

## How Swaziland Is Upgrading Its Slums

*CIVIS chose to profile this example from Swaziland because it characterises many of the design and implementation principles that the Cities Alliance promotes: (1) the establishment of a policy and institutional framework for urban upgrading through strong political will of the national government, (2) active community participation, (3) collaboration across various agencies, (4) engagement from inception of a private financial institution, (5) provision of secure tenure for the poor, (6) cost recovery as a goal and design principle, and (7) use of successful pilot programmes to scale up services to reach more poor persons.*

### Context

In response to increasing urbanization, the Government of Swaziland in the early 1990s made urban sector development and policy reform a priority. This involved the creation of the Ministry of Housing and Urban Development, the formulation of a national housing policy for urban areas and the initiation of a process to institute formal security of tenure on Swazi nation land (i.e., land held in trust by the king). Furthermore, policies, procedures and implementation strategies were defined to enable the upgrading of the country's informal settlements? these addressed community liaison; the allocation of land, infrastructure and services; the pricing of plots on a cost-recoverable basis; and relocation and compensation.

#### Swaziland Urban Profile

- Total population: 1 million (approx.)
- Urban population: 30%, or 330,000 (approx.)
- Half of total urban population resides in two principle cities, Mbabane and Manzini
- Population is increasing in these two cities by 5-6 % per annum
- 60 % of the cities' population live in informal settlements
- Informal dwellers have only temporary occupation rights
- Housing is generally poor (stick and mud)
- Infrastructure is deficient (poor water supply, sanitation, access and drainage)

The Swaziland Urban Development Project (SUDP) aims to upgrade and formalise the informal settlements of Msunduzi and Nkawlini in Mbabane and Moneni in Manzini. The project also supports trunk, or city-wide, infrastructure developments (the expansion of water and new sewage treatment facilities, new landfill sites and major road improvements). Plot upgrading will be done for some 4,200 existing plots in Msunduzi, Nkawlini and Moneni; 800 new plots will be created at Moneni; and a "greenfield" site will be created in Mhobodleni, Manzini.

The housing upgrading component of SUDP was designed such that:

- The initial seed funds of US\$2 million were disbursed to the implementation agency to begin work in Msunduzi.
- Subsequent schemes are to be financed from a revolving fund established from plot sales.

## Upgrading Programme Data: Msunduza

### Small Works Contracts

Small works contracts have been awarded to local contractors for footpaths and pit latrines serving:

- 1,350 existing plots
- 430 in-fill plots (i.e., plots arranged in the open spaces between existing plots)
- 80 non-residential plots

Similar contracts have been awarded in Nkwalini involving 730 existing plots, 1,050 in-fill residential plots and 50 non-residential plots; and in Moneni, involving 160 existing plots, 310 in-fill residential plots and 30 non-residential plots

### Infrastructure

A main contract package has been awarded to provide the following infrastructure improvements:

- 3.5 km of bitumenized, or tarred, surface roads up to 6 m wide
- 5.0 km of concrete surfaced footpaths 0.8 m wide
- Water reticulation to serve 1,800 plots
- Waterborne sewerage to serve 500 plots
- Erection of streetlights and the development of two play areas

Msunduza Small Works (To date 6 Labour Based contracts (as opposed to normal civil works contracts where contractors use whatever method they deem appropriate) have been awarded to local contractors for footpaths and pit latrines.

In line with the government's housing and resettlement policies, upgrading sub-projects were designed to ensure full cost recovery, a minimum involuntary resettlement plan approved by interested parties and community involvement from scheme formulation through implementation.

Mechanisms were created for effective community participation. From the outset, the project's goals were to promote a two-way flow of information between project implementers and beneficiary communities and to provide unbiased information to beneficiaries so they could better understand project implications and make informed decisions. In 1998, under city council management, the project established a network of outreach facilitators to achieve its community liaison goal. In this way, information on issues such as plot cost calculations, mortgage finance sources, calculation of repayments and interest, resettlement options, contact names and simple record-keeping for monitoring the post-allocation process was communicated with the assistance of a Project Operations Manual. People seeking employment on construction workforces were referred, and small group discussions coordinated by city councils and community liaison officers, were organized.

In the project, existing residents of informal settlements are actively engaged in identifying servicing needs, agreeing on levels of service provision with associated costs and negotiating priorities. The project is improving its outreach programme through the inclusion of street theatre events and is promoting home-ownership concepts through print and broadcast media.

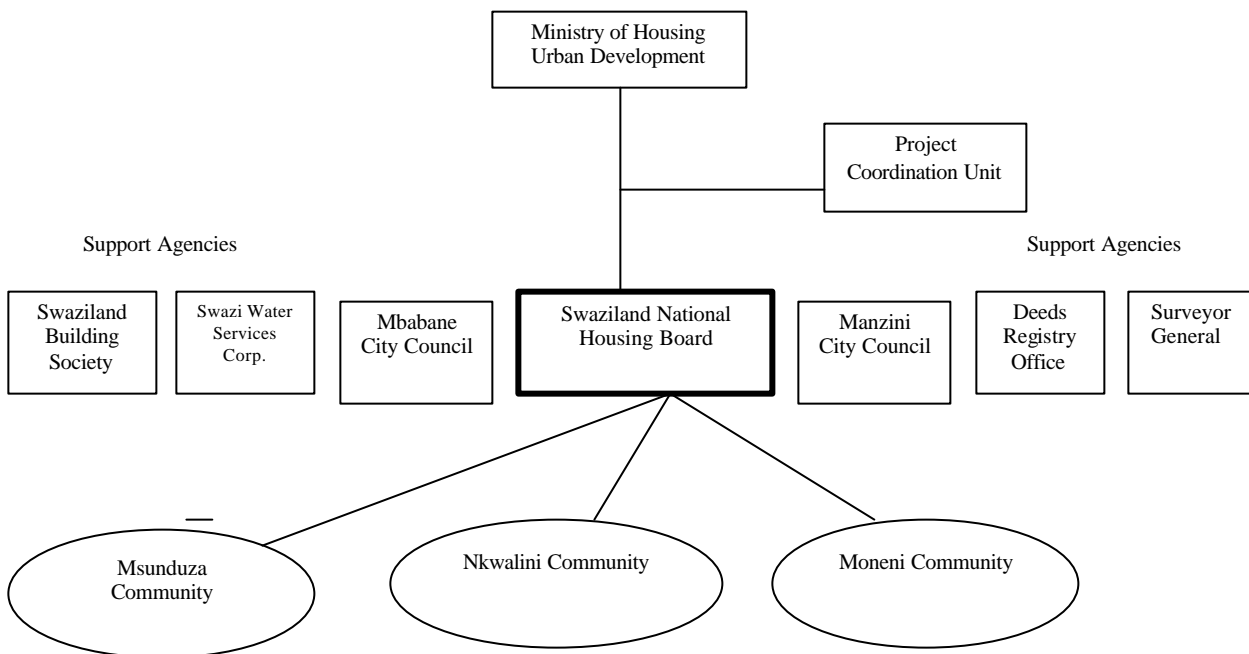
Differences in terrain and patterns of existing settlements mean that plot sizes vary considerably, usually ranging from about 200 to 750 square meters. A key principle in scheme development

was the adjustment of service standards to ensure that remodelled or readjusted plots were affordable. For example, footpath access was provided to houses where road access would have proved too expensive. Remote plots far from sewer connections were to receive on-plot sanitation options. Where traffic movement and safety would not be compromised, geometric and design standards for roads and footpaths were reduced. The concept propelling the design was that occupiers should remain in their existing shelters and plot configurations would be remodelled to create additional plots and affordable infrastructure.

### Institutional Arrangements

Partnership and collaboration across institutions and local communities are hallmarks of the Swaziland project, which is coordinated by the Project Coordination Unit of the Ministry of Housing and Urban Development. The Swaziland National Housing Board (SNHB) has closely collaborated with stakeholders and support agencies in planning and implementing the first project in Msunduza. Actively interested in the informal settlements within its jurisdiction, the Mbabane City Council works with project outreach facilitators and SNHB staff. The Surveyor General Office has been involved in the township plan for Msunduza and land acquisition, and the Deeds Registry Office is being strengthened to deal with the anticipated increase in the issue of leasehold titles. The Swaziland Building Society committed itself to providing mortgage financing for project beneficiaries to ensure that existing occupiers could afford to purchase their upgraded plots; it has increased its mortgage-handling capacity and has agreed to approve smaller loans.

**Figure 1 – Institutional Linkages for Upgrading Schemes**



## The Process

Communities were consulted on the project concept plan developed by the Ministry of Housing and Urban Development. The plan gained acceptance through this process. International consultants assessed standards, costs, affordability, plot pricing, remodelling, cost recovery, allocation criteria and resettlement implications. Just as the Swazi nation land was transferred to government for a 99-year lease period, it was agreed that plots would be sold to the existing occupiers on a similar basis. Because women head almost 40 per cent of the households in Msunduzi, the project had to identify a means to counter the difficulties posed under existing Swazi traditional and civil law to issue plot titles to women. It determined that these plot titles should be issued under the Crown Lands Disposal Act rather than the more constraining Marriages Act and Deeds Registry Act.

International consultants surveyed the chosen communities and prepared the physical and cadastral planning, engineering and costing of the sub-projects with the various stakeholders. The major network infrastructure is included in one contract and carried out by an experienced civil works contractor. The tertiary infrastructure (e.g., pit latrines and small footpaths) has been arranged in various small labour-based packages to be carried out by members of the respective communities. Consultants are assisting SNHB in financial management and construction supervision. To ensure that the secondary and tertiary infrastructure operate effectively, critical city-wide infrastructure has been implemented through SUDP by such implementing agencies as the Swaziland Water Services Corporation.

### Plot Pricing Structure

**Construction Cost Main Contract:**

Roads, water supply, sewer, streetlighting

**Construction Cost Small Works Labor-Based Contracts:**

Footpaths, communal structures, pit latrines, landscaping

**Engineering Design and Supervision Fees:**

IA Overhead Cost at 7.5%

**Registration Costs:**

Project outreach facilitation costs

**Marketing Costs:**

Finance charges

**Total Costs/Total Saleable Area = Square meter base cost adjusted according to service level as follows:**

- Sewered with road frontage
- Sewered with no road frontage
- Unsewered with road frontage
- Unsewered with NO ROAD FRONTAGE

*Per square meter cost for each option determined and applied to area of each plot with such service level.*

This project is an excellent model for upgrading informal settlements in that plots are formally sold to existing occupiers following upgrade of infrastructure and services. The infrastructure cost is to be recovered from the beneficiaries through the sale of the serviced plots. The total cost of infrastructure plus other costs (e.g., survey, township registration, management) is divided by the saleable number of square meters to yield a per square meter cost from which the costs of respective plots are then determined. A system of differential plot pricing ensures that the level of service provided is reflected in the plot price. In the Msunduzi sub-project, infrastructure elements (e.g., having a main access road through the site) that were considered to have environmental efficiency and equity benefits for the city were not included in plot pricing. Rather, the government agreed to fund such elements. The land was not priced in the plot pricing exercise to help to keep plot sale prices affordable for existing occupiers. Preliminary indications suggest that plots might trade for up to four times the typical prices (see box).

Presently, there is no market in these plots and thus no concrete evidence for this price projection. Once the informal settlements are legally brought into the city, future property taxes may be levied to maintain the infrastructure provided.

<b>Msunduzi Plot Sizes and Costs</b>
<b>Average size of plots:</b> 534 m <sup>2</sup>
<b>Majority of plots sizes range:</b> 300 m <sup>2</sup> to 900 m <sup>2</sup>
<b>Per square meter costs range:</b> E9 to E23 (US\$1.3 to US\$3)
<b>Plot prices range:</b> E2000 to E33400 (US\$260 to US\$4,340)
<b>80% of plots in range:</b> E2000 to E12000 (US\$260 to US\$1,550)

### **Achievements**

In the six years since SUDP became involved in Msunduzi, the land purchase has been completed, the plots pegged according to the new layout, the township plan approved and the plot pricing structure finalized. Measures have been taken to strengthen the Deeds Registry Office's capability to process land titles. Per square meter costs have been determined and the final price of the various plots calculated. Tenders have been received, and the major infrastructure contract awarded; as of November 2000, this contract was about 40 per cent complete. To date, 1,300 offer to lease letters have been sent to the 1,800 plot occupiers [ok??] in the scheme. Of these, 450 have paid the required commitment fee of E400 (US\$50 approximately); 24 paid full price? in cash? to SNHB and are awaiting their leasehold title deeds.

### **Lessons Learned**

Important lessons can be gleaned from this experience, including the following.

- Relevant policies and legislation should be in place prior to implementation to address specific project issues (such as those involving gender and land ownership, for example).
- Mechanisms for coordination among various stakeholders are a pre-requisite for effective implementation.
- Project ownership by the beneficiary community is an essential pre-requisite, and it can only be achieved by effective community empowerment *politically* (through participatory decision-making), *economically* (through small works contracts and granting of secure land tenure) and *socially* (through meetings with government led by trained facilitators from the community).
- The timing of community participation in decision-making is critical. This participation should be extensive and should form the basis of project planning through implementation.
- Housing finance must be made available by financial institutions willing to lend relatively small amounts with simplified application and processing procedures.
- Implementing agencies need access to soft loans from government.
- The technical and managerial capacity of the implementing agency should be strengthened to ensure its sustainability.
- Arrangements for working with marginal/destitute groups must be identified to avoid flight from the community and squatting elsewhere (e.g., in peri-urban areas).
- The poor should not be expected to pay for trunk infrastructure and services for which the better-off have never paid.
- Schemes based on community participation take time.
- Schemes where network infrastructure is provided in difficult conditions require careful planning and management. Experienced civil works contractors and experienced supervision consultants with local knowledge should be engaged.
- The constitution of the National Housing Board requires it to be profitable. It is not answerable to city residents unlike local authorities. Thus, city councils are the more appropriate implementing agencies for such schemes.[this conclusion is not universally applicable as written. I suggest: “Ensure the appropriateness of the implementing agency. For example, Swaziland’s National Housing Board is constitutionally required to be profitable and is not? unlike local authorities? accountable to city residents; city councils are thus the more appropriate implementing entity in this case.”]

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