

UNIVERSITY OF BOTSWANA

Making Land and Housing Accessible to the Urban Low Income in Botswana

Prof A.C.Mosha

**Paper presented at the
REGIONAL SYMPOSIUM ORGANISED BY ARDHI UNIVERSITY AND THE ROYAL INSTITUTE OF
CHARTERED SURVEYORS (RICS) U.K. ON LAND REFORMS AND THE RIGHTS OF THE URBAN
POOR TO HOUSING (OWNERSHIP/ RENTING) 15th-16th February 2010**

Making Land and Housing Accessible to the Urban Low Income in Botswana

Prof. A.C.Mosha

Department of Architecture and Planning

University of Botswana

Abstract

Like most developing countries, Botswana, a middle income country, has experienced rapid urban growth which has brought in its wake many social and economic problems. One of the key challenges has been the lack of access to land and housing for the poor who have moved into the urban centres in large numbers in search of employment and economic survival. Many programmes and strategies have been introduced by both central and local governments to address this problem but only limited success has been achieved to-date.

The paper is structured as follows: Part 1 provides a general discussion of policies that have had an impact on access to land and housing in Botswana including: Urban Policy, Housing Policy and Land policy; and Part 2 covers Strategies and Programmes that have been adopted to provide land and housing for the low income. The paper concludes by charting the way forward in searching for a solution for the access of land and housing for the urban poor in Botswana.

1. BOTSWANA: A BRIEF BACKGROUND

Botswana is a semi-arid, land-locked country in Southern Africa with Zambia to the north, Zimbabwe to the east, Namibia to the west and north, and South Africa to the east and south. It is a relatively flat country with a land area of 585 370 square kilometres, making it larger than France. Though it is a large country, it has a small population. Botswana's population is estimated at about 1.7 million. According to the 2000 United Nations Development Programme Report, which predicts an average population growth rate of 1.3 percent between 1998 and 2015, the population is expected to reach the 2 million mark by 2015. The population growth rate between 1991 and 2001 was 2.38% compared with 3.50% between 1981 and 1991 (CSO, 2001). The country has one of the world's lowest average population densities, which is estimated at a little over three people per square kilometre (CSO 2001), with 80% of Botswana (people of Botswana) concentrated in the more fertile eastern regions where land and water resources are more favourable.

Traditionally a pastoral society, with a predominantly rural population, an ever-increasing numbers of Botswana have been moving to urban areas and large villages in the last three decades. Urban growth rates have been estimated at about 7% per annum compared to the average national growth rate of 3.4% (Ministry of Local Government, Lands and Housing, 1996). Urbanization derives its greatest impetus from statutory reclassification-cum-re-designation of rural settlements, migration, and strategic location of settlements. Urbanization has occurred in phases. First, there has been concentration in the primate city (Gaborone). Secondly, there has been fission leading to the fast growth of

intermediate settlements. Third, is the rapid infilling of interstitial zones between the capital and adjacent intermediate centres. Fourth, the remote resource frontier settlements appear to be now growing relatively rapidly (Gwebu 2004.). Table 1 depicts the national urbanization levels from 1971-2001. The urbanization trends have been closely associated with the nation's economic development, modernization but, lately, urbanization diseconomies.

Table 1: Growth of Population in Urban Settlements – 1971-2000

	1971	1981	1991	2001
Number of Urban Places	5	8	25	34
Total Urban	54,300	166,400	600,100	909,800
Total National Population	596,900	941,000	1,326,800	1,680,900
Urban as a Percentage of Total Population	9.1	17.7	45.2	54.1
Total urban village as a percentage of total urban population	0.0	9.8	50.6	56.9

Gwebu 2004

The urbanization level nearly doubled from less than 10 percent in 1971 to 18 percent in 1981. Between 1981 and 1991, the percentage of the urban population more than doubled, from 18 percent at the base period to 45 percent, by the end of the review period.

Although the broad upward urbanization trend has persisted since 1991, the 1991-2001 rate has receded. To date, just over 54 percent of the national population is urbanized. The exponential annual rate of increase of the urbanized national population increased from 11.3 percent between 1971 and 1981, peaked at 12.8 percent, during the 1981-1991 intercensal period, before reaching an all time low of 4.2 percent between 1991 and 2001. This is because there have been less and less eligible lower order settlements for urban redesignation, and the urbanization process has become increasingly migration-driven only.

Until recently, official housing policies have focused on urban areas because these are areas of highest population concentration (Mosha 1993).

Despite this high rate of urbanization, Botswana did not institute a national urban development strategy up until 1978 and no national housing policy promulgated until 1982. The government only provided housing to its employees. The urban poor and the new migrants from the rural areas were left to fend for themselves. The provision of shelter was not considered a top priority by the government then. To make matters worse, there was no attempt before independence in 1966 to prepare either a national, regional or local physical plans; those that existed were usually where the white European settlers lived. Fifteen years later, there was realization that the problem of squatter settlements that were mushrooming in almost all Botswana's urban centres would require urgent attention. The needs of a rapidly urbanizing economy led government to introduce innovative tenure regimes such as the Certificate of Rights to curb squatter problems and the Fixed Period State Grant for the middle and high income groups.

Botswana was one of the world's poorest countries when it achieved independence from Britain in 1966. Fortuitously, the nation discovered large diamond reserves shortly after independence that have driven its economy ever since. The country has witnessed one of the highest growth rates in the developing countries with a GDP growth rate of 4.7% in year 2007 estimates (CIA-The World Fact Book-Botswana, 2008).

Through fiscal discipline and sound management, Botswana has transformed itself from one of the poorest countries in the world to a middle-income country with a per capita GDP of nearly \$15,000 in 2007. Two major investment services rank Botswana as the best credit risk in Africa. Diamond mining has fuelled much of the expansion and currently accounts for more than one-third of GDP and for 70-80% of export earnings. Tourism, financial services, subsistence farming, and cattle raising are other key sectors. On the downside, the government must deal with high rates of unemployment and poverty. Unemployment officially was 23.8% in 2004, but unofficial estimates place it closer to 40%. HIV/AIDS infection rates are the second highest in the world and threaten Botswana's impressive economic gains. An expected levelling off in diamond mining production overshadows long-term prospects (CIA-The World Fact Book-Botswana, 2009).

The paper is structured as follows: Part 1 provides a general discussion of policies that have had an impact on access to land and housing in Botswana including: Urban Policy, Housing Policy and Land policy; and Part 2 covers Strategies and Programmes that have been adopted to provide land and housing for the low income. The paper concludes by charting the way forward in searching for a solution for the access of land and housing for the urban poor in Botswana.

PART 1: POLICIES THAT HAVE GUIDED THE DEVELOPMENT AND MANAGEMENT OF SHELTER IN URBAN AREAS.

Throughout its history Botswana has long strived to provide adequate shelter for its urban dwellers, particularly the low income. In this section, we trace these policies and programmes to see how they have enabled access to shelter by urban residents.

1. Urban Policy

Urban development in Botswana is guided by the government paper on "Urban Development and Land Policy of 1983". The main elements of this policy are:-

The policy of non subsidy

A fundamental plank of this policy is that urban areas should not be subsidized by government. While investment is required in urban infrastructure, all provision should be made on a cost-recovery basis, while any subsidy from tax revenue should be directed toward the rural areas.

Policy of social mix

Another aspect of the urban policy is that of “social integration”. The intention of this policy is that urban areas should be planned in such a way as to avoid polarization of social classes, races, and income groups. Thus, in the planning of a new area, provision should be made for all income groups. This is hailed as ‘best practice’ in the whole continent as the low income enjoy the same benefits (infrastructure, social facilities and amenities) as the other income earners. In terms of access to land, there is cross subsidy in that development costs for low income individuals are subsidized by the high income (Moshia 2001).

Land servicing.

In urban areas, land for development is available in two forms: fully serviced land (under the Accelerated Land Servicing Programme that was started in 1987) for all land uses or un-serviced land that is normally allocated to parastatals and private companies for their own development. The merits of this policy is that no one can commence development in any urban area if it is not serviced, hence no informal settlements or squatter areas can develop as development control is very strict and any violations are dealt with an iron hand. On the other hand, in rural areas land is mostly allocated un-serviced or in the case of the major villages, land is slowly being serviced.

To implement the urban development policy nationwide and to avoid an urban bias to development, the government adopted and implemented the National Settlement Policy.

2. The National Settlement Policy

The National Settlement Policy (NSP) was introduced during the National Development Plan 5 (NDP5) (1979-1985) to counteract the then prevailing bias of investment towards towns, especially Gaborone, the national capital. The main concern was the inordinate growth of Gaborone threatened the balance of development in the country to the detriment of other major centres which also needed to be stimulated to enhance their development potential. The overall goal of the NSP is to provide a framework for guiding the distribution of investment in a way that reflects settlement size, population, economic potential, level of infrastructure, and the role of settlements as service centres. The NSP encourages the development of settlements in terms of:

- Provision of adequate and up to standard infrastructure and services;
- Generation of employment; and
- Improvement of housing conditions.

The thrust of the NSP is to encourage intermediate city development and therefore it has established a three tier settlement hierarchy:

- Primary centres which have a population of over 20,000 and a high development potential (this includes the four largest towns and eight largest urban villages);
- Secondary centres with a population range of between 10,000 and 19,999; and
- Tertiary centres which constitute the remaining settlements with populations ranging from 500 to 9,999.

Each of these centres has a hierarchy of services according to their level thus ensuring that appropriate services are available at the requisite level. To-date, this policy is followed religiously by all development agents and it has been hailed as a success.

3. Housing Policy - Provision of Adequate Shelter for All .

Building on its urban development policy, the government has had a commitment to provide adequate shelter for all. The objective being, to provide or enable access to shelter for the rapidly growing populations of the urban areas and for the currently deprived urban and rural poor, through shelter development and improvement that is environmentally sound. Various activities have been undertaken in Botswana to ensure that the majority of the population have access to shelter in line with this objective. The Government published the **National Policy on Housing** in 1981. The long term objective of this policy is "to ensure safe and sanitary housing for everyone." To achieve this, the Government has instituted a number of programmes to facilitate the process of shelter delivery and these will be detailed later in this paper.

Housing and Housing Policy since Independence

As Malprass and Dumba (2000) have observed, housing was not the top priority of the government that assumed power in 1966, and it was not until 1982 that a formal statement of housing policy was produced. This policy elevated the status of the housing sector and laid the foundation for the formation of a Department of Housing; a national department that oversees the implementation of the national policy on housing.

The National Housing Policy covered a number of major issues on both the demand and supply sides, including institutional capacity, roles of public and private sectors, subsidies, rental policy, housing standards and rural housing. The policy was intended to meet both short and long term goals. The long term goal was to ensure safe and sanitary housing for everyone. The two short term goals were:

- i) To encourage the building of new urban housing for all income levels at a pace which aimed at ensuring that no citizen of an urban area is forced to reside in an unauthorized settlement,
- ii) 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 sites and services scheme following a study of that issue.

The housing strategy designed to achieve these goals included:

- i. Emphasizing the role of housing in the national development plans, including the preparation of a comprehensive housing plan and the creation of a housing division within government,
- ii. Gradual reduction of housing subsidies and redirecting them to middle and lower income housing, to the rural areas and to housing investments. This would allow rents to rise to economic levels.
- iii. Withdrawal of government from the construction of higher cost housing by strengthening the private sector to undertake this responsibility. Government

would concentrate on the lower cost housing problems, stressing the adoption of lower standards.

- iv. Methods of determining rental policies should be uniform.
- v. The commercial banks and the Botswana Building Society should lend to the lower income and rural households.
- vi. Mine towns should conform to urban housing policies.
- vii. The National Development Bank should be expected to play a more important role in the utilization of domestic funds and making housing loans in rural areas when it has the administrative capacity to do so.
- viii. Allowing the sale of Botswana Housing Corporation 'pool' houses if they are in surplus, and sale of surplus government owned houses in rural areas.

This housing policy was reviewed in 1997 and that review was the basis for the current housing policy adopted in 1999. The main goal of the *National Policy on Housing (2000)* is to facilitate the provision of decent and affordable housing for all within a safe and sanitary environment. This housing policy seeks to:

- i. change the emphasis from government as a housing provider to housing facilitator in partnership with other stakeholders;
- ii. apply government resources towards low and lower middle income housing delivery;
- iii. promote housing as an instrument for economic empowerment and poverty alleviation;
- iv. foster a partnership with the private sector and all major employers in home development and facilitating home ownership.

The policy provides direction for the housing sector in Botswana. In line with the National Vision 2016, the policy aims at the provision of decent and affordable housing within a safe and sanitary environment. The policy addresses key elements of the housing sector including institutional capacity building, land, finance, subsidies, rentals, housing standards, building materials, housing legislation, Self Help Housing Agency (SHHA), District Housing, Botswana Housing Corporation (BHC) and private sector participation.

As the country's population grows and becomes more urbanised, policy measures put in place to guide the national housing efforts have become grossly inadequate. Low-income households particularly face a broad spectrum of housing challenges. Despite the attempts by the Policy in facilitating access to housing to all, the housing sector in Botswana is still faced with the following general challenges:

- i. Unaffordability due to adaptation of 'modern' infrastructure and building standards
- ii. Overcrowding
- iii. Shortage of affordable land for housing
- iv. Inaccessibility of housing finance especially for low income households
- v. Uncoordinated housing delivery strategies

Actors in Botswana Shelter Delivery and their Roles

Since its implementation in 2000, the Policy has brought about some positive changes to the housing sector. Government continues to facilitate the involvement of various stakeholders in the housing sector. This is for the full utilisation of potential and resources from all Governmental and non-governmental actors in the housing sector.

The following are the major stakeholders in the delivery of housing in Botswana, with emphasis on low income housing.

Department of Housing: This department is in the Ministry of Lands and Housing. The department's overall responsibility is to facilitate housing delivery through the formulation of housing policies and programmes. The department also provides leadership and professional guidance on all matters pertaining to housing and is responsible for securing funding for all low income housing programmes and also provide guidelines for implementation of the programmes.

Other responsibilities of the Department of Housing include the coordination and monitoring of the management of pool housing for eligible public officers; serving as a source of information and advice to government and other stakeholders on housing matters; and undertaking research on housing.

Local Authorities: These are mainly responsible for the implementation of all **low income housing programmes** and providing housing for their staff. These include both the Self Help Housing Agency programme and Integrated Poverty Alleviation and Housing Programme – *{The roles of these agencies will be detailed later in the paper}*.

Local Authorities are also responsible for development control in all the country's planning areas and carry out such a responsibility through building inspectors who make sure that all developments carried out are in consonance with the Development Control Code, Building Standards, Town and Country Planning Act and others.

Botswana Housing Corporation (BHC): This parastatal was established as a national agency to provide housing both for government, local authorities and the general public at large. More details will be given when addressing the issue of low cost housing.

Non Governmental/Community Based Organisations: A number of these have been actively involved in low income housing delivery in the country without any defined parameters on how they participate. These include among others: The Habitat for Humanity, Botswana Christian Council, The Red Cross etc. These institutions have proved to be more cost effective producers and providers of low income housing.

Housing Policy Advisory Council: In line with recommendation 2.1.3 of the 2000 National Policy on Housing, the Council was inaugurated in 2005. The Council is expected to provide guidance and also drive the implementation of the National Policy on Housing through the coordination of the numerous functions that contribute to and influence housing delivery. However, this has not been achieved as the operations of the Council ceased a year after its inauguration and therefore the policy has continued to be implemented in a haphazard manner.

Private Sector : Whilst the current housing policy appreciates the pivotal role played by the private sector in housing delivery, this role has not been fully defined and/or exploited. Contribution made by the private sector has thus been haphazard and targeting only the higher income category of the population.

4. Access to Housing Finance for all.

Botswana Government has also recognized the important role of finance in housing in national development and hence it has ensured that in its housing policy the financial agencies have to be involved in providing credit(lending) to **all income categories**. These agencies are: the National Development Bank, Building Societies and Commercial banks. In order to enhance the effective involvement of the above institutions, government provides mortgage loan guarantees to eligible borrowers. To illustrate this

we shall examine in the following paragraphs both conventional and other housing finance mechanisms available to enable access to housing in Botswana

Conventional Housing Finance

The commercial banks and the Botswana Building Society (BBS) are the only conventional housing finance providers in Botswana. These institutions finance all forms of property development, commercial, industrial and residential. While the commercial banks have largely mixed portfolios, BBS concentrates on the residential sector, and 80% of BBS mortgages are for residential properties (Lex von Rudloff).

The commercial banks are answerable to their shareholders and consequently the granting of loans is subject to strict business risk mitigation principles. Although there is some variation between the banks, and all loan conditions are often negotiable within certain limits, typical conditions include:

Minimum housing loans for most banks are P100 000 (\$16 260), though Stanbic now offers a minimum loan of P 50 000 (\$8 130). Standard Chartered and Barclays Bank offers a minimum loan of P75 000 (\$12 195). Even a P100 000 (\$16 260) loan would suffice to erect a only very basic structure with minimal finishes and only the most basic fittings and amenities. BBS differs from the commercial banks in that there is no minimum value specified for property loans. Currently, 10% of mortgages in the BBS portfolio are below P50 000 (\$8 130), and 30% are below P 100 000 (\$16 260) (Lex: *ibid*).

The government guarantees bank loans for government employees to the tune of 80% through the Government Employee Motor Vehicle Advance Scheme (GEMVAS) that is available to permanent and pensionable civil servants for real property development. To be eligible for this scheme, employees must have at least P1 200 (\$195) net take home pay after loan repayments and deductions. However, only approximately 7% of the loans taken out under this scheme in the last 5 years were used for property development, confirming that many Botswana place a higher premium on the status achieved through more publicly visible assets such as expensive cars, than on long-term investments. Government also assists all Botswana citizens to purchase or develop properties by guaranteeing 25% of all loans secured through the Botswana Building Society (BBS). The Self Help Housing Agency (SHHA) – *{discussed below and in greater detail in the **Strategies and Programmes** section of this paper}*- and the Botswana Housing Corporation are further initiatives by government to address the low-income housing issue. However, a significant number of government employees fall below the minimum earning requirement for GEMVAS finance, as low-end government employees earn between P800 – P1200 (\$130 - \$195) per month (BPOHF Feasibility Study Final Report). Default rates for the two government loan guarantee schemes mentioned above are unavailable.

Access to Finance by the urban poor/Low Income

The Self-Help Housing Agency (SHHA) programme has operated in the urban centres and some urban villages since the early 1970's to meet the needs of the low income. Initial funding was from foreign donors (particularly USAID) until responsibility for

SHHA was given to the Housing Departments of the various Town Councils in 1978 from which date government has funded the scheme.

The SHHA programme is not confined only to urban centres and the larger villages: rural SHHA programmes operate throughout Botswana, but in all rural SHHA, land is provided by the applicant (through the normal Tribal Land Grant process). The urban SHHA programme provides both land and housing finance to low-income urban dwellers. The SHHA land allocation procedure approximates the tribal land allocation process for tribe's people in the tribal land areas, formerly executed by the chief or headman and latterly by the Land Boards. SHHA applicants, who must be citizens, and be formally employed or legitimately self-employed in the town or city where the application is lodged, must earn between P4 400 – P24 300 (\$715 - \$3 950) per annum to qualify for low-income plots, and between P 24 301 – P36 400 (\$3 951 - \$5 200) for middle lower income plots. Self-employed applicants, usually hawkers or vendors, are required to furnish proof of income, either through bank statements or sworn affidavit. Until recently, the maximum SHHA loan was P20 000 (\$3 250) at an interest rate of 10% (well below prime) repayable over 15 years, but today it is P45,000(\$7,500). If the applicants qualify for a plot, they automatically qualify for a building loan.

In Gaborone, some 12,000 plots have been allocated since the inception of the SHHA scheme in 1973, and approximately 6,000 applicants have received loans. The projected demand countrywide for SHHA loans is about 54,000 on the basis of maximum entitlement of P20 000 (\$3 250). It is estimated that 1 in 5 households requires a loan (1 in 3 in urban areas). {GoB 2003:National Development Plan 9: 2003/04 – 2008/09}

Default rates have been high, partly due to poor debtor management by councils. Currently in Gaborone, service levies are some P3m (\$487 800), and SHHA loans P2.2m (\$357 725) in arrears.

Since 2003/4 most collection of loans has been undertaken by the private sector and the results have been encouraging.

While the SHHA scheme fills a vital role in providing land and housing finance to a segment of the low-income market, SHHA is not affordable to many urban dwellers. Those earning below P 4 400 (\$715) pa or P366.67 (\$60) pm are not covered by the scheme. This group includes domestic workers, gardeners, casual labourers and others earning below the minimum wage, as well as hawkers and new arrivals of the rural-urban migration component. For most of these persons, rented accommodation in SHHA areas or the informal settlements such as Gaborone's Old Naledi is the only alternative. Urban rentals in Botswana are comparatively high, and most in the lowest income group spend appreciably more than the UN standard of 30% of income on their housing. Other basic needs like food, schooling, transport, utilities/energy, clothing, etc. consume all of the remaining cash, resulting in little or no disposable income.

The SHHA middle lower income ceiling of P36 400 (\$5 920) pa - P3 033 (\$493) pm - falls below the minimum income requirement for housing finance of the commercial banks, which is generally P4 000 – P 4 800 (\$650 - \$780). However, it should be pointed out that Barclays Bank's new minimum loan repayment (over 20 years) of P1335.30 pm with the recently introduced 45% debt ratio requirement is just about accessible to this group, subject to levels of personal indebtedness and other factors.

A large number of plots remain undeveloped years after allocation. - Central Statistics Office 35

The repayment rate on the service levy and construction loans is low and inadequately managed, resulting in the loan scheme not being self-sustaining.

The SHHA scheme has primarily been a government investment in low-cost housing, and while complete self-sustainability may well not have been feasible (given the highly subsidised interest rate and liberal approval criteria, the financial performance of the scheme has nevertheless been below expectations. Future developments may well see the SHHA scheme being re-structured as a cost-recovery entity.

Clearly the very poor (those with household incomes below P367 per month – 9.3% of the population) are excluded from all forms of formal housing finance. Similarly those earning between P3 033 and P 4 200 per month (7.2% of the population) are effectively excluded from all forms of formal housing finance (other than a BBS loan, where applicable) earning too much to qualify for the SHHA programme yet falling below the generally applied minimum for a commercial bank loan. Furthermore, SHHA eligibility is largely rhetorical, as it applies only to urban applicants and has waiting periods of up to 15 years, effectively making it unavailable in the immediate sense.(GoB: H.I.E.S - Central Statistics Office).

Microfinance is a developing phenomenon in Botswana and there is relatively little information available on both supply and demand for such services (refer to “Access to Financial Services in Botswana”, FinMark Trust Research Paper No.1, Genesis Analytics; March 2003, for data on the supply of financial services to low-income clients in Botswana).

Unlike in South Africa, in Botswana there currently is no micro lending specifically geared towards housing. Although individuals do borrow from micro-lenders (either cash or term borrowing) to develop their properties, this practice is not widespread. Furthermore, in view of the fact that almost all micro lending requires the borrower to be formally employed and to have a bank account, the very poor are excluded even from this source of housing finance.

These ‘excluded’ groups therefore find themselves in a position where ad-hoc solutions to housing finance are the norm. Incremental building, where the homeowner adds a room at intervals, as finances permit, is probably the most common form of house construction in Botswana. Many of those who fail to qualify for conventional housing finance due either to insufficient income to meet minimum requirements or land tenure issues where the plot is not properly registered and does not qualify as collateral (e.g. Certificate of Rights (COR) or Fixed Period tribal land granted under Customary Land Grant – see below) find themselves developing their home in an ad-hoc fashion. A fairly common scenario is when a person is able to obtain small loans in the form of unsecured short-term personal bank loans, *motshelo* /savings club loans or to raise cash through the sale of cattle etc., building materials will be purchased piecemeal, and, after a time, when sufficient for a modest extension to the existing structure, a builder will be engaged to construct an additional room. A few years later, the homeowner will repeat the process, eventually creating a multi-roomed dwelling. Planning issues and Building Control Regulations are chiefly ignored in this process, but were these to be applied to the letter they would constitute a serious obstacle to this form of housing provision.

Access to affordable land in urban areas for low-income persons is major obstacle to home Ownership, as discussed in the paragraph below. Land values have risen dramatically over recent years and unsubsidised land within the major towns and cities is beyond the reach of the lower income groups.

The implementation of housing standards in Botswana has had the effect of further increasing housing costs. Many of the urban villages have been designated Planning Areas and in these areas houses have to comply with the Development Control Code and the Building Control Regulations.

Traditional construction using locally available materials is therefore no longer possible. In SHHA areas, SHHA inspectors have been known to impose requirements even more stringent than required by the legislation, thereby further increasing building costs.

Property transaction costs pose yet another obstacle to the low-income prospective homeowner.

Transfer, bond and notarial fees are disproportionately high at the lower end of the property market, ranging from 13.6% or P 2 450 (\$400) for a property valued under P 20 000 (\$3 250) - a significant disincentive to the poorer aspirant - to only 7.3% or P 14 600 (\$2 375) for a property of P200 000 (32 520) (Finmark *ibid*).

5. Land Policy : The National Policy on Land Tenure 1985 and the Land Policy 2000:

Since independence in 1966, the Government of Botswana has been appointing commissions and carrying out studies to facilitate land administration and development. Many policies have resulted from these commissions including the Tribal Grazing Policy, Agricultural Policy, Tourism Policy, and the National Policy on Land Tenure (1985). The later, the NPLT, addressed issues pertaining to improvement to delivery of land for development and management of land. The major concerns were to remove obstacles that made both state and tribal land difficult to acquire and develop. Through the policy it has become possible to mortgage tribal land to facilitate encouragement of financial institutions to extend credits to people or investors and to direct urban land allocation and development.

In 2002, consultants were appointed by government to conduct a comprehensive review of land policy and prepare the groundwork for a government paper on the subject. Stakeholders from all over the country energetically debated the conclusions of two draft reports by the consultants in the last quarter of 2002. The review covered both land administration and land management. The review concluded that Botswana's overall land policy and institutional framework are fundamentally sound and that, despite the profound changes witnessed by Botswana in the last two decades, the 1983 strategy of careful change, responding to particular needs with specific tenure innovations remains valid. Nonetheless, some important adjustments to the policy are called for.

Access to Land for All: Land laws and Tenure Categories in Botswana

Land is owned by the State in Botswana and every citizen has an equal right to be allocated land, protected by the Constitution. Unlike in some countries, there is no gender discrimination. Land laws in Botswana, fall into three categories. Modern customary law draws its inspiration from African culture. While its origins are indigenous, many modifications have taken place during the past one hundred years. The customary law of Botswana is described in two seminal works (Schapera 1938, 1943). Broadly speaking, the common law of Anglophone southern Africa constitutes the modern common law of Botswana. Since independence in 1966, there has been a

considerable amount of statutory law applicable to land; the most important laws are: the *Constitution of Botswana*, Cap 1; the *State Land Act*, Cap 32, 01; the *Tribal Land Act*, Cap. 32:02 and the *Town and Country Planning Act*, Cap. 32.09. (Kalabamu 2006)

There are three categories of land tenure: tribal land, state land (crown land before independence) and freehold land.

(i) *Tribal land or Customary Land*

At independence, about 49% of the national land area was tribal land, less than 4% was freehold and the balance state land. Between independence in 1966 and 1972, a further 15,000 square kilometres of state land were alienated and sold as freehold both to Europeans and Batswana (White 1999). By 1980, the conversion of state land to tribal land and the purchase and conversion of freehold land in congested areas, had caused tribal land to increase to 69%, freehold land to fall to 5.7% and state land to fall to 25%. Today, tribal land comprises 71% of the land area; freehold about 4.2% and state land the remainder. Thus, the policy in Botswana has been to increase the area of tribal land at the expense of both state and freehold ownership. Table 1 below illustrates the changes.

Table 2: Land Tenure Categories in Botswana, 1966-1998

Year	Tribal land		State land		Freehold land	
	Area	%	Area	%	Area	%
1966	278,535	48.8	270,761	47.4	21,356	3.7
1979	403,730	69.4	145,040	24.9	32,960	5.7
1998	411,349	70.9	144,588	24.9	24,572	4.2

(White 1999)

The tenure is secure, land rights are perpetual and inheritable and the land is allocated free of charge and hence the land is not treated as a commodity. This is however changing as land close to urban areas is gradually being sold on the open market. Chiefs used to oversee administration of land before Land Boards were established. (Land Boards are modern day institutions that administer tribal land). The chief administered land allocation through his representatives known as ward heads. The land was allocated according to zones for three main uses i.e. residential, ploughing and grazing (Nkwae and Dumba 2008).

The characteristics of the customary tenure can be summarised as:

- Generally not coded, largely unwritten
- Based on tradition and custom
- Easily accessible by group members
- Very secure and inheritable
- Inalienable rights by individual members of the group i.e. land is not a commodity
- Cannot be mortgaged
- Cannot be transferred to non-citizens

- Flexible and dynamic, not static

Decentralised land boards administer tribal land in terms of the *Tribal Land Act*. Tribal land is either held by the land board itself or by eligible applicants as customary grants or common law leases. Although a land board has the statutory right to refuse to allocate land, an application by government will normally be accommodated.

(ii) State Land

As the term denotes, State land is owned by government and is found in rural and urban areas. In urban areas, the land is allocated to individuals and organizations for residential, industrial and commercial purposes. State Land in rural areas is used as game reserves and national parks and some is leased to farmers for grazing purposes. In the urban areas, the land ownership patterns are influenced by the statutory land tenure system with approximately 95% of the land being State land. State land is administered under the *State Land Act* (Cap 32:01). The land allocation is done by the Attorney General with assistance from the Department of Lands. Land in urban areas as opposed to rural areas is serviced before allocation. The government policy is to allocate land on the basis of full cost recovery in case of a first time buyer, if not one pays full market price. Allocations can be in the form of either Fixed Period State Grant (FPSG) or a Certificate of Rights (COR). COR is administered by the Self-Help Housing Agency (SHHA) under each town or city council and a low interest building materials loan or SHHA loan is provided (*see more Details later in the paper*).

(iii) Freehold land

Freehold land was created during the colonial era by the state permanently alienating its title to individuals and organizations. Freehold land is found in some of Botswana's prime agricultural belts such as the eastern Tuli Block of the country as well as some designated blocks in the Ghanzi District. Freehold was also created after independence in towns such as Gaborone as an incentive for individuals to participate in the economic development of the country (Mathuba, 1992), as a kind of an empowerment approach.

Private developers have also purchased farms at the urban periphery and subdivided the land and sold it on a freehold basis. Phakalane Estates in Gaborone is a case in point. The freehold title is inheritable, freely transferable, and registrable and does not lapse with time.

Land Allocation Procedure in Urban Areas.

The State Land Allocation Policy aims to provide for the right of avail in urban areas. The policy currently in force states that all citizens, regardless of where they live, will be eligible for two residential, commercial and industrial plots in the urban areas of Botswana, provided that a first plot has been developed (MLGL 1990). Land servicing (i.e. provision of roads, drains, water and power supplies) is a precondition for land allocation on urban state land for residential, commercial and industrial purposes. Residential plots are transferred at a price based on cost recovery for first time buyers, affordable prices for low income groups and market prices for those seeking plots for investment. Commercial and industrial land is allocated at market prices. However, prices fall below market value, hence the long waiting lists and the associated problems of land fronting (Kalabamu 2006).

The procedure of allocating State Land Residential.

These plots are allocated under the State Land Integrated Management System (SLIMS) on waiting list basis as follows:-

- The Department of Lands (MLH) receives application forms;
- Application forms are captured in the computerized Botswana Land Information Systems (BLIS) platform;
- BLIS vets the applications and assigns a waiting list number;
- Once plots are available, they are loaded into BLIS;
- BLIS runs a provisional allocation to State Land Allocation Advisory Committee (SLAAC) for consideration;
- Successful applicants are communicated to Legal Services Division for formal allocation. Priority for allocation is given to those without plots in state land.

Figure 1: Extension 48 Neighbourhood, Gaborone: Land Serviced Before Allocation



Administrative Structures

The State Land Act (CAP 32:01) which was enacted in 1966 vested state land on the President and provided for sound management of such land. State land management and distribution falls under the Ministry of Lands and Housing (MLH) while land

allocation for low and middle income low residential plots is delegated to Town/City Councils under the SHHA programme. Such land allocations are made through State Land Allocation Advisory Committees (SLAACs) to ensure transparency and equitable distribution of land.

Government has instituted a mechanism to provide/allocate land for the low income through its SHHA Programme. The Ministry of Lands and Housing is responsible for overseeing the administration of urban state land and for co-ordinating the development and allocation of non-SHHA serviced land. The Ministry is also responsible for overseeing the survey of all layouts and plots for which titles are allocated and registered by the Deeds Registry. The private sector, which has so far played only a modest role, is involved in land servicing in high-income residential estates on freehold land and on a limited scale through government contracts on blocks of state land. At the other end of the income scale, NGOs have been active in low-income shelter provision.

The Accelerated Land Servicing Programme (ALSP), instituted by the government in 1992, aimed to meet the demand for urban land and respond to the 'right of avail' of citizens. Upon an application being lodged with the Ministry or SHHA office, the applicant's details were entered into a computer. Priority was given to those with no urban plot. When plots became available, a committee approved the allocations, which were to not be transferred unless they had been developed for the purpose for which they were allocated and a 10-year period had elapsed since allocation. In a case where a plot had to change hands before the prescribed date, it had to be developed first and the transferee had to pay to government the difference between the sale price of the plot and the initial price paid by the allottee (Kalabamu, *ibid*).

A review of the ALSP found that, of the middle and upper income plots in Gaborone, 13% had to be repossessed as compared with 55% of the SHHA plots (MLH 2001). A similar pattern emerged in the other centres. The number of residential plots that remained undeveloped and unpaid for between 1992 and 2001 was substantial. Allottees were not able to develop the land, even though it was offered at subsidised prices. As a result, the infrastructure provided deteriorated. Some 22 000 plots were delivered under the programme between 1992 and 2002, but no new major land-servicing project is planned.

The National Policy on Housing (GoB 2000) portends a fundamental change to land policy in urban areas. It states that government's role in the provision of land for housing has had to change from that of financier and direct producer of plots, to that of facilitator. The allocation of subsidised plots to urban households, whatever their level of income, has to come to an end. The government paper states that in future scarce budgetary resources will be channelled to low income housing as an instrument of economic empowerment and poverty alleviation.

Security Tenure for the low Income

To enable the low income in squatter upgrading and site and service areas, government has adopted a policy of providing secure tenure through the introduction of Certificate of Rights and the Fixed Period State Grant(FPSG).

Certificate of Rights

The Certificate of Rights (COR) as an urban land tenure innovation was developed in the early 1970s to cater for the urban poor as a land tenure alternative to curb squatting in Botswana's urban centres. Its other objective was to provide a secure and inexpensive form of tenure to support the site and service schemes for the urban poor. To reduce costs the demarcation of boundaries for COR plots was done on the basis of general plans or block diagrams (Nkwae & Dumba 2008). In Site and Service areas, minimum services were provided including earth roads, communal water stand pipes and pit latrines. Neither electricity nor street lighting was provided until 1992 when the new Urban Development Standards were introduced.

The plot holder maintains the usufruct of the plot and the State maintains ownership. The tenure is secure, perpetual, inheritable and can be assigned, pledged and be ceded with the consent of the Council. It is also convertible to a 99 year lease, i.e. the Fixed Period State Grant after carrying out a cadastral survey and a title registration. Technically speaking, COR can be mortgaged, pledged and hypothecated. Financial institutions are however wary about accepting COR title as collateral since,

- The land belongs to the State and plot holders are prohibited from transferring or ceding the property without prior written consent of town/city council. A major concern is the involvement of a third party, the Town Council whose consent is required for sale in execution of the COR. If property is to be good security for loans, the lender must be able to sell to recover loans in case of default.
- Land is not surveyed to cadastral standard and titles are not legally registered.
- Costs to convert COR titles to FPSG are prohibitive (e.g. Maendeleo, 1992; GeoSolutions, 2007).

In the original proposals for the issuing of COR, three categories of applicants were contemplated:

- ***Type I COR.*** This was mainly designed to curtail the mushrooming of squatter settlements in the urban centres. It was supposed to be an annual tenancy for basic housing structures of non-payment nature.
- ***Type II COR.*** This was to be granted to the lower income groups whose income did not exceed P1, 500. The group was expected to meet the minimum development standards and also qualify for a subsidized monthly service charge from the municipal authority. Technical assistance from the SHHA program and a building materials loan accompanied this land development initiative.
- ***Type III COR.*** This proposal aimed at the middle-income group, who could afford the high land servicing standards closer to the high-income neighbourhoods.

With this approach, it was envisaged that it would lead to innovative investment in housing and other commercial activities with FPSG reserved for the high income group. However, during its implementation, only type II COR was issued as it was found to be

more appropriate for the low and middle income. However, this approach excludes those urban poor without any source of income.

The strength of this tenure option lies in having averted the squatter problem in Botswana's urban centres of Selibe-Phikwe and Gaborone. Due to its success, the COR was extended to other towns like Francistown, Jwaneng, Kasane and Ghanzi. The same concept has now been extended into the rural and peri-urban areas to improve the housing conditions. In theory, the COR can be hypothecated if registered at the Deeds Registry Office.

Allocation of certificate of rights

The demand for COR has always exceeded the supply of COR plots as demonstrated by the long waiting lists in the SHHA offices throughout the country. Standardised allocation procedures are used in these site and service areas. An applicant for the COR needed to satisfy the following conditions:

- Must be a citizen of Botswana;
- Must be at least 18 years old;
- Must have been a resident of a town for at least six months;
- Must not own any other house or plot in any urban area;
- Must not fall below the stipulated annual income threshold;
- Must agree to pay a service levy;
- Must comply with the minimum development standards; and
- Ultimate ownership rests with the state

Conversion of COR to FPSG

"The tenurial security for most old SHHA plot beneficiaries still remains the Certificate of Rights, although a change to the Fixed Period State Grant (FPSG) was approved following the review of the SHHA programme" in 1992 (NDP9, 2003, p.334). In order to convert a COR title to FPSG, plot holders must satisfy the following conditions:

- Commission a cadastral survey costing about P2000 .
- Arrange a water connection, which costs about P600, equivalent to a one month's wages.
- Register the new title at the Deeds Registry Office; there is no registration fee if the value of the plot is below P20, 000.
- Pay the title conversion fee at the Deeds Registry Office.

As of December 1991, 'roughly 1,000 plots had been converted, of which two-thirds have been in Gaborone' (Ministry of Local Government, Land & Housing, 1992, p.62) representing slightly less than 4% of the total COR plots in the country. It has been observed that most of these converted COR titles are later sold in the open market (Ministry of Local Government, Land & Housing, 1992; GeoSolutions, 2007).

Conclusion

All said, however, the land policy of Botswana has been hailed as a model in the continent as it makes land accessible to all segments of the society including the urban poor. Everyone is entitled for land in an open system with waiting lists that are

computerised and available to would be applicants. Land is also distributed fairly with the low income being subsidized whilst the middle income pay cost recovery prices and the well to do pay market price for land.

PART TWO

STRATEGIES AND PROGRAMMES ADOPTED TO MAKE LAND AND HOUSING ACCESSIBLE AND AFFORDABLE FOR THE LOW INCOME.

In order to provide adequate, safe and sanitary shelter for all, the Government of Botswana has embarked on some strategies and programmes with the main thrust being for the low income segment of the population. The main significant of these are the following:-

- I) Public Housing Programme
- II) Site and Service and Self Help programmes
- III) Accelerated Land Servicing Programme
- IV) Integrated Poverty and Housing Programme
- V) Involvement of the Private Sector through PPP.

These are now examined below.

I. Public Housing Programme - The BHC.

In order to meet the nations' need for housing the government established the Botswana Housing Corporation (BHC) in 1970, and the adoption in 1973 of self-help solutions managed by Self-Help Housing Agencies (SHHA). The BHC was established as a parastatal organisation, mainly to provide housing for rent or sale for government, local authorities and for individuals. At first, its main mandate was to cater for the low segment of urban households, but with time this was slowly neglected following market changes.

Altogether the BHC has built 17,000 houses in urban areas, in three categories, high, medium and low rent. Of the three categories, the low income housing is the greatest and such units dot every major urban area in Botswana. Units range from 50m²(low income) to 120m² (High income).

The Botswana Housing Corporation's mandate of providing affordable housing to Batswana, initially as subsidised rental and later through tenant purchase schemes has long given way to mainstream commercial development. The Corporation is very active in the middle-income housing market, but although 'low-cost' units dating from the 1960's and 1970's still exist and accommodate a limited number of low-income households, the developments of the last decade have all been beyond the affordability of the lower income groups. That the Corporation has moved further and further from its capacity to house the low-income group, is illustrated in some of the latest "Turnkey Housing Scheme" projects originally intended to fall under the SHHA programme but taken over by BHC: A recent BHC tender for 88 'low-cost' units came in at P 6.7m (\$1.09m), averaging P76 316 (\$12 410) per unit. Even at a subsidised (hypothetical) interest rate of 10% (as in SHHA), the cost is too high for even the upper limit SHHA

applicants. Such projects will benefit the middle income groups, but will be beyond the reach of low-income groups.

Since 1997 BHC has sold about 1,200 properties under the terms of its tenant purchase scheme. In urban areas there is a small private sector, amounting to about 10 per cent of the stock, established by the sale of leases and freeholds, invariably serving the well off elite (Harvey and Lewis, 1990: 261-2), while at the opposite end of the income scale there is a small amount of informal settlement (squatting).

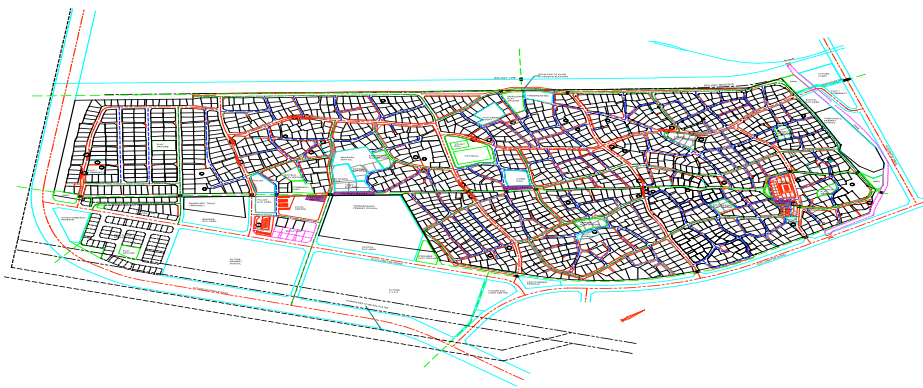
Recently a new role for BHC has been introduced. In 2009 the Government announced a new scheme to make housing and home-ownership affordable, especially for the youth. President Ian Khama in his State of the Nation Address (2009) said that the government will put in place a new **Installment Purchase Scheme** to be implemented by the Botswana Housing Corporation (BHC) to make rental and purchasing houses cheaper. He said the government will provide high density and multi-residential houses for the youth and bachelor flats for first time home-owners and employees. "Consequently, in all urban and major villages where development and layout plans are prepared, land is identified and zoned for high density residential use where these houses will be constructed," Khama announced.

The President stated that the BHC will be turned into a single authority through which all public housing delivery initiatives will be coordinated. "Consultations are at an advanced stage within government to transform BHC into such an authority. Once the authority is in place, there will be clarity on the roles of the major players, including the private sector, in policy formulation, planning and monitoring of housing delivery," Khama said.

II. Site and Services/Squatter Upgrading/The Self Help Housing Programme.

With fast urbanisation, emerged squatting by the low income workers who moved to the urban areas soon after independence to access shelter. Most of this was in Gaborone (Old Naledi), Francistown (Somerset North and South, Monarch etc) and Selebi Phikwe. Government was quick to act by adopting the World Bank model and introduce a site and services and squatter upgrading programme based on self help basis and today, Botswana boasts of having little incidence of squatting as any new emergence of squatting is quickly dealt with by demolitions and stiff penalties for defaulters. Currently, this is the largest housing sector, representing about 60% of the urban housing stock administered by the SHHA, which, as indicated earlier are themselves under the aegis of the town councils.

Figure 2: Old Naledi Upgraded Squatter Area, Gaborone –See Plan Below



The Self Help Housing Agency (SHHA) programme was introduced in 1973 and its objective was to assist low income urban households with access to serviced land as well as develop their own houses. The scheme was financed by the International Development Agency of Canada and the Netherlands Interdenominational Coordination Community for Development Projects and the Botswana Council of Churches.

This scheme was responsible for (i) upgrading 'unauthorised' settlements in various towns, including Old Naledi in Gaborone; and (ii) allocating, at no cost to the beneficiary, minimally serviced land to the 'poor'. To qualify for land under this scheme, the applicant had to be a citizen of Botswana aged 21 years and above with a verifiable, regular income.

Furthermore, the applicant was required to have lived in the respective township for at least six months prior to submitting his or her application. These criteria discriminated against new arrivals (rural-urban migrants), casual and self-employed workers, and youths who were parents and workers but aged under 21. (Kalabamu, 1998; Musyoki, 1998).

By then, the low income groups included households with incomes ranging between P1800 and P30,000 per annum. This has since changed to cover households with an income in the range of P4 400.00 to P36 400.00 per annum. From the time SHHA was

introduced up to the early 1990s servicing standards for SHHA plots were rudimentary and low cost. These were;

- Communal water stand pipes servicing an average of 20 households per pipe.
- Pit latrines: Government constructed the sub-structure, the individual the super structure.
- Earth roads providing access to all plots.
- Electricity was not provided.

These have since changed as electricity and tarmac roads are provided in all areas and pit latrines are now replaced by central sewerage systems to avoid water contamination. Councils around the country are phasing out public water stand pipes and individual yard connections as well as house connections are encouraged.

Plots were provided for free with the individual paying a service charge which embodied a negligible element of infrastructure cost recovery. A Building Material loan was provided, whose maximum ceiling was increased from P400 at the inception of SHHA in 1973 to P1200 in 1984. The ceiling was further increased to P3600 at the time of the SHHA Review in 1992. Beneficiaries were provided with a basic Certificate of Rights Tenure (COR) which entitled them to construct houses but not to own the land(*as detailed earlier*).

Plot holders who are unable to develop are required to give back their plots to the local SHHA, and in return they receive a refund of the purchase price less penalty fees. SHHA plot holders who sell developed plots within ten years of allocation are not allowed to register on the waiting list for a period of five years. They are also required to pay a penalty (lien) amounting to the difference between the market price of the plot and the initial purchase price.

The scheme was so successful in meeting the needs of the urban poor that in 2005, the government cascaded it to the rural areas, at first starting with the major villages and later to all other settlements that need the scheme.

Figure 3: Site and Service/SHHA Residential Development in Gaborone, Botswana



New SHHA Programme.

Being mindful of those whose incomes that could not qualify them to get SHHA loans, in 2009, under Presidential directive, the government has introduced two more initiatives to help the low income access housing, these are the **New SHHA and the TurnKey Housing Programme** with increased SHHA loans – up to P45,000 and there is a zero interest on the loans except for defaulters who will be charged 10% on the loans. The scheme is only applicable to low income earners falling within the P4, 400-P36,400 per annum category. Under the new programme, beneficiaries are expected to start up their own housing projects using their resources and the council would finish the project to curb incidences of incomplete structures as has been the case with the initial P20, 000 loans.

Councils are expected to carry out inspections to see the conditions of the housing projects that should be completed through the loans and to verify the level of development. The new housing scheme for the low-income class is set to deliver at least 1166 ready houses during the 2009/10 financial year. The Turnkey development entails construction of houses at a unit cost of P60 000 for beneficiaries who opt for completed houses. The repayment period for the loans under the two schemes was also increased from 15 to 20 years at 0 percent interest, with 10 percent interest on those who default in repayment. To-date, a total of P19,380,850 was disbursed for 697 beneficiaries, according to the Molefhi (Mmegi 2009)

SHHA Turnkey

This programme was started in 2003 in an effort to establish the possibility of government providing structures to eligible SHHA applicants. This is applicable to people who qualify for SHHA (due to their income levels) but do not have their own plots. Beneficiaries are drawn from SHHA waiting lists and applications from rural areas are made to councils. Under this programme no village is prioritised and even

settlements are entitled and funds are disbursed from the ministry based on the requests from councils. A pilot project was carried out in Francistown and never realised its objectives. Problems experienced in that project will help the department review and better focus the project.

Evaluation of the SHHA Programme: Successes and Challenges

(a) Success of the Programme.

The SHHA has been the most successful low income housing programme undertaken in Botswana and accounts for about 52% of total housing provision and accommodates 62% of households in urban areas. There has been no significant squatter settlement since the programme was instituted. The programme has since been rolled out to rural areas with effect from 2000 and the loan amount increased to P45,000.00.

(b) Critics of the SHHA Programme

In spite of this success, the SHHA programme has come under criticism from many quarters ranging from the beneficiaries themselves as well as researchers. Datta (1996: 241) says that 'On the face of it, self-help housing projects have been hugely successful in Botswana especially when compared to the performance of other African countries', but he then goes on to list a number of reservations. First, according to Datta, SHHA has been heavily subsidised, in that initially plots were allocated free of charge, building materials loans were at subsidised rates of interest and service levies were well below cost recovery levels. It can be responded that since people were accustomed to free land in rural areas it was a necessary expedient to provide free plots in town in order to secure acceptance of the SHHA idea. Second, there is the problem that SHHA fails to reach the poorest, because so many people have incomes below the threshold. However, this can be countered by the new schemes recently introduced. Third, Datta refers to the phenomenon known as 'fronting', whereby poor households obtain a plot which is later sold by the plot holder to a better off family whose income would disqualify them from a newly marked out plot. However, Fronting was more likely to have occurred in the days before the introduction of transferable title. Fourth, in the early years, and especially in the 1980s, there was a shortage of serviced plots and therefore very long waiting lists arose. However, fifth, the accelerated land servicing programme, which was accompanied by the introduction of higher standards of servicing and market pricing for new plots, resulted initially in a supply of serviced plots that were not readily taken up. Finally, there is the long established problem of poor cost recovery performance by the SHHA authorities, with high levels of arrears in terms of both service levies and loan repayments.

These criticisms are largely echoed by the Gaborone Housing Needs Assessment (GHK International, 1999: 22-25). For example, 'In effect, the SHHA programme has been increasingly removed from its objective of addressing the needs of low income groups. Instead, the SHHA now acts, to a large extent, as a delivery mechanism for housing the 'rich poor' and the lower-middle income groups'. This is supported by Datta's (1996: 240) statement that the value of a self-help house increased by six times the rate of general inflation during 1982-87. The progressive exclusion of the least well off tends to force them into renting rooms or huts on SHHA plots, and it is generally accepted that a

majority of households living in SHHA areas are not plot holders but tenants and sub-tenants. Datta (1996: 241) says that 58 per cent of SHHA occupants are not plot holders, but he also says that 3 out of 5 households take tenants.

If every plot holder took one tenant then clearly 50 per cent of occupants would be tenants, so Datta's figures can be taken to imply that some people are taking more than one tenant. This conclusion is supported by the housing needs report, which suggests that there are on average 12 people per plot, which it translates as 2.5-3 households (GHK International, 1999: 23). A Large amount of renting in sites and services areas has also been observed in Zimbabwe (Rakodi and Withers, 1995: 383).

The Gaborone housing needs report is also critical of the policy of maintaining what it sees as high building standards, which are not affordable by the poor, and which are, apparently, 'well above the minimum needed to ensure satisfactory environmental health and safety'. The report goes on to criticise the costs of security of tenure in SHHA areas. The poorest plot holders, it is argued, cannot afford the cost of the survey required to obtain the FPSG. Raising the income threshold for access to SHHA obviously has the effect of excluding more people on low incomes, and it is estimated that 30-40 per cent of the poor in Gaborone are now unable to afford a plot (GHK International, 1999: 25). Increasing the size of the building materials loan clearly is of no benefit to the least well off, yet it remains well below the cost of constructing a basic dwelling to the required standard. It is interesting that the report is also critical of the tendency to resort to subsidy as a means of tackling these problems, rather than cutting standards. However, in a country with such buoyant state revenues and such a large group of poor people with such limited access to formal employment, surely there is a case for using subsidised housing as a valid means of redistribution!

On the question of renting, Datta (1996: 242-3) refers to the insecurity of tenants of subsistence landlords, the lack of formal tenancy agreements, the inferior quality of their accommodation and their vulnerability to exploitation. Not surprisingly, his evidence suggested that a large majority of tenants in SHHA areas aspired to own their plot some day.

All said, however, government has always taken heed of these criticisms and it has continually taken steps to improve the scheme as already alluded to earlier (the New SHHA and the Turnkey Project).

III: Integrated Poverty Alleviation and Housing Schemes

This scheme is meant to cater for those not covered under the Self Help Housing Agency (SHHA) arrangement and was to be implemented in rural areas only. When the White Paper on the National Housing Policy came out in 2000, it recommended that the scheme has to be implemented in both rural and urban areas. Implementation of this scheme in both settings is meant to address the poverty problems experienced in the country and to give poverty policies and programmes a national focus. The scheme's main thrust is on the integration of skills acquisition, employment creation and income generation with shelter provision.

The first stage of the project involves the identification of beneficiaries through the help of the Social and Community Development Division of the local Council where the project is being implemented. Once they have been identified they are trained in the production and marketing of standard building materials such as stock bricks, blocks, pavement slabs and kerbstones for sale at competitive prices on the local market. An allowance is offered to the beneficiaries dependent on the profit made from the sale of the project's products. Production of building materials run concurrently with the training of beneficiaries in basic construction skills. Skills acquired are meant to encourage the beneficiaries to build their own houses without having to employ someone to do it for them.

The projects have to repay Government the initial capital invested so that a revolving fund can be created for replication purposes. Once the project has reached full production, with the needed resources in place, the Government is expected to pull out and hand the project's management to the beneficiaries. This scheme has since been piloted in three urban areas of Francistown, Mahalapye and Ghanzi. The 'success' of these projects has led the Government into replicating the project to Tsabong, Kanye and Maun. Maun and Tsabong, have since started production with Kanye still to start production. Other projects have also been started in Masunga, Mochudi .

IV: Accelerated Land Servicing Programme

As indicated earlier, Government policy towards urban residential land is that it has to be serviced before allocation. Though novel and avoids the pitfalls of many municipalities' problems in the African continent. It is a major challenge to meet such an objective.

For most governments providing adequate supply of residential plots has always been a challenge. This has also been the case in Botswana since Independence. In 1987, the Botswana government identified the shortage of serviced land as a major constraint to urban housing development, as the waiting list for houses had mushroomed to nearly 10,000.

Accordingly, a major land servicing programme –The Accelerated Land Servicing Programme(ALSP) was introduced at an estimated cost of P500 mil (US\$167 mil) for the servicing of residential, commercial and industrial plots in the urban centres.

At completion, about 30,225 serviced residential plots were developed for various income groups. Of these 10,210 plots were in Gaborone. All ALSP plots are title surveyed and fully serviced with tarred roads and provisions for private water and sewer connections but lack provision for communal stand pipes and do not permit pit latrines. The plot allocation process is computerised under a system called the Botswana Land Information System(BLIS).

With the introduction of the ALSP, income became the most important criterion for allocating state land. Under this programme, land is allocated at 'affordable cost' to low-income earners, at 'cost recovery' to middle-income earners, and at 'market prices' to high-income earners. 'Affordable cost' is defined as being no more than 25 per cent of total earnings for a low-income household, while 'cost recovery' is defined as the price that will enable the government to recoup all of the cost of servicing the land (GOB, 1985; MLGL, 1990). The minimum age limit was reduced to 18. In addition, applicants must be formally employed or legitimately self-employed.

The applicant's name is retained on the waiting list if he or she is transferred to a workplace outside where the application was made. Only one application per couple is entertained. An individual who marries a person who already owns a plot on state land is required to withdraw his or her name from the list.

The above criteria tend to disadvantage some. First, they exclude people who are unemployed but capable of building houses using their own labour and funds from the sale of other household resources such as cattle and rural produce. Secondly, they exclude people (notably women) with partners working outside Gaborone or the country (e.g. in South Africa). Thirdly, the 'affordable price' excludes the most needy and vulnerable households. Fourthly, by restricting land holdings to one plot per couple, married women are disadvantaged because traditional norms and practices dictate that land belongs to husbands, who are assumed to be household heads. Fifthly, given that more women than men are unemployed or work as housewives, the criteria tend to disadvantage more women than men.

CONCLUSION AND THE WAY FORWARD.

From the above, it can safely be said that the government of Botswana has done a lot in ensuring provision and access to urban housing through appropriate urban, land and housing policies and programmes. Positive steps too, have been taken to ensure that the low income segments of the urban population can access land and houses through the site and services/squatter upgrading programme, state mass housing through the BHC and the Accelerated Land servicing Programme that has provided land across the urban areas. However, as urbanisation keeps rising, the housing crisis will intensify and the demand for housing will be even greater (Mosha 2007).

To this end, it is imperative that a number of interventions are required to keep pace with needs and aspirations. The housing crisis can only be solved and residents helped to own their own homes if the government commits itself to a set of principle such as the right to housing by every citizen, equitable distribution of housing, and the diversification of the institutions providing housing. A restructured BHC, empowered councils, housing cooperatives, and the state are also necessary. The private sector should be mobilized and encouraged to play a greater role in land servicing and housing provision especially at the lower end of the housing market where profits might be low. Decent and affordable housing for every citizen would stimulate production of cement (lime and clay soil), production of timber, building tiles, pipe manufacturing, and electrical wiring.

A number of interventions from government are needed to facilitate the provision of housing to the poor. Key amongst these is the relaxation of regulatory standards and building codes for the urban poor. Simpler, more affordable and appropriate health and safety regulations are required, and 'first world' building standards must be recognised as counter-productive for providing affordable housing to the urban poor.

Inconsistencies between the various land tenure regimes need the attention of government. In many cases low-income persons are ignorant of the value of the land they possess, and are often exploited by land speculators for this reason. They are also unaware of the benefits of converting to the more commercially valuable tenure system and the consequent access to finance this can provide.

The SHHA model for urban low-cost housing finance has all the necessary elements for success, as it addresses precisely the relevant social stratum. However, the scheme in its present form is beset with problems, and outside intervention is needed to revitalise and reenergise the programme. The following areas need attention:

- Urgent consideration needs to be given to the identification and allocation of suitable land in a timely manner. (Currently there are backlogs of up to 15 years)
- The plots need adequate services, including water-borne sewerage where the programmes have not been commenced.
- Management issues pertaining to all aspects of the programme: selection criteria, material supply, loan disbursement, building inspections, services, record keeping and defaulter management need urgent intervention. With adequate management the loan scheme could be made to be self-sustaining.
- The maximum loan amount should be realistic and related to current building costs.
- Adequate protection of beneficiaries against aggressive speculators must be put in place.
- Tenure procedures must be suitable for applicants to be able to easily migrate to commercial loan providers for secondary development of their plots.
- Potential beneficiaries should be included in the consultative phase of planning, and they should participate in the proposal: "Planning should be with, not for the beneficiaries. They know what they need and they know and understand the constraints".
- Interest rate subsidization could be reduced in the long term.
- A study into the informal credit sector is needed to explore the potential of unconventional methods of housing finance, e.g. *metshelo* / credit clubs, micro lenders etc(Lex-Fimark 2007).

Finally, as revealed in the paper, the majority of people living in SHHA areas are not plot holders but tenants and sub-tenants. This calls for a need to look at ways to improve rental tenure as a viable alternative to owner-occupation. Since there is shortage of land in urban areas it means that some people will never have access to housing land meaning they will never be owner-occupiers. Some people in a certain stage in their life cycle might not be aspiring to own a house but may prefer to rent. There is need to introduce various tenure options apart from owner occupation. In addition, the majority of people in Botswana are very poor and they will never afford a basic urban house without a heavy government subsidy. Those people can only access decent accommodation through the improved rental tenure option.

References.

Central Statistical Office(2003): *2001 Population and Housing Statistics*. Government Printer, Gaborone.

CIA-World(2008): *Fact Book-Botswana*.

CIA-World(2009): *Fact Book- Botswana*. Lakhdar Boukerrou. The Encyclopaedia of Earth.

Datta, K (1996): *The Organization and Performance of a Low Income Rental Market: The Case of Gaborone, Botswana*. Cities, Vol.13,No.4 pp237-45.

Dickson W.L(1992):*Land Tenure and Developing Society*. Gaborone

Finmark Trust(2004), *Finscope Botswana 2004*.

Genesis Analytics(2003): *Access to Financial Services in Botswana*, FinMark Trust Research paper No.1.

GHK International(1999): *Gaborone Urban Poverty and Housing Needs Assessment, Final report*. GHK International.

GoB(1992): *Urban Development Standards* Government Printer, Gaborone.

GoB(2003): *National Development Plan 9- 2003-2009*. Government Printer , Gaborone.

Gwebu, T. (2004) *Patterns and trends of urbanization in Botswana and policy implications for sustainability*. Gaborone.

Harvey C. and Lewis S(1990): *Policy Choice and Development Performance in Botswana*, Basingstone: MacMillan Press.

Kalabamu F(2006): *Informal Land Delivery Process in Greater Gaborone: Constraints, Opportunities and Policy Implications*. Research Project: Informal Land Delivery Processes in African Cities. IDP Birmingham and UB-Policy Brief 2.

Kalabamu F.& Morolong S.(2004): *Informal land delivery processes and access to land by the urban poor in Greater Gaborone, Botswana*. Research Report Funded by DFID.Published by the University of Birmingham, UK, in print.

Lex von Rudloff(2007): *Overview of the Housing Finance Sector in Botswana*. FinMark Trust: Access to Housing Finance in Africa: Exploring the Issues. RSA.

Malpass P. & Dumba D(2000): *The Development of Low Income Urban Housing markets: A case Study of Botswana*. Conference Paper : Network for Housing Research, Gavle, Sweden.

Martin A, Faustin K, Richard W(2003): *Land Tenure Policy and Practice in Botswana-Governance Lessons for Southern Africa*. Austrian Journal of Development Studies, XIX(1)pp.55-74.

Mathuba S(1982): *Customary and Modern Land Tenure Systems in Botswana*. Unpublished M.Sc. Thesis, University of Wisconsin, Madison, USA.

Mmegi(9 March 2009):*New SHHA Scheme to Deliver Over 1000 Houses*. Botswana

Ministry of Local Government and Lands(1983): *An Evaluation of the Self Help Housing Agency*. Government Printer, Gaborone.

Ministry of Local Government and Lands(1992): *Review of the Self Help Housing Agency*. Government Printer, Gaborone.

Mosha A.C.(1996): *The City of Gaborone: Planning and Management*. Ambio, Vol.25, No.2, The Sustainable City pp.118-125, Allen Press.

Mosha A (2001): *An evaluation of Physical Planning Strategies for Housing the Poor in Botswana*. Book chapter in “ A Reappraisal of the Urban Planning Process” UNHABITAT, Nairobi Kenya.

Mosha A. (2007) : *Towards Non-Polarized Residential Development in Botswana’s Urban Areas*. In: “Globalizing Cities : Inequality and Segregation in Developing Countries”- Edited by Ranvinder S. Sandhu and Jasmeet Sandhu, Rawat, 2007.

Nkwae Boipuso & Dumba D(2008): *From Certificate of Rights to Long-Term Leaseholds in Botswana*. University of Botswana -Unpublished.

Republic of Botswana(2004): *Household Income and expenditure Report, CSO*, Government Printer, Gaborone.

Schapera I(1994): *A Handbook of Tswana Law and Custom*. International African Institute, London.

White R(1999). *Livestock and land tenure in Botswana*. In *Conference on new directions on land tenure*. The Hague: Africa Studies Centre, University of Leiden
