in the reform countries in Eastern Europe, which had an average annual disbursement of more than 120 mSEK. Asian region, Middle East and Africa has similar expenses on around 70-80 million SEK annually. The overall trend of declining figures is shown in Latin America, where support to housing microfinance has been phased out, as well as in Eastern Europe and Middle East. Figures for Africa are however stable.

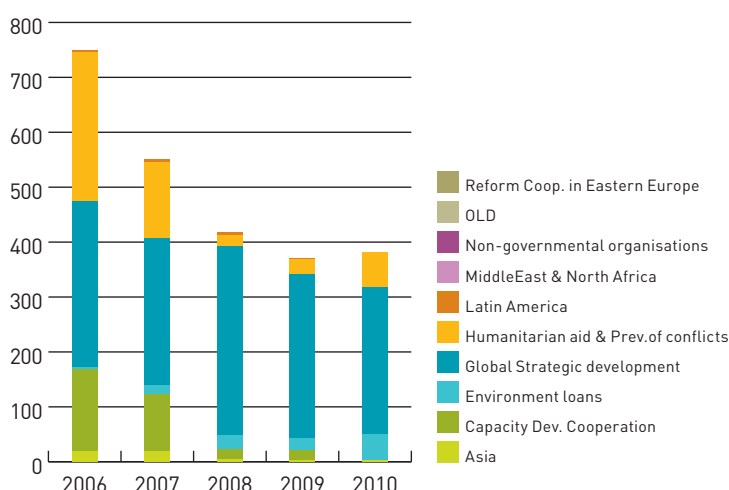
For long-term cooperation countries there were only urban sector programmes in Kenya and Bangladesh in 2010. The Selective cooperation countries in Africa (South Africa, Namibia and Botswana) have lower budget allocations to feature in the disbursement analysis, but do have urban components in their partner driven cooperation. In the Asian partner driven cooperation country-group (India, China, Vietnam and Indonesia) there is a huge interest for urban development programs, particularly with the focus on sustainable urban environment issues with technology transfer aspects from Swedish private and public entities.

Cooperation partners

Sida's main multilateral partners in support of urban development are the World Bank, UN-Habitat, UNEP, the Asian Development Bank, and international NGO's such as the International Institute for Environment and Development and Slum Dwellers International. Bilateral programmes are mainly implemented by the partner countries' national and local authorities as well as national NGO's. There is also a broad cooperation with Swedish

partners, including a number of Government institutions, government agencies, the private sector and city representatives.

Chart 2: Disbursement per category 2006-2010 (MSEK)



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Results – Examples

THE SYMBIO CITY CONCEPT – BUILDING ON SWEDISH EXPERIENCES.

The Symbio City concept, supported by the Swedish Government, Sida and the Swedish Trade Council is crafting a manual with methods and tools for integrated and sustainable urban development in developing and transition countries. The concept has been tested in the City of Skopje in Macedonia and in Visakhapatnam in India.

THE COMMUNITY LED INFRASTRUCTURE FINANCE FACILITY (CLIFF)

is a Sida/Dfid funded facility that enables organizations of the urban poor to access greater public, private and civil society resources to deliver adequate and sustainable housing and basic services for slum dwellers. CLIFF currently supports a portfolio of 25 housing and basic services projects in India, Kenya and the Philippines. These projects are supported through capital grants and a range of further resources including land, infrastructure, cost recovery, loans and guarantees and human resources. Between 2002 and end of March 2009 CLIFF supported projects that will benefit approximately 760,000 people in terms of sanitation, 28,000 people in terms of housing, and 4,400 people in terms of land.

HOUSING MICROFINANCE IN CENTRAL AMERICA

Sida started in 1986 to work with development of housing and financial services for the poor in Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica. By working together with a national nongovernmental institution in each country Sida has given support to capacity building, loans for housing with technical assistance in construction, credits for micro and small enterprises and community infrastructure and basic services. The program has since the start provided over 230 000 small loans for housing, housing improvements and income generating activities to a total value of over 200 MUSD.

KENYA; The urban program in Kenya supported by Sida has focused on capacity building of the Ministry of Housing and the Ministry of Land combined with efforts to strengthening the civil society. The goal has been to improve the national slum upgrading process and the program has also supported the Ministry of Land in its work for developing a new land policy, an area being one of the main sources of conflict in Kenya. The land reform program will concentrate its efforts on implementing the new land policy and the urban program will support 16 primary and secondary municipalities in municipal development, improvement of infrastructure and slum upgrading.