

# PROJECT PROPOSAL

<b>Code:</b>	INF/07/93
<b>Project Title:</b>	Community-Based Settlement Upgrading to Alleviate Urban Poverty
<b>Sector(s):</b>	Infrastructure, Income Generation
<b>Duration:</b>	3 years
<b>Location:</b>	Hanna Nassif Settlement area, Kinondoni District, Dar es Salaam
<b>Executing Agency:</b>	NIGP
<b>Implementing Agency:</b>	
<b>Associated agency:</b>	International Labour Organization
<b>Estimated Starting Date:</b>	January 1996
<b>Donor Input:</b>	UNDP - US\$600,000 Co-financing (to be identified by NIGP) - US\$700,000.00
<b>Community Input:</b>	In cash and kind: Tsh. 11,500,000

## Brief Description:

The Government of Tanzania is implementing a National Programme of Action for Income Generation Activities (NIGP), which is designed to support the National Employment Policy set out by the Government in the Fall of 1992. The programme strategy is centred on the principal of targeting sectors which have the highest potential for income generation (infrastructure, agriculture and informal sector).

Recognizing the rapid urbanization in Dar-es-Salaam and scarce resources from the Government to service the unplanned settlements in the city, and following the lessons learnt from the on-going UNDP/ILO/UNCHS/UNV project Improving Living Conditions and Expanding Employment Opportunities in Low-Income Communities, the proposed project under NIGP defines the possible areas of intervention in Hanna Nassif and other unplanned settlement of Dar-es-Salaam, including settlement upgrading and micro-enterprise development as well as capacity building of community, private sector and the local government in the development process.

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## LIST OF ABBREVIATIONS

CAP	Community Action Plan
CBOs	Community-based Organizations
CDC	Community Development Committee
CDCAG	Community Development Committee Advisory Group
DCC	Dar es Salaam City Council
DRRP	Dar es Salaam Roads Rehabilitation Project
ERP	Economic Recovery Programme
GTZ	Gesellschaft für Technische Zusammenarbeit
ILO	International Labour Organization
IU	Implementing Unit
LU	Logistic Unit
NEC	National Employment Council
NEP	National Employment Policy
NGOs	Non-governmental Organizations
NIGP	National Programme of Action for Income Generation Activities
NISP	National Informal Sector Policy
NMT	Non-motorized Transport Project
NPPP	National Professional Project Personnel
OPM	Office of Programme Management
PC	Project Coordinator
PD	Project Director
PMT	Project Management Team
PMU	Project Management Unit
SCDCAT	Special Community Development Committee Advisory Team
SDC	Swiss Development Corporation
SDP	Sustainable Dar es Salaam Project
SIDO	Small Industry Development Organization
SME	Small and Micro Enterprise
SSHSD	Strategy for Sustainable Human Settlement Development
SWM	Solid Waste Management
TA	Technical Advisor
UNCHS	United Nations Commission for Human Settlements
UNDP	United Nations Development Programme
USEP	Urban Sector Engineering Project
UNV	United Nations Volunteers

## **A. CONTEXT**

### **1. *Description of subsector***

Unemployment and poverty in urban areas is becoming increasingly widespread because of, inter alia, rapid urbanization and the inability of national economy to generate enough job opportunities for its job-seekers. The harsh reality today in Tanzania is that an increasing number of its population are searching for an opportunity to become productive citizens, enabling them to support themselves and their families.

A majority of the urban residents (at least 70 per cent) are living in poorly-serviced and unplanned settlements. Like other local governments, the Dar-es-Salaam City Council (DCC) is unable, due to lack of resources, to supply and upkeep urban infrastructure and services, nor is it able to halt the deterioration of the existing urban infrastructure and the erosion of the level of services, including those in the 42 unplanned settlements in the city.

The number of wage-sector jobs created per year in Tanzania dropped from 30,000 in the mid - 1980s to just 9,500 in the early 1990s. Further, the retrenchment in the public sector has led to a reduction of its payroll by approximately 50,000 people thereby aggravating the problem. According to a major Employment Sector Review in 1991 by the ILO/JASPA, there is an "obvious mismatch" between annual 300,000 - 350,000 new entrants to the labour market and only 9,500 new jobs created in the formal sector of economy. Clearly, the role of the public sector providing in employment opportunities to the labour force remains marginal.

Over the past decades, informal sector activities have been developing fast. In urban areas, 61 percent of the labour force is absorbed in the sector, including most new entrants to the labour markets. The problem confronted by micro enterprises development is however the marginal position of the poor women and youth in particular, having little access to credit, skills, training and the market.

### **2. *Host country strategy***

Government efforts to generate incomes and employment over the past twenty years have been largely unsuccessful, including the Employment Exchanges established after independence and the Human Resources Development Act of 1983.

In 1992 the government prepared the National Employment Policy (NEP), aiming to increase employment in sectors having the highest potential and to provide an institutional framework for effective coordination in employment promotion. They created the National Employment Council under the NEP, which has initiated the National Program of Action for Sustainable Income Generation (NIGP).

Recognizing the needs to address the urban settlements issue, the government developed the "Strategy for Sustainable Human Settlements Development" (SSHSD) in 1991. This strategy

is designed to create sustainable development in urban centres through improvements to urban environment and living conditions in informal settlements which would have an impact on employment and poverty alleviation.

A National Informal Sector Policy (NISP) is currently being developed to address the constraints on business development. A friendly policy and regulatory framework for informal sector development is expected to be worked out, which will serve as a vehicle for micro-enterprises activities promotion.

### **3. *Prior or ongoing assistance***

An UNDP/ILO/UNCHS/UNV project, entitled "Improving Living Conditions and Expanding Employment Opportunities in Low-Income Community", uses community based and labour intensive methods and is under implementation in Hanna Nassif unplanned settlement. This project is implemented by the DCC in partnership with the Hanna Nassif Community Development Committee (CDC) using a community contracting system. The on-going and planned upgrading project involves construction of a drainage system and 4 km of gravel roads.

The ILO through its Interdepartmental Project on the Urban Informal Sector is carrying out studies on micro-enterprise activities in Dar-es-Salaam in collaboration with the local institutions. The main objective of this project is to find effective ways for improving productivity of informal sector activities and their capacity to provide employment, and incomes, basic social protection and improved working conditions to informal sector producers and workers. The output of this project will provide necessary information to help the Government of Tanzania to formulate its NISP. In addition, the ILO/SIDO project on "Strengthening Small and Micro-enterprises Cooperatives and Associations" and the SIDO/GTZ project on "Self-help Organizations" are promoting micro-enterprise activities in Tanzania.

To address the urban sector problems, the government supported by the World Bank is finalising preparation of the "Urban Sector Engineering Project" (USEP), which aims at rehabilitating truck urban infrastructure, streamlining the roles and responsibilities of the Central and local government and establishing improved institutional and financial management within the local governments.

On-going projects also include the Dar-es-Salaam Roads Rehabilitation Project (DRRP) launched by the government of Japan and the Sustainable Dar-es-Salaam Project (SDP) launched by UNDP and executed by UNCHS. The SDP has established an environmental planning and management process within the City of Dar-es-Salaam. It has provided technical assistance to the council departments in addressing nine priority environmental issues identified in a city consultation workshop. These include improving solid waste management, upgrading unserviced settlements, coordinating urban renewal, coordinating city expansion, managing air quality and urban transportation, managing surface water and liquid waste, managing open spaces and maximising urban agricultural potential, and integrating the informal sector in the urban economy and managing coastal resources.

#### **4. Institutional framework for subsector**

Both the central and local governments in Tanzania are responsible for planning and management of urban development. The central government is mainly responsible for policy matters, while the local authorities are responsible for the implementation and management of development.

As far as employment is concerned, the Ministry of Labour and Youth Development is responsible for formulation of policies. It is also involved in implementing various schemes in urban areas in collaboration with the local authorities.

The Economics and Trade Department of the DCC deals with, inter alia, development of micro-enterprise activities.

The "urban" subsector touches upon the resorts of several government departments. Central are the local authorities which are responsible for area planning and management of municipal services, including maintenance of infrastructure and solid waste disposal. In the case of Dar-es-Salaam, this takes place through a decentralized structure based on Zonal offices of the City Council. Technical support and guidance to the municipalities come largely from the Ministry of Lands, Housing and Urban Development. However, in the informal settlements where the majority of the urban population live, *de facto* management of their current affairs is largely carried out by the communities themselves, often with assistance of Zonal Community Development Officers.

The SDP is developing a new mechanism in planning and managing urban development which tries to establish a partnership between government line ministries, utility agencies, the private sector and non-governmental organizations (NGOs) and Community-Based Organizations (CBOs).

In November 1994 the National Employment Council (NEC) was established to deal specifically with income generation issues under NIGP. In executing its duties this council will liaise with the relevant government ministries, the private sector (consultancy firms contractors and other entrepreneurs), NGOs and CBOs.

## **B. PROJECT JUSTIFICATION**

### **1. Background**

Pursuant to its objectives, NIGP requested the ILO to formulate a Project Proposal on "Community-Based Settlement Upgrading to Alleviate Urban Poverty" using the experience of Hanna Nassif community based and labour-intensive approaches.

To facilitate the Project Formulation Mission in carrying out this assignment, a national consultant was appointed by the ILO to identify through consultations with the Hanna Nassif CDC community priorities for further settlement improvements in Hanna Nassif as well as to propose other possible settlements for applying the Hanna Nassif experience. Priorities identified by the CDC include further improvements of roads and drainage network, construction of a dispensary, improvement of water supply system, solid waste management and micro-enterprise development.

The present project is built on the experience and the achievements of the on-going UNDP/ILO/UNCHS/ UNV project Improving Living Conditions and Expanding Employment Opportunities in Low-Income Communities which focuses its immediate objectives on mobilization, participation and capacity building of the Hanna Nassif community as well as its implementation of construction works. However, given time and budget limitations not all activities originally planned could be completed. When the present project terminates at the end of the year, those uncompleted works need to be covered by the new phase.

### **2. Problems to be addressed**

During the rains many houses in Hanna Nassif are flooded due to inadequate storm water drainage. The roads inside the area are access tracks with no drainage provision. They also flood during the rains and the pools of water become a health hazard as they mix with the uncollected garbage. The community has expressed a strong wish to improve these conditions and a start has been made under the Hanna Nassif Pilot Project and the community wishes to continue the experience and to expand the road and drainage network within the unplanned settlement.

Domestic waste poses an environmental problem, because of dense settlement pattern and lack of services on waste management. A common practice (by 40 per cent of the households) where space is available within the plot is to bury the waste. However, besides the fact that some of the generated waste could pollute underground water, there is no space to continue this practice. Another potential problem associated with lack of proper system for solid waste management is dumping in the newly constructed drains. If this is not checked, the drains will soon turn to be breeding ground for mosquitoes, and will not fulfil their role. An ILO study was conducted in November 1994, indicating that about 36 per cent of the households dispose their waste either on public space or dump in drains.

Piped water supply is the main source of water in Hanna Nassif. Whereas 59 per cent of the property owners have private connection, the remaining 41 per cent buys water from those

with private water connection at a price of Tshs. 5 per 20 litres. The buyers find this option too expensive, considering that those with private connection pays only Tshs. 1,200 per month. The CDC identified lack of water kiosks as a problem causing 41 per cent of the houses to depend on such an arrangement. Another major problem with respect to water supply is low pressure experienced especially during peak hours. This affects particularly the raised part of the settlement.

A recent survey in Hanna Nassif revealed that only 26.5 per cent of the labour force is employed on full time basis. The rest 73.5 per cent is either employed part time or unemployed. The main source of income for this group is likely to rely on micro-enterprise activities. Among the key problems facing this sector is the lack of any form of support to facilitate its development including credit schemes, training and market information. The entrepreneurs operate with capital accumulated from their meagre savings or assistance/loans from friends and relatives. Lack of technical assistance in form of business management is yet another factor which undermines development and performance of this sector.

At the moment Hanna Nassif residents get medical service from two small (privately owned) dispensaries, located in the settlement. There are also three government hospitals in the vicinity of the settlement; Mwananyamala, Magomeni and Muhimbili. The CDC claimed that medical service from the two private dispensaries is expensive, while the available government hospitals are too far in cases of emergency, especially if they occur during the night. Lack of a dispensary which provides service prices affordable to the community forces the majority of the Hanna Nassif residents to suffer costs of transport and other inconveniences, in trying to reach the government owned hospitals. Although the Hanna Nassif community has identified a dispensary as one of their priorities, this problem can not be fully addressed by the project due to the different nature of the services required for the operation of a dispensary. The project can, however, assist the community in preparing proper plans for improved medical services in Hanna Nassif to present to the authorities and possibly interested donors.

The problems identified in Hanna Nassif are common in most neighbourhoods in Dar-es-Salaam and in all other towns in the country. However, the unplanned settlements suffer most because of growing lack of space for community facilities and infrastructure and heterogeneity of the inhabitants, in terms of both economic status and varying interests and priorities. This last factor may present a hinderance in attempts to undertake community projects.

The government has been unable to improve living conditions in the unplanned settlements because of its over reliance on inadequate public resources and lack of policies and strategies to promote and enhance those innovative initiatives demonstrated by private developers and communities themselves. Government interventions have remained traditional while the social and economic conditions obtaining in the country demand innovative approaches, which are sensitive to a particular context and which does not compromise environmental quality.

The community-based participatory approach not only fosters democracy, it also ensures realistic, affordable and sustainable solutions to environmental problems which undermine individuals and community development. Individual developers and residents in general would

benefit from models provided by effective project implementation. Currently they are suffering because of the ineffectual and inappropriate government interventions.

### **3. *Expected end of project situation***

At the end of the project, a more democratic planning and implementation approach will be put in place with community participation. Within the framework, the communities will be empowered to identify their social and economic problems which inhibit their endeavours to overcome poverty. Additionally, their sense of ownership developed in the project implementation will strengthen their responsibility for future operation and maintenance of the assets created by the project.

Despite the opportunity provided by the on-going Hanna Nassif project, DCC has not used this opportunity fully in building the necessary capacity to support the community based initiatives. The public and private sectors as well as the NGOs to be involved in this project implementation will be equipped with the necessary capacities to support community-based planning and implementation approaches.

The project will have achieved the goal of setting up a functioning road and drainage system, a reliable adequate supply of water at affordable rates, a functioning system of solid waste management and economically sound micro-enterprises which generate employment and income opportunities for women, youths and the poor in particular.

A total of 50,000 workdays of paid local employment will have been generated, together with 10,000 days of unpaid work as community contribution in settlement upgrading during the lifetime of the project. All the income generation activities will have contributed to some extent to poverty alleviation for the local poor.

### **4. *Target beneficiaries***

The whole population of Hanna Nassif, about 19,000, is expected to benefit from the improvement of the infrastructure and services which are planned and will be materialized under this project. Individuals and groups are expected to benefit from the employment opportunities created and skill training provided during and after the life time of the project.

In considering the equity objectives of this project, the urban poor in Hanna Nassif, particularly the women and youth are expected to benefit from the income generation opportunities as results of improved living and working conditions and expanded informal sector businesses from the project. For this purpose woman and girls in particular will be participating in worksite construction activities and in training activities on promotion and establishing of small scale businesses.

Through focusing the involvement of private sector in urban poverty alleviation programmes, capacities of the non-government organisations and medium and small scale construction contractors are expected to be strengthened in implementation of infrastructure

rehabilitation and development projects using labour intensive and community participatory approach. Ultimately, this approach will encourage greater participation of the private enterprises in delivery of urban services.

Community-based approach to social and economic progress provides the population with opportunities identification of their priority needs, participation in design of the project activities and monitoring the implementation of the project. This process will enhance the community with a sense of ownership and responsibility, developing a capacity which ensures future operation and maintenance of the developed assets.

In an arrangement of sub-contracting minor construction works to the CDC, technical capacity of the CDC is expected to be strengthened in settlement upgrading, which will have an impact on sustainability in future operation and maintenance of the development assets as well as other community development projects.

The DCC is expected to benefit from this project through on the-job training by secondment of its technical staff including town planners, civil engineers, surveyors, community development officers, etc. to the private implementing agencies. The strengthened capacity of the city council will help it to respond to the needs identified by the communities on the one hand, and to mainstream community-based approaches into their investment policies and programmes on the other.

## **5. *Project strategy and institutional arrangements***

### **Project strategy**

The recently closed World Summit on Social Development held in Copenhagen focused on the increasing challenging issues of employment promotion, poverty eradication and social integration. This project builds on the foundation of the ongoing UNDP/ILO/UNCHS/UNV project "Improving Living Conditions and Expanding Employment Opportunities in Low-Income Communities" and designed for poverty alleviation through further improvement to living conditions by providing access to urban services to the population in Hanna Nassif and through promotion of informal sector activities.

Given the fact that only a relatively small amount of surveying, designing, engineering and construction carried out in the country uses local expertise or construction companies, this project will provide national NGOs and private contractors with new opportunities for the implementation of construction works, thereby leading to their improved capacity of civil works engineering and tendering and bidding in market competition.

A dynamic partnership through community-based approach will be strengthened under this project whereby it will change the traditional status of the target groups from being "beneficiaries" into "active actors" in the development process through community participation

in their priority needs identification, project design and monitoring as well as being an implementor of some construction works within the project. In order to ensure a full and equal community participation in the project activities, these 'active actors' will consist of both men and women. The project will actively pursue this equal benefitting and participation through securing access to information on the project activities for both women and men, and monitor the impact of the project for men and women in Hanna Nassif.

In order to build the capacity of the DCC, technical staff of the DCC will be participating in the project implementation and receive on-the-job training through secondment to the NGO or consultancy firm who will be awarded the contract to manage the project. This will help enable the DCC to respond required services of the communities in an affordable way.

Franchising<sup>1</sup>, in which Government Technical Services act as franchisers may offer opportunities for providing some basic public services to areas where traditional organizational approaches would be ineffective. The development of franchised networks for the delivery of selected components of various public services such as drinking water supply, sewerage and garbage collection would facilitate access to areas otherwise difficult to serve and would lower the delivery costs of such services.

### **Institutional arrangements**

To implement the community-based settlement upgrading to Alleviate Urban Poverty, the following agencies will be involved:

The Office of Programme Management (OPM) of the NIGP will, through its Project Management Unit (PMU), monitor and supervise the implementation of the project activities.

The implementing agency will be a national consultancy firm or a NGO, which will work through its established Project Management Team (PMT) closely with the Ministry of Labour, the Ministry of Lands, Housing and Urban Development and the DCC directorate of Urban Development in relation to policy, standards and by-law issues.

Technical staff from the DCC will be seconded to the PMT, contractors and/or consultancy firms for in-service training. At the same time they shall provide the CDC technical assistance in implementing minor works construction .

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<sup>1</sup> Franchising is the authorization granted to an individual or group by a company to offer its products or services in a particular area. Different types of franchise systems exist depending on a particular set of business conditions and a different set of reciprocal expectations between the franchiser and the franchisee. (see Franchising as an integrating approach to the informal sector: some preliminary ideas by Paul E. Bangasser, ILO, 1994)

The CDC is standing in parallel to the PMT with a main function aimed at ensuring full participation of the community in project planning, design, monitoring and implementation of minor works construction through backstopping the community representatives in the PMT and in the IU-A and IU-B.

The role of the ILO is played on advisory basis. The project may build on three complementary elements, largely corresponding to the mandate and comparative advantage of each of the following three collaborating agencies and reflecting the process to be followed in settlement upgrading and micro-enterprises expansion.

*ILO:* Promotion of employment-intensive and participatory strategies, particularly in relation to infrastructure works, skills training and small enterprises development.

*UNCHS:* Support to local government in planning, designing and coordinating affordable settlements upgrading projects that maximize opportunities for employment and income generation.

*UNV:* Support to communities to mobilize, identify needs, establish a sense of ownership and thus increase their bargaining power vis-a-vis public authorities, as well as to promote local initiatives through community voluntarism and networking.

The ILO TA will coordinate not only technical assistance in the fields of employment-intensive and community-based settlement upgrading and informal sector development, but also support services from UNCHS and UNV on request of the PMT and/or the NIGP want in order to ensure continuity and effectiveness of this innovative and experimental project.

## **6. *Reasons for assistance from donor agencies***

Urban poverty is increasing, subsequent to the rapid urbanization with which the urban economy can not cope in terms of income and employment opportunities. The situation is worsened by the implementation of the Economic Recovery Programme (ERP) which entails retrenchment of public workers. Recognizing the magnitude of the problem, the Government has made poverty alleviation a priority issue to be addressed in the context of the following objectives:

- strengthen private Tanzanian companies able to execute infrastructure rehabilitation and development projects,
- strengthen non-governmental organizations in order to implement income generating activities in the targeted sectors,
- redesign and/or expand existing activities to increase their income generation potential, and

- encourage greater private sector participation in the delivery of services whenever there is a comparative advantage in doing so.

The present project is therefore fully in line with the government policy on income and employment. It is also in accordance with policies of a majority of donor agencies including UNDP on urban issues which draws attention to the following critical issues:

- Promote enabling and participatory strategies for the provision of urban infrastructure and affordable shelter.
- Alleviate urban poverty by promoting income-generating activities and transforming the role of the informal sector.
- Promote the protection and regeneration of the urban physical environment, especially in low-income settlements.
- Improve urban management, including expansion of local governments' revenue-raising capacity and decentralize authority and responsibility for urban development from central government agencies and ministries to local governments and NGOS.
- To achieve the above, draw on the full complement of human energy in cities. this means wider recognition of the role of women and full government collaboration with the private and voluntary organizations.

In Tanzania, the project could become a strategic contribution to UNDP's task to help the government co-ordinate new important investments expected to come forward in the urban sector in future years, in order to ensure sustainable development in line with the above-mentioned principles.

## **7. *Special considerations***

There are high unemployment rates of women and youth in Hanna Nassif informal settlement. Therefore, their participation in social and economic development process is crucial. Their integration in settlement upgrading has been accomplished in the on-going project. In the present project, the micro-enterprise and informal sector project component is targeted towards women and youth through providing them access to credit, skills training and other necessary support. Women participation will also be sought in the design of the water supply system and solid waste management.

Given the fact that many informal sector activities are home-based, the improved living conditions designed in this project automatically contribute to the improved working conditions, thereby resulting in improved productivity of those micro-enterprises.

## **C. OBJECTIVES**

### **1. Development Objectives**

To contribute to improvement of living conditions and access to urban services and expanding employment opportunities for the poor in urban unplanned settlements.

### **2. Immediate Objectives**

#### **Immediate objective 1:**

A pilot project on community-based, employment intensive storm water drainage infrastructure upgrading of Hanna Nassif be successfully completed. Introducing in turn different modalities for contracting work via community and private contracts and create capacity in the private sector and city council to respond to such community-based initiatives.

#### **Immediate objective 2:**

The capacity for the private sector, Dar es Salaam City Council and other relevant actors to continue to deal in an enabling manner to community-based urban up-grading proposals be created and expanded.

#### **Immediate objective 3:**

A viable community based solid waste collection and recycling management plan set up and small scale private sector economic activities promoted in order to help redress the relative inability of people living in urban poor area to make use of or create gainful economic opportunities.

## **D. IMMEDIATE OBJECTIVES, OUTPUTS AND ACTIVITIES**

### **Immediate objective 1:**

A pilot project on community-based, employment intensive storm water drainage infrastructure upgrading of Hanna Nassif be successfully completed. Introducing in turn different modalities for contracting work via community and private contracts and create capacity in the private sector and city council to respond to such community-based initiatives.

#### *1.1 Output 1*

A functioning and maintainable storm water drainage system constructed. Other basic infrastructure such as drinking water system planned, designed and implemented within time and budget limitations.

- 1.1.1 Activity 1: Make arrangements to ensure the full participation of the community at all stages of the project.
- 1.1.2 Activity 2: Review previous work progress made by the former project team and project committee, continue ongoing activities as necessary and make a workplan.
- 1.1.3 Activity 3: Review the priorities identified by the community and consider adjustment when necessary.
- 1.1.4 Activity 4: Establish responsibilities, reporting lines and management procedures between the PMT, IUs, CDC, NIGP, DCC and other parties involved.
- 1.1.5 Activity 5: Arrange for topographical surveys to support engineering, land and planning issues and construction contracts.
- 1.1.6 Activity 6: Field consultant in community action planning to assess the operational and administrative ability of the CDC to manage community construction contracts, private contracts for consultants and contractors. Decide upon the suitability of different type of contracts for different type of works and assess the necessary training inputs and other follow up support.
- 1.1.7 Activity 7: Ensure meaningful participation of the community in design, planning, execution and monitoring of the activities. Coordinate community and PMT discussions to review and amend the drainage and road designs if necessary, ensuring that they are of an adequate technical standard.

- 1.1.8 Activity 8: Undertake all necessary detailed technical planning, design and preparation of contract documents either directly or through local consultants.
- 1.1.9 Activity 9: Submit all designs to the relevant government authorities.
- 1.1.10 Activity 10: Procure (by PMT) materials and equipment for the construction works under community contracts. Procurement operations will be phased into community contracts only when the CDC becomes experienced.
- 1.1.11 Activity 11: Construct infrastructure improvements in line with the community plan (i.e. lined drainage channels, erosion protection, road access and drinking water system <sup>2</sup>), using either contractors or by providing on-going technical, logistical and other necessary support of the community for the day-to-day execution of the works.
- 1.1.12 Activity 12: Field a skills training consultant to assist in the preparation and undertaking of a training plan for the community and technical support team.
- 1.1.13 Activity 13: Review and or prepare training manuals for all relevant labour intensive and community based construction works (in English and Swahili) for both project staff and community. Under the UNDP/ILO/Habitat/UNV project a draft training manual on storm water drainage and road construction has been prepared.
- 1.1.14 Activity 14: Organize problem solving seminars and workshops as required, to address technical, legal or organizational issues (e.g. surveying, adoption of technical standards, compensation, community contracts, maintenance).

## 1.2 *Output 2:*

Employment created (target 50,000 workerdays of paid employment and 10,000 workdays contributed by the community in cash or kind).

- 1.2.1 Activity 1: Define major and minor works to be implemented by private labour-based contracting and community contracting respectively as well as works implemented by the community through unpaid labour.
- 1.2.2 Activity 2: Ensure that all the work is designed and implemented according to labour based methodologies with unskilled labourers recruited from the Hanna Nassif community.

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<sup>2</sup>The technical details on the required construction works for the drainage and road infrastructure, the drinking water system and the dispensary are listed in annex 2.

- 1.2.3 Activity 3: Assist the community and private contractors in recruiting methods for casual labourers.
- 1.2.4 Activity 4: Devise sub-contracting practices for small contractors, fundis and assist the community to operate the contracts.
- 1.2.5 Activity 5: Obtain working norms for output and costs during the construction of the first infrastructure works.
- 1.2.6 Activity 6: Assist all actors to develop and test procedures for private and community contracts based on the pilot project, in liaison with the DCC and the contractor training programs under NIGP.
- 1.2.7 Activity 7: Monitor the above activities, record significant changes to the program and agreements reached.
- 1.2.8 Activity 8: Actively encourage the participation of woman in all activities.

### 1.3 *Output 3:*

A community management capacity to maintain the infrastructure, coordinate and establish its legal framework, and to identify future priority needs within the Hanna Nassif community.

- 1.3.1 Activity 1: Assist in the development of a community action plan and in reaching a consensus on this plan.
- 1.3.2 Activity 2: Extend and if necessary adapt the maintenance plan of the pilot project to the optimal operation of the maintenance of the present project.
- 1.3.3 Activity 3: Conduct maintenance training.
- 1.3.4 Activity 4: Formulation of community bylaws for control and planning of developments in the settlement area, with reference to CDC working groups on this.
- 1.3.5 Activity 5: Assist in formulation of agreements between community, private sector, City Council and other public authorities.
- 1.3.6 Activity 6: Carry out survey and registration of open spaces and rights of way and encourage the survey and registering of plots in the settlement.
- 1.3.7 Activity 7: Identification of other activities by the community for future action (i.e. dispensary, pit latrine construction, house construction) in continued expansion of community action plan.

1.3.8 Activity 8: Evaluation of progress using participatory evaluation techniques.

**Immediate objective 2:**

The capacity for the private sector, Dar es Salaam City Council and other relevant actors to continue to deal in an enabling manner to community-based urban up-grading proposals be created and expanded.

*2.1 Output 1:*

Private sector (contractors and consultancy firms), community-based organizations (CBOs) and City Council staff trained in community-based up-grading.

2.1.1 Activity 1: Field consultants on labour intensive, community based design and implementation of construction works.

2.1.2 Activity 2: In service training of labour based contractors in community based urban upgrading work. Contractors trained under NIGP contractor training programs could gain experience in Hanna Nassif.

2.1.3 Activity 3: Encourage technical training of City council staff in the project, for instance by secondment of city council staff to local contractors and consultants firms who work in the project.

2.1.4 Activity 4: Encourage secondment of town planners, city community participation officers and other relevant officials to the project in order to train City Council staff.

2.1.5 Activity 5: Conduct short seminars summarizing Hanna Nassif activities, progress, constraints, etc. as inputs to inter alia the SDP working Group on Upgrading Unplanned Settlements in order to integrate with other NGO and SDP activities city-wide.

2.1.6 Activity 6: Develop design standards and specifications for upgrading work in urban unplanned settlements. This should be done together with other relevant projects as Non Motorized Transport Project (NMT), Sustainable Dar es Salaam Project, Urban Engineering Project.

2.1.7 Activity 7: Assist the City Council in formulating essential bylaws and planning standards in order to create an enabling environment for upgrading of unplanned settlement areas.

## 2.2 *Output 2:*

A training manual, giving step by step guidelines for replication of the process in other settlements, prepared.

2.2.1 Activity 1: Maintain a daily record of operation by the PMT and IUs, monitor individual workplans through fortnightly progress meetings. Closely monitor the participatory process, changes made, and agreements reached during project execution.

2.2.2 Activity 2: Prepare three-monthly summaries on (a) physical progress, (b) training programs, (c) performance of private contracts, (d) performance of community-contracts, (e) performance of CDC, PMC and other actors involved, (f) technological performance, (g) employment generation (skilled/unskilled, paid/unpaid, gender) and (h) financial overview. Concluding with a comprehensive report synthesizing all data to be available for the evaluation mission.

2.2.3 Activity 3: Collect all design details with specifications and explanations, implementation instructions on different activities and training material used during implementation.

2.2.4 Activity 4: Prepare the step by step guidelines and a complete training manual and discuss the result with training experts.

## 2.3 *Output 3:*

A report written and a workshop held on the impact of the project on the physical and socio-economic characteristics of the community so as to avoid potentially harmful effects during the preparation and implementation of future community based upgrading proposals.

2.3.1 Activity 1: Review base line study and other documentation on Hanna Nassif Unplanned Settlement.

2.3.2 Activity 2: Arrange for a socio-economic and environmental base-line study one and a half years after the start of the project to assess changes due to project activities.

2.3.3 Activity 3: Use the results of the study for decision making within the project and for use in the wider context of unplanned settlement upgrading.

## 2.4 *Output 4:*

Start up activities to replicate the positive experiences of the Hanna Nassif Upgrading in 2 other settlement areas in coordination with CIP and Non-motorized Transport (NMT).

- 2.4.1 Activity 1: Contact CBO's operating in the chosen unplanned settlement areas and ascertain whether they and the community are committed to improve the infrastructure of their area.
- 2.4.2 Activity 2: Set up community participation actions to assist the community in identifying priorities, discussions of responsibilities and to produce a Community Action Plan (CAP).
- 2.4.3 Activity 3: Establish IUs under the guidance of the PMT responsible for similar functions and designs in other settlement areas as described for Hanna Nassif.

## **Immediate objective 3:**

A viable community based solid waste collection and recycling management plan set up and small scale private sector economic activities promoted in order to help redress the relative inability of people living in urban poor area to make use of or create gainful economic opportunities.

## 3.1 *Output 1:*

A viable community based collection and recycling plan designed and in operation for solid waste produced in the settlement.

- 3.1.1 Activity 1: Form an IU and define its responsibilities, reporting lines and management procedures between the IU, PMT and the Community.
- 3.1.2 Activity 2: Take notice of the research report of ILO on Employment Creation and Livelihood improvement through waste collection and recycling (1994) and discuss with the community possible implementation strategies for composting organic waste.
- 3.1.3 Activity 3: Conduct further surveys on marketability of compost and other possible recycling activities as well as on business intersections and linkages between this community and different commercial and entrepreneurial centres of the city.
- 3.1.4 Activity 4: Feed back to the community and the working group on solid waste within the City Council (Sustainable Dar es Salaam Project). Ensure

also linkages with the integrated solid waste management project under NIGP, if in place.

3.1.5 Activity 5: Assist the community in finding plots for the collection of solid waste and recycling activities.

3.1.6 Activity 6: Design, implement and evaluate, the collection system, composting and if possible other recycling activities.

### 3.2 *Output 2:*

A demand-driven Small and Micro-enterprise (SME) promotion mechanism designed and in operation in the community, specifically for those enterprises related to the infrastructural works or solid waste management.

3.2.1 Activity 1: Identify SME's related to the infrastructural works and solid waste management activities, e.g. SME's producing construction material, small contractors, fundis and recycling businesses.

3.2.2 Activity 2: Conduct a socio- economic survey on the SME environment as well as on business interactions and linkages between this community and different commercial and entrepreneurial centres of the city.

3.2.3 Activity 3: Establish close links with other projects or activities in the field of SME promotion, such as NIGP Micro Enterprise Support Project, NIGP umbrella project on Credit and Micro Enterprise Development, SIDO/ILO project on Strengthening Small and Micro Enterprise Cooperatives and Associations and NIGP project on Labour Based Contractor Training.

3.2.4 Activity 4: Feed-back to the community on the findings.

3.2.5 Activity 5: Identify, contact, analyze and assess the business ideas of SME entrepreneurs who want to develop, improve or start up a business.

3.2.6 Activity 6: Design a communication and information system with the SME and their representative of organization and with the IU.

3.2.7 Activity 7: Undertake an entrepreneur needs analysis integrating the different aspects of business development (training, financial services, location etc.).

3.2.8 Activity 8: Design, implement and evaluate a training programme essentially based on entrepreneurial, business, marketing and technical skills in connection with other training and SME promotion programmes such as mentioned under 3.2.3.

3.2.9 Activity 9: Design and implement a follow-up counselling programme in management.

3.2.10 Activity 10: Assist small informal groups of SME in setting up and managing an association (e.g. carpenter association, association of woman to make compost).

### 3.3 *Output 3:*

Saving and Credit scheme designed, experimented and implemented.

3.3.1 Activity 1: Request assistance from an NGO associated with the NIGP umbrella project on Credit and Micro Enterprise Development to analyze the real needs for financial services and the type of working capital, start up capital, repeated small loan, equipment, guarantee fund for raw material, etc.

3.3.2 Activity 2: Analyze the possible linkage of a saving scheme with income generating activities in the infrastructural works.

3.3.3 Activity 3: Design (together with the NIGP umbrella project on Credit and Micro enterprise Development) a saving and credit scheme adapted to the SME needs, based on an approach of cost sharing and collective responsibility of the SME members and closely linked with other credit schemes.

3.3.4 Activity 4: Implement this saving and credit scheme in at least 3 groups of SME in the project area.

## **E. INPUTS**

### **1. *Community input - Tsh 11.5 million (in cash or in kind)***

Roads and drainage - 7 million shilling

Drinking water - 1.5 million shilling

Management and administration - 3 million shilling

### **2. *NIGP input - US\$ 1,300,000***

See budget covering NIGP contribution.

Explanations on budget NIGP:

*Budgetline 11 - International Expert:* An ILO technical advisor to advise and train the national coordinator within the first 12 months. The role of the international expert will be; to advise and train the national coordinator in managing the various project activities, such as: setting up a functional consultation structure with the community, setting up day to day functioning of the project, ensuring that sound financial procedures are being set up, designing and preparing contract documents for tendering and establish, contractual procedures for community contracts, consultancies and contractors, ensuring use of appropriate technology (community and labour based) and the preparation of a clear set of guidelines on the above so that the national coordinator can take over after one year.

*Budgetline 11 - Consultants:* Preferably nationally based consultants.

- Engineering consultants = Design for roads and drainage and drinking water system US\$30,000; additional site supervision support US\$20,000
- Community contract consultants = US\$8,000
- Small micro enterprise consultants = US\$30,000 (including solid waste)

It is assumed that e.g. skills training and other technical assistance will be delivered by ILO under the technical support service (TSS 2) arrangement. (see annex 5)

*Budgetline 13 - Administrative support:* Administrative/finance officer, secretary/typist, 2 drivers and allowances for community book keeper and store keeper and City Council personnel US\$33,000.

*Budgetline 15 - Duty travel:* US\$1,000

*Budgetline 17 - NPPP (National Professional Personnel):*

-Coordinator,

-Senior Community Animator (with main tasks; to ensure full participation of community and to enhance community contribution and to assist community in maintenance and follow up activities) and

-2 IU Managers (an engineer and a solid waste/ME specialist for one year minimal to assist in setting up the community contracts and guarantee the correct implementation of these contracts, in the long run this could be taken over by local consults).

*Budgetline 20:*

-Subcontract for comparative study on socio-economic developments in the Hanna Nassif Settlement, e.g. changes in house rent or prices of building plots, impact of upgrading on the low income group etc.(with reference to Ardhi Institute study carried out in 1994) = US\$25,000.

-Community contracts US\$114,000 (labour + 10% profit).

-Contracts to construction firms USD246,000.

*Budgetline 32:* Group training and workshops for community participation, construction works and micro enterprise developments (including solid waste) US\$57,000.

*Budgetline 41 - Expandable equipment:* Material for construction works under community contracts US\$255,000; materials for solid waste management US\$10,000.

*Budgetline 42 - Non-expandable equipment:* 1 car, 2 motorcycles (the car and motorcycles of the former pilot project should be handed over), 2 computers, 1 printer, 1 copying machine = US\$39,000; tools and equipment for construction works and composting activities = US\$20,000; office furniture = US\$3,000.

*Budgetline 50 - Miscellaneous:* = US\$21,000 including worksite transport costs

*Budgetline - Premises:* Rent for the project site office in Hanna Nassif of US\$500/year, total US\$18,000.

*Budgetline 53:* Fuel/services for cars and motorcycles, stationery = US\$20,000.

### **3. Government input**

The Government input will consist of secondment of Government personnel to the private sector groups involved in the project. Via the secondment, personnel from City Council and Government Departments will be given the opportunity to be trained in community based upgrading works and consequently will acquire the necessary capacity to follow up on this kind of activities in the transition phase between government- and private sector implementation. Government personnel seconded to the project could be:

- Town planners
- Civil engineer
- Drinking water engineer
- Surveyor/technicians
- Community development officers

## Budget covering UNDP and other donors contribution in US dollars

Subject to approval of BUDFIN ILO HQ Geneva.

Budget line	Total (US\$)	Year 1 (US\$)	Year 2 (US\$)	Year 3 (US\$)
10. Project personnel				
11. International expert	162,000	162,000		
11.51 Engineering consultants	50,000	30,000	10,000	10,000
11.52 Community contract	8,000	8,000		
11.53 SME consultants	30,000	10,000	10,000	10,000
13. Administrative support	99,000	33,000	33,000	33,000
15. Duty travel	1,000	400	300	300
17. NPPP	122,000	60,000	31,000	31,000
20. Subcontracts				
21. subcontract soc.econ survey	25,000	0	25,000	0
22. community contracts	114,000	60,000	50,000	4,000
23. private contracts	246,000	60,000	125,000	61,000
32. Group training and workshops	57,000	19,000	19,000	19,000
41. Expendable equipment	265,000	115,000	75,000	75,000
42. Non-expendable equipment	62,000	42,000	10,000	10,000
50. Miscellaneous	21,000	7,000	7,000	7,000
Premises	18,000	6,000	6,000	6,000
53. O + M	20,000	6,000	7,000	7,000
Total	1,300,000	618,400	408,300	273,300

## **F. RISKS**

1. Although the project has received US\$600,000 from UNDP as seed money, additional resources remain needed from external financing for some time to come. Today, the pattern that most multi and bi-lateral donor assistance is directed to rural rather than urban development has not changed. It is therefore an important task of this project to generate interest of donor agencies in community-based and private-sector-participatory approaches to improve living conditions in urban informal settlements and creating job opportunities through labour-based methods and micro-enterprises promotion.
2. Delays in receiving additional external funds to support this project will bring difficulties to this new project in terms of the continuation of those uncompleted construction works planned under the UNDP/ILO/UNCHS/UNV project and to be considered in the new phase, as well as the momentum of morale in the community.
3. This project has designed a new partnership between private sector, community and the local government. Coordination will not be an easy task in view of different priorities, objectives and capacities of the various actors involved in the project implementation. A compromise is always expected between profit-making and capacity building. One should always be reminded that though capacity building is time-consuming, it is nevertheless ensures project sustainability.
4. House rents will possibly rise when living conditions and services in Hanna Nassif settlement are improved. However, increased income of the Hanna Nassif people from informal sector activities which will be developed by this project will make the rent rises complementary.

## **G. PRIOR OBLIGATIONS AND PRE-REQUISITES**

**1. Prior obligations** - None.

**2. Pre-requisites**

The government will allocate resources including human resources as indicated under government inputs above.

The OPM of the NIGP agrees to supervise the project implementation, and to be responsible for selection of NGOs, consultancy firms and/or private construction contractors only after they are properly trained and become qualified for labour intensive and community-based technology in urban sector.

The DCC agrees to second its technical staff to the project, letting them to acquaint themselves with response to community needs under enabling environment.

The CDC of Hanna Nassif agrees to be responsible to mobilize community contributions accounting for 20 per cent of the labour costs of the works construction.

The project document will be signed by NIGP and other donor agencies. Their assistance to this project will be provided only if the prerequisites stipulated above have been fulfilled or are likely to be fulfilled. When anticipated fulfilment of one or more prerequisites fails to materialize, UNDP and other donor agencies may at their discretion, either terminate or suspend their assistance.

## **H. SUSTAINABILITY**

Sustainability of the developed assets and impact of the project on socio-economic aspects will not last if a clear cost recovery mechanism is not properly planned and established. This is even more serious when taking into consideration the lack of budget from local government to secure maintenance of the project-constructed facilities.

It is strongly recommended that a property tax system (since users charge mechanism is likely to be a failure) be set up. Taxes will be collected from the house owners by the CDC as contributions to ensure operation and maintenance of the physical works to be built by the project. Tenants will pay the contribution indirectly through increased house rents.

The CDC shall be provided the legal status as an agent to collect local property taxes and manage them for community services, particularly for the operation and maintenance of the assets developed by this project and the UNDP/ILO/UNCHS/UNV Projects

## **I. ASSUMPTION**

To generate income and employment opportunities for Tanzanians through involving the private sector in implementing infrastructure works has been identified under the NIGP as an effective approach to alleviate urban poverty in economic development. And the physical works construction of this project will be contracted to local contractors. It is well understood that few local contractors and/or NGOs including consultancy firms have a better understanding about labour-intensive and community-based technology in dealing with settlements upgrading in unplanned urban areas. Although technical assistance from concerned UN specialized agencies has been designed within this project, NIGP is expected to develop some specific curriculum to train the potential contractors, NGOs, and consultancy firms to equip them with the necessary knowledge with a view to ensuring to meet the project objectives.

## **J. PROJECT REVIEWS, REPORTING AND EVALUATION**

During the lifetime of the project, the Project Director should make sure the flow of information to all agencies involved in the project.

The project will be subject to tripartite review (joint review by NIGP, executing and implementing agencies as one party and UN specialised agencies if involved) within the first 12 months of the start of full project implementation. The Project Director and the project coordinator will prepare and submit to all parties a project performance evaluation report 3 months before the date of the review meeting.

The project shall be subject to evaluation soon after 12 months following the start of full implementation. The organization, terms of reference and timing will be decided after consultation between parties to the project document.

A project terminal report will be prepared for consideration at the terminal tripartite review meeting. It shall be prepared in draft sufficiently in advance to allow review and technical clearance by the NIGP at least one month prior to the terminal tripartite review.

## **K. IMPLEMENTATION ARRANGEMENTS**

A Project Director (PD) is nominated by the NIGP and will sit in PMU of NIGP. The Project Director oversees the project planning and implementation, and is responsible for overall project management. The PMT, set up by the executing agency, will be headed by a Project Coordinator (PC) responsible for project day-to-day operations. The PC will be supported by a full-time ILO Technical Adviser (TA), Implementing Units (IUs) and Logistic Unit (LU) managers and international consultant(s). Within the PMT, the CDC will be represented by 3 CDC members. The CDC representatives will play an important role in linking the CDC and PMT through two-way dissemination of information and in participating in decision making on project planning and implementation, in order to ensure that all community's interest and viewpoints are duly considered by the PMT.

Under the PMT there are two Implementing Units (IU) and one Logistic Unit (LU). The IU-A covers settlement upgrading, the IU B is in charge of micro-enterprises promotion and solid waste management and the LU is responsible for administration and financial matters. Each of the units is headed by a manager, under whom are core staff assisting the unit manager in running day-to-day businesses.

In each of the IUs the community is represented by at least two CDC members or two other members co-opted from the community and they will guarantee participation of the community in planning and design of project activities as well as to monitor the process of their realisation. The LU shall assist the CDC in capacity building in contract tendering, bidding, and financial management and shall assist and train the community book keeper and storekeeper.

In planning of physical construction the IU-A shall differentiate minor works from major works, and it only contracts the major works to medium and/or small-sized labour-based contractors while providing contracts for minor works to the CDC for their implementation. IU-B shall help the under- and unemployed population in Hanna Nassif, particularly the women to develop and promote micro enterprise activities and solid waste management activities.

Community Action Plans (CAP) will be developed by the PMT together with the CDCs before infrastructure construction, in order to strengthen understanding and involvement of the communities in the plan preparation and project activities. CAP will contain demand for service types and levels including the appropriate and affordable standards, construction methodologies and agreements to community contribution for future operation and maintenance.

Though priority needs by the Hanna Nassif Community have been identified, other possible needs could be considered by the community and the PMT during the planning of this project, which subsequently has to be approved by NIGP. The community will actively involve itself in the project planning, design and monitoring in close collaboration with the potential consultancy firms or contractors. Construction planning will follow the principle of keeping the demolition of already - existing infrastructures at minimum level.

Based on the on-going Hanna Nassif project experience, "labour-only" contracts will be offered to the CDC and overall financial and procurement operations be phased in under its management at a later stage as a result of successful completion of community training programme. By doing so, most of employment generated remains inside the community.

The CDC will play a key role in the organization of community contribution in cash or kind to match the external investment.

In signing community contracts with the CDC, a 10 per cent profit margin of the total contact value will be provided to be used as a community development fund. This will be used jointly with the property tax as fund for community's future simple infrastructure works upgrading and operation and maintenance purposes mentioned above.

## Workplan

Technical details on project activities

A. Roads and drainage

B. Drinking water

C. Solid waste management and micro-enterprise development

Job descriptions

Framework for backstopping services by ILO (TSS2)