AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

BIBLIOGRAPHIC INPUT SHEET

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1. SUBJECT CLASSIFICATION

A. PRIMARY: Urban development and housing — LD00-0000-G100

B. SECONDARY: Housing--Africa

2. TITLE AND SUBTITLE

Proceedings of the Fifth Conference on Housing in Africa, Monrovia, Liberia, 1978

3. AUTHOR(S)

(101) Conf. on Housing in Africa, 5th, Monrovia, Liberia, 1978; National Housing Authority of Liberia, Monrovia

4. DOCUMENT DATE: 1978

5. NUMBER OF PAGES: 222p.

6. ARC NUMBER: ARC AFR301.54096.A265b

7. REFERENCE ORGANIZATION NAME AND ADDRESS

DS/H

8. SUPPLEMENTARY NOTES *(Sponsoring Organization, Publishers, Availability)*

(In English and French. French, 241p.: PN-AAG-676)

9. ABSTRACT

10. CONTROL NUMBER

PN-AAG-675

11. PRICE OF DOCUMENT

12. DESCRIPTORS

Housing
Meetings
Low-cost
Savings
Mortgage
Policies
Self help
Africa

13. PROJECT NUMBER

14. CONTRACT NUMBER

DS/H

15. TYPE OF DOCUMENT

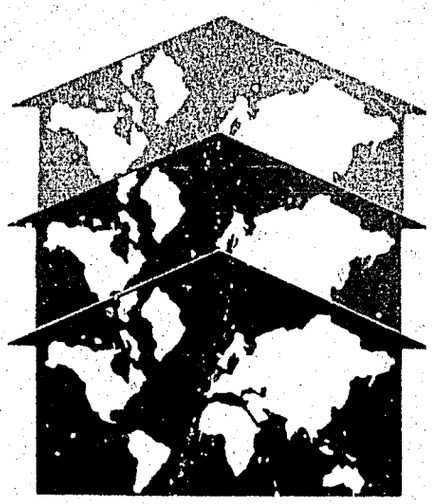
AID 890-1 (4-74)

PN-AAG-675

301.54096
A265b

FIFTH CONFERENCE ON HOUSING IN AFRICA

Monrovia, Liberia
May 7 — 12, 1978



AGENCY FOR INTERNATIONAL DEVELOPMENT

OFFICE OF HOUSING

FIFTH CONFERENCE ON HOUSING IN AFRICA

Sponsor: Agency for International Development (AID)
United States of America

Hosts: National Housing Authority of Liberia
Municipality of Monrovia, Liberia

May, 1978

FIFTH CONFERENCE ON HOUSING IN AFRICA

Monrovia, Liberia
May 7-12, 1978

John Newbern once said, "People can be divided into three groups: those who make things happen, those who watch things happen and those who wonder what happened." My association with the Africa Housing Conferences has given me the opportunity to be associated with the people who make things happen. The problems of shelter and its innovative solutions can be traced back to the founding of the world's first cities, which were started on the African continent almost 7,000 years ago. While the history of the Africa Housing Conference is appreciably shorter, the problems we address are indeed a cumulation of those 7,000 years. Never in that long history has there been a more pressing need to find innovative solutions to the problems of providing shelter for our neediest citizens.

Over the last decade, developing countries and international assistance agencies have been giving increasing attention to the problems of urban growth. The 1976 U.N. Vancouver Conference on Human Settlements represented a breakthrough in the world recognition that unprecedented growth in urban poverty and its associated problems must be addressed in the development strategies of nations if economic growth and political stability are to be secured.

The Africa Housing Conferences, sponsored annually since 1974 by the AID Office of Housing, have provided a forum in which to exchange ideas and develop strategic tools to address urban shelter and related community development needs. Participation has expanded in each of the past five years as delegates recognize the urgency of escalating urbanization and the opportunity to plan and deliver shelter and services to the urban areas before accelerated growth renders them unmanageable.

The major financial instrument used by AID for shelter and urban service assistance in the developing world is the Housing Guaranty Program (HG). AID capital financing for shelter development is provided by means of a U.S. government guaranty to private U.S. capital market lenders and must substantially benefit lower income households. Operative since 1961, the HG program has historically assisted developing countries establish productive shelter financing systems. Since 1974, the HG program has focused its assistance on innovative low-cost shelter solutions for the urban poor. Shelter solutions such as squatter settlement upgrading, sites and services, serviced sites and expandable core housing demonstrate effectively the opportunity to maximize low-cost shelter production through construction of self-help minimum shelter forms.

AID shelter policy promotes shelter program design and costs which ensure project replicability and a more efficient and effective use of limited country resources. To

accomplish these ends, borrower countries are encouraged to reduce high-cost design and construction standards, to minimize government subsidization of shelter and to promote the use of traditional labor-intensive building technologies and materials.

In summary, AID shelter programs seek to assist countries increase institutional capacity to analyze shelter and urban services requirements. Programs also aid the development of national shelter policies, plans and programs which address generally the broad economic range of housing needs but focus on the substantially unserviced needs of the urban poor.

This year, we are deeply indebted to the Government and people of Liberia for their co-sponsorship of the V Africa Housing Conference and we are pleased to *continue* our relationship with the governments of Africa. AID is also pleased to have been able to contribute toward the success of the Conference and looks forward to the VI Conference next year.

I would again thank each participant and share with you my feelings that these conferences and the concerns addressed here are reflective of the aspirations of the people we represent.

PETER M. KIMM
Director
Office of Housing
Agency for International Development

The Conference Co-Chairmen, Mr. J. Nyema Baker, Director, National Housing Authority, Liberia and Mr. Peter Kimm, Director, Office of Housing, AID Washington D.C.

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SUNDAY, MAY 7

15:00 – 19:00 REGISTRATION

MONDAY, MAY 8

08:00 – 09:00 LATE REGISTRATION

09:00 – 10:30 OPENING SESSION

Chairmen: Mr. J. Nyema Baker, Director, National Housing Authority (Conference Co-Chairman) Liberia
Mr. Peter Kimm, Director, Office of Housing, AID/Washington, D.C. (Conference Co-Chairman)

Participants: His Excellency, Dr. William R. Tolbert, Jr., President of Liberia
Hon. Edward David, Mayor, Municipality of Monrovia, Liberia
Hon. W. Beverly Carter, Jr., U.S. Ambassador to Liberia
Hon. Gabriel J. Tucker, Minister of Public Works and Chairman of the Board, National Housing Authority, Liberia
Mr. Rachid Karoui, Representative of the Government of Tunisia
Mr. Harvey E. Gutman, Acting Director, USAID/Liberia

11:00 – 12:30 FIRST PLENARY WORKING SESSION

"Resource Mobilization for Human Settlements"

Chairman: Mr. Peter Kimm, Office of Housing, AID/Washington, D.C.

Participants: Mrs. Ellen Johnson-Sirleaf, Deputy Minister of Fiscal Affairs, Liberia
Mr. Norman Strunk, Executive Vice President, U.S. League of Savings Associations, U.S.A.
Mr. José Carlos Melo Ourivio, Deputy President, International Union of Building Societies and Savings Associations, Brazil

14:00 – 15:30 WORKSHOP A-1

"Shelter Policy: Allocation of Resources"

Chairman: Dr. Ahmed Zaki Abou El Nasr, Egypt

WORKSHOP B-1

"Mobilizing Human Resources"

Chairman: Mr. Francis Olaseinbe Uddoh, Nigeria

16:00 – 17:30 WORKSHOP A-2
"Mobilizing Human Resources for Settlement"
Chairman: Mr. Mian Yusuf, Kenya
WORKSHOP B-2
"Conservation of Resources: Housing Cost Recovery"
Chairman: Mr. Enoch Hornsby-Odoi, Ghana

19:00 RECEPTION SPONSORED BY THE MUNICIPALITY OF MONROVIA—CITY HALL

TUESDAY, MAY 9

09:00 – 10:30 SECOND PLENARY WORKING SESSION
"Experiences in Overcoming Problems in a Sites and Services Project"
Chairman: Mr. Peter Kimm, Office of Housing, AID/Washington, D.C.
Participants: Mr. Jack L. Hjelt, U.S.A.
Mr. Joseph Handwerger, U.S.A.
Mr. Dhan Singh, U.S.A.

11:00 – 12:30 WORKSHOP A-3
"Collections and Control of Delinquencies for a Sites and Services Project"
Chairman: Mr. Jean Konan-Ferrand, Ivory Coast
WORKSHOP B-3
"Assistance and Control to Construction in a Self-Help Project"
Chairman: Mr. Samuel G. Ayany, Kenya

14:00 – 15:30 WORKSHOP A-4
"Qualifying and Selecting the Participants in a Sites and Service Project"
Chairman: Mr. Nathaniel T. K. Mmono, Botswana
WORKSHOP B-4
"Introduction to a Sites and Services Project"
Chairman: Mr. Atchroe Kouassi, Togo

16:00 – 17:30 SPECIAL SESSION: UNITED NATIONS REPORT
Chairman: Mr. Peter Kimm, Office of Housing, AID/Washington, D.C.
Participants: Mr. Paul E. Mwaluko, UN/USA
Mr. Eric Carlson, UN/Kenya

WEDNESDAY, MAY 10

09:00 – 10:30 THIRD PLENARY WORKING SESSION

"The Human Settlement Upgrading Process: Problems and Solutions"

Chairman: Mr. Peter Kimm, Office of Housing, AID/Washington, D.C.

Participants: Delegation from the Ivory Coast
Mr. Joram M. L. Mghweno, Tanzania

11:00 – 12:30 WORKSHOP 5

"Resident Involvement in Projects of Neighborhood Upgrading and Collection and Use of Socioeconomic Data in Planning Upgrading Projects"

Chairman: Mr. Marc Emile N'Difo, Cameroon

Participants: Mr. Aly Hanne Diop, Senegal

14:00 – 15:30 WORKSHOP 6

"Lour Origination and Servicing Techniques in Settlement Upgrading"

Chairman: Mr. Hilary Dennis, Liberia

16:00 – 17:30 SPECIAL SESSION: PRESENTATION OF ADDITIONAL PAPERS

Chairman: Mr. J. Nyema Baker, Liberia

Participants: Delegation from Nigeria
Delegation from Ghana
Delegation from Mali
Mr. Francis K. Sazuze, Malawi
Delegation from Egypt
Mr. Leonard M. Shango, Ivory Coast
Delegation from Morocco
Mr. Pumulo M. Muyangwa, Zambia

19:00 RECEPTION SPONSORED BY THE AGENCY FOR INTERNATIONAL DEVELOPMENT—RESIDENCE OF THE U.S. AMBASSADOR TO LIBERIA

THURSDAY, MAY 11

09:00 – 12:30 FIELD VISITS

14:00 – 15:30 FINAL PLENARY WORKING SESSION

Presentation of Workshop Summaries

Chairmen: Mr. J. Nyema Baker, Liberia
Mr. Peter Kimm, Office of Housing, AID/ Washington, D.C.

Participants: Dr. Ahmed Zaki Abou El Nasr, Egypt
Mr. Francis Olaseinbe Uddoh, Nigeria
Mr. Mian Yusuf, Kenya
Mr. Enoch Hornsby-Odoi, Ghana
Mr. Jean Konan-Ferrand, Ivory Coast
Mr. Samuel G. Ayany, Kenya
Mr. Nathaniel T. K. Mmono, Botswana
Mr. Atchroe Kouassi, Togo
Mr. Aly Hanne Diop, Senegal
Mr. Hilary Dennis, Liberia

19:00 DINNER SPONSORED BY THE GOVERNMENT OF LIBERIA—HOTEL DUCOR INTER-CONTINENTAL

FRIDAY, MAY 12

08:00 – 10:45 COUNTRY PRESENTATIONS

Chairmen: Mr. J. Nyema Baker, Liberia
Mr. Peter Kimm, Office of Housing, AID/ Washington, D.C.

Participants: Messrs. Nathaniel T. K. Mmono, Botswana
Egide Nsavyumuganwa, Burundi
Marc Emile N'Difo, Cameroon
El Tidjany Adam Taha, Chad
Dominique Mavoungou, Congo
John Augustus Indome, Ghana
Lazare Yeboue, Ivory Coast
Samuel G. Ayany, Kenya
Kiruhi K. Cege, Kenya
Malefetsane Nkhahle, Lesotho
Hilary Dennis, Liberia
Francis Kagasso Sazuze, Malawi
Ouattara Bakary, Mali
Joseph R. D. Valadon, Mauritius
Alfari Kairo, Maiga, Niger
S. P. O. Fortune Ebie, Nigeria
Alioune-Khaly Ba, Senegal
Joram Mghweno, Tanzania
Konde-Kikpa Takassi, Togo
Rachid Karoui, Tunisia
Mbole Bubu, Zaire
Pumulo M. Muyangwa, Zambia
Leonard M. Shango, African Development Bank
Dhan Singh, World Bank

11:15 – 13:00 CLOSING SESSION

Participants: Mr. J. Nyema Baker, Director, National Housing Authority (Conference Co-Chairman) Liberia

Mr. Peter Kimm, Director, Office of Housing, AID/Washington D.C. (Conference Co-Chairman)

Mr. Harvey E. Gutman, Acting Director, USAID/Liberia

The highlight of the conference, His Excellency, Dr. William R. Tolbert, Jr. President of Liberia, addressing the delegates

OPENING SESSION

Chairmen: Mr. J. Nyema Baker, Director, National Housing Authority, Liberia
Mr. Peter Kimm, Director, Office of Housing, AID/Washington, D.C.
(Conference Co-Chairmen)

Participants: His Excellency, Dr. William R. Tolbert, Jr., President of Liberia
Hon. W. Beverly Carter, Jr., U.S. Ambassador to Liberia

OFFICIAL OPENING OF THE CONFERENCE BY HIS EXCELLENCY, DR. WILLIAM R. TOLBERT, JR., PRESIDENT OF LIBERIA

Over many years the Republic of Liberia has hosted a wide variety of conferences, but perhaps none has been more relevant to its national purpose and objective of bringing newer horizons to humanity than this Conference on Housing in Africa which opens here today. It is gratifying to note the unprecedented representation from the American hemisphere, Africa and other parts of our one world, bringing honor to our nation and happiness and hope to the hearts of our people—the people of Africa. Thus, in immense appreciation of the importance of your meeting, it is my special pleasure to welcome you heartily in the name of the Government and People of Liberia. I also express the sincere hope that you will all have an enjoyable and rewarding stay among us and that your deliberations will be uplifting and most beneficial for the human family.

I highly commend the United States Agency for International Development for sponsoring this Fifth Conference on Housing in Africa, in collaboration with our own National Housing Authority, and for its pioneering and positive concern for the fundamentals of human well-being around the world. These assemblies have no greater parallel in a world where nations are fostering interdependence and cooperation in the interest of peace, human progress and prosperity.

To Adam and Eve, the first family, paradise was home. But for the betterment of all their descendants, endless communities of homes must be provided and transformed into what we may truly consider paradises.

Since the building of the City of Jericho 7,500 years ago, man has continuously endeavored to improve the quality of his housing. With the growth of varied wealth and resources in modern times, man's efforts for home improvement and community development have become more demanding. Man has come to realize that better housing and domestic facilities for modern man represent an important practical symbol of diminishing deprivation and declining social inequities, together with their associated problems. All the citizens of the world, in developed as well as developing nations, are justly entitled to these modern amenities, and with these achievements rest, in turn, the momentum of productivity, the dominance of reason and the surge of real enlightenment and fulfillment.

At this exciting period of reconstruction and development, the Government of Liberia has taken imperative initiatives to provide appropriate shelter for the low-income majority, to raise most of our people from "mats on the floor to mattresses on the beds." Shelter is unquestionably fundamental and basic to life, without which development programs in such areas as health and education, to say the least, will be difficult to implement effectively.

Modern society must eliminate the existence of slums and squalor in areas of human habitat. It was because of the realization of the grave necessity of a shelter program and of the indispensable role of the government in this connection that in the past six years we have unrelentingly sought to establish a number of government agencies, such as the National Housing Authority, the National Housing and Savings Bank and the Ministry of Action for Development and Progress, to make available to our people more improved housing facilities throughout the country.

Shortly after assuming office in 1971, I visited the West Point area in Monrovia and was shocked and greatly saddened by the unsanitary and deplorable living conditions that existed there. I decided that such *living conditions* existing in any part of our country are a serious impediment to the attainment of the wholesome functioning society which we envisioned for Liberia, and must be altered. Thus, the Cabral and the Gardnersville Housing Projects were soon commenced, and to date, added to those of Barnersville, those have cost over US$17 million of investment and have sheltered about six thousand people.

When we launched our "Mats to Mattresses" Program in the rural area of Jerwah, Bong County, in 1972, we intended to emphasize in a pragmatic manner how a rural community living in congested squalor and without any modern amenity could be transformed into an organized community consisting of low-cost housing and provided with educational, agricultural and marketing facilities, and health and auxiliary infrastructures. The result was that Jorwah, through its new access roads and other amenities, entered the money economy with increased agricultural production and viable commercial activities. Similar conditions can occur in other parts of our country; in other parts of our one world.

The diligence and precision with which our Ministry of Action for Development and Progress completed its assigned tasks in Jorwah was a clear and convincing demonstration that rural Liberia can be transformed, if only we could utilize the needed human and material resouces. The effectiveness with which various housing institutions are working in Monrovia is again an attestation to the fruits of mobilized resources for worthy purposes and satisfying national and human needs.

It is for this reason that I am particularly delighted that your conference will be able, amidst surrounding difficulties, to offer adequate clues leading to the solution of the problem of resources by discussing such topics as "Resource Mobilization for Human Settlements," "Experiences in Overcoming Problems in a Sites and Services Project" and "The Human Settlement and Upgrading Process: Problems and Solutions."

All of these subjects, and the others in the workshops you will conduct, seem to us to contain vital indices for the complete understanding of the problems involved and appreciation of the tasks ahead. The mobilization of resources for housing will also stimulate the construction industry which will, in turn, occasion jobs for skilled, semi-skilled and unskilled labor.

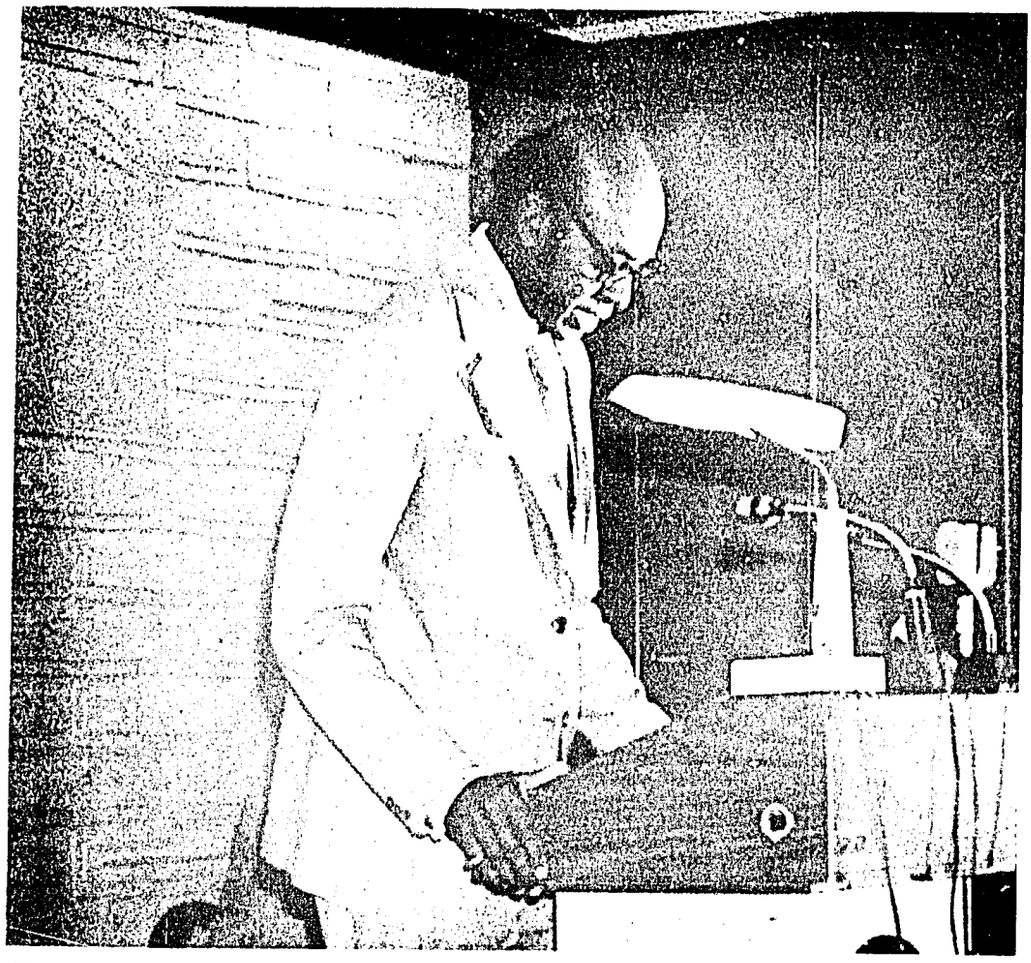
Mr. Chairman, distinguished delegates and friends: This is the age of humanity, and, may I add, accountability. The task of transforming the conditions of urban slum dwellers and of primitive housing is indeed formidable and most challenging requiring the dedication and commitment of man. To overcome the imbalance between the enormous housing needs of human beings throughout the world and the limited resources available, we must use imagination, initiative and creativity, together with the tools of modern economics and technology, to usher in anew a welcomed day of social equality and more comfortable existence.

For the improvement of mankind, it is time that ideas are translated into action and concepts into practical constructions.

Distinguished delegates, as you examine the subject of resources for human settlement, you are taking the first giant step towards timely confronting the crisis of change in Africa. You become partners together with us in raising the people of Liberia and Africa from mats on the floor to mattresses on beds. And in so doing you are all setting an important pace for more habitable living for people everywhere. In such a difficult and herculean task I, therefore, offer you my very best wishes for a successful and rewarding exchange of knowledge and ideas, which I think will be translated into realistic accomplishments.

Faithfully working together for all, mentally, physically and spiritually, let us ever endeavour to make this our one world of wholesome functioning society with comfortable housing for mankind everywhere so that the now homeless can also become recipients of the blessings of homes and of a richer and fuller life.

May Almighty God direct the course of your deliberations and bring peace and prosperity to our one world.



The United States Ambassador to Liberia, The Honorable W. Beverly Carter, Jr., addressing the conference

WELCOMING REMARKS BY HONORABLE W. BEVERLY CARTER, JR., UNITED STATES AMBASSADOR TO LIBERIA

I am very happy to welcome the delegates from the 24 African countries represented at this, the Fifth Conference on Housing in Africa, jointly sponsored by the Governments of Liberia and the United States of America. I need not tell you that Africa is in the midst of an urban crisis. The problem of adequate housing for the peoples of this huge continent is staggering. The urban population of Africa has more than doubled in the past 15 years and is expected to triple within the next 25 years. Thus, adequate shelter is one of the most pressing needs perceived by the largest majority of the citizens of the countries of Africa.

Here in Liberia, the capital city, Monrovia, is growing at 8% per annum. And, with no let up in sight, the World Bank estimates the city will double in size to 550,000 persons by 1990. This migration to the city will be mainly by people from the poorer rural areas. I am also aware that the Liberian government is acutely cognizant of the problem and is now putting the necessary "machinery" in motion to alleviate the situation. The fact that this Housing Conference is being held here in Monrovia is symbolic of President Tolbert's concentration on the task of solving these troublesome shelter problems.

At this time in Monrovia, housing construction is going forward for a group of people recently burned out of their homes. Additionally, our two governments are jointly exploring the feasibility of providing low-income housing and sites and services solutions to Liberians below the median-income level. These projects, along with other housing projects which are going forward under the stewardship of the National Housing Authority of Liberia, will alleviate the conditions which exist in certain slum areas of Monrovia and, indeed, conditions which are endemic throughout the large cities of the world.

This conference will be a worthwhile experience for all of us who participate. It will provide new insights into the problems and therefore become a first step to solutions in helping the governments of African countries come to grips with this most important aspect of development.

I am pleased to be here to welcome you and wish you success in your workshops and deliberations during the coming week.

WELCOMING ADDRESS BY MR. PETER KIMM, DIRECTOR, OFFICE OF HOUSING, AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, D.C.

Mr. President, Mr. Ambassador, Ministers, Delegates, Friends:

This is the fifth time that this group has met. When we first met in Abidjan about five years ago, there were about 20 of us representing eight African countries. Today we have in the room approximately 150 people representing 24 African countries and some six international agencies interested in housing. I think that this is a symbol of the increasing attention which we are all giving to the problems of poverty and shelter.

Accordingly, Mr. President, I would like to thank you for your warm welcome and for your astute comments on the shelter project with the hope that in the spirit of interdependence which you mentioned, we can pursue this week's deliberations as successfully as possible.

Mr. Peter Kimm thanking His Excellency, President Tolbert, for his personal participation and support of the conference

FIRST PLENARY WORKING SESSION

Chairman: Peter Kimm, Office of Housing, AID/Washington, D.C.
Participants: Ellen Johnson-Sirleaf, Liberia
Norman Strunk, U.S.A.
José Carlos Melo Ourivio, Brazil

THE DEVELOPING CONSENSUS ON LOW-COST SHELTER STRATEGIES IN AFRICA

*By Peter Kimm, Director, Office of Housing, AID/*Washington, D.C.

It is a special pleasure for me to be here today, and I join our Monrovian hosts in extending a warm welcome to you on the occasion of our Fifth Conference on Housing in Africa. A few of you participated in our first conference five years ago when eight African countries were represented. It is a measure of the growing recognition of shelter both as an important economic development tool and a critical human need that 24 African countries are participating in this conference. In addition, we have six international institutions or offices concerned with shelter in the developing world. Your participation in this conference signals to us all a growing awarenesse and understanding of the massive problems of poverty and your commitment and resolve to develop strategies which will reduce the worst aspects of many people's daily struggle to survive.

Since we last met a year ago, there has been considerable discussion within the development community regarding the kind of a world in which we all want to live. Will it be a world of inequality and want or one of partnership and fulfillment? Recent economic and social changes have already begun to signal a new world order. In a speech before the Joint Congress of Venezuela this March, President Carter acknowledged that, "Our nations are more dependent on one another economically—we are willing to deal with each other as equals—more able to influence each other—for good or ill—than ever before in human history." He went on to say, "We must all acknowledge this basic fact: that we share responsibility for solving our common problems."

The concept of interdependence is generally accepted today in principle, if not entirely in practice. Nations need one another to grow and prosper. This is true in both industrialized and developing countries. The U.S. relies on other countries for many

critical raw materials. We are not self-sufficient, and we are not alone. A boom or a recession in one group of countries quickly affects the others.

On the other side of the equation, there are global problems of uncontrolled population growth, a proliferation of unplanned human settlements, inefficient and inadequate agricultural production and distribution, a continued degrading of the environment and, on the human level, for the estimated 800,000,000 persons in the developing world who live in abject poverty, it means a daily struggle for survival. Indeed, despite the growth and development at even unprecedented rates which most countries experienced in the last 30 years, improvements in the living standards of the bottom 40% of the population have been most illusive.

Two development gaps have been created and are accelerating: one between the rich and poor nations, the other between the rich and poor within nations. The growing recognition of these gaps and the frightening implications these gaps have for future world stability has prompted developing and developed nations alike to focus increasing attention on rationalizing existing resources and marshaling new ones to assist directly in meeting basic human needs of the poor.

Basic human needs as a development strategy boils down to people having the means and power to feed, clothe, house and educate themselves. It means food with enough nutritional value to avoid the debilitating effects of malnutrition; shelter and clothing to provide protection against the rigors of climate and environment; and public services to make available the education, clean water and health care that all members of society need if they are to become fully productive. Above all it means participation in the decision-making process.

One of the reasons that all of us are assembled here today is a recognition that prosperity and accelerated economic growth cannot be sustained indefinitely by ignoring the needs of the poor. One of the most tangible opportunities to annihilate the most debilitating aspects of poverty is through the improvement of the physical, social and economic environment in which so many live.

The United States Agency for International Development administers the bilateral aid program of the United States, and most of the available resources are targetted to the rural poor. However, since 1961, an additional development resource has existed within the Agency. This resource is the Housing Guaranty Program which is administered by the Office of Housing, which I head. This program provides for a U.S. government guaranty of loans made by private U.S. lenders for the financing of shelter projects in developing countries. It has authority to guarantee over one billion dollars in shelter loans. Last year, we approved new projects on the order of US$120 million. This year, we look forward to approving approximately 12 new projects totaling US$150 million. Relative to effective demand for housing and improved services, this is a very small sum of money. However, it does represent one of the largest sources of capital development financing available internationally for shelter. The program is administered largely in the field through six regional Housing and Urban Development Offices established around the world. Three of these field offices are in Africa: one in Nairobi, one in Abidjan, and one in Tunis. Each has a small staff of housing professionals and additional local hire support personnel.

In many ways, the Office of Housing has gone through an evolutionary process similar

to that experienced by many developing countries. Our emphasis during the 1960s in the shelter field was on introducing new building technologies to the developing world. One of the intentions was to motivate private builders, including U.S. builders, to develop large demonstration projects on a pilot basis. By 1965, AID shifted its focus to the development of specialized financial institutions for housing. The Housing Guaranty Program played an important role in helping develop savings and loan systems in Latin America. As a result of this, many thousands of families, previously unserved, were provided with mortgage loans and new single family housing units. However, it was not until 1973, as a result of policy changes which changed the character of the program, that the program began to focus *principally* on lower-income families. As a result of these policy changes made in 1973 and clarified in 1974, about half of the projects authorized in 1974 and all projects authorized since then have gone to lower-income families. This amounts to about US$420 million in such projects, about 45% of all projects since the inception of the program.

Mr. Peter Kimm delivering the Opening Address of the First Plenary Working Session

As a result of this experience, and the experience of others with similar interests and goals, there is a developing concensus about most of the outstanding issues and problems. As I see it, most of the people with whom we are working would subscribe to the following, and so I will presume to use the term "we" to speak for all of us who labor in this field.

We are not exclusively concerned with just the production of dwelling units. We have come to recognize that in order to ensure an equitable allocation of public and private resources among different income groups in the shelter sector, the place of housing in the hierarchy of national development priorities must be established. To accomplish this, a country's housing, financial and political institutions must participate in the formulation of a realistic national housing policy.

We have come to recognize the need to increase the mobilization of financial resources for shelter, especially resources directed at the shelter needs of the poor. Among other things, this has meant reducing levels of subsidy to ensure greater availability of funds in order to benefit a larger number of the neediest families in both the short and long term. It has also meant developing and strengthening institutions that have the capacity to successfully mobilize savings for purposes of investment and reinvestment in shelter. On the public side, it has meant encouraging the expansion of capital for investment in public utilities and recapturing that investment by user charges which cover the costs of services delivered.

On the credit side, we have come to recognize that many have been effectively excluded from obtaining long-term credit at reasonable rates to improve the quality of their housing. As a result, we have had to develop new strategies which minimize risks to lenders and reduce the costs of shelter. These strategies have included the use of smaller down payments and longer repayment periods for the capital-short consumer; market interest rates that attract savings and permit realistic administrative and servicing costs associated with smaller loans to be recaptured. It has meant capitalizing on the considerable productive capacities of the people by substituting "sweat equity" earned through self-help construction for some of the monetary equity in new or improved shelter. Perhaps most important, it has meant arbitrarily reducing high building standards and public services to levels that truly meet basic needs within the cost range affordable by the poor.

In another vein, we have come to recognize that existing housing investments made by the people, and sometimes augmented by governments through the provision of physical infrastructure and community facilities, constitute valuable capital assets. However make-shift, minimal and unaesthetic it may be, existing shelter is a valuable resource. Its replacement cost is prohibitive and beyond the investment capacity or priority of either the public or private sectors of most countries. As a result, we have come to recognize the folly and shortsightedness of large-scale demolition of squatter settlements and existing slum housing. In turn, we have come to acknowledge the considerable progress people have achieved in constructing their own solutions and have sought to improve that shelter by encouraging policies and programs aimed at upgrading individual units, improving sewerage, supply of potable water, access roads and community facilities. In addition, we have seen the opportunity for programs which rationalize the subdivision of land and the urbanization of plots through the sites and services approach and through the construction of minimal, core housing.

We have all made many mistakes in arriving at these basic premises of a reasonable approach to meeting shelter needs. But in the process we have also gained some wisdom and made a few discoveries. Clearly, you cannot partition shelter out and treat it separately from the social and economic environment in which people live. Improving an existing housing unit or creating a new one is only one side of the environmental equation. Factors on the other side of the equations, to name just a few, have to do with increasing the economic livelihood of the poor through job training and the creation of jobs, providing day care facilities where they are needed in order to enhance the income-producing opportunities for both primary and secondary wage earners in a household, bringing credit facilities closer to the people to serve their special needs for periodic small

building materials and small business enterprise loans and ensuring access to basic and vocational education.

The wisdom we have gained is no less than an acknowledgement of the critical importance of treating more than just the physical unit or environment. Our efforts must be aimed at improving the whole environment. We are talking about building communities.

Another bit of wisdom we have gained is that focusing on the social and economic aspects of the environment, in addition to the physical, is a very complex business. It is infinitely more complex than building three-room houses for civil servants or professional people. There are a number of reasons for this. I will mention just a few here.

First, lower-income families frequently do not participate in the formal sector to obtain credit, locate construction assistance or obtain basic services such as clean water. Second, they allocate their scarce resources quite differently than high-income households: in some cases they may spend 50-80% of their income on food; rarely do they allocate more than 15% of their income on shelter. Third, their employment is often more sporadic than steady. Their income is from diverse sources and is often comprised of periodic contributions from multiple wage earners in the household. Fourth, within their own communities they often have their own social structure, judicial system and administrative decision-making procedures. Fifth, given some of the unique features distinguishing their lives and their struggle for survival, their special needs and special preferences are different, especially with respect to the provision of shelter and the provision of economic and social services. Furthermore, they are not interested in having solutions and plans imposed on them. They want the right and the opportunity to participate in decisions affecting their physical, economic and social fabric and that of their communities. The effect of these decisions are felt long after funds for a program have been disbursed, long after the planners have left and the implementing machinery has been dismantled.

To recapitulate, together we have accomplished much of the conceptual work regarding improving the shelter occupied by the poor. We have come to recognize the importance of treating the community as a whole in developing improvement strategies, and our wisdom has increased regarding the complexity of these undertakings.

Now I would like to turn to the implications of these findings on the implementation of large-scale human settlement programs and to our experience in Africa. We have found that programs of this order, magnitude and complexity require at least twice as much planning and organization than constructing middle-income, housing-only projects. Large-scale socioeconomic surveys need to be conducted. Community organizations need to be brought into the planning process. Administrative structures need to be created. Coordination across multiple agencies for the delivery of social and economic services needs to be achieved. New legislation needs to be formulated and passed to legitimize innovative approaches. These are just a few of the activities which require increased lead time before actual implementation can begin.

In addition to the factor of time, these projects require new institutional capacities and arrangements. Ten years ago, even five years ago, few institutions existed in Africa which were organized to deliver low-cost affordable shelter and basic services to large numbers of low-income households. The very specialized technical and managerial expertise

needed to design, implement and administer programs comprised of multiple-shelter solutions—the provision of basic utility services to existing slum areas, the production of building materials, the delivery of social and economic services and the provision of new credit instruments and arrangements—is formidable.

It has been our experience that failure to figure adequately the elements of required front-end time to develop a project of this kind and failure to calculate precisely in advance the institutional and technical staff requirements for implementing it create dangerous false expectations and ill-will.

I think the emerging pattern is fairly clear. The initial groups of projects will require an intense effort by all participants. AID and the other international agencies will attempt to make the experience of some countries available to others to minimize errors and maximize benefits. However, it cannot be emphasized too strongly that such assistance can only operate at the margin and that the ultimate success or failure will depend on the efforts of the people involved.

I think it is fair to say that a conceptual framework now exists within which any nation can launch a program to help its lower-income families achieve better shelter and a better way of life. We are now in the early implementation stages of putting these concepts to work. In many respects this is the really difficult part of the effort. *However, it is the fruit of our labors which gives meaning to our work.*

Accordingly, I look forward to participating in this week's deliberations, with a particular focus on implementation problems as we increasingly put ideas into practice.

MOBILIZING RESOURCES FOR SHELTER DEVELOPMENT

by Ellen Johnson-Sirleaf, Deputy Minister of Fiscal Affairs, Liberia

It is an accepted worldwide view that reliance on the autonomous spread of economic growth—the so-called "trickle down" effect—has failed to address the serious problems of poverty in the less developed world. Thus, although the average per capita income of the Third World has increased by 50% since 1960, the unequal distribution of this growth has left at least a third of that population unaffected. Indeed, for many countries the poor have found themselves poorer as national prosperity improves.

Chenery[1] diagnosed this concentrated growth as perpetuated by limited access (of the poor) to land, credit, education and modern sector employment—often reinforced, unintentionally or otherwise, by a government's fiscal and trade policies, as well as the distribution of public expenditures. As growth continues, benefits are more widely spread: however, because of this limited access to propellants and benefits of growth, the bulk of the poor—self-employed farmers, rural artisans, the growing urban informal sector—remains largely excluded from the organized market economy.

This discrimination of the poor has come under burning attack both nationally and internationally, forcing development strategists to concentrate more directly on the problems of mass poverty. Assisted by changing policies of international development institutions, national planners are hard-pressed to identify production programs geared to satisfying basic human needs, such as food, education, health/nutrition, clothing and shelter. This task is made more difficult because it means a conscious turnaway from the dictates of the market—most times weighted by skewered income distribution patterns—to policy and institutional reforms that aim at improving the living conditions of the poorest sectors of society.

THE TARGET GROUP

The target group of the poverty-elimination-oriented policy can be divided into two main homogenous units—the rural poor and the urban poor. Each group is characterized by a typical set of conditions, including low per capita income, low concentration of land ownership, low literacy level, high incidence of mortality and morbidity, relatively low nutrition status and little or no access to political influence. Although the dividing line can be sometimes arbitrary and fused where two-way (urban/rural) mobility is frequent, the target group generally comprises small farmers, farm laborers, submarginal or subsistence farmers, the urban unemployed and the urban underemployed. The distribution of the target group between rural and urban and their proportion to the total population may vary from country to country, but the bulk of the poor in developing countries is found in the rural areas. In Africa, the target group may mean some 80% of the total population of which 70% are found in the countryside.

THE RURAL TARGET GROUP

The rural poor, comprising small-scale farmers, landless workers, farm laborers,

[1]Chenery, Hollis et. al. *Redistribution with Growth.* Oxford University Press.

tenants and their families are generally self-employed, with agricultural land holdings of not more than five acres. Most of this group produce mainly for home consumption, generating incomes well below the absolute poverty level. Those employed by plantation or large-scale farms earn incomes at the lower end of the wage scale and, in any event, below the poverty line (defined for most countries at US$50 per capita).

What are the policy options available to improve the living conditions of the rural poor? First, an overall long-term strategy of rural development aimed at raising rural production and incomes is required. This implies measures such as the allocation of a larger share of public investment (land improvement, irrigation, feeder roads, marketing facilities) in rural areas, increased prices of agricultural products, wider access to institutional credit, land reform and improved research. These measures are insufficient, however. There is need for special intervention to improve the quality (with positive implications for productivity) of rural life—i.e., better food, health, education, nutrition and shelter.

Most rural programs, whether sectoral or integrated in an overall development program, attempt to address the problems of food, health and education; the problems of nutrition and shelter remain largely unaffected. In the case of nutrition, there appears a common but fallacious view that *ceteris paribus* increase in food production will result in better nutrition.

THE RURAL SHELTER ISSUE

Like nutrition, the problem of improved shelter in the rural areas has yet to become a matter of serious focus, sometimes for obvious reasons. Compared with the distressing shelter conditions of urban areas, the rural target group is essentially better off. For the bulk of this group, shelter (defined as housing with complementary sanitation services) consists of a dwelling made of local materials, such as clay, thatch and sticks. Water is obtained from a stream (sometimes fetched by pail from long distances), and sewer facilities are in the form of an "outhouse," a nearby dense vegetation area, or a stream—the latter sometimes serving the dual purpose of a water source and discharge channel. Although rural development programs are beginning to address these needs, particularly in the area of sanitation, for most African countries the large and probably unrecoverable capital costs and capital input involved in such programs have restricted expansion in any meaningful ways.

Nevertheless, the shelter condition in rural areas is not consistent and should be a matter of concern while there is still time. As incomes improve, it is likely that urban growth poles will develop in rural areas, creating the settlement concentration so familiar in the cities. Thus, with early and concerted efforts, the shortcomings in government intervention associated with urban housing conditions can probably be minimized. One possible means of achieving this is by better local politicization of the benefits to be derived from housing betterment. This approach could serve the purpose of stimulating local participation and resource mobilization with self-help labor as the greater part of the resource required at that stage of development. The Harambee projects in Kenya are an example that government-inspired social infrastructure improvement can be implemented through spontaneous local initiative. To use a local example as a possibility, in Liberia Foya Kamara, a fast-growing rural growth pole might be used to test the response to government stimuli for housing development. At this initial stage, government assistance could remain modest, aimed at land titling, zoning, sites development and technical

assistance to those desiring to improve their shelter conditions essentially through self-help.

THE URBAN TARGET GROUP

Estimates indicate that by 1980 some 550 million, or a quarter of the people in the developing countries, will live in cities. By the year 2000 the number is expected to increase to 1.2 billion, representing a third of the population. This rapid pace of urbanization, while a necessary condition of economic development, will add to the growing pool of marginal producers, classified as the urban poor.

The ILO 1972 report on Kenya introduced the term "informal sector" to describe the urban poor. This group is said to engage in activities characterized by (1) ease of entry, (2) reliance on indigenous resources, (3) family ownership of enterprises, (4) small scale of operation, (5) labor-intensive and adopted technology, (6) skills acquired outside the formal school system and (7) unregulated and competitive markets. Having given this fairly broad definition, the report suggests that government policy towards the urban poor is often characterized by benign neglect and sometimes by active discrimination. It is further observed that the survival power of the squatter and migrant urban poor, in the face of tremendous odds, qualifies them as highly potential for dynamic evolutionary growth—the source of a new development strategy.

The urban poor generally comprise self-employed (and underemployed) service workers (i.e., "here-now" and shoe-shine boys, barbers, tailors); migrants, usually from the rural areas, who take on casual work; unskilled workers employed in construction, manufacturing or government; the semi-skilled, usually self-employed, such as carpenters and painters; and finally, the unemployed, including the aged and disabled. Similar to their rural counterparts, the urban target group is characterized by a combination of demographic, reproductive, educational, health, nutrition and shelter conditions which clearly reflect their disadvantageous position in society in terms of capital formation, consumption and political participation.

As regards reproductive and demographic characteristics, the urban poor have the highest birth rates, highest dependency burden and lowest median age, thereby limiting their potential for asset formation. Although the high mortality rate due to the lack of medical attention during childbirth may influence this position, it is probably true that the urban poor produce more children than their rural counterparts. Their educational background, both general and vocational, is a restraining force on improvements in opportunities. Their lack of access to health services, although there are more facilities available than in the countryside, and a substandard diet are most times severe. Although a major focus of political rhetoric, the urban poor are nevertheless excluded from participation in decision-making processes and are rarely represented in political institutions, such as city councils, government committees, and the like.

THE URBAN SHELTER ISSUE

To all of these can be added the most visible characteristics of the urban poor and one which has been the subject of recent international discussion, research and writings—their condition of settlement. Cramped, crowded and unsanitary settlements can be observed throughout most cities in the world, generally in sharp contrast to the proximate luxurious edifices constructed by the government and the advantaged elite. As land in the cities

becomes less available, the urban poor are forced to the periphery of the city, sometimes with no more than squatter's rights, thus further exacerbating their income condition due to the high cost of transportation to and from places of employment. In addition, the attendant costs of providing infrastructural services, such as roads, water supply and sewers, are likely to be beyond the reach of the government, thus adding to the already strained health and living conditions of this group.

In an attempt to meet these pressing social needs associated with the housing crisis, governments of developing countries have adopted a wide range of approaches. Some have attempted to rid the economy of this visible sore thumb by clearing the slums and relocating the residents to evenly constructed housing units built to unrealistic construction standards. This has placed the rental charge for housing well above the ability of the beneficiary, inviting widespread defaults and delinquency in payments. The end result has been a nonreplaceable, noncost recovery situation which further serves to restrict housing development. In another situation, due either to their discomfort with artificial accommodations and/or fear of the high rents involved, the poor have abandoned houses built for them. In turn, houses are seized by middle- and high-income earners, leaving the poor with less opportunities for housing and the not-so-poor with accommodations at rates much below their ability to pay.

The infamous practice involving allocation or expropriation of housing resources to the middle- and higher-income groups is further served by the policies of embryonic housing finance institutions in developing countries which, under the umbrella of "creditworthiness tests," tend to appropriate most of the limited resources mobilized through savings of the poor to the middle- and upper-income groups.

In more recent years, governments have attenpted to meet the housing problem of the urban poor by providing basic infrastructure or serviced sites upon which the poor can self-construct shelter conforming to their needs and incomes. This approach, though pragmatic and replicable, has a potential deficiency. Houses may be constructed in exactly the same "shack-like" manner, thus creating government sponsored slums. In other words, the poor would be moved only from one slum to the other, the only difference being that government units have a more structured infrastructural frame. Due to the fact that housing conditions in the cities are deteriorating due to the constant flow of new migrants and government-sponsored housing schemes that increasingly serve the need of the nonpoor, it is mandatory that governments of developing countries adopt more broadly reaching and well thought out policies to generate investment in low cost housing. Improved housing would not only serve to redress the economic and social injustices meted out to the urban poor, but there are clearly identifiable economic spinoffs, such as employment creation, fixed capital formation and income generation.

In a World Bank research publication[2], Orville Grimes states that four factors dominate the housing situation in most cities — income, city size, rate of urban population growth and the policy context of housing provision.

Income is regarded as the most important element in shaping and defining the housing situation. A basis for the determination of a country's capacity for housing its population at standards that will not distort allocations between urban and rural investment. Per capita

[2]Grimes, Orville. *Housing for Low Income Families*. The World Bank

income and its distribution among households, along with the price of housing, establish the amount of housing that particular families can afford. To a lesser extent, city size (the larger, the more problematic), the rate of urban population growth, including rural-urban migration influenced by rural development strategies and the adoption of housing policy options will influence a country's ability to house its urban poor.

STRATEGY OPTIONS

Unlike countries with high incomes, the bulk of the developing countries faces severe resource constraints that limit transfers directly to the poor in the form of unemployment benefits, feeding programs or low income housing. Thus, a strategy mix involving absorption of the poor in productive sectors (designed to increase the real income of the poor) and redirecting public policy and expenditure (on health, education, housing) is required. These strategies may not eradicate the problem of urban poverty due to increased rural urban migration when urban conditions improve, but they are the only real options available to developing countries.

The production strategy would focus on improving the income earning opportunities of the poor. This means, whenever possible, creating a bias for labor as opposed to capital. In order to achieve this, governments may have to use the tax system to increase direct and indirect employment capacity of the industrial and construction sectors. A variety of measures would be required to encourage labor intensive small producers, including special tax benefits, preferential utility rates, compulsory subcontracting and the like. Small-scale industries would need to be located in the midst of housing settlements, either by direct creation by the government or encouragement of private entrepreneurs. In addition, it may be necessary in times of severe unemployment to create jobs through civil works programs.

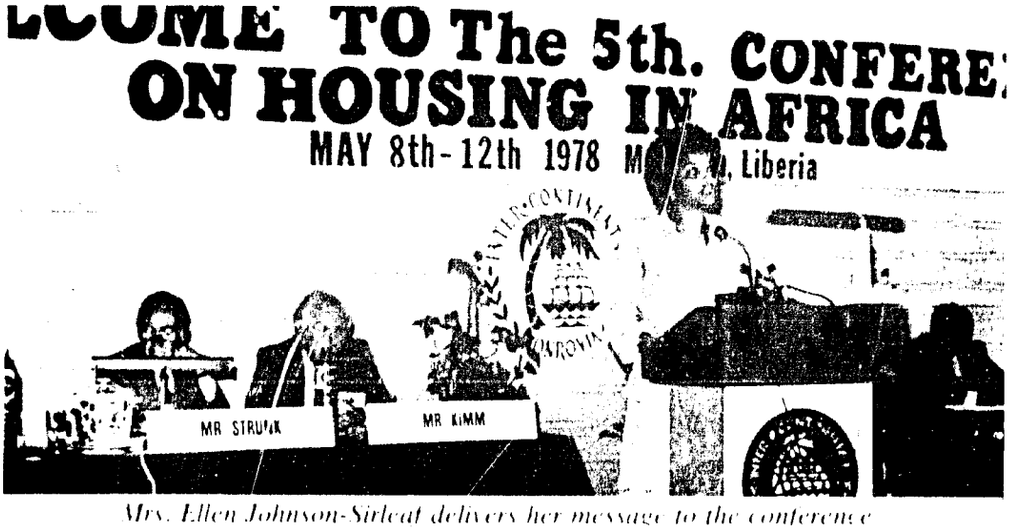
Experience has shown that, although necessary, employment generation strategy is insufficient to alleviate poverty, even assuming that entrepreneurs react immediately and favorably to changes in prices and factor intensity of production techniques. An important determinant in improving the real living standards of the poor, therefore, is the quality of public services provided — health, education, nutrition, housing.

In the area of housing, the government will need to revise schemes to reverse the existing situation in which the poorest 40% of the population remain unreached by housing programs. In addition, a bold land policy will be required — a policy that is bound to face political obstacles. The housing problem of the poor cannot be solved without a forceful policy of acquiring land from the rich and politically advantaged for transfer to the poor. The obstacles to adopting such a policy are many and well known — private rights of land ownership which are protected by legal systems, "fair compensation" which requires acquisition at current market rates, thus straining the fiscal capacities of government; restrictions on the uses to which such land can be put, and inability to adopt such policies because the policymakers are those likely to be affected. However, the fact remains that without such a land policy there is little hope for a solution to the housing problem.

Other policy options to improve housing includes zoning (to ensure land availability and minimize slum creation), controls on building standards, land taxation (capturing for social use some of the gains accruing to urban land and housing owners), rent control and

subsidies, encouragement of a building construction industry and improvement of housing finance institutions.

Finally, no matter what policy strategy is devised by planners, the major determinant of a successful program to mobilize resources for housing development will be the political will of a government to implement well-conceived policies.



Mrs. Ellen Johnson-Sirleaf delivers her message to the conference

MOBILIZING THE PRIVATE SECTOR FOR HOUSING: THE POWER OF VOLUNTARY SAVINGS

by Norman Strunk, Executive Vice President, United States League of Savings Associations, U.S.A.

My acquaintance with housing developments and financing institutions on the African continent is somewhat limited, but in preparation for my visit to this conference, I did read rather carefully the proceedings of both the Third and Fourth Conferences on Housing in Africa, those held in recent years in Nairobi and Tunis. In addition, two years ago I had the pleasure of spending some time in Nairobi and becoming acquainted with the building societies and some of the public officials in that country.

From that previous visit to your continent and from such study as I have been able to undertake, I have certainly been encouraged by the clear signs of the emergence of political and economic systems as well as governmental attitudes that are necessary for the true raising of expectations of the African people, especially in the area of housing.

The fact that you are here today, in such numbers and from so many countries, for the Fifth Annual Housing Conference is evidence of the presence in your countries of the necessary governmental desire to continue the progress that has been made in housing on this continent. I congratulate you and assure you of the desire of savings and loan people in the United States and the U.S. League of Savings Associations to be of all possible assistance to you. I think I also can provide the same assurance on behalf of the International Union of Building Societies and Savings Associations. The central office of the International Union, its Secretariat, is now in Chicago, using facilities and staff provided by the U.S. League of Savings Associations. One of my staff associates from the League is with me at this conference to further the research activities that the International Union is conducting with the help of the U.S. League. This research concerns governmental efforts to assist private sector home finance programs for lower-income people.

I was asked to speak today on the subject of mobilizing the private sector for housing and particularly the mobilization of private savings for housing. That, of course, is the essence of the savings and loan or building society system in the United States, in Europe and in South America. Although I am sure that many of you are familiar with the savings and loan system in the United States, allow me to give you a few essential facts about it. We have about 4,700 different savings and loan institutions operating in the United States. We also have about 15,000 commercial and savings banks and some 22,000 credit unions. Most of our banks and savings and loan associations serve only their own city or metropolitan area. We have relatively few institutions, either banks or savings and loan associations, that operate over as large an area as even one state. We have no financial institutions with branches beyond their state border, although some of the large banks and some of the larger savings and loan associations do, in fact, make loans throughout the country and accept savings from depositors in distant cities. But there is no physical presence of a bank or association outside of the state where it is chartered to conduct operation.

I do not recommend this system for any of your countries, but mention it in passing to illustrate that whatever type of financial system does develop in a country, it must

inevitably reflect that country's history, economic system and the needs of its people. While the savings and loan business in the United States is large in total size—aggregating about US$470 thousand million at this time (about half the size of the commercial banking business)—the typical savings and loan association is actually quite small. More than half of our savings and loan associations have resources of less than US$35 million which means they have fewer than 20 employees. We have only a few very large institutions. This is true as well with commercial banking. Thus, as you look at the large savings and loan system in the United States, do not think that it is necessarily so greatly different than the newer home financing type of institutions that are developing in your countries.

And our business in the United States has not always been large. In the space of my own career with the U.S. League, I have seen it grow from a very small business. In 1938, the total resources of the savings and loan business were less than US$6 thousand million. Over half of the associations at that time had assets of less than US$250 thousand. Most associations, in point of fact, at that time had only two or three full-time employees. As late as 1950, four years following the close of World War II, our institutions in the aggregate had only US$17 thousand million in assets, with half of the institutions having resources of less than US$1 million and a full-time staff of less than 10.

All of our associations, of course, started small and, as I have noted, many of them still are small. What might be of interest to you is that many started within a church group or some social or neighborhood group. One of our very largest institutions, the Perpetual Federal in Washington, D.C., was an outgrowth of a group of men who gathered together regularly to play a card game known as Whist. Thus, many of our institutions started just as credit unions or cooperative savings and loan societies are being organized in some of your countries today.

Fortunately, our type of business in the United States has enjoyed a spectacular growth—from US$17 thousand million in 1950 to US$470 thousand million currently, in the space of a little more than a quarter of a century. Inflation has contributed significantly, of course, to this growth as has a constantly rising gross national product, but there has been more to the success of the savings and loan business than merely inflation and an expanding national economy.

Most of our institutions still are managed and staffed by people who live in the city or neighborhood the association was created to serve. The result is that we are very close to the people, and this, in considerable part, has contributed to the success of our system.

But there is more than that involved. We have in the United States a national commitment for housing and home ownership. Our system encourages the mobilization of savings for housing, or at least a substantial part of our nation's savings capital. Over the years, there has been a commitment on the part of our state and federal governments to develop the savings and loan business and assure its growth as a tool to accomplish the public policy objective of a rising housing standard of living for all Americans. This same national commitment for housing and home ownership and for the development of savings and loan type of business is also found in Great Britain and most countries with an Anglo-Saxon heritage. It has been true also in Germany and to an increasing degree, in great part as a result of the work of the Agency of International Development, throughout South America. One can take it as a truism that wherever one finds widespread home

ownership throughout a country, one will also find that the savings and loan building society type of institution is an important part of the system of financial institutions.

Some of you, I hope, are familiar with the story of the development of the savings and loan business in Central and South America. The story is told in some detail in a booklet published by The Institute of Financial Education and authored by my colleague at this conference, George Cardis, who has been on the program of these African housing conferences the past several years. The movement began in 1957 in Peru with considerable assistance, both technical and financial, from the Agency for International Development and a number of savings and loan executives from the United States. Today the business in Latin America is established in 16 countries. There are approximately 226 institutions with total resources of some US$20 thousand million. The largest and most successful of the savings and loan systems in Latin America is found in Brazil.

Mr. Norman Strunk discussing voluntary savings of the private sector

While a few of the Latin American countries, notably Brazil, are large and beginning to be economically affluent, still more are developing countries in many respects. Many of them have the same types of social, economic, housing and political problems that characterize the countries represented at this conference. The success of the savings and loan business in South America is one that should give all of you great encouragement as to the possibilities of mobilizing private savings for housing.

As I have become acquainted with the savings and loan systems in Latin America, I have been impressed with the fact that in each country the savings and loan system is somewhat different and was structured to fit the economy and the political structure of each country. While there are clear similarities, there also are significant differences. In other words, in creating a thrift and home financing system in the Latin American countries, the basic pattern of the savings and loan association was adjusted and adapted

to conform to the financial, economic and political structure of each country. The most significant difference in Latin America from the savings and loan system that has developed in Europe and in the United States is the arrangement for indexing. This has permitted our Latin American institutions to live with the high rate of inflation that has tended to characterize a number of their countries. Without indexing, there would be no incentive for people to save, and long-term credit would not be possible. Where inflation is a major and continuing problem, countries should study very closely the system of indexing in South America and in Israel as well.

I understand that in Latin America, for the region as a whole the average per capita income is roughly US$984 per year. This compares with something on the order of US$486 per capita income in the nations represented at this conference. Within less than 20 years, there has developed in Latin America a savings and loan business on the order of US$20 thousand million. This type of savings and loan success in such a short time is really a remarkable record. It is one toward which most countries in Africa could reasonably aspire.

In Latin America, as well as here in Liberia and other African countries, we have all discovered that if people—ordinary people—are given an opportunity, they can and will save money, even those in the lower economic groups. We have found not only in Latin America but all over the world that most people do have an innate instinct for thrift. Most people, given some reason to save money will, in fact, save a portion of what they earn. This is not necessarily true for people at the poverty level, those who do not have even enough food for themselves and their families, but it is true for those with some cash income who can get by without spending all that they earn for the bare essentials of existence.

In addition to giving people a reason for savings, whether it be for a rainy day, old age or for later purchase of some durable good, including housing, saving must be made safe, easy and convenient. An institution like ours provides a place for the savings to earn but above all it is safe. Theft is a real problem in any country. We still have many examples of people who keep their life savings in cash in their home. Sometimes the money is lost by fire; frequently it is lost by theft. Because of the history of failures of banks and savings and loan associations in the United States prior to 1934, the U.S. government, through special agencies, inaugurated a policy of insuring the safety of the depositors' funds. This has given an element of stability and security to the saver.

Returning again to the example of the Latin American countries, it appears that a great deal of the money saved in the savings and loan associations is for the purpose of a down payment for a home. Actually, this was the origin of the savings and loan business in the United States. In the early neighborhood associations, a group of people got together and all of them systematically put money into the building society. When enough had been deposited to make possible a home loan to one of the group, those interested in buying a home at that time would actually draw lots in a type of lottery conducted to see who would get the loan. As money on that loan was being paid back and as additional funds were deposited systematically, others were able to qualify for a loan by having their name drawn in the lottery. This system continued until every person in the group was able to borrow money to buy or build a house. The system later broadened to include what was then known in our country as "free savings," that is money not accumulated exclusively

for home buying. There is some danger in adopting this early U.S. system in any country today. When people deposit money systematically in a savings and loan association for the purpose of a down payment on a home, they will naturally expect to be able to borrow the money when a sufficient amount has been saved. There will have to be certain guarantees or credits provided by the government to make certain that the association will, in fact, have money available to make the loans when people need or qualify for them.

You understand, I am sure, that in the United States, as well as in any country with a successful savings and loan system, there is a variety of arrangements for government support of the savings and loan system, the details of which I will not get into now, however, they do provide associations with a major central source of liquidity and support and, as I mentioned, guarantees of the safety of the deposited funds.

Our government's commitment to channeling savings into home mortgages in the United States is such that, in addition to the Federal Home Loan Bank System, the federal government sponsors three other semi-government banking type organizations that are designed to attract funds from the capital market for home lending.

This suggests that to the extent there has been any debate in the United States over whether resources should be allocated to housing, the decision always has been very strongly in favor of mobilizing private savings for housing. I know that in many other countries there is a continuing debate as to how resources should be allocated and whether any significant portion of the savings should be allocated to housing.

In the United States, the residential mortgage market is the single biggest user of capital. As the savings and loan system developed over the years and as our government installed programs to permit people to acquire farm land or a home, no one raised the allocation question. Certainly, the members of Congress and the members of our state legislatures always have understood the benefit of widespread private ownership of agricultural land and ownership of the homes in which people live. Today, as well as in earlier years, home ownership is accorded a high priority in connection with the allocation of resources in the United States. This is reflected in certain of the advantages that our government gives to the operation of savings and loan associations.

The people of a country, of course, are going to be happier and more productive if they have decent shelter. To engage in any type of productive enterprise, a person or a family must have food, clothing and shelter. It seems that after reasonable provision of the necessities for productive living comes the development of roads, electric power projects, mines and factories.

The production of housing, of course, does provide jobs. The construction of roads, sanitary facilities and homes is labor intensive. The housing industry creates many jobs not only in the construction of the house, but in related industries such as the production of brick or concrete blocks, lumber, roofing and plumbing. It is important to bear in mind that the construction industry uses only local resources and local labor. Very few of the items required for an adequate dwelling in any country in the world have to be imported. The housing industry does not require foreign exchange.

I would like to share with you one more concept we have learned in the countries where people have a reasonably good housing standard of living. That is, to have progress toward better housing, there must be institutions in the private sector that specialize in

housing credit. In many instances, it may be necessary that the government initially create the housing finance institution as has been done here in Liberia. Governments have also provided the initial or the seed capital for the private sector financial insitutions, be they cooperative or proprietary. We have found that commercial banks and regular financial institutions do not provide an assured source of funds for home financing. I think that was the experience in Liberia which led to the creation of the National Housing and Savings Bank..

The regular banks generally will lend to those who can and will pay the highest rates of interest. Most of their officers are oriented toward financing business and productive enterprises. Regardless of the country, most people borrowing money to buy or build a house cannot afford to pay the high rates of interest paid by commercial and industrial organizations. That is why there is the need for some special savings and housing bank with either government sponsorship, government encouragement or a subsidy arrangement.

The International Union of Building Societies and Savings Associations currently is engaged in a survey of countries throughout the world to gather information on the types of assistance that governments provide savings and loan or building society type of organizations. It is my observation that in all of the countries where the savings and loan system is successful, there is some type of government arrangement to assist or help it, particularly to help the institutions compete for savings capital with others that seek savings for lending.

We are pleased to see savings and housing bank type of institutions developing in Africa, and a recognition on the part of many of your governments that housing is a most important use for private savings. This is the lesson from the United States, Great Britain, Germany and many other developed countries. It is also a lesson from the countries throughout South America, an experience I think you can well hope to emulate.

COMPULSORY SAVINGS AS A BASIS FOR THE SETTING UP OF A SAVINGS AND LOAN SYSTEM FOR HOME FINANCING: THE BRAZILIAN EXPERIENCE

*by José Carlos Melo Ourivio, Deputy President, International Union of Building Societies and Savings Associations, Brazil**

One of the objectives of this presentation is to show that the introduction in Brazil, of the National Housing Scheme was so successful that in little more than a decade it grew to the impressive figure of US$31 billion in assets, representing over 1,800,000 housing units built, in addition to large investments in urban infrastructure and basic sanitation programs. By so doing, I hope to contribute in helping this audience to improve more and more a system aimed at supplying everyone with a home of his own.

With an area corresponding roughly to 30% of that of Africa, my country boasts a population of almost 120 million inhabitants, i.e., the seventh largest population in the world. Our annual per capita income amounts to US$1,275. Therefore, Brazil is considered a developing country by accepted international standards. Although our population grows at an annual rate of 2.9%—a figure too high for our present stage of development—around 62% of the entire population is concentrated in urban areas, where the annual growth rate reaches 4%.

Back in 1966, at the time our home financing scheme was started, a wide gap existed between the growing shortage of housing and the precarious state of the country's economic and financial infrastructure. The alarming rate of inflation that prevailed through the years 1963, 1964 and 1965—an average 62% annual rate for the period considered—formed a dark picture of the economy, with no solution in sight. We all know that the housing problem can only be solved through the granting of long-term loans. But how could we think of setting up financing programs with such a high inflation rate? Which capital would be willing to run such a risk? It thus became imperative to introduce innovative measures capable of neutralizing the fear from the galloping devaluation of our currency. At that time, there were in Brazil very few governmental agencies granting such loans; the rates were highly favorable to the borrower, but the amounts involved had very little social significance, if any.

The lack of an efficient housing program, together with a growing inflation whose annual rate for the decade 1956-66 had amounted to a full 43%, had eroded the Brazilian's saving habits, which darkened the picture even more. However, a totally new legislation appeared that amounted to a revolution of the entire economy. The mechanism of indexation was applied both to savings and to the debit balances of housing loans. The whole success of the Brazilian savings and loan system rests upon this mechanism.

As a consequence, a number of private and governmental agencies came into being to operate in collecting savings and channeling them into home financing operations. This is

*Given in absentia by Mr. Peter Kimm, AID/Washington, D.C.

how Brazil's Savings and Loan System started, under the control—up to the present—of a federal agency, the National Housing Bank.

On the other hand, the government created a system of compulsory savings called Time of Service Guarantee Fund ("FGTS") whereby every employer had to deposit monthly the equivalent of 8% of the entire payroll. The steadily growing funds thus collected were administered by the National Housing Bank, which since 1966 has acted as the central bank of the Brazilian Savings and Loan System, and is responsible for the implementation of the government's housing policies.

The 8% contribution paid by the firms, plus the interest accrued by the Guarantee Fund and the annual corrections from the indexation system, amounts to an indemnity for time of service about equal to the one set by the previous legislation that called for the payment of one month's salary for each year of service in the same firm. Just as the indexation mechanism and the savings collecting agencies formed the economic, technical and organizational structure of the Brazilian Housing System, the funds provided by the Time of Service Guarantee Fund represented its financial guarantee.

Since the time of the industrial revolution, one of the main aspects of the employer/employee relationship has been the protection of the employee in his various fields of activity. However, in Brazil just as in other countries, particular attention was given to guarantee adequate compensation for the years of service spent by the employee in his job. In a number of countries legislation achieved such a guarantee by specifying that employers rescinding the work contract should pay to the employee a lump sum proportionate to the latter's salary and to his years of service in the firm. In my country, the labor laws adopted in 1930 have incorporated various ideas that had proved successful abroad in improving the protection of labor. At that time, with our industrialization process taking off, we showed the civilized world a series of laws that were met with full approval of all the representatives of the International Labor Organization.

Brazilian legislation granted the employee the right to job stability. A legal clause ruled that, after ten years of service within the same firm, the employee could only be dismissed in case of a severe fault of his own, duly recognized as such by the labor courts. A further benefit entitled the employee to receive from the employer, in case of dismissal after more than one year of service, a cash indemnity equivalent to one month's salary per year of service. Yet this benefit did not apply to those employees or workers who entered retirement. Furthermore, the family did not receive any indemnity in case of the employee's decease. It is true that another kind of social security existed—and still exists—that takes care of those workers in lower-wage brackets, although it is rather inadequate for the employees receiving above average wages.

As years went by, the firms' labor commitments increased and so did the threat of having to pay heavy indemnities for possible dismissals, which in turn tended to negatively affect the very liquidity of the firms' patrimony. On the other hand, the stability acquired after years of service according to the legislation then in force prevented the employee, in practice, from leaving the firm of his own will. In fact, even if he had the opportunity to take on a better paying job, he rarely dared to swap the increase in salary against the prospect of receiving an indemnity that was growing as his years of service within the same firm accumulated. These circumstances discouraged the improvement of manpower and tended to lower productivity.

The enforcement of the housing financial system merged with the need to tap funds to get the system started and to clean up and improve the system then in force regarding years of service indemnities. A new system was then devised that would permit firms to provide beforehand, and in installments, for the amount of indemnity for years of service by depositing monthly amounts corresponding to a certain percentage of their entire payroll. This system relieved the firms from the heavy burden of increased labor indemnity commitments, while making it possible on the other hand, to form a fund from the incoming monthly deposits from the firms. These amounts were put to work towards meeting a basic human demand: housing. Meanwhile, and due to the inflationary features of our economy, care was taken to protect these funds against currency devaluation by investing them so as to insure both their capitalization and the necessary indexation adjustments.

The collection of these funds would result in an investment fund that, once channeled into the production of housing units, was to foster not only the civil construction sector of the economy but also the building materials industry and related activities, thus creating more jobs and fostering the entire economy. The fund set up in 1966 and fed by compulsory deposits of 8% of the employers' payrolls has now grown to a total of about 8 billion dollars; adding the amounts stemming from voluntary savings, this represents a total of 20 billion dollars that helped finance over 1,800,000 housing units throughout the country during the past twelve years. This was the first time in Brazil that a government program channeled funds into activities aimed at meeting the growing demand for housing.

The mass of Brazilian workers readily adhered to the new system. Each employee has his own banking account which is credited monthly with the employer's deposit; there are now an estimated 38 million such accounts all over the country.

The deposits of Guarantee Fund quotas in the name of employees were decentralized; they are now being handled by the net of banking agencies. Accounts must be opened with banks located in the same town where the employees are working for the employer who makes the deposits. The amounts collected by the bank agencies are periodically transferred to the respective head offices, where they remain at the disposal of the official body entrusted with the management of the Guarantee Fund. This official body that manages both the Time of Service Guarantee Fund and the collection of voluntary savings is the National Housing Bank. It pledges itself to invest the money so as to guarantee the periodic adjustment of the credit balance of each account due to indexation, as well as an effective average rate of interest of 4.5% per year.

The legislation entitles the owner of a Time of Service Guarantee Fund account to withdraw the full balance of his account, plus the interest earned on this balance and the amounts of indexation credits, in one of the following cases:

1. dismissal not due to the employee's fault, even during the first year of service;
2. cancellation of the work contract due to partial or total extinction of the employer's activities;
3. retirement due to old age or permanent disability;
4. expiration of the work contract for a fixed period of time;

5. payment to the family, in case of the employee's decease.

Even in cases of resignation or of just dismissal, the employee may draw from his account under the following circumstances:

1. to set up a firm of his own or enter a partnership for the purpose of starting industrial, commercial, agricultural or cattle-raising activities;
2. to purchase equipment when taking up an autonomous activity;
3. to meet severe and pressing needs of the family deriving from unemployment;
4. to marry, in the case of women employees;
5. to purchase own home;
6. to meet severe and pressing needs of the family in case of sickness.

In any case, the bank account remains in the name of the employee who never loses his right to the credit balance. For example, when he leaves his job of his own will to take on another, his balance will be transferred to the new employer's bank where it will be added to the deposits that will be made by that new employer, thereby guaranteeing the full continuity of the time of service indemnity.

The Time of Service Guarantee Funds is thus brilliantly performing the various economic and social functions with which it was entrusted by the existing legislation. It has been accepted and acknowledged by Brazilians from all economic and professional categories as one of the most fertile instruments of economic action and one of the most significant social achievements of Brazil in the last decades.

Besides financing housing programs, in 1971 the National Housing Bank started financing sanitation schemes, since it realized that the home concept called for an urban infrastructure of public works indispensable for the achievement of higher standards of living. Set up as a means to supply infrastructure for future housing programs and to improve the existing structures, the National Sanitation Program has managed, in the past seven years, to reduce considerably the shortage of sewage systems and increase the distribution network of drinking water.

Were it not for the fund's deposits, which represented in the beginning the only financial means available to the housing financial system for developing its housing programs, the system would hardly have reached the preeminent position it now enjoys. Mobilizing assets totalling 20 billion dollars, the Brazilian Savings and Loan System now ranks as the world's fourth largest, topped only by the system of the U.S., Great Britain and Western Germany.

A retrospective analysis of the flow of monthly statements of funds collected and withdrawals made points at a reasonable stability throughout the years, which shows that the system never consitituted, at any particular time, a factor of unemployment in Brazil. Much to the contrary, these very deposits helped generate new and better jobs, mainly in the large urban areas, as they were invested in the building of housing, an activity that traditionally employs large numbers of unqualified workers. The Fund contributes to a great extent to our country's efforts in creating new jobs for the million of new workers that accede every year to the Brazilian labor market.

These comments, backed by the detailed figures that go with them, intend to show the preeminent role played by compulsory—along with the voluntary—savings in our country as an instrument of social stability and of economic development through the financing of housing and sanitation programs.

POPULATION
BRAZIL, LATIN AMERICA, WORLD

YEAR	POPULATION (10^6)			BRAZIL – %	
	Brazil	Latin America	World	Brazil/L.A.	Brazil/World
1900	17.4	63	1608	27.6	1.1
1940	41.2	130	2295	31.7	1.8
1950	51.9	163	2517	31.8	2.1
1950	70.7	213	3005	32.9	2.3
1960	93.1	283	3632	33.0	2.6
1978	116.4	355	4227	32.8	2.8

* Projected on basis of 1960/70 growth rate.
Source: FIBGE — Instituto Brasileiro de Estatística.

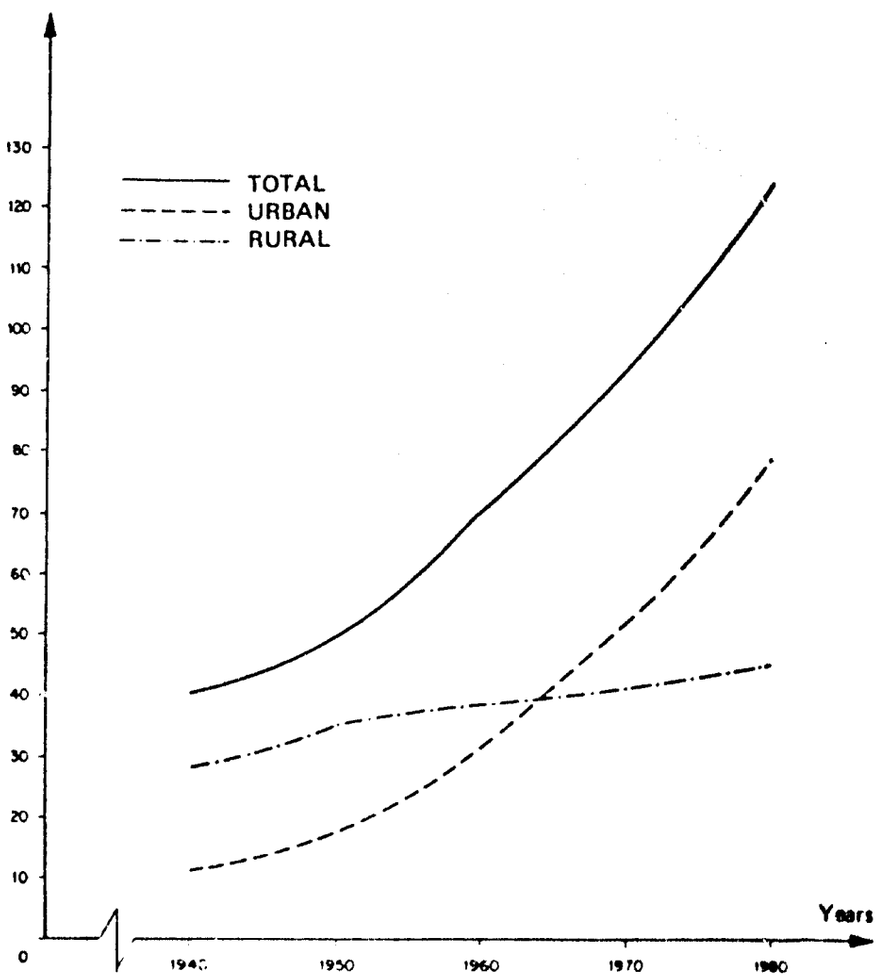
BRAZIL
POPULATION GROWTH PROJECTION

10^6

POPULATION \ YEAR	1960(A)	1970(B)	1980(C)	B/A	C/B
Total	70.992	93.139	123.032	1.31	1.32
Urban	32.004	52.084	78.153	1.63	1.50
Rural	38.988	41.054	44.878	1.05	1.09

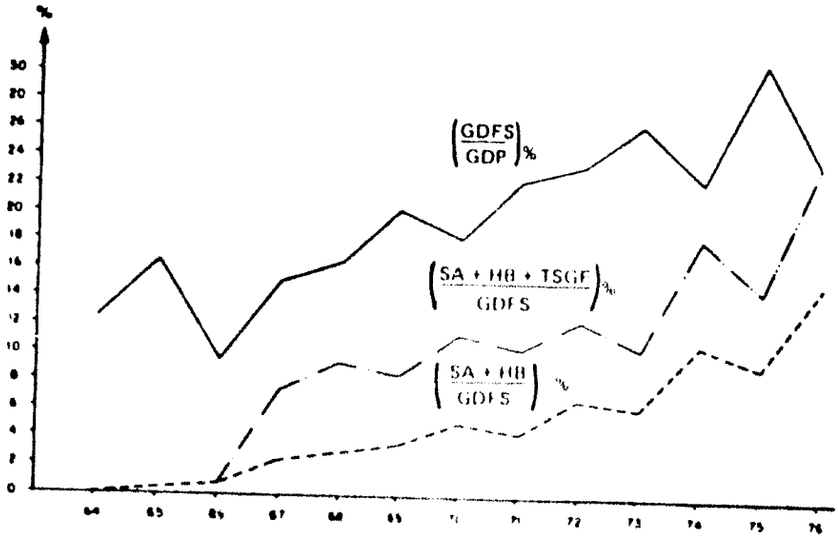
Source: FIBGE - DECEN - Revista Brasileira de Estatística

BRAZIL
POPULATION GROWTH PROJECTION



Source: FIBGE - DECEN - Revista Brasileira de Estatística

RATIO OF DOMESTIC SAVINGS TO GROSS DOMESTIC PRODUCT



SOURCES: 1) Banco Central do Brasil
2) FGV - Contas Nacionais

GDP - Gross Domestic Product
GDFS - Gross Domestic Financial Savings
TSGF - Time of Service Guarantee Fund
SA - Savings Accounts
HB - Housing Bonds

REAL GROWTH RATIOS (%)
BRAZIL

Years	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977
GDP	9.7	10.3	5.3	1.5	2.9	2.7	5.1	4.8	9.3	9.0	9.5	11.3	10.4	11.4	9.6	4.2	8.8	8.3
GDP p/Capita	6.6	7.2	2.3	1.3	0	0.0	2.2	1.9	6.2	5.9	6.4	8.222	7.3	8.3	6.5	1.3	5.7	5.1

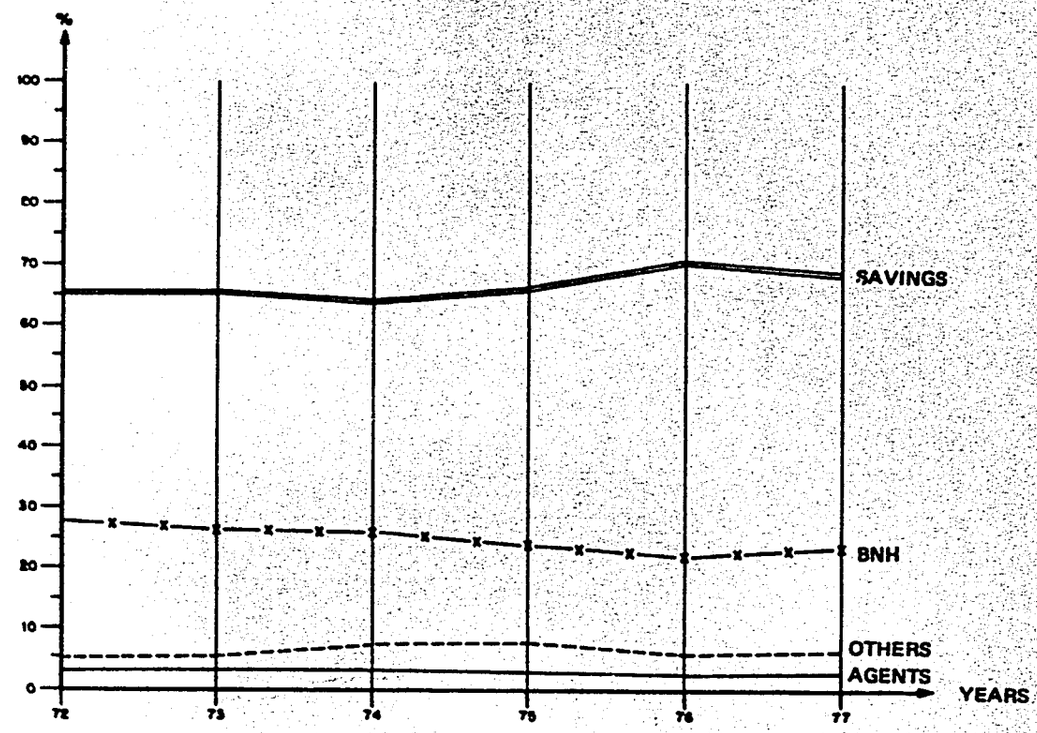
Sources: Banco Nacional da Habitação.
Banco Central do Brasil

BRAZILIAN SAVINGS AND LOAN SYSTEM

Balance in US$ 10^6

ITEM \ YEAR (December, 31)	1972	1973	1974	1975	1976	1977
Personal Savings	2,490	3,610	4,989	7,091	9,480	12,173
National Housing Bank						
BNH Loans	1,039	1,441	2,029	2,529	2,948	4,122
Agents'Resources	107	171	235	312	324	525
Others	183	298	580	828	771	1,059
Total	3,819	5,520	7,833	10,760	13,523	17,879

Source: Banco Nacional de Habitação (National Housing Bank)



Source: Banco Nacional da Habitação (National Housing Bank)

NATIONAL HOUSING PLAN
CONSOLIDATED BALANCE SHEE

Balance in US$ 10^6

ITEMS \ YEARS (December, 31)	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977*
ASSETS										
Total	1,386	2,235	3,335	4,496	6,647	8,721	11,711	15,622	20,611	31,333
Loans:										
Housing	1,177	1,914	2,619	3,342	3,462	5,807	7,569	9,802	13,252	15,924
Sanitation	—	—	60	92	154	384	464	693	934	3,074
Building Materials	—	—	153	268	354	424	644	772	951	564
Other Assets	209	314	490	794	1,504	2,032	2,892	4,183	5,096	2,958
Pending Classification	—	7	13	—	273	74	142	172	378	8,813
LIABILITIES										
Total	1,386	2,235	3,335	4,496	6,647	8,721	11,711	15,622	20,611	31,333*
Capital and Reserves	162	246	351	434	616	940	1,485	1,679	1,796	2,198
TSGF	773	1,246	1,747	2,306	2,953	3,710	4,446	5,379	6,509	8,125
Savings Accounts	135	306	604	898	1,541	2,496	3,908	6,135	8,710	11,524
Housing Bonds	219	358	526	677	930	1.084	1,112	988	814	646
Other Liabilities	92	67	91	181	270	343	588	1,011	2,138	1,413
Pending Classification	5	12	16	—	337	148	172	430	644	7,427

Accrued in 10^3

Number of Loans Granted	286	446	604	732	835	985	1,082	1,230	1,470	1,738
Number of Savings Accounts	—	583	1,349	2,239	3,234	4,837	6,808	9,956	13,486	17,730

Source: Banco Nacional da Habitação

* Estimate

TIME OF SERVICE GUARANTEE FUND
1967 - 1977

US$ 10^6

Years	Deposits	Withdrawals	Net
1967	39	1	38
1968	77	14	63
1969	114	36	78
1970	159	63	96
1971	223	97	126
1972	313	142	171
1973	431	186	245
1974	618	265	352
1975	949	441	499
1976	1410	714	696
1977	2211	1143	1067
Total	6533	3103	3432

Interest Credited	551
Monetary Correction	4142
Balance - 12/31/1977	8125

Source: Banco Nacional da Habitação.

TIME OF SERVICE GUARANTEE FUND

US$ 10^6

FGTS	1976(A)	1977(B)	B/A
Total Deposited in the Year	2,142	2,211	1.032
Withdrawals in the Year	1,076	1,144	1.062
Net Deposits in the Year	1,066	1,067	1.001
Average amounts on deposit throughout the Year	6,125	7,427	1.213
(2) ÷ (1) (%)	50.23	51.72	—
(2) ÷ (4) (%)	17.57	15.40	—

(*) Interests not included

US$ = Cr$ 15.845

Source: Banco Nacional da Habitação.

WORKSHOP A-1

Chairman: Ahmed Zaki Abou El Nasr, Egypt

SHELTER POLICY: ALLOCATION OF RESOURCES

by Ahmed Zaki Abou El Nasr, Deputy Minister, Executive Vice President, Credit Finance, Banking Sector, Real Estate Development Bank, Egypt

OVERALL STRATEGY OBJECTIVES

In Egypt today, particularly in Cairo, all indications point to a strong, unsatisfied demand for housing. Current estimates of population in the Greater Cairo metropolitan area are around 8 million persons, constituting approximately 20% of the total population in Egypt. Informed estimates place the current shortage at approximately 500,000 units for Greater Cairo alone.

This phenomenon in most cases applies to the majority of developing countries where housing concentrations tend to be around the main cities, mostly for economic reasons.

To give an example of what might be considered an appropriate policy regarding the allocation of resources in counties with planned economies, we can give an idea of what measures the government is taking in Egypt with respect to the allocation of resources with special emphasis on the attempts at providing adequate units to low-income groups. In our mind such considerations can be applied to many developing countries in varying degrees and in conformity with their peculiar circumstances.

The housing problem in Egypt is cumulative in nature and has been assuming serious proportions over the years. Hence the concern of the government is to find ways and means of solving it by allocating larger investments to the housing sector in the budget and within the development plan both for 1978 and the five-year plan for 1978-1982.

As an indication of the importance attached to the problem, the appropriations going to housing in the 1978 development plan amounted to £E148 million of which 55% goes to the public sector; i.e., £E80 million, and 45% to the private sector; i.e., £E68 million. In addition to that, it is expected to draw foreign and Arab capital from abroad amounting to £E50 million of which £E30 million would be from remittances by Egyptians working

abroad. Thus the targeted number of units to be constructed is estimated at 688,000. Since the plans up to 1977 fell short of realizing their targets due to the lack of adequate investments and since the nation's budget is under strain owing to various demands whether for other productive sectors or for defense purposes, the 1978 plan was guided by the findings of the studies conducted in this respect, and its strategy is based on the following criteria:

1. Creating new productive urban centers to attract and absorb part of the inhabitants of the overpopulated areas thus avoiding the establishment of random housing concentrations not conforming to the development plan;
2. Replanning the less developed areas in existing cities with a view toward reducing the population density in such areas and contributing to their upgrading;
3. Encouraging the private and cooperative sectors to fulfill their part in the housing activity by developing and providing land required for construction at reasonable prices thereby avoiding speculation as much as possible and assisting them in securing loans at easy terms;
4. Eliminating the current bottlenecks and shortages in the supply and distribution of building materials and thus insuring their uninterrupted availability at reasonable prices;
5. Encouraging and supporting the construction sector with a view toward developing its capacity to cope with the responsibilities incumbent upon it in the implementation of projects within the development plan.
6. Carrying out the necessary studies and research work to develop designs, choosing a suitable mix of building and methods of construction and planning the inhabited areas with a view toward making the fullest and optimal use of existing possibilities.
7. Attaching more importance to the problem of low-income group housing confining the government's role at the present stage to building this type of economic or utility housing. At the same time, the private sector directs its investment to participate in the construction of such units.
8. Raising the rate of unit construction in urban housing from 1.9 units to 8 units per 1,000 persons and allocating the necessary funds within the five-year plan 1978-1982.

For the successful implementation of such an ambitious program, it has been considered necessary to develop the basis of financing housing projects of the economic or utility type.

Thus, it has been decided to terminate the policy of allowing the construction of such units by the public sector companies. This policy has been replaced by a system of selling the building on a mortgage basis and granting a long-term reduced lease for the land. By so doing, it relieves the owner-occupant of the cost of the land as a component of the total cost thereby alleviating the financial burden and making it within the financial capability of such people.

Since the owner will be responsible for the maintenance of the units, this relieves the government from incurring such expenses and thereby enables it to invest that money in the construction of new units.

The organizations and institutions involved in the process of providing such financing are:

THE GENERAL AUTHORITY OF HOUSING AND BUILDING COOPERATIVES (GABHC)

Purpose and Functions

This agency of the government was created in 1954 for the purpose of assisting cooperatives (composed of persons with a common reason for joining together, such as teachers, engineers, police officers, etc.) in their aim to provide housing for their members. It has no capital, does not take deposits and its annual overhead is paid out of the national budget. GABHC provides advice to cooperatives and reviews the building sites selected and the construction plans of structures intended to house cooperative members. In addition, the authority supervises the on-site construction work.

GABHC also acts directly to provide housing by acquiring and developing sites and designing, planning and building such projects. At some time during the process, it circulates information to prospective cooperative purchasers; if successful in finding an interested group it sells the building to the cooperative members. If unsuccessful in finding a ready cooperative buyer, the authority forms a cooperative, either by selecting individual members from a waiting list or by soliciting other individuals.

Inflation and housing shortages have had a considerable effect on the prices of residential real estate in recent years. In order to minimize the effect on cooperative membership, GABHC has imposed two restrictions on cooperative members. The first decrees that no member shall own more than one cooperative property. The second provides that, in the event that a cooperative member sells his unit, the price can be no more than the price he originally paid. In practice, the purchaser pays that price: he pays the seller, in cash, the amount of the original down payment plus the difference between the original mortgage amount and the unpaid balance of the loan, and assumes the balance of the loan.

Loans are made to individual purchasers on the following basis:

Sales Price — £E	Maximum Loan Percentage
up to 3,000	90%
from 3,000 to 4,000	85%
over 4,000	80% with a loan limit of £E 5,000

Terms are up to 30 years and provide that only the interest is to be paid during the first three years. After that time, annual installments of principal and interest are required. The interest rate paid by borrowers is 3% per annum, the difference between that rate and the rate charged GABHC by the bank. Until approximately one year ago, GABHC borrowed at 4½% but the current rate paid is 7%. This rate is paid by the government to GABHC, which passes it along to the lending commercial bank. Loan payments are made annually on a direct reduction loan basis, that is, the amount of the annual payment remains constant.

THE NATIONAL HOUSING FUND

A recently enacted law created the National Housing Fund (NHF), and implementing regulations should be adopted momentarily.

Purpose

The new law provides the means by which NHF should be able to generate significant amounts of funds which would be used to fortify the economic or utility housing market. Budgeted forecasts anticipate that the amount of funds to be generated will be sufficient to provide for the construction of approximately 10,000 utility units, with an estimated cost of £E3,000 per unit over the next 12 months.

There are two basic reasons for the creation of NHF. First, it is an effort to mitigate the ever-increasing shortage of low-cost housing. Second, it is intended to provide some relief for the state budget, which is now being strained to the breaking point in its effort to finance such housing and its related subsidies. Figures indicate that the government has provided more than £E190 million for this purpose during the last five years.

Functions

The Fund will furnish loans to the cooperative organizations and to the governorates (and perhaps to other government agencies) which are to be used to construct a part of the needed housing. *NHF will not be a retail lender, and it will not operate as a bank.* It is intended that the housing to be built with NHF funds will be of the economic or the utility type, with floors varying from 20 to 60 square meters, at an average cost of £E3,000 each, for occupancy generally by families whose incomes do not exceed the minimum levels for income taxes (soon to be raised to £E500/year). As yet, no maximum eligibility income is contemplated. The properties produced by the program will be for sale rather than rental. Proposed loan terms will be up to 30 years, with annual interest rates of 3%. Any additional interest paid by the NHF is to be subsidized by the government.

Funding Sources

The law provides that the Fund will secure the finances needed to carry out its objectives from the following sources:

1. Twenty-five percent of receipts from sales and rent earnings and benefit charges of government-owned real estate—both urban and rural—that is subject to Presidential Degree No. 101, 1956. (No estimates of the amount of receipts which might be derived from this source are available.)
2. Receipts from the sale of housing bonds. (Holders of licenses, other than government, local governmental units, public organizations and cooperatives, to build homes or office buildings, the cost of which exceeds £E50,000 exclusive of land will be required to purchase Housing Fund Bonds to the extent of 10% of the building cost.)
3. Receipts from benefit charges levied when exemptions from building height regulations are granted.
4. Credits allocated to the Fund in the state's budget.
5. Amounts earmarked for the purpose of low-income housing in any international agreements the state may conclude.

6. Loans.

7. Grants, donations, gifts and endowments.

8. Earnings from any investments the Fund may make.

9. Receipts from penalty fees levied against violators of building codes and other violations specified in Law No. 106, 1976 (Executive regulation implementing this law has not been adopted.)

10. Any other regulations designated by presidential decree. (It is required that insurance companies acquire NHF bonds equal to an as yet undetermined percentage of the returns from the mandatory insurance of properties bearing values in excess of £E10,000 as specified in Law No. 106, 1976 See No. 9 as to regulation.)

THE CREDIT FONCIER (REAL ESTATE DEVELOPMENT BANK)

It could be considered the leading institution in housing financing. It is a stable institution with almost 100 years of experience in real estate finance. It has its head office in Cairo and maintains a principal branch office in Alexandria and lesser branches in five governorates. The members of the board of directors are all appointed by presidential decree for indefinite terms.

For construction purposes it extends loans repayable over periods extending from 5 to 25 years with an interest rate ranging from 6.5% for utility housing and up to 9% for other types of projects against mortages. It is expanding and developing its activities and the total loans granted during 1977 amounted to £E30.8 million as compared to £E9.04 million in 1976 with an increase in the value of its transactions of 240.8%.

To contribute to the overall objectives of the development plan, the bank is working in close cooperation with the Ministry of Housing and Reconstruction and in particular with the GABHC and the National Housing Fund by extending loans to both, amounting to £E15 million at concessional rates to speed up their programs. Of the total 1,376 lending operations carried out during 1977, approximately 26% went to utility and economic housing financing with a value of approximately £E7.5 million. The bank is expecting to allocate loans for this type of housing within the framework of its five-year plan, up to £E65 million, at the same time devising a scheme to encourage and mobilize savings for construction. The bank is also actively engaged in the negotiation currently conducted by the Ministry of Housing and Reconstruction with AID for the finalization of the agreement in a housing and community upgrading program with a budget of US$160 million, envisaging the construction of 8,000 new units and putting at their disposal all its expertise in the management and recovery of loans and cooperating with them in the engineering assessment and legal aspects.

In conclusion, it is needless to stress the importance and magnitude of the problem which requires the mobilization of national efforts and cooperation at the international level to mitigate its acuteness. International statistics clearly indicate that in the majority of developing countries effective demand for housing exceeds the number of existing units by 25%-35%; in the case of Egypt by 52%, and by 1982 it is estimated to reach 1,654,000 units, representing 77% of the units presently available.

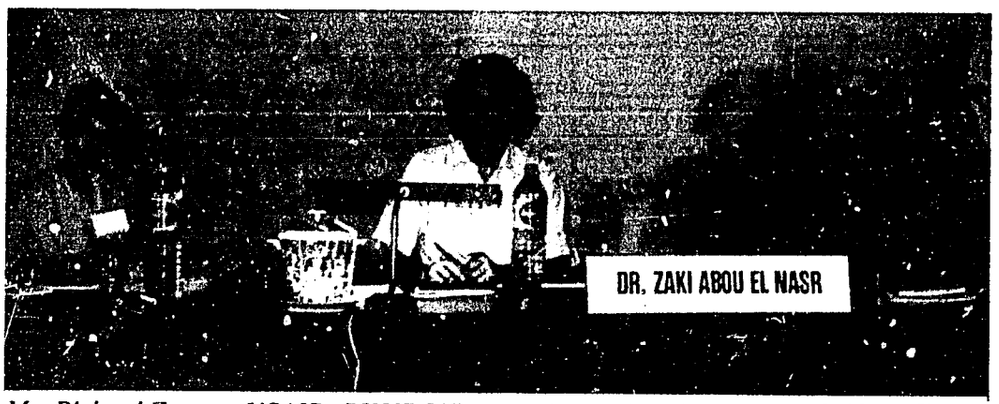
SUMMARY OF WORKSHOP A-1

Chairman: Ahmed Zaki Abou El Nasr, Egypt

During the question and answer session the delegate from Togo asked a question about different interest rates charged by commercial banks and the ordinary social-type institutions. The chairman responded that the Central Bank governs the activities of the banking sector in Egypt. It is the authority which sets the interest rates. The normal bank rate was raised in March, 1977, to a 7% minimum for purely commercial transactions. However, as a real estate lender the Credit Foncier still extends 6½% loans for low-income housing. This is being compensated by a higher rate on loans to other projects.

An Ivory Coast representative questioned the differences between the urban and rural housing policies in Egypt. The chairman said that there is a common policy. Assistance is being given in accordance to actual individual needs. In rural areas, Egypt does restrict the pattern and design to respond to the actual needs rather than permit the building of luxury buildings.

The Ivory Coast representative also asked for more information on sources for the National Housing Fund and the 2% tax on vacant land including criteria for determining when land is not being used. The chairman replied that the period for determining use is two years or more. The idea behind the levy of such a tax is to get people to make appropriate use of zoned land for construction and to eliminate or minimize speculation in land prices. It is also aimed at inducing people to start construction on their land, and the new tax law takes note of that by imposing a tax equal to that applicable to the legalizing of real estate title deeds in any change of ownership effected in real estate. The collection has been retroactive to cover transactions made since 1974. The value of the land under the



Mr. Richard Zenger, USAID, RHUDO/Tunis and Dr. Ahmed Zaki Abou El Nasr, Egypt, moderating the discussion during Workshop A-1—"Shelter Policy: Allocation of Resources"

new law (imposing 2% on vacant unutilized land) will be based on that of similar plots registered with the public notary department.

The Under-Secretary of State, Ministry of Housing of Egypt, added the following:

The law has just been passed this week. It applies to land within the borders of the towns. The cost of the land has already been fixed by the housing law based on 1974 prices plus a 7% annual increase. With regard to sources of funds, the chairman offered the following clarification: To encourage investment in reconstruction projects, Article 16 of Law 43 for the year 1974, as amended by Law 32 of 1977 governing investment of Arab and foreign funds in Egypt, provides a tax exemption of 10-15 years for such projects or new cities, if constructed outside the agricultural area and the perimeters of existing cities, as compared to the tax exemption of 5-8 years in the case of other projects. Furthermore, with an eye on utility housing, said law, in Article 22 subparagraph iii also provides additional incentives for such projects in the form of the transfer of a higher percentage of the net rental value from these projects, 14% instead of the normal 8% per annum of invested capital, even if such rental accrues in local currency. In accordance with the provisions of Article 17 of said law, profits distributed after the expiration of the tax holiday shall be exempted from the general income tax up to a maximum of 5% of the taxpayer's share in the invested capital.

The representative from Ghana asked how the housing bond system works. The chairman replied that up to now the system is being considered by the Ministry of Finance, the National Housing Fund and the Credit Foncier, and he is not in a position to give a definite reply. However, the denomination of the bond is 50 Egyptian pounds. The bond, when issued, will be put up for subscription by investors. The interest rate will be about 6% with a maturity of 15 years. The Credit Foncier will act as fiduciary agent for the NHF.

A delegate from Nigeria asked what encourages private investors to invest in low-income housing and how rents are fixed. The chairman replied that the previous law regarding rents has fixed the rent of housing at unrealistically low rates for socioeconomic reasons. However, the new law permits a higher and more reasonable return on investment and is fixed in accordance with the real cost of construction and the price of land in accordance with set specifications for each type of housing.

The Nigeria delegate asked if there are any private investors in low-income housing. The Under-Secretary of Egypt replied that in 1976 the number of permits issued for the private sector was 38,000 with a value of 50 million pounds, and that in 1977 the permits issued increased to 68,000 with a total value of 100 million pounds. In order to encourage investors in low-income housing the government has given many benefits such as tax exemption from custom on building material, price reduction of land and more money to be loaned at easy terms. This encourages people to put their investments in low-income housing. The chairman added that low-income housing is the responsibility of the government.

In response to the chairman's question about experience in other countries the Mauritius representative said that in Mauritius they have land shortage problems, and that they should consider zoning land so that the economy does not suffer and agriculture lands may remain as such. The Mauritius Housing Authority has recently begun buying land on

which to build. There is a problem of high prices, and the government should control the use of land as well as the size and final form of the houses.

With regard to their experience the Ivory Coast delegate said they need 25,000 housing units per year in Abidjan by the year 1985. They have two state housing corporations which between them build 7,000 units per year. In addition, 3,000 are built by private sectors. On housing units constructed by the state, the rent is set on the basis of the cost of financing obtained from the National Savings Bank. If these rents are higher than people can afford, a special rate is given and the difference is subsidized by the government.

CONCLUSIONS

The workshop did not reach any general conclusions about shelter policy as it relates to resource allocation. However, the detailed discussion of current Egyptian policies and experience touched on many devices currently being tried by other African governments which are interested in promoting more production of low-cost housing. The degree to which governments allocate budget resources or support other incentives such as subsidies or tax benefits in the shelter sector depends on a variety of local political and economic conditions in each country. On the other hand, there seems to be some uniformity in procedures that countries use to implement policies. There did seem to be a concensus in the workshop group that rational land use and building standard policies were important to maximize the use of any resources allocated for low-income housing.

WORKSHOP B-1

Chairman: Francis Olasumbe Udileh, Nigeria

MOBILIZING HUMAN RESOURCES

by Francis Olasumbe Udileh, Adviser, Federal Mortgage Bank of Nigeria

The current economic order, with the financial stringency in most countries of the world, emphasizes the importance of the general utilization, in appropriate projects, of our greatest resource: *people*. In the industrialized nations, the concept is understood and the idea is extensively in use. The need is more pronounced in the developing countries where often so much is left to the government to do that citizens remain unaware of some of their potentials. How successful governments have been can be measured by their achievements in satisfying, to a large extent, the needs of citizens. These needs, however, must ultimately be expressed by the people themselves. All that is required is assistance, sometimes from the government, so that people can be mobilized to help themselves.

Most of the world's housing is furnished by the profit motivated private sector producing houses for the upper- and middle income classes. It is usually a neat package where the big contractor makes claims for labor costs, and there is hardly any room for partial cost substitution with human resources. Nonprofitable projects like low income or old peoples' housing are better reserved for the government, local authorities, charitable and cooperative organizations. It is in these nonprofitable projects that besides such resources like machines, building materials, etc., the local resident (the human resource) is most significant and important. Such processes like decision making and authority evolve from him. He will be in the planning group as well as on the execution team since he will ultimately be the beneficiary.

THE CONCEPT

Mobilization of human resources in a restricted sense is, therefore, a concept of self-help achieved through community action. This action implies that the project is beyond the capability of one individual or of the local community residents. The poorest community residents have always been willing and able to improve their own living conditions if only they knew how to achieve this. Mobilization of human resources in the

wide sense is, therefore, the bringing together of people and forming them into a group to work or perform smoothly, removing the emphasis from self in favor of the cooperative feeling, in order to achieve a common objective for the benefit of a community.

SOME DIFFICULTIES IN MOBILIZATION

It is, however, not always easy to facilitate popular participation. The rights of people as opposed to community projects and their wish to abide alone will always be respected. Fortunately since man is a social being, self-imposed total isolation is more the exception than the rule.

Sometimes it is difficult to know what people actually want. Obviously the needs of local residents, whether in the urban or rural areas, are many in terms of modern amenities. It is, therefore, important to educate them to correlate these needs in their order of priority and ease of performance.

Mobilization of human resources to achieve common objective presupposes proper planning organization. But the best organized groups may not reflect the concerns of the majority of the residents. Difficulties may exist even in a single given group: these can be cultural, religious or ethnic. It has been suggested that the solution may be the formation of a number of groups to avoid difficulties of any nature or that perhaps an inter-group committee which cuts across all the divergent interests is a better compromise.

Difficulties are not removed even where the organized group reflects the feelings of the majority of the residents. The group still needs the resources and skills to deal with the residents. The leaders of the groups as well as the participants must have sufficient interest and education in the projects as well as motivation. In a group with so much individual freedom, the participants must evolve a set of rules or a code of conduct as a guide to avoid working at cross purposes contrary to the common objective.

It is not always easy to know who are the real local leaders. Where these are known, they must be sufficiently convinced to become identified with the project. They should always retain their interest in the project, otherwise this leadership is lost to the detriment of the common objective.

SUCCESSFUL PROJECTS

Despite these apparent difficulties, human resources have been successfully mobilized to achieve results of tremendous benefit to the community. Where municipal facilities have not been provided, or if provided are not adequate for the community residents, with the help of project initiators facilities have been built, such as shopping and community centers, churches, schools and day nurseries for the children of working mothers. These are just a few examples. Communities have been known to move from one successful project to another and this dynamic growth has, in comparative terms, made those communities self-sufficient in municipal facilities.

ANALYSIS AND PLANNING

Success has not been without careful planning and approach. There must, first of all, be a definite reason for such mobilization and the group so mobilized must have a function to perform in any given project. In other words, the group is a quantifiable element in the total cost of the final objective. It is this element which would have been expressed in

financial terms that is being substituted by the collective efforts of the community residents.

Where it is recognized that these residents constitute a good percentage of the planning and execution groups, the project officials become, in a sense, advisers whose input is always irrecoverable and whose original authority should only be exercised in the form of educating, encouraging and advising the inexperienced residents.

Being so much an important element in the project, community members can always influence planning and execution, and where there are options the final choice among those options must be left to them. Project initiators and officials must be receptive to their suggestions.

Expenses are involved when inexperienced people are taught how to run their own affairs and since experience shows that they are irrecoverable, care should be taken to bring them within the projected program costs.

The residents must, through communication, have sufficient understanding of the project to generate participation of almost everyone to make the project successful. Responsibility is the best medicine, and when people feel that important results hang on their acts, they are apt to act wisely and with more enthusiasm.

Problem solving is a development process which in turn is a dynamic process whose main asset is people. The needs of these people should be arranged in such a way that the first project is the one which they can execute. That first achievement generates the confidence to take on slightly more difficult projects. This is the beginning of the growth process which leads to higher achievements.

Mobilization may not be possible unless the community members are sufficiently motivated. It is important that there be a good reason, a common objective, understanding and aspiration in the project. Factors of motivation can vary from people to people. People sometimes feel differently, their tastes and customs varying tremendously. It is important, therefore, to appreciate the participant in the way which is acceptable to him, as an important factor in the project.

Projects which require technological skill and finance are obviously beyond the capability of local residents. However, where technology and infrastructure are provided by the authorities or project promoters, local people are willing to work together. The beginning may be humble in nature; for example, refuse disposal only to progress later to road building, construction of community centers, schools and temporary clinics.

To achieve these ends, the community representatives, along with project officials, ought to have full responsibility for installing and managing preliminary upgrading works. On the one hand, this responsibility facilitates the execution of the upgrading process and, on the other, it helps to create a pattern which the community may follow on its own.

Where the local resident participant is sufficiently involved in achieving a community goal and is always ready to assume his or her share of responsibility in the project, the bringing together of people and making them work smoothly gives them a sense of pride in achieving, on their own, what others would have done for them, sometimes at a time when it is no longer extremely important or urgent. As a community progresses from one successful project to the next, a pattern is set for greater achievements in projects demanding this acquired skill.

SUMMARY OF WORKSHOP B-1

Chairman: Francis Olaseinbe Uddoh, Nigeria

During the workshop, several useful contributions were given by the representative of Botswana, Ghana and Tunisia. An attempt has been made to summarize the comments of the chairman and to integrate the comments and appropriate responses of the conference delegates into the following summary.

The chairman emphasized that the importance of mobilizing private resources by government efforts is of the utmost importance to the housing sector, and that resource mobilization should not be left to the government alone but should be everyone's concern.

Within the responsibilities of the government at least six areas of possible involvement were raised:

1. Finance
2. Land
3. Construction
4. Legislation
5. Fiscal policy
6. Training

FINANCE

In the field of finance, it was noted that the government may elect to encourage self-help programs such as savings and loan schemes and the organization of cooperatives. The government can furthermore give directives to commercial banks and insurance companies to set aside a percentage of their funds for property development.

The representative from Nigeria noted that in his country, for example, insurance companies and commercial banks have been instructed to grant loans to applicants at a rate of 6% to be amortized within a period of not less than 10 years.

LANDS

In the area of land, a primary identified constraint to the housing sector is the nonavailability of serviced and unserviced land in sufficient quantity to meet housing needs. The government may help to ease this constraint by encouraging, for example, the big land owners to distribute land in serviced plots to the general public.

When it is impossible for private owners to accomplish this by themselves, it is suggested that the government may go into "partnership" with private developers by providing the necessary infrastructure.

Furthermore, in order to minimize costs, educate the land owners and gain popular acceptance of the ideas concerned, the government can initiate sites and services programs either with or without the assistance of the private sector.

Land registration and land zoning are other areas mentioned which the government may use to control and coordinate the development of private land resources.

CONSTRUCTION

The chairman further indicated that stimulation can be given by the government to the private construction industry through the establishment of research centers to test and analyze construction materials. The government can also intervene through the encouragement of the use of locally produced building materials in order to reduce housing costs and reduce dependence on imported materials. The chairman further noted that the government can encourage, for example, the use of wood and the necessary treatment required for its preservation by helping to subsidize production of this and other building materials and purchasing large quantities of them for redistribution. In another vein, the government, as was cited in the case of Nigeria, can give directives to private enterprises to build housing for its employees. It can assist enterprises in the provision of housing for employees by furnishing land and/or contributing to the costs of construction.

LEGISLATION

The government, through a land use act or decree, can use its legislation to acquire private land by either entering into mutual agreements with private owners or by compulsory action.

In addition, the government can introduce land use regulations and municipal building codes to regulate private development in urban and rural areas. In the realm of housing finance, as previously mentioned, the government can require housing finance agencies to follow policy directives.

FISCAL POLICY

The chairman noted that the government can grant tax concessions to organizations and industry in the housing sector as a tool in mobilizing resources. In the case of the production of scarce commodities by private industry, the government may provide tax relief up to or beyond the break-even point of the operation. In other cases, the government may remove duties, partially or completely, on imported goods and materials as a form of assistance to priority undertakings.

Tax relief in each case may include not taxing interest gained by private individuals on savings.

TRAINING

Finally, in order to assist the housing industry in meeting its manpower requirements, the government can provide vocational and professional training in the fields of construction, administration and finance within the housing sector.

WORKSHOP A-2

Chairman: Mian Yusuf, Kenya

MOBILIZING HUMAN RESOURCES FOR SETTLEMENT

by Mian Yusuf, Project Director, Nairobi City Council, Kenya

The concept that housing is much more than just a shelter has, in recent years, received more recognition than any program concerning low-cost projects. Community participation by way of guided self-help has to be given a much higher priority. For social and economic reasons alone, active resident participation must be an essential component for all the planned and organized shelter solutions for lower-income families. Within any given low-cost housing program, community participation has a definite purpose and thus has an important role to play. In this context, "Mobilization of Human Resources" can be reviewed in two themes: first, how to plan and implement the program and second, motivation of residents to self-help.

Residents are an important component in any low-cost housing project and thus environments must be created for people to participate, so that best economic effects may be obtained. However, participation on a self-help basis has its limitations and, at least in Nairobi, has been applied only to building either all or parts of dwellings.

Infrastructures and community facilities still have to be provided by the authorities, who must also provide technical and community guidance to the residents. This brings us to the consideration of an effective organization.

Creation of an organization to implement and motivate participation in self-help projects needs a more detailed study, and in this respect I would like to illustrate one of the projects we are implementing at present.

First, however, it will be interesting for you to know a little bit about the magnitude of the housing problems that we are facing in Nairobi. Nairobi's population is presently estimated at about 800,000. This population is growing, both internally and due to migration from rural areas, at a rate of approximately 7½% per annum. At this very high

rate of population growth, we have estimated that the number of Nairobi's inhabitants will be over one million by 1981 and over three million by the end of this century.

To house that many families, we need more than 10,000 dwelling units every year. Half of these units are for 60% of the population of middle- to lower-income families and the other half for 40% of the families in middle- to upper-income brackets. This obviously is a big problem and thus needs not only careful planning but also a crash program, mobilizing every possible source to help achieve the difficult task. The City Council of Nairobi has tapped almost every source by which it could improve the housing stock in the quickest possible time, to catch up with the acute dwelling shortages. For instance, we have had a number of tenant rental schemes, where houses and flats have been constructed and rented out at economical monthly rents. Although it is a very popular residential provision, it has had its snags. In such schemes, the property never belongs to the dwellers and could never be maintained or looked after by them as it would be if they were the owners. Thus, in addition to higher capital costs, the maintenance costs have also been very high. We have recently completed, with the assistance of U.S. Agency for International Development, another scheme consisting of about 3,000 low-cost housing units. This is a tenant purchase scheme, where houses were sold on a long-term, easy repayment basis, and it has proved to be an extremely successful and popular proposition.

The Workshop on Mobilizing Human Resources gets under way

From this scheme we have had a variety of experiences, and the one most outstanding is that wherever home owner participation was required, these people come out with flying colors. For instance, only 5% of the units were totally completed, while the rest had either one or two rooms left for the home owners to complete. No doubt, to start with, there was a much higher demand for the completed units. However, it was gratifying to note that the allottees of the incomplete units did an extremely good job in completing them and much sooner than the five-year period specified in the allocation stipulations.

This experience of ours has clearly established that given a guideline, people are extremely competent to participate and contribute positively towards the successful completion of planned self-help programs of low-cost housing. It has been a source of encouragement to authorities charged with the responsibility of providing housing and, therefore, we now agree that by adopting schemes where resident participation is required, limited resources can be stretched much further, thus achieving even higher targets than would otherwise have been possible with the same amount of finances.

Recently, we have also completed the first phase of a site and service scheme comprising of 1,000 plots and have now embarked upon the second phase consisting of another 5,000 units. Here we have serviced plots with an actual wetcore on them. People in the lower-income brackets earning approximately 35 to 80 dollars a month were allocated such plots. They were assisted with technical guidance and loans for construction materials, while they themselves provided the labor. We have had no difficulty in concluding that this method has proved to be the most successful, both from economic and social points of views.

This scheme was undertaken with the help of the World Bank and the Government of Kenya which provided finances. The City Council provided technical skill, managed and implemented it, while the allottees provided the labor component, on a self-help basis, with an on-the-spot control, supervision and guidance from us.

The project, named "Dandora Community Development," consists of 6,000 serviced plots of 100 to 160 sq. meters. Each one has a separate water and sewer connection, with access roads, street lighting, refuse collection services and adequate community facilities. Type A plots of 100, 120 and 140 sq. meters have a toilet and a shower as a wetcore. Type B plots are of the same sizes as those of type A but also have a kitchen and a store in addition to the wetcore. Type C plots are of 160 sq. meters and have a completed room in addition to the provisions of a B-type plot.

The scheme is meant for low-income families earning between 35 to 60 dollars per month for option A plots and between 55 to 80 dollars per month for option B plots. The tenants, within 60 days of allocation, are required to pay a fee of 70 dollars, which includes a deposit of 50 dollars.

Before allocation of plots, wide publicity was given through the press, radio and television. People were also informed of details about the scheme through printed posters and through personal contacts at various community development centers. Application forms along with explanatory notes were issued to interested people over a period of 3½ months. Completed application forms, when received, were scrutinized, and the applicants were interviewed to ensure that plots were allocated to the target income groups only. For this purpose 10 community development assistants and 20 social work students were employed.

As a result of the scrutiny and interviews, only one-third of the applicants qualified. Six thousand of these qualified applicants were picked through random selection by the computer. An additional reserve list was also prepared, using the same balloting method, for allocation of those plots which the orginal allottees lost, for such reasons as non-payment of monthly installments and non-starters of construction work, etc.

Phase I of the scheme was divided into four areas, each consisting of 250 plots to be supervised by one community development assistant. In the first instance, the allottees were given guidance on how to start their participation. This guidance was given through correspondence and personal contacts. Meetings and seminars were held where lectures were given and questions from the allottees were answered. They were advised to form building groups consisting of between 10 to 15 families each and to elect their officers. Assistance, by way of advice, was given for the formation and registration of such groups with the Registrar of Societies. Thereafter, they were advised how to select building plans, how to hire skilled labor, how to utilize finances economically, etc.

Type of plans for buildings were prepared earlier by the technical section under a project engineer and were supplied to the allottees free of charge. The same section also gave technical guidance and supervised work during construction. A few demonstration houses were also constructed from which the allottees learned construction techniques and types of materials to be used.

The Materials Loan Fund was administered by the project's finance section in such a manner that loan installments for the construction of houses were released to people according to the various stages of construction. These stages were evaluated by a technical team, which also supervised the construction, ensuring that construction work was always ahead of the money paid. For example, a building group, comprising of 10 families would start excavation of foundations on the first plot, selected by the group themselves through balloting. Thereafter the group was given 500 dollars, received earlier as a deposit of 50 dollars each from the members of that group. This money would be used to start construction at the first plot while the group would excavate for foundations at the second plot. On completion of the two foundations, an evaluation of the work done at the first plot would be carried out so that the first installment of the loan could be released in order to continue construction at the first plot and to commence work at the second plot, which would in turn also be evaluated and so on until construction on all the plots is completed.

In addition to the monthly repayments of the material loans, members of a building group continue paying their contribution money every month. This procedure ensures that construction continues from one plot to the other, paid from the Materials Loan Fund, and also ensures that the monthly contributions of the members of a group to the fund continues until such time that all 10 houses in that group are completed.

For the management of this scheme, a separate department consisting of 45 staff members including 27 professionals and skilled personnel and 18 supporting staff was created. The department consists of four main sections. The first section is comprised of upper management which is also responsible for overall coordination, policy making, planning and all legal matters. The second section, consisting of one project engineer, an architect planner, an architect, one services engineer, one resident engineer, one surveyor, one building supervisor, one technical assistant, four building foremen, two draftsmen and one stenographer, is responsible for the supervision of construction, provision of technical guidance to select building skills and house plans and assistance in setting up work, etc. The same section is also responsible for providing survey staff and equipment and to carry out periodical evaluations of construction work for loan payments. The third section, consisting of one project finance analyst, one assistant project

accountant, two accountants, one cashier, one senior clerical officer and one copy-typist, is responsible for keeping and managing project accounts and administering the Materials Loan Fund. The fourth and most important section that we have is that of community development, consisting of one project community development officer, two community development officers, four community development assistants and one copy-typist. It is responsible for public relations, receiving and processing of application forms leading to allocations, orientating and training allottees prior to occupation of plots, assisting and guiding residents in developing institutions such as building groups and other programs for the creation of an established community.

One community development officer is responsible for approximately 250 plots, and it is his responsibility to see that within his area of jurisdiction all allottees understand the project and its requirements. They are given assistance in selecting building plans, hiring skilled labor and economical utilization of finances.

The distribution of information leading to the education of residents has been a continuous process. Allottees are specifically informed how to keep their estates clean, how to use water-borne toilets, of the need for cleaning water drains, use of open spaces, of welfare and health services and need to abide by the constitutions and bylaws. Such information has been given during public meetings held periodically and also through small group meetings held more frequently. Allottees are also assisted in the formation and registration of their groups to manage their own resources and to keep records. Group leaders, treasurers and secretaries are given special training.

As has been stated before, the first phase of the scheme already completed has provided us with useful guidelines for the second one, which is about to commence and is five times the volume of the first. The first phase was commenced in 1976, and the plot owners were given 18 months to complete two rooms with the aid of the Materials Loan Fund and of free technical assistance.

When completed, by the end of 1981, the estate will consist of 6,000 families living in Dandora with an average of six members per family, and it will have community facilities such as five primary schools, four markets, two multi-purpose centers, two health centers, one sports complex and spaces for special purposes. The total cost of the project is estimated to be K$10.54 millions.

After trying out various methods, we, in the City Council of Nairobi, have arrived at definite conclusions that an adequate solution to tackle this very serious and complex problem of providing shelters for lower-income families is to implement as many site and service schemes as the circumstances may permit.

We have also concluded that, by providing serviced plots, participation of residents for self-help can be utilized to reduce construction costs, and, thus, with the limited available funds, a greater number of plots can be serviced, achieving a higher number of shelters.

SUMMARY OF WORKSHOP A-2

Chairman: Mian Yusuf, Kenya

I must admit that most of the questions raised after my introductory paper on Monday were very interesting. Thereafter, as soon as we were just about to get into an even more interesting discussion, time ran out. All the same, we must agree that there have to be time limitations, since the subjects before us are so vast that they can never be exhausted.

I hope that there is some sort of continuity between the deliberations of this conference and the next one. In this respect one suggestion that I would like to make is that between the annual USAID Conferences, we should, if possible, have regional or even subregional conferences for topics to be discussed in more detail so that total results of such conferences are discussed at the annual conference. I also feel that in the future we should have small working group meetings to deal with specified subjects, and at the end should pass some sort of resolutions to be followed during the following year.

In answer to some of the questions asked, I would like to give a few clarifications. For instance:

1. The land for housing in Nairobi is owned by the government. It is leased out for 99 years less three days, with an option of renewal.
2. The plots are not allowed to be sublet or transferred during the first five years. However, in case of the lease holder's death, the plot can be transferred to the legal heirs, established by the public trustee.
3. The amount of monthly payments was fixed in such a manner that nobody had to pay an installment of more than a quarter of the monthly household income. However, the amount of monthly contributions by members of any building group is fixed by the members themselves.
4. The cost for the provision of basic community facilities is included in the total loan amount and is thus recovered by monthly repayment installments.
5. Community facilities provided by us are the bare minimum, essentially required to start with, and thereafter the residents are expected to add more facilities to suit their requirements, as the community develops.
6. If a tenant fails to repay his monthly installment for any unduly long period, a community development officer calls on him to find out the reasons for such a delay and, if possible, to help in solving the problem. Quite often, as a result of such visits from the community development officer, repayments start coming in. If, however, in spite of reminders the repayments continue to be unpaid, a legal notice is issued and, if necessary, a further notice leading to actual eviction. Registered building groups who have a constitution to follow, also manage to assist each other and thus cases of eviction are minimized.
7. A suggestion was made by one of the delegates for mutual cooperation within the countries on self-help projects. The fact that we are able to meet in conferences such as the present one and discuss our mutual problems means that USAID is providing us with opportunities for cooperation among countries.
8. The construction period allowed to tenants is 18 months and the loan repayment period by monthly installments is 30 years.

WORKSHOP B-2

Chairman: Enoch Hornsby-Odoi, Ghana

SUMMARY OF WORKSHOP B-2 CONSERVATION OF RESOURCES: HOUSING COST RECOVERY

The chairman stated that the discussion of conservation of resources should not be limited to housing cost recovery but should cover a wider range of resource conservation issues particularly in the areas of land, labor and capital resources. In addition, the chairman stated that a particular problem of resource conservation in developing countries is also that of a lack of maintenance of capital investment already made, such as, in the telephone and road systems, as well as housing.

Natural resources being exploited for housing and other uses, such as timber, should be regenerated for the use of future generations. The importance of town and country planning was pointed out as a way to alleviate the problem of the encroachment of urban land uses onto rural land, diminishing this important resource. He remarked that total cost recovery in housing development has not been achieved in Ghana, since the provision of health, educational and open space facilities did not, under present circumstances, generate any income.

At present cost recovery in housing investment in Ghana was limited to the outright sale of houses to the high- and middle-income groups by state agencies, while low-income earners enjoyed substantial subsidies on rents.

He suggested that when industrial and commercial developments were associated with housing projects, some of the profits derived in such investments helped to offset the losses in housing developments. He concluded that infrastructural costs were only partially recoverable from all income groups in Ghana, although the high-income groups were made to contribute a greater proportion through the levying of development charges.

The representative from Tunisia described Tunisia's housing loan program which makes distinctions between different income levels and between loans for urban and rural

housing by varying down payment requirements, interest rates and loan terms. He also discussed the workings of the Fund for the Promotion of Housing for wage earners established in 1977, which is funded by a tax on all wages paid by private and public employers. All of the terms of the Tunisian system allow total recovery of housing costs.

The Mauritius delegate discussed the problem of the erosion of capital in housing funds through inflation.

The Ghana representative briefly discussed the financing of low-cost housing in Ghana, stating that construction cost increases have caused Ghana to turn to sites and services programs for low-income housing.

The delegate from Liberia pointed out the problem of recovering the increasing cost of maintenance of rental housing due to inflation since costs cannot be passed on to low-income residents.

The first day of the Conference was completed with a reception at Monrovia City Hall, hosted by the Municipality of Monrovia.

The reception at Monrovia City Hall was a splendid affair

A [illegible] [illegible]

The Second Plenary Working Session begins

The audiovisual presentations focused the delegates' attention on actual low-income housing experiences

SECOND PLENARY WORKING SESSION

Chairman: Peter Kimm, Office of Housing, AID Washington, D.C.

Participants: Jack L. Hjelt, U.S.A.
Joseph Handwerger, U.S.A.
Dhan Singh, U.S.A.

SITES AND SERVICES: THE HUMAN ELEMENT

An Audiovisual Presentation by Jack L. Hjelt, American Friends Service Committee, Consultant to the Office of Housing, AID Washington, D.C.

Looking at today's agenda—overcoming problems in sites and services projects—you note that some problem areas have been suggested: collections, construction control, participant selection and standards.

I propose that the key to the resolution of these on-site problems rests with the human element; i.e., the people involved with on-site development. For our purposes, I am identifying four groups of people who are essential to project success.

First, there is the design and planning group, which generally has little primary contact with the other three groups but who creates frameworks, environments and constraints for them. Second, there is the on-site project management team represented primarily by construction technicians and community developers. Third is the home builder resident, initially preoccupied with building his own house but who is soon a part of his and the communities' changing priorities. Fourth, we have the emerging community leaders who share increasing responsibility for site and service development.

My experience concludes that site and service work *is* a comprehensive development process, *a process of strengthening human capabilities*, both of individuals and groups, to continuously improve human welfare. This process is both dynamic and complex. It can't be reduced to recipes. Each project is unique in its environment and target population, each full of changing priorities; but all projects rely on the communication, cooperation and mutual understanding of human beings.

All projects require that the design planners, on-site project personnel, home builders and community leaders work together interdependently, not independently.

What is *the ultimate goal* of the site and service development process? Most of us agree it is *self-sustaining dynamic responsible communities*.

If our goal is dynamic, self-sustaining, responsible communities, we need to approach and appraise sites and service development work with three concepts or criteria which exemplify the dynamics of this development process.

1. *Communications*. Quite simply we are talking about sharing information, listening for feedback and insuring that you understand and are understood. It also suggests an attitude of "willingness to learn."

2. *Evolution*. In sites and service, we first have a site, then a serviced site, then people building houses, then home owners paying taxes and rates, and political activity, etc. There is a change—a growth, an evolutionary process. It is not just within the physical environment but within people's attitudes, aspirations and expectations.

3. *Changing priorities*. What is most important today or this month may not be most important next year. For example, if I do not have tenure nor my own house, and then I have a good opportunity to get one, my priority will be to get the house. But once I have a house or am secure in the knowledge that it will be mine as the result of continued investment and labor, then my priorities change. I am now more interested in garden space or education for my children. Priorities change for individuals and groups, and sites and service work must accommodate these changes.

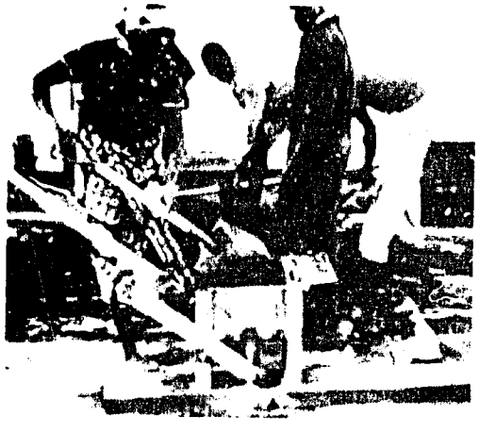
If we focus on these three concepts: *communication, evolution* and *changing priorities* we see that the site and service development process is difficult and complex.

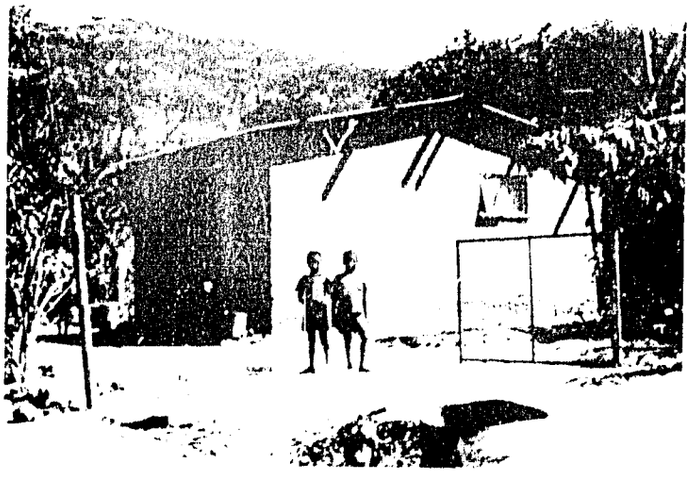
Communities just don't happen. They evolve slowly as a result of interaction, common goals, conflict and shared experiences—experiences not all planned and predictable, but experiences that provide training in communication and problem solving as individual and community *priorities evolve and change*.

This presentation simply shares some insights on site and service work as a comprehensive development process, highlighting a few difficulties and changing priorities. Our focus is on the key to on-site development success—*people* and their willingness and ability to deal with themselves in the project development. Most of the slides are self-explanatory. A few require commentary as they *symbolize* the problems of people working together in a complex task and *underscore* the importance of *communications, training*, and *changing priorities* in on-site development.

We are primarily focusing on the people engaged in on-site work—the home builder, the community worker, the construction supervisor, project administrators and emerging community leaders. Each of these groups has their *communication* and *training* needs. Each has *changing priorities*. Our task is to nurture their interdependent cooperation in the *evolving* community.

PROCESS OF SELF-HELP CONSTRUCTION





SITES AND SERVICES: THE HUMAN ELEMENT

(text of slide presentation)

Sites & Services: The Human Element.

We are all familiar with the steady demand for housing and services. There have been many different approaches to the problem: pre-independence local authority housing; post-independence government housing projects; newer public housing estates; and the vast private investment by people in the squatter areas or transitional urban settlements where services and shelter have not always been adequate.

Another approach has been *Sites and Services,* designed to combine government and private resources. This approach has provided a variety and range of alternatives. It allows for individual involvement and security, while encouraging improvements over a period of time. But experience has demonstrated that successful site and service communities are the result of *extensive* education work with potential participants and their early and continued involvement in site development. People need to learn about costs, tenure, budgets and obligations *before* they make a commitment to build. Then, if they qualify, they can make an informed commitment to participate.

Recent experience indicates that the more understanding prospective participants have about the whole site and service concept, including infrastructure development, the lower the drop-out rate and the higher the collection returns. As site offices are opened, plots can be allocated and site clearing can begin. This often becomes a community exercise shared by young and old. There is great satisfaction when the first building lines are located and the first foundation emerges. Activity increases. Timbers are treated and roofs go up. These initial activities lend themselves to skill training and the strengthening of relationships and communication as people create a new environment. Where conditions are right and resources limited, labor-intensive efforts can also result in shared experiences, skill training and group cohesion. Note the involvement of both men and women.

Though on-site activity takes on its own momentum, communication efforts must remain a constant staff priority directed at both prospective participants and on-site builders. Site staff are also continuously engaged in their own formal and informal training. *This is a priority;* one that continues as the site develops. It can take the form of local in-service workshops. In fact, the workshops are necessary to deal with the dynamics and changing priorities of the home builders, site workers and project managers. Communication needs to be promoted and experiences shared.

The priorities and communications processes in an empty site with five new builders are very different in a site with 50 occupied houses and 50 more under construction. If the early and continued educational work has been done, and trust, communication networks created, then site staff often find "old timers" helping new builders. On this site, the first building groups became the nucleus of a community council which eventually represented the entire community. As on-site construction was still under way, this meant site staff entered into partnership with the community leaders. Site staff no longer provided exclusive leadership and supervision. The community was accepting responsibility for its own affairs. But as site occupancy accelerates, there are new dynamics and a shift in resident priorities.

In this community as the first 40 families finished construction and occupied their homes, there developed an overriding concern for an elementary school. A school plot had been included in the site plan, but the Ministry of Education couldn't budget a school for at least four years. After long discussions with site staff and local authorities, the residents decided to build their own school u'ilizing their newly acquired construction skills and community organization. Here was a case where good communication was at work between all parties. The emerging community leadership determined that a school was an immediate priority for them and convinced project managers and others of its importance. One outcome of people involved in self-help construction is that they take pride in their new environment and stake claims to their property. Fences go up. Property lines are demarcated to protect gardens and new fruit trees. This may create some temporary conflict as individual priorities may not meet the community expectations or standards.

The difference between individual priorities, community standards and project regulations becomes more complex as increased occupancy brings personal habits, traditions and economic pursuits. Site managers may not like auto parts and auto repair being done on site but these economic livelihoods are income producing and were often developed in the informal sector. With the move to site and service areas, concerns are often expressed about the propriety or regulation of these activities in new residential communities. These concerns need to be tempered with compromise and the understanding that a dynamic community requires the economic productivity of its residents. Another often controversial product of site and service development and participant skill training is that new and often unregulated enterprises spring up to supply the never-ending demand for building materials. Project managers then worry about the standards and quality of the material.

There are many other illustrations of "*problems*" in site and service development. For example, the control and supervision of construction as demonstrated here by the middle wall that appeared during a holiday. According to the building foreman, it doesn't meet the standards. And in this slide, what happened to the requirement of a window in every room? The problem of evolving priorities is pictured here by these recreational areas for children which became more important than buying glass for the windows. Innovation and ingenuity. Note the handmade louvered windows, and, of course, the perennial question of temporary shelters while permanent homes are being built. Incidentally, experience shows that persons living on-site build better houses. In fact, it is a real hardship for the poor if they must live off-site while building a new house.

Here are some good physical symbols of the results of the site and service development process. But this tractor driver, an employee of a site and service project, is a more important symbol: a symbol of evolution communication, changing priorities and emerging leadership. In the beginning he was a driver and a very good one, but he soon became the best informed project employee regarding project operations and participant needs. He later became a home builder and home owner and emerged as a strong member of the community ward development committee. A conflict of interest? I don't think so. He is still a driver, but he is also an important model and inspiration for other home builders. And finally, this picture symbolizes the site and service goal being realized—a meeting of home builders, home occupants and site staff deeply engaged in decision making about their community. The issue happens to concern sanitation and engineering miscalculations on ablution facilities. But, more important, we are looking at the people

who are ultimately responsible for project success. The work of planners, contractors and administrators is necessary and important. In fact, if we are to maximize our resources and reach our goals, the design and administrative cadre should more openly share their ideas, expectations and constraints in continued communication and training with the on-site people.

In our efforts to overcome site and service problems, let us share the responsibility with our most indispensable resource—the site and service participants. Let us engage them in a partnership where two-way *communication* is a *priority* in the *evolution* of the communities' development. I believe they have demonstrated their ability to be full partners in the process.

SITES AND SERVICES: A LOW-COST SHELTER SOLUTION—THE EL SALVADOR EXPERIENCE

An audiovisual presentation by Joseph Handwerger, Consultant to the Office of Housing, AID/Washington, D.C.

Squatter settlements and overcrowded inadequate housing are an international phenomenon resulting from rapid urban migration, population growth and inadequate resources.

One solution currently in use by developing nations to meet the growing demand for minimum cost shelter in urban areas is the concept of "sites and services." This concept has become a popular means of providing shelter to the growing urban majority who cannot afford conventionally or publicly financed housing units except under highly subsidized schemes. The emphasis is placed on development of affordable shelter on a cost-recovery basis. The element of cost recovery enhances project replicability, sustained and expanded service levels over time as well as broadened distribution of limited public resources for greater benefit to lower-income urban populations.

Under sites and services schemes, urban land is subdivided into lots which are provided with varying levels of public utility services and community facilities. Core units may be incorporated into the schemes as well as a variety of community services. Services may include credit systems for construction and building improvement loans, on-site building material supply centers, waste collection systems, transportation facilities, technical assistance for mutual and self-help construction, health and education programs. Service levels vary depending on residential income levels, community needs and available public resources. Construction is carried out primarily by local residents to maximize shelter production while minimizing labor costs to residents.

Mr. Joseph Handwerger, a U.S. planner and architect experienced in the housing problems of developing nations, made a slide presentation to conferees which focused on a group of issues and concepts in the development of sites and services projects. He illustrated some of these concepts through slides of a sites and services program in El Salvador financed by the World Bank and developed by the Salvadorean Foundation for Development and Low-Cost Housing (FSVM)*.

The slides covered a small group of projects, all developed by the FSVM, which demonstrate in a convincing way that a properly structured, implemented and managed sites and services project can be not only a healthy and convenient environment but an attractive community in which to live.

A basic goal of these projects has been the minimizing of initial construction and associated costs while planning and providing for improvement and upgrading over time. Indigenous materials and labor-intensive construction methods have been utilized wherever practical. Contract work, technically aided mutual help and self-help have all been employed in the construction process.

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*The FSVM was originally organized in 1968 to aid in resettling families left homeless by the flood of the Acelhuate River in San Salvador.

FSVM sites were selected to yield between 400 and 1,000 plots per site, which is considered large enough to achieve economies of scale in construction, but not so large as to concentrate too many low-income families in a given area.

Lot sizes are relatively small, ranging from 60 square meters in San Salvador to 120 square meters in secondary cities where land costs were lower. Gross densities however are moderate—27 to 80 plots per hectare—due in part to substantial open space requirements of the local codes. Roughly 50% of the sites are devoted to residential plots. Each site is also provided with schools, health clinics and at least one market, multi-purpose community center and sports field.

The sites are layed out in efficient grids of pedestrian walkways providing access to each lot and containing water and sanitary sewerage pipes and storm water drainage channels. Roads, generally a high-cost element in site development, are minimized. Peripheral roads serve small parking areas and cul-de-sacs, providing access for emergency and service vehicles. The walkway system links each lot with other lots and community facilities. Vehicular crossing of pedestrian walkways have been minimized for safety of pedestrians. Community facilities are generally located in the interior of the site as are small commercial zones. Larger commercial and market areas are at the site entry points or bus stops, providing easy service access.

An innovative feature of the planning is the incorporation of small parks providing open space and social meeting places and reducing the usual monotony of large-scale grid development.

All lots are serviced with individual water, sewerage, storm water drainage and optional electric tower connections. Street lighting is installed along major access roads and at main circulation points.

Two service levels or options to purchasers were provided: level one consists of a serviced plot with an enclosed sanitary unit containing a water closet, shower and wash basin; level two consists of the level one elements and a basic dwelling of about 17 square meters. This structure consists of an asbestos cement roof, brick walls, wood frame and galvanized metal doors and windows and concrete floor.** Most of the initial unit construction is built by aided mutual help. Credit toward down payment costs is earned in this work. Parts of the rear and front walls and interior partitions are built by self-help.

Units were designed to be logically and easily constructed and expanded through mutual and self-help labor. Resident labor took place for the most part on weekends, after work or on holidays with many family members participating.

Bricks are an available local material in El Salvador. Good quality bricks are made by small-scale entrepreneurs in wood-fired kilns. To the largest degree possible, indigenous materials and labor intensive construction methods were employed to reduce foreign exchange expenditures, to benefit local employment and to provide some training in building trades during the technically assisted self-help activities.

**Since El Salvador is an area susceptible to earthquakes, the units were designed with reinforced concrete columns, bond beams and foundations. In actual construction, a special hollow-core brick was used to eliminate the need to form reinforced concrete columns.

The basic structural elements of community facilities, such as schools, were constructed on contract but walls were completed through mutual help as was community landscaping.

While piping was laid by contract, back-filling was performed by mutual help. The FSVM felt that this would give the future residents a sense of identification with these underground networks.

Precast channels were used for storm water drainage. Surface drainage of storm water was provided as opposed to more costly piped drainage in order to reduce infrastructure costs.

A precast water closet was used. While many purchasers expressed the desire for a tank-type flushing toilet, the FSVM provided only these precast units. They felt that the cheaper water closet would help keep costs low and help make units affordable. Those who could afford a flush toilet could have them installed, and did. This decision by FSVM illustrates an important conceptual principle, that of postponing all but essential elements for affordability by the lowest possible income levels. While the ideas of minimizing standards and eliminating elements is well understood, the principle of postponement and upgrading over time is equally critical.

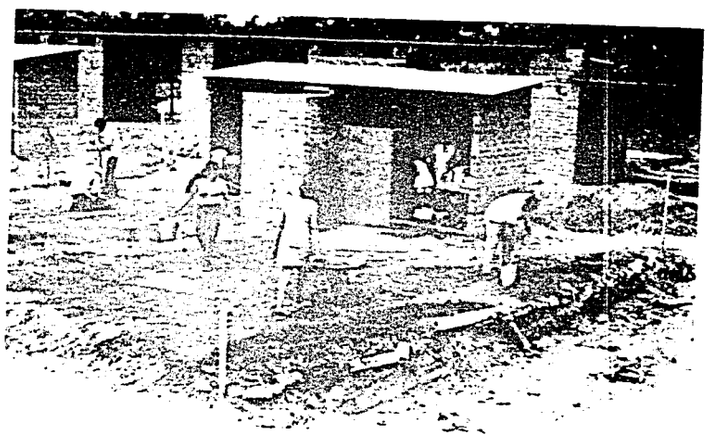
When a site was ready for occupancy, a lottery was held to determine who would have first choice of unit location. Up to this point work was done by mutual help since no one knew which unit would be his.

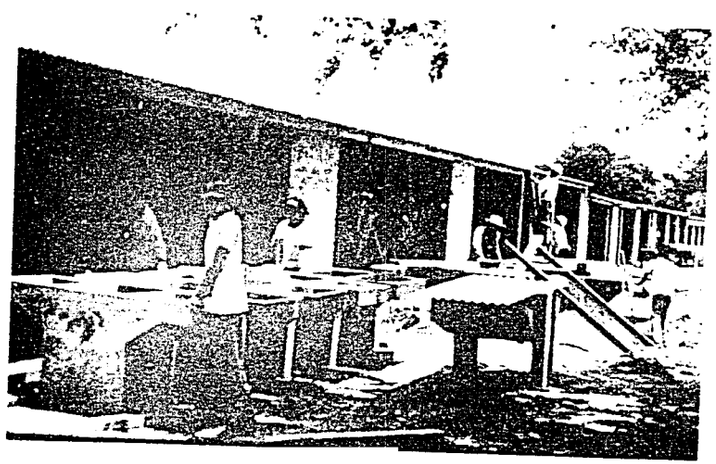
With the allocation of units, self-help improvement of units begins. At this point building material loans are made available. For this program individual loans were let on the order of US$50 to US$200. Purchasers were permitted to erect temporary shelters on the plots so that they could live on-site to work on their dwellings during off-work hours. Residents who previously lived in squatter settlements often disassembled and re-erected their squatter shacks on their new plots.

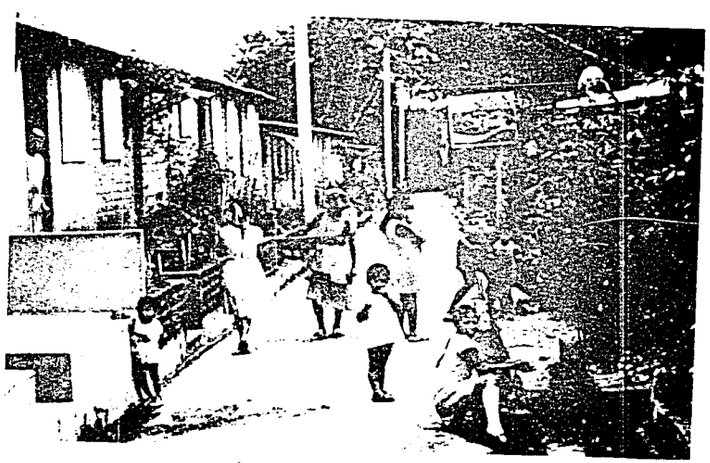
Self-help construction and improvements on allocated units brings forth a mixture of modern materials and draftsmanship joined by traditional elements. Extraordinary individualization of windows, doors, walls and color schemes evolves, all of which enliven and enrich the community.

The residents of these sites and services projects in El Salvador have major investments of personal time and labor committed through mutual and self-help construction. The method has created a true sense of "community." The economic benefits of their labor flows directly to themselves. And who can put a value on the spiritual benefit of having been instrumental in providing with one's own hands a decent place to live for oneself and one's family.

Before . . . .







. . . . and after self-help community development

WORKSHOP A-3

Chairman: Jean Konan-Ferrand, Ivory Coast

COLLECTIONS AND CONTROL OF DELINQUENCIES FOR A SITES AND SERVICES PROJECT

by Jean Konan-Ferrand, General Director, SICOGI, Ivory Coast

The first experience in the Ivory Coast with a sites and services project for rental purposes is fairly recent since it is just over a year old. Designed to be an incentive for the low-income worker to participate in solving his housing problem in an urban environment, this new formula raises a certain number of problems among which are the collection and control of delinquent rental payments, which is the topic of this paper.

The experiment undertaken by our company, dubbed operation LEM (Minimum Service Allotments) involved 612 lots completed when this paper was written and distributed as follows:

309 lots of 100 m² each
235 lots of 125 m² each
68 lots of 150 m² each

The corresponding monthly rents are set at:

1,680 F/CFA for lots of 100 m²
2,010 F/CFA for lots of 125 m²
2,340 F/CFA for lots of 150 m²

The lots are assigned by a committee which reviews the files of the applicants according to the following criteria:

1. Previous housing status
2. Family status
3. Employment status
4. Income

Given the social nature of the operation, monthly income must fall between 30,000 F/CFA and 60,000 F/CFA.

The beneficiaries of the lots selected by the committee are bound to our company by a contract which is a 20-year construction lease, renewable every five years. This contract includes all the rental provisions. These can be summarized as follows:

IMPROVEMENT CLAUSE

The beneficiaries are given 24 months to complete construction totally. However, this deadline is only applicable to those who have started construction within six months persuant to the signing of the lease. Failure to comply with these two terms in all cases results in the rightful cancellation of the lease and in the repossession of the lot and services by SICOGI.

RENTS

Rent is based on the cost of the services, the financing terms and the lot maintenance fees. Rents are paid quarterly. This method of payment was chosen for two reasons:

1. To avoid the necessity of having the tenants travel each month to pay their rent as is generally the case with home rentals and in this case for rather modest amounts (see preceding rent figures).
2. To limit rent processing costs. Since this is computerized, it would cost 3,000 F/CFA per year to process a single receipt if payment were made monthly and exclusive of any other transaction. This figure is too high to be covered by management proceeds which only constitute 18% of the rent.

Although a quarterly payment method was selected, tenants have the option of choosing semiannual or annual payments. We noticed that some LEM beneficiaries who probably had some savings showed interest in paying either the total amount of the 20-year rent or at least a substantial part of it.

In spite of the social nature of the sites and services projects the recovery of investments in the shortest possible time is, of course, extremely advantageous for the management since it reduces nonpayment claims. We also think that employers should be urged to help their employees pay the LEM rents by making loans available to them. With salaried workers, we have in all cases adopted the method of withholding the rent from their paycheck. Companies, which have agreed to collaborate in this respect with our management department, benefit from an allotment priority for their employees. Rents are recovered by billing these companies directly every three months.

As for the other tenants, as stipulated in the lease, the rent is to be paid at our cashier offices and is due at the latest by the seventh day of the first month of each quarter.

As soon as a rent payment is delinquent, this delinquency is immediately discovered by our computerized rent processing system. The delinquent tenant is notified by a letter which grants him a reprieve until the twelfth of the month before legal action is taken against him, such as cancellation of this contract, according to the terms of the lease. If he fails to comply, he is issued a summons by an attorney-at-law to whose office he must go and pay the rent with a 10% penalty fee. If he does not pay, legal action for cancellation of the lease is taken. Generally, after two months of delinquency, a judgment is rendered in

chambers and the lot is returned to the company to be assigned to another applicant. If the lot has been improved at the time of the contract cancellation, SICOGI has the construction appraised and compensates the evicted party with the appraised value of the improvements less the rental debts. The new beneficiary of such a lot must agree to pay the appraised investment cost.

In order to prevent this type of problem, a systematic control of rent delinquencies and failure to improve the lots is carried out by SICOGI. For a receipt of approximately 8 million Francs CFA, we noted about 10% of unpaid rents by the due date, the eighth day of the first month of the quarter. Before the end of the same quarter and following initiation of legal action, all delinquent parties had paid up.

We think that, in dealing with LEMs, it is more important and more difficult to control improvements than to control delinquencies.

Workshop V-8 — Collections on a Sites and Services Project — Mr. Jean Konan, Lemand, Ivory Coast

The Tunisian Delegation, the previous year's hosts, participating in the workshop

SUMMARY OF WORKSHOP A-3

Chairman: Jean Konan-Ferrand, Ivory Coast

After the chairman read his report on the recovery of delinquencies in the improved sites and services plot project, the Tunisian delegate inquired whether a law exists providing for eviction if the conditions of payment are not met. The chairman explained that there is no text in this regard. The contract binds SICOGI and its clients. In cases of dispute, an approved agent evaluates the work carried out on the plot. A new contract stating the increased value stipulates the reimbursement of the cost of work carried out allowing immediate compensation of the previous tenant, or the rent of the new tenant is increased. The Burundi delegate pointed out that the Australian Torrens System, which is applied in Zaire, Rwanda and Burundi, consisting of a legal action in case of default of payment leading to the public sale, might be applied in the Ivory Coast.

The representative of the National Housing and Savings Bank of Liberia brought up the problem of recovery of delinquencies in the case of an unemployed owner. In the absence of a law in this matter, the SICOGI would submit such cases to the Social Department. It is the usual decision that reimbursement is not demanded as long as the owner is still unemployed. It is, however, required that he give proof that he is truly unemployed. The Mali delegate pointed out that in Mali there is an improved plots system of 120 to 750 m^2 and that the Development Bank of Mali serves as intermediary between the real estate company and the tenants. He asked if there is in the Ivory Coast, as in Mali, an age criterion for the attribution of plots? The chairman replied in the negative and pointed out that in the case of the death of an allottee, it is his successors who are bound by the contract which remains unchanged.

To the question raised by the participant from Liberia on the equipping of plots, the chairman replied explaining that in the Ivory Coast this concerns lots with a minimum of equipment. Nevertheless, if the owner decides not to conform to the general plan of the company, his own plan must be submitted for the company's approval.

In Mauritius, as explained by the Mauritian delegate, the recovery of delinquencies is carried out by the project directors. The Botswana participant asked if this system could not be adopted as in the case of Zambia where a representative of the group, member of the political party, is in charge of recoveries.

The representative of Niger inquired about the provision in cases of lack of maintenance or disturbance of neighbors. The chairman replied that presently the company ensures maintenance, but hopes that in the future the municipality will take charge insofar as the plots are combined.

He then recalled the system of recovery in effect in Liberia which consists of the deduction of delinquencies from the salary of an employee by his employer or the deduction is automatically made at the Ministry of Finance.

In response to the question raised by the delegate of Senegal on methods of payment in the case of a nonsalaried owner, the chairman asked the representative of the Credit de la Côte d'Ivoire to explain, and he mentioned that if SICOGI does not trust the nonsalaried applicant, the person is asked to obtain the signature of a cosigner who would guarantee payment.

WORKSHOP B-3

Chairman: Samuel G. Ayany, Kenya

ASSISTANCE AND CONTROL OF SELF-HELP CONSTRUCTION

Introductory remarks by Samuel G. Ayany, General Manager, National Housing Corporation, Kenya

It is now the Government of Kenya's declared policy to house the low-income sector of our population through the site and service method of construction. The essence of the policy is the pooling together of the government's limited funds by providing infrastructural services and a small materials loan, together with the participant's resources in terms of finance and family labor.

The current development plan, i.e., 1974-78, and the next one, 1979-83, define the low-income sector as that part of the population earning a monthly income of KShs.300 to KShs.1,200 (US$37.50 to US$150). The government's own contribution, in the form of loans, is K£700 per plot of which K£350 is for the provision of services, i.e., water, sewerage and roads and the balance given out as a materials loan to supplement the plot holder's resources in purchasing construction materials to put up a minimum of two habitable rooms together with the wet unit or core. Such are the stringent codes given to the site and service participants. I need hardly stress the fact that such codes need equally austere regulations to ensure their success.

The ultimate success of such a policy, we have noted, depends on the following factors:

1. Control of standards with the resultant costs.
2. Formulation of regulations and their effective application to ensure that bona fide low-income groups participate.
3. Formulation of codes that ensure that both known and latent resources of the plot holders are put to maximum use.

As in many independent nations of the developing world, infrastructural services built by both public and private developers in Kenya have to comply with certain provisions in the building code if they are to be adopted and maintained by the local authorities in whose areas of jurisdiction the services have been built. The standards expected by local authorities have not always been compatible with the site and service schemes' ultimate goals—keeping costs down to a level at which the plot holder can practically and effectively participate.

The advent of the site and service program saw a big battle with the traditional physical planners and local authorities over land use in terms of plot densities, standards of services, especially roads, and construction techniques, i.e., permanent structures vis-a-vis temporary structures that are improvable as the plot holder's income rises, and whether or not subletting as a means of augmenting the plot holder's income should be accepted *prima facie*. The battle over standards reached such proportions that the government identified it as one of the many built-in impediments likely to render the whole exercise impractical. Hence the central government has now appointed a committee to re-examine the whole building code with a view toward making provisions that are compatible with its declared policy of site and service schemes.

Subsidized urban plots, such as those in the site and service schemes, are a rare commodity in Kenya meant for the less privileged sectors of the economy. Naturally, they are bound to become lucrative targets for predatory tendencies from the high-income sector. Hence the need for strict selection procedures: defining the bona fide plot holders' status in terms of residence in the locality, income (and here we consider the total monthly household income) and ownership of other urban plots, if any. These are the most important determining factors in selecting participants in the site and service schemes. The final hurdle in the selection procedure adopted in our own case is the ballot system of all the qualified applicants.

In recent months, as a result of rising costs, due to the international inflationary situation, it has been found expedient to sell a certain percentage of the plots, even completed structures in a site and service scheme, at current market values. This system which has the full backing of the World Bank has a double-pronged effect on the scheme under consideration. First, the profits realized from such a sale are used to cross-subsidize the rest of the plots; and second, it detracts the predators from the high-income groups from encroaching on the rest of the plots as their needs are officially fulfilled.

Besides these regulations, the plot holder is not allowed to sell his property within a period of five years from the date of allocation in order to prevent these plots from getting into the hands of more well-to-do persons for whom they (the plots) are not intended.

As I have already said, the system depends on two contributions: the government on the one hand and the plot holder on the other. More often than not, little or nothing is known of the bona fide plot holder beyond his pay-slip worth and yet much is expected of his latent resources.

The process of harnessing the latent resources of plot holders to produce housing units once the plots are allocated is, in itself, a complicated program that needs close supervision at every step.

In our own case, we have recognized the possibilities of misuse of materials loans and

have therefore resolved that plot holders will be given vouchers for purchasing materials and not hard cash. Furthermore, to ensure that a plot holder's own labor is not misused, i.e., by building structures that are later demolished, we have undertaken to provide in one of the plots a demonstration house showing the possible ultimate standard expected of the plot holders. In addition, we have on site both technical supervisors and practical supervisors in the form of foremen whose duty it is to supervise and also work hand in hand with the plot holders in the process of erecting their own houses.

In a paper of this size, it is not possible to give in detail the activities that occur on site once the plot holders move in. I have therefore decided to stop at this juncture to give room for more substantive papers that are being presented on this particular topic. It is my hope that by cross breeding our ideas and comparing notes we shall leave this place wiser than we came.

Many participants recorded ideas and questions to pose during workshop discussions.

SUMMARY OF WORKSHOP B-3

Chairman: Samuel G. Ayany, Kenya

An introductory report was delivered by the chairman. The paper outlined the Kenyan site and service method and highlighted some problematic program areas as follows:

1. the struggle with traditional physical planners and local authorities over plot densities, acceptable levels of infrastructure and construction standards and subletting as a means of augmenting the plot holders' income;
2. the need for strict qualification and selection procedures of prospective plot holders in the Kenyan program using a ballot system for the ultimate selection;
3. the problem of international inflation resulting in higher costs which have required the sale of a percentage of the completed structures at market value with profits used to cross-subsidize the remaining plots for low-income groups;
4. the difficulty of harnessing and supplementing, where necessary, the skills and resources of plot holders to produce housing units.

The question and answer period discussed the following five areas of concern:

Risk of Creating Future Slums—A concern shared by many participants is the risk that self-help housing areas may become, in the long term, future slums.

Participants identified some conditions encouraging slum creation such as the responsibilities for providing for one's extended family. This cultural expectation often causes dangerous overcrowding and taxes the utility and sanitation systems.

It was agreed that measures should be taken to control unplanned expansion in self-help areas after the initial plot allocation and construction has taken place.

Government Subsidy of Infrastructure Costs—Infrastructure can represent a significant portion of the shelter cost to low-income groups seeking plot ownership. Participants noted that demands on the monthly income of low-income groups is already extremely high, including land lease fees, building materials, loan payments, extended family and school fee responsibilities as well as increasing annual inflation costs.

Government subsidy of infrastructure was identified as an important factor which in many cases might determine the affordability of the self-help housing scheme for low-income groups.

Socioeconomic Surveys—Some participants attributed importance to socioeconomic surveys undertaken prior to the project design in order to determine acceptability and desirability of the proposed housing program solutions, e.g., core units, serviced sites. A need for better understanding of approaches to socioeconomic surveying was expressed.

Others felt that surveys should not be undertaken until after plot holders have occupied their sites. Many respondents in a preliminary survey, such as suggested above, might likely respond without any sense of the limitations of cost.

Evaluation—The execution of evaluations on real projects was deemed most important

to learn from the mistakes and successes of existing programs. Indeed, some surveying done on a program in one particular country found 60% dissatisfaction with the housing solution used in the program. An evaluation survey in another country's program under discussion probably would have revealed great satisfaction with a particular program element. In this program, building materials depots have been located near building areas to eliminate expensive transport costs for lower-income groups, many of whom purchase materials a piece at a time.

Program Design—Some programs have prescribed a housing solution by building in a design element such as a core unit or slab. Some participants felt that such a design component gives more efficiency and greater control of construction standards. However others feel this approach interferes with the self-help construction effort. Rather than simplifying the construction, the design component restricts the ability of plot holders to use personal skills and creativity to design a shelter according to individual preference and affordability.

The workshop participants concluded the session with a recommendation that discussion on these issues in greater technical detail be pursued.

WORKSHOP A-4

Chairman: Nathaniel T. K. Mmono, Botswana

QUALIFYING AND SELECTING THE PARTICIPANTS IN A SITES AND SERVICES PROJECT

by Nathaniel T. K. Mmono, Permanent Secretary, Ministry of Local Government and Lands, Botswana

In my view, an essential ingredient to a workshop such as this, if it is to be of value to us when we return to our own counties, is a frank exchange of information, views and experiences among all the participants. It is only in this way that we can isolate and discuss common problems, learn how they are being tackled in different parts of Africa and see whether such ideas can be usefully adopted to meet our individual local circumstances back home.

To start off this exchange of information I propose, during the next few minutes, to try and explain what criteria we have applied, and are about to apply, in Botswana in determining the kind of people who qualify for plots in site and service housing schemes and in the actual selection process. But perhaps I could first describe to you, without going into too much detail, how we have organized ourselves in regard to the implementation of site and service projects—first, because some of you may not know a great deal about Botswana and its characteristics, and second, because we have only very recently carried out a comprehensive review of urban land and development policies which will have a material effect upon both the administration and the financing of self-help housing schemes.

If we talk in terms of developed countries, Botswana is roughly the same size as France, yet has less than 1½% of its population. Despite recent mineral development we have, like most African countries, a predominantly agricultural economy, and six out of every seven Botswanas live, often in conditions of extreme poverty, in the rural areas. This very fact makes our four small industrial towns, none of which has a population exceeding 40,000, extremely vulnerable to mass in-migration. Each of these towns has had a very different history, but common to all of them today is the problem of their rapidly growing

population. All have outstripped official growth forecasts. Gaborone, the capital, which had planned to reach a maximum of 15,000 by 1990 has an estimated population of 37,000 by 1976, and with a current annual growth rate approaching 15% is expected to reach 100,000 by 1985, doubling its population every five years.

Due to a shortage in skilled and trained manpower at the local government level, the planning of urban development in Botswana, within parameters laid down by the Ministry of Finance and Development Planning, is done centrally by the Ministry of Local Government and Lands which also undertakes the physical provision of the infrastructure works in town extension schemes. Because the newcomers are predominantly in the lower-income groups, roughly 66% of all urban development is now to be devoted to self-help and low-cost housing. Once a site and service project in a town has become a reality, it is handed over to the respective town council, which thereafter is responsible for the project's future development and management, including among other things the selection of the project's participants. For that purpose a separate department has been established for each town council and assigned the exclusive task of promoting the development of housing for the poorer sections of the community through the concept of self-help. We emphasize this concept by naming the department "The Self-Help Housing Agency."

Although there have been variations in the past, we are now trying to introduce a standard organization for the Self-Help Housing Agency, divided into three sections, each with its own sphere of responsibility, coordinated by the head of the department, the housing officer. One section is responsible for the financial side, the procurement of building materials and the collection of revenue. The second section has responsibility for the provision of technical advice and assistance to the plot holders in site and service areas and also to people living in squatter upgrading areas. The third section is the community development section, responsible for preparing the ground for the activities of the other two sections. Among the tasks of this section is work connected with our workshop topic, the selection of participants in site and service projects.

Who qualifies for a plot in a site and service project? If we were able to catch up and have plots available ahead of demand, there would be no need for qualification rules, but we all know how urban projects can be delayed through program slippage and the general reluctance of aid agencies to provide grants or soft loans to finance urban development. So there are always more applicants than plots to go around, and this means introducing a system of priorities. I am sure varying points of view will be voiced in today's discussion on this subject, but in Botswana we have chosen to work from three main criteria: an area criterion, a social and health-oriented criterion, an income criterion.

Botswana is fortunate in having only a few squatter areas although as a percentage of the total township population they are considerable. Because the numbers involved are small when compared to Nairobi, Lagos or Douala, we believe we have a fair chance of preventing the growth of further squatter settlements if we concentrate on upgrading the existing ones *now* and at the same time provide enough new site and service plots for new migrants to make squatting unnecessary.

We all know what squatter settlements are like and if you work toward implementing a proper plan by making a sensible street pattern where none existed before, clearing space for new schools, playgrounds and community facilities and reducing overcrowding, some

squatter dwellings just have to be demolished. Apart from this, you also have to clear areas of haphazard squatting which are a positive danger, such as along river banks where flooding will sweep huts away in a flash flood or where dwellings are situated under high-tension power cables. Therefore, in order to quicken the upgrading process, we have chosen to give the highest priority to the allocation of plots in new site and service projects to people who are compulsorily displaced from existing squatter upgrading areas and to those who want to move from those areas voluntarily, particularly if this reduces population density and health risks in a very crowded locality.

This, then, is what I have termed the area criterion. The next involves an evaluation of the need for housing from the viewpoint of family health and social factors. This consists of an investigation of an applicant's marital status, the size of his family, the condition of his present accommodation, whether it is shared with another family, its proximity to potable water and its sanitary provisions. Also affecting his eligibility for a plot is his age and physical condition, employment, whether he is a citizen of Botswana, the length of time he has been a resident in the particular township and so on. This is done through a points system, each of the factors I have mentioned having a specific number of points allocated to it but with the greater weight being given to those affecting family health; lack of sanitation and overcrowding being examples of this.

Why a points scheme? There are obvious reasons, the principal one being that it is fair to everyone, it is published and known by the people concerned, be they officials, councillors or applicants; it also minimizes favoritism and "queue jumping." But it is also a valuable and simple aid to selection, and once a points system has been adopted by a town council, the number of applicants processed by the Self-Help Housing Agency officials for selection by the Council's Allocation Committee (i.e., those with the greatest number of points) can be closely related to the number of plots available for allocation, thus avoiding the interminable and time-consuming arguments and debates which occur when no definite system of priorities has been worked out.

The third and last criterion to be applied is that of *income*, and this we have found to be the most difficult. Site and service projects are aimed at providing decent shelter for the poorer sections of the community, but one of the cornerstones of Botswana's national development plan is that any surplus resources shall be used to improve the standard of living of the residents in the rural areas. Urban development must therefore, to the greatest extent possible, be self-financing, and it follows that expenditure on site and service projects, whether it be capital expenditure to finance roads and water mains or recurrent expenditures on water for standpipe supplies or to meet the cost of refuse collection and other municipal services, must be recovered from the people benefiting from those facilities. This is done through a system of service levies.

We also need to see, while the number of applicants for site and service plots exceeds supply, that such plots are in fact allocated to those living on low incomes and whose only chance of a decent home is through self-help plus financial and technical assistance from the Self-Help Housing Agency and not to the better off who could afford to buy their own piece of land and build without state assistance or to rent a house from the Botswana Housing Corporation or a private landlord. So the government policy up to now has been to impose a minimum income qualification of three hundred Pula (US$345) per annum on the ground that anyone earning less than that figure could not afford the service levy that

had to be charged and a maximum income qualification of one thousand five hundred Pula (US$1,725) per annum on the assumption that people earning more were well enough off to rent, own or build a house without state assistance. For the poor, with an annual income below three hundred Pula we had special housing areas, with lower road standards and fewer standpipes known as Traditional Housing Areas because plot holders there were also able to keep building costs down by using traditional materials. Service levies in these traditional housing areas were kept artificially low by a combination of cross-subsidies and donor grants, but unfortunately those are no longer available.

In our recent urban development policy review, we knew that with inflation over the past few years the fifteen hundred Pula maximum would have to be raised. It was also realized that with the high interest rates the government now has to pay on external loans, such as those from the World Bank or negotiated through USAID, and with rising construction and development costs, the poorer section of the community would be unable to afford the increased service levies which would have to be charged if existing site and service project standards were maintained. It was therefore decided:

1. To raise the maximum income for qualification for a site and service plot from P1,500 to P3,500 (US$4,025) per annum. This would encourage some of the better off and more enterprising people previously excluded to apply for site and service plots and stimulate social cooperation, initiative and leadership.
2. To abolish the existing minimum income qualification altogether.
3. To plan future site and service projects to a variety of standards. The minimum standard project will simply have pegged plots with no services provided except shared standpipe water supply, while at the other end of the scale will be projects with engineered gravel roads, surface water drainage, street lighting and perhaps in some cases even water-born sewerage. Service levies will therefore vary according to the particular standard of services provided. Thus, applicants who have an income not exceeding P3,500 and qualify under the points system already mentioned will be allocated plots according to their willingness and ability to pay the levy applicable to the project having their preferred standard of services.

This is a material change in site and service housing policy and despite the time taken in planning and providing projects of varying standards of services, it cannot be implemented immediately in view of conditions contained in current agreements with certain external financing agencies.

In conclusion, I would summarize what Botswana considers essential in the allocation of site and service plots.

1. The general qualification rules should be simple, easy to understand and fair.
2. The reasons for assigning priority to certain categories of qualified applicants (for example, those compulsorily displaced from squatter areas) should be clearly stated and published.
3. The method of selection should be fair and contain safeguards against abuse. In our view, the operation of a points system complies with this criterion and is at the same time simple to operate and a valuable aid in speeding up the selection process.

4. The ability to pay for services provided should be a major consideration when allocating plots to selected applicants.

I hope this introduction of mine will provoke a lively discussion on this important workshop topic and look forward to hearing your viewpoints.

The afternoon Workshops were also well attended

SUMMARY OF WORKSHOP A-4

Chairman: Nathaniel T. K. Mmono, Botswana

The subject was qualifying and selecting the participants in a site and services project. Systems will, of course, vary from country to country since priorities and values are different, traditions are different and institutions implementing them are different. Nevertheless, we believe that there are certain general conclusions which, if carried out, will result in a sensible and fair system.

1. The general qualification rule should be simple, easy to understand and fair.
2. The reasons for according priority to certain categories of applicants should be clearly stated and published. There must be a definite system of priorities.
3. The method of selection should be fair and contain safeguards against abuse, either through political intervention or by the applicants themselves.

In Botswana, these principles have been applied through a points system which gives different weights or points to a series of factors which we, in Botswana, consider important. Roughly, these divide themselves into three categories—area criteria (e.g., absolute priority is given to resettling those who are displaced by settlement upgrading); social and health criteria; and income criteria.

During our workshop session, reference was made to the possibility of cheating the system. The small population of the towns in Botswana makes this easier to control since peoples' situations are known. In countries in which there are tens of thousands of applicants, a points system may be administratively complicated. Whatever system is chosen, however, should have some safeguards in the form of verification of applicants' statements. People should feel that they have been treated fairly by the criteria that are applied across the board.

Political intervention in the selection process is also sometimes a critical element which, if widespread, will destroy the integrity of any allocation system. Finally, the very need for an allocation system in which the government is involved results from one factor, the scarcity of this valuable resource of urban land, serviced land in particular, and the consequent need to ensure a fair distribution of it. If we can attack the root causes of scarcity, we can eventually also solve the problems of allocation.

WORKSHOP B-4

Chairman: Atchroe Kouassi, Togo

INTRODUCTION TO SITES AND SERVICES

by Atchroe Kouassi, Manager, Cacavelli Housing and Construction Center, Togo

At the present time, African towns are developing at an accelerated rate, fuelled by population growth, rural migration and immigration. The periphery of urban centers has become cluttered with a conglomeration of materials which are supposed to look like housing units sheltering thousands of people in search of stable and profitable employment. The sanitary conditions in these temporary shelters leave much to be desired: they are breeding grounds for disease and crime; these unhealthy communities are a great contrast to the new "residential units" with road and sewage, electricity and water supplies which house a negligible segment of the urban population.

All over Africa, the public welfare authorities have engaged in providing better living conditions for the city dwellers, with a twofold objective: (1) to improve as best as possible the living conditions of the population and the health and morale of laborers in order to achieve a better quality of productivity and (2) to speed up development. However, the extremely high cost of housing due essentially to the importation of materials and equipment is discouraging to the low-income group. The public welfare institutions' solution to this problem takes on several aspects, one of which is the sites and services plots.

This system consists of allotting a plot of land, installing a road system, electricity, sewage and water facilities, as well as social and community services. The plots allotted to individuals then become the object of upgrading with or without the assistance of the State, carried out over a given period, depending on the financial capabilities of the allottees. The first stage of the project is the allocation of plots for sites and services, which is a form of a loan granted to the candidate for housing. It nevertheless constitutes a problem for the developers inasmuch as the allottees, land statutes, nature and importance of facilities, financing and execution are concerned. Implementation is simple when compared to certain other housing projects.

THE ALLOTTEES

The sites and services plots were more frequently designed to satisfy the necessity of housing for the needy, but as a result of insufficient vigilance, a large number of plots fall in the hands of the better off. These sites and services plots are a saving factor for the least fortunate, but a good bargain for the high-income groups. Why, from the start, was there no project (of a yet undetermined size) for an integrated sites and services plan for the different social groups? In certain African countries the separation of social groups with regard to housing does not exist; co-existence is equally sought after by the poor and the rich, the poor taking pride in living near the rich, and the latter developing less complexes than if they lived near their moneyed counterparts.

On the other hand, when a project only takes into consideration a given income bracket, it is not unusual that pressure is openly executed on the developers by members of the income group immediately above those for whom the plan was originally conceived. This is noticeable among the poorest groups, since the income level adopted by the economists is generally rather narrow.

All in all we would consider it useful to reevaluate the project with a view toward satisfying these needs according to their proportions.

THE LAND PROBLEM

The study of the financing of the rehabilitated lots project implies that the real estate problem is generally resolved right from the beginning; in the best of cases, it is considered a minor problem and its examination is indefinitely postponed. For the allottees the problem remains constant and worrisome. It may even endanger the principle of low-cost housing for the poor.

The settlement of this problem depends in general on the extent of land ownership by the public institutions; but one cannot immediately agree that the full ownership of lands by the state removes all obstacles. In fact, the allottee who does not make a down payment for the acquisition of the land, but invests at least a quarter of his income of 10 to 15 years of his working life in his home wonders what will become of his building.

At the other end of the scale, in the case of private properties, the low-income worker may not acquire his land at cost price if the state does not intervene in one way or another to support his efforts or to bargain with the vendors.

In short, a clear and positive solution to the land problem must be found during the planning of the sites and services projects. The range of alternatives for resolving this problem is as wide as that of real estate or housing policies in our countries. It is, after all, a matter of implementing the system adopted as soon as it is deemed capable of satisfying the needs of the individuals to be housed at low cost.

FACILITIES

The aim of a sites and services project is essentially to provide the basic elements which constitute decent living conditions. The road system and water facilities are some of these elements, in fact, they are the principal facilities; followed by sewage, electricity and sanitary facilities, schools, markets, commercial and industrial areas.

The layout of the road system determines the number of facilities to be installed; the

width of the roads, in particular, determines the possible charges which the new district may undergo as a result of development carried out in the urban center of which it is a part. Whatever form the road system may take, there exists a problem of reimbursement of investments. Some people think that road construction is the responsibility of public authorities; they cannot imagine how the cost of road construction can be directly recovered by charging the lower-income group. Others think it is the duty of citizens to participate in the installation of facilities that will be for their use. With regard to cost-sharing, the primary, secondary and tertiary sectors are distinguished, but in the case of sites and services plots for the low-income group, one wonders who pays for the tertiary sector.

With regard to water supply, it may be supplied to the people by pumps or by indoor running water from the city in accordance with the available means. In the first case, individual connections must be provided, in due time, which increase the initial investment and also prevent the burdensome repair of networks.

A policy for the distribution of purified water at a reduced price seems to be as much of a priority measure as a policy for the general installation of a waterpipe network.

An important factor in the sites and services projects is the drainage system which does not always receive the attention it deserves due to the high costs of the required infrastructure. Too often, low-cost operations imply the adoption of elementary individual methods using little or no water. One must, however, emphasize the provisional aspect of these solutions which, in some countries, in the long run constitute the linking up of a complete sewage network. One must not forget rainwater which is adequately drained by open canalization in the primary stage, provided these canals are not turned into open sewers by the inhabitants.

Electricity is the first modern convenience sought by the masses. All new projects should provide public lighting in the housing estate while at the same time supplying the lowest-income group with a means for connection to the network; however, there arises in these low-income groups the problem of repaying of the investments.

Community Facilities

The development of sites and services projects represents a significant financial input for the public welfare authorities. Besides the primary networks of the aforementioned, the state also has the responsibility of setting up and putting into operation public services such as sanitation, schools and social services. It is therefore a matter of providing equipped areas for schools, a dispensary, a center for social activities, market, etc. Craftsmanship is one of the existing components of the overall economic condition of the underpriviledged but one must not underestimate their place in the implementation of the housing estate plan. Workshops are set up in the zones in order to give competition to the craftsmen and to maintain a structural residential atmosphere within the housing units.

Jobs can be created with external financial aid to the community. Small businesses set up near the estate would integrate the previously mentioned inhabitants on a socioeconomic basis.

FINANCING OF PROJECTS

The relocation of slum populations, i.e., low-income groups, requires an investment

well above the financial capability of those concerned. National resources are usually insufficient, not as much on the level of tertiary infrastructures and social and communal facilities, but with regard to primary and secondary infrastructures. External assistance is therefore necessary and may come through an investment repayable by the plot owners or through state taxes.

The major problem in financing rests in the irrecoverability and long-term repayment aspects on loans granted to low-income groups. The sites and services projects demand special attention as to the financial contribution requested from plot owners whose only concern, on the one hand, is to have the land developed and, on the other, to see the house built.

It is desirable that the question of improvement of financial interests be seriously considered, not only on a national level but also with regard to bilateral, multilateral and international agreements.

IMPLEMENTATION OF PROJECTS

I do not believe that we have to elaborate on the practical methods of implementation of upgrading projects, which are given in detailed government publications.

We note, nevertheless, that it seems necessary to carry out the preparatory phase which includes the socioeconomic study of the target groups together with technical research, as carefully as the implementation stage of said project. While the immediate evaluation of developed lands is provided for in the projects, organizing the buyers to open savings accounts with loan facilities and setting up self-help construction projects and housing cooperatives are highly important.

Delayed deadlines with regard to work carried out by the companies who have been awarded contracts leave projects vulnerable to increased costs due to price increases. Observation of urban planning regulations by lot owners prevents the random installation of other inhabitants on the land. The construction work and laying out of houses must therefore be rigorously conducted and strictly supervised.

The development of sites and services plots is a solution to the serious housing problems created by the inhabitants of slum areas and shanty towns. It seems an easy task at the beginning but in fact entails a considerable number of limitations which must be overcome by the resources of each of the developing countries. The exchange of information on this matter is a positive aid to making the upgraded plot a future solution to the question of housing.

SUMMARY OF WORKSHOP B-4

Chairman: Atchroe Kouassi, Togo

The workshop was presided over by the head of the Togolese delegation, who, by the way of an introduction, gave a report on technical, social and communal facilities on sites and services projects and made several constructive suggestions which are likely to be adopted as norms for development. The projects in question were plots of 30 to 40 lots per hectare with eight persons per lot, thus making a population density of 200 to 300 people per hectare. The determination of the size of roads was also mentioned with regard to the variation in widths of carriageways; it was proposed to make sidewalks and roads of a width varying from 7 to 30 meters.

With regard to the water and electricity networks, the standards governing their installation must allow for further connections at a reasonable cost.

Standards must also be laid down for the construction materials in use, in order to ensure that buildings will last for a given period of time.

It became apparent, following the remarks made during the course of the workshop, that there exists a problem regarding the adaptation of standards in order to meet the real needs of the target sectors of the population. It was established by the delegates that in certain countries municipal codes are often of Western origin and therefore remain partly inapplicable. It is for this reason that the network density of roads for vehicles is very high in the rehabilitated lots, yet very few inhabitants of poor districts own a car. Large sums of money were spent on the construction of hard surface roads, whereas they could have resorted to compacting the ground, at least during the first phase of development.

With regard to determining the size of the lots, the frontage widths were not sufficiently reduced, therefore the cost of infrastructure largely depended on this factor.

Exchanges of information on the different points mentioned above led the delegates to the realization that standardization of facilities would prove limiting for the planners; however, there would be necessary restrictions. A happy medium must be found between technical arrangements and the financial interests of the people for whom the sites and services projects are devised.

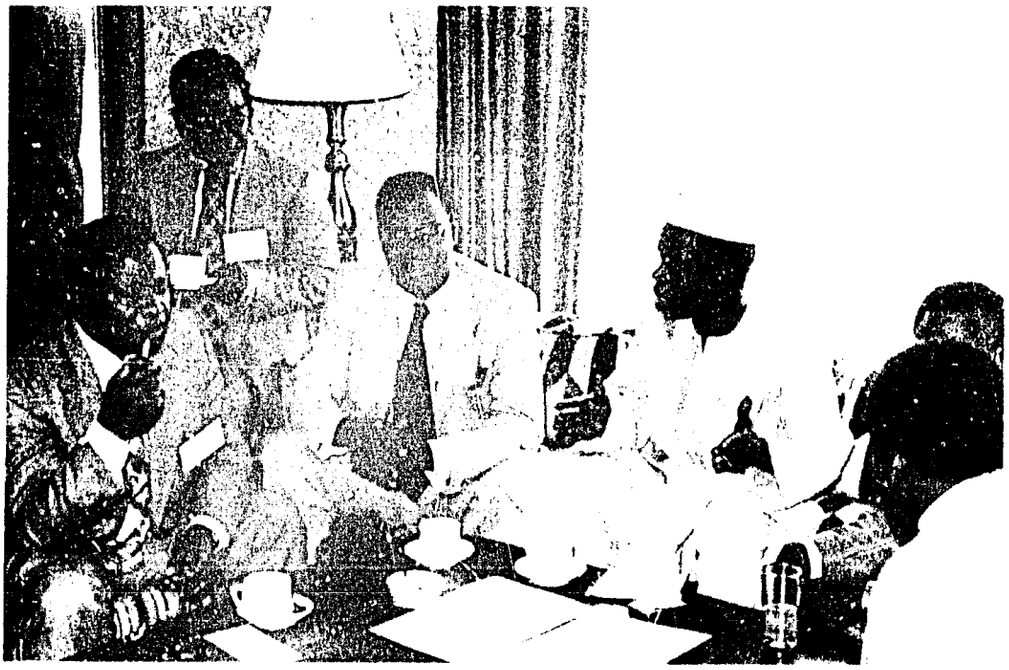
Therefore, well-spaced housing estates must be designed with exit roads, and sidewalks must be well provided for in the network. Close grouping of houses will be avoided, reducing as much as possible the frontage widths: to this end a minimum width of 10m has been proposed.

With regard to standards for the houses themselves, the workshop noted that the fact that houses were not adapted to the needs of their inhabitants was frequently a result of an absence of differentiation in norms between the kinds of people and the social classes involved. Different norms should be established for urban and semi-urban areas. At the same time, construction standards would differ between houses for the wealthy and homes for low-income groups.

With regard to the low-income groups, emphasis has been placed on the necessity to foresee the possiblity of extending buildings, taking into account the normal growth in the

size of households. To this end, figures of two to three persons to be housed per room, or 10 sq. meters of room per inhabitant, were put forward.

To close, the workshop recommended building on each project, prototype houses implementing given standards with a view to collecting the opinions of future occupants. Such a step would have the double advantage of satisfying the greater part of the needs of allottees and of contributing to the development of standards with regard to low cost housing.



The Nigerian Delegation continues the discussion through the coffee break

SPECIAL SESSION: UNITED NATIONS REPORT

Chairman: Peter Kimm, Office of Housing, AID/Washington, D.C.

Participants: Paul E. Mwaluko, U.N./U.S.A.
Eric Carlson, U.N./Kenya

PRESENTATION BY MR. PAUL E. MWALUKO DIRECTOR, CENTER FOR HOUSING, BUILDING AND PLANNING, UNITED NATIONS, U.S.A.

First of all, let me say that we at the United Nations were extremely grateful for the active African participation during the whole preparatory process leading up to the Habitat Conference held in Vancouver in June of 1976. I see quite a number of friends here who were at the Vancouver Conference and some who were at the Cairo African Preparatory Conference prior to the Vancouver Conference.

You will recall that the international aspect of the recommendations which came out of Vancouver centered on a number of points. First, these points were: type of international institution, improvement of the inter-governmental body, location of that institution, logo of the headquarters and necessary funding to be able to sustain such an institution.

Fortunately, although it took a long time to come to a concrete decision, the last General Assembly of the United Nations arrived at rather significant and sweeping decisions. Last December it decided to transform the former Committee on Housing, Building and Planning, which had 27 member countries into a 58-member Commission on Human Settlements. This was a very significant decision. It meant not only expanding the membership to cover a wider geographical grouping, but also upgrading the status from a mere committee to a commission.

Second, the U.N. General Assembly decided that the head of the new institution should be at a high level, preferably at the Under-Secretary General level or at an Assistant Secretary General level, but it was left to the discretion of the Secretary General to select the exact level and to make the appointment as he deems fit.

Third, the General Assembly decided to merge a number of units which would then, as it

were, compose the new U.N. Center for Human Settlements (Habitat). This is the official title of the new unit.

I think it is significant to point out that part of the discussion in Vancouver concerned the fact that so many units are scattered all over and doing so many separate little things here and there, sometimes with the danger of duplication and overlapping. Therefore, the General Assembly decided to create just a single composite institution for the U.N. Center for Human Settlements composed of our own existing Center for Housing, Building and Planning and the U.N. Habitat and Human Settlements Foundation which is in Nairobi and also the U.N. Audiovisual Information Center which is located at the University of British Columbia in Vancouver, Canada. These are the three main units which will comprise the new Center for Human Settlements.

Finally, the General Assembly decided that the new unit should be located in Nairobi, Kenya, close to the unit headquarters in Nairobi, but in its wisdom, the General Assembly did not want to merge the new center with the U.N. Environment Program (UNEP) but rather decided that it should be separate, although also located in Nairobi. It was also decided that the two governing councils will be separate. The U.N. Environment Program has its own 58-member governing council and due to the importance of the topic, the General Assembly thought that the Human Settlements Foundation should also have a separate commission on human settlements with a membership of 58 countries. I am happy to say that of the 58, Africa has the largest number; 16 countries.

I think there is going to be a tremendous expansion in some of the activities that we are already carrying out at the Center for Housing, Building and Planning in New York, which was part of the large Department of Economic and Social Affairs. We have witnessed a tremendous growth since the preparatory process of Habitat in terms of the number of countries, particularly from Asia and Africa, who have come to the Center and have requested and obtained cooperation, be it in the field of physical planning, urban design, low-cost housing, building, construction, industry or regional development planning. I am happy to say that this increase is very much on the upswing. Just last month we signed a big project in our Center with UNEP amounting to US$14 million for a construction program in Viet Nam. Last year our center signed an US$11 million project with the Government of Saudi Arabia for the design and planning of 11 municipalities in the Kingdom of Saudi Arabia.

In Africa we are very active in Lagos, We have technicians there working with the Nigerians. In Tanzania we are collaborating in the design, establishment and implementation of the new capital city and, I think, once located in Nairobi, we can expect to be even more active in this region than we have ever been before. Since at the moment our center is averaging around US$10 million worth of expenditures every year in the field of human settlements, I sincerely expect a tremendous increase in the next few years, once the relocation to Nairobi takes place.

At the last session of the Commission, there were a number of rather significant discussions and decisions which might be of interest to you. First of all, it was decided that the first session of this Commission should be purely organizational; however, we in the secretariat took advantage of the presence of so many government representatives to try and sound out the government delegations as to the type of integrated human settlements program they would want the U.N. to design, formulate and establish in the years 1980 to 1983, which, in terms of U.N. programming, is our medium-term plan. I am happy to say that although it was an

informal decision, discussions with delegations from a number of countries covering various regions revealed to us that governments are still of the opinion that we should base our new medium-term settlement program on the six subject areas that were decided in Vancouver. As you know, these were policies and strategies, settlement planning, management, institutions, public participation and exchange of information and experience. Therefore, in the process of designing this 1980-83 medium-term plan for human settlements, we will again have the advantage of having the regional commissions meet with us in New York in June and try to formulate a type of program that will be responsive to the needs of the regions, such as our own region of Africa. If you have any contributions, ideas or concepts, I would be very happy to receive them before I leave for the UNEP Governing Council Session tomorrow morning.

Another decision of the Human Settlement Commission concerned how often this Commission should meet. I am glad to tell you that as a start it was the consensus of the Commission that, due to the importance and complexity of human settlements issues, in the first few years it should meet annually. The 1979 session will take place in Nairobi and the location for the 1980 session will be determined later. There were also a number of other decisions made.

I am glad that one of the distinguished delegates to this Commission is here in the room, Mrs. Maria Hancock from the United States. She took part in the discussions of the U.S. delegations, and I think there may be one or two others at this particular session who also attended that meeting.

Let me conclude my remarks by stressing once more that as we see the problems and trends of the issues of human settlements, especially in the African region, a number of themes emerge. The first, and in my view the most important, is the tremendous pace of rapid urbanization that this region is going to experience, and is already experiencing, within the next few decades. You have heard of the real issues in Cairo, how a million housing units have been backlogged and the story in Nigeria, Abidjan or any other area in Africa is the same. So I think that you and I should be considering whether existing efforts, be they national, local or even international, are really sufficient to cope with the problem that is going to face Africa in the years ahead. Let me have your answer if not today at least sometime in the future.

REMARKS BY MR. ERIC CARLSON, DIRECTOR, EXTERNAL RELATIONS AND POLICY, FOUNDATION FOR HUMAN SETTLEMENTS, UNITED NATIONS, KENYA

First of all, I would like to greet you on behalf of César Quintana, the Administrator of the Habitat and Human Settlements Foundation. He was most desirous of being here, but found that he had to attend the Sixth Session of the UNEP Governing Council which begins this afternoon. Therefore, I am in effect taking his place here at this meeting. It has been a wonderful conference for me, and I really want to pay tribute to Mr. Kimm and his very able and experienced crew for having hosted the series of meetings on improvement of housing in Africa. They certainly are making a very remarkable contribution and a very notable one on the international scene.

Paul Mwaluko has told you what the score is on the developments following the Habitat Conference, and I was supposed to fill in with a few supplementary remarks about the Habitat Foundation and its present situation. I noticed in the report of the Tunis meeting last year that Mr. Karim from the Foundation staff had reported fairly extensively and that material is already before you. Now the development of the Foundation is continuing.

As Paul Mwaluko has said, there is a great and growing demand for technical assistance for seed capital wherever it is available, and there is undoubtedly a great market to be served in this field. The Foundation, as you know, was an aspiration of developing countries fought the hard way through many international discussions since the Stockholm Conference in 1972, when it was recommended that a fund or financial institution be established to be concerned with the mobilization of resources for this sector. To date, however, the Foundation still has not been able to find its way in eliciting better response from donor countries. In part this is due to the factors that Paul Mwaluko discussed regarding a period of uncertainty concerning the institutional arrangement since the Habitat Conference. These have now been resolved with the General Assembly resolution of December, but there are still some questions that we might touch upon.

The Executive Director for the Habitat Center still has not been appointed. We are waiting for it momentarily. The consolidated program of the Habitat Center with the Foundation as a component of this Habitat Center still has not been fully prepared and submitted, although work on this will proceed in June. Mr. Quintana was appointed Administrator of the Foundation on June 1 of last year, and he has been taking hold. He has been organizing the Foundation. We now have financial rules from the United Nations giving authority to the Foundation to borrow from governments and bilateral and multilateral agencies. We will make an effort next week to borrow US$10 million from the special fund of OPEC which is meeting in Vienna. I am hopeful of some success with that effort. That would then give us a great boost of capital which would be used directly as seed capital in developing countries for modest investment in financial institution building. The target of the Foundation which, as I said, is part of the Habitat Center, has also been accepted. It has been noted by the General Assembly, and it was also noted by the U.N. Commission on Human Settlements. It is a very modest target of US$50 million over a four-year period. There will be a pledging conference this fall during the General

Assembly on behalf of this target for the Foundation to be used for the Habitat Center. In other words, we look on the Foundation now as more of a funding agency, perhaps a financial intermediary which may carry on some limited programs of technical assistance and be of some direct assistance is establishing and supporting financial institutions in developing countries, but more and more it will be a funding and financing agency for the Habitat Center as a whole. It will be linked, of course, with other possibilities of UNEP and perhaps with some other possibilities for the center as an executing agency for various other agencies.

The fact that the Habitat Center is in Africa, or will be in Africa, and that the Foundation has been in Nairobi since its beginning 2½ years ago is very significant. As Paul mentioned, there are now 16 countries that are members of the new Human Settlements Commission, and as elected 1½ weeks ago these are: Benin, Central African Republic, Egypt, Kenya, Malawi, Nigeria, Rwanda, Senegal, Sierra Leone, Sudan, Togo, Tunisia, Uganda, Cameroon and Tanzania. So it is a good grouping of countries, and they will actually take office at the first regular meeting of the Commission on Januray 1, 1979.

As you know, the Habitat Conference was a major event. It left major recommendations for national and international action. On the international scene there is a great deal of discussion of basic human needs. However, up to now, there are very few voluntary contributions that have come forth in the U.N. system for new work in the field of shelter and community facilities, the whole area of Habitat. The Foundation, as of now, has received pledges totalling only US$1.56 million, of which some US$365,000 has been paid.

So you see we have a long way to go in this human needs business for shelter to even begin to match up to 1/10th or 1/20th of the activities of the U.N. system in areas like food. Of course in the food field you have the Food and Agricultural Organization with several thousand staff members; you have the World Food Program which is huge; you have programs like Food for Peace; you have an enormous agricultural research consortium of international institutes amounting to well over US$100 million a year; you have loans by the World Bank, by regional banks and now, as of last December, a new fund became effective, the International Fund for Agricultural Development, totalling US$1 billion. So in the shelter field, despite the figures Paul mentioned, we are still small potatoes, and there is a long way to go in getting higher priority for this whole business. It is not going to be too easy a matter.

Now, from where we sit in Nairobi, there has to have been some discussion of this whole area of how to get renewed recognition of this field in positive terms, and it was agreed by the executive director of UNEP, who is still the executive director of the Habitat Foundation until our new Habitat man gets appointed, that we should proceed jointly with other organizations in sponsoring a series of regional meetings on human settlements finance and management at the intergovernmental level. We are proceeding with these meetings in collaboration with the U.N. Environment Program, UNEP, (USAID very kindly has come forth as a cosponsor) the International Union of Local Authorities and, of course, the host governments in the respective regions where these meetings will be held. In addition, there will be major participating agencies that we expect will collaborate, perhaps to some extent financially, but to a major extent with

documentation, ideas and initiatives. Now, these meetings in part are a follow up to the Habitat recommendations. They are designed to help lay a broader framework for regional action and programming. Among their objectives, broadly speaking, are: secure higher priorities for human cooperation; provide information at regional and national levels on human settlements finance and management systems and institutions; promote understanding of the vital role of human settlements finance for the mobilization and channeling of resources for human settlements in both urban and rural areas; formulate practical measures for improving management of human settlements; formulate concrete recommendations regarding training or human settlement managers at the local and national levels; develop specific collaborative programs of action with non-governmental organizations and financial institutions, and discuss new modalities of international aid that may be required within the framework of the Human Settlements Commission and the new Habitat Center.

The first such regional meeting, for the African Region, will be held October 9-14 in Nairobi in collaboration with the Nairobi City Council and the Government of Kenya. The official invitations for this meeting will be going out to all the governments within the next week to 10 days. The meeting for the Latin American Region will be held in Mexico City, November 27-December 1. There are other meetings scheduled for the Asian and Pacific regions in April, 1979, for the Equatorial region in early 1979 and for the ECE region in collaboration with the Economic Commission for Europe, also in early 1979. There will then be a global meeting pulling together the recommendations of these various regional exercises which we hope will have some impact on public opinion and advance the priority of this whole field.

I fully agree with the statement made earlier by Peter Kimm that we are in a new stage of implementation. We certainly are, at all levels, from where we were 25 years ago in terms of ideas and demonstration projects which now generally have been accepted by a number of international agencies for much broader implementation. There is a tremendous job ahead. The Habitat Center, with the Foundation as its component, will have extremely important roles. The fact that it is in Nairobi, in the African region makes it even more of a challenge to make it a major success.

In summary, let me just make three or four points. First of all, the United Nations is your organization. The Commission on Human Settlements and the Habitat Center represent permanent new instruments for recommendations and action in the U.N. system. I think it is important for all governments, whether or not they are members of the Commission, to send observers to these Commission meetings, to take a real interest and to participate in these deliberations. I think the fact that there are 16 dynamic African countries, members of the Commission will help very much in dynamizing, perhaps, the role of this Commission so that it doesn't degenerate into an old boys' club of people being very happy sitting down and talking with very little action resulting.

We need government support of the Foundation; we need pledges and contributions from all countries as an indication of interest and desire to support. We are very grateful to the several African countries that are making contributions and pledges to the Foundation. But when you get right down to it if we can present a list of 65 or 70, instead of 25 or 30, developing countries that have made modest pledges or contribution, then I think the key donor countries will have to sit up and pay more attention to their obligations in this field.

The amounts pledged by the developing countries are not that important, it is the major display of interest that we want to show.

We also need strong participation in these regional meetings. We would like to see balanced and experienced delegations from all the countries, ministerial level of officials, if it is possible, concerned with local government and financing.

I think all countries have an obligation to keep the Habitat Center and the Foundation advised of their progress and problems. There is still a modest amount of resources available for technical assistance, some very modest seed capital assistance that may be available upon application to the Foundation and, of course, we do have some indications and access to other sources of capital where we would act as a financial intermediary. These resources are apart from the U.N. Development Program limitations and indications.

I have a few folders containing some of the basic information about the Foundation, its newsletters and its annual report. I would hope one per country could be distributed. We have a few additional newsletters available which can be obtained by writing to the Foundation. You may be assured that you will get a prompt answer, and will receive whatever informational material we have available.

THIRD PLENARY WORKING SESSION

Chairman: Peter Kimm, Office of Housing, AID/Washington, D.C.

SITUATION OF THE PROBLEM: IVORY COAST AND ABIDJAN

Presentation by Delegation from the Ivory Coast

In the past 25 years the Ivory Coast has recorded an economic development at an average rate of about 7% per annum. In accordance with this increase the population has grown from .3 million in 1955. The population of Abidjan, the capital, reached one million in 1975 at a growth rate equal to 11.5% per annum.

The principal cause of this growth is the phenomenon of migration of the rural population as well as those of the neighboring countries of the Ivory Coast. Despite all measures and steps taken by the Ivorian Government to settle and orientate the rural population in the rural areas, the majority are immigrant foreigners, and it is assumed that the city of Abidjan will maintain a growth rate of 10.5% per annum in the next decade.

This growth of the capital's population does not take place without the implication of serious housing problems among which are renovation operations and reconstruction.

Once the feasibility studies have determined whether it is advisable and more profitable to demolish an old existing area for total reconstruction, we will be able to say that renovation is taking place. This type of operation is now in process under the SICOGI in Abidjan, in the Arras district.

The reconstruction and operation of the facilities in an existing area, deemed inadequate for its proper functioning, are revised, improved if necessary, and completed. It strives to maintain the existing sites and services and provides for the indispensable dissimulations in the setting up of new facilities.

The development of existing districts effectuated until now by S.E.T.U. fall in the latter category.

THE GREAT URBAN CENTERS OF ABIDJAN

Situated in the southwest of the Ivory Coast, the city of Abidjan covers an area of 261 km. The relief of the country is mostly plateau land being very low in the lagoon and seacoast areas. In 1963, 28.2 km were urbanized, 51 km in 1973, 80 km in 1978, and 100 km will be urbanized in 1980. Fifty-seven percent of this area is set aside for housing. The urban population reaches 500 and 600 persons per hectare in the old, poor and overcrowded areas. In certain areas the population density has reached the 100 persons per hectare level.

The topography of Abidjan is characterized by its lagoon, peninsulas and islands with many more or less large bays that extend along the rather accentuated thalwegs. Urban transport implies serious problems and financial responsibilities.

The situation is made worse by the inadequacy of housing and employment. The increasing population growth rate is such that it surpasses the progress made. This results in the creation, in the outlying districts, of housing zones which are rapidly occupied and developed. The activities are centered, increased and magnified parallel to those in the existing old districts.

The creation of new allotments for individuals did not always include installation of necessary facilities. These allotments were scantily equipped. This situation remained constant for a very long time. Sanitary and living conditions steadily regressed while the environment suffered the assault of slow but sure pollution.

All of the districts that we have decided to reconstruct went through this process at more or less advanced stages.

We are even able to say that out of 51 km^2 of existing urban area in 1973, 50%, that is 25 km^2, was reconstructed.

The general mass improvement project of the city of Abidjan for the harmonization of secondary and tertiary networks requires the development of these districts.

Conscious of the aforementioned problems and concerned for the well-being of the inhabitants, the Ivorian Government has elaborated an annual program for the extension of the city comprising of 800 hectares of land to be developed and 200 hectares of districts to be reconstructed.

Reconstruction Zone

The actual project comprises the reconstruction of four districts.

Criterion of Choice

The choice of a district is made according to the following criteria:

1. Existing level of equipment
2. Income level of the district's population
3. Whether the topography is sufficiently favorable to economic housing
4. Possibilities of increasing population after development.

5. Immediate or envisaged existence of primary structures and public facilities for the use of the district, situated either in the district itself or in neighboring districts.

Methods

In order to carry out this project, we have devised the following methods: (1) establishment of zone requirements, (2) establishment of basic plans, and (3) establishment of objectives.

Requirements

There are two aspects of the requirements: (1) Internal zone requirements and (2) requirements of the master plan of the district.

The internal requirements are obtained after the precise identification of the zone.

- The topography, housing and facilities will be known once a topographic sketch of the condition of the areas is established.
- An overall study of the thoroughfare will supply information on vehicular traffic in the district.
- A geotechnical study will give the characteristics of the land.
- The information on the population and its activities will be obtained from a socioeconomic survey.

Before going on to the establishment of requirements, the documents relevant to the aforementioned must be gathered:

1. The urban plan on details of neighboring districts and the district concerned.
2. The survey plan of the district
3. The socioeconomic study already made relating to the district
4. The development plan
5. The potable water and electrical supply plan
6. The project plan of primary networks
7. All documents and plans regarding the more or less long-term future projects.

These documents are needed to adapt the project to the objectives of the master plan of the zone.

Hence, after research, we proceed to the drawing up of documents for use in the study of the project, in the proper sense of the word.

Drawing up of Documents

1. Topographic sketches will be made on a large scale in order that we may show networks, if any exist, obtain information on the structures, nature of contruction, their height and capacity.
2. The overall study of the thoroughfare will be made in liaison with traffic bureaus and the transport companies.
3. The geotechnical study will indicate the mechanical and granulometrical characteristics

of the soil so as to determine the possibilities of utilization in banking for the construction of pavements.

Socioeconomic Survey

The object of this survey is to acquire a better knowledge of the urban sector within the confines of the project in order to:

- on the one hand, determine the feasibility of the envisaged project, that is, capability and rapidity of investment by the owners, possible rate of cooperation of tenants in favor of housing, increasing plot density.
- on the other hand, to be able to observe from the starting point the development of principal characteristics of the population and the structure, which will bring into view the principal dominating groups by socioeconomic classes, occupation status, nationalities and tribes.

The Survey will Indicate:

The Population Structure

- age bracket
- active population
- educable population
- sex ratio
- nationality and tribe
- composition of families

Activities of the Population in the District

- the socioprofessional categories of the inhabitants and the income margin will be determined by distinguishing between the income of nationals and that of foreigners
- an inventory will be taken of organized and spontaneous activities of the district (handicrafts, common trade, public services).

Stability of the Population

The survey will give information concerning stability:

- motive for moving to the district concerned
- date of arrival in said district
- number of houses previously occupied:
  - in the same district
  - in another district
  - in another city
  - in another area

It will equally state the desires of the population as to housing and improvement, distinguishing the nationals from the foreigners.

Housing

There will be a survey on

- the evaluation of the plot
- the construction erected and estimates of its value
- the rate of occupation of grounds, densification

- the status of occupants: owners, tenants, non-paying tenants
- the rents levied by housing and income category collected by lease title per lot
- a plot survey identifying owners and their rights

All information obtained permits us to attach the fundamental options from which the objectives are defined

In accordance with these objectives a development plan is elaborated and we establish the project of roads and other networks

As an example we will examine together the reconstruction of an area of the Abobo-Station district

LOCATION OF THE ZONE

Abobo-Gare is located 10 km from the center of Abidjan and to the north of the Adzope road. It is well served from two axis: the railroad and a highway under construction. This district developed rapidly owing to the influx of immigrants and relocation of evicted tenants from other districts undergoing improvements and old districts under renovation.

The economic importance of Abobo will increase with the opening of industrial zones, the transfer of R.A.N. (our railway corporation) workshops to its perimeter and when the Halles d'Abidjan are constructed in its north industrial zone

The project includes the Abobo center, whose area is 112 hectares. It is in this area that the central market is located, and the commercial zone is in the center of Abobo. The population is about 450 inhabitants per hectare

The Adzope road is paved. The others are dirt roads and erosion causes great damage. There is no rain water drainage or sewage network to evacuate waste water. It is only the northern part that is linked to a water supply network. Electricity was recently installed and street lighting is insufficient

In the reconstruction plans of this zone, there are provisions for a group of primary infrastructures to be constructed for the evacuation of rain and waste waters

Socioeconomic Survey

A socioeconomic survey was carried out in the district and resulted in the following conclusions

- The average number of a household is 4.4 persons
- The average number of dependents is 0.8 persons per household (75% of these dependents are permanent residents and of working age)
- The population of educable age (7 to 12 years) forms 19% of the total population
- The total education rate is 14%
- Due to lack of public schools the attendance of private schools represents 59% of the educated
- The working population forms close to 26% of the total population. Within the 15 to 59-year age bracket the working population forms 80%. If the 25 to 59 year age bracket is considered, 59% are workers
- The salaried population is made up of 53% of the working population
- The low- and medium household incomes range between 42,000 and 14,000 francs monthly.

- A plot survey was carried out to determine the owners of lots, study their contract and also their income. The survey gave the average rate built surface per lot.

Topographic sketches have been made on a 1/500 scale. They only show road skeletons. The information obtained has proven insufficient, and we have decided to establish a document on future operations.

Definition of Intentions

After the analysis of the given data from the documents was established, we decided to retain the existing sites and services, carry out the road and other network projects and correct all faulty facilities. Our objectives were to maintain the existing population and give preference to densification by the same category of housing improved with better facilities. We try to avoid factors which may lead owners to change the standing of the district and induce the population to move elsewhere.

TECHNICAL OPTIONS

Waste Waters

The study concluded that an improved collective network was more advantageous than septic tanks which function poorly and are expensive to maintain. However, pollution of the city's potable water source must be avoided.

Drainage

It was decided that an improved rain water network would be built because it provides better sanitary conditions and is less costly to operate than an open air system.

Roads

The following principles were adopted: indispensible liaison between districts, improving public transport by providing a convenient bus route, permitting vertical extension of houses, providing access to each compound for private vehicles.

The decision was therefore made to pave as many roads as possible.

Potable Water

The existing network will be completed.

Community Facilities

Four new school buildings have been provided for, bringing the total number of schools to five. A dispensary and a maternity and child welfare center are also programmed.

Cost of Project

The project is estimated at 3.185 million francs of which 756 million is budgeted for primary networks and 2.429 million for secondary and tertiary networks.

Financing

This project is financed by the International Bank for Reconstruction and Development, USAID and the Ivory Coast.

Reimbursement of Funds

The cost of the primary roadworks is financed by a tax imposed on road users.

Primary rainwater and sewage networks are financed by two taxes: sanitation tax which is included in the water charge and drainage tax which is included in the real estate tax. These taxes are appropriated to a National Sanitation Fund.

Only 50% of the cost of secondary and tertiary networks are made up from the allottees in the form of

1. Capital gains tax which is equal to no more than half of the profit that the owners realized from improvements made

   The tax, including financial fees, is paid in the form of a real estate tax recovered by land conservation services over a period of 20 years

2. Or by increasing the sale price of the lots when sold to the beneficiary. The recovery of such costs is done by the collection departments for housing projects

The Third Regional Working Session featured presentations from the Ivory Coast and Tanzania

HUMAN SETTLEMENT UPGRADING PROCESS: PROBLEMS AND SOLUTIONS (BRIEF ON SQUATTER UPGRADING IN TANZANIA)

by Joram M. L. Mghwano, Director, National Sites and Services Squatter Upgrading Project, Tanzania

This brief endeavors to analyze the squatter upgrading process in Tanzania as experienced in the first phase of the National Sites and Services Project and squatter upgrading which is at the moment in its completion stage. Furthermore, the brief brings out problems encountered during the execution of this project and attempts to offer solutions towards better courses of action.

The frame of reference of this brief includes an explanation of the historical land tenure system, the existing nature of the squatter areas in terms of physical and socioeconomic characteristics and the strategies adopted by the government in tackling the problem of squatter settlements. Finally, the writer dwells on the squatter upgrading process which has been chosen as the best approach.

The brief, however, is not intended to offer an international working guide or manual for squatter upgrading. Yet in this regard the material presented offers the conference delegates operational observations and working experiences which are deemed to be of help to colleagues engaged in similar project operations.

LAND TENURE

In order to understand the squatter development and upgrading process in Tanzania, one has first to understand the system of land tenure in the country.

Before colonial rule, land in Tanzania was held under customary laws, whereby land was entrusted to the hands of society. The pillars of the traditional land policy were:

1. Land belongs to society, not to individuals, though the role of the trustee or caretaker passes to the government.
2. One's right to land is dependent on the use he makes of it.
3. Land is not a commercial commodity.

After the Berlin Conference of 1884-1885 and the Scramble and Partition of Africa, Tanganyika began to experience a series of imported land reforms which destroyed the fundamentals and spirit of communal land ownership and institutionalized the private ownership of land. Initially, local chiefs granted the foreigners land in exchange for small gifts, but with the enactment of the imperial ordinance in 1895, all land in Tanganyika became Crown land save for land already in private ownership or possessed by chiefs or indigenous communities. Henceforth the German Administration was empowered to alienate land on freeholds. Since that time, land alienation and land tenure became major objects to consider.

In 1919, Germany renounced all rights over her colonial possession in favor of the Allies

who then conferred a mandate on Britain to administer Tanganyika. However, during the 42 years of British rule of Tanganyika, few freehold grants were made.

In compliance with the League of Nations' article on land in trust territories which called for safeguarding native laws, customs, rights and interests through Cap. 113 (The Land Ordinance), Britain declared all of the lands in the territory, whether occupied or not, to be public lands. Under that law, land was acquired through "Rights of Occupancy." However, freeholds and leaseholds granted earlier were honored.

In 1953, the colonial government issued what is known as Circular No. 4. The circular laid down in clear language the government policy toward land rights and in particular provided that "an African or African community lawfully using or occupying land in accordance with African Customary Law has a right of occupancy to that land, even though no documentary title is issued." This same Right of Occupancy continued to determine and regulate the rights of Africans to their lands, including the suburban areas which were later termed squatter settlements.

Tanzania achieved Independence in 1961 with a government committed to building a socialist state. In 1963, freeholds were found to be misused for they had an element of owning the land in perpetuity. Therefore, in that year the Freeholds Title (Conversion and Government Leases) Act, turned all freehold land into government leaseholds. That means development conditions were attached to the leaseholds, and each was to be for a term of 99 years, effective July 1, 1963.

In 1968, the customary type of land ownership that varied and was of an exploitative identity was investigated. In the same year, the customary Leasehold Enfranchisement Act (47) abolished all forms of feudalistic ownership of land. In other words, Tanzania had re-adopted the traditional land tenure system with necessary modifications and improvements for attainment of socioeconomic justice. Now all land in Tanzania is public land.

The year 1969 saw the introduction of only one type of ownership, i.e., right-of-occupancy system in lieu of three types which existed hitherto, i.e., freehold, leasehold and Right of Occupancy. The 1969 Conversion Act took effect on April 1, 1970. The right-of-occupancy system does not bestow on the occupier the status of being an exclusive owner of that piece of land but simply an owner of his property on that piece of land. He, therefore, cannot turn that piece of land into a commodity for sale. He can only sell his property (unexhausted improvement). The government is empowered to acquire any land for the public interest and pay compensation for crops, buildings and other unexhausted improvement. No compensation is paid for the land itself. This type of land policy enables the government to implement easily any development projects for the improvement of the quality of life in human settlements.

URBAN SETTING

Although Tanzania, with an estimated population of 15,000,000 (1977), is one of the least urbanized countries in the world, it has been experiencing a rapid rate of urbanization. The urban population is currently estimated to be growing at 9% per annum, and the proportion of the population living in urban centers increased from 5% in 1967 to about 9% in 1976.

A byproduct of these high rates of urbanization is a severe nationwide housing shortage,

particularly among the nearly 80% of urban households in Dar es Salaam earning less than Tsh.500 per month, and proliferation of unplanned squatter settlements. In 1969, more than 40% of the housing containing an estimated 65% of Dar es Salaam population (Dar es Salaam has over a third of Tanzania's urban population) was located in unplanned squatter settlements. It is estimated that squatter houses in Dar es Salaam grew at an average annual rate of 16.6% during 1963-1973 and at 24% per annum during the last half of the decade. Between 40% and 70% of the residents of Tanzania's main towns now live in unplanned squatter settlements. Although these settlements are not dense by international standards and much of the housing is sound or improvable, the infrastructure in these communities is often inadequate or completely lacking, and their residents have less access to community facilities than other urban dwellers. For example, in 1969 it was revealed that in Dar es Salaam about 25% of the households had piped water to their plots, 38% had access to water kiosks (standpipes), and 37% had no access to piped water. Nearly 73% of the houses had no electricity. This situation, however, may have changed since the launching of the squatter upgrading program in 1972.

LOCATION OF SQUATTER SETTLEMENTS

Most of the squatter settlements in Tanzania towns have grown in what used to be periurban areas. Due to the extension of the town boundaries, such areas now fall within the township jurisdiction. Therefore, development of squatter settlements should be seen as two phases. The first is the development which occurred before the expansion of the town boundary and the second is that which occurred within the township boundaries after such boundaries had been extended.

As has been presented in the section under land tenure, natives who occupied public lands were lawfully occupying such lands under deemed rights of occupancy, provided they occupied and used such lands in accordance with Africa law and customs. However, upon the creation or extension of the city, municipality or town boundaries, urban lands ceased to be subject to native law and customs.

It is, therefore, assumed that the former owner who then becomes a squatter must apply for a right of occupancy permit which could only be granted if it fits in with the government's plan for the redevelopment of the area in question.

Under the Freehold Title Conversion and Government Lease Act of 1963, land owners were required to take up long-term leases. Many individuals who farmed and occupied suburban fringe land, under tribal or traditional law, did not understand the new act and therefore did not apply for, or receive leases. As urbanization took place, these individuals continued to subdivide "their" land and "sell" it off in small parcels at very reasonable rates for housing. This practice has continued unabated and large urban areas have been occupied in this way. Because the government was not able to offer an alternative to this informal procedure, it was politically and socially difficult to stop.

SOCIOECONOMIC CHARACTERISTICS

The socioeconomic characteristics of squatter development greatly influence the process of squatter upgrading. The squatters tend to gather and live in regional or even tribal grouping thus maintaining much of their accustomed lifestyle. A study carried out in 1976 in Manzese, one of the squatter areas in Dar es Salaam with a population of about 100,000 people, showed that about 50% of all the people were of two tribes originating from three regions (Tanzania has about 122 tribes with 20 administrative regions).

Each regional grouping tends to act as a reception area for incoming rural migrants,

which eases problems of urban adjustment and provides a community framework. As has been stated before, many of the squatter areas are former suburban villages that have simply been swallowed by the expanding city. These village units, though visually intergrated with the city, retain much of their physical and social structure. The new settlers, while settling the fringes of these villages, have often maintained and extended the existing structure.

Hence these expanded villages have been endowed with character and a sense of order, as well as a feeling of community, which is irreplaceable in newly planned communities. Most of the houses in squatter areas are owner occupied, although there are some rentals. This factor, coupled with the potential compensation factor, causes owners to keep maintenance up, hence the visual impression of squatter areas is that of constant building and rebuilding.

As regards employment, a large proportion of the heads of households in the squatter settlements are employed. A study carried out in 1976 in Manzese, a settlement that is now being upgraded, showed that about 65% of the household heads are employed full-time in the formal sector, 22% are self-employed and the rest are unemployed. About 22% of those employed work in the manufacturing sector and 17% work in administrative services. The rest work mainly in communications. Under manufacturing, about 80% work as manual laborers.

Of those employed full time, about 55% earned between Tsh.380-500 a month, 24% earned between Tsh.500-750. About 10% still earned less than Tsh.380 a month although this figure is taken to be the official minimum wage. These people are those working in jobs where the minimum wage regulation is not so easily enforceable. In addition to regular income, most of the house owners have rental incomes through the subletting of some of the rooms in their houses. About 30% of the households live in rental accommodations.

GOVERNMENT POLICY: UNTIL 1972

Until 1972 when the squatter upgrading program was launched, the government, and in particular the planners, deplored the unplanned, somewhat disorganized, character of squatter settlements. They looked at the use of traditional housing materials as inferior and very temporary. In other words, they considered squatter settlements to be slums. The bureaucrats insisted on high-standard housing knowing very well that the demand for housing was very high. Coupled with limited resources the bureaucrats fell far behind in meeting demand and placed little or no housing on the market for the lowest-income groups.

It goes without saying that while deploring squatter housing, the bureaucrats, in fact, reinforced the growth of squatter communities. Thus, ironically, the same rising expectations that shaped the government's negative view of squatting, reinforced its continued proliferation.

As a follow-up of the government's attitude toward squatter communities, consultants recommended the idea of extensive clearance in the 1967 Dar es Salaam masterplan. This recommendation was reinforced by a German study team in 1967-1968 who produced a report on slum clearance in Dar es Salaam. Acting on this report, the West German government undertook to provide aid for a clearance and renewal program for Buguruni,

one of the squatter areas of Dar es Salaam. The area covered about 70 acres on which there were about 1,400 houses containing about 5,600 dwelling units with a population of about 22,000 people. Estimated compensation for the property stood at about Tsh.4 million. The renewal program recommended construction of about 2,800 dwelling units, housing about 11,200 people. If the program were to be fully implemented, the net result would have been a reduction of housing stock by approximately 2,800 dwelling units and a displacement of about 11,000 people.

Although it was recommended that in allocating the newly constructed houses the former squatter settlers would be given priority, it is very unlikely that such would have been the case. The life style of the squatter settlers, coupled with the fact that very little or no housing subsidies were provided would have rendered them ineligible for the renewal program.

Implementation of the first phase of the program, which started in 1975, involved demolition of about 450 houses. Compensation for property totaled about Tsh.2 million. The urban authority put in all the infrastructure required.

The National Housing Corporation, which was given the responsibility of redeveloping the area, started with about 10% of the cleared area. The remaining cleared area has remained vacant since then, and even the units started by the National Housing Corporation are less than 50% complete. While this exercise was going on, the government was revising its housing policy. In 1972, the cabinet endorsed the squatter improvement policy. Fortunately, the remaining phases of the Buguruni program will have to be developed on the principles of the new policy.

GOVERNMENT POLICY: 1972 AND AFTER

In arriving at the squatter upgrading policy, the government realized that:

1. There would be significant savings since the domestic savings of the people represented by their investment in existing housing would not be destroyed.
2. There would be significant savings on the part of the government, since the government would no longer be called upon to pay large amounts of capital for compensation, nor would it have to find money for low-income rental subsidies.
3. Manpower and recurrent expenditures would not have to be stretched to rapidly expand government institutions established to construct residential houses.
4. There would be savings in social costs in that existing viable communities would not be destroyed.

In 1972, the government established a unit in the Ministry of Lands, Housing and Urban Development to oversee the implementation of the new approach. In addition to implementing squatter upgrading projects, the unit was assigned the duty of undertaking a National Sites and Services Project.

As regards squatter upgrading, the unit was commissioned to:

1. engage in the process of legalizing squatter land holdings by giving them long-term leases and at the same time removing the stigma of "temporary classification" from the squatter houses. This would totally legalize the status of current squatters and remove

the threat of future clearance. With this load lifted one would expect to see housing improved beyond the minimum standards required for compensation;

2. prepare layouts for squatter areas respecting existing communities and provide substantial services to include roads, drainage, water supply, electricity and community facilities to include community education centers, markets and health posts;

3. find some means of getting low-interest funds to low-income people who wish to upgrade their existing houses.

SQUATTER UPGRADING PROCESS

The Sites and Services and Squatter Upgrading Unit planned to approach this national assignment in phases. The first phase, which was launched in 1973, involved upgrading of squatter settlements in Dar es Salaam and Mbeya. The selected area in Dar es Salaam covers about 500 hectares with about 10,000 housing units housing about 80,000-100,000 people. The selected area in Mbeya covers about 78 hectares with about 1,200 housing units housing about 10,000-13,000 people (1973 studies). The project is implemented through a US$8.5 million IDA credit which is also used for sites and services project and technical assistance.

Site Selection

Having been assigned a planning budget, the Project Unit set out to select the squatter areas on which to operate. This was necessary because even for Dar es Salaam, resource allocation was not adequate to cover all squatter areas.

The project unit did preliminary feasibility studies. These involved selling the idea of squatter upgrading to the leaders in the squatter settlements. Since the idea of squatter upgrading was being introduced for the first time, it was necessary to start in areas where there was likelihood of maximum cooperation from the local leaders and residents. The danger to such an approach is that one may raise expectations of all the squatter settlements thus creating havoc when the actual final priority list is established.

Having established the priority list for each squatter area, the following was investigated:

(a) As much of the area as possible should satisfy the requirements of the town's long-term development plan, i.e., it should have been designated for residential purposes. However, if the area was not so designated and is heavily squatted, long-term implications of recognizing the squatter settlement as a permanent residential area are investigated.

(b) The settlement should be of a reasonable size to allow for economies of scale during provision of required services. Further, most of the houses should be improvable.

Design Criterion and Standards

In preparing the plan, provision was made for vehicular circulation throughout the site, allowing easy access to residential areas, community facilities and the main truck roads, while protecting the settlement from excessive through-traffic. A safe, convenient footpath network was also provided, linking plots to public areas and to the transport system. In addition to utilizing open spaces for community facilities, the same are grouped to take advantage of their interrelationships and permit multiple use of the buildings and surrounding areas.

The design standards for infrastructure services were adopted after considering the requirements of the squatter upgrading project as well as the prevailing standards in the country. The standards are kept low enough to bring per plot costs within reach of the lower end of the household income scale. However, provisions are also made in the design for improvement at later stages.

Roads

Four classes of roads have been provided in the project. Class A roads, which are classified as collector roads, are designed to accommodate the heavy bus traffic. The road reserve is 33 meters with an initial carriageway width of 6 meters. The road will have a treated dry macadam surfacing on a mechanically stabilized gravel base. Shoulders, 4.5 m. wide, are provided to allow for future expansion of the carriageway. Class B roads which are classified as primary roads are designed to serve as main vehicular access to the settlement. These have a 20 m. road reserve and a 4.5 m. wide carriageway of rolled gravel. Shoulders of 3.25 m. are provided on each side of the carriageway for cyclists and pedestrians. Class C roads, classified as secondary roads, are dirt roads which serve as vehicular and pedestrian access to the individual housing units. The road has a 10 m. reserve width and a 5 m. wide roadway which can be surfaced in the future to form two lanes.

Drainage

The drainage system is designed to carry storm water and domestic water exclusive of latrines. The system consists of open ditches with culverts at vehicular crossings. The ditches are unlined, except in steep areas where erosion could occur due to high velocities. Sanitary services are provided through improved pit latrines which are constructed by the house owners.

Water Supply

The design has assumed that ultimately all houses will have private water connections. Initially, however, the plot occupants are being served by water kiosks, one for every 50 houses or a maximum walking distance of 150 meters. Kiosks serving 50 houses are provided with four taps while those serving less are provided with two taps. The distribution system follows the road layout and is divided into different supply areas controlled by valves. There is also provision for fire hydrants.

Power Supply

The design of the power supply system assumes that power will be required mainly for lighting purposes and that ultimately, through conversion of transformers to larger units, each house should have individual power connections. Initially only street lights along main roads and power to community facilities are provided.

The planning of sites for community facilities (markets, community education centers, health posts) has very much adhered to national standards. These include a three-stream community education center (one stream contains 45 pupils) for a population of 4,500-5,000 people, a dispensary for 15,000 people and a health center for 50,000 people. The standard for education assumes 50% enrollment of the school aged. The standards are now being revised following the government declaration of universal primary education.

The project unit has not managed to satisfy the stated requirements, since drawings for all the community facilities are designed to allow for future extension when conditions allow. In instances where even initial construction cannot be met, land has been reserved for the future.

The design standards for infrastructure have been questioned in several instances:

(a) The system of unlined ditches requires continuous maintenance, and mosquito breeding is possible. However, this system has been worked out as an economical first stage of development. A second stage, which can be embarked upon when resources allow, would be the lining of all ditches and provision of a central sewerage system handling all domestic sewerage.

(b) The design of roads assumes a local authority capable of undertaking constant maintenance; otherwise, after a short span, all the investment will be wasted. The project unit is now planning to provide minimum maintenance services following failure by local authorities.

(c) The provision of water supply through public kiosks is creating administrative and financial problems. According to government policy such water is free. The maintenance of the kiosks (fittings and the stand) is the responsibility of the local authority. It is being argued that, in the long run, the maintenance bill will be too high and that additional expenditure for installation so as to provide water for each house and bill the individuals for maintenance could have been cheaper. However, technically this is difficult to provide in a squatter settlement. People in squatter settlements will have to share such facilities. Maintenance bills can be reduced through community education on the proper use of such facilities.

Physical Investigation

In most cases, the physical investigation necessitated commissioning a fully fledged preliminary engineering exercise. Such an investigation was required to provide information on issues including:

(a) Base map indicating the extent of possible contours, prominent topographical features, existing buildings and services.

(b) An assessment of on-site and off-site existing facilities to include roads, water supply, power supply, sewerage and stormwater drainage.

(c) An existing land use map.

(d) A soil investigation report to establish sketch design criteria for roads and recommendation on the form of sewerage.

(e) A recommendation on the modifications to the standards set with a view toward reducing costs.

Planning

In planning for infrastructure in squatter settlements, planners have been called upon to compromise a number of well-established planning principles. While a reasonable level of infrastructure has to be provided, there should be minimum demolition of houses. Planners have also had to avoid expensive houses to cut down on the compensation bill.

In planning for community facilities, planners have had to make the best use of the existing open spaces to be able to cut down on the compensation bill.

Having produced the preliminary plans, the planners took them back to the community leaders. Before discussing the plans, the planners explained in detail the proposed services to be provided and the principles followed in the planning exercise. The plans to be discussed with the community leaders are prepared on enlarged up-to-date aerial photographs. It has been established that whereas the community leaders cannot very easily understand a drawing, they can very well orient themselves when an enlarged aerial photograph is used. The same aerial photographs are used to walk the infrastructure lines and to locate the proposed sites for community facilities.

While discussing the proposed plan, the residents concentrate more on which houses will be demolished or how far their houses will be from the proposed community facilities. The planners have to strike a balance between applying inevitable planning principles and securing the blessing of the community leaders.

The preliminary plans are then finalized and submitted to the relevant local urban planning committees for approval.

While planning the squatter settlement, the planners have had to simultaneously plan for an overspill area or area for resettling those people whose houses would have to be demolished to give way to infrastructure services and community facilities. Those affected had to be given a plot the very day they received compensation for the demolished property.

The overspill area must be as close as possible to the squatter settlement. This has reference to the stated socioeconomic characteristics of squatter communities. Experience has shown that a squatter would prefer securing a piece of land within the same community than a well-serviced plot in a newly planned distant site. The planners have not yet established the maximum distance at which a squatter is willing to be resettled and the socioeconomic inconveniences that a displaced squatter can tolerate.

Detailed Engineering Design

After approval by the relevant local authorities, the plans are submitted to the engineers who have been commissioned to undertake detailed engineering design for all infrastructure. So far, the unit has had this work done by consultants. The consultants are selected through international competitive bidding, a system followed in World Bank-financed projects. In performing this assignment, the engineers are required to undertake:

(a) Field surveys including traverse, setting up of beacons and bench marks properly referenced for infrastructure works.

(b) Additional soil investigation.

(c) Detailed designs and drawings and specifications for infrastructure works based on field surveys.

(d) Strip maps for all right of ways for identifying house/crops for compensation.

(e) Surveys to demarcate and clearly establish boundaries by beacons for community facilities areas.

(f) Bills of quantities for each component of work.

(g) Tender document

During detailed engineering design, the layout as conceived in the preliminary engineering stage is expected to be followed in most cases. However, minor changes may have to be made to the layout during approval procedures to suit the actual situation of the site at the time of detailed field surveys. The consultants may also recommend revisions on the standards. These suggestions should be to improve upon the original design always keeping in mind that the project is essentially for the low income and as such suggestions should be aimed at lowering the costs.

Valuation and Compensation

The government valuer or an appointed representative of the government valuer moves in to value all property marked in the strip maps. A valuation report is then prepared on a compensation schedule. The information prepared includes the name of the owner, address, property valued and monetary value of the property.

Based on the valuation report, the project unit prepares individual checks which are paid to those concerned on a set date and time.

(a) The payee has to produce documentary identity and has to be further presented by his local leader as the rightful owner of the property under which compensation is being paid. The local leader will by then have cleared all conflicts regarding the rightful owner of the property which is being compensated.

(b) The very day an individual is paid for his property, especially a house, he should be given an alternative plot in the overspill area and served with notice to vacate. This arrangement has been found to be necessary, otherwise individuals spend all the money on items other than a new house, and it later becomes very difficult to make them move.

(c) According to law, once individuals are paid compensation, they are required to move out with only their belongings and to leave the buildings intact. Because of the fact that the incomes of the individuals affected is very low and that compensation is not based on replacement value, the project unit has allowed such individuals to demolish their own houses and carry with them all the usable building materials to their new sites. It is believed that such materials plus the amount of money paid out as compensation can be enough to allow for a construction of a livable new house.

(d) At the beginning, the project unit left all the moving arrangements to the individuals concerned. As an additional assistance, the project unit will now provide transport and related assistance to those who will be affected with demolition and resettlement.

Construction of Infrastructure

The project unit does not have a construction wing. The work so far carried out has been let to private contractors through competitive bidding.

The consulting engineers have been working as agents of the project unit in preselection of contractors, advertisement of tender proposals and evaluation of the same, including recommendation of suitable contractors.

After award of the contract, the consultants do undertake general and site supervision until the project is completed. In so doing, the consultants on behalf of the project unit, do ensure that the work is carried out as per the terms and conditions of the contract and submit certificates of payment to the project unit which makes payment to the contractors.

It has been argued that the project unit could make some savings if the contractors would undertake their work in partnership with residents of the squatter communities. The communities would do all the preliminary work through self reliance. Such work would include digging ditches for the water pipes and other related tasks. The contractors would bring in the materials and undertake installation of the same. Such an arrangement has not yet been tried by the project unit. It is felt, however, that such an undertaking would be administratively cumbersome especially as regards the need for very close coordination between timing of the contractor and the work schedules of the local communities. Further, it is argued that the squatter communities have enough work in that in addition to working as employees in either the formal or informal sector, they also have to build their new houses or engage in rebuilding their existing houses.

Community Facilities

Detailed drawings for community facilities have been prepared by a team composed of consultants, staff of the project unit and staff from the Buildings Department of the Ministry of Works. The design standards very much reflect the existing national standards.

As in the case of infrastructure, the project unit assigns construction of community facilities to private contractors through tendering. Supervision arrangements are similar to those provided under the construction of infrastructure except that in place of consultants, the Ministry of Works and Regional Civil Engineers serve as the project unit's agents.

The country has had a long experience in the construction of community facilities through self help. The people are provided with building materials and they provide all the labor, actually organize themselves and undertake all construction work. This arrangement which has been operating well in the rural areas is not well established in urban areas especially in planned areas. There are signs of such undertakings in squatter settlements.

The project unit has realized this potential and is experimenting with the provision of community facilities. The arrangement will of course require more administrative input from the project unit than that required when dealing with an individual contractor.

Maintenance of Infrastructure and Community Facilities

Operation and maintenance of the infrastructure and community facilities are the responsibility of the local authorities and funds for the purpose are supposed to be provided in their annual budgets. For the infrastructure, operation and maintenance work are carried out by the regional field staff of the respective ministries and parastatals i.e., Ministry of Water Development, Energy and Minerals, Ministry of Communications and Ministry of Works. For community facilities, staffing, operation and maintenance are carried out by the staff in the regional administrations under the direction of the regional development director.

In the first phase of the project, experience has shown that there is a need to establish maximum coordination between the project unit and the bodies that will be responsible for the maintenance. If funds are not reserved early enough so that they are available for this work as soon as construction is completed, chances are that most of the services will degenerate quickly, and it will be very expensive to bring them to good condition again. The degeneration is attributed to the fact that most of the services offered are of low standard and need frequent maintenance.

House Consolidation and Socioeconomic Services

House consolidation in squatter upgraded areas is pursued on two levels. The first is the individual level covering all those people who resided in the area before improvement. Those individuals who have old improvable houses are offered credit facilities to improve their houses.

The Tanzania Housing Bank handles these clients through a house improvement loan system. It has been necessary for the project unit to monitor and recommend to the bank who should get such loans so that control is put on possible overcrowding through infill and construction proliferation due to new immigrants.

Another level of consolidation is at the community level. Here the people are encouraged to form housing cooperative societies which mostly take on the form of residential neighbourhood groups. These societies are primarily formed to provide houses for their members, and can be the basis of multiple socioeconomic improvements through self-help activities.

There is technical aid which is offered to builders in the squatter upgrading areas. Advice on the use of cheap and locally produced building materials is offered to the people in consultation with the Building Research Unit of the Ministry of the Lands, Housing and Urban Development. A program which will result in the building of material depots in all project areas is being worked out jointly with the Tanzania Housing Bank. These depots will serve to provide building materials more conveniently to the builders.

With regard to the general improvement of the social welfare of the squatter settlers, the project unit has a component dealing with the nutritional requirements of the people. The pilot nutrition program covers education in nutrition and home economics, mother and child care classes and demonstration gardens in several centers in the respective areas.

There is an element of income generation whereby small scale industries are envisaged for construction around the upgraded areas. These cluster industries are intended to serve as employment opportunities to respective residents. This provision to be effected in the second phase of the project will aim at increasing income levels and hence a better standard of living among the population in the respective upgraded squatter areas.

CONCLUSION

In a developing country like Tanzania where quite a large proportion of the urban population live in squatter areas, urban development must deal with the problems of the squatters. A good urban development policy should entail an approach which aims at alleviating the poor living conditions among the majority of people who stay in squatter areas.

Tanzania has adopted a policy approach which basically recognizes and accepts the

existing squatter areas and aims to improve and upgrade them. This has come after realizing that earlier approaches such as squatter clearance only serves to escalate the poor living conditions in a vicious circle.

The implementation process of squatter upgrading in Tanzania has enabled us to learn and experience several problems. Some of the most pressing problems connected with squatter upgrading include:

1. *Resettlement Problems*. When squatters are displaced to make way for community facilities, roads, etc., they are resettled in other areas which are usually planned. Yet in reality, many of them do not move to these new areas but sneak in and return to the original areas to locate themselves in the improvement areas. Some of them use the compensation money to put up cheap houses in other squatter areas in another part of the town.

2. *Maintenance Problems*. Community facilities which are installed in the upgraded areas, such as water taps, get damaged easily because they do not receive the communal care and proper maintenance. The infrastructure designed and put in the areas also wears out due to lack of proper maintenance.

3. The insecurity of tenure in the squatter areas prohibits the plot owners to put in developments which need legal rights. The people cannot be issued long term rights of occupancy because the area cannot be easily surveyed to demarcate the individual plots.

4. The self-help approach has not been worked out fully as expected. It is administratively cumbersome, and there is a lack of close coordination which is needed between the contractors and the local communities. Self-help efforts which could have been utilized in the construction of community facilities and the maintenance of infrastructures so far have not been used. Moreover, the self-help process at individual and group level is limited with tight work schedules, lack of expertise and lack of effective motivational variables.

5. Whereas the people are expected to improve their poor houses through the house improvement loan system, some of them fail to meet the Tanzania Housing Bank conditions. Employment security and the maintenance of a bank account are some of the conditions attached to the loans. Many of the people in the squatter areas who are petty tradesmen and casually self employed fail to get the credit facilities because they do not meet the Tanzania Housing Bank requirements.

Despite the mentioned shortcomings, the project unit intends to use the vast experience which has been gained in the first phase of the project to tackle the upgrading process more rationally in the second phase. Several alternative courses of action are to be implemented as attempts to overcome the already mentioned problems. Thus the project unit intends to make sure that:

(a) The people in the project areas are made to understand that the project is for their own benefit and they have the obligation to guard the infrastructure and community facilities against damage or misuse. This can only be possible by involving the people in the planning and implementation of the project. An effective way of educating the people in the project areas is essential, and it must be done with the cooperation of the local authorities.

(b) Since the squatter area population has been basically recognized and the banking credit and other development agents need them to have security of land tenure, renewable short-term rights of occupancy should be offered to the plot owners. This could also curb the problem of new immigrants to the upgraded area.

(c) Low-standard infrastructure which is installed in the upgraded areas need frequent and proper maintenance. In order to achieve this, there should be very close coordination between the project unit, the local authorities and the people in the respective area. Minor maintenance works such as clearing of water trenches and ditches can be done by the people on a self help basis. Major repair works will have to be dealt with by higher authorities.

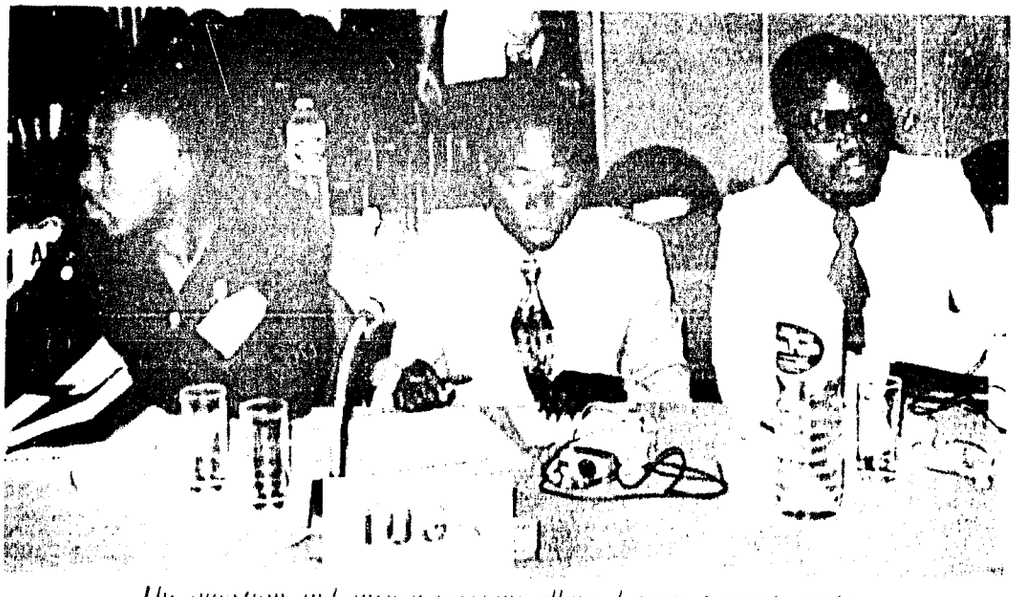
(d) Self-help can work better and be of meaning if it is done by committed cooperative groups. Cooperative housing societies in the squatter upgrading areas can be established if the people are made to understand that the societies are nucleus grouping for social and economic development among the respective members and the community in general. There is need for a massive community education and campaign for cooperative activities among the people.

(e) One way by which squatter residents can be assisted to raise their income levels and uplift their standard of living is to create employment opportunities for them. The establishment of small scale industries in their vicinity will offer many of them jobs. These enterprises would comprise of carpentry, blacksmithing, shoemaking, etc., depending on the demand of the local markets. Capital, equipment and technical know how can be taught to them on terms agreed upon at its start. The groups can later be self supporting in their activities.

The implementation of the squatter upgrading process entails the existence of a clear urban policy. How to reconcile the technical views and the freedom of individuals is indeed a hard task. Thus the problem of displacement of squatters and their resettlement remains a major bottleneck. Planners have yet to agree on what is the maximum distance from his original home that a squatter is willing to be resettled and the degree of social and economic inconveniences that he is willing to tolerate.

The process of squatter upgrading is fundamentally an activity which touches people's way of life both socially and economically. The success of such an endeavor which aims at improving the well being of the poor majority of the people in our countries' urban areas is a result of the overall consideration of national resources vis a vis our people's aspirations. Thus, the justification of choosing the squatter upgrading approach as a permanent way of solving the squatter problem will be associated with the elevated socioeconomic status of the people in the squatter upgraded areas and the general improvement of their standard of living.

Question and answer sessions [illegible]



The question and answer sessions allowed many to participate

SUMMARY OF QUESTION AND ANSWER SESSION

Chairman: Peter Kimm, Office of Housing, AID/Washington, D.C.

Mr. Kimm helped to orient the question and answer session by asking how socioeconomic surveys were conducted in various countries, how information was gathered and how it eventually became part of the decision-making process.

The Tanzanian panel delegate indicated that for the program presented no detailed surveys were undertaken as the basic priorities of the operation were already well known. They did, however, have a need for data on income and the general social situation in order to evaluate the program.

The delegate from Mali indicated that surveys were undertaken in spontaneous settlements in and around Bamako in an area of roughly 100 hectares with a population of about 45,000 inhabitants. A survey team was sent door to door with a prepared questionnaire asking for data such as household size, income, employment, etc. The results of the survey helped to clarify needs for, among other things, community facilities and income levels in order to determine how much residents could pay for services.

Mr. Kimm asked the Mali delegate what type of surveyors were used, and how they were trained. The Mali delegate indicated that they were students which were trained by the government in a special school. He noted that they were given a small pilot area in order to test their skills.

A representative of the private sector in Liberia complimented the Tanzanian and Ivorian delegates on their presentations and asked the Ivorian delegate what type of organization they have to carry out their program. The Ivorian delegate indicated that a land development agency had been set up with several departments to handle specific responsibilities. In the case of the socioeconomic surveys, he noted, a team, consisting of an architect, urban planner and sociologist from the various departments, was formed to prepare the survey and send a survey team to the field.

The survey produced covered a sample of 5% of a total of 1,200 lots. The Ivorian delegate recommended that a specialized survey unit be established for the proper collection and analysis of the data.

The African Development Bank delegate asked for clarification from the Tanzanian delegate on government priorities for allocation of lots to residents displaced from areas to be upgraded; whether members of other communities could be considered for a plot in overspill areas and whether they had to satisfy specific income criteria, etc. He further asked whether displaced residents were eligible for credit either for building materials or dwelling units and to what degree self-help occurred. The Tanzanian delegate responded that displaced squatters were given absolute priority for a plot in overspill areas and were not subjected to quota criteria. However, if other plots were available, members of other communities were then judged for their eligibility. The displaced residents, the delegate noted, were given compensation for their dwelling unit, allowed to recover as much of the materials of the unit as possible and provided with transport to haul the materials. They were also furnished site offices, for technical assistance in building their dwellings, which

also served as information centers. Credit possibilities were extended to the displaced under criteria set up by the banks concerned.

An Egyptian delegate noted that they were preparing an upgrading program to affect 10,000 families in six areas. He asked the Ivorian delegate to what degree the community participated in self-help programs to build community facilities. The Ivorian delegate responded that community facilities are the responsibility of the government, and project beneficiaries were not expected to assist in their construction.

A delegate from the World Bank asked other delegates to elaborate on their experiences with upgrading programs. He noted that the World Bank had encountered several key areas of special concern. He said they found that communities to be upgraded must truly be interested in the program which will ultimately affect them. He said that in their pre-project evaluations, detailed surveys were often unnecessary but frequent community meetings could be held in order to determine the residents' priorities and needs. He also stated that they found these priorities to vary greatly from country to country. He further noted that the level of community participation can be expected to vary greatly as the project progresses. He said that cost recovery is a special program because residents either do not presently pay for services or do not expect to have to pay. Finally, he asked the other delegates whether they felt that their upgrading operations were really successful.

Mr. Kimm, following up his previous questions, asked the World Bank delegate if the World Bank had a specific methodology on socioeconomic surveys. The World Bank delegate noted that they do not have a set methodology, but that they do have a considerable amount of information on surveys and techniques.

A delegate from the United States stressed the importance of survey preparation and the need to inform communities to be surveyed well in advance in order to maximize the usefulness of the responses.

A representative of the U.S. Housing and Urban Development asked the delegate from Tanzania to what degree upgrading area residents can be mobilized to participate in the provision of infrastructure through self-help. The Tanzanian delegate replied that it is difficult to impose on contractors where they must recruit their employees. He noted that such an approach was not presently being used but said it would be an excellent idea if it could be arranged.

A delegate from Kenya asked what governments could do with specific areas which cannot likely be improved. He also asked whether banks will accept upgrading dwellings for mortgage purposes. If not, he noted, it would be unfair to the countries concerned which received financing from international institutions to encourage the program. Finally, he asked what can be done to prevent slums in general.

The Ivorian delegate replied that the areas they were upgrading had already attained a modest standard and that the specific problems mentioned by the delegate from Kenya did not apply in their case.

As the time had run out in the session, Mr. Kimm suggested that perhaps next year a full evaluation of a completed upgrading program could be presented in order to treat more fully the unanswered and unexpressed concerns of the delegates.

WORKSHOP 5

Chairman: Marc Emile N'Difo, Cameroon

RESIDENT INVOLVEMENT IN PROJECTS OF NEIGHBORHOOD UPGRADING

by Marc Emile N'Difo, Director of Town Planning and Housing, Ministry of Equipment and Housing, Cameroon

The following report concerns an operation in progress which is being carried out within the framework of an experimental program of integrated urban development. This operation is rather unique in that for its execution, it requires not only the mobilization of conventional financial resources, the assistance of competent administrative services, but also the participation of the people involved.

It consists of the renovation of an area called the "Nylon Zone," composed of a group of unplanned urban neighborhoods in Douala.

For us, this operation has been valuable as an example of what one is able to achieve once a system based on existing housing constraints is developed with the *voluntary and planned participation of the people*. It has, in fact, been possible to avoid having to use classic methods such as the general relocation of inhabitants and the systematic demolition and complete reconstruction of neighborhoods.

The question here is one of the evolution of the sociological approach to urban problems: satisfactory progress in urban development with the concensus of the urban residents involved.

This realization of urban dwellers to improve their own development in the future will permit them to overcome the unfortunate effects of urbanization which tends to destroy individual personalities and make them apathetic and little aware of the positive effects of development due to activism on the part of the urban community.

GEOGRAPHICAL LOCATION OF THE NYLON ZONE

The Nylon Zone covers an area of about 400 hectares. It is located southeast of the present area of Douala between:

- the industrial zone of Bassa to the north and northeast;
- the airport and the neighborhood of New-Bell to the west and south;
- and a forest of mangroves to the south and east.

The general topography is characterized by the existence of a shallow central bassin with a slightly elevated rim, and the site is located on the south side of the coastal plain of the Bassin de Douala and on the edge of a creek flowing to the sea at the mouth of the Wouri River. Its general altitude is about sea level and in some areas it is even below sea level. Rainfall is extremely high, exceeding 5 meters of water per year.

HISTORY OF THE "URBANIZATION OF THE NYLON ZONE"

Nylon, a relatively new area in Douala, was created in 1958, at that time forming a peripheral zone completely marginal to the contemporary urbain organization.

Since the Douala Master Plan designated this zone for "sports activities and parks," in 1964, a process of expropriation and assignment of these lands to the government was begun.

Due to the lack of financial and technical means to develop the zone in conformity with the plan, practically no development was undertaken. Inhabitants already settled on the site remained, attracting newcomers who, although they settled anyway they could without any preliminary plot or sanitation plans, still deployed their efforts in finding decent housing.

The population, which was approximately 5,000 inhabitants at the end of 1958, was estimated at 85,000 inhabitants by the end of 1977. In certain neighborhoods of the zone,[1] population density reaches an average of 240 to 250 inhabitants per hectare.[2]

During its long growth period, the Nylon Zone was considered as a "dormitory community," i.e., a residential area at some distance from the center of the city where commuters working in the city have just enough time to return home to sleep. The Nylon Zone is, in effect, located in an outlying area with respect to the activity centers of the capital (ports, businesses, railroads, airport, industrial sectors, administrative sectors).

Progressively, the activities of Douala expanded from their existing locations to the east to such a degree that today they almost totally surround areas formerly considered marginal. The situation evolved to such a point that the Nylon Zone has become integrated into the urban economic system, yet without being fully integrated by the city's networks and facilities.

INTEGRATION OF THE NYLON ZONE

This development could have led to a catastrophic situation as has resulted in numerous cases of urban development where shantytowns impose intolerable blights on the city.

[1] The zone includes approximately 10 neighborhoods.
[2] It should be kept in mind that the population of Douala is more than 500,000 and that the growth rate increases at 10% per year.

Luckily, none of this occurred. General conditions evolved favorably toward the complete integration of the area into the urban organization of Douala.

At the same time, residents of different neighborhoods reacted against the phenomenon of depersonalization and the apathy that arises. Various communities inside the zone took charge of their development and implemented projects and facilities.

Little by little, this informal area is acquiring a new dimension: impenetrable neighborhoods are becoming accessible as sanitary networks are making living conditions more tolerable.

All these factors have contributed to the general appearance of the zone. Yet, these factors constitute only the visible form of an important in depth transformation going on within the minds and behavior of the residents of these neighborhoods who had been abandoned and left to vie for themselves.

Realization by the Inhabitants

These residents realized that it was possible to live in an urban development as a community. They were transformed from passive witnesses into active participants, creating their own environment and living conditions.

Due to the participation of public services concerned with the different social and economic aspect, individual initiative is progressively taking on a community dimension.

The local committees of the Party supply guidance. Given the vast number of people to be organized and the size of the operation with respect to its development as well as the development of Douala, with which the zone must be integrated, *this outside leadership is indispensable.*

How Resident Awareness Evolved

After a period of poorly unified assistance from different neighborhood groups, there followed, from 1971 to 1975, a period of awareness and voluntary organization of work.

Every Sunday, groups of workers cooperated to build bridges, roads, sanitation systems, a market and a social center. Even thirty houses were moved with the aid of the inhabitants. More than 21 millions francs CFA were invested through assessments, tontines and direct investment by residents of the zone.

Thanks to the constant and active interest shown by these residents to improve their living conditions, in 1976 it was possible to reach a new stage of growth: ***self-directed development***, as defined by the President of the United Republic of Cameroon;[3] i.e., "Development by the people and for the people."

ORGANIZATION AND ASSISTANCE

The interested populations constitute a recognized and organized entity; they must now be integrated within the urban organization by ensuring their cultural and economic development.

[3]Congrès de la MATURITE, UNC, Douala 1976.

Integration into the urban organization now takes place without problems with the assistance of the public technical and social services which help the situation evolve. At the same time, spatial organization is the object of planning and programming, always with the participation of the residents.

Administrative and Technical Structure

A departmental committee for urban action was established and functions under the chairmanship of the Prefect of the Department. It includes:

- Sub-Prefects (Presidents of ward committees),
- Heads of public services (who are technical advisors),
- Party officers,
- Ranking leaders (officers of neighborhood committees),
- Neighborhood leaders,
- Block captains,[4]
- Concerned residents.

This committee meets once every four months or when necessary, upon convocation by its president.

On the other hand, ward committees, which function as buffer organs between the departmental committee and the people, must be in constant touch with the people in order to be aware of their needs and aspirations.

There is always a constant upward relationship between the people and the administrative services. Motivation is therefore vertical.

The assistance of government technical services (urban planning, housing and infrastructure) consists of the formulation of development schemes, the presentation of these plans during working sessions with the people and the authorities, as well as the organization of the people for their execution.

Thus, it can be said that the problems brought forth are the problems of the "People," the search for solutions being a consensus.

The vested role of the Administration is and remains: ***To control and provide technical advice at all levels.***

Among other duties, the Administration coordinates relations among the helpful contributing foreign countries interested in the operation and the people.

Foreign Aid

There are two forms of the aid:

- in personnel
- in kind.

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[4] A block is defined as a group of houses, limited by streets.

In Personnel

Helping countries such as Switzerland, Belgium, Holland and Germany have been interested from the very first results of the operation. Within the framework of technical cooperation, they assisted by placing at the disposal of the head of the operation, experts in urban development (city planners, urban economists, urban hydraulic engineers and others).

Taking into account the specific problems of this area, the total availability of these professionals was necessary.

The results until now are proof of the sound collaboration existing among the experts, the administrative authorities and the local populations.

Contribution of the People

It is not easy to estimate the investment of the people. In fact, except for the purchase of materials, "human investment" translates into hours of manual labor.

Approximate costs of work completed from 1971 to 1975:

• roads	1,089,850
• bridges	8,935,000
• small-scale projects	6,807,932
• miscellaneous expenses	1,141,000
• temporary market	681,700
• social center	1,170,000
• community work	1,341,450
TOTAL	21,166,932

Local structuration:

A plan for urban development was designed. The area has always been a reservoir of manpower.[5] The problem was finding a way of extending the monetary circuit inside the zone. To this end, a metal carpentry shop was begun, financed with capital from local savings.

Elsewhere, the organization of the local market, the economic training of the people, the creation of a public bank to stimulate savings and facilitate credit and the recruitment

[5] A count showed that in one hour, 4,000 workers left through one of the roads leading from the zone.

of unemployed youths into small cooperative enterprises have all provided real examples which could not have been foreseen without the massive backing of the people.

Cultural development is seen within the activities of the social center:

- the creation of a theater group
- the creation of an orchestra
- the installation of a library
- the start of education campaigns (malaria prevention, formation of school teachers).

All the programs, projects and actions were made possible thanks to systematic organization which grouped workers into six committees meeting in the evenings according to the following schedule:

Monday	Economic Commission
Tuesday	Technical Commission
Wednesday	Public Bank
Thursday	Youth Commission
Friday	Sub-contracting and small scale enterprises
Saturday	Work Committee
Sunday	Execution of work involving "human investment," in the morning.

It is appropriate here to recall the well known adage: "Help yourself and God will help you." In this living example, this saying has taken on a special meaning since helping countries, especially Switzerland and Germany, have recognized this will to develop and have provided, in addition to financial assistance, action-oriented teams of professionals who have helped the Cameroonian groups funnel the profound aspirations of the people in the search for building their own development.

LESSONS AND FACTS

What more can one add to this operation which now enters the facilities stage and integrates itself into the general development of the city?

This experience should not be considered as a simple anecdote on urban development, for it underscores two important facts:

First, the fragility of urban plans which, by their formal approach, in some cases become *impediments to development*. These plans will have to be replaced with specific, small scale programs linking communities and public authorities in their implementation, but only after a very realistic evaluation of the means and possibilities for implementing them.

Urban planning should be flexible in both evaluation and execution if it wants to permit change on an urban scale without violent shocks to the community.*

Second, concerning the fundamental aspect of urban development planning, with the establishment of an urban action program, it will be possible to expect favorable development in the future problems of urban growth.

Urban development will continue to grow with the increase in commerce and services and with the increased importance of the Administration's role in education and sanitary services.

Whatever efforts are directed towards rural development to slow down rural migration, the city will continue to be the center of decision making, exchanges and social mobility. For all of these reasons, it will continue to receive newcomers. This unavoidable aspect is further reinforced by:

- the instability of our economy which is not sufficiently structured and diversified, this therefore reduces the margin of assistance going to regional development, i.e., population and spatial distribution;
- the extroverted nature of our economy which, due to its instability, does not permit the release of sufficient resources to restabilize our internal economy.

CONCLUSION

The human dimension of the problem (for there is one) that has been neglected until now, allows us to forecast a calmer view of the future.

Thanks to the investment of human energy, urban action should permit the building of facilities which can only be done directly by the users of such facilities. If this solution is financially advantageous because of the comfortable distribution of investment costs, it takes on an even greater dimension in that it contributes to the education and training of the people.

In the upcoming decades, the city will be called upon to play an even larger role.

The rate of urbanization in Cameroon indicates that by 1990, it is possible that half of the total population could live in cities. This hypothesis implies that from 1970 to 1990, 1 million people will move to urban areas.

Technical solutions can resolve problems pertaining to organization and settlement. However, financial means are limited and the establishment of essential facilities cannot be foreseen.

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*Urbanization must be intentional and indicative for long term expectations and extremely directional for short term operations. This double appraisement presupposes a thorough knowledge of urban problems, their factors and the realistic evaluation of programs. Urban planning should therefore rely on permanent structures of analysis and synthesis, like city planning agencies, to evaluate urban development, precede it and shape it through development studies and operational facilities studies.

The creation of new neighborhoods and the upgrading of existing old ones will be entirely successful to the degree that the resident will have the possibility and desire to:

— make his opinion known as to the quality of the community where he will be received,

— achieve in that community what he himself has chosen to achieve, of course with the approval of the other residents of the community

The result will be "Urban Residents" who have reaffirmed their individual personalities and who have not lost contact with their neighborhood brothers. Collectively, they become *Responsible Citizens* corresponding to the aspirations of the Chief of State and becoming more and more masters of their own destiny through systematic and conscious action, the goal of which is to change the society of Cameroon.

The best means to control problems of urban development, and especially the problems of urban upgrading, is the definite necessity *to educate urban residents* and make them conscious of their creative force in organizing their collective life.

This concept of participation presupposes constraints in education and control. The public authorities should provide the necessary adequate structures.

The urbanization movement, i.e., the restructuring of traditional African societies, is slow. The "African man" must not lose his personality. He has at his command an essential trump card: *his sense of solidarity and community*.

Each blow to these deeply rooted, natural sentiments constitutes a blow to his environment.

Given these basic realities and by offering him the possibility to maintain them positively, he should be able to direct his own urban development with respect to other methods of urbanization found throughout the world.

COLLECTION AND USE OF SOCIOECONOMIC DATA IN PLANNING UPGRADING PROJECTS

by Ali Hanne Diop, General Director, Office des Habitations à Loyer Modéré, Senegal

INTRODUCTION

The board for low-cost housing, of which I am general manager, is a social institution. Because it is entirely dedicated to the masses, this body is acquainted with the population. As a body bound to the economic market regulations, its duty is to provide to the middle-class population housing facilities within their financial reach. These two elements — good management, including profitability, and its social objective, which does not mean free facilities — leave a very narrow margin of initiative and compels the management to analyze the structure of the population which represents the potential demands.

To try to determine the social groups involved in OHLM activities, a thorough study is conducted in order to know whether this population is capable of meeting these costs, keeping in mind that the costs which are not totally dependent on its good will may not be reduced below a certain minimum rate. Before conducting an analysis, the OHLM must have at its disposal adequate socioeconomic data, and therefore must proceed to collect and compile this information. The results of its analysis within the frame of its aforementioned policy should form the basis of general or specific action whichever is the case. Detailed examples will be given in the course of this report.

Needless to say, the entire process revolves around the question of selection, the difficulties of interpretation and such other matters that the body has tried to resolve according to its means. We look forward to your suggestions, proposals and constructive criticism.

COLLECTION OF DATA

Two methods are generally applied: (1) a systematic method similar to comprehensive investigations that make up the survey, and (2) a more partial survey, often made after the trial survey.

The latter will give me the opportunity to outline briefly a housing project for the urban poor, financed jointly by the World Bank and the Senegalese government, of which my organization is in charge. I speak of the upgraded lots projects which are no doubt known to most of you.

The aim of this project is to stem urban over population that our countries are faced with as a result of rural migration.

METHODS OF COLLECTING SOCIOECONOMIC DATA

Request for information

The request is addressed to all the household heads with a regular income who are interested in obtaining a unit. Its predominant characteristic is that it aims at a constantly changing sector of the population which cannot be precisely defined beforehand, therefore

making it a daily operation. In fact, all adults may apply for housing, in compliance with the regulations in force. It is up to us to make the selections based on precise criteria.

Questionnaires are used for the collection of information. It is the duty of the applicants to fill in the forms as truthfully and accurately as possible. They are accompanied by other supporting documents

Surveys for the Upgraded Lots Project

As I mentioned before, this is a housing project for the low-income groups. These people cannot apply to SICAP, a semi-private real estate company which tends to cater more to the high income group in the capital with its high-quality constructions.

The OHLM has excluded this group from its area of activity, because it either does not meet the requirements or simply because the board itself, considering its capabilities and aim, cannot meet the increasingly large demand. Because of a surplus number of applications, the board has to revert to other solutions

Getting back to the upgraded plot project, 13,305 plots will be laid out over a surface area of 407 hectares for a future population of about 133,000 inhabitants

The fundamental aim of this project is to improve the living conditions of the low-income groups. In order to do this, areas of improved housing units (with potable water supply, upgraded drainage and electrical facilities) as well as indispensable community facilities such as schools, dispensaries, public convenience, markets, cinemas, etc., are made available to them

The methods of collecting data are similar to the requests for information mentioned previously, the only difference being that, following the registration of applicants, agents of the board go to the homes of the applicants to collect the information, at the same time taking note of the living conditions of the applicant

Our limited surveys of the target population, once it has been defined, are those that appear to be of greater interest

Thus, during the course of the project, problems arise which are solved by an evaluation carried out by a specific division. The function of this division is to study the bottlenecks of the project and subsequently propose adequate solutions to overcome them

In addition, said division must take initiatives, taking into account the current situation, and anticipate directives for the project. One must keep in mind that this project is altogether new to us and that strictly accurate facts from a precise data bank must be our guide

CHOICE OF COLLECTION OF CRITERIA

If our collection of socio-economic data is centered on partial surveys, it is due to the special features of the upgraded lots project and also to our inexperience in this new area

Moreover, exhaustive surveys will not be taken into account in this matter, as they are overly expansive operations mostly intended for population census which are not our concern.

Reliability of Information Given in the Application

In this area there are fewer difficulties. Undoubtedly, care should be taken to ensure that our forms are as concise and complete as possible.

The major problem, under the circumstances, is the reliability of data gathered.

In the best of cases data is kept for such a length of time that one wonders as to its applicability at the time the information is used (such as when a file from preceding years is again submitted to the commission).

It is no longer a problem after systematic renewal of the documents involved has been assured. The question of reliability of these supporting documents in the files leaves no doubt that a number of them are entered by favor and that the information given is not accurate. In our present state of awareness of the problem, even if this difficulty is deemed less serious than it seems, suspicion has set in. By the systematic rejection of applications giving false information, we try to stem the evil by building up completely comprehensive and accurate files to prevent duplication (by this we mean that a candidate may be served more than once, either by himself or by a relative).

While awaiting the complete computerization of our services, and considering our means, a more frank and closer collaboration with similar housing bodies on the national and international level is more than necessary.

Partial Sample Surveys

Our choice is guided by the fact that these surveys can only be applied as a pinpointing device to an analysis of problems, which is often the case in new projects. Furthermore, due to limited time and resources, this type of survey is preferred since we have available the basic statistical information. (Remember that these studies are applied to data collected from candidates well after the initial information has been gathered.)

In our opinion, the problems arising at this level are: (1) technical and (2) implementation.

Technical Problems

Aside from the trial period which can be long, we often lack precise information based on a sample survey.

Very often the shortage of socioeconomic studies, or, at least the unawareness of them, means that one always starts from scratch. Information gaps concerning household budgets, in this respect, are telling. Undoubtedly, the recent surveys carried out in certain African countries, with the help of the U.N., as well as the increasing number of studies on the diverse problems, will be of great help in this context.

Problems of a technical character affect the sample unit.

Should the head of the household with an income be retained, even though additional incomes are taken into account, (it may be interesting, at this point, to discuss the contribution of the spouse to household expenditures) or should the household, family, etc., be considered in the future as a reference unit.

Implementation Problems

Similarly, on the survey site, after all technical problems have been resolved, our troubles have not ended. It is almost certain that we might have to face refusals to reply, lack of cooperation and obvious incorrect statements, from the individuals approached.

The need to convince these individuals, who are an important element in the sample project, is greater than those individuals who have no perceivable interest in the operation.

I will herein cite a case in our project. In order to have references for later comparison, besides experimental samples from the group of allottees of upgraded lots, we took samples of population groups having the same characteristics and living in the same areas and conditions as the allottees before our housing project came into existence.

The reaction of the two groups is not the same, which does not imply that these problems were unknown to the experimental group. Quite the contrary, any dissatisfaction on their part can set off a more hostile reaction from the second group.

We are well aware that this is an important problem, for any mistake at the sample level has an unfortunate effect on the interpretation given to the overall results.

The problem of the need for trained investigators, who will be able to overcome the difficulties of refusal, reservations and non-compliance with the instructions given and who have a sound knowledge of the survey area, is considered less important.

APPLICATION OF SOCIOECONOMIC DATA COLLECTION

The data collected must first be processed and then the results of the survey have to be analyzed. This procedure leads to recommendations which are made to us by the Appraisal Bureau in charge of the study.

Afterwards, these recommendations points are discussed in the appropriate workshops as frequently disagreements occur over a decision already adopted, or over the function of a department whose head must be allowed to present his point of view.

I will dwell briefly on the computer processing of data, as well as on the analysis of results. I have already mentioned that the applicability of this data collection and analysis work lies in guiding our specific (or more often) general operations. I would like to end by mentioning several studies which we have conducted and their ensuing recommendations.

Data Processing and Analysis

Processing

Above all, processing at our level implies a definition of the workload, including classification of data and variables to be processed, as well as the factors involved (authenticity and verification of information, together with summary accountancy in the case of interaction of variables, for example).

However, the use of the computer entails our requesting the services of an index card company, so that we will be in a position to set up our own basic card index. This only applies when the programs fed into the computer are positive and are ready to tackle the second phase.

Results Analysis

This must take into account the compilation of results procedures. In fact the definition of these procedures determine the direction and principal objectives that the survey follows.

We do not at the present time have our own computer, but make use of computer facilities at the Ministry of Finance.

It is difficult to find available complete and reliable information when making a socioeconomic survey. In fact, due to the constant change factor of the socioeconomic indicators (which vary according to geographical characteristics and situations) and due to the lack of a well-defined questionnaire needed to initiate an inquiry of this kind, one generally admits that in a wide range of samples, only 95% were reliable (in the case of incomplete and problematical inquiries).

We have already mentioned that certain socioeconomic inquiries are undertaken on the basis of results obtained from previous surveys.

The kind of surveys which have proved useful to basic data collection and to field operations often differ. The fact that there is such a difference between the kinds of surveys has an undeniable effect on the reliability of results.

Reliability thus depends on how well the questions are defined in the questionnaires used to collect data, and on the method of data processing chosen, as well as on the chosen margin of dependability.

With regard to interpreting the data, we must simply point out that an even more delicate approach must be taken than with data collection. Comparative studies allow us to authenticate or invalidate our different theories.

Example of Studies Conducted by Our Services

Before going any further, I must point out that these studies were conducted in connection with sites and services projects. I am giving a brief outline of these studies for those of you who are interested in this topic. Later on we will make more detailed information available to you.

Pilot Group Study (1) Report on the First Survey Regarding Housing

Existing Housing Conditions of the Applicants for the Sites and Services Project, April – July, 1976

The purpose was to broaden our knowledge of the existing housing conditions of the applicants and to evaluate their prospective capacity to build new houses on the rehabilitated lots.

Notably, we discovered the average size of the applicants' households, the number of rooms occupied by the average household, as well as the construction materials to be used. At the same time, we were able to obtain a more precise idea of the construction methods our interviewers would use (they are supposed to help each other in the construction of their houses on the rehabilitated lots, since adequate technical assistance

is provided). Thus, we are no longer ignorant of the applicants' hopes concerning their basic expectations of the project.

First Part of the Second Housing Survey – August, 1976

The aim of the survey was to study the housing conditions in the pilot group districts, with a view to ultimately being in a position to confront the problems which will arise during the course of the project. We have experienced a number of difficulties concerning certain rather subjective valuations (for example, the distance from one place to another). These valuations are much too relative to each interviewer.

Pilot Group (1): A randomly selected group of the population whose general living standards are, or until recently have been, similar to those of the applicants selected for the project. We have nevertheless assembled a large amount of data on the matter. This information reveals the living standards of the applicants for our project, since it is understood that the districts chosen for the pilot group are those from which 70% of the allottees for rehabilitated lots come.

On the other hand, this information will be useful for making comparisons at a later date when the project has been completed.

Survey Carried out on the Income and Household Budgets of the Pilot Group Families by the Project in Dakar – August, 1976

This survey was conducted with a view to getting a more precise idea of the living standards of the future inhabitants of our project, as well as their possible credit facilities (not just through our project) and the structure of their everyday expenses such as food, rent, transportation, medical and school expenses.

We must therefore collect comprehensive information before making a further evaluation of the socioeconomic impact of the project on the target group.

Report on the Basic Survey – September, 1976

The fundamental objectives of this study were, on the one hand, to contribute to the methodological preparation of the concept of the basic survey, as an aid to program evaluation and, on the other hand, to analyze some of the preliminary results of the basic survey on the sites and services project.

This analysis has allowed us to examine the principal reasons for rejecting applicants, as well as to sketch an outline of the characteristics which distinguish the selected applicants (which will give us more information on the adequacy of the selection criteria we use). At the same time it has enabled us to retain several general principles, for example, the relationship between the basic survey and recurrent auxiliary studies. If, as you will certainly have noticed, all the examples which I have just given can help us in our general work, it is because we have been obliged to entrust the more precise tasks to the evaluation bureau, in order to resolve the recurrent problems which arise in our work. The second series of studies which I will mention later on, are linked to those which I have just talked about.

Target Group Study

Socioeconomic Study on the Target Group Selected to Participate in the Project: the Results of the Study and Its Implications for the Development of the Project – September, 1977

This study depends on the updating of the basic survey. Given that the sites and services project anticipated at its inception that it would select householders whose monthly income is at least 15,000 and no more than 55,000 CFA francs, the evaluation bureau was asked to verify if the target group had been reached, and at which levels there might be eventual changes in the target sector of the population.

Another approach of the project was the idea that it should embrace large households, taking into account the low incomes of the households concerned. It developed the study to reconcile this "idealistic" aim with an objective reality (i.e., to be able to buy and develop the lot) still within the framework of selecting applicants.

Finally this report should be able to show, in view of the up-to-date results of selection, and of the living conditions of the allottees, to what extent the project could expect to provide a solution to the problem of housing the rural migrant and low-income groups in Dakar.

We have discovered that the sector of the population in question has a long experience of city living, although it is of rural origins. A more interesting point is that contrary to our fears, we found that the average size of the households to be allotted rehabilitated plots was smaller than expected.

Finally, the study revealed that the target sector of the population was that which in reality was chosen and that the range of incomes as well as the household expenses lead us to believe that the allottees will be able to buy their plots. With regard to their ability to develop the land, this depends on the following factors:

- control of the cost price of construction in order to prevent price increases in home building;
- contribution of foreign investments to the incomes of households concerned (notably in the form of loans to allottees and to small industries and businesses);
- finally, the adoption of a system for pooling collective human resources for the construction of homes, with a view to absorbing costs.

Observations on the Procedure and Methods of Construction Used in the Building of the First Houses in the Sites and Services Project. Explanation of the Delay Suffered by Allottees in Building Homes and Suggestions on Management – October, 1977

Its principal objectives were:

- to understand the various factors which have up until now delayed on-site construction, together with those factors which have been favorable;
- to appraise the present construction procedure and to compare the building cost price with other methods of construction;
- to estimate the feasibility of pooling human resources for the construction of houses as well as the impact of the technical assistance supplied;
- to derive conclusions from the present construction methods in order to solve the problems involved and to thus facilitate operations for future allottees and for future projects.

The study emphasized the notable differences on three different levels between households who had already begun construction and those that had not yet commenced their building:

- *level of employment:* it is primarily the informal sector workers who have begun building their homes;
- *income level:* it would seem that it is the highest income group earning approximately 55,000 CFA francs a month whose home construction is presently underway. This allows the OHLM to set up a better system for managing funds to be loaned to allottees for building materials;
- *the largest households*: apparently those who have begun construction are households with cash incomes or, in other words, those whose salaries exceed monthly expenses.

With regard to construction, given the problem of granting construction loans to all those who cannot manage without them, it will be made absolutely clear that these households will be expected to make a contribution in the form of personally working on the construction. In order to make this method both viable and profitable, it would seem even more appropriate to organize the project with a system of mutual aid, in the form of a human investment.

In connection with the delay experienced by the allottees in the construction of their houses, the appraisal attributed this difficulty (at least as far as the group who were building at the time the study was conducted are concerned) to problems encountered by allottees such as insufficient or nonexistent funding and occasional shortages of construction materials, as well as the lengthy administrative procedure which lasts from the selection of the candidate until the allocation of the plot is made.

Recommendations were subsequently made to the OHLM to try to organize a savings system within the allottees' associations and to arrange for the supply of construction materials from wholesalers contracted by the OHLM.

These few actual examples illustrate the matter at hand: "the collection and use of socioeconomic data with regard to housing." I hope that these examples will lead to debates concerning similar experiences in the other countries represented at this conference.

WORKSHOP 6

Chairman: Hilary A. Dennis, Liberia

LOAN ORIGINATION AND SERVICING TECHNIQUES IN SETTLEMENT UPGRADING

by Hilary A. Dennis, President, National Housing and Savings Bank, Liberia

The housing problem at strategic points in and around Monrovia continues to make itself felt. In recognition of this fact, the housing situation, particularly of low-income groups, was given a place in the Liberian government's plan for the period, 1976-1980. While it cannot be denied that considerable work has taken place in the construction of much needed shelters, regrettably, those for whom these structures were built were not in a position to occupy them. The reason for this is that housing units built at the Cabral and Stephen Allen Tolbert Memorial Estates are far above the rental-paying capacity of families at points such as West Point, Slipway, Buzzi Quarters, etc. Occupancy of units at both sites was intended for families earning about US$35-US$45 per month. At present, the rent value per house at the estates ranges between US$50-US$75 per month depending, of course, on whether it is a one-bedroom, two-bedroom or three-bedroom house. On the other hand, the rental-paying capacity of those for whom, conceptionally, the houses were intended, is about US$7 to US$10 per month. For those in the slums who can afford to pay US$7 to US$10 per month as rent, the Government of Liberia would have to be willing to provide each family a subsidy of US$43 to US$65 per month to assist in solving the shelter problem for residents from West Point, Slipway, Buzzi Quarters, etc.

The third housing project well under way and nearing completion is the Barnersville Housing Project, which, when completed, will have about 600 units available. The units completed are already occupied. Because of a fire disaster which occurred during the latter half of 1977 in West Point, many families whose houses and other property were destroyed, had to be placed temporarily in housing units at this site. Families of this unfortunate fire disaster are not at the moment paying rent as they cannot afford it.

HOME FINANCING PRIOR TO THE OPENING OF NHSB

Prior to the establishment of the National Housing and Savings Bank, there were no specialized financial institutions granting loans for the construction of homes in Liberia.

The history of banking in Liberia centers around the commercial banks. The commercial banks were and are not essentially interested in long-term financing or what can be termed as mortgage lending over a long period of time. Infrequently, some of these commercial banks granted a few medium-term mortgage loans. Some housing loans granted by the commercial banks covered a repayment period of one year at a time. As a result, a myriad number of houses were started. Even today as one travels around the city of Monrovia, one sees a number of houses on which construction was started 10, 12 or 15 years ago, but which are still not complete.

The practice, in this case, was that the potential home owner obtained a short-term installment (personal) loan from a commercial bank, in keeping with the lending policies of that bank. Because of the low income earned by these borrowers, the amount which they were eligible to obtain from the banks, was enough, if starting from scratch to complete only the foundation of the building. In about a month's time, the borrowed amount completes the foundation, then construction comes to a halt for a period of 12 to 18 months, the period of repayment of the loan which amounted to about US$5,000. At the liquidation of this loan, a second installment loan is negotiated which might be adequate to cover the walls to mid-window level. Another period elapses, while monthly installments are being made to liquidate the loan. This process continues until the houses are either completed or given up in despair.

In any city, black-walled, unfinished homes, create an ugly picture and this fact provides a rationale for the public to upgrade their homes.

The last workshop was as well attended as the first

In 1961, a local commercial bank decided to finance the construction of 25 single-family units in the New Kru Town area. Each unit constructed cost about US$5,000. The occupants of these units were given an amortization period of 20 years at a monthly installment of US$49 per month. The bank, prior to making the funds available for the project, was given a guarantee by the government of Liberia. We are told the delinquency rate on these loans is extremely high. This situation has arisen in part due to the failure of that bank to work out a detailed collection procedure and in part to a failure in monitoring repayments through regular follow-ups.

LOAN ADMINISTRATION

Small loan administration has many problems just as any other type of loan but perhaps a little more than usual. Our discussion today is based on small loan origination and servicing techniques in human settlement upgrading.

First, I would like to define loan administration. By loan administration we mean: (1) loan origination, (2) loan processing and (3) loan servicing.

1. *Loan Origination.* We understand loan origination as being able to set up policies and procedures to ensure a steady flow of quality small mortgage loan applications.
2. *Loan Processing.* These are the various steps taken to place the loans on our books.
3. *Loan Servicing.* These are steps taken from the closing of the loan to the final payoff.

We all know that it is so easy to book a small mortgage loan on our books but to collect is a different problem and therefore the importance of loan servicing cannot be understated.

There are no secrets to collection. You need, I believe, three things: (1) organization, (2) persistence and (3) personnel.

1. *Organization.* If your credit analysis works well, you will have less problems in collection. However, it is important that we have proper management of our records and that we establish and maintain our records properly. It is very important that management reviews reports and statistics to detect deviation in order to take action where it is necessary.
2. *Persistence.* Your organization should be set up in a manner that insures regular follow-up procedures where quick action can be taken when a loan becomes delinquent, especially for low-income housing projects. Action should be taken to reschedule payments in order to bring the customer back on target with his payment commitment.
3. *Trained Personnel.* A continuous loan servicing training program will keep your staff up to date to enable them to deal with delinquency problems. If your staff is trained, they will be in the position to impress borrowers with the importance of repaying the loan according to the agreement. It is also important that the staff should be made aware of the overall objective of the organization in order for others to perform well in their servicing procedure. If you have good servicing, you will be effective in eliminating a great deal of troublesome loans.

HOME FINANCING REQUIREMENTS

A major concern of the National Housing and Savings Bank—and the main reason for its establishment—is to assist in alleviating the housing shortage in Liberia, particularly in Monrovia and its environs. However, to accomplish this feat, an adequate reservoir of capital must, at all times, be immediately available for lending in settlement and shelter upgrading. As a relatively new financial institution, NHSB, from its very inception, had to compete with the commercial banks for the mobilization of the needed savings and time deposits.

The record shows that the savings balance at year end 1977 more than doubled savings at year end 1976. The substantial increase is due to the larger increase in deposits and the apparent acceptance of NHSB as the peoples' bank.

Time deposits, another source of funds, fell slightly; they were US$1,521,378 in 1976, but registered US$1,156,672 in 1977. Demand deposits, a cheaper source of funds, stood at US$4,077,891.96 at year end 1977 compared to US$505,146 during the same period in 1976.

LOW-INCOME GROUP

This income level refers mainly to individuals in Liberia with an income level of US$250, or less, per month and represents about 81.3% of the population in the money and subsistence economy.

Loans granted to customers in this category are actually short-term loans. It should be explained here that although classified as short term, to accommodate our low-income customers, most of these loans often cover a period of up to 5-10 years. The bank takes, what is popularly known in Liberia, a Limited Power of Attorney (LPA) on the applicant's paycheck. That is to say, the bank, through this arrangement, has first lien on the borrower's salary check, deducts the installment owed for that month and returns the net salary to the borrower. This, of course, continues monthly until the loan obligation is fully liquidated.

The uses to which these loans are put include, among others, the finishing of a small four-corner structure started several years ago, the purchase of a piece of land to construct a home in the near future, the renovation of an existing home, the addition of an annex to an existing home, etc. The principal amount of the loans range from US$500 to US$5,000. In our determined effort to do something for what may be termed the "little man," there are times that a 15-year repayment period is given to cover a principal amount of US$5,000.

MODERATE-INCOME GROUP

These are housing units financed by NHSB and represent individuals earning a monthly income of US$250 to US$599. This group represents approximately 12.4% of the Liberian population which is in Monrovia and its environs. The greater portion of our loans thus far has been extended to this income group. The average cost per house for individuals in this category was approximately US$12,500. In keeping with NHSB's policy, 10% of the total cost of construction was provided by the owners and the remaining 90% by the National Housing and Savings Bank.

HIGH-INCOME GROUP

This category represents housing for the high-income level group which is about 6.3% of the total Liberian population and resides mainly in Monrovia and its suburbs. Individuals in this group earn US$600 monthly and more. The average cost per house for individuals in this group average about US$20,000. Like the moderate-income group, 10% of the total construction cost is borne by the borrower and the remaining 90% by NHSB.

At the end of December, 1977, NHSB had approved a total of 153 mortgage loans, distributed as follows:

MORTGAGE LOANS BY LOCALITY

Locality	Number of Loans
Paynesward	46
Monrovia/Sinkor	46
Congotown	15
Gardnersville	6
Brewerville	3
Caldwell	7
Virginia	4
Marshall	1
Careysburg	1
Kakata	1
Buchanan	2
Other Areas	21
	153

CREDIT GUIDELINES/REQUIREMENTS

Terms of the loan is based on the age of the applicant. As almost all of the homes now under construction in Liberia are of concrete or concrete block construction, the structures are considered to have an economic life of 40-50 years. Therefore, the maximum repayment period of our largest mortgage loans are programmed for a period of 25 years. The maximum lending age is 55. If, for example, a borrower obtains a loan at 55, his loan would cover a repayment period of 10 years. A life and fire insurance is taken on the property, the former equalled only to the amount borrowed and the latter to the total cost of the structure. All structures must meet the standards of the Ministry of Public Works prior to our analyzing the customer's loan request. The monthly mortgage installment is equal to one-third of the family income.

LOAN SERVICING AT NHSB

At the time of loan closing, the documentation as spelled out in the loan authorization memorandum is thoroughly checked prior to actual booking. Yearly and/or monthly insurance premiums and real estate tax installments are also meticulously checked. During the time of booking, advance payments for fire, life insurances and real estate taxes are placed in escrow to facilitate payments when due. Total monthly payments of the loan are made up as follows: (1) principal and interest; (2) life and fire insurance

premiums; (3) real estate tax. It is during the booking of the loan that a service charge of US$70 is paid for each mortgage loan as follows:

1. Credit Investigation	US$10.00
2. Appraisal Fee	25.00
3. Loan Preparation	10.00
4. Legal	25.00

In the event a loan is approved and subsequently the client declines the loan, a cancellation charge of US$50 is imposed.

The Limited Power of Attorney (LPA) authorizing the bank to collect the subject's paycheck is then immediately forwarded to the designated employer, i.e., governmental or private. In the case of a governmental employee, an automatic deduction system has been devised and put into operation. By means of this processing system, monthly installments due are deducted from each government worker indebted to NHSB. A single check is then prepared by the Ministry of Finance, where the automated process takes place, and mailed together with an itemized listing of the customers and each customer installment. On the basis of this listing, the individual loan accounts are credited. With entities other than the government, the entire check is forwarded to NHSB which deducts the installment due and the difference is credited to the customer's savings account. Some employers in the private sector make out a separate check equivalent to the installment due, payable to the National Housing and Savings Bank. Additionally, although a copy of the LPA is lodged with the employer, follow-up letters are sent approximately seven days before payment is due, reminding the employer that payment is due on a particular date. To simplify our bookkeeping, all installments are due at the end of the month on the same date.

Advance payments are encouraged without penalty provided the loan is not paid before the fifth year.

The bank maintains several escrow accounts which are largely made up of funds for real estate taxes, life and fire insurance premiums. Liberian law provides for a five-year tax exemption which starts upon completion of the building, provided the necessary exemption is requested before actual construction starts.

LOAN GROWTH VERSUS HOUSING DEMAND

Possible increases in both mortgage and installment loans are anticipated, as current housing demand is high. The rate at which mortgage loans are being made available is slightly behind current demand, evidenced by the serious housing shortage in urban areas. Because a large percentage of urban dwellers do not own their own homes, and because of the housing shortage, it sometimes takes up to a year before one, who is in search of a home to rent, can find one. In order to be in a position at all times to provide mortgage facilities to our customers, in 1977 NHSB commenced a housing market study. Questionnaires were sent out to government agencies, private businesses and individuals. In our initial sample survey, 1,000 questionnaires were distributed. To date, over 500 of them have been filled out and returned to us. We shall commence an analysis of our sample as soon as 90% of the returns are in. Essentially, the study seeks to find out in advance who our potential mortgage customers are and the likelihood of their loan being approved if a formal request is made. Preliminary findings thus far seem to suggest that the number of

approved loans will double. Where effective demand outstrips the availability of locally produced resources, it might become necessary to seek external resources to cope with this increased housing demand.

As of the end of December 1977, NHHB's record showed a total of 108 loans on the books. Of this total, 49% represented mortgage loans for homes purchased, construction, extensions and renovations. Meanwhile, a total of 133 small loans (personal) were on the books, or 90% of the total approved loans. The small loans are the customary LPA loans which are frequently utilized for basic improvements: the purchase of land, erection of walls, construction of a one bedroom low cost house, renovation or extension of an existing shelter.

The average value per loan for the larger mortgage loans is US$14,326.21 as compared to the small personal loans which average US$2,087.13 per loan.

Realizing the fact that we are a relatively new bank, our lending activities for homes costing more than US$10,000 are being limited to a 20 mile radius within which our main office is located. The obvious reason for this is that at the moment we do not have a sufficiently large enough inspection staff to inspect the various constructions. It would appear therefore that regions out of this 20 mile radius are denied the benefits of our long-term credit for housing. However, it should be pointed out that as soon as bank branches are established at strategic points over the entire country, the mobility of credit and availability would be greatly enhanced, and the entire citizenry throughout the country better served.

Finally, I would like to close by mentioning that for the period ending December 31, 1977, to grant one loan, it took an average of a total of 91 savings accounts, each averaging a balance of US$200.

SUMMARY OF WORKSHOP 6

Chairman Hilary A. Dennis, Liberia

Parts of the complete paper prepared for this session were left out of the presentation to preserve time for contributions and questions from the assembly. After the procedures for loan origination and servicing currently used by the NHSB of Liberia were reviewed, comments were requested from the delegates. The substance of the discussion and question session demonstrated that the provision and servicing of loans to lower-income groups pose quite a challenge to banking institutions.

Following is a brief review of the contributions and questions raised by the delegates.

The delegate of the U.S. Savings and Loan League questioned the chairman about the current practice of the NHSB to impose a penalty on borrowers that repay their loans within the first five years. He felt that the present lack of money for lending in the housing sector may be partly alleviated by encouraging rapid repayment.

The delegate from Mauritius stated that the Mauritius Housing Corporation operated the same way as the NHSB of Liberia. They also charge a higher interest on larger loans. The bank in Mauritius encourages "accelerated" repayment and offers a discount to those who repay the loans and reinvest.

The representative from Botswana was heartened to learn that there is a lending institution in Africa that relies on its own financing. His major concerns were how to deal with people who had no income at all, and collection procedures for those people not employed in the public sector.

The delegate from the Ivory Coast stated that they have been financing construction for the past 20 years. He referred the delegation to the paper about the Ivorian system presented at last year's conference in Tunis. In the Ivory Coast they use approximately the same procedures employed by the NHSB. The delegate's major concern centered around establishing controls for deflection of credit.

The chairman remarked that the NHSB believes that approximately 90% of the loans are used for the stated purpose. It was added that deflection of credit is difficult to control. A question raised by the member of the Nigerian delegation reflected concern of the Botswana delegate on assessment of income for self-employed loan applicants. The chairman stated that usually a review of the savings pattern provides some insight.

A delegate from Tunisia reviewed their procedures to monitor loans and in some ways avoid deflection of credit. The system employed by the National Housing Corporation of Tunisia represents a very systematic approach to their potential problem.

The representatives from Senegal and Zaire provided some comments on their systems. Senegal's system includes the institution's right to seize property and greatly facilitates their collection procedures.

The delegate of Liberia raised a question on collections as they are handled by the NHSB when a person is dismissed from his job. The system at the NHSB allows for a six-month grace period in the hope that the borrower will become reemployed.

In summary, the primary concerns expressed at this workshop appeared to center around issues of deflection of credit and collections. We were offered some procedures presently employed by various institutions.

The high level of involvement and participation in this workshop demonstrated the apparent need to refine present systems and develop new and innovative approaches to these problems.

SPECIAL SESSION: PRESENTATION OF ADDITIONAL PAPERS

Chairman: J. Nyema Baker, Liberia

Participants: Delegation from Nigeria
Delegation from Ghana
Delegation from Mali
Francis K. Sazuze, Malawi
Delegation from Egypt
Leonard M. Shango, Ivory Coast
Delegation from Morocco
Pumulo M. Muyangwa, Zambia

HOUSING IN NIGERIA

by the Delegation from Nigeria

Housing development in Nigeria can be divided into three main periods:

COLONIAL PERIOD

During this period, no direct or purposeful action was taken to evolve a housing program to benefit all Nigerians, a great majority of whom live in substandard housing.

IMMEDIATE POST COLONIAL PERIOD

In the first 12 years of the country's independence, the housing program was largely made up of the activities of the Lagos Executive Development Board, the State Housing Corporations and the Nigerian Building Society.

The direct involvement of the government in the provision of housing was limited only to staff quarters for senior public servants.

The programs of the Nigerian Building Society, the Lagos Executive Development Board and the State Housing Corporations benefitted only the high and medium income people.

THE OIL BOOM PERIOD

The tremendous increase in government revenues resulting from the oil boom led to a change for the better in the national housing program.

Following are the highlights of the positive efforts of the government during this period to increase the housing stock.

The National Council on Housing which consists of all the commissioners responsible for housing in the federation was established in 1971. In 1972, the federal government acquired the Commonwealth Development Corporation's 60% shares in the Nigerian Building Society, thus increasing the federal government's shares in the Society to 91%.

On October 1, 1972, the Federal Military Government decided to construct 54,000 housing units (10,000 in Lagos and 4,000 in each of the other 11 state capitals) and these were scheduled to be completed by September 30, 1976. Subsequently, the scope of the national housing program was altered to 60,000 units and finally to 202,000 units within the third plan period (1975 to 1980). Each of the 19 states was to construct 8,000 dwelling units and the Metropolitan Lagos 50,000 units.

A federal ministry was created with specific responsibility for housing, urban development and environment. The Federal Housing Authority was established by Decree No. 40 on October 1, 1973, with the following functions:

- the preparation and submission of proposals, from time to time, for national housing programs to the government,
- the making of recommendations to the government on such aspects of urban and regional planning, transportation, communications, electric power, sewage and water supply development as may be relevant to the successful execution of housing programs approved by the government, and
- the execution of such housing programs as may be approved by the government.

On July 1, 1976, the Federal Military Government launched the Federal Mortgage Bank which in addition to its new mortgage functions took over the assets and liabilities of the Nigerian Building Society. The initial money given to this Mortgage Bank for its operations was a sum of 20 million Naira.

Mortgage interest was reduced to 3% and calculated on a discount basis, and a deposit of only 10% of the total building cost was required before a housing project could be financed. Specific guidelines were issued by the federal government to commercial banks to apportion 10% of their loan portfolio to the construction industry (5% for housing specifically).

In April, 1976, the approval procedure for housing plans was limited to 30 days after which owners of such plans were told to regard the plans as approved.

The government decided to start preparing standard residential building designs which will be made available to members of the public at a nominal fee. The government decided to encourage cooperative marketing organizations to establish building materials depots near various housing estates and layouts.

The period of amortization of loans granted by the Federal Mortgage Bank was extended to a maximum of 25 years.

Additional funds for housing were to be raised from private sources such as insurance companies, pension and provident funds and other finance houses.

The federal government decided that each state government should acquire parcels of land in large urban areas for the purpose of developing low income industrial estates.

The basic infrastructural works will be undertaken or financed by the Federal Military Government which will then turn over the land to commercial and industrial firms and other large employers of labor for the purpose of constructing houses for their workers. In addition to the provision of free land and the development of the basic infrastructural facilities, the federal government will also be responsible for up to one-third of the cost of building the houses.

Each of the 19 states in the Federation was required to establish a housing corporation to cater to housing matters within the state.

ACHIEVEMENTS

As of September 6, 1977, a total of 24,000 housing units had been completed in Lagos and the various states of the Federation under the national housing program at a total cost of about ₦530 million. These houses were all balloted for and the successful winners have since moved in.

The government decided that each successful winner would be given a moratorium period of three years during which he will be regarded as a tenant of the Federal Housing Authority. The rent payable during this period will be 20% of the income of the winner if he is salaried or one-twenty-fifth of the cost of construction of the houses per annum if he is self-employed.

If the winner behaves as a good tenant during the moratorium period, his house will then be sold to him after the expiration of the three years.

GOVERNMENT'S CURRENT DYNAMIC POLICIES IN HOUSING

In order to achieve faster program implementation in housing, on September 6, 1977, the Federal Military Government decided to decentralize the national housing program giving full autonomy to each state government in the implementation of the 8,000 housing units in the state.

The distinction between the federal and state aspects of the national housing program also ceased to exist as of this date.

The Federal Housing Authority still has overall responsibility for the program from the point of view of ensuring that basic standards are complied with and from the point of view of monitoring and reporting progress to the Federal Military Government through the Commissioner for Housing. This authority is responsible for implementing the 46,000 housing units in the Lagos area during the plan period. The authority is also responsible for all research matters and for providing technical assistance to the state governments on request.

In recognition of the fact that land availability in Nigeria constitutes the largest

constraint to the faster provision of housing stock, a land-use panel was set up by the government and, on the basis of the recommendations of this panel, the Federal Military Government decided to promulgate a decree vesting the ownership of all undeveloped land in the state to the military governor of the state and the local government councils.

No individual in any urban area now owns more than half an hectare of undeveloped land within the urban area.

The rights of farmers in the rural areas are adequately protected by this new decree in view of the fact that they will have unrestricted access to their farmland, and where such farmland is required by the government for public use, in addition to paying the farmers adequate compensation for all economic crops and trees on the farmland, the government will make alternative land available to such farmers.

This decree is definitely a bold attempt to end the obnoxious activities of land speculators and to increase considerably the production of housing stock.

CONCLUSION

This paper highlights the vigorous and dynamic effort of the Federal Military Government of Nigeria to provide houses in large numbers for the people and especially for those in the low-income bracket. The ultimate objective of the government is that every Nigerian should eventually own his or her own house, but until that objective is achieved, the government recognizes the need to regard housing as an investment priority in order to keep the level of inflation in Nigeria within control and to assure the health and happiness of its people.

UPGRADING AN EXISTING SETTLEMENT IN GHANA: A CASE STUDY OF ASHAIMAN (TEMA)

by the Delegation from Ghana

For the past two or three decades, there has been such an increasing pressure on the housing market in Ghana, that varied attempts by the government to provide solution to this problem by evolving a housing policy, which extends from the development of housing estates by state agencies and the establishment of building societies and home mortgage loans to the organization of cooperative housing agencies and roof loan schemes, have all proved inadequate to the task.

This problem has arisen as a result of the increase in the national population (which is about 2.8% per annum) and, more important, the high rate of migration into towns. In the study area, the rate of migration is about 8% per annum and is the highest wave of migration in the country. As a result of this pressure, most of the migrants being low-income earners are forced to stay in relatively low rent structures in the slum sections of the urban areas. This paper will attempt to examine the living conditions of the people residing at Ashaiman, a suburb of Tema, and make recommendations for improving the environment.

As already discussed, the shanty town of Ashaiman, with a population of about 68,000 in 1978, grew up spontaneously as a direct result of the construction of a harbor at Tema and the subsequent establishment of an industrial New Town around the harbor. Tema was then a small village with about 2,000 inhabitants, and it became necessary to resettle the inhabitants in a new fishing village before the beginning of construction on the site. The indigenous population of Tema were unwilling to be resettled with the people who did not originate from the village and who were termed "strangers." Consequently, the indigenous people of Tema were resettled in Tema Manhean and the government directed that the nonindigenous population of Tema should be resettled in Ashaiman. Thus began the growth and expansion of the small village of Ashaiman. Originally, it was envisaged that the inhabitants of Ashaiman would later be rehoused in one of the planned communities in Tema New Town. However, the population growth of Tema was so rapid that there was an acute shortage of housing in the planned township of Tema. The new communities built had many applicants on the waiting list, many of whom were more affluent than the inhabitants residing at Ashaiman, where all kinds of services were nonexistent. In the meantime, additional job seekers with no accommodations flocked to Ashaiman with a resulting increase in population.

As a result of the policy that Ashaiman was to be a stop gap for those without shelter until they could be accommodated in communities in the planned township, the early settlers built a squatter settlement of temporary structures around the market.

The houses which were haphazardly sited were constructed mostly with packing cases or metal scraps with galvanized iron or aluminum as roofing materials. In this part of the settlement, there are ill defined land uses and every available open space has been built upon. Spaces between houses were purely accidental.

When the administration realized that the situation was getting out of hand, an area to

the west of the settlement was laid out for future expansion of the settlement. This area comprises houses built with standard building materials on an average plot site of 14 meters by 14 meters. This part covered 100 acres. Though the buildings are structurally sound, extensions to the original house design have completely created an overbuilt, crowded environment. Such undesirable conditions have worsened with the filth of the entire surroundings. The need to improve the environment is readily recognizable, but at the same time, the size of the problem suggests that very careful studies and analysis are needed in order to make maximum use of the resources that are available. It is also realized that problems in Ashaiman have broader implications. Conditions in Ashaiman directly affect the Tema township since Ashaiman has the highest proportion of factory workers compared to any community in Tema or in Accra. Problems in the living conditions of workers in Ashaiman would therefore adversely affect the productivity and national output of the work force of the industries in Tema. Ashaiman seems to provide a living environment for the low-income industrial workers of Tema, since it is difficult and expensive for them to get houses in the planned area of Tema. For these reasons, empirical data was collected for a study of the problems of Ashaiman with the following objectives:

- to determine the socioeconomic characteristics and financial capabilities of the residents of Ashaiman;
- to assess the life style of the people;
- to measure the housing conditions of the community and determine both community and domestic services available to the people.

COLLECTION OF DATA

Data for the study was collected by personal interview and all 187 houses located in the old sectors of Ashaiman were covered. This represents about 6% of the entire housing stock which is estimated at 3,200 houses. Interviews were conducted with heads of households only.

RESULTS

Origin

The Ashaiman population is mainly Ghanaian with all the regions fairly represented as shown in Table 1.

TABLE 1—Region of Origin

Region	*Number*	*Percent*
Northern & Upper Regions	32	12.5
Ashanti & Brong-Ahafo Regions	17	6.54
Western & Central Regions	32	12.5
Eastern Region	40	15.63
Greater Accra Region	40	15.63
Volta Region	95	37.10
Other West African countries	9	0.08
Total	265	100

The conclusion can therefore be drawn that migration to Tema originates from all regions of the country with the Volta Region topping the list with 37% and Ashanti and Brong Ahafo Regions having the lowest number of migrants, that is, about 6% of the total.

Population Estimate of Ashaiman

With the total number of house at 3,200, an average number of seven households in one house and three persons in each household, the total number of people in Ashaiman is approximately 68,000.

TABLE 2—Length of Stay in the Settlement

Duration	*Number*	*Percent*
Less than one year	28	10.6
1 - 5 years	142	53.6
5 - 10 years	59	22.3
Over 10 years	24	9.0
All their life	12	4.5
Total	265	100

Length of Stay in Ashaiman

The results indicated that majority of the residents moved to Ashaiman in the last five years (Table 2). With the inadequacy of accommodations in Tema, job seekers who come

to the industrial city find their way to Ashaiman hoping to move to Tema when accommodations are found. Invariably, Ashaiman becomes their place of abode as long as they have a job in Tema.

Number of Households in a House

TABLE 3—Number of Households in a House

Households	*Houses*	*Percent*
1 - 3	23	12.3
4 - 6	54	28.9
7 - 10	57	30.5
11 - 15	26	13.5
16 - 20	16	8.5
More than 20	11	5.9
Total	187	100

From Table 3 the average number of households in one house in Ashaiman is calculated to be seven. Most of the households live with other people sharing facilities and having little privacy.

Even though the majority of the households occupied just one room, all the houses in Ashaiman had more than one room.

TABLE 4—Number of Habitable Rooms in a House

Habitable Rooms	*Houses*	*Percent*
Less than 5	33	17.6
5 - 10	100	53.5
11 - 15	38	20.3
16 - 20	14	7.5
More than 20	2	1.1
Total	187	100

One can therefore infer that most of the people shared a compound. Since all the rooms for each household were used for sleeping purposes only, tenants had to share such facilities as bathroom and toilet (if available). One is tempted to say that the houses were originally built for one family in line with the extended family system which prevails in the villages. With the increase of population and accommodation seekers, however, rooms meant for services like kitchen were let out to tenants and improvised extensions made on others.

Relationship of People in the House

Most of the people in the households of Ashaiman were closely related to the head. The nonrelated members formed only 3%. Most of the relatives were either wives or children of the head. Of household members 21% were wives of the head and 41% were children. Only 6% were close relatives.

The study also revealed that there were more males than females in Ashaiman. In the

sample 54% of the people were males. This could be explained by the fact that the people of Ashaiman provide a substantial proportion of the labor force in Tema which mainly employ male workers.

Religious Denominations

TABLE 5—Religious Denominations

Denomination	*Number*	*Percent*
Catholic	257	27.5
Protestants	265	28.3
Moslems	111	10.8
Spiritualists	80	9.6
Pagans	222	23.8
Total	935	100

The religious denominations of the people of Ashaiman is shown in Table 5. More than half of the population were Christians, while 24% were pagans. Eleven percent were Moslems, and this might be explained by the fact that Ghana is predominantly a christian country.

Age Structure of the Population

TABLE 6—Age Structure

Age	*Number*	*Percent*
0 - 3	102	10.9
3 - 6	94	10.1
6 - 15	152	16.3
15 - 21	111	11.9
21 - 55	457	48.9
55 - 65	15	1.6
Over 65	4	0.3
Total	935	100

A majority of the respondents were between the working ages of 15-55 (Table 6). Almost half were between the ages of 21-55, while preschool children formed 21% of the population and 12% were people between the ages of 15-21. Thus it can be said that the population of Ashaiman is relatively young and productive.

Education

TABLE 7—Level of Education

Type of Education	*Number*	*Percent*
Formal education	434	46.4
Elementary	421	45.0
Vocational	15	1.6
Commercial	3	0.3
Technical	21	2.2
Secondary	39	4.2
Post Secondary & above	2	0.3
Total	935	100

Almost half of the people of Ashaiman had no formal education. A majority of those who were educated had only an elementary school education. The results showed that the educational level of the population studied was low.

Employment Status

TABLE 8—Employment Status

Type of Employment	*Number*	*Percent*
Self-employed	150	39.0
Private Firm	87	22.6
Government Establishment	148	38.4
Total	385	100

The employment pattern of the working population is shown in Table 8. Of the working population 39% were self-employed, 38% were employed in government establishments and 23% were employed in the private firms. Furthermore, 30% of the people who worked were traders, 26% were either technicians or artisans, 17% were factory workers and 12% were clerical workers. As can be expected from the low level of education of the residents, most of the people in Ashaiman were either unskilled workers or semi-skilled workers and their incomes were consequently low.

Income

TABLE 9—Annual Income from Principal Occupation

Annual Income	*Number*	*Percent*
Below ¢600	44	11.4
¢ 600 - 1,000	21	55.6
¢1,001 - 1,500	20	5.2
¢1,501 - 2,000	11	2.8
¢2,001 - 2,500	8	2.1
¢2,501 - 3,000	4	1.0
Above - ¢3,000	2	0.5
No. Response	82	21.3
Total	192	100

The income pattern of the Ashaiman working force interviewed is shown in Table 9.

More than half of the working force reported to be earning between ₵600-1,000 per annum. Eleven percent were earning below ₵600 annually, only 0.5% reported to be earning above ₵3,000 annually in Ashaiman. The people of Ashaiman are among the lowest-income group of people in the country and only a limited amount of money is invested in housing. A greater proportion of the people's earnings is used to buy food.

Subsidiary Jobs. Very few people in Ashaiman had subsidiary jobs in addition to their main jobs. The results of the survey showed that only 9% of the respondents had a second job. The monthly income obtained from such subsidiary jobs varied from less than ₵50 to ₵100 and ₵150. A majority of the people with subsidiary jobs earned less than ₵50 a month. It can be said therefore that subsidiary jobs do not provide a reasonable source of income for the people of Ashaiman.

Monthly Savings. Most of the heads of households in Ashaiman reported no monthly savings. Sixty-four percent of the heads saved nothing monthly from their salary, 6% saved less than ₵10 monthly, and 14% saved between ₵10-20 a month. The savings of 13% of the heads ranged from ₵20-50 and 3% had savings of over ₵50 a month. The savings pattern of people usually represents their investment potential. The latter is therefore low for Ashaiman.

Place of Work and Transportation

TABLE 10—Place of Work

Place of Work	*Number*	*Percent*
Ashaiman	58	21.9
Tema	172	64.9
Accra	35	13.2
Total	265	100

TABLE 11—Means of Transport

Transport	*Number*	*Percent*
Foot	53	20.0
Bicycle/Motor Cycle	5	1.9
Taxis	6	2.2
Bus	23	8.7
Trotro	98	36.9
Company Bus	80	30.3
Total	265	100

A majority of the residents in Ashaiman either worked in the settlement or Tema; 65% of the respondents reported that they worked in Tema while 22% worked in Ashaiman. Of the respondents 13% worked in Accra but lived in Ashaiman. Ninety-six percent of the respondents had no means of private transport. The 4% who had some transport had either motorcycles or bicycles. Thirty-six percent of the respondents reported they used "trotro" to work. Trotro is a commercial vehicle owned by individuals. It is usually a mini-bus or mammy wagon. The fares are only slightly higher than that of the municipal bus which is government-owned. However, the trotros are more regular than the

municipal buses as a means of transport and they are the most popular transport used by the residents of Ashaiman.

Household Facilities

TABLE 12—Type of Toilet

Type	*Number*	*Percent*
Bucket	80	30.2
Aqua Privy	57	21.5
Water Closet	5	1.9
Open spaces Bush	123	46.4
Total	265	100

According to the results of the survey, only 33% of the Ashaiman households used private toilets. Of the residents 67% used public toilets. For the purposes of the study, open spaces were considered public toilets. The types of toilets used by the residents of Ashaiman are shown in Table 12. Almost half of the residents used open spaces/bush for defecation. Thirty percent of the respondents used the bucket type and 2% used water closets. The bucket toilet and water closet types were privately owned. Of the 14 households 65% who had their toilets removed reported that the removal was regular and 35% said the removal was irregular.

Asked whether they were satisfied with their toilet facilities, 74% answered negatively and 26% said they were satisfied. Some of the reasons given for dissatisfaction were the lack of maintenance of the toilets and the long distances people had to walk to go to the toilet.

The provision of toilet facilities appear to be one of the priority undertakings to be considered when plans are being made for the improvement of the settlement.

Of the 70 respondents who reported to be satisfied with their toilet facilities, 47% said they were satisfied because the toilets were available, 37% said the toilets were clean and 16% said they were satisfied because the toilets were regularly removed.

Bathroom. Of the people interviewed 93% reported to have access to private bathrooms. Of this percentage, 59% had bathrooms in their houses, i.e., on the compound and 41% had their bathrooms outside their houses. Respondents with bathrooms outside their houses probably shared them with other houses so that the bathrooms were communal though not public. Sixty-one percent of the respondents reported to be satisfied with their bathroom facilities. The results showed that a greater percentage of the respondents were satisfied with their bathroom facilities than with their toilet facilities. People were not satisfied with their bathrooms for a variety of reasons, some being the lack of privacy, the inadequacy of the bathroom, the unhygienic conditions prevailing, the lack of maintenance and their distances from the house.

Reasons given for satisfaction of bathroom facilities include the cleanliness of the bathroom, the fact that the bathrooms were well built, convenient to use and safe.

Cooking Facilities. Only 14% of the people interviewed in Ashaiman cooked in kitchens in their houses, 23% cooked in front of their houses, 44% cooked on the veranda and 19% cooked in the yard of the compound. With regards to the fuel used, a majority of the respondents used charcoal. Eighty-eight percent of the households used charcoal for cooking, 6% used firewood and another 6% used either gas or electricity. According to the results of the study, 89% of the respondents were not satisfied with their cooking facilities, and 11% were satisfied. Some of the reasons given for dissatisfaction with cooking facilities were as follows:

- Cooking space was too open, too small and dirty;
- No cooking facilities were available or they were not well built.
- Out of the 30 people who were satisfied with cooking facilities in Ashaiman 40% said the places were well built, 33% said their kitchens were hygienic and 27% said they were spacious.

Water. Eighty-one percent of the people interviewed had access to pipe-borne water, and 81% got their water from public stand pipes. Of the people interviewed 86% fetched water from distances less than 440 meters away. There people included tenants who had pipes in their houses. Nine percent fetched water from a distance of 440 meters, half a kilometer and 5% fetched water up to one kilometer from their houses. These people probably include residents who were unwilling to pay exhorbitant prices for their water and had to walk to free public taps far away from their houses.

Type of Light Used in Houses. Of the respondents interviewed 75% used kerosine lamps in their houses and 25% used electricity. When asked to state why electricity was not used, 57% of the nonelectricity users said the power was not available, 44% said they could not afford the use of electricity, and 1% had their electricity disconnected.

Community Facilities

Disposal of Waste Material. Of the respondents in Ashaiman 64% said they used the public refuse dump for the disposal of garbage, 35% reported they threw the refuse anywhere available and 1% claimed access to removable dustbins.

With regard to waste water disposal, 73% said they threw waste water just outside the house, 15% reported that their waste water was disposed through channeled open drains and 12% said their waste water was thrown into unchanneled open drains. The indiscriminate disposal of waste water in Ashaiman has resulted in the presence of standing pools of water all over the settlement. Such pools of water formed a good breeding ground for mosquitoes and other diseases since children also take delight in playing in such waters.

Mode of Communication. Of the respondents 95% posted their letters in the Ashaiman post office, 3% posted their letters in Tema and 2% said they seldom wrote letters. Only one person had a telephone among the people interviewed.

Shopping. Most of the people interviewed in Ashaiman reported that they did their day-to-day shopping in the settlement. Of the respondents 97% bought their things in Ashaiman, 2% did their day-to-day shopping in Tema and 1% shopped in Accra. The 3% who shopped outside Ashaiman might be among the people working outside the

settlement and most probably traders, who found it easier to buy things after their days' work. Out of those who shopped in Ashaiman, 60% bought from roadside kiosks, 23% from tables in open spaces and 17% bought from people's houses. Also, a majority of the people in Ashaiman did their weekly marketing in the settlement, 96% went to the Ashaiman market. It appears that the facilities in the settlement serve the residents and their improvement will be worthwhile.

Health. The majority of the residents visited the government clinic in Ashaiman when they were sick, 70% of the respondents went to clinics in Ashaiman and 30% went to clinics or hospitals in Tema. Probably the people who reported that they went to clinics in Tema worked in industries providing health facilities to their workers.

Of those needing maternity care 83% obtained it from the clinics in Ashaiman while 15% went to private midwives and 2% got their maternity care from traditional midwives.

Worship. The majority, i.e., 79% of those interviewed said they worshipped in Ashaiman. Only 3% said they went to Tema township and the remaining 18% were pagans who did not worship at all. The majority of the people who worshipped in Ashaiman went to permanent buildings of worship. Only 5% worshipped in temporary structures while 17% went to temporarily housed buildings. These include classroom blocks which were not used during the weekends.

Recreation. Sixty-nine percent of the respondents preferred outdoor recreation and 31% indoor games; 35% of the people who preferred outdoor recreation watched football, 32% enjoyed going to the cinema, 14% preferred dancing, 11% liked to drink outside their homes and 7% attended concerts. Fifty-nine percent of the people who preferred outdoor recreation pursued it and 41% did not. The majority of the people were unable to pursue their preferred recreational activities due to a lack of facilities in the settlement. The rest could not afford the transportational cost or the admission fees of their preferred activities.

Almost all the children in Ashaiman, 97% of the households with children, played either in the courtyard or around the houses in Ashaiman. There were no defined playing grounds for children in the settlement.

Accommodation

Most of the people living in Ashaiman were tenants, for, according to the results of the survey, only 13% of the heads of households interviewed were landlords. Out of those who owned houses, 83% built the houses themselves while the rest of the house owners either inherited them or lived in family houses.

When respondents were asked to state what they disliked about their accommodations, 45% said they had inadequate domestic service or lacked such services completely, 18% thought the room sizes were too small for their family needs, 17% reported that their accommodation conditions were not sanitary.

Respondents were also asked to state what they disliked about their housing environment: 31% said their environment was too noisy, 21% did not like the absence of amenities like electricity, pipe-borne water and good roads, 20% disliked the presence of unsightly scenes, such as dirty garbage and pools of water all over the settlement, 14% did not like

the presence of undesirable elements, for example, thieves in Ashaiman, 13% said they liked the environment and 1% said it was too far from their place of work.

TABLE 13—Monthly Rents Paid by Tenants

Rent	*Number*	*Percent*
₵0 - 5	54	23.5
₵5 - 10	144	62.6
₵10 - 15	21	9.1
₵15 - 20	3	1.3
More than 20	8	3.5
Total	230	100

On the average, rents paid by Ashaiman tenants were low. As discussed earlier, however, most of the households occupied only one room. Twenty-four percent of the tenants paid below ₵5 a month and 63% paid between ₵5-10 monthly (Table 13). However, with such low rent payments, 57% of the tenants still thought their monthly rents were too high, 40% felt the rents were fair and 3% reported that the monthly rents paid for accommodation were too low.

The majority of the respondents would like to own their houses according to the results of the study: 81% would like to own their houses, 10% would like to rent a public house and 9% would like to rent a private house.

Housing Preference

The people interviewed were also asked to state the type of house in which they would like to live. It is interesting to note that 45% of the respondents said they would prefer compound houses, 34% would like to live in detached houses, 7% would like semidetached houses and 6% would like to live in row houses while the remaining 8% of the respondents did not mind the type of house in which they lived. It may be deduced that the residents of Ashaiman were accustomed to living in compound houses in their rural settlements and have come to appreciate the companionship that can be provided by such living environments. The equally high proportion wishing to live in detached or semidetached houses may indicate the residents' need for privacy in such facilities as toilets, bathrooms, kitchens, etc.

Capabilities of the Residents

The survey investigated how best to help the people of Ashaiman improve their housing conditions and the contributions they could make towards such improvements. Questions were asked on the building skills residents possessed: 74% of the respondents had no building skills, 13% had bricklaying skills, 6% could do masonry work and another 6% could do carpentry. When respondents were asked whether they were prepared to take on self-help projects, 73% said they would be willing, 19% did not want to take on any self-help project and 8% did not respond. This indicates that though the residents were willing to help themselves, they did not posses many skills but could offer extensive communal labor. This could be exploited in any planned community projects.

The majority of the residents did not belong to any community organization: 73% did not belong to any organization but 14% belonged to organizations for ethnic members, 6%

belonged to religious organizations and another 6% belonged to other socioeconomic organizations. These few organizations could form nuclei around which the residents could be organized.

SUMMARY OF PROBLEMS AND STRATEGIES FOR SOLUTION

Layout and Structures

The old sector of Ashaiman could be subdivided into two sections with regards to layouts and types of structures. The first can be found in the squatter area (located in the east) with haphazard arrangement of structures built of temporary materials like packing cases, iron sheets, etc. The second section comprises houses built with sandcrete blocks and roofed with corrugated iron sheets. The houses are arranged in a somewhat gridiron pattern with wide lanes which could be used for motor vehicles, but which are undeveloped.

The problem of the squatter area is that of redevelopment. This has been identified by the national government and placed under the "site and services scheme" with financial assistance from the World Bank. By this strategy it is proposed that the temporary structures would be demolished and residents given all the necessary assistance and technical advice to put up their own houses according to their needs on plots with well-serviced infrastructural facilities.

The second area would be much more difficult and uneconomical to redevelop, and the strategy adopted so far has been amelioration of the layout with provision of defined access roads, lanes, public toilets, playgrounds and other community facilities to improve the housing environment.

It is worth mentioning that portions of the town outside these two areas have been provided with layouts by the Tema Development Corporation, and plots are leased out to individuals for housing and related uses.

Sanitation

The environmental situation, as far as sanitation is concerned, is deplorable. The town lacks adequate streets, and public drains and waste waters from houses have formed pools of water which are good breeding grounds for mosquitoes, not to mention the obvious danger to children playing in the pools. Open spaces are also unkept and in most cases misused for public convenience because of inadequacy and unequitable distribution of toilet facilities.

The strategy adopted for solving the problems are associated with the amelioration program (estimated at about ¢3 m) mentioned previously. More public conveniences have been zoned in the old sector, and they are distributed in such a way as to serve all sections conveniently. It is also proposed that more streets and public drains be provided to carry household wastes. Refuse disposal points with garbage dustbins are to be increased to about 40, i.e., one per 1,500 to 2,000 people. They are also to be conveniently distributed to be easily accessible to residential groups.

In the new sectors of the town it is a precondition that all houses have their own toilets and baths with individual house septic tanks, pending the development of a central sewerage system. Building plans are only considered after all these necessary conditions have been satisfied.

Population and Housing

With an estimated population of 68,000 people accommodated in about 3,200 houses, Ashaiman contains the highest population of factory workers in the industries at Tema (according to a recent industrial survey conducted by the research unit of the Tema Development Corporation). It could therefore be concluded that the poor housing and environmental conditions in Ashaiman would directly affect the industrial output in Tema.

The house occupancy rate is about 21 persons per house with an average of seven households of three persons each. The families occupy one room each, on the average, and share all facilities in the houses, i.e., kitchen, bathroom, toilet, (if any) etc. Therefore, there is overcrowding in houses with consequent overtaxing of services and accompanying inconveniences.

It it envisaged here that the amelioration efforts mentioned earlier, e.g., in the provision of public conveniences with public baths, would supplement domestic services in the old sector. At the same time, the building of more houses in the new sectors would improve and increase the housing stock. This is in the absence of any immediate plans for T.D.C.'s direct involvement in Ashaiman housing aside from the 60 low-cost houses built earlier.

Employment and Incomes

Since almost half the people of Ashaiman had no formal education and the majority of the educated ones had only the basic elementary education without any skills, most workers are either factory hands or laborers. The other main occupation is petty trading. Incomes are therefore generally low with more than half the working force earning below ₵1,500 per annum.

The aforementioned are indicators of a weak economic base for the settlement and largely account for the low standards of living.

It is hoped, however, that the completion of a new market started by the Tema District Council would afford wives the opportunity to trade and supplement the incomes of their husbands. And with the increase of light industrial activities in a planned industrial zone, incomes of residents would increase and the townsfolk would help reshape their living conditions and consequently enjoy a better standard of living.

THE HOUSING SITUATION IN MALI

by the Delegation from Mali

BACKGROUND

To gain a fuller understanding of the motivations behind the housing policy in Mali, it would be helpful to locate the geographical position of the country.

The Republic of Mali, which covers an area of 1,240,000 km², is an inland country with no access to the sea. Located in the central part of West Africa, it stretches in latitude from the 10th to the 25th parallel and in longitude from the 12th W to 40°15′ E.

The Republic of Mali is bordered:

- on the north by Mauritania and Algeria
- on the southeast by Niger
- on the south by Upper Volta and the Ivory Coast
- on the southwest by Guinea
- on the west by Senegal.

The population of Mali is 5.5 million, and its inhabitants are mainly situated in the southern part of the country where the population density per km² is 14 inhabitants, i.e., almost three times the national average (five persons/km²).

The climate in the southern part of the country is tropical and is characterized by a rainy season which lasts from June to October, during which the average annual precipitation is 500 to 1300 mm, depending on the latitude. During the rainy season, there are heavy thunderstorms. In August, the rainfall reaches a maximum of 350 mm.

The northern part of the country has a Sahalien, desert climate. Here, the rainy season lasts for a maximum of two to three months, and the average annual precipitation is from 25 to 300 mm, depending on the latitude.

Due to these conditions and the fact that the economy of Mali is predominantly agricultural, housing today tends to be scattered. This is perhaps due to the existence of seasonal farming camps which depend heavily on the real villages, instead of being actual settlements which some day could become autonomous although they are already potential small villages. However, housing in Mali cannot be compared with housing in Europe where the differences between isolated or dispersed housing and grouped housing can be discussed endlessly, and where it is possible to trace their historical origins.

In Mali, this problem does not exist: the people live primarily in villages. Our rural areas are in fact strewn with villages. Our government estimates that there are over 18,000 villages, and this figure is less than the actual number because to facilitate the census, some of these smaller villages have been grouped together with the larger, more accessible ones. This means that on the average, there is a village every 3 km in the regions inhabited by a nonmigrant population.

The villages are organized according to the life styles of its inhabitants: farmers,

fishermen or cattle raisers who depend on their environment to provide their needs. Thus, the village can be seen as the center of a specific geographical area.

The agricultural structure plays an even more important role due to the fact that houses are surrounded by small lots almost always cultivated with rich crops. These lots surrounding the dwellings have contributed to the decongestion of housing. The masses who had grouped together for protection have thus been somewhat dispersed. This same result can sometimes be seen with cattle raising (small pastures between homes).

Another fact worth mentioning is that the family in Mali is far from being a closed unit. It easily accepts within its fold persons from the outside. Consequently, among the inhabitants of the same village, there is a sort of mystical kinship evidenced in everyday life relationships, and these bonds are even closer because they can be retraced to the very origins of the village.

Let us now look at the village, no longer from the outside, but by stepping into its streets and alleys and observing the houses themselves. Houses are not only a means of protection but also a principle of social organization. If, on the one hand, the typical family in Mali is large (eight persons per household), it is, on the other, very compartmentalized. To exist, it must adhere to a structured hierarchy. The home is the tangible expression of these concepts, the means to put them into practice. First of all, every head of a household owns his own house; he cannot rule unless his independence relative to others is physically defined by land ownership; this is how he has authority over people as well as things.

Housing construction also poses definite problems. First, there is the problem of materials which must, by necessity, be found locally due to the fact that materials are almost exclusively transported in small baskets carried on people's heads. The lack of variety in resources has not facilitated modern construction, and a great deal of ingenuity had been required to adapt local materials to modern construction before adequate means of transportation were developed. Naturally, traditional construction depends closely on the natural environment, and this accounts for its uniformity.

In many areas, it would be possible to build houses with hard materials. Stone, such as sandstone and dolerite, can be found in abundance in old ground formations. It can also be found elsewhere, at least south of the 14th parallel, in the form of iron conglomerates. However, numerous problems make its use difficult. These rocks, which are often very hard, cannot easily be made into blocks, and irregularities in these blocks make them difficult to assemble and stack. Tools are rudimentary and poorly adapted. They do not efficiently break the stones; squaring an ordinary piece of laterite seems like a long, tedious task.

In addition, there is no material available capable of binding the stones sufficiently and cohesively so as to give the unit real strength and durability. Nevertheless, in many areas foundations are built with stone blocks produced locally and sunk into the ground; and except for the Dogon region where this practice is common, this does not seem to be a method systematically used.

Primary shale slabs offer some advantages as they can be easily obtained in large, thin slabs and are perfectly suited for covering floors and even for erecting walls. They are

used only for thresholds and have been used for walls on an exceptional basis in a few Tatas such as the one built in 1854 in Koniakari by El Hadji Omar which is in the shape of a square with sides approximately 100 meters, which is fairly large.

Although the population of Mali is primarily rural, cities have been expanding rapidly since the Independence. From 1970 to 1975, the urban population has grown at an annual rate of 4.5%. In 1975, Bamako, the capital, had a population of 350,000 inhabitants and an annual growth rate of 7%. Other cities, accounting for about 65% of the total urban population in 1975, are also developing at an annual rate of 4%. Each year the urban population increases by 15,000 inhabitants due to migration and by 19,000 due to normal growth.

However, in Bamako, about 65% of the growth recorded between 1970 and 1975 can be attributed to rural migration. Even though our urban expansion is slightly lower than in other Sahelian countries and is less concentrated in the capital, a definite growth process is nevertheless in progress.

According to the estimates of the United Nations, from 1975 to the year 2000, the annual growth rate for the total population in Mali will increase from 2.4% to 2.9% and the number of inhabitants from 5.7 to 11.2 million. The urban population will increase from 766,000 to 2,500,000 inhabitants and its percentage of the total population from 13% to 23.0%. At the present growth rate, the population of Bamako would increase from 350,000 in 1975 to 1,890,000 in the year 2000, this hypothesis obviously being hardly probable. It is, however, quite possible that Bamako will have 1,500,000 inhabitants by the year 2000, almost 5 times the present population. We can also expect that the other cities will also develop rapidly and that their population will double during this period.

PROVIDING URBAN SERVICES

Because of the rapid increase in population, supplying the necessary services to the urban population of Mali poses serious problems. The data we have available on the types of services offered to the different categories of families in Bamako leads us to believe that many of these problems must be resolved before it would be reasonable to undertake programs to improve urban services. Among these problems, let us cite existing standards, the level of recurring charges relative to demand and the ability of urban households to repay all debts, subsequent recovery of development costs and other problems such as the servicing of available sites in Bamako, utilization of the old airport site, creation of employment centers south of the Niger River, and development standards for the outlying districts.

Due to the lack of viable institutional and financial aid for the urban sector, the government of the Republic of Mali has requested the World Bank to finance a unified, integrated plan which eventually would make it possible to control the key factors in urban development. This plan has the following objectives:

1. establish a viable institutional and financial framework which would ensure the supply of urban services to the underdeveloped classes, notably in housing, water supply, sewage system and public health, by improving the infrastructure and the collective facilities in existing districts and by establishing a sites and services pilot project in Bamako and in three other cities in the country;

2. improve the maintenance of existing drainage, water supply and sewage systems;
3. create employment in the urban sectors by encouraging small businesses and the traditional sector;
4. grant loans and materials for the construction and improvement of housing;
5. establish a 10-year investment program for the city of Bamako.

Prior to these actions, the government had already, in 1961, created SEMA and in 1971, the National Housing Bank (Fonds National du Logement).

The objective of SEMA (Société d'Equipement du Mali) is to promote, at the request of and for the government or the secondary organizations of Mali, the design and development of facilities capable of encouraging development in Mali.

For this purpose, this society undertakes all studies and arranges all personal loans and housing loans relative to the objectives previously defined, it also participates in all of these.

The National Housing Bank was created in March, 1971, and is designed to finance housing programs developed by competent organizations approved by the Ministry of Housing. This bank is funded by:

1. a special tax called "housing tax" paid by employers in the public and private sectors; and
2. gifts, legacies, subsidies and other resources. The collection of the "housing tax" is guaranteed by the delegated director of the National Housing Bank. For this purpose, the employers working in the territory of the Republic of Mali send him:
   - each month a gross salary statement of their personnel—to this statement is attached a document attesting that the monthly housing tax has been paid to the National Housing Bank;
   - every three months, a list of names of the active personnel and their paid gross salaries—we can specify here that the product of the "housing tax" is equal to 1% of the total gross salary.

The National Housing Bank is directed by a management committee which is responsible for channelling funds and controlling their use. This committee is presided over by the Minister of Housing and consists of: a representative from the Ministry of Labor, a representative from the Ministry of Finance, a representative from the Legislature, a representative from the National Unions, a representative from the Chamber of Commerce, a representative from the Development Bank of Mali. The management committee convenes twice a year upon convocation by its president, who also decides when extraordinary sessions will be held.

SHELTER PROBLEMS IN MALAWI

by Francis K. Sazuze, Deputy General Manager, Malawi Housing Corporation, Malawi

CHANGES AND PROBLEMS

To the ordinary Malawian, a shelter or a house is a place to retire at night after a day's work. It is also a storage structure for the most valuable belongings. Most of his activities are undertaken in the open surroundings. The universe is part of his working environment. For a rural man in Malawi, shelter is not a problem.

The above statements should, however, not be taken to mean that Malawi does not have shelter problems. With the advent of foreign innovations, changes in culture patterns brought other problems. Shelter became a place not only to retire at night and store valuables but also a place in which to live.

Shelter in round formation is traditional and has its origin in our various traditional activities. Circular or semicircular formation is very dominant in most rural areas of Malawi.

In most urban areas traditional relationships, in functions and utilization of services, between child and parent within a house are broken down. This is more evident in our urban housing. In order to accommodate the traditional pattern, the urban building standards and values have also changed at a cost.

These days people prefer compartments, separateness as opposed to the open surroundings. These days round houses mean backwardness and square shapes have replaced them. As we all know, the change from round shapes to square or rectangle shapes brings problems of anchoring and construction. These problems may appear simple for the urban and technical man, but they are complicated to the rural man.

All these changes have brought shelter problems to our nation at a rate that does not equal the means not only to accommodate but also to solve the problems.

Admittedly these changes and shifts are a result of social technology and invention. The rural man drifts to the towns, not to create housing problems but to find employment or participate in the urban economic activity. In fact, the problem in Malawi is the financial resource to meet the ever-growing housing requirements in the urban areas.

Human settlements in urban areas have to conform to the zoning patterns and other framework requirements to which the immigrant finds very difficult to conform. Official plans are sometimes rendered unworkable because the rate of migration by the rural man to urban areas is so fast that the machinery to check on such uncontrolled settlement is made difficult.

SCOPE FOR SOLUTIONS

A policy for housing must have well defined national objectives. Malawi's national objectives in the absence of a comprehensive housing policy are:

- Creation of job opportunities
- Provision of decent housing for all our people
- Provision of good drinking water, electricity, sanitation and good roads

Each country's policies reflect her own needs, resources and aspirations. Economic growth, the natural increase of population, changes in demographic structure, and internal movements of population brought about by industrial development are factors which together constitute the housing climate within which policy formulation should operate.

RURAL AREAS

With the emphasis on rural development, local resources supplemented by sizable contributions from external financiers have made it possible for the country to open up growth centers backed by agricultural development. In past years, Malawians filled up the farms and mines of Rhodesia, Zambia and South Africa. Now things have changed. The people have been told, through the wise leadership of His Excellency President H. Kamuzu Banda, that they can harvest the same or even more "gold" from their own soil. Farming at an employable level has been introduced both with local and foreign money. As a result, a check in the drift to towns has been introduced. In all cases, an element of housing is included. Where the external financiers have been reluctant to include the housing element, the Malawi government, through the Malawi Housing Corporation, has made her own contribution to support the construction of houses in such estates. Traditional housing areas are introduced near such schemes within which services like piped water, roads, electricity, administration centers, schools, clinics and markets are planned and realized.

URBAN AREAS

The stock of houses grows very slowly. Building costs keep rising. Building processes and financing methods together with rent formulae have definitely fallen out of step with realities. Social values and needs far exceed the financial capabilities to pay for them.

HOW MALAWI HAS DEALT WITH UNCONTROLLED SETTLEMENTS

It may be appropriate to analyze first how uncontrolled settlements come about in the Malawian context. Malawi urban areas grow out of villages. Villages are displaced in some areas. In certain situations urban boundaries do extend and in so doing they encompass established traditional village settlements which in turn absorb new immigrants who come to seek or take up jobs in the urban centers.

So here we have a situation where the city structure has invaded the rural man in the first place and eventually it is the city or the town which pushes out the resident of the original village settlement. As you may now see, the situation grows and can only be solved by the full involvement of the Party machinery. Town and physical planners, together with architects, contact the Party for operational guidelines in cases of this nature.

UPGRADING AND DEMOLITION OF HOUSES

The term *demolition* when it is applied to uncontrolled urban housing often has obnoxious repercussions internationally.

Locally: Structures are being demolished which were there before the area was declared an urban area. This is made worse because within that period immigrants moved in, not to settle but first to camp while looking for a job and then after securing a job to build respectable structures as resources permit. Then the solution of demolition came in when said immigrants thought they had rooted themselves. They may be wild at the sight of a

bulldozer, so the diplomatic method has to be used. Chiefs and politicians are invited to lecture on the intended implementation of bulldozing and also on the intended development.

Upgrading is a relatively new term when it is applied to uncontrolled housing. Internationally, this is probably the most accepted solution.

Locally: In our situation when we talk of upgrading, we have the following situation at hand: the village is typically rural, the shelters are laid out traditionally, and there is no conformity to the urban structures.

When we talk of upgrading in Malawi, we think of providing the rare amenities like piped water, good graded or tarmac roads, electricity and sewer lines.

Where the infrastructure is very difficult to provide or where the number of houses demolished for the sake of providing the infrastructure totals up to an appreciable figure, we then end up resettling every one from an area. But where the structures to be demolished for laying of waterpipes, sewerage and road alignment are relatively few, then upgrading is made easier.

Upgrading becomes the solution only when you have already patterned the layout and all you are doing is simply providing the mentioned services and in some cases improving the materials used in the construction of the structures themselves.

WHO SHOULD BUILD

Rural Areas

In Malawi we believe in self-reliance in its practical terms. A man worth that definition should be able to clothe himself and his family, feed himself and his family and be able to provide shelter for himself and his family. In the past, the provision of a shelter did not call for enormous capital in terms of money. The spirit of togetherness and self-help solved most of the labor that is now only solved by hiring skilled artisans.

Now with the government's drive on rural development, the rural man, through his transition from subsistence living to monetary economy, centered on farming, is able to improve his housing conditions. The government is only concerned with the improvement of the environment by the gradual process of providing good roads, piped water and hospitals or clinics and electricity.

Urban Areas

The situation in urban areas is different. All the people's living habits are controlled by their earning power. They have to budget for almost everything. As a result, they cannot afford to build themselves decent houses which conform to the required standards.

The housing and income survey for major urban areas conducted by the National Statistics Office in 1967 revealed that the majority of our urban population cannot afford to pay the economic rent of a permanent house built by the private sector. It is only when such housing is subsidized that the problem for the tenant is solved. Other means of solving the problem had to be found. Thus a housing authority had to be instituted to look into the problems of housing the nation as a whole.

PROBLEMS FACING THE HOUSING CORPORATION

Probably there is no need for stating the obvious problems of financing such a housing scheme for a whole nation. Two most obvious constraints other than money are (1) standards and (2) building process.

It is difficult to find a solution for people who cannot pay for the high standards they demand. This is made more difficult when the building process employed in mass-housing has some rigidity in concept. The user dictates standards, the Housing Corporation gives him a finished product, a house which is basically unchangeable while the user's needs and life are of a progressive nature. So the obvious result is dissatisfaction. In most cases such dissatisfaction results in even higher standards in the next house designs. As a result you build less and less because you have to meet the new requirements, not forgetting that the government is subsidizing this service.

A statistical example is: In 1968, the Corporation estimated that to solve the housing problem in Blantyre City alone, 4,760 housing units had to be built per year. In the same year, the Corporation only managed to build 158 houses. In fact, the highest figure we have reached is 657 houses in a year, this was in 1974.

HOW TO SOLVE THE PROBLEMS

So far only one method is effectively being used, that is, the traditional housing areas internationally known as Sites and Services. This method was started in Malawi back in 1960. It is now in operation throughout the country. Its success is mainly due to the fact that people are paying for their own standards which they formulate, and this is done progressively with the availability of money. Minimum regulations are imposed which are in no way costing them money.

But the need for urban permanent housing built by the Malawi Housing Corporation is a valid element which needs solving on its own merit. The need for permanent houses exists because people in urban areas find it easier to rent a house than to build their own. There is always an element of finance and time to the above logic. Again the government uses housing as a means of general economic development and as a fulfillment of an established policy. As such, the government will continue to invest in permanent housing.

HOUSING NEEDS STRATEGY WITH PARTICULAR REFERENCE TO LOW-COST HOUSING

by the Delegation from Egypt

SHELTER POLICY (ALLOCATION OF RESOURCES WITH SPECIAL EMPHASIS ON LOW-COST HOUSING.)

As we all know, the Arab Republic of Egypt is geographically situated in the northeastern part of Africa, overlooking the Mediterranean on the north and the Red Sea on the east and is thereby the crossroads between Africa, Asia and Europe.

Its area is approximately two million square kilometers, with a population exceeding 38 millions, i.e., the density of population is almost 38 per square kilometer which might be considered reasonable by international standards. However, the rate at which the population is growing is around 2-3%, and this poses a strain on the government to meet the basic needs of the people.

Yet the fact is that most of its area is desert lands, and the population is crowded in the cultivated area around the Nile Valley which represents only 5.5% of its total area. Hence, the density of population in this heavily populated productive strip of land exceeds 690 persons per square kilometer and is not likely to double that figure by the end of the present century.

Since this could be taken as a very serious indicator, the state is undertaking intensified efforts to develop and rehabilitate the desert areas optimally utilizing and exploiting the natural resources available within the framework of an overall development plan to transform them into mining, industrial, agricultural, tourist and trade centers in accordance with their natural and environmental endowments. Egypt is unswervingly ready to face this challenge.

THE CURRENT SITUATION

The past three decades witnessed the emergence of the demographic factor as the key issue in all aspects of planning in Egypt at the national and local levels. With independence came the implementation of commitments to education, industrial development and a more equitable social order. However, agrarian reform could not stem the tide of rural-urban migration as the per capita cropped area fell from 0.71 feddan in 1897 to 0.39 in 1960. The first national development plan (1960-1965) fell short of its target due to the mounting costs of social services. State control of the total economy did not manage to generate enough employment in the industrial sector to absorb entrants in the labor force. Most of these migrants have selected Cairo as their destination. Their choice of housing was dictated by closeness to relatives and friends on whom they relied for jobs, and this explains the location of migrant reception areas in informal settlements, e.g., Shubra, Rod El Fancy, Wayhi, Giza, Embaba, etc.

To indicate the enormity of the problem, the trend of the population increase in Egypt has maintained an upward curve during the last 70 years and is thereby considered among the highest in the world: 2.53% per annum, the urban rate being higher than that in the province, 3.62% as against 1.86%. The subsequent rapid and enormous change in the rural and urban population distribution presented a much bigger responsibility to the cities,

affecting the economic, living, environmental and social conditions. According to the latest 1978 census, the population reached 38.228 million of which 16.820 million (44%) was urban and 21.408 million (56%) was rural.

The 1985 forecast indicates that this situation will be maintained, though to a lesser degree, and will equalize by 1990, and from 1995 to 2000 it is going to be the reverse as the estimated percentage of urban population will be 52% as opposed to 48% rural.

PATTERN OF URBAN GROWTH

From what has been indicated, it is clear that urban growth has been rapidly increasing but not evenly distributed throughout Egypt's urban centers, and it is concentrated in the larger centers especially in the Cairo metropolitan area with a population of approximately 8 million people representing about 48% of the urban population of Egypt.

The overall disparity in the rate of urban growth between the main urban centers, i.e., Cairo and Alexandria, and the Canal Zone, compared with other cities, has resulted in the creation of a number of problems some of which relate to socioeconomic and natural aspects while others relate to the fixation of administrative boundaries for cities and governorates, efficient management of services, and the provision of an integrated housing environment. Subsequently there emerged a big gap between the number of housing units available and the actual needs (family and individual) whether numerically or in design and standard in the light of the major advances the people have experienced in their living standards over the past 15 years. International statistics clearly indicate that in the majority of developing countries effective demand for housing exceeds the number of existing units by 25%-35%, in the case of Egypt by 52%, and it is estimated to reach 1,654,000 units by 1982, representing 77% of the units presently available.

THE NEED FOR AN OVERALL HOUSING STRATEGY

Primarily such a strategy should be directed towards ensuring settlements for existing and new families by providing the maximum housing units suitable to their requirements and within the financial capability of the various income groups, at the same time assuring improvement in their living conditions.

This hinges on two basic prerequisites: first, that there be a long-term plan to be implemented in stages and, second, that solutions be specific, accurate and prompt and conform to the social, economic and urban plan of the state. Hence, it should aim at realizing the following:

1. Creating new productive urban centers to attract and absorb part of the inhabitants of the overpopulated areas thus avoiding the establishment of random housing concentrations not conforming to the development plan;
2. Replanning the less developed areas in existing cities with a view to reducing the density of population in such areas and to contributing to their upgrading;
3. Encouraging private and cooperative sectors to fulfill their part in the housing activity by developing and providing land required for construction at reasonable prices, avoiding speculation as much as possible and assisting them in securing loans on easy terms;

4. Eliminating the current bottlenecks and shortages in the supply and distribution of building materials and thus insuring their uninterrupted availability at reasonable prices;

5. Encouraging and supporting the construction sector with a view to developing its capacity to cope with the responsibilities incumbent upon it in the implementation of projects within the development plan;

6. Carrying out the necessary studies and research work to develop designs, choosing a suitable mix of building and methods of construction and the planning of the inhabited areas with a view to making the fullest and optimal use of existing possibilities;

7. Attaching more importance to the problem of low-income group housing confining the government's role to the present stage of building this type of economic or utility housing. At the same time the private sector directs its investment to participating in the construction of such units;

8. Raising the rate of unit construction in urban housing from 1.9 units to 8 units per 1,000 persons and allocating the necessary funds within the five-year plan (1978-1982).

FIXING BUILDING STANDARDS IN THE LIGHT OF INCOME LEVELS

Research conducted on household income and expenditure for housing revealed that household income levels were differentiated according to earning capacity defined by occupation.

Based on confirmed estimates, it is assumed that incomes have kept up with the consumer price index, for an upgraded adjustment a factor of 30% was used to yield the following results:

Income Category	Percentage of Population	Annual Income Bracket
A	4%	LG 1,200 or more
B	6%	LG 900 to 1,300
C	10%	LG 700 to 900
D	15%	LG 550 to 700
E	25%	LG 300 to 550
F	40%	LG 300 or less
	100%	

This would place the current median income for households at about LG 550 per year which amounts to a monthly salary of LG 45. This is a reasonable assumption in the urban text, but may somewhat overstate incomes below the median income.

The preceding follows the concept of target groups which is important since it permits housing planners to separate housing from national statistics and to begin to focus on housing related to particular groups of people. The number and type of target groups determined to be of concern should develop as planning progresses. This first and most obvious criteria for selection of housing groups is household income. However, other

factors should eventually be considered, e.g., special occupational characteristics which might affect the use of shelter, special infrastructure or public facility requirements, special social or cultural characteristics of particular groups, etc.

The purpose of identifying target groups by income levels is to permit a comparison of housing units to be provided against the abilities of the households to pay. It is noteworthy that Cairo's income distribution curve might not necessarily follow the national curve exactly but its income distribution would probably tend to be more favorable than that of the nation as a whole.

In the light of the preceding and for convenience the various income groups have been grouped into four main categories:

Category No. 1

With its requirements of units for those with an annual income exceeding LG 2,000, 4% of the total units required are luxury units. The private sectors assumes full responsibility for the construction of the required units.

Category No. 2

For those with an annual income exceeding LG 1,300, which represent 30% of the total units required from the upper-medium type, its responsibility goes completely to the private sector.

Category No. 3

For those with annual income ranging from LG 551-1,300, which require medium-type units representing 31% of the total requirements, the public and cooperative sectors will construct about 30% as against 70% to be constructed by the private sector.

Category No. 4

For those with an annual income below LG 550, which require utility[2] type units representing 65% of the total units, the responsibility is divided between the public sector and the private sector in a ratio of 60% and 4% respectively.

Guided by the above, certain building standards and specifications regarding plot area, plot coverage and finishing have been laid down with a view to stabilizing expenditure for housing at 10% to 25% of the family incomes. Hence it became incumbent upon the public sector to build 87% of the utility type of its allocations within the five-year plan 1978-1982 and 12.5% of the middle class type (2 rooms and 1 living room), whereas the private sector has been given an opportunity to participate in solving the housing problem according to its capacity and actual needs.

Hence it can be deduced that the costs per dwelling unit has to be reduced and the recovery payments increased to the actual ability to pay in order to maximize the number of units which can be built with the capital investment available.

The implementation of this plan within the category laid down necessitated the provision through specialized competent institutions of the necessary funds required (for

more detailed projection please refer to the paper presented on allocation of resources by Dr. Ahmed Zaki Abou El Nasr at Workshop A-1).

It is hoped that the studies conducted as indicated in this paper will contribute in no small degree to mitigate the intensity of the problem especially in the field of low-cost housing recognizing at the same time that there is still much to be done before we reach the stage of providing dwellings without introduction or subsidiaries from the State since the level of the current subsidy constitutes an additional burden to an already great commitment during the present stage of development.

THE AFRICAN DEVELOPMENT BANK'S ACTIVITY IN HOUSING

by Leonard M. Shango, Senior Economist, African Development Bank, Ivory Coast

On behalf of President Fordwor and the Management of the African Development Bank Group I would like to thank the USAID and the National Housing Authority of Liberia for extending the invitation to the Bank Group to participate at this very important Conference. May I also take this opportunity to thank the Government and people of Liberia for their generous hospitality and facilities which they have put at the disposal of the Conference and delegates.

Among the subjects to be discussed at this year's Conference, "resource mobilization" touches the very pillars of the ADB's ceaseless efforts and preoccupation since its creation fourteen years ago and periodically reinforced by decisions of its Board of Directors and Governors. Furthermore, the current problems of resource mobilization, not only for the housing and shelter sector development in Africa, is one of the main constraints to economic and social advancement in the region. The ADB Group, therefore, takes special interest in such a forum which attempts to address itself to these sets of problems.

With a total membership of 49 independent African countries, the African Development Bank is a fairly strong and dependable development and financial institution in the region, and it is capable of contributing and stimulating economic and social development of its member states individually and plurally. The Bank started its lending operations nearly twelve years ago and as of the end of March, 1978, its cumulative loan commitments stood at over US$948 million for 265 projects spread all over Africa, and covering most of the high priority economic sectors. Although this figure looks very impressive, in terms of Africa's growing needs for financial resources, it is a very minute drop in a huge ocean of the region's needs.

Over the years and with the gradual improvement in its financial resource position the Bank has tended to widen its lending scope to also include social sectors such as health, education and community facilities. The Bank's late involvement in these sectors does not necessarily imply that these sectors are less important to its member countries' development processes. Because of resource constraints the Bank has been compelled to be very selective in its lending and resource allocation among the various high priority economic sectors.

I presume, and rightly so, that most of the delegates are aware of the magnitude of the housing problem in Africa. The UN has estimated that during the decade of 1970 and up to 1980, African countries will require around 26.7 million new dwelling units to simply stay abreast of their increasing populations and an additional 4.0 million dwelling units for replacement. Assuming that each unit will cost an average of US$2,000 to meet this basic need the total financial outlay required will be about US$40 billion. Given the low average per capita GNP and the insatiable demand by the high priority economic sectors for the same development resource portfolio, it is evident that many African countries, individually and plurally, will find it very difficult to mobilize a substantial portion of the projected US$40 billion to meet the housing needs. These glaring statistical facts, therefore,

underscore the urgency for initiating a regionally coordinated multilateral action on housing and shelter development in Africa. Furthermore, such concerted action should specifically focus on the strengthening and establishing of viable national and regional housing institutions and on the formulation of appropriate housing policies. Above all, such action at a regional level should endeavor to increase the share of financial and technical resources allocated to the housing development sector in Africa.

Housing and shelter development problems in Africa have not eclipsed the Bank's concern to endeavor to formulate a long-term housing policy. As we all know, in most African countries there exist weak institutional bases. The Bank, therefore, would like to see a well-conceived regional strategy for housing and shelter development in the region. Indeed, the Bank recognizes the immensity of the problems being experienced by individual African countries in their quest for mobilization of adequate financial resources for financing housing developments for the poor and low-income households.

During the last two years the ADB intensified its interest to develop a viable long-term policy and strategy for the housing sector. With the support being accorded by the USAID, a housing policy feasibility study was initiated. The Bank attaches great importance to the final recommendations and conclusions of this study. We believe these recommendations will form an appropriate base between the Bank and African and non-African institutions involved in the housing and shelter sector development in Africa. In this regard the Bank will endeavor to develop close contacts with the African housing institutions. Furthermore, the Bank is seriously considering the circulation of the final conclusions and recommendations of the current feasibility study report for comments.

In concluding, I would like to reiterate that the African Development Bank is aware of the magnitude of the resource mobilization problems being faced by many African countries. The Bank is also convinced that regional and multilateral collaboration in the housing and shelter sector may represent the most effective strategy for strengthening resource mobilization efforts for housing development in the region.

DEVELOPMENT OF HOUSING IN MOROCCO

by the Delegation from Morocco

BACKGROUND

The need for housing in Morocco began to be felt well before the 1930's. However, it was after the effects of the world economic crisis (the rapid decrease in buying prices of agricultural products and the rural exodus) that large numbers of the poor sectors of the population appeared in the towns, forming shanty towns and squatter areas and overpopulating the medinas.

O.C.H.

It was not until 1944 (the first year that Morocco started demanding independence) that the "Office Cherifien de l'Habitat" (O.C.H.) was created to undertake resettlement of shanty towns, rehousing 700 families in Rabat and 3,000 in Mohammedia. It should be emphasized that in certain cases families were transferred from shacks to upgraded noualas and there were even more spectacular projects, such as the resettlement of 15,000 persons from Ain Chock to Casablanca.

ECOCHARD

Plots of 8 x 8m were laid out between 1946 and 1953 by Ecochard, on considerable land stocks which had been established on the outskirts of certain towns. The lot comprises two rooms built around a courtyard; one facing south and the other facing east, together with a kitchen. This model is the one most widely used in our country and an estimated number of 16,200 units were built between 1949 and 1955.

LOW-COST GOVERNMENT HOUSING ESTATES

This system was initiated at the beginning of independence in 1955 and was adopted on a large scale in 1967. At that time, 16,200 houses with modern conveniences were built and put up for sale on as vast a scale as the 8 x 8m Ecohard plot: this system consists of carrying out on government acquired land, a technical infrastructure of 70 units to each 120 square meters. It is possible to acquire financing for the purchase of land and home construction through a bank loan, which is repayable over a period of 10 to 15 years. Nevertheless, the applicant is required to have a stable job and to make a personal contribution of 10-20% of the total sum invested (a maximum amount of 45,000 dirhams is allowed). The head of the household must have a salary of between 2,000 and 2,500 dirhams.

I will also briefly mention other government projects:

- From 1956 to 1965 rentable housing was provided; 32,000 units at a price of 30-60 dirhams a month.
- Lots with upgraded sanitary conditions (T.S.A.)—from 1962 to 1965 a total of 9,000 smaller and more simple houses were built. On lots of 40-50 square meters, the government built houses consisting of one room, measuring 12 square meters, and a toilet. This constitutes something of a reduction in housing standards.

- In order to solve the problems of hygiene in the shanty towns, the government stepped in with a *sanitary lots project*, by developing vacant land and installing public toilets, water pump facilities and a basic road system with street lighting. The lots measured 35 square meters.

1968-1978 PLAN

The first plan gives priority to rural housing, which is justified as a supporting measure to agricultural development, in the hope of stemming the flow of rural exodus and at the same time of seeing the private sector increase its business in the smaller towns.

The rural housing program is an important one, consisting of 60,000 new houses and 30,000 renovations which are almost all situated in areas of intensive agricultural development. This project was supported by the P.A.M., and technical assistance was supplied by the Housing and Town Planning Services.

With regard to urban areas, operations were reduced to 20,000 units with modern conveniences, since the private sector was required to meet apparent demands.

RURAL HOUSING

The actual work carried out was modest compared to the targets set:

Anticipated Target	
60,000 buildings	20,000 (33%) were built
30,000 renovations	3,000 (10%) were built
Total: 90,000	23,000 (43%)

The reasons for these results are as follows:

1. Delay in getting the program underway.
2. Lack of coordination in loans granted to the ministerial departments concerned.
3. Funds from P.A.M. were received a year and a half late.

URBAN HOUSING

The Government had projected the completion of 20,000 lots in the urban areas (financing was only effectively obtained for 7,100). Between 1968 and 1971 the private sector managed to build 50,000 homes without any Government aid.

FINDINGS OF THE 1968-72 PLAN

The expenses agreed upon by the allottees exceed what was required or expected by the Government.

Only well-off families were able to benefit from the contribution of the public authorities.

Although such a low level of implementation was realized, it is considered a success by the P.A.M. who have not been able to achieve success in such a project in any of the other countries which receive aid from them.

1973-77 PLAN

The first approach of the 1973-77 plan will be to concentrate efforts on the large cities, though operations must be balanced so as not to neglect the rural areas.

The *second approach* concerns both rural and urban sectors of the population who will constitute the preferential target group.

The *third approach* would be to limit Government subsidies. Contrary to the previous plan where efforts were concentrated essentially in urban areas, it will aim to:

- reach the low-income groups who earn a salary of approximately 1,000 Dirhams per month, and
- limit Government subsidies by arranging a system of prefinancing, resulting in the creation of a "revolving" fund which would lead to a reduction of Government participation in urban housing.

Government participation in housing for very low-income groups was organized in a three phase program. It was first necessary to set up a social fund for housing which was to be followed by similarly instituting a revolving fund for this income group.

Taking into consideration this overall strategy, the program decided upon in the 1973-1977 plan was as follows:

Implemented by:	Number of Buildings Constructed
Habitat Bon Marche	120,000
ZEP 5	70,000
ZEP 15	60,000
T.A.	12,000
Total:	262,000

IMPLEMENTATION OF THE 1973-77 PLAN

Urban Housing: H.B.M. (Low-Cost Housing) undertook the building of 227,640 units during the five-year period, of which 107,471 have been completed and 20,169 are still in the process of being built. These figures are still insufficient; numerous studies and operations are being carried out. Take for example Sidi El Barnoussi at Casablanca and Hay-Riad at Rabat where 36,200 units are under construction, together with 15,331 units which were built by the 7 E.R.A.C., which was created during the course of the plan at the beginning of 1976. The Ministry has, therefore, constructed more than twice the number of units scheduled for the low-cost housing category within the 1973-77 plan.

This figure only serves to illustrate the success of prefinancing and the importance of the F.N.A.E.T.

SOCIAL PROGRAM

The social program is aimed at providing the lowest-income groups who at least have the means of saving modestly, with a lot which has basic facilities and the necessary basis for construction, all of which must not have a total real estate value of more than 15,000 dirhams. The M.E.U.H.T.E. carried out the construction of 47,613 units, compared to 142,000 units scheduled in the ZEP 5, ZEP 15, and T.A. projects. The reconstruction

project, not taking Doum into account, involved the building of 50,000 homes with the assistance of the International Bank for Reconstruction and Development. If we exclude the Z.E.P. 15 and T.A. projects, the M.U.H.T.E. carried out 68% of the expected program. The allottees benefited from a project of higher quality, since the Z.E.P. did not expect that the Government would carry out any construction, they merely foresaw aid in the form of credit. Nevertheless, we realize that we must make up for lost time during the course of the next plan.

TOTAL CONSTRUCTION OF UNITS

The M.U.H.T.E. thus carried out a total construction of 290,584 units in the urban areas against an expected total of 262,000 which constitutes an implementation percentage of 110%.

RURAL HOUSING

Given that rural housing was not a priority as it was in the 1968-72 plan, it was not a matter of building or renovating 90,000 units in this program, but rather of supplying facilities to 40,000 plots situated in an area between 200 and 280 square meters.

If the aim of self-help housing has not been achieved, since only 7,400 units were built, this is due to three difficulties:

Financial

The prefinancing sum required was raised to 5,000 dirhams. Other reasons are the irregular incomes of the farmers and the rapid increase in the cost of materials, in other words, inflation.

Administrative

P.A.M. assistance could not be put into effect, since the duration of the program had already come to an end.

The complex real estate procedure and difficulties in obtaining credit for rural housing also created problems.

Technical

The farmers were not favorably disposed towards living in grouped housing, since they preferred to live on the plot of land where they worked.

1978-1982 PLAN

In order to determine the strategies to carry out, it is necessary to consider the needs to be satisfied at the end of the 1982 plan, and those to be satisfied towards the end of the century.

It is evident that the liability in all categories of revenues will not cancel in 1982. In addition, certain needs may be satisfied without the construction of new housing units (improvement of housing without facilities).

Some of the principal points of the 1978-1982 plan are to:

1. assure comfortable housing for each family, taking into consideration the present needs and capabilities and those which may develop;

2. study urban traditions of various regions of the country to find a new technique of homogenous architecture;
3. seek technological innovations in construction, notably with the aim to economize energy and make use of local resources;
4. seek in all operations housing of a certain importance, integration of the various urban housing functions, activities and public services and preserve the development possibilities of these new districts in economic, social and cultural development;
5. give priority to the improvement of the old home and real estate, first by developing the sanitary and water networks to raise the comfort level of the house, notably in the medinas;
6. carry out, under the authority of local communities, the active participation of the population (self-help construction) or operations of a delicate nature leading to the mobilization of a number of families—improvement of houses without facilities and of sanitary conditions in the district of the medinas will also be placed on the master plan of these communities;
7. give the municipalities financial means to ensure the reinforcement of roads and various networks for the proper maintenance of the entire city.

THE MHAT PROGRAM

Program of the Ministry of Housing and Development of the Territory (MHAT).

- The MHAT is in charge of carrying out the primary equipment of new lands to be urbanized for the benefit of the programs open to semi-public and private corporation activities, to total real estate value of 180,000 DH corresponding to a concession of small villas.
- Next, an allotment (secondary networks) is programmed for new projects, granting loans for the purchase of these lots for low-cost housing.
- The Ministry also has a construction program (actually a social program) whose beneficiaries are within the 300 and 400 DH income bracket.
- Finally, it is in charge of the reconstruction of slum areas (sites and services project of the International Bank for Reconstruction and Development) which comprises the overall improvement of slum areas.

ALLOTMENTS AND SOCIAL HOUSING

The MHAT is responsible for the entire social program: 67,000 lots. (Total real estate value is 20,000 DH):

It concerns embryonic split-level houses. The area of the lot is 72m², the ground floor taking up 40m² and a surrounding wall (the upper level is 35m²). The two allottees may first improve the comfort of their house, which is given to them unequipped, then extend, by self-help construction, the interior of their lot. The overall amount of a low-cost house totals 200,000 (total real estate value 40,000 DH):

a) Social improvement program: 1 level of 60m²

b) Allotment program: 100m² lots.

The low-cost housing program has a total real estate value of 50,000 DH. The remaining 30,000 would be constructed by Regional Development Institutions.

SLUM PROJECT

The needs are considerable—260,000 units.

It has been proposed:

- to recognize and guarantee the right of occupancy of a lot by its inhabitants
- to reconstruct the slums in 6m x 12m lots to facilitate the passage of networks
- to ensure the overall viability of the slum area (2,500 DH)
- to endeavor to construct within proximity of working zones
- to tolerate self-help construction and even to encourage the slum population to build with concrete or stone.

REGIONAL DEVELOPMENT INSTITUTION PROGRAM

Contrary to the preceding plan, the Regional Development Institutions must focus their efforts to benefit low-cost housing for the 1,000 to 2,000 DH income groups which are amenable to low-cost housing loans.

SEMI-PUBLIC AND PRIVATE INSTITUTIONS PROGRAM

Now more than in the past, the activities of semi-public institutions (General Investments Fund—C.G.I., Military Housing Bureau, OLM, the Morocco-Kuwaiti Corporation, etc.) will be coordinated with those of the state. They will benefit from state owned land and will reciprocate by concentrating their projects exclusively to families with incomes of less than 3,500 DH.

Private Real Estate Development Institutions will work on State equipped lands under the same conditions as the semi-public and private institutions. Their programs will be varied in order to satisfy the needs of those with incomes above 1,500 DH.

Besides self-help construction by the slum population with incomes below 300 DH per month, the number of houses to be constructed during the period of the project is distributed as follows:

Ministry of Housing and Development of the Territory	112,000	
Regional Development Institution	80,000	192,000
Semi-public and private corporations		128,000
Others		207,000
Overall total		527,000

THE LUSAKA HOUSING PROJECT UNIT: WHAT IT IS TRYING TO DO

by Pumulo M. Muyangwa, Project Director, Housing Project Units, Zambia

URBANIZATION

Although everybody in Zambia lived in villages about two generations ago, the discovery of copper in the north of the country and the construction of the railroad line from the south to the north have now attracted some 40% of the people from the country. The trend has been greatest since Independence thirteen years ago.

LIVING CONDITIONS IN LUSAKA

Lusaka was founded as a railway siding at the turn of the century. Forty years ago it was chosen as the capital of Zambia (then Northern Rhodesia). It grew steadily and in 1964, at Independence, it had a population of 110,000. Ten years, after Independence, the population rocketed to 400,000; today, it stands at 500,000.

As expected, the authorities have been and are struggling to promote orderly growth of the capital city. "Permitted development" followed high standards, and some of these are very high for any country in the world.

But the speed of the population growth outpaced the speed at which services were being provided. One evident feature is that people started building houses on their own, without proper guidance, on several locations around the then city boundaries. The impact has been phenomenal; 72% of all new housing ten years after Independence was constructed by squatters and to a lesser extent by site and service participants. Today 40% of the total population in the capital city live in squatter compounds.

The physical conditions in these areas are not conducive to good living for human beings. In most cases there are no health facilities worth mentioning. The same position applies to schools and pre-schools, piped water, roads, electricity and other services normally taken for granted in other areas of Lusaka which are "authorized."

The authorities have committed themselves to reverse the situation by increasing the level of services in these areas. A project was launched in 1974 to upgrade the major squatter compounds and provide 4,400 serviced plots in Lusaka at a total cost of K26.5 million. This is where the Lusaka Housing Project Unit comes in.

LUSAKA PROJECT HOUSING UNIT

The origin and purpose of the Project Unit are simple. The Unit was born out of a crying need to adopt new procedures to implement the mammoth K26.5 million in three to four years. This called for levels of speed and output higher than any attained by the Council before. A few figures:

1. Prior to 1974, the annual budget of the Council averaged K3 million. Under the Project, an average of K6.6 million was to be spent annually; an increase of over 200%.

2. From 1965 to 1974, 7,000 plots were developed, an annual average of 700 plots. The Project will develop 4,400 plots in sites and services and 7,600 in overspill areas for a total average of 3,000 plots per annum; an increase of over 400%.

3. To the above must be added:

- Construction of 17 Multipurpose Community Centers
- 15 Markets
- 3 Clinics
- 20 Primary Schools
- 160 Km of Roads
- 160 Km of Waterpiping
- 290 Km of Surface Drains
- 3,050 Street Lights
- Administration of K5.6 million building loans

The Project, therefore, is to bring to some 200,000 people in Lusaka all the things that are taken for granted in the privileged areas of the city. It is like building a town of 200,000 in three to four years. A mammoth task by any standards.

The financial arrangements are that the project is to cost K26.5 million, 50% of which would come from the Bank and the other 50% from the Government, with UNICEF contributing K2 million. In addition, AFSC was to contribute to technical aspects such as community development involvement.

ORGANIZATION OF THE HPU

The unit tries to provide all the technical assistance participants normally require in house building and to this end three divisions have been set up as follows:

1. Finance and Procurement Division

a) The division procures building materials through international competitive bidding and stocks several project material stores within project areas.

b) It distributes the materials through loans to participants on a controlled basis to ensure that the materials are bought in the correct quantities for right purposes.

c) It offers participants free transport of the materials to their houses.

d) It collects service and loan charges from participants.

e) It acquires equipment for the Project Unit, e.g., transport.

2. Engineering Division

a) In the case of squatter upgrading, the division prepares, designs and tenders reports and supervises construction.

b) In the case of other civil works, sites and services, primary infrastructure, it coordinates the work of the consultants and contractors.

c) It has a construction section which consists of plumbers, bricklayers and carpenters who assist participants in the technical aspects of house construction and improvement: layout, foundation, walls, roofing, landscaping.

d) It has a survey section which deals with land demarcation and adjustment of service routes and locations.

3. Social Services Division

The division's main role is to brief the public on all the aspects of the project in order to get ideas and commitments from the people involved. As this is a very important and sensitive role, the division is staffed by a comparatively large number of community development workers. The monitoring and communication sections also assist in regulating the effectiveness of the methods used to implement the project.

MANAGEMENT PROCEDURES

At present there are some 300 people working in the Project Unit. These form a multi-disciplinary team of accountants, auditors, storekeepers, buyers, engineers, architects, town planners, surveyors, community development workers, bricklayers, plumbers carpenters and administrators.

This hotch potch of different skills, nationalities, cultures, sexes and ages had to be welded into a disciplined team of specialists committed to the successful implementation of the Project and with sufficient skills to enable them to do so.

Management was certain that one way of welding a team and keeping the team welded all the way is close contact involvement. Everybody must clearly know what the goals are, how to achieve these goals and the role each must play. Everybody must be given a chance now and again to suggest what he thinks is wrong and how best he can contribute. This is how to promote commitment.

Management was also aware that there was no time in the subprojects schedule to send people for long periods of training. So we had to rely on efficient use of on-the-job training.

We quickly found out that managing a huge project with several subproject is as difficult as planning a "good project."

Many "good projects" have failed through "bad management." The challenge to us was that this huge project, acclaimed locally and internally, should succeed. People have been waiting for it. They should benefit by this opportunity.

The Project has adopted a number of novel management techniques, some of which I will describe.

Management Team Procedure

On Tuesday of every week, the Project Director chairs a meeting of top-level management consisting of the Deputy Project Director Division, Chiefs and Field Team Leaders. The meeting gets reports from the field on progress of the work. It gets ideas from the field and individuals on how best to maintain or achieve greater speed the following week.

For example, more manpower may be needed to augment what is in the field, or the store operations may concentrate on one type of resettlement for a few days or may be open when it is normally a holiday. The Team may also suggest types of on-the-job training for certain staff members to work more effectively, such as touring other project areas or seminars.

It may suggest methods of motivating the staff to achieve particular assignments such as additional leave or salary. Every Tuesday, the team may suggest changed priorities and new programs of action. These discussions are within the framework of overall goals, and the Team suggests methods of promoting complete commitment of all the staff to their goals.

Every Tuesday, the Management, as it were, gets envigorated and more enthusiastic to tackle the problems of the following week. Every member feels he is part and parcel of the decisions taken.

Field Team Procedure

A second management tool has been the Field Team consisting of all the members of the Project working in that area—engineers, architects, accountants, storekeepers, cashiers, construction advisers, community development workers, etc. The Team is headed by a Field Team Leader and an Assistant Field Team Leader, the second man being normally a technician. The Team holds regular meetings to discover and solve difficulties due to field transport or any other issues confronting them. Small problems are solved on the spot. Big problems are referred to the Management Team at the Headquarters.

The Field Team, also receives ideas and complaints from participants in the area. These are discussed and solutions found. The Field Team is always trying to get full commitment from the participants of the scheme. This is done with a clear understanding and in pursuance of area action programs of the project. A major task of the Field Team is to help the members organize their thoughts clearly and arrive at practical decisions of how to improve their output.

Other Procedures

In addition to the preceding, we have a number of other procedures, some of which are given here:

Public Meetings

These are of various sizes depending on the subject to be dicussed. They are normally arranged through the Political Party structure. The Field Teams address these meetings and may call on additional staff from the Headquarters.

Special Meetings

These are meetings held to discuss a special issue, such as de-densification, refuse collection, collection of charges. Attendance depends on the subject.

Seminars and Workshops

These are one form of training for the middle and lower levels of staff. Some are general, open to everybody and others are specific for a special group, such as construction advisers or store personnel.

In addition, seminars are periodically held for councillors and party officials involved in the project.

Technical Meetings

These meetings are held regularly by various technical groups in the project, e.g., store personnel, engineering, construction advisers, drivers. They are concerned with evolving the most effective way of handling special issues of the particular profession's concern.

Field Tours

Another form of training are the periodical tours of one field team to the other field team's area to learn how a particular team is handling similar issues.

The Monthly Newsletter

This is one interesting method of getting to know the problems of the staff, apart from its entertaining role.

Monitoring Reports

The Monitoring section issues periodical reports on specific issues which help management in adjusting to or adopting more effective procedures.

Quarterly Reports

These are prepared mainly for the World Bank but the Council and Government also receive copies. No less important, the project Unit learns a lot about the effectiveness of its operation.

Monthly Progress Reports

These are prepared for the Council and outline progress and problems regarding implementation of the Project.

Evaluation Reports

Yet another form of the learning progress is through reports prepared by the Evaluation Team, either at the request of the Project Unit or on its own.

Inter-Agency Meetings

So far, the Inter-Agency Coordinating Committee has played a weak role, but its potential can not be over emphasized, given the right structure.

Normal Management

Last but not least, the Management gets feedback and gives advice and instructions "in the usual way," that is the horizontal relationships, with information from the Director permeating to the last man through the "normal channels" and vice versa.

Ambassador Carter greeting representatives from the United States and Egypt at the USAID reception hosted by the Ambassador at his residence.

FINAL PLENARY WORKING SESSION

Chairmen: J. Nyema Baker, Liberia
Peter Kimm, Office of Housing, AID/Washington, D.C.

Participants: Ahmed Zaki Abou El Nasr, Egypt
Francis Olaseinbe Uddoh, Nigeria
Mian Yusuf, Kenya
Enoch Hornsby-Odoi, Ghana
Jean Konan-Ferrand, Ivory Coast
Samuel G. Ayany, Kenya
Nathaniel T. K. Mmono, Botswana
Atchroe Kouassi, Togo
Aly Hanne Diop, Senegal
Hilary Dennis, Liberia

PRESENTATION OF WORKSHOP SUMMARIES

Workshop A-1 **Shelter Policy: Allocation of Resources**
Dr. Ahmed Zaki Abou El Nasr, Egypt

Workshop B-1 **Mobilizing Human Resources**
Mr. Francis Olaseinbe Uddoh, Nigeria

Workshop A-2 **Mobilizing Human Resources for Settlement**
Mr. Mian Yusuf, Kenya

Workshop B-2 **Conservation of Resources: Housing Cost Recovery**
Mr. Enoch Hornsby-Odoi, Ghana

Workshop A-3 **Collections and Control on a Sites and Services Project**
Mr. Jean Konan-Ferrand, Ivory Coast

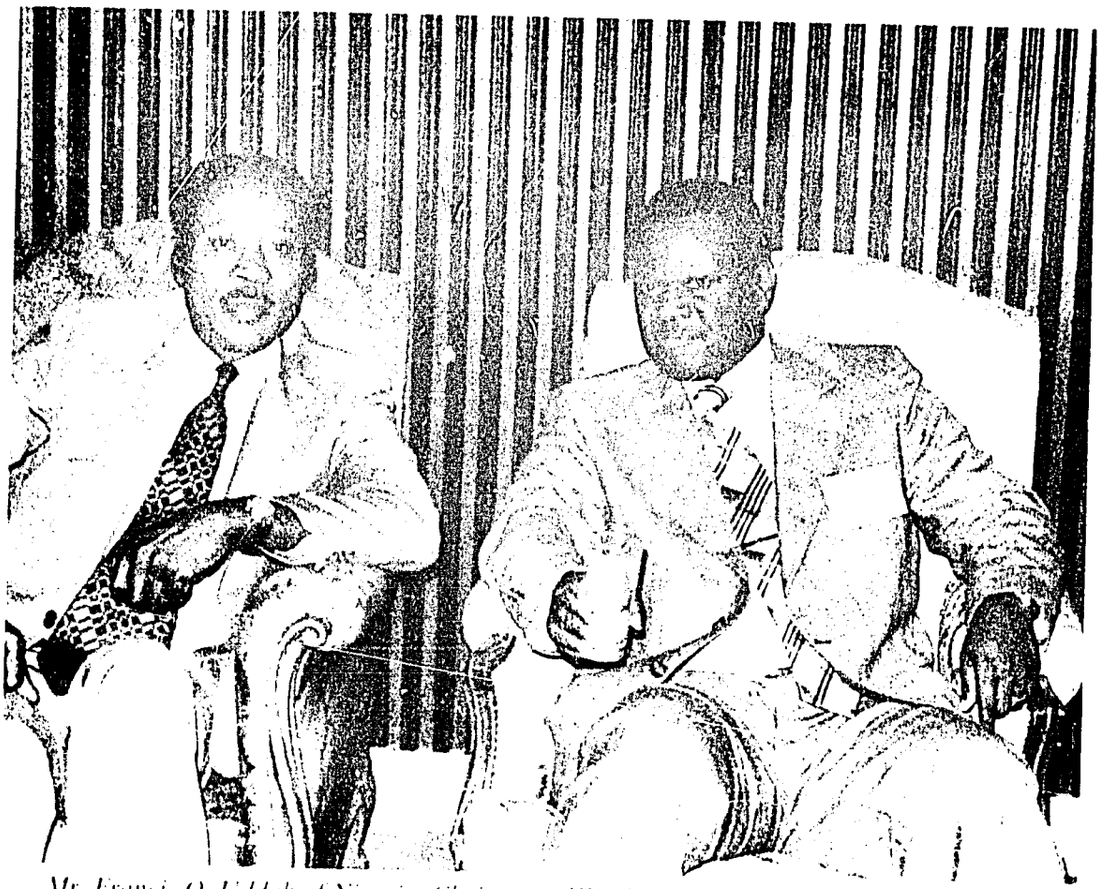
Workshop B-3 **Assistance and Control of Self-Help Construction**
Mr. Samuel G. Ayany, Kenya

Workshop A-4	**Qualifying and Selecting the Participants in a Sites and Services Project** *Mr. Nathaniel I. K. Mmono, Botswana*
Workshop B-4	**Introduction to a Sites and Services Project** *Mr. Atchroe Kouassi, Togo*
Workshop 5	**Resident Involvement in Projects of Neighborhood Upgrading and Collection and Use of Socioeconomic Data in Planning Upgrading Projects** *Mr. Aly Hanne Diop, Senegal*
Workshop 6	**Loan Origination and Servicing Techniques in Settlement Upgrading** *Mr. Hilary Dennis, Liberia*

Summaries of the 10 workshops were presented at the final plenary workshop session

DINNER SPONSORED BY THE GOVERNMENT OF LIBERIA AT THE HOTEL DU COR INTER-CONTINENTAL

The highlight of the week was a fabulous reception and dinner sponsored by the Government of Liberia which included a stunning performance by a Liberian folkloric dancing group. The memorable affair was a fitting event to begin to bring to a close the activities of the Conference.



Mr. Francis O. Uddoh of Nigeria, Chairman of Workshop B-1, and Mr. Paul Mwaluko of the UN New York, who made a special presentation on programs of the United Nations, relax after the dinner and reception offered by the Government of Liberia.

COUNTRY PRESENTATIONS

Chairmen: J. Nyema Baker, Liberia
Peter Kimm, Office of Housing, AID/Washington, D.C.

COUNTRY PRESENTATIONS

BOTSWANA	Mr. Nathaniel T. K. Mmono
BURUNDI	Mr. Egide Nsavyumuganwa
CAMEROON	Mr. Marc Emile N'Difo
CHAD	Mr. El Tidjany Adam Taha
CONGO	Mr. Dominique Mavoungou
GHANA	Mr. John Augustus Indome
IVORY COAST	Mr. Lazare Yeboue
KENYA	Mr. Samuel G. Ayany (Nat'l Housing Corp.) Mr. Kiruhi K. Cege (Nairobi City Council)
LESOTHO	Mr. Malefetsane Nkhahle
LIBERIA	Mr. Hilary Dennis
MALAWI	Mr. Francis Kagasso Sazuze
MALI	Mr. Ouattara Bakary
MAURITIUS	Mr. Joseph R. D. Valadon
NIGER	Mr. Alfari Kairo Maiga
NIGERIA	Mr. S. P. O. Fortune Ebie
SENEGAL	Mr. Alioune-Khaly Ba
TANZANIA	Mr. Joram Mghweno
TOGO	Mr. Konde-Kikpa Takassi
TUNISIA	Mr. Rachid Karoui
ZAIRE	Mr. Mbole Bubu
ZAMBIA	Mr. Pumulo Muyangwa

AFRICAN DEVELOPMENT BANK	Mr. Leonard M. Shango
WORLD BANK	Mr. Dhan Singh

The Egyptian and Moroccan delegations left the Conference before this session in order to make necessary airline connections. Certificates were presented to each country representative, after he made his presentation to be distributed among his delegation.

SUMMARY OF COUNTRY PRESENTATIONS

The representatives expressed their appreciation to the Government of Liberia and the Agency for International Development for the warm hospitality they received and for the fine organization of the Fifth Conference on Housing in Africa.

It was generally felt that this was an action-oriented Conference which presented different approaches to be used in the solution of the shelter problems of Africa. The presentations on sites and services and upgrading were signaled out as having been very informative.

The enormous migration of the poor to the cities and lack of research were cited as some of the problems Africa is presently facing. It was agreed that approaches to the solution of the problems will differ from country to country: each situation must be examined and realistic policies must be formulated and implemented.

It was suggested that an organization be formed grouping building societies, planners, developers or savings institutions.

The participants agreed that the Conference helped create solid links of cooperation between African officials from various countries who have the same objectives.

The country presentations gave all the delegations a forum

CLOSING SESSION

Chairmen: J. Nyema Baker, Liberia
Peter Kimm, Office of Housing, AID/Washington, D.C.

CLOSING REMARKS BY MR. J. NYEMA BAKER, DIRECTOP, NATIONAL HOUSING AUTHORITY, LIBERIA

During your very brief visit to our Capital City, you observed, I am sure, that adequate housing in Liberia, as in the case of most developing countries of Africa, is a crying need of my people. During the field trip, you noticed slum and squalor areas in Monrovia which have been designated for the Government relocation plan and the USAID Shelter Sector Program expected to commence within a few months. You were also able to see the initial efforts of my Government which have been implemented to provide low-cost housing for approximately 6,000 residents in the Monrovia area.

The convening of this Conference in Monrovia, which in effect set the forum for mass participation by several Liberian participants from many Ministries, banks, public and private corporations involved in the planning, funding and implementation of our housing programs, has been both rewarding to the participating organizations and will reap benefits for the unfortunate poor people of Liberia for whom adequate shelter remains a crying if not a dying need.

If you have not been impressed with anything at this Conference, I appeal to you to return to your countries with the complete conviction that the participation at the opening of the Conference of the Liberian Head of State, Dr. William R. Tolbert, Jr., was not merely intended to be a political welcoming gesture. The appearance of Dr. Tolbert at this rostrum was a sincere manifestation of his determination to win the "impossible" task of raising the poor people of Liberia from "Mats to Mattresses."

On behalf of my government, I wish to take this opportunity to thank USAID for sponsoring this Conference in Monrovia. The people of Liberia are looking forward with enthusiasm to the implementation of the USAID Shelter Sector Program which will bring housing relief to over 9,600 Liberians in the Monrovia area.

For us, at the National Housing Authority, discussions and personal contacts with experienced delegates from other African countries have been gratifying and will also be rewarding in the future. For example, we have already started discussions for members of

my staff and me to visit Kenya, Tanzania, Nigeria, Ghana, etc., to observe their housing programs and hold pertinent discussions with their housing administrators. This will be an asset to us as we develop our National Housing Policy.

Finally, as each of you return to your native land, it is our sincere hope that your brief visit to our Capital City has been enjoyable. We pray that God will guide you safely back to your families and country to resume the great task each of you have to provide adequate shelter for the unfortunate population of Africa.

The Closing Session featured the award of certificates of participation to all the delegates

REMARKS BY MR. PETER KIMM, DIRECTOR, OFFICE OF HOUSING, AGENCY FOR INTERNATIONAL DEVELOPMENT WASHINGTON, D.C.

There is a long list of people to be thanked for putting this conference together, many of the previous speakers have done so, and I don't want to be too repetitious. Neverthless, I think that the people who worked with George Cardis, the conference coordinator and his staff, did a first rate job, and we ought to give George a hand.

We should also recognize the people who set up the equipment, microphones, etc., because they did it not once but twice for this conference. The hotel staff should also be commended because they performed well despite some troublesome outside circumstances with which they had to deal.

Finally, there are two certificates which I haven't given out yet, and I would like to do so now. They go to our two interpreters, Helen Kaps and Carol Wolters, and I would like to ask them to come up now. These two young ladies are not only pretty good translators, they are the very, very best, and I am sure that all of you who have attended other international conferences know the best when you hear it.

In retrospect I have one last person that I want to mention and that is my co-chairman, Mr. Nyema Baker. Mr. Baker and I had not met until I arrived in Monrovia last Saturday, and in the course of a conference of this magnitude I got to know him rather well. Under the circumstances facing the conference, each day there were a variety of problems that had to be resolved, and I'd like to say unequivocally that this is a man of eternal good humor and good spirits with whom it was a great pleasure to work. I think that we really ought to give a sincere vote of thanks to Mr. Baker. You all have experienced his hospitality throughout the week, and I just can't imagine a better chairman for one of our conferences.

We have an invitation to have the VI Conference in Morocco, and we have a similar invitation from Kenya. Perhaps the Kenyan invitation was a suggestion that there should be some other invitations since we held a conference in Nairobi just two years ago. Relative to our next conference, the International Union of Building Societies and Savings Associations, which is represented here by Norman Strunk, suggested that, if we wish them to, when we schedule our conference next year they will attempt to schedule a meeting of the International Union either before of after our meeting in the same city. This will allow both groups to get to know each other better and perhaps give the cause of housing in Africa an added emphasis. My inclination is to think that it would be a definite plus. We will be happy to hear any comments that any of you might have.

This is my fifth conference, and suffice it to say that this conference is better than the fourth conference which was better than the third conference and so on, which is all very good. However, there is still substantial room for improvement, and we will work hard during the year to see if we can improve even more. Looking back at this conference, it started at a very high level with the President of the country making a fine speech which was followed by a presentation from the Deputy Minister of Finance, Ellen Johnson-Sirleaf, which was extremely thoughtful and provocative.

There are several items that were discussed in the conference which were not commented on by the other speakers this morning. One of them is about trying to reach the lowest possible income level and since we are dealing with home loans and mortgages, it means some difficulty with international attitudes on interest rates. In this regard, there is a device called the graduated payment mortgage which lowers the initial payments for a home purchase with subsequent payments increasing as the life of a mortgage goes on. In my opinion that particular approach did not get adequate attention, as it does deal rather effectively with the interest rate question and the repayment of a loan. Another aspect of this approach is that in the later years you'll probably find that, if inflation continues at the current rate, those payments will still be well within the means of the low income target group we are trying to reach.

I was very pleased by the participation of international agencies such as the World Bank and the African Development Bank, among others, whose representatives are here now and have attended virtually every session. The countries and the international agencies need to work close together so we can understand each other's point of view.

At this time, I would like to announce a new initiative which AID would like to undertake this year. We have noted that this conference does not provide opportunities to pursue specific matters in great depth and that many of us working in the field need to pursue these matters further. We would like to initiate a new program this year in Washington D.C. that would provide a one-month review of the latest thinking in our area of housing and urban development for the urban poor. This program would be targeted for developing country officials who have policy responsibilities or supervisory responsibilities that influence policies. We are in the process of putting together what we think would be an appropriate one-month program, and we expect to have the initial program available for approximately 30 participants by November. Unfortunately, it will be in English only.

So that in the month of November of this year, we will be thinking in terms of a group of 30 participants from interested countries. Any one country may send from three to six people. Further discussions on this matter should be held with the Office of Housing and other AID representatives with whom you normally do business. Our intention is to develop a permanent program taught by the best people we know in the field and presented in different languages over a period of time.

In conclusion, I would like to refer to a symbol that young people started using lately in my country, and I think in other countries as well. It's an old one from ancient Roman times. When things go the way they like, they think that things are going well, and they put thumbs up. That is from the Roman Forum, and I suggest we end this conference "thumbs up" for shelter in Africa. I now pronounce this conference closed.

CONTINENTAL

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Mr. James Phillips, Minister of Finance
Hon. Gabriel Tucker, Minister of Public Works and Chairman of the Board, National Housing Authority

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