

Proj. 6310003  
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Project Paper

Central African Low Income Housing

PP-AAK-419

(Cameroon and Gabon) 63j-0003

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I. PROJECT IDENTIFICATION

PROJECT TITLE Central African Low Income Housing (Cameroon and Gabon)		APPENDIX ATTACHED <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
COUNTRY <input checked="" type="checkbox"/> Cameroon		2. PROJECT NO. (SEE)
REGIONAL <input type="checkbox"/> INTERNATIONAL <input type="checkbox"/>		3. SUBMISSION ORIGINAL <u>4/24/75</u>
4. LIFE OF PROJECT BEGINS BY <u>76</u> ENDS BY <u>78</u>		REV. NO. _____
		CONTR. PAGE NO. _____

II. FUNDING (\$000) AND MAN MONTHS (MM) REQUIREMENTS

A. FUNDING BY FISCAL YEAR	B. TOTAL \$	C. PERSONNEL		D. PARTICIPANTS		E. COMMODITIES \$	F. OTHER COSTS \$	G. LOCAL CONTR.		H. LOCAL EXCHANGE CURRENCY RATE \$ (U.S. CENTS)	
		(1) \$	(2) MM	(1) \$	(2) MM			(1) \$	(2) MM	(1) U.S. DOLLARS	(2) LOCAL CURRENCY
1976	319			6	5	25.0		288.0	36	1,500	61
1977	299			6	5	5.0		288.0	36	4,000	86
1978	5					5.0				4,500	110
TOTAL	623			12.0	10	-	35.0	576.0	72	10,000	258

NAME OF DONOR France	DESCRIPTION OF GOODS SERVICES Urban Planning Technical Assistance	AMOUNT \$ 620,000
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III. ORIGINATING OFFICE CLEARANCE

CREATED BY RHUDO/Abidjan A. Votav	TITLE Regional Housing Advisor	DATE 4/15/75
CLEARANCE OFFICER RDO/Y John Koehring	TITLE Regional Development Officer	DATE 4/25/75

IV. PROJECT AUTHORIZATION

CONDITIONS OF APPROVAL  
 ... Funds requested for Cameroon only.

DATE	SIGNATURE	DATE	APP. OFF.	SIGNATURE

4. APPROVAL & AID (See Note 10, 11, 12)  
 DATE \_\_\_\_\_ SIGNATURE \_\_\_\_\_  
 AUTHORITY AGENCY FOR INTERNATIONAL DEVELOPMENT

I. B. Summary of Authorizations and Actions

AID

Grant Technical Assistance

Cameroon .....	\$	623,000
Gabon .....	\$	224,000
Total new AID obligations	\$	847,000

Other

Housing Investment Guaranty

Cameroon .....	\$	10,000,000
Gabon .....	\$	5,000,000
Total .....	\$	15,000,000

Conditions of Approval

Authorization requested only for Cameroon.

## I. C. Description of Project

Shantytowns and squatter areas are a worldwide phenomenon reflecting rapid rates of urban growth. The problems are most acute in developing countries which are challenged to accommodate a rate of urban growth in excess of the historical growth rate for cities in the developed countries at similar stages of economic development. As long as the housing problem is approached with solutions designed to replace squatter areas with standard housing, the developing countries will lack the financial and administrative resources to make a significant impact upon the housing needs of low income citizens. More significantly, such "replacement" programs bypass the considerable private initiative and private savings investment represented by squatter settlements. Squatter settlements demonstrate, inter alia, that individuals can build shelter from natural materials which will meet minimum requirements for security and protection against weather without government funds or participation. Individual efforts can also result in minimum sanitation arrangements and site planning. However, private initiative can not, by itself, provide secure tenure, access to water, roads and storm drainage, street lighting and other municipal services. The approach to low income housing described in this submission involves a combination of private initiative and governmental support.

The proposed project involves the definition, development and implementation of sites and services programs in Gabon and Cameroon, and the development of the institutional capacity and policy framework which would enable each country to undertake such programs on a continuing basis. The "sites and services" approach is designed to provide improved housing primarily through the self-help effort of private individuals with the government being restricted to providing only those services and amenities which would not otherwise be available. The sites and services concept<sup>1/</sup> is based on the following general principles:

- (1) that the total community living environment should be the key concern of urban planners;
- (2) that private capital and initiative should be utilized and encouraged; and,
- (3) that programs should have the financial and administrative characteristics which would enable them to be replicated on an extensive basis.

Sites and services programs are designed to allow governmental provision of basic utilities and amenities, including secure tenure, while, at the same time, facilitating access to such services by low income families.

<sup>1/</sup> For a historical comparison of experiences with the sites and services approach to shelter problems, see "Planning Sites and Services Programs," Ideas and Methods Exchange No. 68, OIA/HUD, AID, July 1971.

The proposed Housing Investment Guaranty will provide the initial capital resources to the government to cover the cost of developing sites and installing the physical infrastructure. Occupant "mortgage" payments, to cover the lease and/or material construction loans, will be financed by existing credit institutions. (A small portion of the guaranteed loan funds would also be made available, but the effectiveness of the project is not dependent upon use of the guaranty fund for construction loans). The target low-income occupant will be able to meet the estimated lease and construction payments through a combination of current income, savings, rental of rooms, or rental of units. These methods of financing traditional housing are widely practiced and the payment schedules are within the reach of the target group without requiring any major behavioral or societal change. The proposed technical assistance will provide the specialized skills related to planning and executing the program in such a way as to ensure that the intended beneficiaries, i.e. low income families, have access to the improved lots. The combined impact of the loan and grant funds would result in the respective governments' developing the institutional capacity to sustain such sites and services programs on a continuing basis.

The goal, purpose, outputs and inputs of the proposed project are described in the following sections and the subsequent logical matrix framework.

#### 1. Sector Goal

The broader sector objective to which this project would contribute is the existence of improved shelter and related amenities for low-income urban residents. This sector goal is given high priority in allocating AID grant funds because of (a) the priority concern given problems related to urban concentrations and to housing in the development plans of the recipient governments; (b) the availability of non-fungible AID resources in the form of the housing guaranty authority which provides a mechanism for significant participation in shelter sector activities directed at meeting the needs of low income housing in both recipient countries and which is paralleled by a governmental willingness to adopt relevant low-income housing policies; and (d) the fact that technical assistance is required to translate this willingness into specific programmatic solutions.

The objectives of this project are consistent with the objectives of the AID Shelter Sector Policy as stated in Policy Determination 55 (Revised) dated October 22, 1974. These objectives are generally "to assist LDC's develop the institutional, technological and financial capacity to provide shelter under reasonable conditions for all levels of society, with emphasis on government actions to meet the needs of the poor." The Policy Determination continues to identify as AID's highest priority "undertakings submitted by host governments which clearly lead to an improvement in the lives of the poorest of their people" and, within this context, identifies, as potentially one of the most useful tools, "... the sites and services approach which provides poor families with homesites, in new tracts of urbanized land, with basic supporting infrastructure services on which to build a shelter with their own labor". Squatter upgrading is also a significant component by which basic infrastructure (road access, water, sanitation) and community facilities can be provided in built-up squatter areas and tenure can be regularized for existing illegal occupants. The effectiveness of the sites and services approach in contributing to improved shelter for low income urban residents can be measured by the popular acceptance of such programs and by the extent of governmental

replication of such programs. There is, therefore, a dual test of governmental interest and private interest in the continuing adoption of this approach. Factors in measuring achievement would need to reflect both the availability of serviced homesites and the popular acceptance and occupancy of sites for shelter construction. Such factors could be demonstrated by an increase in the ratio of inhabitants on serviced lots compared to inhabitants on non-serviced lots; by the physical appearance of the neighborhood (street cleaning and refuse collection carried out regularly, drainage permits use of roads during rain, etc.), by signs of a populations' own improvement to shelter (additions or upgrading), by the availability and use of neighborhood facilities (schools, dispensaries, social centers), and by the general ambiance of economic activity (presence of shops, of artisanal activities, animation along streets).

A basic assumption underlying the extent to which the project will contribute to these sector objectives is that the respective governments will maintain a political commitment in support of the elaboration, adoption and implementation of realistic national housing policies, especially those which address the housing needs of low income groups. There is a high risk that well meaning government planners will seek to raise "minimum" standards by providing a high standard of physical infrastructure regardless of need or economic limitation. Such increases in physical standards have two serious faults. These are (a) that increased costs preclude participation by the lower income initial target groups and (b) that government subsidies are then introduced which lessen the contribution received from private self-help efforts and reduce the extent to which the government can financially sustain an expanding program.

There is, quite obviously, a direct linkage between a country's political commitment and its ability to develop fundable projects. In this respect the Cameroon government appears to have developed a substantial and elaborate program; has analyzed quantitative housing needs, including technical, land and cost factors; and has addressed itself to the various institutional and other constraints. The Government of Gabon, on the other hand, has only recently established a national Housing Coordinating Bureau and has addressed itself initially only to quantitative housing needs. The actions of the Government of the United Republic of Cameroon have sufficiently validated this assumption to warrant proceeding with this program. In contrast, additional developments in Gabon will be required and, although the design of a Gabonese program is included in subsequent sections of this paper, specific approval of the Gabonese program is not requested at this time. For Gabon, this submission seeks general agreement regarding the nature of the potential program and concurrence regarding the actions to be taken prior to approval.

Other assumptions underlying this proposal include the following:

- Because of limited resources, the elaboration of "standard" housing projects would have to involve substantial subsidies if they were to reach low-income families and, therefore, would not provide a long-run solution; and,
- given a greater security of tenure and the up-grading of basic community services, low income families will not only construct homes but will undertake improvements to their basic shelter.

The first assumption is considered validated by analyses undertaken in both countries which compare projected housing needs with projected resources available for meeting such needs. Only development of a radically different housing technology resulting in significant cost reductions would invalidate

this assumption. The second assumption regarding the importance of tenure arrangements is considered validated by observation of existing "illegal" squatter settlements. The first arrivals tend to build quite provisional shelters. As the settlement increases in size, and as residents feel increasingly secure that they will not be forcibly removed, the quality of shelters tends to improve and inhabitants undertake substantial community improvement efforts.

## 2. Project Purpose

The project purpose is to assist the host country governments to develop the institutional capacity to carry out sites and services programs for low-income urban families; programs which, in line with AID objectives, encourage self-help, mobilization of under-utilized resources, and private efforts to maximize use of unutilized resources. Because of the somewhat differing conditions in each of the two countries involved, the end of Project Status must be stated separately:

### Cameroon

Setting up within the Department of Housing and Town Planning of the GURC Ministry of Equipment, Housing and Lands a semi-autonomous specialized sites and services unit, adequately staffed by the GURC so that it has the initial capacity to plan, develop and execute programs in Yaoundé and Douala and the potential to expand operations to other urban centers.

### Gabon

In Gabon, where the legislative and financial framework exists for a national institution, reorganizing the existing GOG National Housing Office, providing sufficient staff, assuring its financial autonomy, and reorienting it towards greater attention to realistic low-income programs.

### Assumptions

Perhaps some additional explanation is necessary here. Creation of specialized sites and services units within the responsible ministries is a necessary first step directed at developing initial implementation capacity at a minimum of cost. The long-range implications of successful intervention in the urban shelter programs within a larger program for planned urban growth through the early acquisition and holding (banking) of the land reserves needed, the provision of infrastructure, and the sale or lease of such land for public developmental purposes. In the francophone countries, in particular, this probably involves development of a para-statal corporation with the following capacities:

- An accounting system based on commercial practices (including Balance Sheet Profit and Loss Statement, etc.) so that the land development operation can be self-supporting;
- access to certain public powers, such as eminent domain, permitting the institution to assemble land;
- a legal status outside of the public administration which will permit it to develop projects, execute contracts, and handle income and expenditures efficiently without mixing funds with the Treasury;

- despite the above, access to a regular source of government revenues (special tax; and
- capacity to borrow both domestically and externally with, for example, a donor country guaranty.

The GURC and GOG have established para-statal Development Banks and Housing Authorities. The GURC also has created similar organizations for an industrial park and for urban renewal. AID's input into the specialized sites and services unit will provide the low-income shelter capacities for any such future long-range institutional development.

Further assumptions are as follows:

- i) The respective governments will properly staff their respective institutional entities; and,
- ii) Recipient country ability to mobilize a larger share of its resources for low-income programs, including provision of land and coordination of expenditures on community facilities will increase, so that these will be provided in a timely fashion; additional sources of funds (public and private) will be found; and, simultaneously, more expensive and/or subsidized housing projects will be reduced.

With respect to the question of subsidies, both governments involved have indicated an initial predilection for a substantial subsidy component in their programs, whereas AID believes that these programs should be as subsidy-free as possible in order to permit their maximum expansion in the face of conflicting demands on limited public resources.

Dialogue on this subject, which can most effectively be carried out in the context of specific project implementation, will bring the TA component back to AID's priority objectives: "To help the LDCs develop their capacities for analyzing their housing requirements and developing plans and policies to meet these requirements."

An additional assumption is that the \$10 million Cameroon HG program and the \$2,5 million sites and services component of the Gabon \$5 million HG program will be authorized and implemented.

In each country the target group for the HG program is that proportion of the employed urban population below the 50th percentile of the income distribution in Yaoundé and in Douala in Cameroon, and in Libreville, Port Gentil and possibly certain secondary centers in Gabon.

For the HG target group the most immediate benefit will be access to better housing because of access to water and sanitary facilities. They will also benefit from access to secure tenure, which we expect to encourage further investments and to reinforce the possibilities of increased revenue through renting and artisanal activities.

Those marginally employed, or with very low incomes, will benefit because it is assumed that direct project beneficiaries will, as is customary, develop the lots with both family units and secondary rental units, thus directly increasing the supply of housing with sanitary facilities available at the very lowest end of the income-distribution.

### 3. Project Outputs

(a) Successful execution of the HG sites and services programs in Yaoundé and Douala, Cameroon, and in Libreville, Port Gentil and possibly other urban centers in Gabon. The magnitude of these outputs is as follows:

- Cameroon + 4,000 serviced lots providing maximum shelter capacity 40-48,000 persons; and,
- Gabon + 1,000 services lots providing shelter for 8,000 persons;

(b) Establishment of procedures for site occupancy, program management, loan recuperation, control of self-help home construction, small construction loan facilities, etc.;

(c) autonomous accounting and financial management system for unit;

(d) on the job training of sites and services basic staff.

In Cameroon this involves a nucleus of 4 or 5 trained cadres and 14-28 professionals and para-professionals; and, in Gabon, a basic staff of five professionals;

(e) for Cameroon only, establishment of a tax-supported national fund for urban infrastructure.

The basic assumption beyond that of continued host country government commitment to low-income shelter programs and the absence of any economic crisis, is that the operations of the popular shelter sector, as previously observed, will continue and represent a valid economic activity, namely, that lower-income families will continue to save significantly in order to invest in improved shelter (up to half of the head of household's salary for as long as a year has been observed); that the desire to invest increases once tenure is assured; and that self-help labor, assistance from the extended family (the Sunday home-building efforts) and other forms of informal mutual aid will continue.

### 4. Project Inputs

(a) AID-funded Technical Assistance for three years consisting of three specialists (U.S. or third country nationals) who will provide 96 man-months of technical assistance to a special sites and services unit set up to manage the host country's low income shelter activities (72 man months to Cameroon and 24 man months to Gabon). These services may be obtained through contract arrangements or direct-hire personnel. Funding estimates are based on average contract-cost projections.

(b) A.I.D. will finance up to ten man-months of short-term, non-academic training per country program.

(c) A.I.D. Office of Housing will provide short-term technical assistance under the general supervision of RHUDO/Abidjan. Such consultant services will be funded from Housing Guaranty fees.

(d) The Government of the United Republic of Cameroon will provide logistical and staff support for the U.S. technicians and the following staff personnel:

Nuclear staff

Director of Housing (1/2 time)

2 town planners

1 civil engineer

1 land administrator

Additional staff

2 engineering assistants

2 town planning assistants

2 site administrators

2 administrative assistants

plus draftsmen, surveyors, building inspectors, and clerical personnel.

I. D. Logical Matrix Framework

Program or Sector Goal: The broader objectives to which this project contributes:

- 1) Improved shelter and related amenities for low-income urban residents.

Measures of Goal Achievement

- 1) Number of serviced lots prepared for low-income families increases beyond the number of lots financed under this program.
- 2) Ratio of inhabitants living on serviced lots compared to inhabitants on non-serviced lots improves.
- 3) Communities based on serviced lots exhibit signs of inhabitants motivation such as improvements in original structures, evidence of economic activity (shops, artisanat, animation during evening hours, etc), and care taken of neighborhood facilities.
- 4) Physical infrastructure is maintained in reasonable condition, e.g., streets in good condition during rain, sanitation facilities properly maintained, and tenure arrangements are upheld.

Assumptions for Achieving Goal

- 1) Host country political commitment to goal, including (Cameroon) adoption of proposed or (Gabon) preparation of National Housing Policy stressing low-income shelter object including "sites and services".
- 2) Implementation of policy will, in fact, lead to improved shelter.
- 3) Standard housing projects will not solve long-run problems of housing urban poor.
- 4) Access to tenure and to upgraded services will motivate families to improve shelter and take more interest in community development.

Project Purpose:

- 1) To develop host country institutional capacity to carry out sites and services programs for low-income urban families

End of Project Status

Cameroon

- 1) Operational specialized sites and services unit in GURC Ministry of Equipment, Housing and Lands with initial capacity to plan, develop and execute programs in Yaoundé and Douala and the potential to expand operations to other urban centers.

Assumptions for Achieving Purpose

- 1) Host country will staff specialized "sites and services" unit.
- 2) Progress towards creation of GURC para-statal national urban land bank and sites and services agency which will carry out low-income shelter programs and operative planned urban development (land bank) for which the host country input will provide the low-income capacity.

Gabon

- 1) Preparation of a realistic national housing policy;
- 2) Reorganization of National Housing off. and attention to low-income groups.

2) H.G. sites and services program authorized and implemented.

3) Host country willingness to commit larger share of resources to low-income shelter programs, including finding additional sources of funds (public and private) and provision of sufficient land; and to scale down emphasis on subsidized housing projects

**Outputs:**

- 1) Successful execution of \$10 million housing sites and services program in (Yaoundé and Douala) in Cameroon and, in Gabon, a \$2.5 million sites and services portion of H.G. program primarily in Libreville and Port-Gentil.
- 2) Establish procedures for site occupancy, management, loan recuperation, control of self-help housing construction, etc.
- 3) Autonomous accounting and financial management system for unit.
- 4) On-job training of sites and services unit staff in the above.

**Magnitude of Outputs:**

Cameroon

- 1) Occupancy of + 4,000 serviced lots in Yaoundé and Douala providing maximum shelter capacity for 40-48,000 persons (N.B. final close-out of housing program may occur after close of project)
- 2) Trained nucleus of 4 or 5 cadres and 14-28 professionals and para-professionals in Yaoundé central office, Douala office, and project field offices in two cities.

Gabon

- 1) Occupancy of + 1,000 served lots for 8,000 persons.
- 2) Trained nucleus of five technicians and necessary field office staff.

Cameroon

- 5) Establishment by GURC of tax-supported national fund for urban infrastructure.

**Assumptions for Achieving Outputs:**

- 1) Inputs in place on time
- 2) Political stability and continued host country commitment to low-income shelter programs.
- 3) No major economic crisis.
- 4) Continuation of process previously observed in informal shelter sector, i.e. sufficient level of household savings to make possible investment in shelter, desire to invest once tenure assured, use of self-help labor, assistance from extended family, etc.

Inputs:

Cameroon

1) AID TA for three years.

2) Host country nuclear staff.

3) Host country additional staff for project development and implementation.

4) Financing, both HG and host country community facilities and, where necessary, primary infrastructure.

Implementation Targets:

1) AID-funded  
1 administrator/policy planner/team leader - regional  
1 town planner/land developer-Cameroon  
1 engineer/construction specialist - Gabon

Cameroon

2) GURC nuclear staff  
1 civil engineer  
2 town planners  
1 administrator/land expert

3) GURC additional staff  
2 engineering (aids) assistants  
2 town planning assistants  
2 administrative assistants (land, accounting)  
2 site office administrators plus draftsmen, surveyors, building inspectors (plus) and clerical personnel

Gabon

4) GOG nuclear  
1 town planner  
1 civil engineer  
1 accountant  
2 draftsmen  
- plus support, clerical and project staff as needed.

Assumptions:

1) Availability of TA personnel on time.

2) Qualified host country personnel available.

3) HG Investor available.

## Part II : Project Background

### A. The Developmental Problem

The rapid increase in urban population, noted worldwide, has resulted in strikingly similar developments and problems in the Central African region, although there are substantial differences in magnitude between the two countries under discussion in this paper.

The major thrust of population growth is urban. In Cameroon, with a population of 6,200,000, urban areas are growing at a rate of six percent per year, compared to two percent for the population of the country as a whole. Sixty percent of the country's future population growth is expected to be in urban centers, which, by 1980, will contain almost 40% of the nation's population (as compared to about fourteen percent in 1963). In Gabon, where population (650,000) and the national growth rate (one percent) are much less, urban population almost doubled as a proportion of the total during the first decade after independence, from twelve percent to twenty-one percent. The capital city of Libreville is growing at seven percent per year (in 1968 only one of five residents had been born in the city), and it is expected to absorb the equivalent of one percent of the country's population each year.

The dynamics of urban growth are twofold. First, of course, because of better sanitation and greater access to medical facilities, the natural growth rate is greater in urban centers despite the health problems associated with overcrowding.

The other major dynamic is migration, particularly of the young, the ambitious, and those in the economically most active age groups. By far the most important motivation according to studies by the UN, ORSTOM and others reviewed by the Shelter Sector Study Team, is economic - the search for employment and, with it, access to the highly conspicuous symbols of "development" and "independence". And employment in the modern sector is concentrated in a few urban centers. In Gabon in 1970, for example, where the agricultural economy is stagnant and predominantly subsistence, one of four jobs in the modern sector was in primary sector enclave industry, and of the balance, ninety percent of the private sector and almost two-thirds of the government jobs were located in the two cities of Libreville (population 50,000) and Port Gentil (45,000).

Education is also a factor. Facilities for higher education - and with it the possibility of acceding to higher civil service jobs - are concentrated in major cities. Intermediate education can be obtained only in smaller urban centers, which also may serve as foci for urban growth; (two intermediate-sized urban centers in Cameroon have experienced annual growth rates of more than ten percent).

Other dynamics include access to health facilities or escape from the stultifying social constraints of the village gerontocracy.

Heusing, although far down on the list of motives for rural/urban migration as identified by the various studies reviewed by the team, becomes a primary concern for the urban resident. According to information collected in the field by the team, a new arrival to the city is usually 20 to 25 years old, but much younger, of course, if he has been sent to continue his education. He almost always lives free with a relative until he can find a job, a period which usually lasts two years.