

**URBAN UPGRADING IN AFRICA:
A SUMMARY OF RAPID ASSESSMENTS IN TEN COUNTRIES**

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BACKGROUND TO STUDY

The *Africa: Regional Urban Upgrading Initiative*, financed in part by a grant from the Norwegian Trust Fund, is examining and selectively supporting urban upgrading programs in Sub-Saharan Africa through a variety of interventions. One component of the initiative focuses on distilling lessons from three decades of urban development and upgrading projects in the region. Specifically, the objective of this component is to assess what worked and what did not work in previous projects for upgrading low-income settlements in Africa, and to identify ways in which interventions aimed at delivering services to the poor can be better designed and targeted.

As a first step, rapid assessment case studies were commissioned for five Anglophone countries (Ghana, Namibia, Swaziland, Tanzania and Zambia) and five Francophone countries (Burkina Faso, Cameroon, Cote d'Ivoire, Mali and Senegal). Each of these ten Country Assessment Reports provides an overview of the history of upgrading programs and policies in a given country and presents project or community specific case studies to identify lessons learned. Taken together, these ten reports offer insight into the nature and diversity of upgrading approaches in Africa.

This paper synthesizes and analyzes the main issues presented in the ten country reports. It highlights some of the challenges in and lessons learned about delivering services to the poor in Sub-Saharan Africa.

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1. INTRODUCTION

In the World Bank's first decade of urban sector lending (1972-82), *one of the primary areas of intervention was the provision and improvement of housing for the urban poor*. During these early years, the urban sector at the Bank supported discrete projects with an emphasis on affordability, cost recovery and replicability. In contrast to the era of slum clearance by national governments in the 1960s, the rise of the influential self-help paradigm in housing projects during the 1970s and 1980s was based on two types of approaches: the provision of sites and services, and in-situ slum upgrading. During this time, the Bank financed 50 urban sector loans in 35 countries, with sites and services and in-situ upgrading absorbing almost 60 percent of its allocations.

By the mid-1980s, *this particular project approach to housing and urban development had met with serious criticism from both within and outside of the Bank*. At the micro-level, criticism was leveled at the inefficiencies created by individual projects. Such critiques included: slow rates of implementation and a record of poor administration; inadequate levels of community participation; inappropriately high building standards and regulations making projects very expensive and hard to replicate; overly complex integrated projects which took a multi-sectoral approach to infrastructure while also seeking to address land tenure; a poor record on cost recovery and operations and maintenance; the problems in upgrading individual neighborhoods that did not connect to citywide networks. At the macro-level, critiques centered on the lack of an overarching institutional framework and the concomitant need for a programmatic approach to urban lending. Such macro critiques led to a wave of policy prescriptions in the late 1980s and the 1990s which focused instead on establishing efficient property markets, setting appropriate regulations and standards, decentralizing authority to local governments, and building local capacity. While some lessons from the micro critiques were incorporated into subsequent urban upgrading projects, the weight of the macro critiques caused a substantial shift to a new generation of urban operations focused on programmatic lending and citywide development strategies with a long-term perspective.

Yet evaluations of past upgrading projects are not entirely negative. Many studies found that this first generation of urban projects had a significant impact on the housing stock and the lives of the urban poor. While upgrading projects did face many problems of the kind outlined earlier, they can hardly have been deemed a failure.

It is time to rethink the past experience with upgrading. One of the next challenges for urban policy makers will be to integrate a project approach to planning at the neighborhood scale with the supply-side local government and institutional framework of the 1990s. Both approaches will need to be brought together, reviving many of the original intentions that lay behind upgrading projects all the while emphasizing the importance of institutional capacity building. The past experience with upgrading offers many lessons critical to this endeavor. Urban upgrading was a targeted intervention to improve living standards and reduce poverty. A better understanding of its systematic impacts will aid in the design of new projects that aim to better target service delivery to the urban poor.

While a great deal of evaluation research has been conducted in Latin America and Asia, *Sub-Saharan Africa has received much less attention*. As such, some lingering questions particular to the region remain. What worked in upgrading projects in Africa and why? Who benefited? Moreover, while the Bank shifted its primary urban focus from upgrading to strengthening local governments, many other donors and national governments continued to prepare upgrading projects in Africa. What lessons do

these projects have to offer? How can we apply the micro critiques of the past to rethinking the role of neighborhood projects today and identifying the triggers for going to scale? Taking stock of both the positive and negative lessons learnt in the past decades of upgrading projects is a first step in this direction.

This report is structured as follows. Following this introduction, the second section lays out the two broad goals of upgrading projects in Africa. Section three examines the policy approaches adopted by African governments towards upgrading. Subsequent sections describe the successes, failures, obstacles and constraints encountered during project design and implementation. Sections four through seven group the main issues as social, physical, financial and institutional respectively. The paper concludes with a brief description of future directions for this NTF research project.

2. GOALS OF UPGRADING

There are many overall strategies for upgrading informal settlements, but *the primary goals of upgrading projects are to provide secure land tenure in informal and often illegal areas, and to improve basic infrastructure and service delivery*. Broadly, African countries have struggled with defining uniform objectives as projects have grappled with very different priorities such as land legalization, upgrading infrastructure, and, to a lesser degree, social and economic development. Yet for the most part, African countries have either adopted one of the primary goals independently or attempted to combine both goals in one project. Africa's experience illustrates the multiplicity of strategies that exist to meet these goals, as well as their rationale. This section clarifies what is meant by these primary goals and how projects attempting such aims have fared. It also provides some background to the issues surrounding African land policy and tenure.

2.1 Security of Tenure

A familiar policy prescription in upgrading circles is that *security of tenure is critical for successfully integrating slums into the fabric of urban life and facilitating improvements in service delivery*. Arguments for the provision of secure land tenure reveal benefits for both municipalities and residents, some of whose interests conflict. These benefits include: (1) property rights to facilitate service delivery, (2) a projected increase in municipal revenue through property taxation, (3) the ability of new owners to sell or rent out their property, live elsewhere, and reap the benefits of an increase in asset value, (4) the motivation of new owners to invest in own housing and property, (5) the provision of land as collateral for the poor, and (6) the provision of incentives for cost recovery and accountability for maintenance.

In discussions of land tenure, it is important to separate formal titling from security of tenure. *Increasingly practitioners do not perceive formal titling as a prerequisite for upgrading projects even if it might be desirable as a long-term goal*. This is apparent for several reasons. First, tenure legalization is an expensive process, as is land acquisition by the state. Second, land reform and infrastructure investments operate according to different rhythms. Formal legalization takes time and can significantly delay upgrading initiatives if required as a prerequisite for further investments in infrastructure. Third, land relationships in slums are often complex and seldom do residents own both their houses and their land. Ownership and title come in many different guises. Fourth, security and possession of actual title are vastly different things. The provision of infrastructure or adoption of a policy against slum clearance and eviction can vastly increase security of tenure. Conversely, formal titling does not necessarily guarantee

security in a policy environment that favors eviction and resettlement. While many policy makers would like to see tenure granted to residents at some point, the ten case studies examined in this study generally show that formal tenure is no longer viewed as a condition for further improvements.

Africa's experience illustrates the complexity of this debate quite well. *In some cases formal titling is an obvious priority that can induce participation; sometimes it can help recover costs of infrastructure investments; sometimes it can lead to speculation.* Cameroon, for example, reveals the tension in African land policy between local communities and outsiders; the New-Bell area of Douala has been occupied for decades by the Bamilekes from the Western Province who are still unable to rent or sell this land legally. Formal titling matters a great deal to such urban immigrant communities. Likewise, although land security was not initially a main objective of the Sokoura project in the Aboisso municipality of Cote d'Ivoire, a survey revealed that it was an important objective to the inhabitants who had already been moved twice. Providing them with security of tenure was a necessary step and an incentive for them to participate. Plots were paid for and then distributed with the participation of community representatives who would not otherwise have participated in upgrading. Furthermore, sales and auctions of plots have allowed for cost recovery in order to finance infrastructure, although this has usually been through the provision of newly serviced areas and not in-situ upgrading. Yet the provision of formal and transferable land tenure can lead to absentee ownership and speculation, often bypassing the poor targeted by upgrading projects in the first place.

In other cases, security of tenure has improved without formal titling as a result of new upgrading policies and projects. Often the mere act of upgrading establishes de facto security for tenants who feared their homes might otherwise have been demolished. In these cases, tenure is viewed as beyond the purview of upgrading projects altogether whose main objective is to improve service delivery and community infrastructure, not to resolve land disputes that stem from national level issues. However, the case for de facto security is stronger for settlements on government owned land than on private land, peri-urban land beyond formal jurisdictions, or contested land. With a few exceptions, such as Swaziland, most African countries have avoided these more messy interventions.

To understand why the provision of land tenure is particularly thorny in Africa, *it is important to understand local land policy and property arrangements in which the dynamics of traditional and modern systems, as well as legal and illegal arrangements come into play.* The forms of urban land tenure in Africa are numerous. They can be better understood by the following loose groupings: customary land tenure; modern or Western tenure based on leasehold and freehold systems; and the rental market.¹

- Customary Land Tenure— Although thousands of customary systems are operative in the Africa region, broadly they all maintain that communities have equal right of avail to land. Land is owned by a jural community such as a tribe or a clan, but administered by chiefs, headmen, or clan and tribal elders. Land is allocated according to need and use value, including reciprocal access arrangements within the community. In short, individual land rights are inferior to communal land rights and active use is the primary sign of ownership. Customary land tenure prevails in most peri-urban areas in Africa. Swaziland is an example of an African country trying to deal with the issue of traditional land inside urban jurisdictions through its distribution of crown lands for upgrading.

¹ This categorization is drawn from a discussion on African land tenure in Kalabamu, F. (2000) "Land Tenure and Management Reforms in East and Southern Africa- The Case of Botswana" in *Land Use Policy*, Vol. 17, No. 4, pp.305-319.

- **Modern Tenure: Leasehold and Freehold**— In modern land tenure systems imported under colonization, land rights are defined by law and supported by title deeds as evidence of ownership. Most importantly, title deeds define, secure and guarantee ownership and can be transferred (i.e. sold) on the market. Freehold rights provide permanent rights to owners, while leaseholds are specified for certain fixed periods, usually between 30 and 99 years. For example, the lease period in Tanzania’s upgrading projects was 99 years, while the rights of occupancy issued in Senegal and Zambia were for 50 years and 30 years respectively. This is further complicated by the difference between owning one’s home and owning one’s land. For example, a 1993 citywide survey carried out in Douala, Cameroon estimated that while 40-60 percent of households owned the houses in which they lived, less than half of these homeowners had registered titles to their land.
- **Rental Market**— The rental market provides a critical form of tenure for Africa’s urban poor. In Ghana, for example, decades of tight rent control have resulted in the majority of potential upgrading beneficiaries living in rental housing. In Senegal, approximately 70 percent of the urban population are renters while the 30 percent who do own often possess several houses. Likewise in Abidjan, 75 percent of the city rents. Ratios of urban renters to owners vary a great deal within the same country. For example, while rental arrangements are high in Abidjan, elsewhere in Cote d’Ivoire, such as in the municipality of Aboisso, only 37 percent rent while the rest own their homes. In contrast, a survey carried out in 1983 prior to the Nylon upgrading project in Douala, Cameroon found that the majority of residents in this neighborhood were owner occupants; only 15-20 percent of the 200,000 inhabitants rented their homes.

African countries that chose to address formal tenure generally did so in one of two ways: (1) through upgrading projects which sought to provide formal titles alongside improved infrastructure, and (2) through national land reform policies, sometimes called “upgrading policies.” Both strategies focused on formal titling as a means to provide secure tenure but differed in their approach.

Projects that attempted to provide simultaneously formal land tenure and basic infrastructure frequently failed. For example, in the mid 1980s, Senegal tried to implement a national urban upgrading policy that aimed for the simultaneous provision of infrastructure and land title. In 1987, the government initiated its new policy of slum upgrading in sharp contrast to a previous twenty-year period of slum clearance. The goal was to provide residents with a right of occupancy as the last step in the upgrading process. Eventually this strategy of simultaneous provision of land and urban services proved untenable. This was due to several reasons including a record of poor cost recovery and a disinterest in obtaining land titles, as well as the fact that residents were required to build housing out of “standard” modern building materials in order to obtain official title. In addition, since land was never nationalized, the process of land regularization was considerably slowed by proceedings with private owners whose lands were to be expropriated through eminent domain.

Mali’s interesting efforts to go to scale through the Save Our Neighborhood program instituted by the District of Bamako also reveal the difficulty with combining service delivery with land tenure. Begun in 1992, the program aimed for the rapid upgrading of 24 neighborhoods in Bamako. The projects were designed such that the provision of land tenure was critical for success. But the program never had control of the land in informal settlements and in 1996, in order to stop speculation, the Government of Mali

suspended the distribution of state owned land. The local AGETIPE (Public Works and Employment Agency) had to intervene in the process and avoided land legalization thereafter.

Africa has several examples of *countries that pursued national policies of upgrading based on the nationalization and redistribution of urban land*. In Burkina Faso, during the revolutionary period of 1983 to 1990, a massive number of “lotissements,” or plots, were created and distributed to the population. In 1984, the government first passed the Land Tenure Reform Act, which nationalized land and established official prices for land to be sold by the central government. Legally, each household was allowed one plot of land belonging to the central government at the official price. The result was an enormous increase in planned settlements from 29 percent in 1980 to 73 percent in 1990. In the following post-revolutionary period this strategy was continued although with more democratic processes in place, the informal market for plots could no longer be controlled. Yet by 2001, despite immense speculation, 50 percent of the houses in Ouagadougou and Bobo-Dioulasso were owner occupied. This strategic separation of land regularization from infrastructure upgrading enabled Burkina Faso to address secure tenure without foreign assistance at very low cost, further enabling the provision of donor-financed infrastructure upgrading to follow. The result, in fact, has been a de facto two-pronged approach to upgrading whereby the government regularizes land first, and donors provide for service delivery and infrastructure afterwards. However, practitioners have noted that such a program may not be widely replicable, even within Burkina Faso, under less authoritarian national conditions.

Since 1977, Cote d’Ivoire has also addressed land policy through legalization and regularization and like in Burkina Faso, many neighborhoods have been regularized without the provision of basic services. However, the approach did make urban land available and generally worked more efficiently than in Burkina Faso, where upgrading was often stalled by a slow process of plot distribution (although with greater eventual coverage and impact). Land in Cote d’Ivoire is categorized according to the formality of housing and the legality of land occupancy. Illegal settlements where houses are not built with standard materials are not eligible for upgrading. In Abidjan, roughly 15-17 percent of settlements are considered illegal, only 40 percent of which are constructed with standard materials and eligible for upgrading. Both the scope and impact of national urban land reform is thus considerable lessened.

Likewise in Ghana, the Land Title Registration Law was passed in 1986 but land administration was viewed as a national policy and kept separate from upgrading projects in which the settlement of land disputes has not been tackled. Moreover, because many of the urban poor in Ghana are tenants, land regularization has not even been a central priority for upgrading beneficiaries. In Zambia, land tenure has also remained a national level issue. Land policy is based on regularizing informal settlements in peri-urban areas through the provision of medium-term occupancy rights. Most of the land on which informal settlements are located is publicly owned. In order to be regularized for tenure and recognized by municipal administrators, these settlements must be “declared” by the Ministry of Local Government and Housing. The Ministry will only do so based on certain contingencies, including if 60 percent or more of the land is indeed publicly owned and 50 percent or more of the dwelling structures are built of standard materials. Once land is declared, the city council issues 30-year occupancy rights, which are then renewable. Upgrading proceeds entirely apart from this process of land regularization. Likewise in Senegal and in light of the country’s troubles with integrating land tenure with infrastructure, the most recent project by GTZ in the Pikine area of Dakar has disassociated infrastructure upgrading from land regularization.

Under both strategies to establish formal land titles, *mechanisms of transferring land to the state and to individual beneficiaries are complicated and time consuming*. In Cote d'Ivoire, the law establishes that land without legal title or that has been vacant for more than 10 years belongs to the government. While some recognition of land that belongs to traditional local chiefs has occurred, customary land rights can be seized for urban land use through the power of eminent domain. Just compensation is required and can take the form of a lump sum payment for land, payment for crops, or an allocation of one of more serviced plots in a future upgraded area. The Ministry of Construction and Urban Development is then responsible for the distribution of such plots. The approach adopted is phased: first, temporary land titles can be obtained during a concession phase, then a house made of standard materials must be built, only after which can official land titles be obtained. Needless to say, this process is a lengthy one that occurs in a different time cycle and institutional context than infrastructure provision.

Under the Bank's Urban Development Program, Swaziland has also developed innovative mechanisms for transferring Swazi Nation Land (SNL) held in trust by the King to individuals through 99-year leases after which land reverts to SNL status. Land is transferred from the King to the Ministry of Housing and Urban Development who in turn passes land on to the implementing agencies, which in turn on-sell the leases to individuals in order to recover the costs of infrastructure provision. While innovative, this is a lengthy procedure that becomes even more complicated in peri-urban areas where there is no clear responsibility for public administration and land transfers. The transfer of SNL for the development of the Mhobodleni site for a sites and services scheme outside an urban jurisdiction sets an interesting and valuable precedent for this peri-urban problem (although this project involved a greenfield site and not in-situ upgrading).

Overall, experience suggests that formal titling should be decoupled from upgrading. The complexities of tying infrastructure to land sales attest to the evolving view that formal titling should not be viewed as a condition for settlement upgrading. This is not to say that regularization and land management are not important, but that they should be handled as separate programs. Future empirical research will have to focus on the links between security of tenure, in all of its many forms, and infrastructure investments in order to measure with some accuracy their relationship with each other and the success of upgrading projects.

2.2 Improved Service Delivery

Generally, both the literature and project evaluations are in agreement that *the provision of basic service infrastructure should be the primary goal and central component of upgrading projects*. Traditionally such basic services include roads, drainage, street lighting, water supply, sewerage and solid waste management. Micro-credit and local economic development initiatives as well as the provision of community infrastructure such as health clinics and schools have featured much less prominently in upgrading projects in Africa.

Yet, an important debate continues as to whether upgrading projects should be integrated multi-sectoral projects or sector specific. While integrated projects are generally favored precisely because they address interrelated infrastructure systems at the same time, sector specific interventions have increased particularly with the growth in expertise and funding for water and sanitation projects. The advantage of sectoral projects is that they are generally easier to coordinate than complex integrated ones. However, increasing water supply without providing adequate drainage, for example, is not an efficient solution to the conditions urban upgrading aims to tackle. Generally, integrated projects have had a much greater

impact on communities although such projects often had to be “scaled back” with regard to the number of settlements upgraded during implementation. The Community Infrastructure Program (1997) in Tanzania, for example, ultimately only upgraded two out of the seven communities identified during project design, due to standards and cost inflation.

In some countries, one can observe a *broad swing from an integrated approach in the first wave of upgrading projects, to a period of sectoral projects in the 1980s, followed by a return to the integrated project in the 1990s*. Zambia, for example, shifted from an entirely integrated approach in the 1970s and 1980s to a sectoral one in the 1990s focused largely on water supply and sanitation. A 1994 needs assessment indicated that communities felt water was a top priority; sectoral upgrading projects generally responded to community demands in an attempt to move away from the integrated approach, which was perceived as largely top-down. However, the most recent upgrading project in Zambia funded by JICA, the Environmental Improvement Program (1998), has returned to the integrated approach with components for water supply, roads and drainage, income generation, health and sanitation, and education. Similarly in Tanzania, the Hanna Nassif Project funded under the umbrella Sustainable Dar Es Salaam Project (1992) focused exclusively on storm water drainage (although the project was designed so that construction would also result in intensive community employment). Its Phase Two counterpart (1996) and the subsequent Community Infrastructure Program (1997) have both returned to the multi-sectoral approach. No doubt this alternating predominance of the sectoral and the integrated project is also a reflection of donor policies and beliefs.

In contrast, other countries’ recent experience with upgrading has been entirely multi-sectoral. In Ghana, for example, from the World Bank’s Accra District Rehabilitation Project (1985) through to the Community Infrastructure Upgrading Project (1997), upgrading has consisted of improving roads, water supply, drainage, pit latrines, footpaths and street lighting. Social infrastructure facilities (e.g. health clinics, schools) and micro-credit programs have been much less prominent in Africa. The main stated advantage of such integrated projects is the decrease in costs and coordination problems as a result of packaging upgrading works for the predominantly network infrastructure in one major contract. However, with integrated projects, the risk of failure due to complexity and lack of sufficient financing remains.

Likewise, Cameroon’s Nylon project (1984-94), a component of the World Bank’s First Urban Project, and the subsequent FOURMI micro-projects (Phase I, 1995; Phase II, 2001) have all been integrated multi-sectoral projects. The main difference between the two has been a shift from an approach focused on capital-intensive infrastructure investment to one in favor of micro projects and small investments chosen directly by communities. FOURMI is not a thematic program and all demands are admissible provided a significant share of the population support them and they fall within a project cost range of USD 500 to 40,000. Investments can be made in social infrastructure, physical infrastructure, or economic and small business related projects. The project budget is divided so that 50 percent is allocated for investment, 25 percent for capacity building, and 25 percent for social intermediation. While individual micro projects might result in improvements in only one sector, the menu of options for communities to choose from is multi-sectoral.

Conflicts also arise as to whether upgrading projects should concern themselves with secondary and tertiary infrastructure only, or with trunk infrastructure as well. While trunk infrastructure is deemed the role of local, regional or even national authorities, and not of community level projects, building trunk infrastructure is sometimes necessary for secondary systems to function at all. The result, however, has been that upgrading projects are sidetracked by expensive and complex construction efforts that should be

completed with funds and efforts from different sources. Cameroon's Nylon Project (1984), for example, was designed during a period of relative prosperity and the government progressively raised standards; this design inflation effectively turned the project into a trunk infrastructure project, which proved untenable with the onset of an economic recession in 1986. Linking community level investments to citywide networks and service delivery systems remains a challenge.

Identifying the relative successes of integrated and sectoral projects and differentiating their causes will be an important part of future research. While it is easy to say that an integrated approach is preferable, low cost recovery rates, design inflation and a scaling back of projects reveal that the integrated approach to infrastructure delivery (let alone the provision of formal land tenure) has serious operational limitations. In addition, integrated projects tend to come in bundled service offerings that discourage beneficiary choice. The debate among African practitioners and policy makers over the relative merits of integrated urban development versus sectoral interventions must be subject to a more rigorous analysis.

3. POLICY APPROACHES

The policies of African governments towards slums have shifted considerably over time. Slum clearance was a common policy in the 1970s and continued in some countries into the 1990s. In many cases, upgrading was perceived as a donor driven process rather than a national shelter policy, unlike, for example, in Indonesia where the Kampung Improvement Program (KIP) was a national program. More recently, *some African countries have explicitly formulated the goals of upgrading as part of national urban strategies.* This more favorable attitude towards upgrading may indeed have been the single largest contribution of upgrading projects to urban development.

Examples of such dramatic shifts in policy at the national level include: (i) Tanzania, which softened its approach to squatters in 1972 with the first Bank project and began a national policy of upgrading and sites and services which was reiterated in the 1990s, this time accompanied by an Upgrading Action Plan in 2000; (ii) Burkina Faso, which initiated a National Urban Upgrading Program in 1983 after the revolution; (iii) Senegal, which instituted a new urban upgrading and land policy focused on land reform and regularization, first implemented with the Dalifort project in 1987; and (iv) Cote d'Ivoire whose Ministry of Construction and Urban Development began a new upgrading program in 1992.

Elsewhere the support for upgrading has been more akin to tacit approval than an explicitly stated national policy. The fact that standards in upgrading projects were kept deliberately low to ensure wider coverage, realistic targeting, and cost recovery was anathema to most African governments who were loathe to see standards pushed so far below urban standards in formal shelter strategies. For example, in Ghana upgrading has never been an officially stated policy although one of the aims of the most recent Bank funded project is to set the stage for a national upgrading program. Likewise, in Zambia, upgrading was considered a Bank scheme and never recognized as official policy although several related housing acts were passed and a donor driven working group was established in 1994 to begin to create national policy guidelines. In countries like Namibia and Mali, the local councils of capital cities have actively pursued citywide upgrading programs but have not received official national support.

4. SOCIAL ISSUES

In the process of upgrading neighborhoods through the kinds of strategies described above, the social consequences and the target beneficiaries of projects must be borne in mind. Much less has been written on the social issues associated with project design and implementation than on the other issues outlined in this paper; quite a bit more research would be in order in this area. This section highlights the central concerns and raises important questions as to the experience of African countries with social issues in upgrading projects such as their effectiveness in targeting the poor; what is known about their potential for income generation; the role of gender and differentiated impacts on women; and the record on resettlement caused by upgrading strategies.

4.1 Targeting the Poor

In the upgrading literature, there is some *discussion as to who exactly benefits from these projects and whether the poor are adequately targeted* during project design. In African cities, however, poverty levels are so high that this has been less of a concern. The selection of neighborhoods for upgrading is usually based on a combination of needs assessments and willingness to pay and participate on the part of the community. Namibia, for example, has experimented with upgrading at different development levels based on the ability to pay of residents. The Windhoek City Council's ambitious annual plans to upgrade three existing informal settlements every year are based on targeting settlements with differing levels of services and infrastructure and investing in improvements according to what is affordable to the community. Often, the decision is in part a political one as well, based on maneuverings by politicians in favor of specific communities who will benefit from the project. This type of selection has been particularly prominent given the high number of pilot projects in upgrading efforts as opposed to large-scale systematic and citywide targeting.

Targeting in upgrading projects also has important ramifications after project implementation. The often dramatic increase in land values after an upgrading project can have unintended consequences such as the departure of the initial target beneficiaries. This raises important equity considerations such as who the ultimate beneficiaries of upgrading projects are as well as debates over whether the poor can capitalize immediately on subsidized investments by selling their homes. For example, an evaluation of the first upgrading project in Burkina Faso, the CISSIN Upgrading Project (1974), funded by UNCHS and UNDP, revealed that 50 percent of the original beneficiaries had sold their plots at 10-50 times the original value. This was a result of both an increase in land values after upgrading as well as a law that required the development of land within five years of purchase but by which many residents could not afford to abide.

Much more empirical research needs to be conducted on targeting and the impact of upgrading projects on the urban poor. To date, much of the research has been descriptive. Important concerns include examining how communities have been selected, the extent to which upgrading projects have reached the poor, and what the long-term impacts have been on the living conditions of the residents.

4.2 Income Generation and Business Development

Although, unlike the early social funds, income generation was not a primary goal of upgrading projects, they often attempted to create positive income effects for residents and businesses. Through self-help schemes and contracting arrangements for minor works with local companies, residents were drawn into the implementation of physical investments both as a form of employment and community participation

through labor. The principle of self-help entails that residents are not paid for their labor, but are often provided with access to credit or materials through loans and sometimes grants. Contracting arrangements are, of course, income generating for the businesses awarded these contracts and contractors are sometimes obligated to hire local residents for basic construction.

For example, in the Bank's Third Urban Project (1996-2001) in Burkina Faso, the public works employment agency was required to sub-contract infrastructure work to small and medium sized enterprises. Likewise in Ghana, several projects have focused on the importance of contracting small stand-alone projects to small firms. One of the main objectives of the Bank's Priority Works Project (1988-96) was to create employment; integrated components were specifically designed to be built through labor-intensive small-scale contracts. Tanzania's Hanna Nassif Project (1992) was also designed to be employment intensive and community labor was projected to include 15,000 days of paid labor and 5,000 days of community contribution. However, as a result, it took eight years to complete a basic drainage project in one community and some evaluations suggest that quality of construction may have been below standard.²

Indirectly, upgrading projects often assisted income generation and business development by loosening the regulations that would otherwise hamper the emergence of entrepreneurial activities such as the use of house plots for businesses and home-based enterprises and the subletting of rooms for rental income. Arguably upgrading projects directly facilitate growth of home-based enterprises and informal businesses, but there is no systematic evidence of this direct effect.

Tackling the broader problems of unemployment and workplace related issues for the residents of target communities in a more comprehensive way was quite beyond the scope of most upgrading projects, and certainly has been for the Africa region. Citywide development projects with upgrading components may well have undertaken such objectives, but the specific upgrading projects discussed here were much narrower in scope. What will be important to ascertain is the degree to which such income generating components were successful, in particular because community labor may result in a poorer quality of infrastructure than would otherwise be the case. Some evaluations of the Hanna Nassif Project in Tanzania, for example, point to this apparent trade-off between employment generation and quality of engineering and construction.

4.3 Gender

While gender was not a focus of the case studies, the African experience generally reiterates the importance of understanding gender in upgrading projects. Issues highlighted include the facts that *women have weaker housing rights and that there are many unwritten rules that govern men and women's actions.* Analyses of old sites and services projects in Africa, for example, reveal a lack of awareness of the gender-based division of labor in slum communities and the special needs of women in the provision of credit and building skills. Thus, the need for a gendered housing policy that takes women's weaker housing rights into consideration has been well articulated in the policy and academic literature.

² This claim that community participation can lead to reduced quality of construction is commonly heard but merits further investigation.

Several African countries have begun to address gender discrepancies at the national level with regards to land rights. For example, in 1995 the Tanzanian government instituted a new national policy, which entitled women to the right to acquire land. In addition, the recent Crown Lands Disposal Act in Swaziland has enabled land titles to be conferred on women, bypassing the more restrictive and gendered property laws of previous decades.

However, in practice, *very few of the African cases examined sought to create a gendered strategy for upgrading* taking the needs, resources, skill base, and time of female-headed households or women more broadly into consideration. In Zambia, evaluations of the Kalingalinga Project funded by GTZ in the 1980s show that the percentage of female owned houses declined after upgrading, indicating that women who could not afford to upgrade either rented or moved out of the community. Such negative impacts of upgrading on gender relations and the logic behind them will be important issues to measure in future evaluation research.

4.4 Resettlement

At times, resettlement is required to facilitate in-situ upgrading. Therefore, *debates have centered on the degrees of resettlement required to achieve the levels of upgrading specified* by the project or desired by the community. When standards are particularly high (e.g wide roads, setbacks), resettlement is increased such as in the Nylon Project (1984) in Cameroon where 30% of the population was displaced. In instances of community-driven development or high levels of genuine participation in decision-making, it is often the communities themselves who must face the trade-off between a minor upgrading program and major investments in infrastructure that require more space and hence displacement.

The record on resettlement in upgrading projects in Africa is decidedly mixed. Cameroon's Nylon project has a particularly poor record. Almost 2,000 households were displaced in Phase I, with a total of 3,700 households, or 30 percent, by the end of the project. Only 20 percent of these displaced households were ever resettled, which was one of the reasons behind the decision of the World Bank to cancel the loan and close the project in 1994.³ Particularly problematic was the fact that some of the resettled households never received the monetary compensation they were promised or the title to their new lands. Similar problems plagued the District of Bamako's Save Our Neighborhood Project (1992) in Mali. Evaluations show that displaced families ended up paying more for the land in order to obtain land title while residents who stayed in squatter areas were less concerned with obtaining formal titles and did not pay. There are thus important equity implications when rates of cost recovery are higher for resettled households than for those who are not even displaced.

Elsewhere resettlement has been minimal and guidelines have been drafted to ensure close attention to process. In Senegal's Medina Fass M'Bao project (1993-1998), only 88 households were resettled from a total of 1,300, and all of them were resettled in the same neighborhood. In Ghana, a resettlement action plan was prepared providing for compensation and/or the replacement of demolished structures before works commenced.

³ This was not the only reason. The serious economic recession of 1986 contributed to a financial crisis and a steep rise in external debt. For the Nylon project, the recession meant the government could no longer afford the original project commitments. The World Bank decided not to extend the implementation period of the project, closing it in 1994 at the anticipated date but at which point only 62 percent of the intended loan had been disbursed.

One of the problems has been the failure of resettlement zones. In both Namibia and Mali, for example, urban areas cleared for resettlement were invaded and settled before resettlement could even begin, seriously hampering the goals of upgrading projects which by necessity would need to relocate certain families elsewhere. In the 1990s, Namibia experimented with the idea of “Reception Areas” which were intended as temporary places of residence until people could be properly resettled in accordance with policy guidelines. However, major land invasions occurred prior to site layout and the Windhoek City Council was unable to contain growth within the planned boundaries of the reception areas, let alone to resettle the families displaced in upgrading projects. Similarly in Mali, areas blocked out for resettlement were immediately invaded and could not be used as originally intended. Both these cases illustrate the pressure on urban land in African cities adding a completely unforeseen layer of complexity to the resettlement problem.

5. PHYSICAL ISSUES

Many of the past critiques of urban upgrading centered on the poor physical results of projects. Therefore, a discussion of the kinds of obstacles encountered in actual project design and implementation and the ultimate physical outcomes of upgrading is critical to further evaluation. This section examines the debates over standards in upgrading projects and the critical issue of deferred operations and maintenance upon project completion.

5.1 Plot Sizes and Building and Infrastructure Standards

Standards in upgrading projects have been a primary source of conflict and concern. This is particularly the case in Africa where many governments for years did not consider urban upgrading as part of their official policy. Of particular interest is the tension national governments and donors faced between, on the one hand, setting planning standards that would ensure upgrading projects made a substantial difference and, on the other hand, acknowledging the need for a policy emphasis on basic standards to achieve replicability. This tension has engulfed standards for minimal plot sizes, building materials and codes, and infrastructure (e.g. road width and surfacing).

The problems with high standards are numerous and well known. For example, the First Urban Project (1978) funded by the Bank in Burkina Faso was postponed because the government insisted on raising standards. As a result, the average plot size increased from 300 to 375 square meters. The cost overruns associated with this increase were substantial. Initially estimated at between CFAF 51,600 and 66,180 (USD 225 and 290) depending on plot size, the average price eventually rose to CFAF 210,000 (USD 925) per plot. Design inflation in the Nylon Project (1984) in Cameroon resulted in a planned road network for new thoroughfares to cover the entire district of Nylon. The main roads were 60 meters wide, causing a large number of households to be resettled. The government further increased these standards as the project went into implementation phase according to decidedly optimistic forecasts in the Douala master plan and during a period of national growth. The project effectively became a vehicle for improving trunk infrastructure in the city, resulting in a cost overrun of 56 percent.

As lessons were learned, *the overall trend has been to drive down standards* in upgrading projects. In Ghana and Zambia, for example, standards were deliberately lowered in order to target a wider area and keep costs low. After Burkina Faso’s disastrous increase from 300 to 375 square meters in terms of

affordability, by the time of the Nossin Project (1982) funded by the Netherlands, average plot size had been reduced to 250 square meters. Windhoek's City Council in Namibia has countered high national standards with its own innovative response— while official national standards prescribe a minimum plot size of 300 square meters unless ministerial consent is obtained, the City Council has effectively allocated each plot to two households.

Standards have also varied quite a lot both across Africa and within countries. In Senegal alone, the size of plots has varied tremendously. In the first upgrading project known as the Dalifort project (1987-90) funded by GTZ, the minimum size of the plots was only 80 square meters, while a later project funded by the French Development Agency raised the minimum plot size to 300 square meters. According to a 1983 survey in the Nylon district of Douala in Cameroon, the average plot size was 150 square meters. In Swaziland, plots have ranged from 200 to 750 square meters. One of the areas for future empirical research will be to assess the degree of variability in standards across Africa, and the significance of the relationship between standards in upgrading and project impacts.

5.2 Operations and Maintenance

The upgrading experience with operations and maintenance (O&M) reveals that *the usual problems with maintenance following capital investments apply*, such as the difficulty of promoting a maintenance culture in communities that were never fully consulted in the early phases of design. Securing adequate funds and establishing appropriate institutional arrangements is also critical to ensure maintenance.

Although the overall experience with O&M has been poor, *institutional arrangements have been experimented with to tackle these problems.* For example, there have been new efforts to ensure that communities, through user charges, property taxes and other contributions, cover the costs of O&M. In Ghana's recent Community Infrastructure Upgrading Project (1997), facilities and management plans were prepared and signed off on directly by community management committees as well as by local assemblies who agreed to allocate sums for routine maintenance of roads and drains commencing in the third year of the project. Simple O&M activities (e.g. tertiary drain maintenance) were envisaged as the responsibility of communities, while major periodic maintenance (e.g. resurfacing roads and major structural repairs) remained the responsibility of the respective support agencies (e.g. Dept of Urban Roads, Ghana Water Supply Company etc.). In Burkina Faso's Third Urban Project (1996), 60 percent of the facilities implemented have a maintenance fund. In Ghana, periodic maintenance has been devolved to the local governments.

Generally, *many concerns have been raised about the sustainability of this approach in the long run*, especially as to whether communities can and should play such a large role in the maintenance of urban infrastructure. However, what has been most lacking are the mechanisms, both formal and informal, to ensure a sufficient generation of funds for maintenance. This would require greater attention to community-generated funds as well as systems of budget allocation and revenue transfers from central to local government for maintenance specifically. Research on successful instances of O&M of upgraded neighborhoods will be extremely useful in the design of future upgrading projects.

6. FINANCIAL ISSUES

Project finance remains crucial to understanding the successes and failures of upgrading projects. This section examines in some detail Africa's experience with financing upgrading and recovering costs from project beneficiaries. While this section is quite interrelated with the following section on institutional issues in terms of explaining why certain constraints and opportunities arose when they did, the main financial issues are highlighted here in particular with reference to financing arrangements, sample project costs, and cost recovery rates.

6.1 Financing Upgrading

To date, *most African upgrading projects have been financed in large part through donors*. Notable exceptions include Burkina Faso's national land reform strategy based on the massive creation and distribution of plots, as well as recent initiatives in Namibia by the Windhoek City Council with significant own source revenues. These are exceptions to the norm in part because of a shortage of financing, but mostly because of the paucity of national policy commitments to upgrading in Africa until very recently.

Although this is beginning to change, local governments and target communities have not had to contribute much from their own resources. In Zambia, for example, the central government has almost always fully funded or subsidized upgrading projects. More recently, as a result of decentralization laws across Africa in the 1990s, local governments and communities are increasingly bearing a share of the costs. For example, in Ghana's recent Community Infrastructure Upgrading Project (1997), local governments contributed 10 percent of capital costs as well as funds for O&M. Community payments are generally subsumed under the heading cost recovery and are discussed at length in the following section.

6.2 Pricing, Affordability and Cost Recovery

Unit costs for upgrading projects tend to be measured in costs per capita or per hectare, the latter a more recent but perhaps more appropriate measure since upgrading projects effectively deliver bundled services based on spatial concentration (rather than density measures). However, *upgrading projects are almost never priced at cost and cost recovery has been limited*. In Ghana, for example, most projects were funded entirely by the central government. More recently, local government has contributed 10 percent of capital investment costs but the remaining 90 percent is still covered by central government. In the 1997 Urban Environmental Sanitation Project, Ghana reduced the overall costs of upgrading by imposing a target cost per hectare of USD 25,000. The aim was to lower standards but reach a wider target population than previous projects had. The comparative cost advantages of this approach are summarized in the table below. Costs per capita fell by half from USD 100 in the 1988 Urban II project although they had been as low as USD 64 in the 1988 Priority Works Project. Costs per hectare, which had been in the range of USD 43,000 to 55,000, dropped to USD 26,500 in 1997. In the Environmental Sanitation Project, more than three times the population and number of hectares were upgraded than in the Urban II project, at less than double the costs.

Table 1: Costs from Recent Upgrading Projects in Ghana

<u>Project</u>	<u>Population</u>	<u>Hectares</u>	<u>Total Cost (US\$)</u>	<u>Cost/capita (US\$)</u>	<u>Cost/hectare (US\$)</u>
Accra District Rehabilitation Plan (1985)	19,200	30	1,580,000	82	53,000

Priority Works Project (1988)	70,480	104	4,508,000	64	43,500
Urban II (1988)	88,960	160	8,865,000	100	55,400
Urban Environmental Sanitation Project (1997)	264,600	527.5	13,960,000	52	26,500

Source: World Bank, 2002.

Likewise in Zambia, cost recovery has proven difficult. Early attempts at cost recovery, such as in the Bank's Lusaka Squatter Upgrading Project in the late 1970s, met with failure in part because there were no sanctions in place to deal with defaulters. Recently, the only real attempt to recover costs has been through the Urban Restructuring and Water Supply Project (1995), which obliged communities to pay anything over a budget cap of USD 25 per capita if the cost of a project chosen from a menu of technical options surpassed the cap. Like in many African countries, the issue of cost recovery in Zambia is particularly sensitive given a history of subsidized housing in urban areas to serve upper income civil servants and a subsequent unwillingness on the part of the urban poor to pay for basic services where others before them have not.

In countries where the main upgrading strategy has been the provision of secure tenure, land prices have formed the bulk of the costs people have had to pay. Yet in terms of affordability, official land prices can differ substantially from those on the informal market. Officially in Burkina Faso, a plot of land is sold for CFAF 500 (USD 0.70) per square meter; as the average plot size is 300 square meters, the average official plot price is only CFAF 150,000 (USD 210). However, because of a high level of urban speculation, plots may be purchased on the informal market for up to CFAF 1 million (USD 1,430). In Senegal, official land prices are much higher and closer to the price of land in the informal market in Burkina Faso. Under the Dalifort project (1987-90), the plot price was fixed at CFAF 3,000 per square meter, in addition to an upfront cost for joining the community's Economic Interest Group. Approximately 75 percent of land revenue was earmarked to recover the costs of infrastructure and the remaining 25 percent for the costs of the land. In Cote d'Ivoire, where land regularization did occur, land sales were tied directly to community infrastructure investments through a dedicated fund managed by the inhabitants themselves, such as in the Sokoura project in Aboisso.

The case study of Swaziland provides us with some interesting detail on plot pricing with near cost recovery. For the neighborhood of Msunduza, a total base cost was derived by summing the total construction costs for the main infrastructure contract (roads, water supply, sewers, and street lighting), plus the costs of the small works labor-based contracts (footpaths, community structures, pit latrines, and landscaping), plus a contingency fee. A citywide infrastructure subsidy of E 2,000,000 (USD 365,000) was then subtracted from the total infrastructure costs. The costs of project implementation, including marketing and outreach, and finance charges were then added to the subsidized base costs. As such, the government subsidy in fact only accounted for 15 percent of total project costs. The new total costs were then divided by the total saleable area to arrive at an average cost per square meter of E 11.88 (USD 2.20). This average was further adjusted according to service levels of the individual plots, such as for road frontage, so that all plots were not uniformly priced.

Recouping capital investment costs has proved a formidable task in upgrading projects. *The target range for recovery of capital costs from beneficiaries for infrastructure upgrading projects has been roughly between 10 and 30 percent, although actual recovery rates have consistently fallen below levels specified*

during project design. In Senegal, for example, the large-scale Medina Fass M'Bao project (1993-98) funded by the French Development Agency was designed to recover 38 percent of total costs from the beneficiaries directly. However, evaluations reveal that only 10 percent was ever recovered. In Tanzania's Community Infrastructure Project (1997), cost recovery was as low as 5 percent. In Mali, two upgrading projects aimed for 10 and 25 percent cost recovery rates respectively but in both cases communities contributed through the provision of physical labor rather money.

The quintessential upgrading dilemma continues to be how to impose sanctions for non-payment. This problem is magnified in upgrading projects in particular because when people see they are being upgraded and their homes unlikely to be demolished, they tend not to pay. For example, the evaluation of the Lusaka Upgrading Project undertaken by the Bank in the late 1970s revealed that even though the project was affordable it did not fulfill the following requirements: (1) participants must understand the nature of their financial obligations, (2) the system of collection must be efficient, (3) incentives as well as sanctions must be efficient, and (4) there must be consistent political support. Despite affordability, the lack of these conditions precluded successful cost recovery. In addition, the fact that the cycle of earnings and savings is different from an infrastructure work schedule shows the difficulty in achieving cost recovery directly from beneficiaries.

Some simple forms of project design have improved cost recovery efforts. For example, Zambia's Chipata Community Water Supply Scheme (1997) has been more successful in recovering costs. Residents must register before being able to withdraw water from the system. Cards are prepaid through a flat fee monthly payment system and presented to an operator who monitors allotted use. The revenues received in this way are about equal to operational costs but do not cover any maintenance. In Burkina Faso, the Bank's Third Urban Project (1996-2001) required a community contribution of 5-30 percent, depending on the type of micro-project, prior to the commencement of work. In such cases, where deposits were required upfront, cost recovery has been more successful.

Evidence from Senegal demonstrates the complexity of linking the provision of infrastructure with land titling in attempts to increase cost recovery. In the Dalifort project (1987-90), cost recovery was estimated at 25 percent although this too fell below expectations. Because of an upgrading strategy intent on providing land tenure and infrastructure simultaneously, the system of payments was designed such that land title would be obtained at the very end. A formal right of occupancy for 50 years was designed to be the last step in a process of payment for infrastructure over time by the local economic interest group. However, by the time the last of the infrastructure had been provided, communities and their representative associations were no longer pressed to obtain land title and cost recovery quickly tapered off. Because of the marginal additional benefit of obtaining official land title after having been upgraded, residents were disinclined to continue payment towards that end, in addition to the fact that there were no sanctions against non-payment after this point. Further empirical research will need to think more carefully about the chronological ordering of formal titling and infrastructure provision in terms of improving cost recovery.

7. INSTITUTIONAL ISSUES

In theory, one would like to see a clear allocation of responsibility among the various institutional players involved in urban upgrading. Cameroon, for example, formulated a new urban strategy in 1999 that sets out to do just this. In the broadest of terms, the central government is responsible for national policy and

regulations; the newly decentralized local authorities are responsible for urban management and service delivery; and civil society and local associations are responsible for working in partnership with local authorities. In practice, however, such institutional delineations and boundary settings are quite blurred. One of the key directions for research on the impacts of past upgrading projects should focus on what institutional arrangements were in place and what kinds of arrangements worked well.

Distilling institutional change in Africa over time is particularly difficult. While African upgrading projects were highly centralized in the beginning, decentralization and the local government framework of the 1990s have made increasing room for municipalities and non-governmental intermediaries to assume more responsibility for upgrading projects. In Africa, efforts are now being made to try and combine the project approach embodied in urban upgrading and the programmatic approach embodied in the local government framework. This section draws on African case studies to build an initial comparative overview of the kinds of institutional arrangements in place and how they evolved.

7.1 The Role of the State: Central & Local Governments

The early literature on self-help inspired by the writings and work of John Turner argued for a minimalist state. Communities would work together with an enabling local government but be largely removed from government control. More recent research has questioned this assumption behind the logic of self-help, arguing on the contrary for a strong state in order to ensure clear property rights, land acquisition and secure tenure. Regardless of the normative implications of this debate, it is clear that in Africa the central government has always played a very important role in upgrading.

Africa's overall experience with upgrading has been highly centralized, particularly during the early period of upgrading in the 1970s and 1980s prior to decentralization. Because most upgrading projects were located in capital cities under the purview of national housing and urban development ministries, projects were managed through independent project implementation units. Burkina Faso's autocratic and centralized urban land reform program is a case in point. Likewise, in the early years of slum clearance in Senegal, all responsibility for squatter settlements was centralized. At the time of the national upgrading program and GTZ's Dalifort Project (1987-1990), a centralized unit was established in the Directorate of Urban Development in the Ministry of Urban Planning and Housing, composed of representatives from GTZ and the Directorate, and charged with implementing the upgrading program. The Ministry of Urban Planning and Housing still retains responsibility to upgrade informal settlements as well as the rights to delegate this responsibility to a municipality or another institution. In Zambia, the Ministry of Local Government and Housing is responsible for identifying "improvement areas" and the National Housing Authority maintains responsibility for managing Zambia's formal housing portfolio. The Ministry's Department of Infrastructure Support Services in particular is responsible for managing donor projects that support infrastructure development, improvement, and rehabilitation.

Local governments have only recently begun to play an important role in urban upgrading, bringing newfound institutional conflicts with them to the fore. Early upgrading projects often bypassed local governments altogether. Local city councils were often quite removed from upgrading efforts and unable to build capacity and experience in this field. In addition, there were frequent institutional conflicts over the assignment of responsibilities, both pre-decentralization when municipalities had few incentives to participate in what small role they were given and now post-decentralization when there is significant confusion and overlap. Decentralization has revealed these complexities and overlapping responsibilities at the same time as it has provided an opportunity for reconfiguring institutions. For example, in Burkina

Faso, rapid decentralization in 1995 insufficiently clarified responsibilities for urban management. While municipalities have the responsibility for the distribution of urban permits and plots, there is a great deal of overlap over plot management. Furthermore local governments have been sidestepped in institutional arrangements for implementation. For example, in the Bank's Third Urban Project (1996-2001), while municipalities have contributed 10-15 percent of project costs, they have not been made the primary institutional focus point. Instead, project implementation was assigned to the Water and Sanitation Program, which in turn established a social intermediation team to work in close collaboration with the municipalities.

Likewise in Senegal the role of municipal governments has remained unclear. Decentralization in 1996 gave municipalities more responsibility in urban development and the provision of basic services, including the development of plots, the provision of housing permits, and the preparation of municipal documents. But land policy remains centralized and the financial resources of local governments are meager. The result is a great deal of overlap and confusion with respect to upgrading. This combined with the fact that most upgrading projects have purposefully overlooked the role of local governments means that upgrading capacity in municipalities is currently very low.

Local and central governments continue to vie for responsibility in upgrading projects. For example, in Swaziland, there were many debates among policy makers and upgrading practitioners as to whether the selection of the Swaziland National Housing Board (SNHB) was an appropriate implementing agency for the Msunduzi Community Upgrading Scheme (1996). In particular, questions were raised as to whether a housing parastatal with a mandate to achieve financial self-sufficiency was the appropriate organization to address social housing issues, and whether the implementing agency should not in fact be the local government. While the policy advice in upgrading circles is generally sympathetic to local governments, empirical research should begin to unpack how this view can be better substantiated with respect to upgrading projects. For example, what did the SNHB do that local governments might have done better? Does the fact that local governments are responsive to city voters increase their performance as urban service providers?

There are a few examples in Africa today of ways to integrate upgrading into the local government programmatic interventions of the past decade. Following decentralization in the late 1980s and 1990s, attempts are now being made to get local governments substantially more involved in upgrading projects. For example, a recent proposed remedy to the state of affairs in Senegal is the Bank's fourth project, the Urban Development and Decentralization Program (1997), which while mainly a local government project, has incorporated upgrading into the purview of municipal development activities. In Ghana, with the 1993 Local Government Act, metropolitan, municipal and district level authorities now have the responsibility for developing basic infrastructure, providing municipal works and services, and managing human settlements and the environment. In contrast to early highly centralized upgrading projects, the Community Infrastructure Upgrading Project (1997) made local governments financially responsible for 10 percent of capital costs as well as for committing funds to O&M by way of a facilities plan. Local governments are also responsible for project implementation, including procurement and supervision with the aid of the Local Government Project Support Unit housed in the Ministry of Local Government and Rural Development. To assist local governments, joint management committees were formed to include representatives from government as well as community groups (e.g. youth groups, religious associations) alongside project support teams (consisting of a coordinator, sanitary engineer, and accounting officer) to coordinate the different sites in a given city. However, the role of local governments is still limited; although upgrading projects are in effect handed over to them, local authorities do not initiate or raise financing for such projects on their own.

However, local governments have been very active in a handful of countries. The Lusaka City Council (LCC), for example, has been involved in urban upgrading projects since the 1970s at the time of the Bank's first project. Through its Department of Housing and Social Services, the City Council has two directorates, one responsible for formal housing and the other for peri-urban informal settlements. The city council is responsible for creating and allocating land for housing, maintaining infrastructure services, enforcing standards, regulating land-use and development, constructing low-cost housing and selling it, and critically, establishing and managing upgrading and sites-and-services schemes. Water supply, sewerage systems, and sewage treatment are now the responsibility of recently established commercial utilities. Since the first upgrading projects, the LCC has generally been the responsible agency for implementing upgrading initiatives. The Sustainable Lusaka Program (1997), for example, is operated directly out of the LCC and the recent JICA project's study team works with the peri-urban directorate of the Housing Department.

Tanzania has also entrusted real responsibility to local governments. The 1982 Local Government Urban Councils Act restored the responsibility for service provision to local government. Apart from the provision of water, sewerage and national roads, local governments are responsible for land, housing, local planning and development, local roads, drainage and garbage collection. The World Bank supported Urban Sector Engineering Project in the 1990s helped the government redefine the role of local and central governments in a way that improved the capacity of local government specifically. While civil works are still largely financed by central government grants, local governments retain ownership and maintenance obligations over the resulting assets.

Finally, there has also been an *interesting attempt in Mali by the District of Bamako to go to scale with the Save our Neighborhood Project (1992)*. The institutional arrangement is based on a partnership between the central government, local government and the communities. The Ministry of Territorial Administration and Security coordinates the activities and contracts responsibility out to the Ministry of Infrastructure and Regional and Urban Planning. The Ministry further contracts responsibility out to the District of Bamako particularly for the implementation of studies and technical controls. Each municipality and mayor in the District is ultimately responsible for operations and for working directly with local communities.

7.2 Community Participation

The degree to which upgrading projects have fostered effective community participation is a source of serious concern in evaluation research. Experience reveals that involving communities in projects is not easy and that establishing a true partnership between targeted communities, on the one hand, and donors and local government, on the other, is in fact quite difficult. Broadly speaking, participation is multi-dimensional and communities can participate in three very different ways in the process: (1) through participation in decision making, (2) through contributions in cash or in kind, and (3) through involvement in ongoing operations and maintenance. Thus, the timing of participation has varied widely as communities become involved at different stages of an upgrading project and acquire varying forms of representation. This section mentions some of the features of participation in African upgrading projects; the problems of community involvement in cost recovery and O&M have already been discussed, including the viability of such an approach in the long-term given that some systems include complex pumping facilities, reservoirs and reticulation systems. The case material for the most part emphasizes the problems associated with participation in decision-making.

In many cases, community participation in decision making in Africa is synonymous with communities selecting from a menu of technical options. For example, a “menu” approach was adopted in Ghana’s Community Infrastructure Upgrading Project (1997) as well as in Zambia’s Urban Restructuring and Water Supply Project (1995). In Burkina Faso’s NOSSIN project (1982), designed on the premise of “development in phases,” residents chose from an array of technical options, removed the homes in areas required for road and infrastructure by themselves, contributed finances and then participated in actual road building. In the Bank’s Third Urban Project (1996-2001) in Burkina Faso, communities were encouraged to select a type of micro-project and required to contribute a specified percentage of the costs as an advance payment directed to a dedicated account. This percentage ranged from 5 to 30 percent depending on the type of investment selected.

Senegal’s first upgrading projects in Dalifort (1987-90) derived an innovative way of linking community participation in decision making with financial contributions. Economic Interest Groups (GIE) were created as a form of community association and replicated in subsequent upgrading projects.⁴ The GIE participates in the decision making as to which technical options should be on offer in the menu, defines the community’s priority needs and elicits funds from all the residents. Upgrading costs are evenly divided by all members who are also obligated to pay an initial membership fee. The GIE has not always been forthcoming in terms of full cost recovery but the active commitment by most inhabitants has been considered a success. For example, the GIE in the Medina Fass M’Bao neighborhood of Dakar is still active and continues to pursue upgrading investments. The GIE was particularly successful in one of its fundamental goals, to pool together savings from residents. Senegal has also experimented with an innovative approach to channeling these funds. A Fund for Upgrading and the Legalization of Land Tenure (FOREFF) was created by national decree in 1991. The intention was that the money recovered from beneficiaries should be channeled directly to the FOREFF, avoiding the Treasury and the centralized revenue collection system. However, the implementation of such a dedicated upgrading fund has met with serious obstacles and delay, and raised questions about its potential for success.

Beyond degrees of community involvement lies the very real issue of whether residents are able to afford and willing to pay for upgrading service improvements. *Households can participate in decision making without ever participating in the sense of using a project’s improved service offerings.* For example, in Zambia’s Chipata Community Water Supply Scheme (1997), communities were given several options of ways to participate in the water supply project. In fact, only 3 out of every 10 households did participate since some of the poorer households shared payment cards and others preferred obtaining an illegal supply through the water mains of the Lusaka Water Supply Company that run through part of the community.

Future research on participation should look more deeply at this issue of community motivation to participate over time. Why do some communities participate and maintain their obligations over time while others do not? Which institutional arrangements foster effective participation and under what conditions? Comparative research on this subject could provide important insights into how to deepen and improve participation in upgrading.

⁴ GIE is the French acronym for these economic interest groups.

7.3 NGOs and other Intermediaries

The use of non-governmental intermediaries has been common throughout Africa. In Francophone Africa in particular, *the use of “social intermediation teams” has been an interesting way to link local governments and donors with a community although such teams have absorbed a high percentage of project costs through training and project mobilization.* For example, in the Tanghin Local Economic Development project (1992) funded by the French Cooperation in Burkina Faso, a French NGO (AFVP) was used to link the community to the government and donor-funded project managers. This approach was repeated in the Bank’s Third Urban project (1996-2001). The intermediation team was used to advertise the project’s activities and increase awareness of options available to the community. However, the use of a foreign team as an intermediary has proved very expensive accounting for nearly 40 percent of total project costs. Despite ongoing criticisms of the high costs of social intermediaries, French donors have continued to use AFVP and other foreign NGOs in other West African countries.

Other types of intermediaries have been used to help coordinate and accelerate upgrading activities. In Senegal, the newly created foundation “Fondation Droit a la Ville” (Right to the City) has been advanced as a local but independent agency aimed at coordinating the various partners and increasing dialogue between concessionary companies, ministries, local authorities, NGOs and the private sector. Similar in its approach to a social fund, this foundation will work with all the necessary actors to coordinate and accelerate upgrading but will also bypass their administrative procedures altogether avoiding both lengthy delays as well as important opportunities for local capacity building. In Cameroon, the recent FOURMI projects (1995 and 2001) created a special implementing agency, known as ARAN, which is housed within the Sites and Services Agency of the central government. Evaluations reveal that while ARAN was well suited to handling infrastructure, it was not prepared to monitor institutional arrangements although it was responsible for managing contacts with the local community. Other such intermediaries include local arts organization and community groups themselves.

In Zambia, an NGO-donor forum was established in 1998 to help coordinate and guide the efforts of donors, government and NGOs in supporting upgrading projects. Such working groups have been more common in Eastern Africa as networks of knowledge and experience rather than as the kinds of direct intermediaries seen in projects in West Africa. However, two recent funds in Zambia, the Community Enabling Fund established with support from Ireland Aid and UNDP, and a similar CARE fund, were conceived as intermediaries through whom communities might contribute cash and/or labor for the management and maintenance of infrastructure in particular.

Capacity building, training, and knowledge sharing have featured much less prominently than they should in upgrading projects. In Zambia, CARE International has undertaken one such initiative called Urban INSAKA (Initiative for Sharing Knowledge in Action) whose aim is to network and provide orientation and training, research and documentation, and technical assistance to new and existing urban programs. While maintenance has often been thrust on communities, the required training has been less forthcoming. To this end, the eight recent JICA-supported upgrading projects in Zambia include community training in maintenance skills.

While extensive use of local and foreign NGOs as intermediaries has had its advantages, attempts at systematic involvement of municipalities have been less successful. This has occurred to the detriment of certain projects that need the support of local government and technical departments, not just foreign and local intermediaries. Empirical research will need to examine whether there are trade-offs between

intermediary or local government involvement at this stage in Africa, as well as to point more clearly to what kinds of intermediaries have done well in upgrading initiatives.

8. DIRECTIONS FOR FUTURE RESEARCH

It is clear that while upgrading projects were largely supplanted on the urban stage by other programmatic interventions, they did not cease altogether and have recently attracted attention from policy makers. Given this renewed interest and a rich history of past upgrading projects when housing and infrastructure investments were in the spotlight combined with the more low-profile efforts to upgrade informal settlements in the past decade, *a serious comparative research project on urban upgrading in Africa is surely overdue.*

This kind of comparative research is particularly interesting in Africa from two perspectives. On the one hand, we now have thirty years of history to look back on upgrading and assess the impacts of such projects. To date there has been no effort to measure systematically the impact of upgrading on urban communities in Africa. This is particularly important in terms of measuring the effects of upgraded infrastructure and security of land tenure on the lives of communities (e.g. improved health, increased mobility) as well as on individual household investments in improving homes and environments, community building, and local economic activity. Considering aspects of upgrading projects which are specific to Africa, such as a complex and layered land policy, will be an integral part of future empirical work building on some of the basic issues laid out in this paper.

On the other hand, recent urban policy initiatives and strategies in Africa embody the solutions called for in early critiques of upgrading. For example, national commitments to upgrading policies have been proclaimed in many countries and decentralization throughout Africa in the 1990s has transferred institutional responsibility for urban management to local governments from the center. Why then has upgrading not gone to scale? What new problems, constraints and opportunities associated with upgrading can be shown now which were not apparent in the wake of upgrading's initial popularity?

Combining these two perspectives in a comparative manner specific to Africa and building on the main issues summarized in this paper will be the aim of future empirical and desk research for this regional initiative. A rigorous overview of the African experience with upgrading drawing on the academic and practitioner literature is intended to follow. Empirical fieldwork and surveys are being designed to supplement this work. The intention is that such research will unravel the complexities of failure and success in upgrading in Africa and begin to answer the questions and puzzles raised in this report.