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FINAL REPORT
IMPLEMENTING BOTSWANA'S
HOUSING POLICY

IQC #25

This report was prepared by James E. Upchurch, Director for Africa, Cooperative Housing Foundation under the Indefinite Quantity Contract No. PDC-011-I-25-2068-00, Work Order No. 25.

May 18, 1984



THE COOPERATIVE HOUSING FOUNDATION

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

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16 May 1984

Mr. Peter Molosi
Permanent Secretary
Ministry of Local Government and Lands
Private Bag 006
Gaborone, Botswana

Dear Peter:

I have reviewed comments on the draft copy of my report "Implementing Botswana's Housing Policy". These comments have been incorporated, where appropriate, into my final report. I am enclosing fifteen (15) copies of the report for your use.

I hope that the final report will provide the Ministry of Local Government and Lands with a focal point for developing a housing implementation plan and continuing development of Botswana's housing policy.

Your staff have recommended that a "reference committee" should be established to monitor progress of the housing plan. I agree with this suggestion. As noted in this report, there are many pending issues that will require constant dialogue between representatives of all government agencies concerned with housing. I urge you to appoint such a group at your earliest convenience.

It was a pleasure for me to return to Botswana to work on this activity and I am looking forward to CHF's continuing collaboration with your Ministry.

Sincerely,


James E. Upchurch
Director for Africa

JEU:sp

Encls.

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INTRODUCTION

This report will provide Botswana's Ministry of Local Government and Lands (MLGL) with a focal point for developing the housing plan mandated by GOB Government Paper Number 2 of 1981. In response to needs identified by MLGL officials, the report has been divided into two sections. Section One is a guide and timetable for MLGL staff responsible for writing the plan. Section Two is a list of actions to be taken when implementing the new housing policies. The scope of this section is larger than the policies addressed in Section One.

This report does not attempt to restate all the policies in the Government Paper. It is directed to MLGL staff familiar with Botswana's housing policies. Readers approaching the subject for the first time are advised to study the Housing Commission Report and Government Paper Number 2 of 1981 before using this document.

This report about developing Botswana's housing implementation plan is a first step in a long process that will be completed by MLGL Housing Division staff. To be successful, the MLGL Housing Division must be clearly defined. Currently, the MLGL organization, as a whole, is little different than when the housing policy was approved.

IMPLEMENTATION OF BOTSWANA'S HOUSING COMMISSION REPORT

SECTION ONE

PREPARING THE IMPLEMENTATION PLAN

COOPERATIVE HOUSING FOUNDATION

May 18, 1984

PREPARING THE IMPLEMENTATION PLAN

Botswana's Housing Policy

Botswana has a substantial investment in the housing policy that became White Paper number 2 of 1981. A housing policy offers general guidelines to those charged with the responsibility for implementing programmes and projects. These policies, no matter how sound, have no value until they are properly implemented. For this reason, the Housing Commission called for the MLGL to prepare an implementation plan.

An implementation plan complements a housing policy statement. It sets forth a specific programme of action to achieve certain goals and presents quantified objectives and more detailed methodology than the policy statement so that implementation can be evaluated.

The process of writing a housing implementation plan is not unlike the process used in Botswana to agree on housing policy. Many of the implementation procedures are in place. Some are more formalized than others. There are de facto, unwritten implementation procedures as there were de facto policies. These must be examined against a master plan and accepted or rejected. There are implementation voids that must be filled with new plans. Some parts of the plan will require revising old procedures to ensure that they conform to the housing policy.

Writing an implementation plan is simple after the time-consuming

task of obtaining a consensus. The final product will take many months of hard work. This report will provide MLGL with a focal point for developing the housing plan and continuing implementation of the housing policy.

Botswana has an excellent record in its public sector housing efforts. Much of that record is based on Botswana's popularity as a progressive and stable developing country that has attracted loans, grants and technical assistance that were to put to good use within the context of sound policies. Indeed, most of the housing projects were shaped by the AID organizations with Botswana responding to their offers to fund projects.

The next step is for Botswana to take more responsibility for project identification as part of a larger national programme that will implement the national housing policy. To achieve this objective, Botswana will write a national housing implementation plan that provides detailed information about the housing problems, the available resources, and the national strategy and goals.

The Housing Commission found that Botswana extensive public sector housing efforts are managed by several different sections of government. These sections are growing stronger as can be seen in the improvements in housing stock, yet the Commission found that existing housing policies were poorly coordinated and implemented. There is little government control over certain key

organizations and there was little accountability for meeting national housing needs. Government housing efforts were scattered, resulting in waste when departments, parastatals, ministries, organizations were not working toward common objectives.

The Commission recommended two solutions:

1. To coordinate better by forming a housing unit in the MLGL.
2. To prepare a housing implementation plan.

This paper is not meant to be the Implementation Plan. It is an outline of the steps that MLGL staff will take in preparing an implementation plan.

ELEMENTS IN A NATIONAL HOUSING IMPLEMENTATION PLAN

Using the housing policy statement as a guide, the housing implementation plan will include the following elements:

1. Gathering social and economic data.
2. Establishing effective housing demand, identify target groups.
3. Analyzing public and private sector resources available for the shelter sector.
4. Stating and refining the national strategy and specifying national shelter objectives.
5. Assigning responsibility for management.
6. Specifying project monitoring and evaluation systems
7. Continuing policy development and implementation improvement.

The Housing Commission Report recommended that the MFDP include a chapter on housing in the NDP. If the implementation plan is properly written, a condensed version of the plan would make an ideal NDP chapter on housing.

Like the National Development Plans, the implementation plan should be a "roll over" type plan that must be updated, improved and refined on a regular basis.

The formation of the first plan will have to include special attention to five issues of special importance in Botswana:

1. Allocation of housing resources.

There have been important changes in the assumptions used by the Commission to make their recommendations. As the Commission Report was being published, Botswana's economic situation suffered an unexpected downturn. This suggests that revisions will be needed in the Commission's projections of need and resource availability.

New studies and projections of need and resource availability using up to date data are likely to be completed during the first half of 1984. If the results of these studies and calculations are significantly different from the Commissions's projections, new pro-

duction goals should be tabled, discussed, and approved by the MLGL and MFDP. These goals will become a part of the long term implementation plan. The Housing Plan should consider and relate to the National Settlement Policy.

2. **Developing institutions to mobilize internal finance.**

Botswana's national development strategy includes a heavy reliance on the international sale of mineral resources to pay for the importation of goods, services and the foreign exchange portion of repayment of development loans. The Housing Commission noted that while this works today, Botswana must reduce the dependence on AID organization funding in the future. Local financial institutions are needed to mobilize internal finance are the key to the long term objective of supporting the development of a private sector housing industry.

Developing this capacity will take several years and should begin with a position paper that outlines the possible options for solving this problem. The recent UNCHS proposal could be used as a position paper. The Report on the President's Commission's on Land Tenure should be reviewed for other solutions to these problems.

3. Organizing a middle income housing programme

Botswana has two major housing implementing organizations: Botswana Housing Corporation and the Town Council's Self Help Housing Agencies. As these two organizations matured, it was assumed that BHC would cover the middle income and upper income population while the SHHA's would meet the needs of households with less than a median income. In the early history of the SHHA programmes, the administration was poor and many middle and upper income households were given plots meant for lower income households. This situation changed as the SHHAs improved their management and fewer over-income households were getting by SHHA screening.

The BHC, on the other hand, builds houses of different standards, but the lowest standard house, while labeled low cost, were not affordable by most middle income households. This left a gap in the urban population that was not being addressed by any government assisted housing effort. After reviewing this problem, the Housing Commission recommended that a programme be organized for middle income families.

While much is already known about the middle income housing market, the process of designing a new programme should begin with a survey of the size of the population group needing the proposed housing, their attitudes and expectations. It would be useful to

survey the higher income families living in COR areas and families living in the least expensive BHC housing. An evaluation of the reasons for the failure of the BHC "self help" scheme should be done. The recent census, the last household survey done by Central Statistics Office, and waiting lists are sources of data for estimating the need and demand for middle income housing.

When survey data is available an early decision should be made about assigning responsibility for implementing the middle income housing scheme. The three possible options are: BHC, SHHA, and creating a new organization. All options have their strong and weak points.

Regarding BHC, it should be noted that the lower down the income scale, the more that housing efforts change from simple construction projects to "people motivation" projects. While BHC has a good record of managing projects built by large contractors, their record with middle and lower income projects is poor. To the degree that some of the middle income families are on the upper edge of the SHHA client list, BHC may not be successful in serving their low-income needs.

The SHHAs have proved that they can manage self help schemes, but they have little experience with higher

standard housing. The most dangerous aspect of assigning the task to the SHHAs, however, is that they may over-respond to the more vocal middle income group and assign too much manpower to a group that is much smaller than the SHHA population -- the SHHA goals may be distorted.

It is probable that middle income households will be found to want standards above the SHHAs and be able to afford something less than the least expensive BHC house. This suggests that a new organization, set up to meet the special needs of this group, would have the advantage of being able to focus on middle income housing. The disadvantage is the extra cost and management problems of creating a new organization.

Among a long list of issues to be resolved before the middle income programme can get underway are the roles, if any, of the Botswana Building Society (BBS) and National Development Bank (NDB). How will they make loans directly or in cooperation with the implementation organization?

When decisions about these issues are made, the MLGL housing unit should write a Project Paper that will:

1. Identify the target population.
2. Propose standards, in accord with housing policy, for housing and infrastructure.

3. Propose a finance plan.
4. Give details about the level of technical assistance, if any and explain how to pay for technical assistance and general management.
5. Describe the level of recurrent services.
6. Propose a middle income cost recovery and debt management plan.
7. Propose legal mechanisms and land tenure systems.

When the above is approved, DTRP should be instructed to start planning middle income plots into the next available need area. This would include some middle income plots for the private sector and possible cooperative housing sites.

As the construction of the first sites begins, the creation or strengthening of the selected implementation organization should be underway. This would include adding staff, offices and equipment to be followed by staff training and writing procedure manuals, etc. At this stage, the first houses could be constructed. A suggested schedule for development of the middle income program is attached.

4. Redirecting subsidies.

Nothing is more important to the long term success of Botswana's housing efforts than the implementation of the Commission's recommendations about redirecting subsidies.

Middle Income Housing Schedule

Middle Income Housing plan, Revision 4, 5/17/84
Prepared by

Job Description	1984						1985												1986												1987			
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
1 RESEARCH/SURVEYS	0=====>																																	
2 BBS, NDP ROLES	.	.	.	>====|																														
3 SELECT ORGANIZATION	.	.	.	>====,																														
4 WRITE PROJECT PAPER	.	.	.		>=====)																													
5 ORGANIZE FINANCE	=====)																											
6 DTRP PLAN PLOTS							>=====)																					
7 DEVELOP MIDDLE INCOME SITES																												
8 DEVELOP IMPLEMENTING AGENCY																												
9 CONSTRUCT FIRST UNITS																												

- Symbol - Explanation
- >----> Duration of a normal job
 - >....> Slack time for a normal job
 - >====> Duration of a critical path job
 - >====|> Duration of a completed job
 - * Job with zero duration
 - 0----> Job with no prerequisites
 - >----| Job with no successors

To carry out the intent of these recommendations, the implementation plan must include the following:

1. A programme for identifying and calculating subsidies on a regular basis.
 2. A programme for determining economic rents for local government owned houses.
 3. A long term plan for increasing rents to government employees until they reach economic levels.
 4. Procedures for controlling BHC subsidies.
 5. A plan for helping local government to improve their debt management.
 6. A schedule for redirecting subsidies.
5. Investigations into a rural housing programme.

The Commission recommended that more housing aid be given to rural areas. The Commission did not assume that rural programmes would be copies of urban programmes as a "rural SHHA" may not be needed or affordable. The major issue is: how will government improve rural housing?

When studies are completed in the rural areas, a proposal for how government will help improve rural housing in rural areas should be included in the plan.

OUTLINE OF IMPLEMENTATION PLAN

Introduction

- Explain purpose of plan.
- History of current housing efforts
- Scope of the Implementation Plan

Analysis of Need and Demand

- Review current housing stock situation
- Info about attitudes and expectations of consumers
- Current backlog by location, type, income
- Five year projection of need by location, type, income

Analysis of Resources Available

- Land
 - Raw land by location
 - Ownership, cost by location
 - Rural land (Reflect Land Tenure Commission)
- Water
 - Projected availability by location
 - Implications for national settlement plan
- Building Materials
 - Availability
 - Foreign exchange issues
- Finance
 - Revised estimate of investment as % GDP
 - Private
 - Estimated capital available from investors
 - Estimated capital from beneficiaries
 - Plan for mobilizing internal savings
 - Public
 - Plan for shifting subsidies as per report
 - Amount investment next 5 years, subsidies shifted
 - Amount investment next 5 years, subsidies not shifted
- Human resources
 - Availability of skill construction workers
 - Prospects for private sector construction industry
 - Availability of public sector management and staff
 - Value of self builders

Training opportunities

Shelter Sector Strategy

- Refinement, extension of housing policy
- Computer programmes for different scenarios

Shelter Sector Goals and Objectives, 85/86 to 89/90

- General
- Specific production units by type, location

Specific Actions to Plan and Implement Housing Programs

Further Policy Development

Evaluation

PROJECTION OF HOUSING NEEDS

The first step in preparing a housing implementation plan is to gather sufficient data about the current housing shortfall and recent demographic trends to prepare an estimate of the current and near-term housing needs. This is not unlike the process of organizing to attack any complex problem. One must first have a clear understanding of the problem's dimensions before designing solutions.

An analysis of housing needs would appear to be a simple exercise of counting the number of households without adequate housing and making some assumptions about the rate of new household formations. All of this could be translated into current and future national housing needs and effective demand.

In practice, analyzing housing needs is a much more complicated

process. Housing needs must be expressed in more detail than simply listing the total units needed. The plan must include estimates about the number of each type or standard of housing in a mix of housing solutions that can be expected to change. In addition, assumptions must be made about methods for producing these units before an estimate of the investment required by both private and public sectors can be made. As noted above, determining need is the first step in developing a housing implementation plan. Since final decisions about the strategy to be employed -- including decisions about standards -- must wait for a comparison of needs and resource availability, developing countries without housing policies may be at a loss to begin defining need because they can not agree on what they mean by a "housing unit".

Analyzing housing needs will be much easier in Botswana because of the existence of housing policies and guidelines. Important decisions about cost recovery, building to affordable standards and the use of subsidies are in White Paper number 2 of 1981. But, even in Botswana, it may be necessary to develop several scenarios and prepare studies that will enable the MLGL housing unit to ask "what if" questions as they fine tune and change strategies in the future. The development of "what if" scenarios will help provide contingency plans and flexibility.

BASIC INFORMATION REQUIREMENTS

The minimum information required to prepare a plan should include

the following elements:

1. The current housing stock situation.
2. Information about attitudes and expectations of housing consumers.
3. The current housing backlog by location, housing type, and income range.
4. A five year projection of new housing needs by location, housing type, and income range.
5. The estimated investment required of private sector investors, beneficiary households, and the public sector to meet the projected need.

HOUSING NEED RESEARCH

The Presidential Housing Commission Report began a housing need study, but it was only a beginning; inadequate time, staff, and data limited the study to rough estimates. In 1984, the new MLGL housing unit will have much better information. Data from the recent census is available and the results from the Migration Study have been published. The MLGL has a research unit that has done studies about housing in both urban and rural areas. Other studies like the CITA and DAG efforts will be helpful.

The Housing Unit will begin their research about housing needs by reviewing all of the recent studies containing data about housing, population, and incomes. These data will be inadequate and it is assumed that new studies will have to be commissioned. We know, for example, that the census asked few questions about

housing and incomes, and recent events in areas like Francistown and Selebi-Phikwe have changed those communities since the census. It may be necessary to carry out spot surveys of housing stock in certain areas, a new household survey, and a new study of current construction and land development costs for the types of housing currently being built in Botswana.

The basic research and new studies may take several months. After reviewing the existing data, a budget and timetable for the new studies should be tabled for approval. When all studies are complete, the results should be discussed with other ministries concerned with economic development and mineral resources. After any adjustments in projections, the housing unit will have a comprehensive projection of Botswana's housing needs.

ESTABLISHING NATIONAL GOALS

Botswana's housing policy lists broad national goals. These are:

To insure safe and sanitary housing for everyone.

To encourage the building of new urban housing for all income levels at a pace which will ensure that no citizen of an urban area is forced to reside in an unauthorized settlement.

To begin improving the quality of housing in rural areas by offering Government assistance in the form of additional village and regional planning, and the introduction of a modified version of the self help site and service scheme (SHHA) following a study of that issue.

While the policy paper set goals in a rather general way, the implementation plan will set detailed goals for the shelter sector on several sub-levels. The purpose of these implementation goals will be to implement existing policy rather than to guide the shelter sector toward new policies. For example, if one of the goals is to prevent squatting by building adequate numbers of site and service housing, then progressive lower level goals would be to allocate resources to the SHHA programmes nationwide to carry out that objective, focus on the squatter problem in Francistown, set specific plot allocation goals for certain Francistown wards, etc.

A schedule for preparing the implementation plan follows.

Implementation Development Plan Schedule

BOTSWANA, Revision 3, 5/17/84
Prepared by

Job Description	Jun			Jul			Aug				Sep				Oct			Oct			Nov			Dec				Jan			
	15	22	29	6	13	20	27	3	10	17	24	31	7	14	21	28	5	12	19	26	2	9	16	23	30	7	14	21	28	4	
0 ANAL: CURRENT DATA	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	
1 ANAL: CURRENT DATA	O=====)				.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2 PLAN NEW SURVEYS)====)	
3 CONDUCT SURVEYS)=====)	
4 ANALYSIS: NEW SURVEYS)====)	
5 MAKE NEED PROJECTIONS)====X	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
6 LAND, WATER RESEARCH)=====X	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
7 FINANCIAL RESEARCH)=====)	
8 WRITE MOBILIZING SAVINGS PLAN)====X	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
9 WRITE SHIFT SUBSIDY PLANS)----->.....)	
10 FINANCIAL RESOURCE AVAIL RPT)----->.....)	
11 HUMAN RESOURCES AVAILABLE RPT)=====)	
12 HUMAN RESOURCES/TRAINING RPT)====)	
13 SECTOR STRATEGY PAPER)=====)	
14 SET FIVE YEAR HOUSING GOALS)=====)	
15 WRITE HOUSING CHAPTER FOR NDP)=====))=====)
16 WAIT RESPONSE TO PLANS, GOALS)=====))=====)
17 PUBLISH IMPLEMENTATION PLAN)=====)

- Symbol - Explanation
- >----> Duration of a serial job
 - >....> Slack time for a serial job
 - >====> Duration of a critical path job
 - >::::> Duration of a completed job
 - Job with zero duration
 - O----> Job with no prerequisites
 - >---X Job with no successors

IMPLEMENTATION OF BOTSWANA'S HOUSING COMMISSION REPORT

SECTION TWO

LIST OF PENDING ACTIONS

COOPERATIVE HOUSING FOUNDATION

May 18, 1984

Housing Commission Report reference number
1.04

Short description: Role of Housing in Botswana

Description: The Commission said that good housing policy is critical to the development of Botswana's shelter sector and RECOMMENDED that housing be considered a basic human need.

Summary of action taken to implement this policy to date: Acceptance by Government suggests the concept is to be future guideline.

Follow up needed on actions taken: When the chapter for the next NDP is written, this new concept should be introduced with an explanation that the status of shelter is being raised.

Other action to be taken on this policy: The Minister should be encouraged to say something about this in public speeches to be sure that the public gets the message.

Housing Commission Report reference number
1.05

Short description: Standardizing housing terminology

Description: The Commission RECOMMENDED that all government reports refer to housing types/levels of standards in terms of affordability. The Commission suggested the terms "HIGH, MIDDLE, AND LOW income housing" be used rather than "high, middle, and low cost housing".

Summary of action taken to implement this policy to date: None

Follow up needed on actions taken: N. A.

Other action to be taken on this policy: The MLGL should publish definitions of income ranges. Government departments using incorrect terminology should be corrected. A memo should be directed to BHC.

Housing Commission Report reference number
1.09

Short description: National Housing Plan/NDP chapter.

Description: The Commission suggested that, as a minimum, a five year plan for the housing sector should be written. This plan would include an assessment of all types of housing needs, a financial programme to meet that need and a strategy to implement the programme. The Commission RECOMMENDED that a chapter in the NDP be reserved for housing.

Summary of action taken to implement this policy to date: The MLGL has been in touch with the MFDP and reached an understanding that the shelter sector will have a chapter in the next NDP.

Follow up needed on actions taken: The above agreement should be confirmed in writing to avoid any misunderstanding that may result from personnel changes.

Other action to be taken on this policy: The MLGL should have a first draft of the chapter prepared for the MFDP by September, 1984.

Housing Commission Report reference number
1.15
1.17
1.53
1.54

Short description: MLGL housing division.

Description: The Commission RECOMMENDED that the MLGL create and staff a housing division with a Deputy Permanent Secretary at the head. The DTRP, DSL, BHC and an Under Secretary for Housing would report to the Deputy Permanent Secretary. Additional posts would be created to strengthen the MLGL's capacity to direct national housing efforts. A clearer line of authority would be established including gaining better oversight over BHC by directing BHC to report to the new DPS for housing.

Summary of action taken to implement this policy to date: The MLGL has reorganized and appointed a Deputy Permanent Secretary for Housing and Urban Affairs. Two new posts, Housing Officer I and Housing Officer II, have been created. BHC has been instructed to report to the DPS except on board matters.

Follow up needed on actions taken: With the inclusion of urban affairs as well as housing in the new DPS' line of authority, the

attention needed for housing is somewhat reduced. The new organization will, however, be an important step forward.

Control over BHC still remains weak. Effective oversight of BHC will require more than one or two board meetings each year. Monthly reviews by housing technicians would be more effective with the DPS represented on the BHC board.

Other action to be taken on this policy: Further steps may be needed to clearly define the roles of new housing division staff members.

Housing Commission Report reference number
1.18

Short description: Role of SHHA

Description: The Commission RECOMMENDED that the SHHAs remain within the Town Councils and receive more support from the new division of housing in the MLGL.

Summary of action taken to implement this policy to date: This concept has been accepted and further reconfirmed by a recent study by the DAG team.

Follow up needed on actions taken: Support for the SHHAs remains weak due to lack of personnel at the MLGL. When additional personnel are in post, a renewed effort to provide national oversight, training, and support to the SHHAs should begin.

Other action to be taken on this policy: None

Housing Commission Report reference number
1.37

Short description: Allocation of Housing Resources

Description: The Commission noted that Botswana's current shelter sector investment is high (3.7% of GDP) when compared to other African countries, but that much of this amount is in the form of non-productive housing subsidies. The Commission RECOMMENDED that Botswana (1) set the housing investment goal for 1980 to 1990 at P303 millions, (2) set the housing production goal at 59,000 units for the period and (3) pay for this rate of production by spending more on the production of housing while decreasing the

percentage spent on subsidies.

Summary of action taken to implement this policy to date: None

Follow up needed on actions taken: NA (no action taken)

Other action to be taken on this policy: This is perhaps the most important section of the entire Commission report and should be given more attention. It is part of the process of developing a housing implementation plan and should be assigned to the new staff in the Housing Division.

There have been important changes in the assumptions used by the Commission to make the above recommendations. As the Housing Policy Report was being published, Botswana's economic situation suffered an unexpected downturn. This suggests that revisions will be needed in the Commission's projections of need and resource availability. Data from the recent census can be used to fine tune Commission projections of the rate of urban growth from population increase and urban migration. Studies of rural housing needs are underway. Housing production has been stalled in Gaborone due to the water shortage and Francistown has experience a higher than expected need because, in part, of the situation on the Zimbabwe border.

Greater emphasis should be placed on the impact of drought (water restrictions) and general economic conditions in relationship to the housing plan's goals.

New studies and projections of need and resource availability using up to date data should be completed during the first half of 1984. If the results of these studies are significantly different from the Commission's projections, new production goals should be tabled, discussed, and approved by MLGL and MFDP. These goals will be part of the long term implementation plan.

Housing Commission Report reference number
1.40
5.09

Short description: SHHA programme

Description: The Commission RECOMMENDED continuing the Urban SHHA scheme, extending the program to rural areas and beginning a rural sanitation scheme.

Modifications of White Paper number 2 of 1981 Recommendations relating to the rural areas were accepted in principle by Government, but MLGL was directed not to implement these recommendations until further study of rural needs were completed.

Summary of action taken to implement this policy to date: A team is currently working on a rural study. The DAG study of the urban SHHAs is complete.

Follow up needed on actions taken: The current study involves more than rural housing and is being carried out in a village/town that may not reflect the needs of most rural areas. An analysis of the current study's results should include input from housing and rural oriented staff to arrive at a strategy for improving housing in rural areas.

Other action to be taken on this policy: Action awaits current study results. The emphasis should be on "how to improve rural housing" rather than focusing on a "rural SHHA" concept.

Housing Commission Report reference number
1.43
1.48
1.49
4.25

Short description: Housing subsidies and housing allowance

Description: The Commission RECOMMENDED that:

1. Subsidies should be directed toward production rather than consumption.
2. Government should not become involved in providing housing subsidies where housing can be produced with government assistance.
3. Subsidies should be directed at those people least able to help themselves.
4. Subsidies should be directed first at those people lacking basic shelter.
5. Housing subsidies should not be confused with wage incentives policy.

The Commission also recommended (1.48) that Housing Subsidies which cannot be replicated should be avoided. This would require that most subsidies to high income families be eliminated by 1985. Savings from subsidies to higher income people would be redirected toward efforts to increase housing production for middle and lower income groups. Consumption type housing subsidies would be eliminated (1.49) for middle and upper income groups and the average per unit subsidy to middle income families would be reduced.

The Commission RECOMMENDED that the housing allowance be re-introduced to help identify subsidies.

Modifications of White Paper number 2 of 1981 The recommendation that the housing allowance be reintroduced was rejected. Instead, rents should be increased gradually towards economic levels.

Summary of action taken to implement this policy to date: Some of these policies were already in place and employed. In other cases, new action is required to implement the guidelines listed above. BHC has increase some rental rates, but there is no long term strategy for increasing rentals to economic levels. The MLGL has requested short term technical assistance to further this effort.

Follow up needed on actions taken: Prepare a long term plan for increasing rentals.

Other action to be taken on this policy: The first step to bring subsidies under control is to determine the extent of existing subsidies. Many housing subsidies in Botswana are hidden. One of the major arguments in favor of reintroducing the housing allowance was that it was a useful tool for bring subsidies out in the open where they could be compared to policy and evaluated. The rejection of the allowance means that Government must make other arrangements to identify subsidies.

When the new MLGL staff are in place, they should begin a study to identify all current housing subsidies and prepare a report that lists the type of subsidy, beneficiaries, current cost to government, and projected cost to Government.

Using the housing subsidy study the MLGL should compare subsidies identified against the major policy guidelines. Proposed future subsidies should be subjected to the same test.

The Commission suggested that the most important step to implement the subsidy shift would be to begin upward adjustments in BHC rents until economic rentals are charged by 1985. At the same time, Government should stop making subeconomic loans to BHC. Economic rentals should be defined.

It will not be possible for upward adjustments in BHC rents to reach economic levels by 1985 when the effort has not started in 1984. When the MLGL housing division is staffed in 1984, the MLGL should, with input from BHC, determine economic rentals for current BHC housing and prepare a paper on how BHC should calculate these rents and submit them to the Ministry each year. A schedule should then be prepared to show how rents will be increased from early 1985 to reach economic levels in 1990.

To implement the "no subeconomic loans to BHC" section of the subsidy policy, the MLGL should reach an understanding with the

MFDP and BHC that (1) BHC should increase efforts to carry out its mandate for finding funding outside Government and (2) that BHC will submit any funding requests to MLGL for approval before sending them to MFDP. The latter action will be in line with Government's directive to tighten oversight of BHC and will, at the same time, provide a means for insuring proper implementation of the subsidy issue.

Housing Commission Report reference number

1.57

1.59

Short description: National Development Bank

Description: The Commission RECOMMENDED that the NDB create a housing division and begin making consumer level housing loans and housing development loans to local authorities in rural areas.

Modifications of White Paper number 2 of 1981 This recommendation was accepted in principle, but Government directed that it should not be implemented until adequate capacity within NDB has been proven.

Summary of action taken to implement this policy to date: The MLGL wrote to the NDB on 8 June, 1983 asking that they establish a housing division. MFDP replied but seemed to be referring to another subject. The Land Tenure report is ready for review.

Follow up needed on actions taken: MLGL needs to obtain a clearer statement from MFDP about this recommendation.

Other action to be taken on this policy: The report on the Commission on Land Tenure should be reviewed for suggestions about lending in rural areas.

Housing Commission Report reference number

1.61
1.62
1.63
1.66
1.67

Short description: Botswana Building Society

Description: The Commission made several recommendations concerning the Botswana Building Society:

1. The tax and Government guarantee assistance should be continued.
2. The maximum mortgage amount for the government housing guarantee programme should be increased to P25,000.
3. BBS was encouraged to lend on lower construction standards to serve lower income people.
4. BBS was encouraged to revise its policies to permit it to serve lower income people.
5. Government was asked to amend the Building Societies Act by directing that the Immovable Property law applies to rural areas; this permits BBS to extend its assistance to rural areas.

Summary of action taken to implement this policy to date: The loan limit has been increased to P25,000. The Building Societies Act was amended to permit BBS to lend in COR areas, however, there is little evidence that they will use the new authority.

Follow up needed on actions taken: MLGL and MFDP should meet with BBS to discuss (1) their role in serving the lower middle income range, (2) lending on reduced standards and (3) becoming active in COR areas.

Other action to be taken on this policy: When the Land Tenure Report is accepted by Government, the MLGL should consider the report when pressing BBS to lend in rural areas and COR areas.

Housing Commission Report reference number
1.70

Short description: Role of Commercial Banks

Description: The Commission RECOMMENDED that the banks extend more credit for housing in rural areas.

Summary of action taken to implement this policy to date: This is closely related to the rural land tenure issues. A Land Tenure Commission was appointed.

Follow up needed on actions taken: When the Land Tenure Commission report is accepted, action may be needed.

Other action to be taken on this policy: Pending Land Tenure Report.

It has been suggested that land tenure is not the primary concern of the banks and that the issues of marketability and borrower reliability are of more concern. MLGL should consult with the banks about how to overcome this concern.

Housing Commission Report reference number
1.74

Short description: Mobilizing internal funds for the shelter sector

Description: The Commission noted that developing countries can not expect external donors/lenders to fund all shelter activities. Botswana will need to mobilize internal funding for housing. A large surplus liquidity existed in the private sector at the time of the Commission's hearings. Botswana lacks mechanisms for mobilizing internal resources. The Commission RECOMMENDED that a committee be created to study the subject in more detail.

Summary of action taken to implement this policy to date: MLGL authorized a UN consultant to prepare a housing finance report.

Follow up needed on actions taken: The UN Consultant's report has been out since January, 1982, however, the report is inadequate. One of several weak recommendations from the report suggests that the NDB make housing loans with internal funds raised with regressive taxes. It may be necessary to obtain the services of a housing finance person to produce another study or to correct the existing report.

Other action to be taken on this policy: This subject attracted considerable attention at the time of the Commission hearings because of the large surplus liquidity in the private sector. With the economic downturn, private sector surplus liquidity has been reduced, however, the importance of mobilizing internal resources is even greater today because external loans and grants for housing are harder to obtain and more costly.

The MLGL should, after consulting with the MFDP, sponsor a seminar on the subject that would include public and private sector housing and financial institutions. An optional outside consultant may offer suggestions about how other countries deal with this problem.

Housing Commission Report reference number
1.79
2.40

Short description: Foreign Exchange Implications(1.79)
Utilization of local building materials(2.40)

Description: The Commission RECOMMENDED :

1. Internal funds should be used first, but foreign funds should be used to avoid programme disruptions when no other finance option exists.
2. Local production of materials should be encouraged.
3. Designs and standards should reviewed to reduce imported materials where possible.
4. The RIIC should be supported and better used.

Summary of action taken to implement this policy to date: The MLGL has requested technical assistance to look into the use of indigenous building materials.

Follow up needed on actions taken: N. A.

Other action to be taken on this policy: The MLGL should retain a short term consultant to determine which building materials are the largest consumers of foreign exchange and the foreign exchange content in different types of housing designs. With this information available, a strategy for foreign exchange reduction can be implemented.

Housing Commission Report reference number
1.83

Short description: Exemption from rates

Description: The Commission RECOMMENDED that , in addition to properties which are exempted from paying rates, church properties and certain welfare hostels should be exempt.

Summary of action taken to implement this policy to date: Task completed.

Follow up needed on actions taken:

Other action to be taken on this policy:

Housing Commission Report reference number
1.87

Short description: Property Rating Issues/Tati Company

Description: The Commission RECOMMENDED that negotiations or legal steps be taken by Government to either repossess undeveloped Tati Company land or make it subject to property rates.

Summary of action taken to implement this policy to date: Government has began discussions with the Tati company.

Follow up needed on actions taken: MLGL should review the agreement with Tati Company and ask them to sign a new agreement.

Housing Commission Report reference number

2.16

2.21

2.25

2.38

Short description: Housing and Infrastructure standards

Description: The Commission RECOMMENDED that in site and service areas, the standards of development be graded according to three levels of affordability (2.16) and suggested income ranges in 1980 prices. These ranges were called SS I, SS II, and SS III.

The Commission found that the principle of cross subsidy (2.21) to be sound and RECOMMENDED that it continue.

Regarding plot sizes, the Commission RECOMMENDED that any changes in present standards be very modest.

Housing standards for expatriates (2.38) was found to be a current drain on scarce resources and a long term problem because Botswana is building a large stock of housing that may not be affordable by citizens who will replace the expatriates in the future.

Summary of action taken to implement this policy to date: A project in Francistown is being planned to a SS I standard. The MLGL should formally direct the DTRP to begin using the three standards in future projects where they are needed.

An education effort should be directed to town councils not supporting the new standards.

The DOP sent a letter to AID organizations and others explaining the policy about expatriate housing standards. BHC should be reminded to implement this recommendation when dealing directly with non government agencies.

Follow up needed on actions taken: No action required for recommendations that will not change in present standards.

Other action to be taken on this policy: Refer to middle income housing. Better use of urban plots (e.g. have more innovative solution to plot coverage, therman comfort, etc.) should be included in the action plan.

Housing Commission Report reference number

2.22
2.23
2.24
4.69
4.78

Short description: Middle Income Housing

Description: The Commission RECOMMENDED that a middle income housing programme be created and suggested standards that might apply to such a new programme. In general, the standards would start at the top of the SHHA, fill the existing void, and include the bottom of the BHC housing efforts.

Summary of action taken to implement this policy to date: A report has been prepared by MLGL staff.

Follow up needed on actions taken: Expand and implement the report.

Other action to be taken on this policy: Middle income families have needs and can afford solutions that fall somewhere between the two current housing efforts in Botswana. Experience to date indicates that considerable care should be taken in properly designing the new middle income housing programme. Some middle income persons have slipped by the SHHA plot allocation screen and built high standard "SHHA" houses in COR areas, but they complained that the level of infrastructure was not adequate for them. BHC tried a "self help" programme a few years ago when attempting to serve lower income families. It was considered a failure and not repeated.

Implementation of the middle income programme should, therefore, begin with a strong planning and design effort to arrive at the best implementation strategy. The MLGL housing unit should prepare a detailed written middle income implementation proposal describing the target population, their current level of affordability, their surveyed level of standards expectations, the type of mortgage finance proposed, the implementing entity and methodology, the proposed house and infrastructure standards, and the cost recovery plan. When this plan is approved, DTRP should be instructed to begin planning a pilot project of about 100 units in Gaborone.

Housing Commission Report reference number

4.01
to
4.87

Short description: Rental Policy

Description: Several recommendations were made by the Commission, including a recommendation that the housing allowance be reinstated.

Modifications of White Paper number 2 of 1981 The White Paper rejected the housing allowance and said that the most appropriate way to redirect subsidies is to gradually raise rents to economic levels.

Summary of action taken to implement this policy to date: None

Follow up needed on actions taken: N. A.

Other action to be taken on this policy: Keeping in mind the fact that Government accepted the suggestion that urban rentals should increase faster than rural rentals, MLGL should prepare a schedule of gradual rental increases.

Housing Commission Report reference number
4.53

Short description: House Allocation System

Description: The Commission RECOMMENDED that the policy be changed so that (1) the priority list takes into account the vacancy situation of Ministries (2) all serving officers transferred from one station to another will be given credit for their waiting position at their old post and not put at the end of the list at the new post and (3) Ministries should submit housing need projections in advance so that BHC can plan properly.

Summary of action taken to implement this policy to date: Department of Personnel is resisting implementation.

Follow up needed on actions taken: Advise DOP of White Paper Policy.

Other action to be taken on this policy: MLGL should submit a plan for implementing (1) and (2) and instruct DOP to send out forms requesting housing need projections after estimates are approved each year.

Housing Commission Report reference number
4.36

Short description: Institutional rentals

Description: The Commission report noted that entire government departments receive free "institutional" housing while other government employees who may have a better case for such housing on an individual basis do not have free housing. White paper 2 agreed that free institutional housing should be more restrictive and accepted the guidelines suggested by the Commission in 4.36. The paper also said that the right to receive free institutional housing should be determined on an individual basis than than given to entire departments.

Summary of action taken to implement this policy to date: None

Follow up needed on actions taken: N. A.

Other action to be taken on this policy: There is a minor inconsistency in the White paper on this issue. While the intent of the White Paper seems to be to accept the guidelines suggested by the Commission, part of those guidelines include a reference to giving a housing allowance to certain categories of institutional employees, but housing allowances were rejected elsewhere in the White Paper.

This inconsistency and the fact that this section of the Commission's Report was not well written suggests that MLGL needs to draft a paper on the subject for distribution to institutions requiring guidance on this matter.

Housing Commission Report reference number
4.42

Short description: Local Authority Rental Policy

Description: The Commission recommended that Council's rent schedules should be brought in line with Central Government and that the standard of Council rental housing should be affordable by Council's staff. Subject to the availability of funds, Councils may build their own housing.

Summary of action taken to implement this policy to date: Some local authorities have requested and have been given permission to build staff housing. Efforts by GTC and FTC have started.

Follow up needed on actions taken: To ensure that council housing

rentals conform to central government, the MLGL must instruct Councils to inventory their housing stock. The MLGL will need to outline the criteria for categorizing council housing stock. This can be a simple process of listing area, number of rooms, facilities, etc.

When councils provide the MLGL with data about their housing stock, the MLGL will compare council units against central government units and advise councils what rentals would apply to their housing. Allowing for rural/urban differences, any future increases in central government rentals would be the guideline for council rentals.

MLGL should press councils to improve their maintenance and management of council housing. With greater revenues from higher rentals, councils will have more funds to maintain their housing. MLGL should inspect local authority housing stock and record the current state of local authority housing as a benchmark for evaluating future improvements.

Housing Commission Report reference number
4.81
to
4.87

Short description: Mining Town Policy

Description: Mining towns should conform to the same standards as other urban centres (White Paper Version)

Summary of action taken to implement this policy to date: None, the next proposed mining towns are being planned with the same mistakes. Communication links between MLGL and MMRWA are still poor. The problem lies with the MMR and WA, who is responsible for negotiating the "joint venture agreements".

Follow up needed on actions taken:

Other action to be taken on this policy: The MLGL should write other ministries concerned with future mine town development to remind them that MLGL will be developing future mining towns to conform to the Housing Policy and to produce viable communities. The Ministry of Mineral Resources should be asked for a report on:

1. Progress made to increase mine town rentals to the level of Government pool houses (4.84).
2. Progress made in converting mining towns to open towns.

Housing Commission Report reference number
4.56
to
4.80

Short description: BHC production

Description: The Commission made the following recommendations about BHC:

1. BHC should strengthen its training program with special attention to preparing middle and senior level managers to assume key positions. (4.63)
2. BHC should attempt to lower costs by tendering in smaller unit groupings for which small local contractors may qualify. (4.74)
3. BHC should direct its attention toward middle income housing (4.71) (4.78) because it has poor record with lower income projects and should leave more of the higher income housing to the private sector (4.77).

Modifications by White Paper number 2 of 1981 Restated and reconfirmed.

Summary of action taken to implement this policy to date: BHC is strengthening its training programme, but no progress has been made to replace top management with Batswana. Most contracts continue to be given to large firms. BHC continues to build high cost housing. Some plots were sold to the private sector.

Follow up needed on actions taken: BHC needs to make a new effort to involve small contractors. If BHC is unable to devise a plan for using small contractors, the MLGL should assist them to work out a programme.

The BHC should be asked to submit a plan for localizing senior management positions.

MLGL should instruct BHC to follow policy with respect to moving out of higher income housing. The effort to sell some plots directly to the private sector resulted in non-Batswana firms building very expensive houses. This does not mean that the private sector approach is invalid, but instead it reflects on the fact that better control should have been exercised by Government when there was clearly a greater demand than supply of plots. The MLGL should suggest regulations for future sales to the private sector.

Housing Commission Report reference number
5.xx

Short description: Land Tenure

Description: Several recommendations were made about land tenure systems in Botswana.

Modifications of White Paper number 2 of 1981 The White Paper did not support the most important proposed change, converting to freehold nationwide, and suggested that a Land Tenure Commission be appointed for further study of the issue.

Summary of action taken to implement this policy to date: The report of the President's Commission on Land Tenure is available.

Follow up needed on actions taken: None pending outcome of Land Tenure Commission

Other action to be taken on this policy: Pending Land Tenure Commission

Housing Commission Report reference number
5.19

Short description: Rural Land Planning

Description: The White paper approved the concept that planning guidelines for villages should be created to guide on-going plot allocations and make future infrastructure and community facility installation more feasible. Land boards should be strengthened.

Summary of action taken to implement this policy to date: Some planning of rural areas has started. DTRP has a schedule for the planning of rural settlements.

Follow up needed on actions taken: MLGL should ask DTRP to submit a plan and schedule for carrying out this recommendation.

Housing Commission Report reference number
5.27

Short description: Surplus rural government housing

Description: The Commission found surplus government/local authority housing in some villages and RECOMMENDED that it be sold by public tender and reinvested in more affordable housing stock.

Modifications of White Paper number 2 of 1981 This recommendation was accepted subject to the amendment that the mode of sale should be left to the MLGL's discretion.

Summary of action taken to implement this policy to date: MLGL issued a directive, but districts reported no surplus houses. Some districts are converting larger housing to two or more units.

Housing Commission Report reference number
5.22

Short description: Moving Government Departments to rural areas

Description: The White paper approved the Commission's suggestion that interministerial committee be appointed to consider moving certain departments to rural areas.

Summary of action taken to implement this policy to date: MLGL wrote to the OoP asking for the committee's appointed. DOP stated that it was an appropriate time for convening a meeting to discuss the issue.

Follow up on actions taken: In view of the recent water shortages in Gaborone, DOP should be asked to reconsider implementing the White Paper.