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Case Study: The Secondary Cities Support Programme

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Transforming Settlements of the Urban Poor in Uganda – A Secondary Cities Support Programme (TSUPU) presents an innovative approach to develop a **locally-owned, coherent national programme** to tackle the challenges of rapid urban growth, improve residents’ access to services, and formulate inclusive urban development policies that benefit the poor. TSUPU was initially developed by Cities Alliance¹. Cities Alliance (CA) was originally established by the World Bank and UN Habitat to increase international attention on growing urban poverty, and to improve the coherence of effort in urban development, and the initiative has now expanded into a global partnership.

An evaluation of CA’s activities in over 50 countries found a large disparity between outcomes and effectiveness of grants across geographies and beneficiaries with generally better results in middle-income countries (Brazil, India, Philippines and South Africa) and when given on a longer-term basis. Based on these findings, CA and its members developed a Medium Term Strategy in 2008. One of the premises of the Medium Term Strategy is that CA should prioritise working with a **government in a single developing country committed to change and reform over time to achieve transformative impact at national scale**. Selection criteria to identify a partner country included a national enabling environment, cities that had the capacity to implement and a citizenship willing to invest in itself.²

In this context, CA, the Ministry of Land, Housing and Urban Development (MoLHUD) in Uganda, Slum Dwellers International (SDI) and the World Bank Country Director created TSUPU in 2010. TSUPU was co-financed by the Bill and Melinda Gates Foundation and the World Bank, coordinated by CA³. The following case study explores TSUPU’s challenges and success factors **in creating a sustainable, locally-owned approach to tackling the challenges of rapid urbanization and urban poverty**. For more information on best practice programme design, urban finance and investment consult the ICED website, or **contact the ICED Facility at iced.programming@uk.pwc.com**.

¹ Cities Alliance has evolved into a global partnership of bi-lateral and multi-lateral development agencies, governments non-governmental organisations (Slum Dwellers International), Local Government Associations (e.g. UCLG / ICLEI) knowledge partners (SDSN / New York University) and the private sector/foundations (i.e. Ford Foundation / Omidyar Network).

² World Bank, *Transforming Settlements of the Urban Poor in Uganda A Secondary Cities Support Programme (TSUPU)*, 2010. A Partnership between Cities Alliance and the Government of Uganda Programme Document; Cities Alliance 2016a, Interview with Julian Baskin, Head of Programme Unit, Cities Alliance, 28 October 2016.

³ World Bank 2010; Cities Alliance 2010. *Republic of Uganda: TSUPU, Transforming the settlements of the Urban Poor in Uganda*. http://www.citiesalliance.org/sites/citiesalliance.org/files/CA_TSUPU_Brochure_0.pdf

Overview

How does TSUPU work and what are its main objectives?

TSUPU is an **umbrella programme that combines a set of sub-projects or activities implemented by a variety of partners**, including MoLHUD, the municipalities, the International City Managers Association (ICMA) in partnership with Urban Authorities Association of Uganda (UAAU), Slum Dwellers International (SDI), University of Makerere in partnership with a Norwegian university. Whilst the programme was initially conceived by CA and large parts of it have been **coordinated by CA, it has been shaped and is fully owned by the Ministry of Land, Housing and Urban Development (MoLHUD)**. It therefore does not have a distinct project budget or end date⁴.

Initially, the project targeted five high capacity municipalities, but was later rolled out to all fourteen municipalities in Uganda. With rollout to all fourteen municipalities leading to a varying degree of success and speed of implementation, and necessitating a substantial amount of capacity building before plans could be developed. Annex 1 shows a diagram developed at the outset of TSUPU to show roles and responsibilities. TSUPU's implementation and institutional arrangements are based on a set of core principles⁵:

- Maximum national and local ownership
- Implementation through stakeholder partnerships
- Alignment of project implementation with national, municipal and community structures such that they operate as an integrated whole
- Alignment of the TSUPU programme with existing institutional strengths
- Identification of the best institutional arrangements for efficiency and effectiveness

As an ambitious umbrella programme, there are a many different elements to TSUPU. Below is a condensed overview of the main strands of the programme⁶.

Table 1: Overview of TSUPU Programme Strands

Level and implementers	Aim	Achievement
National <i>Ministry of Lands, Housing and Urban Development</i>	To strengthen and support Uganda's domestic urban initiatives so that the country is better equipped to upgrade slums, proactively deal with urban expansion and growth, and benefit from urbanisation	Development of National Urban Policy and Strategic Urban Development Plan Creating the National Urban Forum as a platform for all stakeholders to feed into the National Urban Policy and Strategic Urban Development Plan Institutionalising Change: To help ensure a pipeline of talent, universities will directly participate in and institutionalise planning and research processes at all three levels of the project. TSUPU includes student internships and research components.
Municipalities <i>Urban Authorities Association of Uganda and local governments)</i>	This is the level where the urban poor engage with government on a daily basis , and there can be no meaningful impact on their lives without active municipal involvement. In effect, the municipality is the community's key partner in resolving problems and unleashing creative energy.	Capacity Development: To build institutional leadership to improve urban management skills and engage in more effective community outreach and communication. City Development Strategies and Slum Upgrading Strategies: The purpose of these activities is to strengthen long- and medium-term planning at the municipal level through broad-based participation and negotiated priorities. As part of this process, detailed local slum upgrading action plans will be developed that meet the real requirements of slum dwellers. Municipal Development Forums: A platform where organised urban poor, local government, service providers, private sector and other stakeholders meet regularly to exchange views, debate priorities and agree on common actions

⁴ World Bank and Bill & Melinda Gates foundation have provided budget support to MoLHUD and funds to CA, who in turn fund partners.

⁵ World Bank, 2010

⁶ Cities Alliance, 2010

<p>Community</p> <p><i>National Slum Dwellers Federation of Uganda (NSFDU- SDI) and ACTogether (NSDFU's supporting NGO)</i></p>	<p>Mobilise communities of the urban poor, primarily through the establishment of slum dweller federations. These federations enable communities to organise around activities such as savings groups, enumeration and mapping and have a platform for collective action. These projects help communities experience visible progress quickly and build participatory planning skills, while engaging in constructive partnerships with local government.</p>	<p>Saving schemes: To enable people to build their own capacity and increase their organisational ability while gaining access to affordable finance.</p> <p>Mapping and enumeration of slums: To enables local government recognition and the building of an active citizenship, data is also useful for municipalities who often lack information on the informal settlements in their areas.</p> <p>Community Upgrading Funds: Managed jointly by communities and local governments, these Funds allow community organisations to apply for grants for smaller- scale projects— such as painting a school or a small waste management programme.</p>
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Theory of Change

The World Bank documentation on TSUPU describes that the mission statement and logframe of TSUPU which were based on extensive consultation with MoLHUD. MoLHUD identified a number of key challenges including, rapid population growth, outdated Urban Regulations, weak linkages between social, economic, financial and physical planning, very limited capacity of local governments and marginalised urban poor lacking a voice in city planning⁷.

Within this spirit, the overarching objective of the TSUPU programme is to create inclusive cities without slums in order to maximise the potential of urbanisation by proactively managing urban growth⁸. However, CA has pointed out that overall, the programme was not guided by a logframe. This would have taken away ownership from MoLHUD, because as soon as a logframe is imposed the programme becomes the property of the funder and not the implementer. Working with a flexible donor, such as the Bill & Melinda Gates Foundation, has given CA the necessary room to experiment with this approach⁹. According to CA, through a flexible and long-term approach, TSUPU has achieved transformative outcomes¹⁰. These include:

- **Better governance:** By providing space for inclusive dialogue, TSUPU has established an institutional framework that **creates channels for partnerships between citizens and their local governments**. It has also ensured that **issues affecting the urban poor are reflected in planning and the municipal development agenda**. TSUPU has also created a mechanism for effective community oversight of public expenditure and catalysed a culture of rights and responsibilities among citizens.
- **Empowered slum dwellers:** In the five initial TSUPU cities, nearly **14,000 slum dwellers have been mobilised into 303 saving groups**, which are federated into committees at the settlement and city development level. These urban poor organisations worked **in partnership with municipalities to identify and prioritise projects, and then oversaw their implementation**.
- **Leveraged investments:** The practical experience urban poor communities gained through TSUPU provided the upfront institutional framework to support the World Bank's US\$150 million municipal support programme, expanding TSUPU from five to all 14 secondary cities. Comic Relief and the Gates Foundation have also linked into TSUPU's institutional structure, mobilising much-needed additional resources.
- **Training the next generation of urban planners:** Urban planning programmes at Makerere University have been restructured, giving Uganda's future urban planners hands-on training in inclusive development.
- **South-south learning:** Exchanges among Country Programme participants have exposed national, municipal and community leaders to a wide range of possibilities and brought a new dynamism to the urban agenda.
- **National dialogue on urban issues:** National and municipal urban fora have been established to provide space where stakeholders engage in dialogue to inform urban policy agenda and investments. These stakeholders include, but are not limited to: urban poor representatives, municipal government, private

⁷ World Bank, 2010

⁸ *Ibid*

⁹ Cities Alliance, 2016

¹⁰ The outcomes and successes cited in the case study are based on interviews with CA and programme documents. An extensive independent evaluation of CA's work including TSUPU is currently under preparation and was not available before the submission of this case study.

sector, development partners, professional bodies, CSOs/NGOs, the academia, media, religious leaders, opinion/cultural leaders and individuals.

- **City development strategies:** All secondary cities in Uganda, now have development strategies that are fully owned by the municipalities.
- **National urban policy:** The Government of Uganda has developed an overarching national urban policy to respond to the rapid urbanisation growth and challenges with support through TSUPU.

Challenges, such as conflicts between different municipal associations and the low capacity of municipalities in planning prevail. Yet, TSUPU has truly **transformed the national understanding of the importance of the city** – in a predominantly rural country. The programme was at times criticised for putting too much emphasis on ‘process’, i.e. creating dialogue fora as opposed to ‘doing projects’. However, CA believes that only through the laborious process of **creating the capacity and the underlying systems** will Uganda’s cities be able to absorb incoming investment in a way that improves the lives of citizens and especially the urban poor¹¹.

Evidence of economic development contribution

The TSUPU FCA approach focused on capacity building and dialogue and **was not designed with an economic growth agenda in mind**. Contributions to economic growth were largely a by-product of some interventions, for example work with the community based savings groups has made positive contributions to livelihood developments.

Only recently, has CA moved to incorporate the city economy into their approach. A DFID-funded initiative, the Future Cities Africa (FCA) project, has responded to this. Under the FCA, CA has carried out cities and economic growth diagnostics in four African countries and focused heavily on the potential of the informal economy for economic growth¹².

The World Bank documentation on TSUPU includes a section on GESI, stating that the national urban policy development process aims to be inclusive, data is gender disaggregated and access to land and better sanitation and water would predominantly benefit women¹³. However, an interview with CA revealed that **GESI was not effectively mainstreamed from the onset**. This is a clear **learning outcome** of TSUPU and CA is currently undertaking a detailed study on how to mainstream gender in a more effective way. Despite the omission, CA believes that TSUPU had good gender outcomes, for example the majority of members of savings groups were women, the slum upgrades predominately benefitted women, who spend a larger time in the house and the municipal and national dialogue *fora* have given women a voice¹⁴.

Key success challenges in delivery

According to CA, there were three key elements that set TSUPU apart from other programmes, these include:

- Increased sustainability through **local ownership** of the programme
- Alignment with national agenda and **deep understanding of the political economy**
- Transformative change through **integrated ‘whole systems’ approach bringing together all relevant stakeholders**

Increased sustainability of local ownership of the programme

One of the lessons of CA’s mid-term strategy was to move away from the notion of urban development as a series of urban projects targeted at specific sector. The aim of TSUPU was to **create a holistic programme that was implemented by national and local governments and partners**, not a contractor or donor. Uganda was in part chosen as the pilot country as there was a natural counterpart with MoLHUD. MoLHUD, however, had a weak mandate, low capacity and little political operating space¹⁵. In a predominantly rural country, urban

¹¹ Cities Alliance, 2016

¹² *Ibid*

¹³ World Bank, 2010

¹⁴ Cities Alliance 2016

¹⁵ Around 90% of Uganda’s members of parliament (MP) represent rural constituencies making it harder for MPs from municipalities to put urban issues on the agenda.

issues and municipalities were not high on the agenda. To make matters worse, the main driver for urban growth, Uganda's capital Kampala, was excluded from MoLHUD and given its own Capital Authority. Despite those challenges, however, CA maintained their realization that only if MoLHUD fully owned the programme would sustainable change happen. MoLHUD chose the name TSUPU and embarked on the process of **formulating a national urban development policy to create the political mandate for change**¹⁶. However, some observers have **questioned the financial sustainability of TSUPU**. The Ministry of Finance has indicated that it will not financially support this policy, making it reliant on donor support for the foreseeable future¹⁷.

Alignment with national agenda and deep understanding of the political economy

As stated above, the political economy for an urban poverty programme in Uganda was complicated at the start. Only when TSUPU connected the urban poverty and cities movement to Uganda's aspiration and national plan to move to middle income status by 2030 through the formulation of the national policy, did the programme find its entry point and started to gain traction.¹⁸ The **integration of urban and rural topics responded to Uganda's political economy** and gathered a large degree of national consensus. **Instead of fighting the political decision to exclude Kampala from MoLHU, TSUPU developed its focus around secondary cities, which has proven extremely successful.** Earlier policies addressing urban poverty and housing in Uganda were often externally driven and have thus suffered from low prioritisation, weak implementation with negative side effects for the poor, which were often priced out of improved services and housing, or relocated away from employment opportunities¹⁹. **TSUPU created financial incentives for different stakeholders to prioritise pro-poor urban development. The alignment with the World Bank's \$150 million Municipal Infrastructure Development project (USMID) offered a compelling reason for governments to prioritise TSUPU over other institutional reforms.** Opportunities to apply to the Community Development Fund (CUFF) provided an **incentive for residents of informal settlements to engage in urban governance.**

Transformative change through integrated 'whole systems' approach

The emphasis on **building new institutions that brought together federations of the urban poor and more traditional decision-makers** (primarily ministries and municipal councils) **was a particularly innovative component of TSUPU.** By facilitating collective action, this approach **strengthened the capacity of low-income and marginalised groups to advocate for basic infrastructure and services,** which are essential to increasing the productivity and wellbeing of the urban poor. The National Urban Forum was a success and has shifted over time from a national summit into more of a working group format with communities, municipalities and the national government in dialogue about urban development and policy matters. **Another innovative and lasting achievement of TSUPU was the creation of Municipal Development Forums,** which established an **inclusive process for decision making around planning priorities** through participation of the organized urban poor, universities and local government. Furthermore, MDFs provided an **avenue for other donor programmes,** such as the USMID to plug into an existing governance structure to increase programme impact by having a suite of community vetted priority projects identified that already enjoy broad buy in. Subsequently, the Government of Uganda has signalled its intention to provide legislative and financial support for the MDFs.

Conclusions

At the time of writing the independent evaluation had not been completed, however the following lessons were identified based on CA's own assessment:

¹⁶ Cities Alliance 2016

¹⁷ Brown AM. *Uganda's new urban policy: participation, poverty, and sustainability*, 2012. Conference Proceedings: Sustainable Futures: Architecture and Urbanism in the Global South. Kampala, Uganda, 27 – 30 June 2012. Available from: <http://www.sfc2012.org/brown.pdf>

¹⁸ The national policy was based on three premises: i) No country achieved middle income status without urbanization ii) well-managed cities are engines of economic growth iii) rural development is interlinked with urban development. Those principles responded to the political economy of Uganda.

¹⁹ Cities Alliance 2010; Brown, 2012

1. TSUPU could have better **promoted the CUFF fund, and advocate for Government co-financing of the fund**. CUFF was an innovative concept and had an **immediate and positive impact** for slum dwellers. However, by the time the concept was established, CUFF's donor funding has dried up and it is currently dormant.
2. At times **national ownership can come at the expense of 'international best practice'**. The development of Uganda's urban policy was a laborious process and the dialogue fora could potentially be more efficient and effective. However, donors need to accept that there is **a trade-off between achieving local ownership which includes taking into consideration local capacity and implementation speed and donor expectations about progress**. Through the patient and hands-off approach of the Bill & Melinda Gates Foundation to the Cities Alliance, TSUPU has managed to protect the programme from overly ambitious logframe targets and implementation pressures. TSUPU has also from the onset worked under the premise that urban transition is a long-term engagement with a horizon closer to 25 years rather than the usual three-to-five year project cycle of donors.
3. Another lesson is that the projects under TSUPU with the most traction were those that were **backed by clear funding commitments**. The power and incentives of Government were increased if tangible benefits were put on the table including investment. TSUPU managed to leverage investment through the World Bank's USMID programme, however, this was not communicated from the start, which could have cemented the partnership in a better way. Seeking clear commitments and agreements from Government counterpart at the onset instead of attempting to win political buy-in once the programme is underway is another lesson learned by the CA secretariat.

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