

KHUDA KI BASTI

Incremental Development Scheme

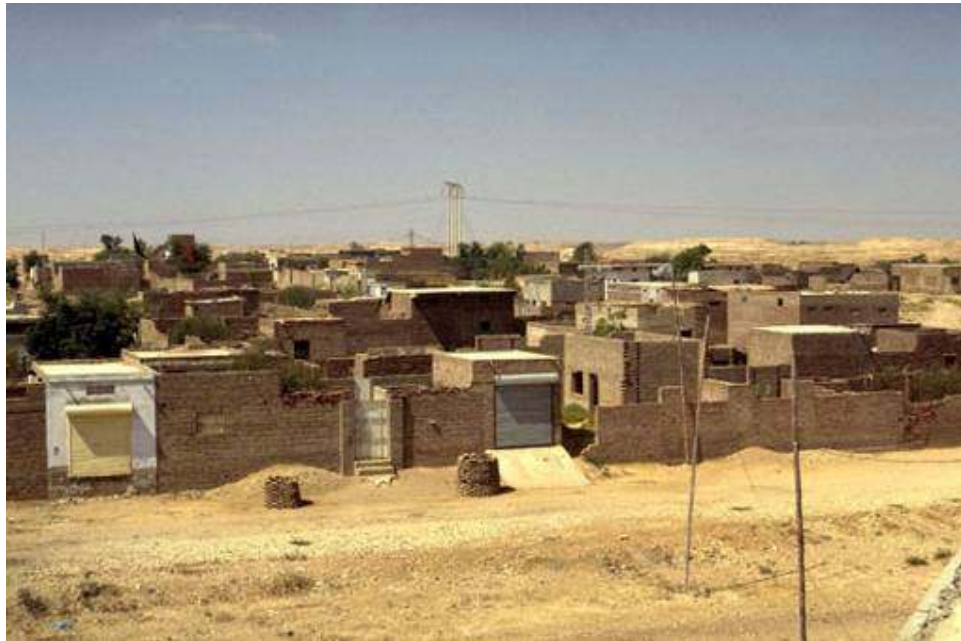


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EXECUTIVE SUMMARY

Khuda-ki-Basti is a grid-like, planned layout within the 5500-acre Gulshan-e-Shabbaz housing development located in Hyderabad. It is the site of a development scheme devised by the Hyderabad Development Authority (HDA) to help the poorest families house themselves.

In this sector homeless Pakistanis are given the chance to settle on land, and to obtain permanent. Given security of tenure, the families build their houses and provide infrastructure incrementally, as resources become available. Alongside resolving the problem of housing for the urban poor and reducing the unplanned growth of slums, was a second, social objective to upgrade the living standards of the needier sections of the population by making land accessible for permanent ownership in a planned housing scheme, thereby integrating the urban poor into the mainstream of society.

The incremental development scheme is entirely self-financing - there is no subsidy, formal or informal. The entire cost of the developed plots is borne by the beneficiaries, in instalments spread over a period of 8 years. The family designs and constructs its house in any material or style it can afford. The first house is usually made of reeds, wood, or cardboard. Slowly, a more permanent house of brick or cement block is erected, with roofs of asbestos tiles or corrugated tin. Ten percent of the owners eventually add a second floor. Materials are available locally.

Each group of four houses is served by a septic tank linked to a pumping station. Over 70 percent of the houses have individual water connections, and the rest collect water from conveniently located taps. Electricity is also supplied to the area. Residents apply for individual house connections to all utility services after they have paid the charges; monthly instalments eventually repay the actual cost. Khuda-ki-Basti is also provided with education and health facilities as well as affordable transport service.

In the Khuda-ki-Basti project, restrictive governmental process such as allotment procedures, allocation of loan against land mortgages or land/property ownership provision for speculative purposes, were replaced with unconventional and innovative approaches.

The jury commends this successful effort to create affordable housing for the urban poor, seeing it as a model that can be widely applied everywhere. The incremental development approach adopted in Khuda-ki-Basti has successfully been replicated at Ghara (near Thatta). Two similar projects are in the offing at Taisar Town (KKB-3) and Baldia Town, Karachi in collaboration with Malir Development Authority and KMC respectively.

PROJECT DATA

PHYSICAL DATA	
Total area of Gulshan-e-Shahbaz	5,550 acres
Total number of sectors	52
Total area of Khuda-ki-Basti	147 acres, 3,000 plots.
Sectors of Khuda-Ki-Basti	E3 (part), E4, D5, D6
Size of plot	24' x 30' & 20' x 36' (80 sq. yard)

ROAD WIDTH	
Periphery road along sector	150 – 100 feet
Man entry road around field	60 feet
Road within blocks	30, 40 feet
Service lane at the back of plot	12 feet

LINGUISTIC DATA	
Sindhi speaking	15%
Urdu & others	85%

DEMOGRAPHIC DATA	
Population of Khuda-Ki-Basti	20,000 – 25,000 (1989 – 1990)
Average family size	7.24
Average household income	Rs. 1,567
Sunni Muslim	85%
Shi'a Muslim	14%

SOCIAL FUNCTIONS	
Schools	5 (1 Government school, 1 College)
Mosque (For Sunni)	8
Imambara (For Shi'a)	1
Play field	1
Post Office	1
Clinic	1
Marriage Hall	1
Family Planning Centre	1

COMMUNICATION	
Telephone connection	16
Public Calling Office	2
Mini Cinema Hall	1
TV, Video	0

TRANSPORTATION
Transport available from 5am – 11pm.
Bus service every 10 minutes from the site.
Pickup (Suzuki Van) owned by residents.
Micro Bus

UTILITIES
Water lines, Overhead reservoir
Electricity line, Telephone Lines
Sewerage lines, Sewerage pumping station.



Beginning of Scheme



***General View
1988***

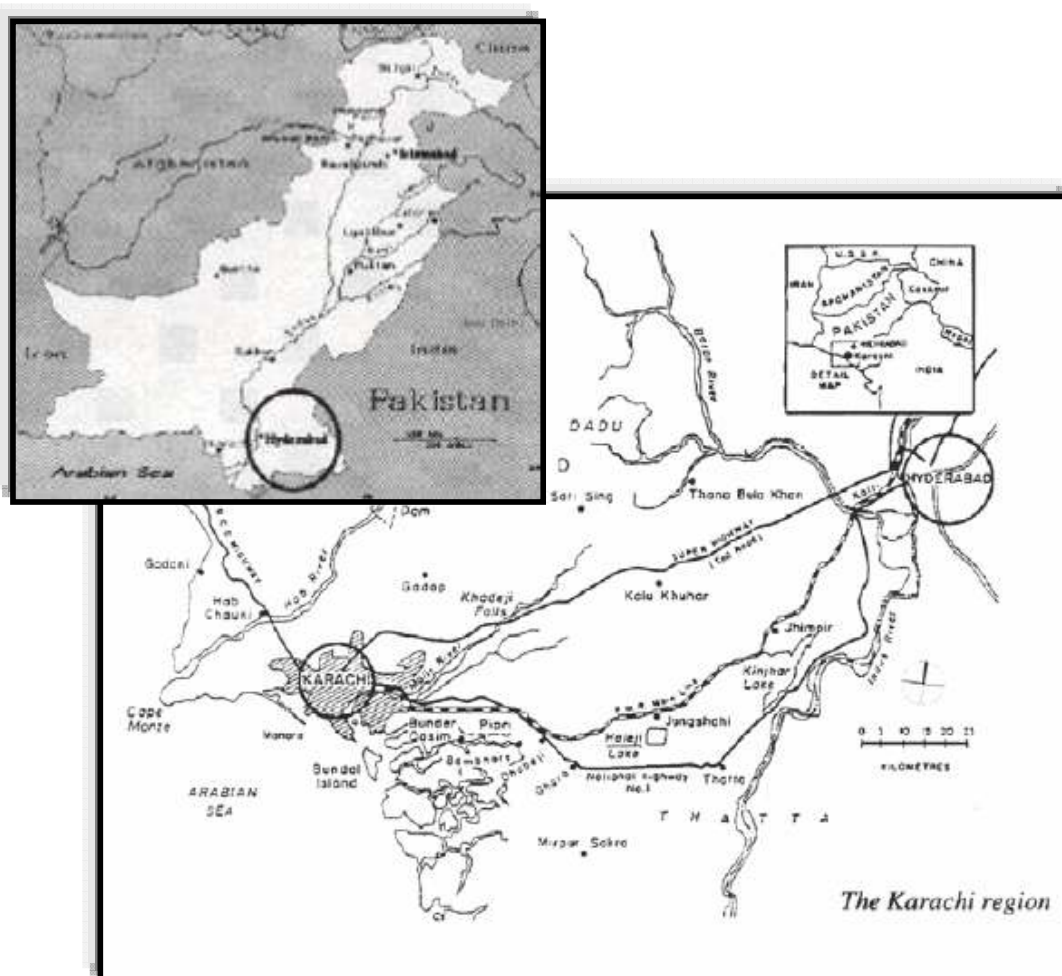


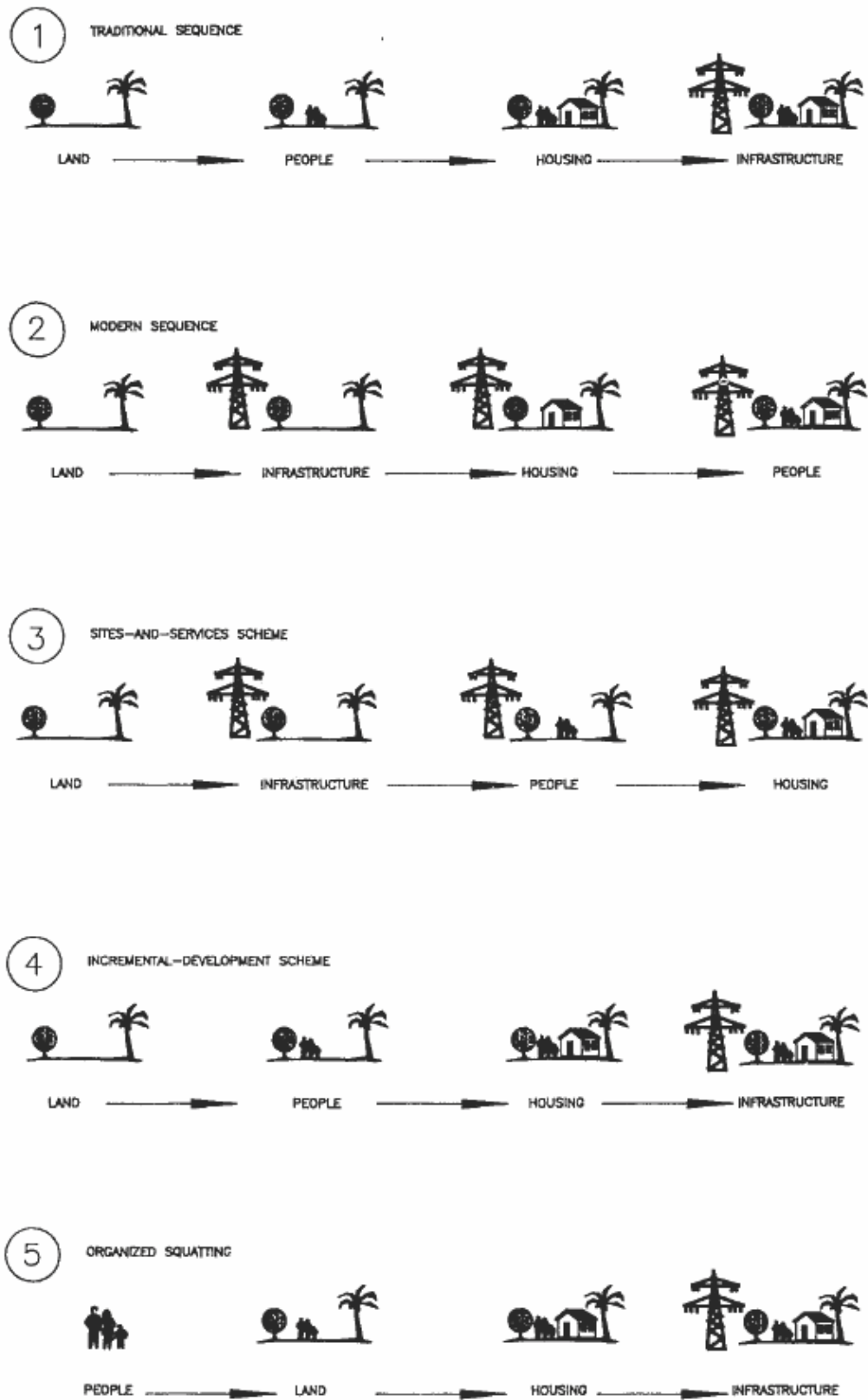
INTRODUCTION

Provision of adequate shelter to the urban poor has remained a major challenge to policymakers and planners in developing nations. Rapid urbanisation has further exacerbated the problems associated with providing adequate shelter for the poor. National and local governments have attempted conventional solutions like construction of low-cost housing and provision of subsidized loans for home upgradations. These approaches have, however, not led to any significant increase in housing for the poor.

As in Metroville and the Deh Surjari Schemes of the Karachi Development Agency, subsidised low income housing was built by Hyderabad Development Agency (HDA) in the Gulshan-e-Shahbaz. Khuda-ki-Basti is a part of the Gulshan-e-Shahbaz housing scheme.

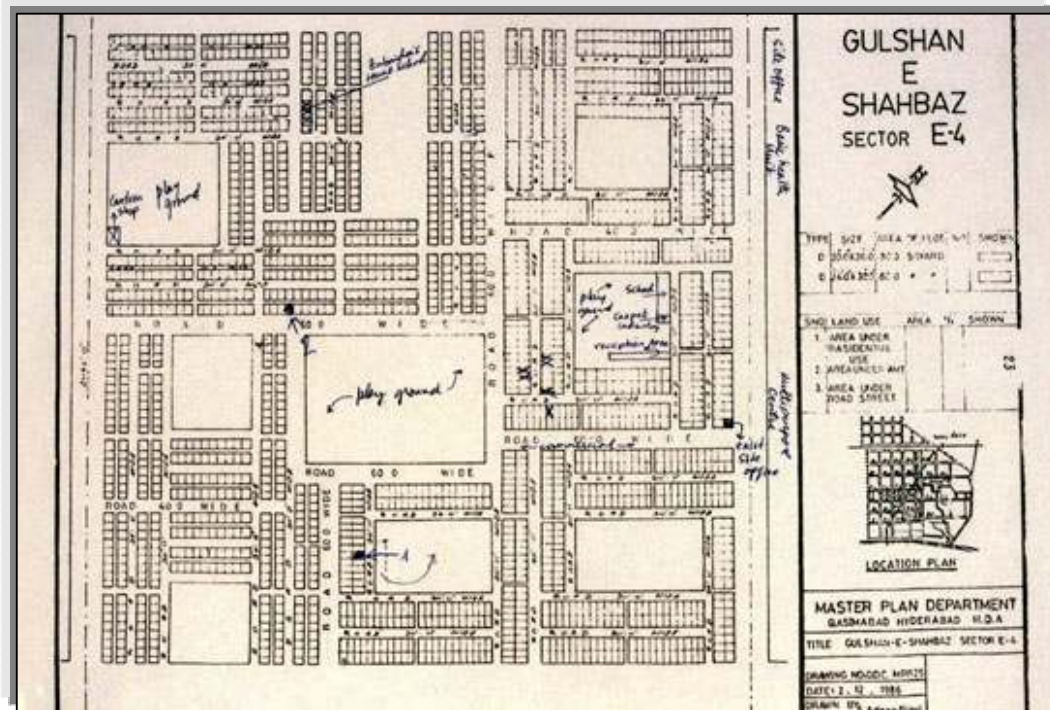
The first incremental housing scheme (KKB) was developed at Gulshan-e-Shahbaz near Hyderabad and has since been followed by four similar schemes in various parts of Sindh Province including Karachi.





INCREMENTAL DEVELOPMENT

Incremental Development in the urban sector involves development that increases with time at an affordable repayment schedule. The scheme formulated in Khuda-ki-Basti allows housing problems to be solved through incremental involvement of the beneficiaries. The poor were given the scope to own a permanent home within their economic means, and improved services that ensured them a better quality of life.



The sector of KKB

LOCATION

The 5,500-acre Gulshan-e-Shahbaz housing scheme is located in Hyderabad, an historic city and once the capital of Sindh. One section was renamed Khuda-Ki-Basti or “Allah’s Settlement”, by its residents. The project lies in a flat area near the highway between Karachi and Hyderabad, close to the town and industrial area of Kotri.

TARGET SECTOR

In Pakistan, land from sites and services schemes is usually acquired by middle-income families. In an attempt to reach the lowest income groups, the Hyderabad Development Authority (HDA) launched an incremental development scheme based on the idea that Mohajirs (immigrants) be given the chance to settle on land before building a house or acquiring infrastructure. The idea developed after studying the growth and dynamics of illegal subdivisions, where occupiers first settle on vacant land, then construct a shelter, and later incorporate the infrastructure. The HDA has followed that approach.

The programme targets the urban poor (20 percent) and the lower-middle classes (40 percent) whose monthly income ranges from 500-1000 rupees. A majority are Mohajirs who were in a constant state of flux before these plots were made available.

Linguistic groups are presently 70 percent Sindhi and 30 percent Urdu speakers, 85 percent are Sunni Muslims, and the rest Shi'a. In each sector block, the residents choose community and authorities.

The Khuda-ki-Basti concept is centred around the home, the implication being that a better home leads to an improved life. It has stimulated and generated interest in many professional groups who deal with housing, especially because affordability is the basic concept.

GENERAL OBJECTIVE

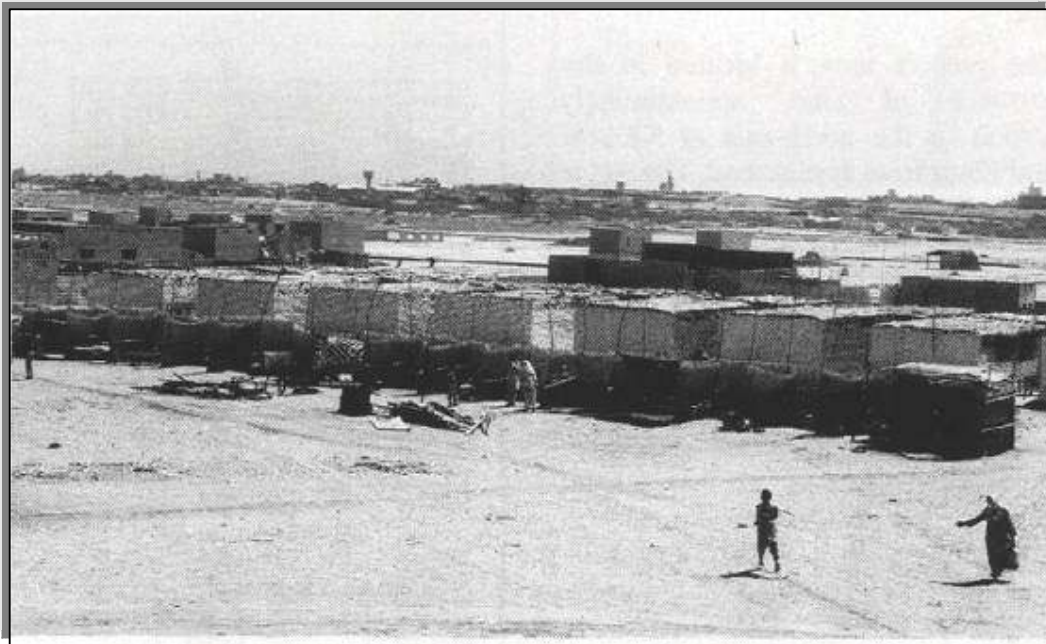
Alongside resolving the problem of housing for the urban poor and reducing the unplanned growth of slums, was a second, social objective to upgrade the living standards of the needier sections of the population by making land accessible for permanent ownership in a planned housing scheme, thereby integrating the urban poor into the mainstream of society.

Institutionally, the objective is to overcome the constraints that public sector programmes face in making land, credit for housing and physical and social sector facilities available to the target group. Technically, the objective is to make the scheme affordable, adaptable and maintainable to the life style of the users. The scheme allows for diversity in economic, socio-cultural and religious backgrounds.

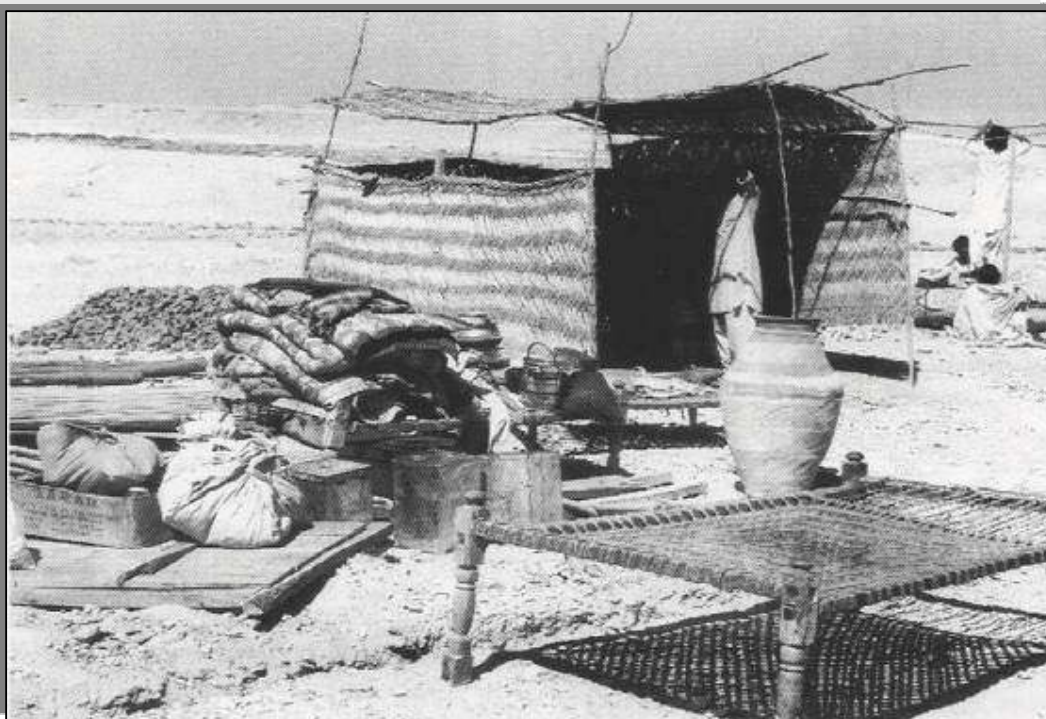


ALLOTMENT MECHANISM

On arrival at Hyderabad, a poor family is required to stay in a reception area for 15 days. After being screened by the HDA and making a down payment of 1,000 rupees, the family is allocated an unserviced plot of land. The entire cost of a developed plot (9,600 rupees) is borne by the owner in monthly instalments spread over eight years. As the repayments proceed, infrastructure developments are implemented and residents select the priority of utilities for their houses. The incremental development scheme is entirely self-financing without subsidy, formal or informal.

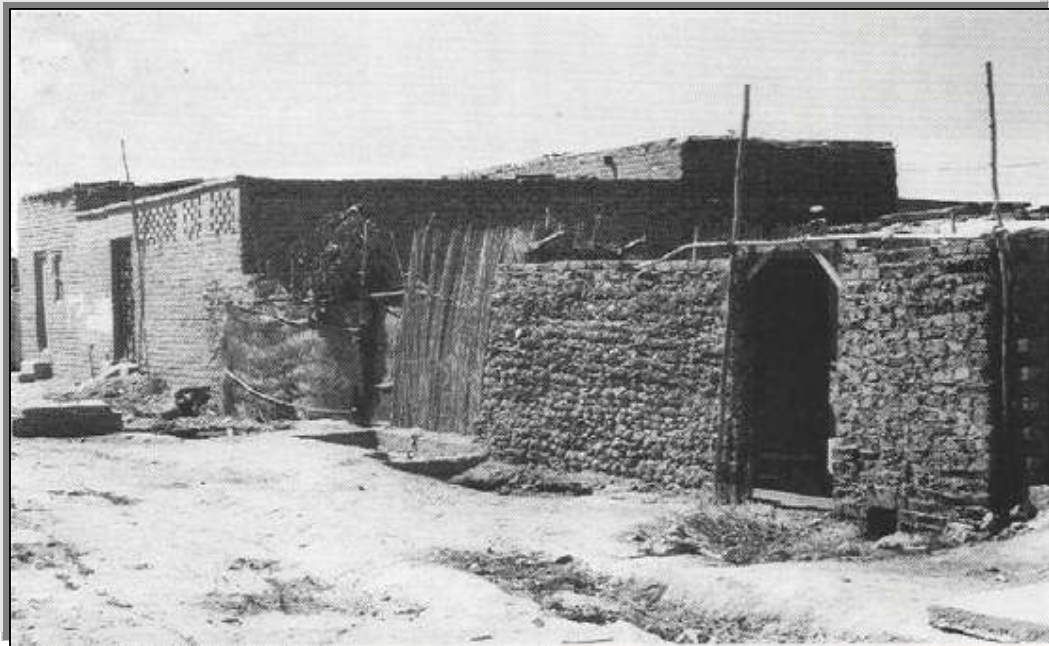


The reception Area



Day 1 on Regular plot

Within two weeks of receiving a plot, a family must begin to construct a house or else the allotment is cancelled. They can design and construct the house themselves in any material or style they can afford.



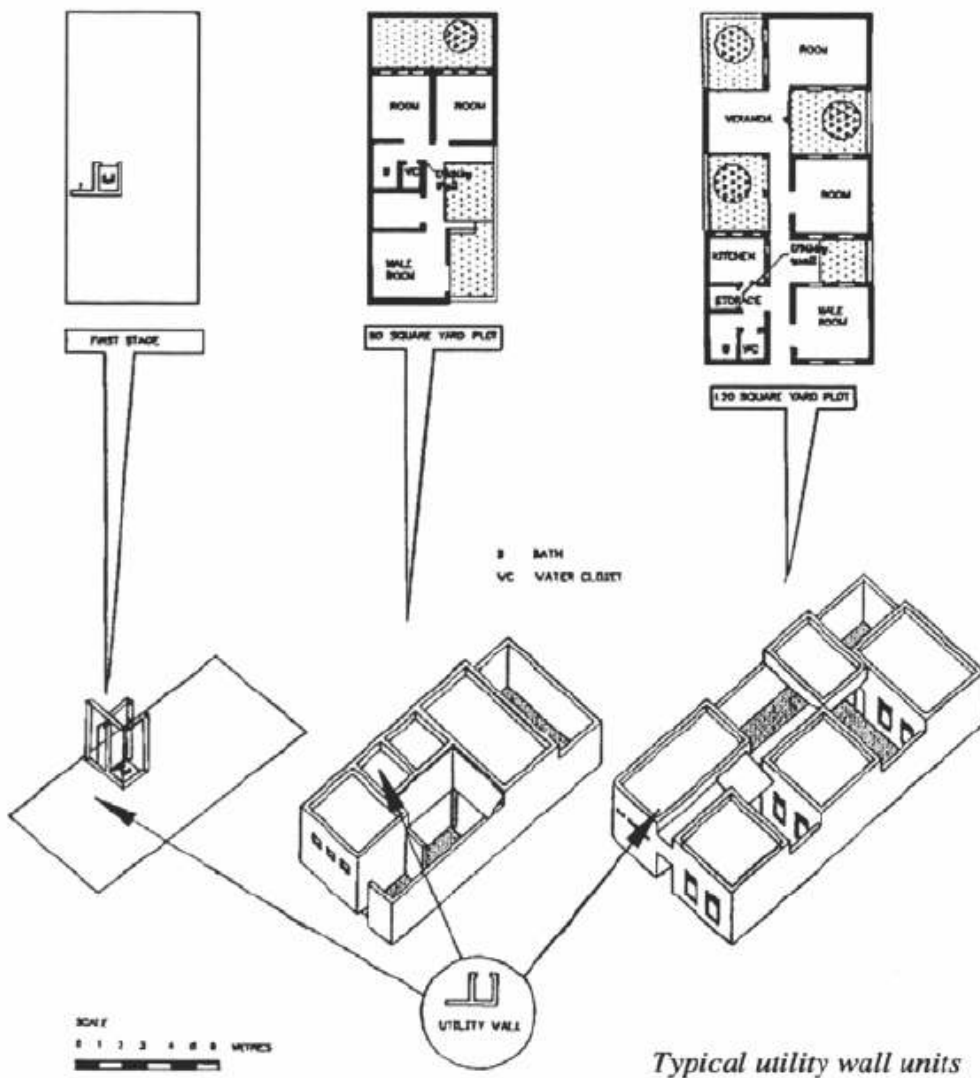
Shelter as per affordability



Plot improvement

EASY PROCESSING AND PROCEDURES

In the Khuda-ki-Basti project, restrictive governmental process such as allotment procedures, allocation of loan against land mortgages or land/property ownership provision for speculative purposes, were replaced with unconventional and innovative approaches. Some examples include: targeting needy households; simplification of bureaucratic procedures; optimizing choice of relocation; providing urban basic services incrementally through community involvement; providing housing credit facilities to every household; creating direct rapport with the communities; and periodically monitoring the development process.



Typical utility wall units

STRUCTURE

The first structure is usually a jhuggi, a makeshift shelter of reeds, wood, cardboard or whatever materials are available, which provides privacy and protection. Slowly, a more permanent house of brick or cement block is erected, many with roofs of asbestos tiles or corrugated tin sheets.

The majority of the houses are single-storey, but ten percent of the owners add a second floor. Facades are brightly decorated, and some have cantilevered verandas with iron railings. Floors are of cement, and maximum use is made of the space of the houses and rear courtyards, as they frequently function as shops or centres for home crafts, industries and livestock breeding, thereby bringing a secondary source of income into the family coffers.

For every four houses there is one septic tank that is linked to a pumping station – the recycled water is used for agriculture. More than 70 percent of the houses have individual water connections, and the others collect water from conveniently located pipes; electricity is also supplied to the area. Residents apply for

individual connections to all utilities after they have paid the charges; monthly instalments eventually repay the actual cost.

CONSTRUCTION SCHEDULE AND COSTS

From the experience of Gulshan-e-Shahbaz, Metroville, and other housing schemes where results were not effective, it has been established that the cost of a loan, the regularity of repayment, and guarantee of financial institutions, make site and service schemes inaccessible to the urban poor.

According to the information supplied by the HDA, the land cost was Rs. 21,780 per acre or Rs. 4.50 per square yard. The cost of infrastructure was Rs. 111 per square yard and the total actual cost (with land) was Rs. 110 per square yard. Each plot, having an area of 80 square yards, measuring 24 x 30 feet or 20 x 36 feet, costs Rs. 9,600 (in the year 1988), which includes the cost of land and cost of utility lines and infrastructure such as water, sewage, electricity, roads, and social ancillary function.

There is no element of subsidy, formal or non-formal, and the entire cost of the developed plot (which is Rs. 9,600) is being borne by the beneficiaries in easy instalments spread over a period of eight years.

HEALTH CARE AND FAMILY PLANNING

Various studies have shown that incidence of common diseases such as typhoid, malaria, dysentery, diarrhoea can be drastically reduced if sanitary latrines inside the houses and underground sewerage in the lane are introduced with proper disposal system.

Khuda-ki-Basti focussed attention on this important aspect from the very beginning. Its planners not only understood the importance of underground sewerage but also introduced the concept of sanitary latrines by issuing WC pans at the time of handing over possession of the plots.

As soon as people occupied their plots, provision of basic health care was made, first through NGOs, then by the government line departments. Thereafter immunization programmes were organized through district health officer and family planning services were provided through Family Planning Association of Pakistan and the Women Division, Government of Pakistan.

The Health Department, Government of Sindh was approached to establish a Basic Health Unit which has now started functioning. Dai (midwife) training programmes-were also organised in collaboration with government and NGOs.

With increase in population private doctors and maternity homes also started functioning to provide health coverage at affordable prices. All these steps have resulted in reducing the incidence of common diseases. But the most important aspect of these efforts was the provision of clean water and underground sewerage.

EDUCATION

Initially mosques were used for schooling purposes. Soon after, home schools started functioning, and some of them were later converted into formal private schools charging reasonable fees. Finally, the government also opened its free primary school. Now, seven primary schools, three secondary schools and one college are functioning in the Basti.

CREDIT FOR FAMILY ENTERPRISES

To help self-employed people, especially women, arrangements were also made to provide credit for income generating activities. Allied Bank Ltd., First Women Bank and Orangi Pilot Project played a major role in this activity.

At present, about one-third of the population finds employment in the Basti. Small loans were also arranged through House Building Finance Corporation for house construction activities.

The difference between this settlement and the slum growths of Karachi and Hyderabad is its planned layout, conditions that permit permanent ownership and serviced utilities.

The scene is one of constant development – a basic principle of incremental development. Houses are always being built, enlarged or repaired. Although the self-designed houses display an array of façade treatments and decorative elements, a uniformity of scale and proportion is evident throughout the site.

KEY FEATURES OF THE SCHEME

The key aspects of the scheme are summarized as under:

1. Utmost care has been taken to discourage speculators and the affluent middle classes. This has been ensured by:

- Demarcating a very large number of plots so that there is no premium on the sale of plots;
- Not issuing ownership documents unless the house is built, the allottee starts residing there and clears his development charges;
- Fixing a very short period for starting the construction work (the construction is to start at once while living on the plot);
- Initiating a new approach for selection and allocation (by accommodating those applicants only who bring their family and household goods to the reception area);
- The continuous possession by the beneficiary of the plot is the eligibility of his entitlement to the plot; and
- If the plot was found vacant, the HDA was at liberty to cancel the reservation and transfer it to some other eligible applicant.

2. The scheme aims at organizing further development activity on cooperative basis (at the level of a sector or lane) so that:

- Dues are paid and collected by the allottee in time;
- Development costs are reduced by ensuring supervision by the allottees themselves. It is also planned that all the development works, should be done by the allottees themselves in order to reduce cost, as was successfully done in the Orangi Pilot Project in Karachi in the case of providing sewerage disposal facilities. It has been observed that costs are reduced by 30% if government agencies and contractors are not involved in development work because the elements of corruption and profiteering are eliminated to a great extent;
- The scheme would also take care of the bulk sewage disposal problem which is ignored in the case of informal development;

- HDA's site office would provide all advisory services at the doorstep, and most of the paper work- which would be minimal in any case- would be done by them. Though model plans would be provided to the allottee, the use of locally available material and self-employment in construction activity would be encouraged in order to reduce costs;
- The scheme does not eliminate the role of the 'informal' sector totally. Block makers/*thallawala* (who provide advisory services as well as construction material on credit) have been allowed to operate in the area. Only their roles as land grabbers and developers have been controlled. This has reduced the initial payment towards the cost of land to a large extent. For example, if an illegal developer used to charge Rs. 5,000 to Rs. 8,000 for a 120 square yards plot, HDA would only charge an amount of Rs. 1,000 for a 80 square yards plot initially, plus Rs. 100 per month at subsequent stages.

Perhaps, one of the most difficult problems in the execution has been breaking through the established tradition of government housing scheme to attract investors and speculators rather than those in genuine need of housing. Only through a process of trial and error has HDA found a way to exclude the former and reach the latter in Khuda-ki-Basti.

REPLICABILITY

The scheme can be easily replicated in other areas because of the following characteristics:

1. **SELF FINANCING NATURE:**
There is no element of subsidy, formal or non-formal, and the entire cost of the developed plot (which is Rs. 9,600) is being borne by the beneficiaries in easy instalments spread over a period of eight years.
2. **TRANSPARENCY OF THE PROCESS:**
The procedures adopted are simple, paperwork is minimum and the process is transparent. The scheme is easily manageable and no experts are required.
3. **FLEXIBILITY:**
The scheme is highly flexible from planning to execution – only the basic concept has to be adhered to. Modification and adjustments can be made keeping local conditions in mind.
4. **LINKAGE WITH COST RECOVERY:**
Provision of services has been linked with cost recovery. Therefore there is no risk of losing money, which generally happens in public housing schemes.
5. **USE OF CHEAP TECHNOLOGY:**
Locally available construction materials and suitable technology is used for construction of houses. The allottees are encouraged to innovate and improvise the design, layout and materials used to suit their socioeconomic requirements.
6. **FLEXIBILITY IN STANDARDS:**
Building controls and standards are kept to a minimum. Allottees can even start building with a reed hut if they like.

The incremental development approach adopted in Khuda-ki-Basti has successfully been replicated at Ghara (near Thatta). Two similar projects are in the offing at Taisar Town (KDA scheme-45) and Baldia Town, Karachi in collaboration with Malir Development Authority and KMC respectively.

KHUDA KI BUSTI – 3

Khuda Ki Basti-3 (KKB-3) is an extension project of Khuda Ki Basti, an unconventional and innovative incremental housing development scheme which was initiated by the Hyderabad Development Authority (HDA) in 1986. KKB-3 was implemented in 1999 in the town of Taiser by the partnership of HDA and Saiban (a housing development non-profit enterprise) and, like KKB, it aims to scale up the number of low-income housing settlements through a strategy which combines the processes of providing affordable land which involves lower down payment with lower monthly instalments in a more flexible payment schedule, allowing progressive construction of houses on a self-help basis and allotting basic utility services through community participation. The scheme also aims to legalize home titles and provide tenure security for the poor population.

OUTCOMES

- To date, KKB-3 has created 6,000 housing units and settled 35,000 residents into Taiser Town.
- The community has a functioning sewerage system, while installation of formal electric connections is on its course to completion. On the other hand, formal municipal water supply is expected in 2006.
- It has 4 private clinics, 2 mobile clinics and 1 hospital along with health education and immunization programs arranged through NGOs. It is also serviced by 9 formal primary schools, 4 informal schools, 2 secondary schools and 1 adult literacy centre for women.
- In a survey conducted in August 2003, 80% of the newly-settled residents indicated a high level of public trust as they expect actual procurement of land title immediately after instalment completion. This is in line with the agreement in the program stating that right to land possession is transferred upfront upon receipt of down payment; however, actual land ownership rights are not given until after all instalment fees have been paid out.
- Rates of crime, violence and harassment have diminished.

KEY FACTORS FOR SUCCESS

- The design reached its target of catering to the neediest households. For screening purposes, the family must temporarily reside at Saiban office's reception site in a period of 2 weeks before securing the land plot to demonstrate the urgency of their housing need and to filter out real estate speculators who are only on the lookout for cheap plots. Upon selection, settlers are then required to occupy the relocation site as permanent residents and construct dwellings immediately in order to avoid repossession.
- The incremental approach to housing construction is well aligned with the preferred method of settlement by low-income families. Allottees build their houses in accordance with their individual needs and resources with the assistance and technical advice of Saiban contractors for quality control. Saiban has also facilitated microcredit to the very poor household to start house construction.
- The simple procedure for quick delivery of land has encouraged poor people with limited education to participate. The application and allocation process are handled on-site and involve minimal paperwork.
- Low-income groups have benefited from the cheap land price and flexible payment schedule. The cost of an 80 square yard government plot is fixed at \$700, compared to the price of a private land with the same size at \$1700. An affordable down payment of 20-40% of the total land price (about \$175) is

required, along with equally affordable monthly instalments of \$7 over a 6-year period for the remaining balance.

- KKB-3 created direct rapport among government, private institutions and the community itself. The constant consultation on home building between Saiban contractors and residents and periodic monitoring of government administrators allowed for transparency, trust and constant communication on planning and implementation.
- KKB-3 fostered community involvement by promoting local leadership and cooperation through organization of blocks, designation of block accounts for assuring regular instalment payments for acquired land plots and also for facilitating the incremental infrastructure construction in the community. Community leaders among the settlers are appointed as account managers for the block accounts, with the supervision of an NGO.
- No major financial outlays or huge amount of risk is borne by the executing agency because the model is self-financing and the only subsidy required is public land.

MAIN OBSTACLES

- The lack of access to government-supplied land leads Saiban to purchase private land which increases the price of housing by a factor of 4 and makes it unaffordable for the low-income population.
- Loose enforcement of existing laws against land profiteering will also translate into higher prices of plots for poor individuals.

SUSTAINABILITY AND TRANSFERABILITY

SUSTAINABILITY:

- Enabling land banks to extend its role in reducing the price of land for the poor is needed due to land banks' major role in selling of sites to developers at a discounted price to build affordable housing projects.
- Tax incentives should be granted to private builders for social housing and affordable land should be provided to non-profit developers such as Saiban in order to spur large-scale supply of good quality low cost housing.
- Clear land and home ownership rights are necessary to empower the poor and give them access to formal credit markets.

TRANSFERABILITY:

- Prior to this, KKB had also been active in the city of Karachi and was proclaimed by the United Nations Centre for Human Settlements as one of the best practices in human settlements in Asia.

CONCLUSION

The scheme has show that without bringing about basic changes in the society's power structure and changing unequal relationship between the government and the *katchi Abadi* dwellers, and even without any definite political programme in favour of the poor, development authorities can successfully assume the role of the informal sub-dividers and follow their strategies at least partially. It convincingly shows that HDA's Incremental Housing Scheme provides a viable housing alternative for the most urgent cases amongst the renters and the newcomers. This fact gains in importance when we consider the present trend towards more difficult access to owned housing in the informal market and resulting densification and increase of renting and doubling up in existing squatter settlements.