

# Evaluation of Good Governance of Regeneration Project in Pakistan

## -Case Study of Walled City Regeneration Project in Lahore

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### ***Abstract:***

The historical areas of Lahore have been suffering from dilapidated infrastructure and housing, migration from inner cities and deterioration of buildings of historic significance. The research focuses on the governance for regenerating two neighborhoods in the Walled City Lahore, jointly financed by the local government and the World Bank. One neighborhood was led by an NGO and the other led by the local government. The research evaluates governance for urban regeneration project according to the five principles of good governance laid down by the United Nations Development Program. Furthermore, the research examines the factors promoting and hindering good governance. Finally recommendations for improving good governance for urban regeneration projects in the historical districts of Pakistan are proposed.

### ***Keywords:***

Good Governance, Urban Regeneration, the Walled City, Pakistan

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## 1. Introduction

Cities are home to one third of Pakistan's population and urban population is increasing rapidly. According to Urban Sector and Policy Management Unit, Pakistan has a 3.2 percent increase in the urban population annually. The 1998 Pakistan census reveals that the number of immigrants in Lahore is 16.4 percent of the entire population.

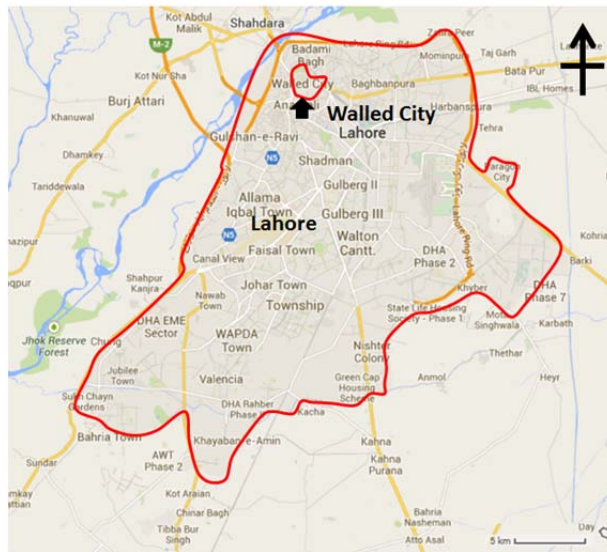
In Pakistani cities, the effects of increased urbanization have pressured the cities in many areas. As a consequence the immigrants move to the cheaper inner city areas due to low living costs and the affluent move out of the city because of better living environment. As a consequence, the inner cities are badly affected with a decaying quality of the residential stock and needs to be revitalized.

This deteriorating of inner city is seen in many cities in the world, not only in developing countries but also in developed countries and urban regeneration projects are launched to tackle with the problem in many cities.

Revitalizing inner city is so enormous, so complex and so difficult to be achieved that it cannot be left to government alone. Participation of other stakeholders, such as local residents, commercial sector, NGOs, and corporation with them is essential in urban regeneration projects. Therefore, 'governance' is one of important keywords in urban regeneration.

This governance in urban generation has been well debated in developed countries, especially in Britain where partnerships are developed rapidly in the 1990s (Davies, 2002). However, the concept of governance for urban regeneration is relatively new in many developing countries, including Pakistan. The urban development in the past has been in the hands of rigid planning regimes. The concept of 'governance' was applied to urban regeneration projects in a historic area, Walled City in Lahore as the first example because one of sponsor of the project, the World Bank emphasized it as a precondition of loan.

In order to promote urban regeneration with concept of 'good governance' within the Pakistan context, it is imperative to make case study of this first attempt, 'Walled City Regeneration Project' and examine situation of 'governance' and find factors which promote and hinder good governance in the project. Therefore, the objectives of this study are as follows; 1) To evaluate governance in urban regeneration project in Walled City, Lahore, 2) To clarify factors that promote and hinder good governance in the project.



**Figure-1 Location of Walled City in Lahore**

There are several studies which examined governance in urban regeneration project. For example, Blanco et al. (2011) analyzed models of regeneration of city centres of Barcelona and Madrid in the light of the transformation of urban NGovernance in Spain. However, there are a few researches in developing countries and any research cannot be found about Pakistan.

## **2. Methodology**

### **2-1 Case Study Areas**

As stated in the previous chapter, this study makes a case study of urban regeneration projects in Walled City in Lahore. Especially, two projects in two neighborhoods in Walled City, Gali Surjan Singh & Koocha Charkh Garan and Mohammadi Mohallah are compared. These two projects are pilot demonstrating projects and carried out by different types of organization; Gali Surjan Singh & Koocha Charkh Garan was renovated by a historical conservation NGO, Aga Khan Cultural Support Program (AKCSP) and Mohammadi Mohallah was renovated by a project management unit of local government, named as Sustainable Development of Walled City Lahore Project (SDWCLP). All data and information for analysis is collected by interview to stakeholders and from related documents. Table-1 summaries list of interviewees in this study.

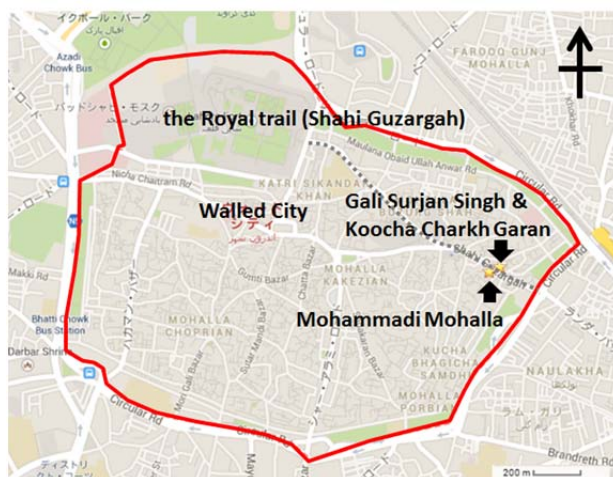


Figure-2 Location of the two projects in Walled City

Table-1 Interviewees and their role in the regeneration of the Walled City Lahore

Stakeholders in the Walled City (number of interviewees)	Role in Regeneration
Residents in the 2 neighborhoods (7)	The residents were directly exposed to regeneration process and had to vacate their residence for the time physical development took place.
Shopkeepers (2)	One shopkeeper was evicted as he was an occupant on Aukaff land and the other shopkeeper is awaiting eviction from the Aukaff owned land.
Community leaders (2)	2 community leaders of two neighborhoods that were head of the community based organizations (CBO's) working in close collaboration with the implementing regeneration agencies and residents.
Trade Union leader (1)	Traders and their businesses are directly affected by the regeneration of the Walled City. There is an opposition for the ongoing regeneration among the traders.
Socio-Economic expert of AKCSP (1)	The socio-economic expert was involved in collecting data on economic and social conditions of the households and the traders and designing the processes of regeneration
Social Mobilizers (3)	Social mobilizers of AKCSP and SDWCLP help the socio-economic experts and are at the fore front of raising awareness about the processes of regeneration. They work in direct coordination with the residents, traders and the regeneration implementing agencies.
Architect (1)	The architect was the head of surveying team, and also designs implementation. He also coordinated with the utility agencies providing different services such as phone, electricity, water supply in the Walled City.
Independent contractor (1)	For carrying out façade and infrastructure developments in the area. Small parts of the projects were contracted to independent contractors.
Ex. Director General of SDWCLP (1)	The Ex. D.G. was the highest authority from the government and managed the SDWCLP to implement regeneration in the Walled City .

### 2-2 Analysis Framework

Though constitutions of good governance differ culture by culture, the United Nations Development Plan (UNDP) (1997) formulated universal norms of good governance (“Governance and Sustainable Human Development, 1997”) and then the Institute on Governance (2003) grouped these characteristics into five broad principles (Table-2). This study utilizes these five principles to evaluate governance for urban regeneration projects and especially underlined parts in Thable-2 are utilized as a basis for evaluation.

Table-2 Five Principles of Good Governance for Urban Regeneration Projects

Five Principles of good governance	The UNDP's Principles on which the five principles are based
1. Legitimacy and Voice	<p><b>Participation:</b> All men and women should have a voice in decision-making, either <u>directly</u> or through legitimate <u>intermediate institutions</u> that represent their intention. Such <u>broad participation</u> is built on freedom of association and speech, as well as capacities to participate constructively.</p> <p><b>Consensus orientation:</b> Good governance <u>mediates differing interests to reach a broad consensus</u> on what is in the best interest of the group and, where possible, on policies and procedures.</p>
2. Accountability	<p><b>Accountability:</b> <u>Decision-makers are accountable</u> to the public, as well as to institutional stakeholders. This accountability differs depending on the organizations and whether the decision is internal or external.</p> <p><b>Transparency:</b> Transparency is built on the <u>free flow of information</u>. Processes, institutions and information are directly accessible to those concerned with them. <u>Enough information</u> is provided to understand and monitor institutions and their decision-making processes.</p>
3. Performance	<p><b>Responsiveness:</b> Institutions and processes try to <u>serve all stakeholders</u>.</p> <p><b>Effectiveness and efficiency:</b> Processes and institutions <u>produce results that meet needs</u> while making the best use of resources.</p>
4. Fairness	<p><b>Equity:</b> <u>All men and women have opportunities</u> to improve or maintain their well being.</p> <p><b>Rule of Law:</b> <u>Legal frameworks are fair and enforced impartially</u>, particularly the laws on human rights.</p>
5. Direction	<p><b>Strategic vision:</b> Leaders and the public have a <u>broad and long-term perspective on good governance and human development</u>, along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.</p>

Source: UNDP(1997)

### 3. Outline of Walled City Project

#### 3-1 Introduction of Walled City

The Walled City of Lahore or Andaroon Sheher in local language is located in the northwestern part of the Lahore City (Figure-1). The Walled City of Lahore was fortified with a wall during the Mughal Era. The exact date of origin of the Walled City of Lahore is unknown, however some archeological finds date back to 2000 years old. It was originally accessed through 13 gates and has numerous monuments of historical importance. The most significant historical monuments in the Walled City area include the Lahore Fort, which is a UNESCO World Heritage site, the Badshahi Mosque and Masjid Wazir Khan. The vernacular urban fabric includes alleyways, residential neighborhoods, public and open places of historical importance.

The Walled City of Lahore has a population of 200,000 people and an area of 256 ha. The Walled City witnessed a peak in the housing density with refugees taking over and subdividing the residences vacated by the Hindus and Sikhs at the time of partition of the subcontinent.

According to Ezdi (2009), from mid 1981 due to large commercialization, dilapidating infrastructure and congestion caused the affluent class to move out from the Walled City to new locations. The residential space divided between the new emigrants and tenants both with commercial interests and the low income class seeking affordable housing.

### 3-2 Outline of Walled City Regeneration Project

#### (1) Brief History of the regeneration project in the Walled city

The regeneration project of the Walled City was initiated by the provincial government in 2006. This came as a response to the World Bank's loan for the Punjab Municipal Services Improvement Project. Fifty percent of the financing for the Walled City Regeneration came from the Punjab government and fifty percent was provided by the World Bank. The Punjab government was sanctioned a conditional loan by the World Bank which emphasized on the creation of good governance with participation of all stakeholders, formation of traders unions, community based organizations and paying of expropriations were set as the basis for project implementation.

For this purpose the Punjab government established a Project Management Unit by the name of Sustainable Development Walled City Lahore Project (SDWCLP). In 2007 the Punjab government signed an agreement with Aga Khan Trust for Culture (AKTC), which is an international NGO for historic preservation, for their technical expertise and for regenerating one neighborhood as a demonstration project. Soon after this the AKTC signed a memorandum of understanding with the World Bank. In 2010, the German Ministry of Foreign Affairs provided funds for renovation of 5 historic homes which was implemented by Aga Khan Cultural Service Pakistan (AKCSP), a subsidiary of AKTC. In April 2012 the Walled City Authority (WCA) Act was passed by the Punjab Government to independently run the functions of the Walled City. Table-3 shows the implementing organizations responsible for the regeneration project in the Walled City.

**Table-3: Partners role in the regeneration of Walled City**

<b>Partner</b>	<b>Its role in the regeneration</b>
Punjab Government	Initiator of the project, 50 % financier for Walled City regeneration
World Bank	50 % loan provider for regeneration of Walled City by putting conditions for setting up a multi stake governance
Aga Khan Cultural Services Pakistan (AKCSP, an NGO)	Provided technical, financial, regenerating and monitoring services in the neighborhood of adjoining streets of Gali Surjan Singh & Koocha Charkh Garan.
Sustainable Development of Walled City Lahore Project (SDWCLP, Local Government)	Responsible for regenerating the Mohammadi Mohallah neighborhood. Has been converted into Walled City Authority and is responsible for ongoing regeneration work in the rest of the Walled City.
German Cultural wing	Grant provider to AKCSP for regenerating one neighborhood.
Community based organizations (CBO)	One member of each household of a neighborhood. Has a community leader which coordinates between the residents and AKCSP or SDWCLP
Trader Unions	Union of owner and tenant businessmen in the Walled City. Tenants on govt. land are being evicted.
ACE Consultants	SDWCLP (Local Govt.) hired ACE for design & technical consultancy fro regenerating Mohammadi Mohalla
QAVI Contractors	Contractor selected for construction work in Mohammadi Mohalla and 7 other neighborhoods by the SDWCLP (local Government).

An area along the Royal trail (Shahi Guzargah) was chosen as the first phase project. Two neighborhoods of the Royal Trail of Walled City have been completely renovated. The first two neighborhoods, one comprising of Gali Surjan Singh & Koocha Charkh Garan was regenerated by Aga Khan Cultural Service Pakistan (AKCSP, an NGO) and another neighborhood by the name of Mohammadi Mohalla was regenerated under the supervision of the Sustainable Walled

City Lahore Project (SDWCLP) a local government body and now the Walled City of Lahore Authority. Location of these neighborhood are shown in Figure-2.

The Aga Khan Cultural Services Pakistan (AKCSP) with the help of German Ministry of Foreign Affairs financially supported the regeneration of Gali Surjan Singh & Koocha Charkh Garan. Fifteen percent of equity money was paid by the residents of Gali Surjan Singh & Koocha Charkh Garan for renovating their homes.

### **3-3 Outline of Urban Regeneration Projects in the Two Neighborhoods**

#### **3-3-1 Urban Regeneration in Gali Surjan Singh & Koocha Charkh Garan**

The neighborhood of Gali Surjan Singh & Koocha Charkh Garan serves to 150 residents comprising of 26 families. Most of the houses in these streets are occupied by the owners themselves. There are 23 buildings in these neighborhoods and 18 out of these are more than 100 years old. The covered area of the buildings ranges between 71 m<sup>2</sup> to 445 m<sup>2</sup>.

The intervention in the neighborhood catered to renovating the houses and improving the infrastructure which included laying underground piping system for gas, water and sanitation. A system of aesthetically conducting the telephone, TV and electrical duct was put in place to remove the visual clutter from the facades. New construction standards were taken into account appropriate for the historic preservation of the area.

The home improvement of the buildings in the neighborhood regenerated by AKCSP depended on the severity of the building decay. This included fixing buildings having problems internally and externally. Some of the houses were completely demolished and built a new and in some the structure was retrofitted. Many people had constructed balconies and toilets encroaching the street. Any illegal annexes disturbing the historic fabric were re-designed or removed. A model house was prepared by AKCSP as a demonstration project after which residents started applying for renovating their houses. The renovation work focused on improving the living conditions of the households.

AKCSP created community based organizations (CBO) from the residents of the neighborhoods. The name of CBO in the Gali Surjan Singh & Koocha Charkh Garan was 'Sufi Din welfare society'. One resident of each household from the neighborhood had to be part of the CBO. A president of the CBO was selected from the residents of the neighborhood to coordinate between the residents and the renovating agency. The president of the CBO was a representative of the residents and helped develop a consensus among the residents. The local government in the regeneration of Gali Surjan Singh & Koocha Charkh Garan acted as a facilitator for mobilizing the residents.

German ministry of Foreign Affairs provided finances for the regeneration project as well. However, it was understood that the regeneration cannot totally rely on external finances and after long negotiations with the owners/residents, equity money was decided based on the quantity of construction work and the owners capacity to pay. Equity money of 15 percent was taken from the residents of Gali Surjan Singh & Koocha Charkh Garan. This created resident ownership of the ongoing renovation work in their neighborhood.

During the regeneration of the neighborhood, the AKCSP held educational and health seminars for the residents. Many youngsters were given hands on trainings for architectural

drafting, electrical and plumbing works by the AKCSP staff and are now hired by AKCSP and local government for the ongoing renovation works in the walled city.

After 3 years of completing the Gali Surjan Singh & Koocha Charkh Garan, AKCSP started to wrap its office and activities in the Walled City. However, at the request of chief minister of Lahore, AKCSP decided to stay on board to help SDWCLP with the rest of the ongoing work. AKCSP personnel doubt their partnership with the local government will prolong any further because of a lack of networking between the Punjab government and Aga Khan Trust for Culture (AKTC), at the higher level.

### **3-3-1 Urban regeneration in Mohammadi Mohalla**

Mohammadi Mohalla was a pilot demonstration project by SDWCLP (local government), to exercise the regeneration processes and to evaluate the techniques for future implementation to the entire Walled City regeneration project.

Mohammadi Mohalla was a neighborhood that was an offshoot from the main royal trail located inside the Delhi Gate Lahore and comprised of 33 houses and a mosque of heritage significance. The regeneration in the Mohammadi Mohalla started in February 2011 based on the regeneration procedures set by the AKCSP in the Gali Surjan Singh & Koocha Charkh Garan and CBO's were formed because of the loan condition put by the World Bank. Representatives of 60% of household participated the CBO.

The work in the Mohammadi Mohalla initiated in two phases. Phase I mobilized the residential community for the regeneration and phase II initiated the construction work to improve the infrastructure.

The social mobilization teams made way for technical work to take place. The social mobilizers of SDWCLP gathered the residents of Mohammadi Mohallah and formed a Community Based Organizations (CBO). The CBO's comprised of one individual from each household just like in the regeneration of Gali Surjan Singh & Koocha Charkh Garan neighborhood. The women of the area took special interest by attending the CBO meetings conducted by the SDWCLP. Important decisions were taken in the CBO meetings regarding the renovation process in the Mohammadi Mohalla.

After the residents had agreed to the changes that were going to take place in the neighborhood, the construction work started. The local government hired a private design firm by the name of ACE consultants to design. The design focused on the facades and the streetscape catering to the historic character of the area. Qavi contractors was awarded the project for doing the development works. In the Mohammadi Mohalla, three different organizations had a role in the physical implementation of the project with SDWCLP at the center. The lack of timely coordination between these three different organizations has been a reason for delay in the regeneration of the residential stock. The two houses that were completely overhauled took more than two years for their completion and the residents living there complained about the delays and the problems they had to face by living on rent.

The residents had high hopes of the regeneration. It was assumed that the local government would upgrade their living conditions by improving the quality of their residential stock. The residents hoped that regeneration work will cater to the interior spaces of their houses just like the project in Gali Surjan Singh & Koocha Charkh Garan. Many houses have broken staircases, inclining structural walls due to over loading and leaking roofs when it rains. Priority was given



to the facades and exterior environment of the street. The pipes on buildings were fixed and the street was paved with a brick floor. The residents complained about the sewerage system as it overflowed when it rains. Moreover, five houses of the neighborhood located at insignificant places or at the end of the street were marooned of any renovation work. Two houses in the Mohammadi Mohalla were completed built a new. It took the SDWCLP two years to complete the renovation of these two houses during which the residents had to rent another house. Unlike AKCSP, which had a time limit of renovation mentioned in the contract with the residents, over which AKCSP would pay for their rent, SDWCLP had no such agreement with the residents to abide.

Also, unlike the equity money taken from the residents in the regeneration of Gali Surjan Singh & Koocha Charakh Garan, no equity money was taken from the residents of the Mohammadi Mohalla as no such mechanism of equity money existed in the local government led regeneration. This deprived the residents of owning the project and raising their voices effectively.

#### **4. Evaluation of governance of urban regeneration projects in the two neighborhoods**

##### **4-1 Evaluation of governance of urban regeneration**

Next, governance of the urban regeneration project in the two neighborhoods is evaluated based on the UNDP's five principles of good governance shown in Table-2. Table-4 shows evaluation and reasons for the evaluation.

As Table-4 shows, urban regeneration project in Gali Surjan Singh & Koocha Charakh Garan are evaluated more positively than Mohammadi Mohalla.

##### **4-2 Factors Promoting and hindering good governance in the Walled City Lahore**

The two pilot demonstrating projects led by different types of institutions, an NGO and a government institution, is compared in this study. In this section, the reasons of these differences are examined.

Formation of a community based organization (CBO) among the residents of regenerated neighborhoods was an effective tool for encouraging resident participation and for developing a consensus among the inhabitants. After the regeneration work ended in the Gali Surjan Singh & Koocha Charakh Garan the CBO is still functioning for maintaining the neighborhood by collecting money from households for cleaning the street twice a day and settling any problems and issues related to the neighborhood.

Most of the differences of governance between the two neighborhoods projects are expected to be caused by difference of leading organization, AKCSP, an NGO and SDWCLP, a local government institution. AKCSP had better communication with residents than SDWCLP and its achievement is more sufficient for residents. This difference is expected to be caused by Pakistani traditional bureaucratic mindset of government.

**Table-4:** Evaluation of governance of urban regeneration projects  
in Gali Surjan Singh & Koocha Charkh Garan and Mohammadi Mohalla

Five Principles of good governance			Gali Surjan Singh & Koocha Charkh Garan	Mohammadi Mohalla
1. Legitimacy and Voice	Participation:	A voice in decision-making, either directly or intermediate institutions	+ Establishment of CBO and socio-economic teams + Equity money promotes people's sense of ownership and raise voices	+ Establishment of CBO and socio-economic teams - No equity money system
		Broad participation	+ All household participate to CBO + Participation of all keholders	-Only 60% of household participate CBO - No participation of historic preservation NGO
	Consensus orientation	Mediates differing interests to reach a broad consensus	+ CBO played a role to make consensus among the neighborhoods	+ CBO played a role to make consensus among the neighborhoods
2. Accountability	Accountability	Decision-makers are accountable	+ AKCSP (NGO) held accountable in contracts in case of delay in housing renovation.	- No contract for delayed work in the local Government led regeneration.
	Transparency	Free flow of information.	+ Information spread through weekly meetings, pamphlets, seminars and site office.	+ Information spread through seminars, bi-monthly meetings, website and pamphlets.
		Enough information	?	?
3. Performance	Responsiveness	Serve all stakeholders.	+ AKCSP (NGO) led improved living conditions, technical trainings given to the youth. + All household was involved in the projects.	- Local government gave less attention to communities opinions and focused on only exterior improvement of neighborhood - Five houses which is located at insignificant places or at the end of the street were marooned of any renovation work
	Effectiveness and efficiency	Produce results that meet needs	+ AKCSP (NGO) led improved living conditions.	- Local government gave less attention to communities opinions and focused on only exterior improvement of neighborhood
4. Fairness	Equity	All men and women have opportunities to improve their well being	+ All household was involved in the projects through CBD.	- Five houses which is located at insignificant places or at the end of the street were marooned of any renovation work
	Rule of Law	Legal frameworks are fair and enforced impartially	?	?
5. Direction	Strategic vision	Broad and long-term perspective on good governance and human development,	+ 6 youth were hired after technical training	- Only one person was hired after technical training.

+ :positive 0:mediocre -:negative ?:unknown

Additionally, AKCSP implemented international standards. In this context much importance was given for making standard contract with the residents of the neighborhood. The contracts were clear to establish responsibilities of AKCSP and the owner of the house. In the contract it was clearly mentioned that in case of delayed renovation on part of AKCSP, the AKCSP would pay the rental costs to the owners for living in another house. On the other hand, any such

clause which could hold the government accountable for failing in the delivery of services was not put in the contract between the residents and local government. However, the residents were restricted to any development which does not comply with the historic fabric of the Walled City. The local government contracts with the residents had no clauses of paying money in case of delayed work. Many of the inhabitants were relocated for more than 2 years on their own expenses during the renovation of the house.

The World Bank encourages good governance by putting conditions for loan sanctioning, such as formation of CBOs. On the other hand the financial schedules of the World Bank limit implementing good governance. Good governance takes time and is achieved after a long time. All the governance processes for regeneration projects have to be devised according to the context and in Pakistan where bureaucratic systems are in control and governance is a new concept more time is required to plan and execute the projects. The memorandum of understanding for loan tenure between the World Bank and Provincial government was initiated in 2006 and was to end in 2010. The local government in the last year of the loan started regenerating the neighborhoods in haste paying less attention to quality and residents' opinion.

## 5. Conclusion

This study evaluated the first urban regeneration project with concept of governance in Pakistan. Two neighborhood projects led by an NGO and a government organization are compared. Governance in a project led by an NGO is highly evaluated than a government institution from an aspect of governance. This is expected because of lack of specialization and experience of government and traditional nature of bureaucratic in Pakistan. As it is the beginning stage of urban regeneration with concept of governance in Pakistan, project led by an NGO with enough experience or participated by such NGO is essential for achieving good governance. Additionally, capacity building of government is necessary. This study reveals that the World Bank's contract works on governance both positively and negatively. Especially in countries, where concept of governance is new, flexible and longer term is more appropriate to nurture environment for good governance.

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