


# Experience with Urban Upgrading in Africa



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# Outline

- Overview
  - Urban poverty in Africa
  - Changes in WB's urban interventions
- Land Tenure Security, Regularization, Titling
- Improving Infrastructure & Service Delivery
  - Why, What, How
  - Standards, Cost Recovery, O&M
- Institutional Context & Arrangements
- Conclusions



# Urbanization & Poverty in Africa

- Africa is urbanizing rapidly now
  - Urban growth faster than overall rate
  - 1965-80: 6.2%; 1988-98: 5% (vs. overall rate falling to 2.6%)
  - 2025: 52% of people in urban areas (vs. 33% today)
- Rapid urbanization with low economic growth
  - Inability to keep pace with demand for services
  - Growth being absorbed in informal settlements
- Urban poverty rates are high & increasing
  - 40%+ below poverty line (Kampala 77%, Lagos 66%)
  - Urban poor concentrated in informal settlements



## Past responses to “slum” growth

- 1960s
  - Demolition; construction of public housing
  - “back to the village” calls
  - development of small towns
- 1970s & 1980s
  - self-help paradigm in housing
  - sites and services
  - in-situ slum upgrading

*Late 1980s: serious critiques of upgrading*



## Micro critiques: project-level

- Slow rates of implementation, poor admin
- Inadequate community participation
- Inappropriate infrastructure standards
  - too expensive to replicate widely-*boutique* pjts
  - led to gentrification and high turnover
- Poor record on cost recovery and O&M
- Too complex (e.g. multi-sectoral, land tenure issues)
- Issue of neighborhood vs. city networks

*New projects incorporated many lessons*



# Macro critique: Institutional framework

- Poorly functioning property markets
- Inappropriate planning regulations/standards
- Centralized, politicized administration agencies
- Recommendations:
  - Fix institutional framework, decentralize
  - Strengthen local governments (LGs)
  - Upgrading should not bypass LGs; it should be integrated into LG planning & budgeting

*1990s: Focus on policy reform & local government*

*Little attention to upgrading at WB*



# Revisiting upgrading WB-NTF Africa Upgrading Initiative

## Research on Lessons:

- Rapid Assessments in 10 countries
- Impact assessments – HH surveys in 4 cities

## Case studies

- Burkina Faso
- Cameroon
- Cote D'Ivoire
- Ghana
- Mali
- Namibia
- Senegal
- Swaziland
- Tanzania
- Zambia

*The findings thus far ...*



# Goals: Tenure Security and Service Delivery

- More ambitious projects combined the two
  - e.g. Senegal 1980, 1987, Mali 1992
- Some govt-led, large-scale regularization & land reform initiatives (no infrastructure)
  - e.g. Burkina Faso, Cote d'Ivoire
- Projects focusing on infrastructure alone
  - Initially few but increasing
  - e.g. Ghana (with land issues under separate program), Cameroon





## II. Land Tenure Security, Regularization and Titling



# Land Tenure Security: Preconceptions

- Initially seen as synonymous with regularization and titling
- Considered necessary to:
  - prevent demolition and stabilize communities
  - allow legal provision of infrastructure
  - promote household investment in housing
  - provide collateral for household credit



## Land Tenure Security: Lessons

- Tenure security, regularization and titling are not synonymous - separate issues
- “No evictions” policies are a good start for enhancing security in informal settlements
- Infrastructure upgrading *defacto* increases tenure security (it can lead, rather than follow)
- Finance did not follow title
- Upgrading and tenure regularization should be decoupled (different logic & time frames)



# Upgrading with Titling: Lessons

- Formal titling: slow, cumbersome process leading to delays in upgrading projects
- Highly complex tenure systems in Africa
  - Customary, Modern (leases, freehold), Rental co-exist
  - Formal modern titles may at times be the wrong answer
- Resale restrictions do not work
  - Turnover & on-selling will occur; may be desirable
  - Intra-community efforts may work, eg. Dar-es-Salaam
- Rethink approaches to land management
  - e.g. Street Addressing (vs. formal titles & traditional cadastre)



# III. Improving Infrastructure and Service Delivery



# Infrastructure: What, Why, How?

- Basic services first
  - Water, sanitation, drainage, roads, street lighting
- To improve living stds & economic opportunities
  - Visible positive impacts, key success of upgrading pjts
- Approaches: sectoral vs. integrated
  - 1990s, stand-alone water & sanitation interventions↑
  - No agreement on which is the better approach
- Challenge: Not just build & provide but sustain
  - coverage for all, ensure operation & maintenance

*Critical issues: Standards, Cost recovery, O&M*



# Infrastructure and Building Standards

- Appropriate standards seen as crucial
  - High standards prevent replication (costs ↑) and
  - Gentrification pressure ↑ (Downward raiding, Upward filtering)
  - But, at times, there is a tradeoff
    - Low capital cost, high O&M vs. high durability and low O&M
- Project level responses
  - Struggle to reduce plots sizes, road widths
    - e.g. 375m<sup>2</sup>-Burkina, 250-750m<sup>2</sup>-Swaziland, 300m<sup>2</sup>-Namibia
  - Imposition of cost caps
    - \$50-\$150 per capita; \$25,000 per hectare in Ghana
- Institutional lesson: need to codify flexibility in regulations (building codes, planning standards)



# Cost Recovery

- Why the emphasis on user contributions?
  - Reduce capital cost to Govt., allow more coverage
  - Promote ownership
  - Improve (funds for & interest in) O&M; sustainability↑
  - Serve as indicator of demand-Provide services that people want and for which they are willing to pay
- Through: Contributions to capital costs, user fees for O&M, indirectly through property taxes
- Variety of collection mechanisms:
  - Up-front deposits, community bank accounts, monthly payments before service, schedule of payments culminating in titles (title withheld until fully paid)





## Cost Recovery: Lessons

- Track record mostly unsatisfactory
- Upfront fees & contributions have worked better
  - e.g. GIE in Senegal; project oversubscribed in Mali
- Overall cost recovery levels are low & below target
  - e.g. 5-10% vs. targets of 25-38%
- Upgrading requires subsidy from Govt. (How much?)
- C.R. needs to improve, remains a challenge
  - Improve mechanisms and incentives for collection
  - Tie C.R. approach to sector policies (e.g. water, roads)?
  - Select investments & service levels based on willingness to pay?



# Operation and Maintenance

- The problem
  - Ineffective operation (provides less service than capacity)
  - Reduced operational life and rapid deterioration of assets
- Solutions - Finance & Institutional Arrangements
  - Ensure financing
  - Scale capital investments to financial capacity for O&M
  - Change incentives for O&M (contract out, privatize etc)
  - Tie O&M at neighborhood level to broader service provision arrangements (in sector/city), but room for innovation
  - Complemented by NGOs and CBOs where feasible
  - Formal agreements (e.g. MOUs)
  - Don't overemphasize community responsibility for O&M?



## IV. Institutional Context and Arrangements



# Changes in Institutional Context

- Early projects, Central govt led
  - Financing, project selection, implementation
- With decentralization, role of local govts. in service delivery increasing
  - Potentially demand responsive & pressure to maintain ↑
- New efforts to integrate upgrading into local governance framework
  - Need to integrate utilities as well
- Evolution of policies & attitudes towards slums
  - Perhaps, most significant contribution of earlier efforts



## Institutional arrangements: 4 (stylized) models of upgrading in use

*Variables: CG vs LG, sites vs city-wide, earmarked vs flexible*

- Central govt led, sites selected, pjt pre-designed
  - e.g. Ghana, CG financing & implementation as well
- Local govt framework with upgrading projects
  - Hybrid, e.g. Mauritania
- Local govt. managed city-wide projects (not sites)
  - e.g. Guinea, city-wide garbage collection, drainage
- Local govts. propose upgrading projects, get funds
  - e.g. Senegal-flexible central fund for upgrading by LGs



# Community Participation

- Why? Communities have a role in:
  - Pressuring local govts. to perform
  - Improving effectiveness of service delivery efforts
    - Better assessment of needs - what is needed & where
    - Ownership & willingness to contribute & maintain ↑
  - Solving problems such as resettlements, collection rates
- Nature of participation has varied widely:
  - Active participation in project planning & management through residents' committees
  - Self-help labor, labor for construction of works
  - Monetary participation



# Community Participation

- Structuring participation remains a challenge
  - “Community” is an ill-defined concept, difficult to implement
  - Settlements are surprisingly diverse-individuals and groups with divergent, often conflicting, interests
  - The “appropriate” level of participation in decision-making remains unclear
- Involvement of intermediaries to enhance C.P.
  - Serve to link/coordinate govts, donors & communities
  - e.g. NGO-Donor Forum, Zambia; Social Intermediation Team, Burkina Faso; Fondation Droit a la Ville, Senegal



## V. Conclusions





# Conclusions

- What should upgrading programs include?
  - Longer term program (not short-term one-off projects)
    - e.g. Namibia, Nigeria (in design phase), Senegal
  - Basic infrastructure, linked to city networks & services
  - Handle formal land regularization and titling separately
- How should they be financed?
  - Central grants + local govt budget + user contributions
  - Ideally, “on-budget” not “off-budget” at Local Govt level



# Conclusions

- Who should do what?
  - Different approaches exist (e.g. the 4); jury still out
  - Principles:
    - CGs - policy & finance,
    - LGs - manage service delivery & finance
    - Utilities & service providers - deliver & maintain
    - Communities - influence decisions, pay, assist O&M
- Scaling-up: unresolved issues, challenges & next steps
  - Multi-sector vs. single sector
  - Improving financing, cost recovery and O&M
  - Linking investments to broader networks/service syst.
  - Need for empirical data, analysis, impact assessments