



WORLD BANK GROUP

Urban, Disaster Risk Management, Resilience & Land

LESSONS LEARNED FROM A DECADE OF AREA-WIDE URBAN UPGRADING IN A FRAGILE COUNTRY

KABUL MUNICIPAL DEVELOPMENT PROGRAM

PARTNERS: KABUL MUNICIPALITY

DURATION: 2014-2021

**FINANCE: US\$110 MILLION GRANT FINANCED THROUGH THE
AFGHANISTAN RECONSTRUCTION TRUST FUND (ARTF)**



AT A GLANCE

Country: Afghanistan

Total population: 37.2 million (2018)

Urban population (% of total population): 25.5

Urban population growth (annual %): 3.4

Population living in informal settlements: 70% of Kabul's total population

1. CONTEXT: A SWELLING URBAN POPULATION AMID FRAGILITY AND CONFLICT

Afghanistan, a country of 36 million people, is dealing with major development challenges after decades of war and instability. More than half of the population is living below the national poverty line.[1] This has been fueling a surge in the rural-urban migration, which coupled with forced displacement and return of refugees from neighboring countries, is resulting into rapid urban growth. The urban population is growing by more than 4% per year, straining infrastructure and services in a few cities. Kabul, the country's capital, is attracting the brunt of the migrants because it is the most economically vibrant city in Afghanistan, home to 40% of its economic activities.[2]

Around 5 million people, or half of Afghanistan's urban dwellers, live in Kabul. With 4.6% annual population growth, Kabul is among the fastest-growing cities in the world. However, the capital has not been able to reap the many benefits of urbanization, such as more business, educational, and job opportunities for people, and more efficiency for the state in providing essential services from electricity to health care. The reason is that the population growth has outpaced the city's ability to deliver basic services. The availability and affordability of formal housing, for example, are constrained by legal and regulatory frameworks that encourage low-density development. This makes it hard to get affordable land for development. Another setback is obsolete or inflexible construction standards.

The result is that 70% of Kabul's residents live in informal or unplanned areas with inadequate access to basic services. After the start of the Afghanistan War in 2001, the World Bank began to support the Kabul Urban Reconstruction Project (KURP), a US\$33.8 million investment in the urban sector. The KURP laid the foundation for future support, including through the Kabul Municipal Development Program (KMDDP), and also demonstrated the viability of an area-based approach to urban upgrading in countries impacted by fragility, conflict, and violence (FCV) like Afghanistan. The KMDDP was also conceived and processed at the same time as the Kabul Urban Transport Efficiency Improvement Project, helping to coordinate with other sectors.

[1] Afghanistan Living Conditions Survey (2016-17), Central Statistics Organization of the government of Afghanistan.

[2] Kabul Urbanization Review.

2. KABUL MUNICIPAL DEVELOPMENT PROGRAM

The Kabul Municipal Development Program (KMDP)[3] has three main objectives: i) to increase access to basic municipal services in selected neighborhoods of the city, ii) to redesign the municipal financial management system to support the delivery of better services, and iii) to enable early response in event of emergencies.[4] When selecting areas for support, the KMDP follows a multi-layered approach based on vulnerability and service deficits by using a scoring system, a process originally conceived and tested through the KURP.

The process has four stages:

- First, the eligibility criteria are set based on the indicators for vulnerability and deficiency in services. A scoring system for these criteria and related indicators is created based on secondary data and interviews with district administrators.
- All neighborhoods on public land in Kabul get a score based on the eligibility criteria, making it possible to put together a preliminary list of the neighborhoods eligible for upgrading.
- The eligible neighborhoods receive support in phases based on the viability of providing infrastructure to the area during the project's life cycle.
- After selecting the neighborhoods for the project, the target areas for upgrading in those neighborhoods are prioritized based on a household survey. This step enables a more accurate assessment of vulnerability and service deficiencies, which then coupled with a geographic clustering of needs, contributes to deciding the targeted areas within the neighborhoods.

So far, the project has identified 77 informal settlements based on their vulnerability and deficit of services. These settlements, occupying more than 3,000 hectares in total, are home to over 800,000 people. The KMDP supports these areas through inclusive physical and social interventions. The investments, including in trunk roads, water supply, parks, and canal cleaning, have directly benefited 1.5 million people. The project also supports institutional reforms to equip the Kabul municipal government with information technology solutions to improve its revenue management.

A. SPATIAL INCLUSION: BUILDING AFFORDABLE INFRASTRUCTURE AND SERVICES

The KMDP makes sure that development is spatially inclusive by providing services to unplanned and planned settlements on government land at a 70:30 ratio, with unplanned settlements making up the largest share of the targeted areas.

The project activities for providing affordable essential infrastructure and services are focused on:

- Tertiary infrastructure such as neighborhood roads and drains, footpaths, street lighting, community parks, waste collection, and water supply, where feasible;
- Trunk infrastructure such as roads that are crucial for integrating unplanned settlements with the rest of the city.

[3] Project Task Team Leader: Hyoung Gun Wang.

[4] <http://documents.worldbank.org/curated/en/885711468187133218/pdf/801770PAD00P12000PUBLIC00KMDP000PAD.pdf>

B. SOCIAL INCLUSION: GETTING THE COMMUNITY INVOLVED

The project is using a community engagement methodology that was tested and codified under the KURP. This robust methodology laid the groundwork for social- and gender-inclusive community participation in decision making, specifically on the public expenditure for the delivery of services in the selected urban community.

Based on this methodology, the KMDP facilitates the election of local representative committees known as Gozar Shura Councils (GSCs) in targeted areas to make sure they are democratic and inclusive.[5] The project also supports the creation of female GCSs to increase women's participation in community development. In addition to drafting manuals for GSCs, the project has already concluded 3,000 community consultations with an aim to ensure that the communities needs are reflected in the selected investments.

The project has also put in place a grievance redress system (GRS) supported by volunteers who are identified by the GCSs to help community members register their complaints. The GRS establishes grievance committees comprised of male and female members in all neighborhoods, and public notices on grievance services are published in the selected neighborhoods.

Meeting with Communities



[5] Gozar means neighborhood in Afghanistan.

3. RESULTS[6]: IMPROVED LIVING CONDITIONS

- **Delivery of basic services** to almost 1.5 million directly, and over 300,000 indirectly: So far, the project has upgraded a total of 3,011 hectares with the provision of 625 km of community roads, 769 km of community drains, 68 km of footpaths or sidewalks, 36 km of water supply pipes, and 36 km of trunk roads. This has resulted in the creation of 3.1 million days of temporary employment.
- **Community consultations and grievance redress mechanism:** So far, 432 grievances have been recorded and resolved.[7] The community consultations and the creation of GSCs and the GRM have become models for other projects supported by the Bank and other donors in Afghanistan.
- **Unit costs for upgrading have steadily declined** from the original appraisal estimates for unplanned areas by 13.6% and for planned areas by 27.7% thanks to an increasingly competitive market, stronger dollar, and increased experience and engineering know-how from the project team and local contractors.[8] The decline between the award and the current prices of upgrading contracts is about 13%.
- **Stimulating housing supply through private investments:** Area-wide upgrading by the KMDP/KURP led to a 6.4% annual increase in private investments in land, housing, and real-estate.[9] This includes an increase in the built-up area and volume, and the overall density.
 - Anecdotal evidence from field visits as well as before and after photos of the upgraded gozars, or neighborhoods, show that a lot of buildings have been rebuilt, retrofitted, or improved with new additions, either in the form of additional floors added to same building or new structures built on the same plot.
 - The built-up volume in gozars upgraded before 2015 increased by 5.54 million cubic meters (554 hectare meters) between 2010 and 2018.

Figure 1 illustrates the volume added from 2010 to 2014 and then from 2014 to 2018. Pink color on left map indicates the built-up volume added between 2010-14, and green color on right map indicates the built-up volume added between 2014-18.



[6] As of December 2019; the project ends in 2021.

[7] Most complaints were about the disruption of underground utilities (power cables, water pipes, etc.). Some complaints related to design issues, the removal of private structures (septic tanks, seepage pits, etc.), and the blocking of access to roads during construction.

[8] Lower actual costs compared with projected costs are a result of a variety of factors from applying flexible standards to low bids from contractors, efficiency in upgrading on time, and the costs of building materials.

[9] Analysis by a World Bank team (Swati Sachdeva, Deepali Tewari, Hyoung Wang, and Walker Bradley) quantified the impacts of upgrading on land, housing, and real estate in select gozars that were upgraded both under KURP (2008-2011) and KMDP (2014 -2017) in an area of 616 hectares in southeast Kabul.

- The average floor space index (FSI)[10] in gozars upgraded before 2015 increased from 0.87 in 2010 to 1.14 in 2018. In gozars upgraded in 2016, the average FSI increased from 0.74 in 2010 to 1.26 in 2018. This illustrates the market demand for higher FSIs in planned and unplanned gozars in Kabul. The higher FSIs are incentivized by and also require adequate neighborhood servicing. It also indicates that upgrading ignited densification.
- **Efficient land utilization**[11]: The total land occupied by the built-up area increased by 187,000 square meters after the upgrading, and the open-space ratio decreased by 3% in select gozars that were upgraded before 2015, indicating a better utilization of the available land.

Figure 2 illustrates the amount of open space in 2010 and how the amount of open space declined in 2018. There is a huge variation in the ratio of open spaces in these gozars, from as low as 45% to as high as 73%.



- **Increased real estate market values:** Public investments through the area-wide upgrading led to a significant increase in the built-up area and volume, and the overall density, thereby increasing the real estate value of upgraded properties. Property prices in gozars upgraded under the KMDP from 2013 to 2015 have increased by an average of 36%.[12]
- **Improved livability, connectivity, health, and opportunities for local small businesses:** Communities living in upgraded gozars have benefitted from significant improvements in their health, economic position, and general living standards. According to a survey conducted in 2012 during the completion of the KURP project, beneficiaries said the main benefits of upgrading were: (1) increased mobility and access to clinics, schools, hospitals, markets, etc.; (2) improved social integration and lower transport costs; (3) reduced expenditure on clothes and shoes because a decline in the amount of dust means the items don't have to be washed or replaced as frequently; (4) less time spent on washing clothes and cleaning; and (5) an improvement in children's health. The improved infrastructure also brought positive economic and livelihood impacts, and resulted in increased investments from small businesses.[13]

[10] FSI is defined as the ratio of built floor area to the size of the plot. This refers to the actual built area, rather than municipal regulations on maximum FSIs.

[11] Ibid.

[12] Data was collected by the Project Implementation Unit through discussions with local leaders.

[13] Stakeholder assessment of Kabul Urban Reconstruction Project (KURP) in 2012 by Zar Consultancy Services.

4. CHALLENGES AND LESSONS LEARNED: BITE-SIZED SOLUTIONS AND REALISTIC GOALS

- **Flexible Planning Standards:** Excessively strict planning and construction standards can impede physical infrastructure improvements, particularly large-scale ones targeting low-income neighborhoods. Technical standards need to be flexible, affordable, and context-appropriate in order to deliver effective projects within budget, on time, and at scale. For example, the road construction standards were initially inappropriate for the Afghan context and were amended for some secondary or tertiary residential streets without compromising on the quality, longevity, and structural integrity of the roads that were built.
- **Bite-sized Solutions:** In a context of fragility, conflict, and violence (FCV) where needs are high and local capacity is limited, it is important to design a simple operation with bite-sized solutions to problems and realistic goals. While there are multiple agendas to tackle, the World Bank-supported projects should have a focus that is limited to a number of components that contribute directly to achieving the overall objectives.

Before and after



- **Institutional Reforms:** Institutional reforms, particularly in FCV countries, can take a long time. Thus, projects should include only those elements of reform that are critical for their successful implementation. The KMDP upgrades proceeded in the absence of a well-functioning national system of land titling or an effective city masterplan that took on more incremental and neighborhood-level problem-solving and planning. However, the KMDP did support residents' enrollment in city taxes and waste collection schemes even without comprehensive policy reforms in these areas.
- **Tackling Land Tenure:** While best practice recommends tackling tenure issues through an upgrading project, a more pragmatic sequencing may be needed in complex and low-capacity FCV contexts. Land registration in Afghanistan is highly fragmented and the rates of property registration are low. Many property records were lost during the war, and forged documents are prevalent. At the same time, the competing registration systems are in conflict and some of their records are outdated; legal frameworks and formal processes are incomplete or unclear; and local agencies lack the capacity to get their records up to date, and their authorities are prone to corruption. The KMDP made substantial progress in upgrading and supporting the registration of properties for city taxes, while a broader land regularization program was put into development at the same time.

The case note is prepared by Urban Poverty and Housing GSG and Urban Poverty and Slum Upgrading KSB. The team comprised of: Phoram Shah, Waad Tamaa, Reyna Alorro, Rodica Tomescu-Olariu, Mansha Chen, Judy Baker and Dean Cira. Project Task Team Leader, Hyoung Gun Wang, Sally Murray (consultant) and Swati Sachdeva (consultant) provided substantive inputs. Charles Newbery provided editing support.

Please visit GSG website for additional information (<https://worldbankgroup.sharepoint.com/sites/gsg/uphgs/Pages/index.aspx>).

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