

GTZ-Services for Sustainable Urban Development

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**Strengthening local actors
and local governance to make
cities worth living in**

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As we enter the new millennium, for the first time ever more than half of the world's population lives in towns or cities. Two of every three children born today in developing countries will grow up in an urban environment. Urbanisation is progressing at a pace unparalleled in the history of the world, especially in the partner countries of German development cooperation. Sustainable urban development aims to make towns and cities places where all residents, including the poor, can live well. The generations to come must not be saddled with the legacy of our development failures. The attraction of towns and cities must be preserved.

The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH has been working in the field of urban and municipal development for decades. The projects help municipal authorities to exercise their mandate as required, strengthen partners from the realms of politics, private industry and civil society who bear responsibility for the urban community, and do their bit to resolve existing problems with the help of urban resources. Since 1990 projects worth a total of 356 million euros have been promoted in this sector. Currently, on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), GTZ is implementing some 100 projects in more than 40 countries, which are helping improve living conditions in towns, cities and municipalities.

This brochure lays out the conceptual approach pursued by GTZ as it meets the challenges posed by urban development. It presents the wide range of consultancy services we offer, and puts the quality features of our work in context. We hope to address GTZ staff members and other interested parties working in the field of sustainable urban development, which is becoming increasingly important around the globe.

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1. Cities in development: A challenge for international cooperation

By the year 2030, only 25 years from now, the number of people living in towns and cities around the world is set to rise by two billion, to a total of almost five billion – sixty percent of the entire population of our planet. Most of this growth will be seen in developing countries. The number of cities with a million or more inhabitants will soar to about 500 by 2030, with more than half of these huge conurbations in Asia. Two of every three children born today in developing countries will grow up in an urban environment. What chances will they have?

The transition from rural to urban societies will be seen primarily in Asia and in Africa. The rate at which cities are expanding on these two continents, the number of inhabitants they will have and their geographical spread is unprecedented in history. To give but one example, the urban population of Asia increased by 163% between 1975 and 2001. In Africa, which used to be known as the continent of villages, the urban population is expanding at an average rate of almost 5% a year.

Given these dynamic developments it rapidly becomes clear that urbanisation entails radical changes in governance, industry and society, on an almost inconceivable scale.

■ Globalisation shapes towns and cities – but conversely towns and cities shape globalisation

Towns and cities have always been the driving force behind economic growth and the birthplace of innovations which generate major impetus for the development of technology, industry, society and culture. Here goods and capital change hands, information is passed on, people pass through, and opinions and lifestyles meet and mingle. Their inhabitants, be they manual labourers, street traders, domestic staff or executives are part of numerous networks – at regional, national and increasingly, international levels. Urban development has long passed the point where it was of purely local interest.

More and more governments are recognising the potential offered by towns and cities. They aim to strengthen local authorities, accord them greater political responsibility and transfer an increasing share of administrative authority to this level, along with the resources this entails. Local authorities have become important partners of central government in the course of democratisation and decentralisation processes. An increasing number of towns and cities are getting together to form associations. These networks will become increasingly important, as they gradually begin not only to share information, but to exert targeted pressure on national and indeed even international policy decisions.

The economic development of towns and cities, their consumption of raw materials and commodities, the exchange of information and opinions and the interaction among individuals with very different day-to-day lives have an impact right up to the level of the global network. International cooperation in the field of urban development is also a contribution to shaping globalisation.

■ Towns and cities face new challenges

The images which illustrate the problems facing towns and cities in developing countries are not new: slums as far as the eye can see, a dearth of municipal services, pollution, unemployment and violence shape the lives of large segments of the population. The gulf that separates the haves from the have-nots within cities, and the urban-rural gap are widening in almost all countries. The challenges are many and varied. They grow and change at an increasing rate, often coming up against government and societal structures which are ill prepared to respond. As a result, the towns and cities are ever less able to perform their traditional role of fostering social integration and bringing forth a revitalisation of society. The aim of democratisation and improved living conditions seems increasingly like a pipe dream in many cities.

■ The world goes urban

- ▶ Today, 2.86 billion people live in towns and cities. Every day their ranks are swelled by another 180,000 around the globe. By the year 2030 the world's urban population will rise to 4.98 billion.
- ▶ Almost all of this growth is taking place in the towns and cities of developing countries. It is not the megacities that are growing fastest, but the urban centres with a population of less than 500,000.
- ▶ Asia's share of the world's urban population increased from 9% in 1920 to 48% in the year 2000, and is expected to continue to rise, so that it will account for 53% of the total by 2030.
- ▶ In Africa, which has hitherto been the most rural continent of all, the urban population is growing at a rate of between 4 and 5%. Nairobi well illustrates this dramatic trend: within fifteen years its population will double to a total of some 7 million.

■ Economic growth and poverty

- ▶ 80% of economic growth in Asia is generated in towns and cities. Today, the towns and cities already produce the lion's share of GDP (e.g. Hanoi: 8%, Shanghai: 11%, Bangkok: 40%).
- ▶ Sao Paulo produces 10% of the GDP of Brazil as a whole. It is so deeply indebted, however, that it cannot take out any new loans until 2016.
- ▶ In many cities, more than half of the population works in the informal sector, which generally consists of small, medium and microenterprises. Incomes in this sector allow workers to eke out a meagre existence around or below the poverty line.

- ▶ Worldwide, 924 million people live in slums. In developing countries they account for 43% of the urban population on average, while the figure can be as high as 78% in the least developed countries.
- ▶ Since 1990, the number of people living in Africa's slums has been rising by almost 5% per annum on average, and is predicted to double every 15 years.

■ Bottlenecks in municipal service provision

- ▶ In Africa's towns and cities, some 83% of residents have no access to toilets that are connected up to the public sewage system.
- ▶ In Kibera, one of Nairobi's slums, some 200 people use the same traditional pit latrine. In another slum, 10 flush toilets are available for 1,000 inhabitants.
- ▶ In numerous towns and cities in developing countries, 40 – 60 % of the desperately scarce drinking water reserves are lost through leakages and illegal tapping of the water pipelines.

■ Pollution and consumption of natural resources

- ▶ The ecological footprint left by a city the size of London covers an area 120 times as large as the Greater London area. An average North American city with some 650,000 inhabitants needs an area of 30,000 km² to meet the needs of its population. A city of comparable size in India needs an area of only 2,800 km² to do the same.
- ▶ About 1.5 billion urban residents are exposed to air pollution well above the limits considered acceptable by the World Health Organization (WHO).
- ▶ Power generation, industrial plants and transport, generally to be found primarily in urban areas, are responsible for the lion's share of carbon dioxide emissions, the main cause of climate change. The consequences of this climate change, rising sea levels, and an increase in the number and intensity of storms are a serious threat to towns and cities near the coast in particular. About 40% of the world's population live less than 60 km from the nearest coast.

■ Cohabitation, globalisation and migration

- ▶ Rural-urban migration continues unabated. Every year New Delhi has to absorb another 500,000 individuals. Half of the adult population of Sao Paulo was not born in the city.
- ▶ Migration, however, has also taken on an international dimension. Officially, about 175 million international migrants are registered. The actual number is several times higher.
- ▶ Violence, conflicts and crime are rising drastically in many places, leading to expulsions and making urban life dangerous.
- ▶ Keren is the second largest city in Eritrea. In the last five years its population has doubled as it has absorbed flows of refugees from the regions affected by the conflict.
- ▶ In Africa and Latin America two-thirds of all residents of cities with a population of 100,000 or more have been victims of violence at least once within a five-year period.

Urban development must find sustainable responses to these challenges. Everybody wants a share of the opportunities offered by towns and cities. The surrounding area and rural regions must also benefit from the growth potential of cities, and from the services and outputs they generate. Urban development is today no longer the duty only of the towns and cities themselves, but also of national governments and international cooperation.

■ Towns and cities in international development cooperation

International development cooperation, and specifically German development cooperation provides targeted support for urban development. At the Second United Nations Conference on Human Settlements (Habitat II) held in Istanbul in 1996, representatives of municipalities for the first time moved into the international spotlight as important actors in the realisation of sustainable settlement development. At the World Summit on Sustainable Development in 2002 in Johannesburg, national governments, local governments and international organisations undertook to implement the local development agenda. With the founding of the worldwide organisation United Cities and Local Governments (UCLG) in 2004 in Paris, local governments created a body that would represent their interests worldwide. Their aim is to promote democratic local self-government worldwide. UCLG is also working to implement the Habitat agenda and achieve the development goals based on the 2000 Millennium Declaration. Almost all of these Millennium Development Goals are closely correlated to urban development. Special mention should be made of the goal of halving the proportion of people without access to safe drinking water and basic sanitation by 2015, as well as that of making significant improvements to the lives of at least 100 million slum dwellers by the year 2020.

In its Programme of Action 2015, the German government has identified the priority areas of German development cooperation, which also guide work in the field of sustainable urban development. These include securing the involvement of the poor in societal, political and economic life, strengthening good governance, ensuring the provision of basic social services, enhancing economic dynamism and improving security for each individual.

2. Cities and how to manage them: Client needs

Mayors and municipal authorities must prove their mettle as crisis managers on a daily basis. Refuse rots in the streets, because local authorities have neither the money nor the organisational capacities to collect and dispose of the thousands of tons of rubbish generated every day. Many roads are already in a desperate condition, and must cope with constantly rising traffic volume. Safe drinking water is only available in some districts, and even there supplies are irregular.

Obsolescent and dilapidated infrastructure raises costs and prevents necessary investment. On the user side, the costs are high for both industry and private users, e.g. high running costs for vehicles damaged by sub-standard road conditions, and time lost in traffic jams. For the economy as a whole, the results are above-average energy consumption and a high level of pollution. An inadequate urban traffic and transport infrastructure also impacts negatively on the economic competitiveness of a city, and makes it less attractive to investors and residents.

However, urban governments and authorities not only bear responsibility for providing their citizens with infrastructure and services. The quality of urban life involves more! How can adequate housing be created for millions of people? How can their right to a safe life in dignity be assured? How many jobs must be created just to stop the current rate of poverty from rising further? The greater the social inequalities become, and the higher unemployment rises in the towns and cities, the sharper the increase in crime rates in many cases, along with the probability of conflicts flaring up, sometimes with an ethnic background. As though that were not enough, merely improving living conditions in existing slums is only part of the problem. Central and local government must work together to prevent the emergence of new slums.

Local authorities in developing countries have to operate on a shoestring budget. Even where it proves possible to improve tax collection and financial administration, and where the local authorities manage to mobilise additional income, it is almost impossible for them to manage the job in hand with the resources available. For the construction and operation of infrastructure facilities in particular and the provision of services, innovative solutions have been developed in many places, with new forms of cooperation between municipal authorities, private businesses, NGOs and residents' associations.

Many towns and cities, especially smaller and medium sized towns, which would like to embark on partnership arrangements of this sort, are however still ill prepared to do so. They have to take on new tasks, supervising and monitoring external service providers. They must ensure that quality standards are complied with, draw up appropriate contracts, and put in place a regulatory framework to secure supplies, taking into account the social aspects of service delivery too. In the final analysis it is the mayors, councillors and authorities who are responsible for the common good and for developing the town or city as a whole.

But cities and municipalities are often unable to build their administrative capacities and their finances as rapidly as their populations, their geographical areas and their problems are expanding. Inadequate organisation and a lack of experience and training on the part of the administrative staff severely limit the performance capacity of local authorities. There is no clear-cut division of responsibility. The capacities for forward-looking planning are often very limited. Authorities do not see themselves as service enterprises. Many are not in a position to prepare the ground for sound, democratically legitimate decisions to be taken on matters of urban development measures and their annual budget. Nor are they able to implement these accordingly. Yet towns, cities and municipalities find themselves having to shoulder new tasks, for instance in the course of decentralisation processes, which have hitherto been the domain of central government, such as responsibility for providing housing. Local environmental protection and economic promotion are also important local tasks, which many authorities still ignore.

There is a whole series of tasks and functions, in particular in the field of economic development, environmental management and infrastructure, which towns and cities can only perform in cooperation with the surrounding areas and superordinate bodies. Responsibilities must be clarified, collaboration between the municipal government, the surrounding area, provincial and national government regulated, and if appropriate new institutions created, such as set-purpose associations or regional authorities.

Democratisation, which is progressing apace in many countries, also generates pressure on towns, cities and municipalities to act. They must develop a new understanding of governance and administration, as organisations which plan, steer and coordinate development. They ought to be in a position to draw up their own policies for tackling their problems and realising their goals, and for putting into practice the principles of good governance, especially economic efficiency, effectiveness, transparency, accountability and participation at local level. In many places this means practicing the new roles thus accorded to central and local government, private industry and citizens, and renegotiating inter-relations.

3. Cities and politics: Making local democracy work with a large number of partners

Towns, cities and municipalities are the first level in the organisational hierarchy of the state. This is the level at which the government is closest to its citizens. Approval for government actions and the assumption of responsibility by citizens and by private industry can be achieved through negotiations and adopting a convincing procedure. Divergent interests and conflicts must be weighed up, and decisions made on priority goals. Urban development must be seen in a context of many different actors, be they consolidated organisations, informal institutions, or loose associations of individuals from politics, the administration, civil society and the private sector, each with their own agenda. Authorities, associations, federations, NGOs, private businesses, trade unions, churches and many other groups pursue their own specific interests, and are connected by a variety of power relations. They all, however, want to be involved in decisions regarding the distribution of resources.

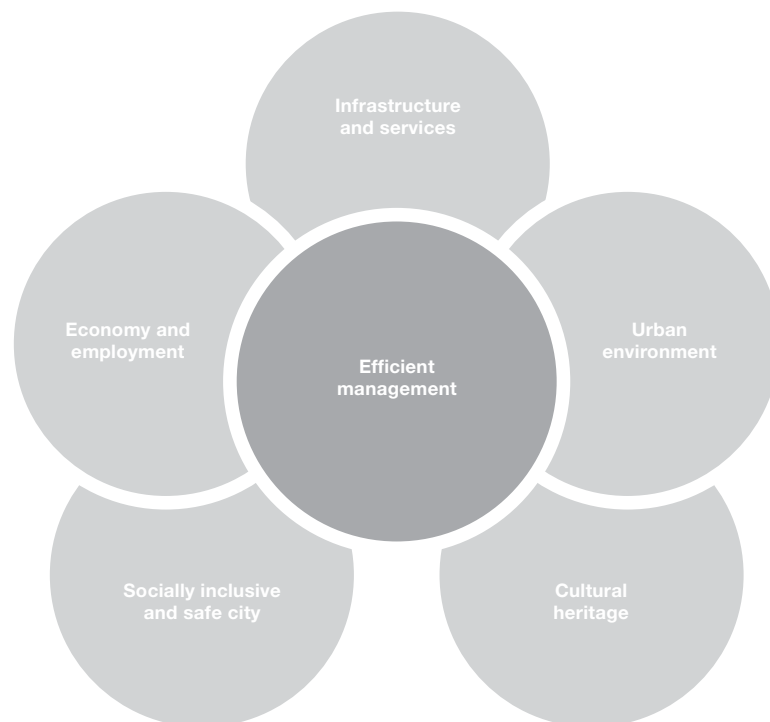
Local authorities need the ideas, the cooperation and the resources of their citizens and of the private sector. They should all have the opportunity to help shape the future of their city and, at the same time, to accept responsibility for their municipality. Their involvement helps mobilise additional resources, once all available knowledge, finance and collaboration potential has been activated and dovetailed in the most expedient way possible.

The rehabilitation of informal settlements, the introduction of new forms of local service provision in the fields of water, power, solid waste management and security, participatory development planning, land-use management, integrated environmental management or local economic development can only be successful in the long term, if they are firmly anchored within institutions that have been specifically prepared for these tasks. Sustainable urban development presupposes new procedures if it is to be effectively implemented. It is not only urban governments and authorities that must become more effective and efficient. Other administrative units, residents' organisations, joint committees or operators' organisations must accept responsibility and be prepared to take on new tasks. Whether or not problems can be resolved in the long term will depend on their capacity.

All parties involved must be brought together. For this, rules and regulations are needed, which outline the rules of play for consultation and coordination, and give all actors equal opportunities. Procedures of this sort make the actions of government and of the administration democratic and transparent. Planning, decision-making and the implementation of projects follow easily understood procedures. Public accountability for the services, projects and the management of resources becomes axiomatic, thus meeting the criteria for good urban governance. To allow them to put in place local democracy, towns and cities need an enabling environment. The centralisation policy of central government must lay the pertinent legal, financial and institutional foundations.

4. Promoting sustainable urban development: The GTZ service package

Urban planners must take into account the interplay between the various sectors (water and energy supply, sanitation and solid waste management, housing construction, traffic and transport, the environment, security, social structure, etc.), and place this in the geographical context (district, town, city, surrounding area). Only then can solutions actually be effective, rather than giving rise to new problems somewhere else.



The range services we offer is as wide as the spectrum of problems to be tackled, embracing numerous fields of activities in the municipal and urban development sector. In this section we have broken down our service package into six related areas. It goes without saying that we put together a specially designed, individual service package for every client, in line with his or her specific needs.

4.1 Efficient management to achieve urban development goals

Along with our partners, we support self-governing towns, cities and municipalities, which are pushing forward with their own development in cooperation with the national government, the private sector and citizens.

Support for the management of urban development is a cornerstone of our service package. It is not always a field of action in its own right. Efficient management is an indispensable part of all projects promoted in this context, for instance local environmental protection, the promotion of public services and support for decentralisation processes.

We support local politicians, administrative staff and local associations in their efforts to draw up political guidelines for the development of their city or urban region, to modernise the administration and boost its performance capacity, and to introduce the principles of good urban governance. We have special experience in designing difficult processes to gear the activities of all parties involved in an efficient manner to achieving common goals, on a democratic basis. To this end we work closely with residents' organisations, which are enabled to negotiate their own concerns with a view to the benefits for the city as a whole, and to play an active part in efforts to realise their own goals.

Increasingly, we are advising urban networks, where existing twinning arrangements with German towns and cities prepare the ground well for development cooperation projects in the field of municipal politics. Mutual learning processes and synergy in partner cities within a network help to strengthen local self-government improve the provision of local services and introduce local democracy processes.

■ Features of our service package

In the urban management and urban governance sector, we propose concepts, realisation strategies, methods and instruments in the following areas in particular:

- ▶ Modernising the administration, deconcentration of the administration, organisational structure and operations, information systems, human resources management, etc.,
- ▶ Improving the citizen orientation, e.g. access to services of the urban administration, one-stop shops, citizens' centres,
- ▶ Planning instruments and procedures, e.g. strategic urban development, master plans, participation procedures,
- ▶ Land management, land-use management, legal certainty, land registration,
- ▶ Transparency, accountability, citizen participation in budget drafting and management.

In this context, we initiate and support dialogues between politicians, representatives of interest groups and citizens, and can also provide facilitators for clarification processes involving the urban authorities, the citizens and the private sector.

As regards cooperation between the urban authorities, regional government and central government, we have specific experience in

- ▶ Supporting local authority associations and associations of cities both on lobby work and on providing services for members
- ▶ Setting up special purpose associations (e.g. public transport networks), metropolitan or hinterland associations, and helping them to operate efficiently,
- ▶ Establishing and promoting national facilities to foster urban development, e.g. municipal financing institutions,
- ▶ Designing decentralisation processes, elaborating and coordinating legal regulations and forms of cooperation between local authorities and superordinate levels.

Urban management and policy development programme in Ethiopia

Services should be provided economically and in a citizen-friendly manner, and should benefit the poor in particular. This is the goal of a programme launched in 1999 with a nine-year term, which embraces both urban management consultancy in Addis Ababa and the nationwide introduction of local self-government. Since 2001, the newly established Ministry for Federal Affairs, within whose remit urban development falls, has been programme executing agency. The project works at three distinct levels: with towns and cities, with regional governments and with national institutions.

In Addis Ababa a planning model was introduced that is radically new in the Ethiopian context. Numerous consultations with citizens, politicians, within the administration and with the private sector, as well as the widespread distribution of a generally comprehensible brochure (the "Green Bible"), which laid out initial development strategies for the city, made planning public, transparent and credible for the first time ever. The city and its future development are dealt with as a whole. The planning team looked not at narrow sectoral or technical issues, but at topics such as the rehabilitation of the inner-city market district of Merkato. Tests are currently underway to determine how forward-looking, participation-based urban management can function. A master plan has been drawn up for the city as a whole, as have procedures to elaborate development plans and strategies to realise these (e.g. framework financial planning). They form the basis for the coordination and steering of investment and services. The planning process has changed human resources and administrative structures. The legal framework for administrative reform, decentralisation and the transfer of political decision-making authority and administrative responsibilities has been enshrined in the City Charter for the city of Addis Ababa, as have procedures to ensure efficiency gains.

The experience of this project is also being used in other Ethiopian cities. City charters, specific legal regulations, new institutions and offices, such as mayors and district mayors, instruments such as local development plans and upgrading measures for local authority managers are being introduced in the four largest federal states of Ethiopia.

To support the programme, GTZ consultants are using an organisational development approach. A systemic model has been developed which presents the most important contact persons and the way they are linked and inter-linked in urban development. It allows the project to identify particularly effective points of intervention, and serves as an orientation aid in day-to-day work for the design of institutional, political and social consultation and coordination processes, etc. The focus is on communication consultancy, which includes supervising and providing back-up services for teams and individuals.

4.2 Making cities livable

Our consultancy approach in the field of urban ecology aims to put the interchanges between cities and the environment on a sound and sustainable footing, make cities fit to live in and at the same time minimise their ecological footprint. Urban development should not be undertaken at the expense of the surrounding rural areas or at the expense of future generations. The broad international movement, Local Agenda 21, indicates that many local communities are willing to accept responsibility for sustainable and environmentally sound development, and to use steering instruments such as eco-budgeting, which entails the systematic management of natural resources.

We advise local authorities and associations, sector authorities and private businesses on technical and organisational aspects of environmental management. Frequently this involves the planning of urban development (land use that makes sustainable use of natural resources, infrastructure planning), infrastructure management, and the organisation of environmentally relevant processes (including power and water supply, sewage and solid waste disposal, air pollution control, traffic and transport, low-energy construction, local trade and industry supervisory authorities). Businesses too must be given incentives to operate ecologically. We can provide advice on how to introduce innovative environmental management technologies and procedures, for instance by drawing up concepts for an entire branch, introducing profitable environmental management (PRUMA®) or conducting cleaner production audits.

This technical consultancy, including training and upgrading components is always part of a wider approach, which puts the acute environmental problem in a wider context. By anchoring environmental principles and instruments in local policies and developing and implementing regulatory measures (e.g. incorporating environmentally relevant aspects in urban development and sector planning, inter-authority cooperation, regional consultation and coordination, the introduction of fiscal instruments, monitoring and supervision) with the involvement of the private sector, efficient institutions can be established and effective procedures introduced.

■ Features of our service package:

We can offer concepts, implementation strategies, methods and instruments for

- ▶ Supra-sectoral concepts and strategies for action for the city as a whole (eco-city planning), ecological land-use planning,
- ▶ Integrated local environmental management, including environmental information systems, environmental monitoring and eco-budgeting,
- ▶ Ecological construction and living, including construction materials and technologies, supply systems and user behaviour.

Another key field of action is the dovetailing of local and industrial environmental management, in particular

- ▶ Designing and managing industrial zones, including water and power supplies, and sewage and waste disposal systems and logistics from the point of view of efficient use of resources and emission reduction, cleaner production procedures, accident management, etc.
- ▶ Integrated strategies for certain sectors and environmental commodities:
 - ▶ Reducing energy consumption, energy savings in buildings and mobility systems,
 - ▶ Air pollution control in towns and cities, reducing industrial and traffic emissions, monitoring air quality,
 - ▶ Reducing water pollution,
 - ▶ Reducing the volume of solid waste generated, properly organised waste disposal
 - ▶ Development of overall concepts for traffic and transport, which avoid negative trends; making public transport more attractive.
- ▶ Further developing institutional, legal and market-policy frameworks, including legal and political regulations, management instruments, technical consultancy on appropriate technologies, private sector involvement, citizen participation and PR work, planning and introduction of cooperation arrangements, e.g. private sector, chambers, associations, education facilities, NGOs), involving the informal sector
- ▶ Planning, introducing and supporting Local Agenda 21 processes.

Environmentally sound urban planning and local environmental management in China

The quality of the environment is to be improved and future urban development put on a more sustainable footing in two cities of the Eastern Chinese coastal province of Jiangsu, both home to millions. This province is one of the locomotives of China's economic growth, but the rise in GDP achieved has resulted in serious environmental damage. The cities of Yangzhou and Changzhou are endeavouring to become eco-cities. They aim to reduce pollution, introduce improved environmental management and take ecological concerns into consideration to a greater extent in urban development. The Environmental Protection Bureau of the municipal administration is executing agency for the programme, with its five-year term (2002 – 2007).

The programme hopes to achieve results in the following three fields:

- ▶ Strengthening spatial planning and integrated local environmental management;
- ▶ Developing exemplary solutions to key problems in the solid waste, sanitation, environmentally sound construction, and traffic and transport management sectors;
- ▶ Establishing and promoting structures to disseminate experience on the topic.

The eco-city development plan is to make lasting changes within the administration and in private businesses in order to conserve natural resources, while at the same time reducing pollution levels and the volume of waste generated. The eco-city plan is incorporated in the existing planning system as an overarching plan, which embraces several topics and is set to be introduced over a longer time-scale than all other plans (city development plans, five-year plans, sector plans). To realise the goals set out therein, partnerships and coordination with the relevant authorities are essential, as is the widespread involvement of the population.

With the help of model projects, modern technology is to be introduced (e.g. biological sewage treatment plants for rural settlements), procedures introduced to implement legal regulations (cleaner production audits) and inter-authority networking promoted (e.g. for ecologically oriented residential areas).

Greater popular participation was also instrumental in the decision not to demolish parts of the old town of Yangzhou, but rather to adopt a conservationist approach to urban renewal. Sewage disposal is the most important measure laid out in the rehabilitation plan. This will make it possible to install baths and toilets in the old houses, allowing inhabitants to enjoy a modern standard of living. The inhabitants, many of whom have small businesses or crafts and trade enterprises in the old town, need not move out to the soulless concrete jungles that have been erected more recently.

The two cities are now beginning to set up environment shops in which citizens can obtain information about possible ways to protect the environment and about urban development plans. They are also passing on their experience in realising the eco-city concept when other mayors visit the cities, at conferences and via the internet. Cooperation arrangements exist with the Tongji University in Shanghai and the Chinese Academy of Science, contributing to the training on offer in sustainable urban development and urban environmental management.

4.3 Upgrading urban infrastructure and services for and with residents

Our consultancy activities aim to enable urban authorities and governments to provide an operational infrastructure with the pertinent services for all sections of the population in an economically, ecologically and socially responsible manner, and to run these on a sustainable basis. We work primarily in the water, waste, transport, housing construction and power sectors. Private sector involvement plays an important part, as does participation on the part of civil society. Consultancy services regarding the wording of contracts and invitations to tender, subsequent negotiations and the execution of contracts

help ensure effective solutions which are client driven, affordable for users, yet acceptable in business terms.

Waste disposal in poor parts of town can often only be organised with the help of residents. Firstly, they must put out their rubbish in an orderly fashion so that it can be picked up. Secondly, they can tap new sources of income by setting up cooperatives to dispose of waste and/or recycle it. Water supply and sanitation is another important field for action, for access to safe, affordable drinking water is a vital factor in poverty reduction in the towns and cities of developing countries. In this way, we are making a direct contribution to achieving the Millennium Development Goals (e.g. MDG 7, Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation). Moreover, low-cost housing must be available for lower income groups. Self-help organisations and loans that are affordable for users support this. Many cities desperately need efficient traffic and transport systems which are socially just and inclusive. This means, for instance, introducing appropriate pricing and ensuring that public transport is available so that commuters from marginalised districts of town can reach their place of work. Effective bus systems with separate bus lanes often provide a low-cost solution.

■ Features of our service package:

We develop concepts and problem-specific strategies and provide advice on the way they are implemented in the fields of water, waste, traffic and transport, housing construction and power. We provide technical consultancy services on appropriate technologies. In addition, our services relate to the legal and political framework and regulations, to managerial instruments including financing, to improving operations within enterprises, and to introducing cooperation arrangements; this is true in particular with a view to involving the private sector and citizens, and to PR work. The following services are just some examples of what we can offer:

- ▶ Designing urban mobility, developing cost-cutting procedures for urban traffic and transport, integrated traffic concepts, proposals for client-oriented and economically effective transport enterprises, promoting cooperation between local authority and private transport companies, coordinating urban and regional transport services, using fares networks and transport networks;
- ▶ Advising local administrations and parliaments on price and fare structures, with the aim of getting operators of infrastructure facilities to cut costs, give preference to solutions that would lower consumption, take social imperatives into account, and develop a technologically and ecologically coherent attitude to investment;
- ▶ Involving community or informal operators under the supervision and technical leadership of supervisory bodies in decentralised and simple technologies (e.g. operation of water retention basins to collect surface water for urban agriculture, or cutting the costs of solid waste disposal by introducing community-managed recycling enterprises);

- ▶ Cost-cutting parallel measures in the health sector (hygiene campaigns, shared gardens for medicinal plants, pharmacies for traditional cures, health education in primary schools);
- ▶ Affordable simple technologies in housing construction, socially appropriate promotion models, involving local crafts and trade.

Programme for the reform of the water sector in Zambia

The periurban areas of Zambia, which will have to absorb the majority of the country's growing population in the future, are already home to 80% of Zambia's urban population. Although Zambia does not have water problems, half of the residents of these settlements have no access to safe drinking water or sanitary facilities worthy of the name. The decaying state of most of the water supply plants, makes for frequent interruption of the water supply. For years there have been regular outbreaks of cholera. The main causes are the lack of technical expertise and specialists, the insufficient funding of water supply and sewage operators, and the fact that the provision of the water resources is not regulated. The executing agencies of the three-year project (2003 – 2006) are the Ministry of Energy and Water Development (MEWD) and the Ministry of Local Government and Housing (MLGH).

The rehabilitation of the urban water sector has enjoyed GTZ support since 1994. The overall goal of the programme is to improve access to drinking water and sanitary facilities for the population, especially the poorer sections thereof. The heart of the programme is the decentralisation and professionalisation of services. By supporting the establishment of professional water supply and sanitation companies of a size that can generate economies of scale, the poor are to be offered services at affordable rates, thanks to a system of cross-subsidies. Effective regulation of the sector is to help ensure that profits are passed on to users.

GTZ's contribution was to propose the establishment of an independent regulatory authority in 2000, and to introduce major regulatory instruments. The authority has, over recent years, set up commercialised utilities, which have, since the end of 2004, been covering areas which are home to more than 90% of the mostly urban population. The water and sanitation utilities are now coming close to the break-even point. It is no longer large-scale users who dominate decisions in the sector. The poor majority of the urban population has a clear advocate and contact point in the Water Watch Groups, which in turn deal with the regulatory body.

A pilot project promoted by German technical cooperation to establish water kiosks in low-income periurban areas, which was subsequently doubled in scope thanks to the funds of other donors (DCI and Danida), has already set up 46 kiosks, serving some 80,000 people. The annual report on the situation in urban water management, which has been published since 2001 with the help of German technical cooperation, is an important building block in the construction of a sector-wide monitoring system, which will ensure that the national poverty reduction strategy is efficiently implemented.

One important prerequisite for progress in the Zambian water sector is effective donor coordination. The German side (KfW, GTZ, DED, BGR) cooperates closely with Ireland (DCI), Denmark (Danida), the World Bank and major NGOs working in the sector. GTZ has been accorded responsibility for coordinating the EU's Water Initiative, in order to foster closer cooperation among EU bilateral donors in Zambia.

4.4 Promoting the economy and employment to reduce urban poverty

We foster the competitiveness of the local economy, in particular small and medium-sized enterprises. The municipalities themselves play the part of facilitator in efforts to create an enabling environment for investment at local level. They initiate and facilitate a dialogue involving all stakeholders, and reconcile divergent interests. The main aims are to support networks of entrepreneurs, encourage cooperation between private industry, the academic community, and politicians, e.g. in the form of public-private partnerships and round table discussions on issues of local industrial promotion policy, and to foster inter-communal or inter-regional cooperation. Another goal is to link an active local industrial promotion policy to attract investment in the face of stiff competition to local economic promotion efforts, within the scope of action open to the urban government. In this way, employment opportunities for poor population groups should emerge, in the informal sector as well as the formal sector. Examples include improving framework conditions for the financial sector to favour uncomplicated access to credit for small and medium entrepreneurs, and the promotion of construction companies, solid waste disposal companies and public transport companies.

If a city is to manage to attract businesses, and give them the chance to operate successfully, the pertinent infrastructure must be available and secure property and utilisation rights in place. Regulations and administrative procedures for awarding licenses and approvals must be business friendly. The de-bureaucratisation and service orientation of local authorities underpin this. Other important economic-policy instruments that can be influenced at local level include policies on taxes and other charges (rates of real estate tax, business tax, and fees for local authority services), public-private partnerships, real estate policy, framework construction planning and the practice of granting planning permission, as well as information and consultancy services for businesses (business development services).

■ Features of our service package:

Economic promotion comes in many forms. The range of services we propose is geared to the specific needs of every individual case. Typical fields of action for us include:

- ▶ Developing strategies for local economic promotion policy, marketing the city as a good location for businesses and investment, promoting employment-intensive branches and activities;
- ▶ Improving pertinent infrastructure (water, power, sanitation, solid waste disposal, traffic and transport), public-private partnership models for the construction and operation of such infrastructure facilities, identification of areas for new businesses to set up, managing industrial zones;
- ▶ Investor-friendly, client and service-oriented urban administration, including measures such as the organisational positioning of the economic promotion agency, modernisation of the administration, simplification of approval and supervisory procedures, one-stop agencies, contacts and communication with businesses, also informal-sector enterprises;
- ▶ Further developing market-policy instruments, including the marketing of public services, the promotion of local small and medium enterprises with the help of an appropriate policy on placing local authority contracts;
- ▶ Promoting business start-ups, self-help organisations for small industry, demolishing barriers that prevent informal sector enterprises gaining a foothold on the market, incorporating small, medium and microenterprises into economic cycles with a good potential for growth, promotion of entrepreneurs in the form of special training (CEFE), access to small credits, securing property, establishing land registration systems;
- ▶ Employing local workers in district renewal, in assisted low-cost housing construction or other labour-intensive local measures; placing a share of public-sector contracts for public services in poor districts with informal enterprises or residents' associations demands appropriate technologies and enterprise forms such as cooperatives; supervisory services and technical familiarisation services can be provided by the local authorities and local-authority-owned enterprises;
- ▶ Giving poor population groups access to physical resources as a basis for commercial and industrial activities (plots of land also for the informal sector, recycling of valuable waste products, utilisation of unused land for urban agriculture and forestry), socially acceptable fees and access to drinking water, power, etc. thanks to the use of simple, low-cost technologies.

PRORENDA in Brazil

Microindustry promotion projects, implemented within the framework of the PRORENDA programme, aimed to improve the living and working conditions of entrepreneurs and employees in the informal sector in the long term, and to involve their organisations in local development processes. PRORENDA was a priority programme of German technical cooperation to reduce poverty and promote local development processes, and was implemented between 1990 and 2002 in various federal states of Brazil. The priorities of the programme were to consolidate participatory planning procedures, and to

strengthen the self-help capacities of the people, as well as to improve collaboration between the public administration and citizens and to foster broad-based participation of the citizens in decision-making and implementation of improvement measures. The political executing agencies of the projects were attached to the federal state level. In the course of the projects, coordination and consultation bodies were set up at federal state level, with representatives of the state and non-governmental promotion agencies most important for the target groups of the projects in the state in question. This was a vital precondition for networking state and non-governmental promotion activities. Alongside the consultancy services on methods and instruments, direct government advisory service at state level was an extremely important part of the work of the GTZ team.

Microindustry promotion projects address primarily microentrepreneurs and independent day labourers as well as young people with no formal training, who are given support in the form of basic and further training and consultancy services, as well as an appropriate range of microcredit services. The focus was on advising and upgrading suitable private and (para)statal implementing and self-help organisations, which offered management consultancy services or financing for economic activities at local level. Implementing organisations of this sort were networked, and their range of consultancy and financing services tailored to the technical, economic and business needs of microenterprises. Members of staff of state and non-governmental promotion organisations offering services of this sort, for instance experts from regional universities, were trained as multipliers in the use of the CEFE method (a training tool to develop entrepreneurial and personal competence). Self-help facilities of the target groups were supported, so as to strengthen the degree of organisation of self-employed individuals. Support was also extended to business start-ups, particularly for female entrepreneurs, and vocational training assistance was given to young adults.

Many of these projects are implemented in the urban setting, in socially and economically disadvantaged parts of town. They were linked to the production of participatory development plans for municipalities and regions. Prefectures were given advice on the planning and implementation of local economic and employment promotion measures. In addition to the founding and promotion of cooperatives, we managed to ensure that a minimum percentage of target group representatives worked with success within the local employment committees, the sectoral offices at this level and other consultation bodies.

4.5 Making cities safe and socially inclusive

Extreme social inequality, the loss of an overview, violence and crime detract from the living conditions of all residents of many towns and cities, and are increasingly reducing the scope of politicians to take effective action. The aim of our work in this field is to facilitate the integration of often socially and ethnically very diverse groups in cities, to reduce tensions between groups of residents, and to retain the ability of urban governments to act effectively.

Firstly, marginalised groups must be granted better access to infrastructure facilities (housing, water, sanitation), public services (health, education) and employment opportunities. In line with Millennium Development Goal 7, Target 11 (Have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers) we promote a conservationist policy of slum renewal to benefit disadvantaged groups. It is vital to clarify property rights and to ensure legal certainty so as to protect the poor from constant expulsions and to secure their right to live in their rehabilitated properties. Only then can private investment be mobilised to improve housing, and interest roused in these districts. We thus advise municipalities on appropriate infrastructure and construction standards for the rehabilitation of illegal settlements, slums and other degraded residential areas. Often, residential areas of this sort are in areas at risk from flooding or on slopes that are vulnerable to land or mudslides. Disaster protection thus plays an important part.

Social promotion programmes, however, are equally important as urban renewal. The main burden of social security must of course be seen at national level (old age pension insurance and health insurance) to spread risks fairly and because of the scale of financing involved. At local level, additional offers can be created. Consultancy projects help to ensure that disadvantaged groups (the poor, slum dwellers, squatters, often also women) are perceived as citizens of the town or city and that they are granted access to public services. This also involves giving these disadvantaged groups the ability to speak out and stand up for their rights.

Another focus is work with young people. We support their collaboration on municipal decision-making processes, thus giving them the chance to help shape their own present and their own future. Through local organisations and conflict facilitators, we foster social integration, violence prevention and peaceful forms of conflict resolution. Mediation often plays a crucial part in conflict resolution, also in connection with other groups.

■ Features of our service package:

The main thrust of activities in this field is the development and implementation of multisectoral strategies, which can be carefully adapted to each specific social environment. A strategy of this sort might, for instance, involve measures to clarify property rights and establish legal certainty, infrastructure improvements, the provision of suitable land for low-cost housing construction with socially acceptable financing as well as employment promotion (see Section 4.4). The range of instruments used is wide and varied, including the following, to give but a few examples:

- ▶ Legalisation of land ownership and construction of housing with the help of a simple land registry system, making it easier to obtain planning permission for low-cost housing construction and for informal-sector enterprises, allocation of plots of land to the informal sector (recycling, urban agriculture);
- ▶ Promotion of local enterprises, employment of residents as labourers in slum renewal work, placing a proportion of local authority contracts for public services with informal enterprises or residents' associations, ensuring access to microfinancing, securing access to water and power supplies;

- ▶ Gradual development of the infrastructure in poor settlements depending on the funds available at household level, solid waste disposal with the assistance of residents, socially acceptable scale of fees for public services, promotion of user communities;
- ▶ Promotion of women and young people and their organisations; consultancy services for policies pertaining to children, young people and women, pedagogical youth work, and women's projects;
- ▶ Our sector policy advisory services projects aim to improve framework conditions for the social security systems (health, education, social affairs, poverty reduction strategies) and assist the management of pertinent infrastructure facilities.

Support for youth work is an effective form of social integration and violence prevention in conjunction with education for peaceful forms of conflict resolution. Another service we propose targets local drugs policy. Special mention should also be made of reproductive health and HIV prevention projects.

Participatory development programme in urban conurbations in Egypt

The basic needs of the population of poor urban areas must be met (e.g. employment, the most basic of social and technical services and hygienic living and environmental conditions in their residential areas). To this end, local administrations and civil society organisations (NGOs) cooperate to provide services and encourage the population to set up their own action groups.

Within the framework of the programme, GTZ and the KfW jointly support the organisation and cooperation of public-sector, civil-society and private-sector players in poor urban areas. They introduce participatory methods and finance infrastructure measures such as drinking water and sanitation systems in project areas in Greater Cairo.

Two large districts within Greater Cairo (Manshiet Nasser, Boulaq El Dakrou) are introducing participatory procedures to improve living conditions, while working gradually towards ensuring legal certainty with respect to housing. By 2006 improvements in the basic infrastructure and sanitary facilities along with socially acceptable user fees should help some 100,000 people lead a healthier life. The population is given the opportunity to voice their main concerns, and organise their own contributions. They are involved in the drafting of the framework plan for district renewal (Participatory Guide Plan) as well as the action plans for smaller areas (Local Action Area Plans). Reliable information is accessible to the general public. The local administration involves the private sector and the population in annual budget planning (Participatory Budget Planning), and implementation thereof is monitored the following year using bottom-up procedures.

These local-level procedures have now been incorporated in policies thanks to advisory services delivered at national level. Nationwide they are being disseminated within the framework of training measures for local authorities. The application of these procedures is linked to a state promotion budget.

The nationwide promotion of local self-help initiatives makes for rapid and tangible improvements for the population. The national fund promotes small-scale projects which can be realised within a three-month period and which are granted funding up to a ceiling of 1,300 euros. Cooperation between the local authorities and the population encourages mutual trust and has shown how great the local development potential in poor urban areas is.

4.6 Harnessing and preserving the cultural heritage

It is the goal of our consultancy services to link modern urban life with the preservation of the city's cultural heritage, thus protecting cities and urban life from homogenisation and the loss of their history. Our support for a conservationist approach to structural change is particularly well known in historic old towns already declared World Heritage Sites by UNESCO.

Rehabilitation work preserves the cultural heritage of the city and thus its unique identity. This is an important element in the restoration of social, economic and cultural cohesion and is only possible if the citizens are involved in preservation work and if the measures have their support. Renovated and restored historic districts and the promotion of living cultural traditions raise the quality of life of old town residents and of the city as a whole. At the same time the old cities are often tourist attractions, which also contribute to local, regional and not infrequently even national economic development.

We support cities and municipalities which wish to restore the fabric of their historical building which are at risk of falling into disrepair, using local knowledge and local crafts skills to do so. The planning and realisation of measures of this sort must blend into the specific cultural environment of the city in question in a quite unique way, and are designed with the partners as common learning processes. Important facets of consultancy services include the preservation and renewal of housing stock, the appropriate expansion of infrastructure facilities, the provision of services, landmark protection and economic promotion to preserve or restore the economic survival and the full range of functions of the old cities, and to ensure that they remain socially mixed neighbourhoods.

■ Features of our service package:

Our rehabilitation projects for historic old cities comprise strategies, methods and instruments from various parts of our service package. Special mention should be made of the following:

- ▶ Identifying the reasons for the neglect of historical districts, elaborating appropriate strategies for action, including strategies for the "socially inclusive city", i.e. a combination of infrastructure measures and social programmes;
- ▶ Motivating and involving all stakeholders (traditional construction craftsmen/women, city offices for culture, infrastructure, housing construction, economic promotion, tourism, etc., central government agencies such as the Ministry of Tourism, the Ministry of Culture, etc., businessmen and women, traders, tourism enterprises, residents and their organisations);
- ▶ Developing sustainable preservation concepts and promotion instruments for rehabilitation (including detailed district planning, renewal of the water supply and sanitation network, infrastructure planning, cultural events, appropriate tourism concepts);
- ▶ Adaptation of the traffic system and modern traffic and transport management, e.g. reduction in and slowing down motorised traffic, designing attractive pedestrian precincts and zones with reduced speed limits and limited access for motor vehicles;
- ▶ Promoting local businesses, which can contribute to the economic revival of the district and to the preservation of buildings and areas within the district;
- ▶ Renovation of historical buildings at risk of falling into disrepair, tied small-scale loans, technical consultancy services for residents, using local knowledge and craft skills in restoration;
- ▶ Transferring the concepts to other districts or inner-city areas facing similar problems, also in other cities in the country, integrating the preservation and utilisation concept into overall city, regional or national development concepts.

Urban development in Shibam, Hadramaut, Yemen

The historic old city of Shibam with its famous tower-like clay houses, a UNESCO World Heritage Site and repository of the cultural heritage of the entire oasis, is to be revitalised. In order to ensure the long-term preservation of the historical old town, the residents, for the most part poor, must benefit directly, i.e. their living conditions must improve tangibly. The preservation of monuments and historic buildings is thus being linked to meeting the needs of the population in terms of better living conditions, urban services and income. City preservation is devised as a process for which local administrations, politicians, residents and the local construction industry accept social responsibility, and all play an active part in shaping the process.

The Ministry of Culture and Tourism of the Governorate of the Province of Hadhramaut is executing agency for the project, which has been planned with a term of almost ten years. The project is working with the Yemeni Social Fund for Development (SFD), which is involved in financing the rehabilitation of historic buildings, and also plans to provide funds for a labour-intensive infrastructure programme.

In Shibam, a rehabilitation programme (Historic Housing Program) is being developed. After initial pilot rehabilitation measures on residential houses, procedures were developed for technical and financial consultancy services for owners who would like to rehabilitate their buildings. They are granted a subsidy to cover a part of construction costs, but they accept responsibility for the project, and enter into a contract directly with the building contractor. Historic elements of Shibam's buildings (doors, windows, decorative features on the facades) are eligible for special subsidies. Currently, responsibility for the management of the rehabilitation programme is being transferred to a newly founded Housing Unit.

Other fields of work of the project include urban waste management for the entire district of Hadhramaut and – especially with regard to improving the income situation – community development (agricultural cooperatives, literacy classes and training for women), the promotion of the traditional construction sector (knowledge transfer from old masters in clay construction techniques to younger craftsmen) and of small-scale enterprises. The project specifically involves young people in the preservation of the cultural heritage. Through public competitions, festivals and schools, children and young people have rediscovered their own culture and passed it on to the public at large. Traditional skills such as wood carving, calligraphy and pottery-making are taught in schools.

5. Creating capacities for the future: Quality features of our work

■ Sustainability

Our support for urban development is geared to sustainability in both senses of the term: firstly, the lasting nature of development in ecological, economic and social terms, and secondly, the long-term strengthening of the ability of the local population to resolve problems independently. For this reason, GTZ supports the establishment of local self-government, along with democratic structures and procedures.

■ Participation

Participation has long been a trademark of GTZ. The involvement of all stakeholders, at all levels, and throughout all phases of a project, ensures the success and the long-term results of the consultancy services we provide. Moreover, as development cooperation becomes more political in nature, the participation of the population in the political process has advanced to a goal in its own right. Without the involvement of the affected population, development goals such as the promotion of democratisation, strengthening civil society, poverty reduction, gender equality, respect for human rights, conflict prevention and many others cannot be achieved.

Participation makes it easier for the population to voice their concerns and for appropriate action to be taken (empowerment). Our service package embraces topics such as participatory budgeting, strengthening grassroots organisations, establishing ombudsmen and women, gender-differentiated consultancy approaches and the mainstreaming of these by means of regulations or laws (**Gender**).

■ Direct consultancy: "consultancy with a face"

No sustainable improvement in urban living conditions can be achieved overnight. We thus set store in almost all of our projects in providing continuous or periodic long-term consultancy services with the help of experts in their fields. This "consultancy with a face" creates firm and durable working relations and lasting change processes. But we never lose sight of the fact that urgent problems demand rapid, tangible progress.

Along with our partners we set priorities and lay down objectives that can realistically be achieved in the short term. In addition, we always provide advice in terms of changing structures, policy contents and values, so that the short-term elimination of a burning issue can develop into a long-term and replicable problem solution.

■ Appropriate, combined service package

Within the framework of our consultancy services we conduct analyses and studies, pass on local and international know-how, organise training and upgrading measures, develop methods, elaborate recommendations for action and coordinate them with decision-makers, conduct individual consultancy sessions for executives or strengthen underprivileged groups (empowerment), facilitate consultation and coordination processes and support the establishment of appropriate monitoring and evaluation systems.

■ **Competence in directing complex change processes**

The experience we have built up over decades ensures that the wide spectrum of methods and instruments at our disposal are used efficiently as part of a target-oriented process. In this way we advise our clients on the steering of complex reform and change processes, and provide the necessary back-up. In line with the original context and client needs, we tackle the following questions.

▶ **What needs to be done, and how?**

Technical consultancy passes on and mobilises knowledge in the realm of sectoral and technical issues (e.g. spatial planning methods, procedures to purify water, energy-efficient construction), but again as part of a comprehensive, integrated solution.

▶ **Which structures and organisations are needed?**

The institutions involved in urban development need more than just technical expertise. They must be able to adapt to constantly changing situations, to get organised and steer their own progress, and to perform the tasks entrusted to them efficiently.

Organisational consultancy creates or strengthens structures with which technical activities are implemented, thus complementing technical consultancy.

Organisational consultancy raises the performance capacity of institutions, partly through administrative reforms, training, human resources management, the drafting of job plans and job descriptions as well as the organisation of the way various units cooperate and work together. Frequently, our organisational consultancy services also address the private sector (non-governmental organisations, industrial associations, cooperatives, residents' associations).

▶ **How and with whom should the project be implemented?**

Process consultancy supports the effective realisation of urban development measures. We have wide-ranging experience in dealing with networks, which enable players from politics, industry and civil society to come together. We facilitate consensus building and consultation processes involving the various partners, with the help, for instance, of round table discussions and workshops. Our process consultancy also influences the identification of values, and helps shape the relationship between players on the basis of the criteria of good governance (in particular democracy, the rule of law, transparency, responsibility and accountability). This will generate acceptance or even the active collaboration of stakeholders, and make solutions more sustainable.

■ Capacity Development

We support our partners in a way that enables them to resolve similar problems independently in future even after our consultancy services have been completed. Capacity development in sustainable urban development promotes the bearers of responsibility at local level – be they individuals, institutions or networks, fostering their ability to identify their own guiding visions for their urban development, to develop specific local solutions to problems encountered, to apply appropriate coordination and steering mechanisms and to mainstream all this at organisational and institutional level. Our consultancy services help to develop and steer the change processes this entails, in particular

- ▶ **to develop and use the talents of the people.** They acquire new knowledge, experience, skills and values. They adjust the way they work and build cooperation and communication links. At the same time, the organisation must give its staff members the opportunity to use their newly acquired skills;
- ▶ **to improve the performance capability of organisations** by establishing and consolidating management and incentives systems, developing an organisational and leadership culture, improving performance processes and building task-related organisational networks;
- ▶ **to exert an influence through consultancy on the framework conditions** (legislation, policies and the overarching administrative structures). To this end, we link the back-up for our projects (e.g. the rehabilitation of informal settlements) to advisory services which target pertinent policies at national level (e.g. legislation to secure property and tenancy rights in slums, local charters, clarification of leeway for action open to local authorities, transparency of governmental financial transfers).

■ Multilevel approach

GTZ, as a government-owned enterprise, has the mandate to work at both district and ministerial level at the same time, and has a wealth of experience in doing so. Government agreements legitimate our cooperation with state authorities. Our participatory procedures build trust and gain the recognition of residents' organisations. We also offer consultancy services to:

- ▶ towns, cities and municipalities at local level, with their governments, administrations and association structures as well as residents' organisations,
- ▶ regional authorities and set-purpose associations at intermediate or regional level (provinces, districts),
- ▶ at national level, ministries, overarching authorities and umbrella associations.

This multilevel approach allows for a transfer of good practices from local to national level and for the mainstreaming of solutions at national level in order to create an enabling environment. In decentralisation projects, for instance, new techniques and procedures can be tested in selected cities and towns and this experience then be incorporated in a next step in the drafting of national framework conditions (legislative procedures, financial policy, national sector policies).

■ **Results orientation**

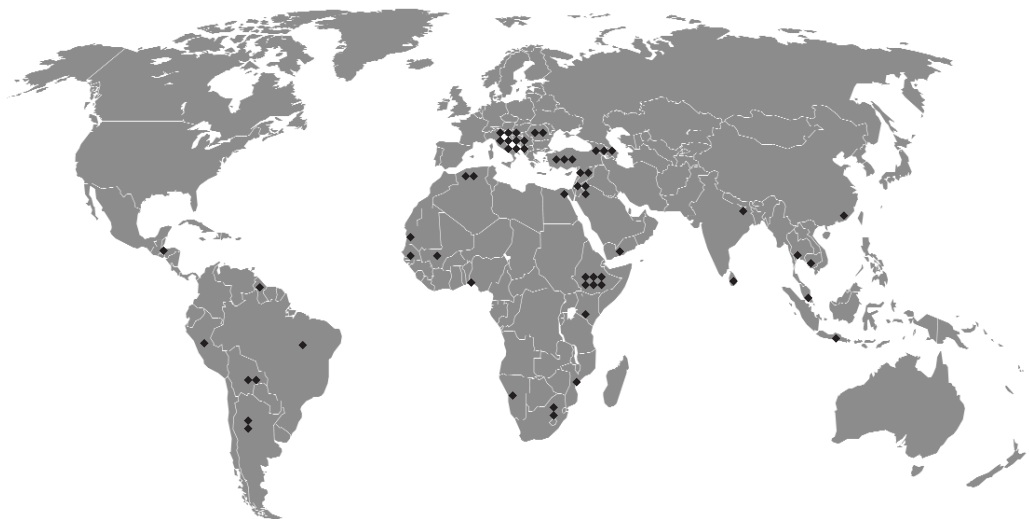
In our work we examine carefully which results are to be achieved for whom (e.g. improving living conditions in a poor district of town, reducing pollution in a river), what the pertinent authority or other organisation must do to achieve this, and which support services are most appropriate on our side. In most urban projects, our services address mediators such as urban administrations, associations of cities or non-governmental organisations which are then enabled to perform their work more effectively, for instance by reforming their operations. This context is presented in the form of results chains. We use appropriate monitoring systems over the entire term of a project to observe and identify the impacts generated or induced by ourselves or our partners by means of project activities. This provides the necessary quality assurance for our work, fosters learning processes and makes proper accountability possible.

6. Where do we work?

Our portfolio in the field of urban development

GTZ has been promoting urban development worldwide for several decades. Since 1990 alone, it has implemented projects in 65 countries as well as six supra-regional projects with a total contact value of 356 million euros.

The priority area "Sustainable urban development" is currently supervising 59 municipal and urban development projects in the narrower sense of the term. In addition there is a large number of projects with geographically limited scope, which also aim to improve living conditions in urban areas. Our main client is the Federal Ministry for Economic Cooperation and Development (BMZ), but some projects are implemented on behalf of other donors such as the European Union. We are, for instance, currently implementing a programme to support municipal authorities in Eastern Serbia for the European Union. On behalf of the European Development Fund, GTZ is launching a social housing programme in Guyana in close cooperation with the Inter-American Development Bank. And we are realising a low-cost housing construction project for the municipal government of Addis Ababa.



Our projects in the field of urban development

Project locations are spread around the globe in the field of urban development. Africa, South-Eastern and Central Europe, and the Middle East each account for one quarter of all projects. The other quarter is accounted for by Asia and Latin America together, with an almost equal number of projects in each.

7. Cooperation in urban development: Our partners

In many urban development projects GTZ works with consulting companies, especially when the aim is to provide consultancy services in highly specialised fields, such as state-of-the-art environmental protection techniques. Similarly, we call on the expertise of universities, other academic facilities and sectoral authorities (the vehicle-inspection centre, surveying authorities, etc.) and associations (ICLEI) in our work.

Urban development measures demand investment, especially when infrastructure is to be created or expanded. Most municipalities in developing and transition states lack the financial resources required. For this reason, urban development projects are often promoted jointly by GTZ and the Kreditanstalt für Wiederaufbau (KfW).

We have also worked for many years with the German Development Service (DED). DED volunteers work in many GTZ projects. The integrated experts placed by CIM (Centrum für Internationale Migration und Entwicklung) are also important partners. They work within organisations in partner countries and can thus provide support and back-up for GTZ projects from within these organisations. The education, exchange and dialogue programmes for managers and specialists from industry, politics, administration and civil society offered by InWEnt, provide additional training and upgrading opportunities for counterparts.

Since 2002, the German Association of Cities and GTZ have operated a partnership with the aim of promoting local development cooperation. Municipalities in Germany have a wide range of experience (e.g. in financial administration, the construction and administration of social and technical infrastructure, living democracy, etc.) which they can pass on to their counterparts in developing countries within the framework of partnerships, guest student stints and short-term assignments of qualified staff. In order to harness this know-how specifically for the development of communities in the Caucasus, the German Association of Cities and the Georgian Association of Cities, agreed to cooperate closely. The latter is being advised by the GTZ-assisted Caucasus City Network at the same time.

The Cities Alliance is a worldwide multilateral alliance to improve living conditions for the urban poor. It is funded by the G7 governments, along with Brazil, the Netherlands, Norway, Sweden and several international organisations (World Bank, UN-Habitat, ADB, UNEP, UCLG). It supports the elaboration of urban development strategies and the realisation of city-wide or nation-wide slum renewal projects. Working on behalf of the BMZ, GTZ has seconded a member of staff to the secretariat of the Cities Alliance, and is also working with it on concrete projects. In Chile, for instance, the Cities Alliance is providing additional funding for the poorest sections of the population within the framework of a national housing programme.

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LINKS

GTZ Services

Topic of the year 2005:

Focus – Fascination – Future:

Tomorrow's Cities

<http://www.gtz.de/en/4452.htm>

**URBANET – the GTZ knowledge network
on municipal and urban development**

<http://www2.gtz.de/urbanet/>

GTZ topic page "Urban Development":

<http://www.gtz.de/en/themen/>

[politische-reformen/stadtentwicklung/5612.htm](http://www.gtz.de/en/themen/politische-reformen/stadtentwicklung/5612.htm)

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