

PN-AAL-853



# THE COOPERATIVE HOUSING FOUNDATION

A NON-PROFIT ORGANIZATION DEDICATED TO BETTER HOUSING AND BETTER COMMUNITIES

2501 M STREET, N.W., SUITE 450, WASHINGTON, D.C. 20037 • (202) 887-0700

The Botswana Experience

A Presentation to the 4th  
AID Shelter Workshop

This paper was prepared for PRE/HUD and presented to the AID 4th Annual International Shelter Workshop for Senior Professionals by James Upchurch, CHF Director for Africa.

October 26, 1982

## TABLE OF CONTENTS

INTRODUCTION.....	1
SUMMARY OF BOTSWANA PROGRAMS.....	3
RELATING THE BOTSWANA EXPERIENCE TO 1982 AID SHELTER SECTOR WORKSHOP THEMES.....	6
Analysis and Definition of the Appropriate Roles of the Public and Private Sectors.....	6
Institutional and Management Capacities Required to Guide Effective Shelter Sector Programs.....	8
Squatter Upgrading Programs as an Alternative to Slum Clearance.....	10
The Relationship of Project and Program Design to Individual Household Income Affordability Levels.....	12
The Importance of Cost Recovery to a Self-Reliant Shelter Sector.....	14
SUMMARY.....	15

## INTRODUCTION

The purpose of this paper is to describe Botswana's housing programs and relate Botswana's experience to the five major themes of the 1982 Shelter Workshop.

The search for an ideal shelter sector model in developing countries usually proves futile. Differences in culture, politics, environment and economics systems can quickly render almost any suggested model vulnerable to arguments that it is not replicable throughout the developing world. Yet there is a growing consensus that as developing countries grapple with the complexities of providing decent, safe and sanitary housing for the majority of their poorest citizens, they are discovering that their successes and failures have more in common throughout the developing world than had been recognized. The reason for this phenomenon may be that adequate shelter is a common human need and the similarities of our attempts to meet that need is probably a reflection of the universality of mankind.

It is understood, therefore, that all the specifics of the Botswana experience may not be transferrable, but the principles of Botswana's shelter sector efforts may be useful guides to many other developing countries. For this reason the Botswana's housing efforts are a useful "model".

Botswana, a land locked, semi-desert country about the size of France, has an economy based on cattle and mineral resources and a political system that leans toward democratic ideals. Urbanization arrived late to the less than one million inhabitants of Botswana and

this slow urban growth gave Botswana an opportunity learn from the mistake of others.

By the mid-1970s Botswana found that the small but growing urban areas were not providing sufficient housing for a significant portion of the population, usually those families with income below the median. By 1978 25% of the population of the capital of Botswana lived in squatter housing.

Today, after an intensive campaign to develop housing capacity and implementation skills, the squatter areas in Gaborone have been upgraded and no new squatter areas are developing because 70% of housing in Gaborone is now created by the affordable site and service and self-help housing approach. Currently, Botswana has high level of low income housing production in proportion to the urban population and has regained control of its urban development. Housing programs have benefited by special technical assistance and efforts toward training local people. Excellent national policies regarding housing standards, cost recovery and plot allocations have been made possible by an ongoing review of shelter sector policy.

Botswana is a good example because of its successes but much can be learned from the weaknesses of Botswana's housing programs; the most notable of which is the poor record of debt collection.

It has been argued that Botswana is too small to be a meaningful example for others. Critics ask how Gaborone's housing efforts for a population of 60,000 can be relevant to the capitals of other developing countries with squatter areas greater than the total population of Gaborone. The answer is that the small scale of Botswana's housing

activity is relevant for other countries because it is the nature of the shelter sector that housing problems are solved at the family and neighborhood level. A poor family in a city of one million population does not relate to the entire city. The real world of that family will be found at the neighborhood level or within a section of the city. The real value of the Botswana's experience is, therefore, to be found at the local level and in larger urban areas the solution to housing problems will also be resolved at the same level. The difference will be found in special management requirements for actions that are simply greater multiples of implementation actions that took place on a small scale in a typical Botswana neighborhood.

#### SUMMARY OF BOTSWANA PROGRAMS

Housing production in Botswana's urban areas is accomplished through the private sector, a housing parastatal, and self-help housing agencies attached to the Town Councils. The parastatal, Botswana Housing Corporation, is responsible for middle and upper income housing.

Extensive construction of new housing and squatter upgrading is in progress at each of Botswana's four major towns. Gaborone, the capital, is the fastest growing urban area. In 1982 Gaborone had a population of approximately 60,000 persons. New housing units or upgrading for 20,000 persons was under construction in 1982. Botswana has upgraded its one squatter area and no new squatter areas are forming because of the production level new low-income housing is ade-

quate. The site and service and self-help programs sponsored by the Self-Help Housing Agency of the Gaborone Town Council are producing new housing units at a rate adequate to prevent formation of additional squatter areas.

The standards of typical site and service houses in Botswana are based upon affordability formulas. Typical sites are approximately 200 square meters with low cost sanitation unit substructures installed, ploholders must complete the super structure of the sanitation unit and construct a house to a minimum standard. Water standpipes at a ratio of one standpipe to twenty families are provided. It is a policy of Botswana government to plan for upgrading in all sites and service projects, thus primary water lines are usually sized to permit individual connections in the future. Except for street lights, no electricity is provided. A service fee is charged to cover secondary infrastructure costs and services like communal water, road maintenance, refuse collection, etc.

Housing standards are modest and flexible to conform with the policy of adapting standards to the level of construction affordable by the majority of poor people. Typical minimum standards include construction of a one room house and completing the toilet construction. Most site and service/self-help ploholders begin construction with a 2 room "starter house" of approximately 24 square meters. The starter home is finished in 6 to 12 months but construction often continues for several years.

Loans are made to ploholders in the form of building materials. Ploholders must provide their own labor to complete the

house or hire informal contractors. About 50% of the plotheolders work on their own homes and 50% sub-contract construction to informal contractors. Materials depots are provided in the target areas to sale building materials or issue materials under the loan program.

Administrative offices are located in neighborhood service centers where construction technical assistance is provided. Service fees or recurrent costs and building loan payment are collected on a monthly basis from the administrative centers.

Because of the need to build new institutions and train inexperienced staff, extensive use of technical assistance is always included in the Botswana housing programs.

Government housing programs are implemented through a housing parastatal or self-help housing agencies. The Ministry of Local Government and Lands is responsible for public sector government housing programs, the most important being the self-help programs (SHHAs) operated by the Town Council. These Self-Help Housing Agencies (SHHAs) or town council departments allocate plots, supervise construction, make building materials loans, collect payment and fees, and encourage community development activities.

Botswana housing goals are to provide adequate urban housing opportunities to meet the needs of all income ranges. The key element in Botswana's housing success has been the fact that housing policies have been subjected to critical review. A recent year long housing commission was established to review every aspect of Botswana housing policy. A key element of Botswana's housing strategy emerging from the housing policy review is to construct a large number of modest

standard housing to provide some type of minimum housing for every urban family instead of building a smaller number of higher standard housing units.

#### RELATING THE BOTSWANA EXPERIENCE TO 1982 AID SHELTER WORKSHOP THEMES

##### Analysis and Definition of the Appropriate Roles of the Public and Private Sectors

Botswana would appear to be a poor example to demonstrate private housing initiatives because Botswana stresses public housing solutions. Yet Botswana provides an interesting example of a less developed country seeking appropriate level of public versus private involvement in the housing sector.

Countries worldwide with rapidly expanding urban populations have discovered the potential for a well planned mix between the public and private sectors to produce more housing for all income levels. Botswana is an example of a less develop country attempting to utilize the strengths of each of the two sectors. Other countries have tried emphasizing public sector involvement while excluding the private sector, but governments have proved to be poor landlords and builders. The inefficiencies of bureaucracies becomes apparent when Governments attempt to build a large number of complete houses. The private sector can often do a better job of production if given proper incentives. The problem with an undeveloped private sector is that allocation is not done in a manner that supports overall development objectives. Where housing resources are scarce, a well organized public housing intervention can insure that the scarce resources are

properly allocated to all income groups. The private sector will often fail at resource allocation because the first objective of the private sector is profit making rather than higher social development goals thus the private sector usually responds first to middle and upper income housing because of the greater opportunity for profit.

How can a developing country find the appropriate role of the public and private sector? How can the efficiencies of the private sector production be linked to the more rational planned resource allocation guidance of the public sector?

The Botswana's Presidential Housing Commission returned to these fundamental questions on several occasions during their extensive year long housing policy review. The policy makers decided to move government out of higher income housing and redirect government programs to those people least able to be assisted by the private sector. The private sector was encouraged to take over more functions of government housing programs but the government of Botswana stood ready to fill in the gaps not met by the private sector.

The Government of Botswana recognizes the need to supervise overall planning and in some cases develop infrastructure. The Government Paper #2 on National Policy on Housing states that

"Higher income urban housing construction will be left to the private sector. Botswana Housing Corporation should not build high cost housing unless the private sector fails to do so. Government should acquire land, supervise overall planning, and install primary infrastructure for high cost blocks of land. Alternately the private sector would be encourage to take part in the task of land development and detailed planning subject to the approval to the town and country planning board."

The private sector can also play a valuable role in public sector initiated housing projects. In the case of middle and upper income turn-key housing government will often subcontract infrastructure development and building construction to private sector.

In the case of site and service and self-help housing schemes the involvement of private sector is often considered to be nonexistent, but in reality it is simply in a different form. Self-help is a generic term that often refers to people who build their own homes and also to people who manage the subcontracting of construction of their homes. In Botswana approximately 50% of the self-help ploholders utilize informal contractors to do all or part of the work on their houses.

The Botswana experience points to the need for each developing country to find the appropriate level of involvement for the private and public sectors.

#### Institutional and Management Capacities Required to Guide Effective Shelter Sector Programs

The development of effective housing delivery institutions and systems has been cited as the most important reason for Botswana's low-income housing successes. In countries with unsuccessful housing programs the lack of implementation capacity is usually cited as the major reason for failure.

Botswana developed a parastatal organization, the Botswana Housing Corporation, to manage middle and upper income housing development while Self-Help Housing Agencies (SHHAs) were developed as

a special departments of Town Councils and delegated the responsibility for lower income housing.

Botswana's implementation organizations may not be appropriate for every country but the reasons for development of these institutions are probably equally valid to alternative institutional solutions. Learning from the mistakes of others Botswana decided that if government were to intervene in the shelter sector then the process of the intervention must be well managed if adequate financial and human resources are to be mobilized and molded into productive housing producers.

This is especially true of the self-help housing schemes. It is a mistake to apply conventional contractors oriented construction technology to the self-help housing process. As institutions search for housing solutions that reach lower income people this inevitably leads them to programs involving some type of participation on the part of the beneficiaries. At this point the housing programs becomes less of a "hardware" program and more of a "software" or people program. Beneficiaries are not employees. They must be motivated and dealt with in a manner that recognizes the importance of their participation. All of this requires special institutions and the managerial capacity to operate them.

A self-help implementing program must be organized along lines that will meet the special objectives of the site and services self-help process.

In Botswana the SHHAs were organized for three major functions (1) administration and finance, (2) community development (beneficiary

training) and (3) construction technical assistance. Earlier attempts to superimpose these functions over other town council departments were not successful. The complexities of housing programs usually demands that responsibility be centralized and coordinated.

Botswana resolved this problem by transferring most functions to one organization and to reinforce the identity of the organization it was referred to as a Self Help Housing Agency rather than another town council department.

The assumption was made that the long-term success of housing efforts in Botswana depended on institutionalizing the process of managing the self-help housing program. The SHHA was not conceived as a one project solution but is meant to be a on-going long-term institution. Botswana learned from others that the most effective implementing strategy is to develop the institutional capacity for a somewhat lower level but more consistent housing production as opposed to periodic large projects with gaps of inactivity which leads to deterioration of the institutions.

#### Squatter Upgrading Programs as an Alternative to Slum Clearance

All over the world in developed as well as undeveloped countries governments have discovered that the bulldozer approach to solving squatter housing problems is usually an expensive failure both in terms of cost to government and the agony suffered by the displaced. Forced removal of squatters probably will only work where a surplus of affordable low-income housing is available. This condition seldom exists in most developing countries and even if such housing were

available, the forced removal of squatter may resisted because squatter communities--even those with poor quality housing--develop a sense of community that may have more meaning than the value of the housing stock.

Botswana's upgrading of a squatter area of Old Naledi in Gaborone is regarded as a model for Africa. This project was undertaken as part of a total housing program part of which was funded by a Housing Guaranty Loan. It was recognition by Botswana that the squatter housing efforts and more importantly the initiative of the squatter should be regarded as a valuable asset upon which a better community could be built.

The Old Naledi Project is regarded as "state of the art" for squatter upgrading because it incorporates the following important elements:

(1) A Low-Cost and Effective Land Tenure System

The site and service "Certificate of Rights" was modified for low-cost mapping by aerial photography. The result was a rapid low cost and effective land tenure system.

(2) Involvement of Beneficiaries

Squatters were involved in the planning and implementation of project by organizing them into neighborhood level groups with elected spoke people. Meetings were held with the squatters to gain their input on critical decisions. This resulted in cooperation rather than resistance by the squatters.

(3) A Humane Displacement Policy

Displacement of beneficiaries was minimized but such displacement for appropriate reasons of infrastructure improvement is necessary in almost all squatter upgrading projects. Displacees were given priority in allocations of new plots and building loans, assistance in moving and they were paid token compensation payments.

(4) Technical Assistance and Building Materials Loans

After receiving securing of tenure plottolders were given loans to improve their homes and staff were assigned to the squatter area to provide it technical assistance for home improvements. As a result of the quality of housing in Old Naledi is gradually improving.

(5) Affordable Infrastructure Improvement

Roads, water reticulation, low-cost sanitation units, street lighting, and provision for refuse collection were part of the infrastructure package. Standards were kept modest. The resulting upgrading was affordable by the poorer squatters.

The Relationship of Project and Program Design to Individual Household Income Affordability Levels

The Gaborone Housing Guaranty Loan received praise for serving families well below the median income. In contrast to projects in other countries where "low-income housing" projects frequently evolved

into middle or upper income projects, Botswana officials defined their objectives and designed a program to carry them out.

The secret of their success is very simple provided that governments have this self discipline to apply the same methodology. The Botswana procedures would apply to housing efforts at all income levels:

A condensed version of this methodology is as follows.

- (1) Determine the probable range of incomes for the target group
- (2) Use the lowest income levels in your target group as the guide for determining affordable standards. (This is done with the assumption that it is always possible to expand upwards but seldom possible to reduce standards.)
- (3) When the income available for housing is known, examine all the key elements of housing, establish priorities for standards and services, and prepare budgets to determine affordability. This process especially difficult for projects directed toward lower income families. In Botswana's case, it meant that a low-cost land tenure system had to be used, infrastructure was designed for communal services, low-cost sanitation units were used, housing standards were reduced, and self-help combined with technical assistance was employed to reduce costs.

When a housing design affordable by the target population is available, the final step is to employ a plot allocation system that emphasized directing the housing at those people with the greater housing need those people and least able to help themselves. In practice this meant that allocations were made from the bottom up.

The result of the above approach was that the Gaborone Housing Guaranty Loan was designed to serve families with a median income of \$1800 or less. In practice audits confirmed that most of the families occupying the HIG project were well below the 40th percentile.

#### The Importance of Cost Recovery to a Self-Reliant Shelter Sector

Botswana has done an excellent job in designing affordable shelter solutions. Recovery of recurrent cost of services has also been subjective to rigorous examination.

Botswana has good policies stressing the importance of cost recovery, but cost recovery remains the weakest part of Botswana's housing schemes. The reason for this shortcoming is that they have failed to develop adequate implementation of collection procedures. The most serious problem is a lack of political will, but in response, Botswana is enacting new legislation that they hope will give the town councils more authority to collect loans and fees.

#### SUMMARY

The Botswana experience is an example of a small LDC with limited human and financial resources that responded to urban housing crisis with excellent policies and good implementation. The use of an AID

HIG loan and AID technical assistance has been a big part of the Botswana success story.