

# Province-Wide Incremental Upgradation Programme in Urban Khyber Pakhtunkhwa

## Background

The prevalence and growth of slums and informal settlements in urban and peri-urban areas is identified as one of the key factors undermining the development of productive, liveable and inclusive towns and cities. 'Slums' conjure up images of settlements that are dirty and inhospitable due to lack of access to basic services and poor environmental sanitation. Slums are settlements consisting of villages that have been absorbed in the urban sprawl or the informal subdivisions created on community and agricultural land without adequate investment in infrastructure or planning. The term 'informal settlements' (*katchi abadis*) reflect the fact that these areas that have grown up without the benefit of planning as they are created through squatting or the informal subdivision of state or private land. They too are more than likely lacking in services given the nature of their development.

UN-Habitat completed a survey of selected slum settlements in Peshawar, KPK in November 2013 and two other surveys are being conducted in ICT and Kohat for finalization in March 2014. The surveys provide important information on informal settlements on a range of topics including housing, environmental sanitation, access to services, socio-economic information about the residents and community cohesion. The information from these surveys, other secondary sources, discussions and consultations with a number of stakeholders from the government, UN and NGOs has informed the analysis and recommendations contained within the report. Building on these surveys, UN-Habitat is now developing a Solutions Paper that presents many solutions of how slums can be upgraded and become productive parts of the city. A strategically important way for upgrading includes the need to identify a policy course and practical solutions for tackling existing slums/informal settlements and preventing their future growth and expansion. UN-Habitat is currently engaged with the Provincial Government of Khyber Pakhtunkhwa, Planning & Development Department (Urban Policy Unit – UPU) to come up with a 'solutions' advice and to help guide this process. This has tremendous scope for country-wide replication.



Slum area Gujar camp, Peshawar



Taja-abad, Peshawar

## UN-Habitat on Urbanization and Development

Urbanization is a wealth-creating process provided it is well managed. The growing economy will require a large pool of skilled labour, and urban economies of scale and agglomeration have the potential to enhance productivity and raise income levels. The transformative power of urbanization needs to be understood and captured for the benefit of Pakistan's development and its people. Important in this is the need to break away from outdated notions such as 'the rural-urban divide'. As is the case in developed countries, rural populations in developing countries can also benefit from the urbanization phenomenon. For example, urban economic growth can finance improvements in agriculture and create demand for agricultural products and other consumer goods. Policies that create rural-urban linkages such as greater connectivity and integration should be pursued.

While the case for the benefits of urbanization can be made, *rapid* urbanization creates real challenges for the government and city administrations in terms of their ability to respond and manage growth and increased demand for housing, infrastructure, and services. Rapid urbanization puts pressure on land and housing, drives up prices, fuels land and property speculation that produces an underclass of urban citizen.

Rapid urbanization also leads to urban sprawl, traffic congestion, growth of informal settlements, pollution, and other problems – all of which must be tackled through urban planning, good governance, and targeted public investment. Unfortunately, the urban sector in Pakistan has been neglected, and large deficits in urban housing and services have been created that are threatening to undermine the liveability and productivity of cities and towns. Guided investment in the urban sector remains low and urban governance is weak. Together this is fuelling social instability, discontent and opening up opportunities for corruption and criminality. Proactive planning for the growth of urban areas and inevitable increases in the urban population is urgently required for the benefits of urbanization to be shared amongst all segments of the population.

In the face of growing demand, ensuring access to serviced land and housing remains one of the greatest challenges of cities in the 21st century for governments in developing countries – including Pakistan. The shortage of serviced urban land and housing has contributed to development of informal settlements on both public and private land and led to haphazard urban growth. Without policies and urban planning, land will go to highest bidder – forcing people into slums as they search for housing that is affordable and in proximity to where they earn their livelihoods. It is estimated that in developing countries, one out of every three urban dwellers lives in slums, and one sixth of humanity lives in sub-standard housing. These figures are expected to double in the next twenty years.

## Incremental Upgrading Programme

Incremental upgrading is a policy and planning response that is based on assumption that through a people-centered approach to planning and resource mobilization, slums and informal settlements can develop over time in an organized and well-serviced manner. Incremental upgrading is based on the same assumptions as integrated upgrading. The approach also has the shared aim of introducing planning and basic community facilities such as potable water, sewer, surface drainage, electricity, roads and footpaths, land, schools, health clinics, and community centres in situ. There are some notable distinctions, however, that make this approach a rational response in contexts where there is a proliferation of slums and informal settlements that have developed without the benefit of planning – making it difficult and expensive to introduce infrastructure and services after that fact.

As the name suggests, under incremental upgrading, development takes place over time on a planned but gradual basis. Communities in cooperation with government go through a process of planning and prioritizing of projects but with the understanding that investment will be provided in a phased manner. Under this approach, government provides communities with grants that can be used to partially finance community priorities. Communities are expected to drive the process as well as mobilize resources to contribute to the effort. This approach is effective in bringing down the cost of improvements while also providing an entry-point for introducing planning and guided investment.

At the same time, the level of upfront investment is reduced as incremental upgrading occurs as resources are marshaled both at the government level and at the community level. Because of this, incremental upgrading can be rolled out across a number of districts, and cities rather than focusing on only one or two slum settlements as is often the case due to budgetary constraints. What is more, incremental upgrading engages communities in a cyclical planning process that evolves over time. It is therefore an effective mechanism for introducing bottom-up land use planning that can feed up to higher order planning frameworks. This not only integrates these neglected and unplanned settlements into the framework of the larger urban development plans, it creates a platform for engagement between communities and government that can strengthen broader systems of governance and management.

## Population & Urban Growth

The population of Pakistan is 179.2 million (2012). Over the past 5 decades, Pakistan's population has grown at a rate of 2.5 percent per year in rural areas and 3.5 percent per year in urban areas. While the majority of the population in Pakistan still lives in rural areas, migration to urban areas is undeniably underway. On average, the population growth rate in urban areas is estimated to be 1 - 1.5 times faster than that of rural areas. By 2030, Pakistan's population is expected to reach 260 million people and half of the population will live in urban areas. Based on these figures, Pakistan's cities will need to accommodate another 80 million inhabitants over the next 15 years.

## Economic Growth and Cities

When Pakistan was established, the country was primarily rural with only a small number of mid-sized cities. The agricultural sector contributed over 53 percent of the GDP in 1949/1950. This figure was reduced to 24 per cent in 2004 while manufacturing has increased from 8 percent to 26 percent over the same period as well as services and trade has increased from 25 percent to 51 percent. These figures indicate that Pakistan's future economic growth is "increasingly driven by manufacturing and services sectors based in large cities where informal sector dominates." In 2010/2011, it was estimated that cities contributed more than 78 percent to national GDP.

## Housing and Urban Land Development

Pakistan is facing a massive housing shortage. An estimated 7.6 million units nationally and a shortage of 2.5–3 million units in urban areas is required. The two lowest income groups are most affected by the shortage of housing. An estimated 4.5-6 million units are required in order to house the two lowest-income groups. Given the demand for housing amongst lower-income households, slums and informal settlements have developed in every city in Pakistan as a way to meet their housing needs. In 2007, it was estimated that 47.5 percent of the urban population live in slums or unplanned settlements. The proportion of urban population residing in informal settlements in Pakistan has risen to 49 percent by 2012/13.

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