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SOME ASPECTS OF FINANCING OF RURAL HOUSING IN AFRICA

M70-1707

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Introduction

1. The matter of providing finance for rural housing programmes cannot be isolated or dealt with on an ad hoc basis, it is bound up with the policy of the national government towards the rural areas. This in turn is bound-up with the national development plan and particularly with regional planning, including physical planning, within the country. In this paper, financing of rural housing is placed against the demographic and economic background.
2. Any attempt to describe the requirements of financing in the present rural housing conditions must be modest because no African country has made a comprehensive housing census to identify the existing stock and the conditions under which the population is housed. However, some attempts have been made in a few countries but these have been limited to surveys in connexion with specific objectives such as urban renewal, urban planning and sample socio-economic studies.
3. A seminar on housing statistics and programming for the African region was held in Copenhagen in September 1966. The Seminar emphasized the necessity for laying down a framework for carrying out housing censuses and surveys as the only means of providing information and data necessary for determining the housing situation, and making projections for future requirements. The following pages are, therefore, based on information available in the ECA secretariat, including the final report of the Inter-Regional Seminar on Rural Housing and Community Facilities, held in Venezuela in 1967. The past work of the ECA secretariat on rural housing problems in the West African Sub-region is reflected in the data provided in the tables.

The broad outlines affecting financing of rural housing

4. The improvement of rural housing conditions must have its own social and economic priorities within an integrated national development plan, which will justify the allocation of investment resources. Among the matters to which this investment is directed are eradication of unhealthy conditions and diseases, rationalization of housing design and use of materials, and an increase in food production both for local consumption and as a means of increasing income. An increase in income in the rural areas will create a demand for urban amenities, and dispersion of such amenities should, to some extent, diminish the pressure on overcrowded cities and towns. Improvements in rural housing conditions should, therefore, be programmed within the national development plan and the regional planning policy.

5. In this light, it may be useful to invite attention to some aspects of the current situation in the African region ^{1/}. Between 1965 and 1968, preliminary estimates indicate that the overall pace of economic growth, as measured by the country distribution of the real growth rates of per capita GDP was very similar to that of the first half of the decade. There were ten countries in 1965-1968 (as against twelve countries in 1960-1965) in which real per capita product declined; there were eighteen countries (compared to fifteen in 1960-1965) in which real product per head increased at less than 3 per cent per annum; in thirteen countries, in both periods, product per head expanded by more than three to less than six per cent per annum; and in five countries per capita GDP grew by 6 per cent or more per annum during 1965-1968.
6. On an individual country basis, per capita GDP expanded more rapidly in the 1965-1968 period than in the first-half of the decade in 19 of the 46 countries for which estimates are available. Growth was slower in 23 countries than in the 1960-1965 period; and remained more or less constant in four countries. Given limitations in the reliability of the data, these differences cannot be taken as definite evidence that there was a general slow down in growth of real product per head in 1965-1968. What can be inferred from the data is, that in all probability, per capita GDP continued to grow slowly in the period 1965-1968.
7. Planning for economic development has been accepted by African countries as an essential pre-requisite. About 3 out of every 4 African countries have plans of varying degrees of sophistication, reflecting varying stages of economic and social development. Generally speaking, a newly independent African country begins with a simple short-term transitional plan, as a first step from the public expenditure programme inherited from the colonial era. Some of the countries which have moved beyond transitional planning have constructed more sophisticated and long-term plans covering larger sectors of national economies.
8. Most African plans underline the importance of basic social, economic and administrative reforms. But only a few seem to be concerned about the rates of growth of African populations; and fewer still with economic integration as an instrument for accelerated growth, including the integration of a national housing programme covering both the urban and rural areas. It is population growth that determines the extent and nature of housing needs.
9. The proclamation for the first United Nations Development Decade called for housing production in the proportion of ten houses to every 1,000 of population. However, it is estimated that no African country has to the present time exceeded two houses to 1,000 of population.

^{1/} Document No. E/CN.14/480 (preliminary draft)

10. It must be remembered that despite the needs, it is not economically possible for African Governments to satisfy all these needs nor in the majority of cases is it possible for Governments to satisfy the present demand as distinct from needs. Governments can, however, be making housing an integrated part of their development plans, probably step-up the present rates of housing construction by investment in rural areas more in keeping with the participation of rural areas in increasing the gross national product. In short, a better deal for the rural areas.

Population trends in rural and urban areas

11. Compared with other continents, Africa is relatively underpopulated; i.e. the number of persons per unit of land space is lower in Africa than in other parts of the world. This does not alter the fact that the positive growth in population in all countries and the degree of migration from rural areas to the cities and towns caused by the accelerated rate of economic and health development in the latter places. In spite of the spectacular growth in urban areas, the number of urban dwellers is still small. Only about 9 per cent of the total population lives in cities and towns of over 20,000 people compared with Asian and European levels of 13 and 35 per cent respectively. Table 1 shows the population estimates of African countries between the years 1965 and 1985. Although no reliable figures are available as to the number of persons engaged in subsistence agriculture, and on the proportion of land utilized for this purpose, it is believed that 65-75 per cent of the total land area is cultivated for subsistence agriculture and about 60 per cent of the adult male population are engaged in the form of livelihood.

Table 1: Population projections for African countries, 1965-1985

Country and Sub-region	Population in thousands				
	1965	1970	1975	1980	1985
Africa, total	303,148	344,482	395,266	456,719	530,201
<u>West Africa</u>	89,546	101,272	115,736	133,406	154,840
Nigeria	48,676	55,074	63,022	72,784	84,700
Ghana	7,740	9,026	10,617	12,577	14,868
Upper Volta	4,858	5,376	6,008	6,770	7,695
Mali	4,530	5,088	5,764	6,530	7,570
Ivory Coast	3,835	4,310	4,885	5,578	6,416
Senegal	3,490	3,925	4,452	5,084	5,846
Guinea	3,510	3,921	4,413	5,016	5,737
Niger	3,328	3,848	4,486	5,265	6,225
Sierra Leone	2,367	2,644	2,982	3,388	3,876
Dahomey	2,365	2,686	3,077	3,550	4,125
Togo	1,630	1,861	2,131	2,457	2,853
Liberia					

Country and Sub-region	1965	1970	1975	1980	1985
Mauritania	1,050	1,171	1,321	1,506	1,736
Portuguese Guinea	527	556	596	647	711
Gambia	330	364	405	454	514
Cape Verde Islands	225	246	270	298	330
St. Helena (inc.dep.)	5	5	6	6	7
East Africa	86,446	97,880	111,851	128,755	149,212
Ethiopia	22,600	25,046	27,993	31,516	35,737
Tanzania	11,674	13,236	15,150	17,475	20,287
Kenya	9,365	10,898	12,789	15,109	17,868
Uganda	7,551	8,584	9,833	11,336	13,144
Mozambique	6,956	7,704	8,634	9,722	11,078
Madagascar	6,059	6,932	7,993	9,276	10,840
Southern Rhodesia	4,258	5,049	6,008	7,184	8,645
Malawi	3,940	4,443	5,068	5,834	6,765
Zambia	3,714	4,295	5,018	5,911	7,006
Rwanda	3,110	3,587	4,166	4,869	5,732
Burundi	3,210	3,600	4,070	4,634	5,315
Somalia	2,500	2,789	3,171	3,654	4,239
Mauritius	761	861	976	1,107	1,251
Reunion	396	464	542	634	740
Comoro Islands	220	253	292	338	394
French Territory of Afars & Issac	85	85	85	85	85
Seychelles	47	54	62	72	84
British Indian Ocean Territory	2	2	2	2	2
Central Africa	32,318	35,893	40,385	45,785	52,463
Congo (Kinshasa)	15,627	17,423	19,712	22,439	25,847
Angola	5,154	5,693	6,353	7,138	8,078
Cameroon	5,229	5,786	6,484	7,343	8,414
Chad	3,306	3,706	4,194	4,785	5,505
Central African Rep.	1,370	1,522	1,713	1,948	2,236
Congo (Braz.)	840	436	1,055	1,202	1,381
Gabon	463	481	505	536	572
Equatorial Guinea	267	285	308	335	369
Sao Tome & Principe	61	61	61	61	61

Country and Sub-region	1965	1970	1975	1980	1985
<u>North Africa</u>	74,520	86,606	101,460	119,385	140,094
U.A.R.	29,499	33,872	39,183	45,432	52,338
Sudan	13,540	15,779	18,543	21,946	26,010
Morocco	13,375	15,777	18,734	22,264	26,279
Algeria	11,923	14,012	16,611	19,869	23,862
Tunisia	4,360	5,075	5,965	7,041	8,274
Libya	1,617	1,880	2,202	2,602	3,088
Spanish M. Africa	158	165	173	183	194
Spanish Sahara	48	48	48	48	48
<u>Other Africa</u>	20,318	22,832	25,834	29,387	33,592
Lesotho	954	1,043	1,150	1,283	1,438
Namibia	574	632	702	785	884
Botswana	559	623	700	792	903
Swaziland	364	421	490	575	679
South Africa	17,867	20,113	22,792	25,952	29,688

Source : UN World Population Prospects as Assessed in 1968.

12. The document entitled "Size and Growth of Urban Population in Africa" (E/CN.14/GAS.6/3), is available to the Meeting. In line with recent United Nations studies, the following definitions were adopted:

- (a) Urban population - = population in towns with 20,000 and more inhabitants.
- (b) The city population - population in cities with 100,000 and more inhabitants.
- (c) Big city population - population in big cities with 500,000 and more inhabitants.

13. The unprecedented rise of African urban population and its immediate growth prospects have ominous economic and social implications on employment, housing, health, education, etc. Unless positive planning measures are taken, this rapid urban proliferation is likely to exacerbate the prevailing ills associated with the rapid expansion of slums and uncontrolled settlements.

14. Housing is, of course, tied-in with food and work as necessities of life. Employment opportunities for young men and women coming into the employment market are important. It may be assumed that the majority of these young persons will come into the market between age 15 and 19. Table 2 gives figures for this age-group with one or two exceptions for both sexes.

Table 2 : Population aged 15-19 by sex

	Year	Total	Male	Female
<u>CENTRAL AFRICA</u>				
Cameroon	-	-	-	-
Central African Rep.	1959-60	50,230	24,560	25,670
Chad	-	-	-	-
Congo (Braz.)	1960-61	29,400	14,000	15,400
Congo (Kinshasa)	1955-57	873,734	402,800	470,934
Gabon	1965	35,500	19,200	16,300
Guinea Equatorial	-	-	-	-
Rwanda	-	-	-	-
Burundi	-	-	-	-
<u>EAST AFRICA</u>				
Ethiopia	-	-	-	-
Kenya	1962	853,800 ^{3/}	436,500	417,300
Malagasy Rep.	1963	1,051,415 ^{4/}	510,025	541,390
Malawi	1962	330,000 ^{4/}	-	-
Mauritius	1964	72,600	36,300	36,300
Somalia	-	-	-	-
Tanzania	-	-	-	-
Tanganyika	1957	891,000	422,000	469,000
Zanzibar	1958	28,474	11,744	16,730
Uganda	1959	583,000	286,000	298,000
Zambia	1963	336,400	165,800	170,600
Botswana	1964	51,042	25,300	25,742
Lesotho	1956	62,346 ^{5/}	24,093	38,253
Swaziland	1956	25,714 ^{5/}	13,816	11,898
<u>NORTH AFRICA</u>				
Algeria	1960-61	783,820 ^{1/}	390,420	393,400
Libya	1964	121,826	62,021	59,805
Morocco	1963	1,279,300	640,000	639,300
Sudan	-	-	-	-
Tunisia	1956	362,840	182,290	180,550
UAR	1960	2,154,435	1,114,149	1,040,286

	Year	Total	Male	Female
<u>WEST AFRICA</u>				
Dahomey	1961	144,143 ^{2/}	69,070	75,126
Gambia	1963	60,235 ^{2/}	27,044	33,191
Ghana	1960	541,076	275,542	265,534
Ivory Coast	-	-	-	-
Liberia	1962	83,297	39,248	44,049
Mali	1964	335,800	172,400	163,400
Mauritania	1960	4,616	-	-
Niger	1962	229,163	118,518	110,645
Nigeria	-	-	-	-
Senegal	1960-61	235,120	104,280	130,840
Sierra Leone	1963(o)	194,378	82,867	111,511
Upper Volta	1961	343,200	176,300	159,100
Guinea	1956	229,022	-	-

Source United Nations, Demographic Yearbook, 1960, 1962, 1963, 1964, 1965 and National Publications.

- 1/ Dates are based on results of post-censal sample survey taken from the end of 1960 to the Spring of 1961. Excluding population of the two departments of the Sahara, numbering 587569 at census of February 1960.
- 2/ For 15-24 years.
- 3/ For 15-20 years.
- 4/ Data are based on assumption regarding evolution of country's population over the last 80 years, the crude birth rate, age-specific survival rates and migration.
- 5/ For 13-17 years.

15. The number of men age 25 is of specific interest for development. This number may be considered decisive for industrialization and housing generally since in the rapidly developing countries in Africa, the number of houses to be built annually in both urban and rural areas coincides with the number of men in age group 25. Table 3, below shows the approximate number of men in age group 25 in countries in the West African Sub-region as being 8.2 in every 1,000 population.

Rural Housing and allocation of national resources

16. It has been estimated that between the years 1960 and 1975, some 40 million rural dwellings will be required in Africa to meet expected population increase and to remedy existing deficiencies. The improvement of rural housing is accepted as a desirable objective in social development programmes. As against this desire to improve rural housing must be seen the limitations imposed by the size of the problem and by the limited resources available for investment in this field. The need for improvement appears to be greatest in those countries where resources are least and where priorities for investment present difficult choices between competing needs. The housing demand in Africa generally, as distinct from the housing needs, is large in urban areas. Resources for investment in housing generally are limited (except that mobilization of capital for housing within countries is by no means fully exploited); ^{2/} this poses a particular problem of priorities since, the larger part of the resources available for housing are used mainly in urban areas.

17. The contribution which is made by agriculture, forestry, pastoral pursuits to gross national product in countries grouped according to different stages of economic development shows that this sector of the economy provides, 48 per cent on average in countries with GDP per capita less than US\$100, 30 per cent on average in countries with GDP per capita between US\$ 100 and US\$250, 25 per cent on average in countries with GDP per capita between US\$250 and US\$500, and 15 per cent or less in countries with GDP per capita greater than US\$500. The domination of the agriculture, etc. sector in the lowest income countries emphasizes the size of the rural housing problem, and emphasizes even more, perhaps, that there will be a low priority in allocating resources to deal with it.

18. There is another aspect of rural housing which has to be taken into account. This is the composition of employment in agriculture etc. as between owners and families, on the one hand, and employees on the other, which will have important effects on rural housing improvement from the administrative and financial points of view. Where the rural population consists largely of owners working their own lands with their families, programmes will have to be designed to assist home-ownership. Where the rural population consists largely of employees who do not own land there will be need for local government bodies to provide dwellings to rent, or alternately, local enthusiasm will have to be stimulated to provide housing co-operatives to build houses on land to which the people themselves may acquire title or otherwise use legally.

^{1/} Report on Inter-regional Seminar on Rural Housing and Community Facilities, Venezuela 1967.

^{2/} See ECA document "The Establishment and Development of Housing Banks and their Role in African Countries" (E/CN.14/HOU/70).

Table 3 : 8.2 per 1,000 of population (approximative number of men aged 25 - number of houses to be built annually)

thousand

	Dahomey Gambia Ghana Guinea Ivory Liberia Mali Mauritania Niger Nigeria Senegal Sierra Leone Togo Upper Volta														
1960	Subsistence	9.3	1.1	34.6	14.0	20.5	5.6	19.7	4.7	16.9	243	13.9	10.3	6.8	24.6
	Modern rural	2.8	0.4	7.0	3.7	1.5	0.8	4.6	0.3	2.1	56	3.9	3.3	1.7	3.5
	Urban	5.5	0.8	13.9	7.4	3.1	1.6	9.3	0.6	4.1	111	7.7	6.5	3.3	7.1
	Total	17.6	2.3	55.5	25.1	28.1	8.0	33.6	5.6	23.1	410	25.5	20.1	11.8	35.2
1965	Subsistence	9.4	1.2	36.2	14.4	21.2	6.1	20.7	4.7	18.4	255	14.6	10.5	7.0	24.8
	Modern rural	3.3	0.5	9.1	4.7	3.4	0.8	5.6	0.5	2.8	73	4.6	3.9	2.1	4.8
	Urban	6.5	0.9	18.1	9.4	6.8	1.7	11.2	0.9	5.6	147	9.2	7.8	4.3	9.6
	Total	19.2	2.6	63.4	28.5	31.4	8.6	37.5	6.1	26.8	475	28.4	22.2	13.4	39.2
1980	Subsistence	9.9	1.4	42.5	16.2	22.4	4.9	24.6	4.8	22.2	315	8.6	10.7	7.7	28.6
	Modern rural	5.9	0.9	15.6	8.3	7.2	1.8	9.5	0.8	5.3	143	9.8	6.4	3.9	8.0
	Urban	11.7	1.7	31.2	16.7	14.4	3.5	19.0	1.7	10.7	287	19.5	12.9	7.8	15.9
	Total	27.5	4.0	99.3	41.2	44.0	10.2	53.1	7.3	38.2	745	37.9	30.0	19.4	52.5

Subsistence + Modern rural = Rural Sector
 Modern rural + Urban = Monetary Sector
 20 thousand houses
 + industry for 13,000 workers
 + service building
 + administration

1 urban and 1 (80,000 inhabitants)

19. Whatever the general economic background may be, poor housing conditions in rural areas are caused by the low-income on the rural population. In these circumstances, improvement of their housing conditions is not given a very high priority by the people themselves, because it involves cash expenditure and because they have more urgent needs, such as food. Though it may be argued that people living in rural areas are, apart from bad times, self-sufficient so far as food is concerned, it has been shown that a large share of income is used for food in developing countries.

20. There is also the question of income vis-a-vis the capital cost of a dwelling. It has been established that even in the industrialized countries a typical urban dwelling can cost at least four times the annual income of an industrial worker. This means that to pay for such a dwelling without expending more than 20 per cent of income, only 5 per cent per annum of the capital cost of the dwelling would in fact, be paid. This is very much against the accepted view that the capital cost of the dwelling should not exceed 2½ times the annual income of the occupant.

21. As between rural and urban housing in many respects the urban housing situation is worse than the rural housing situation in developing countries. almost half of the population are living in sub-standard and insanitary houses or have no fixed abode. Squatter settlements and shanty-towns without communal facilities are increasing in size and number. There is overcrowding, poor health due to these conditions, exorbitant rents for inadequate accommodation, instability of tenure of occupation, and those who are fortunate in having employment are compelled to travel long distances to work. Job opportunities have not grown in proportion to urban population increase; it is against this background that rural housing improvement has to be viewed in allocating national financial resources to housing both in the urban and rural areas.

22. The alternative is for thorough urban and regional planning for development to build-up urban centres and services close to traditional rural life; concurrent policies to improve rural living conditions and to provide urban opportunities and services in close proximity rather than in a distant city. This suggests that an increase in rural incomes through regional planning will generate a demand for urban amenities and that the complementary provision of manufacturing and services industries jobs will provide the economic and social opportunity and allow mobility of rural labour, surplus to agricultural needs and requirements.

23. Changes in traditional attitude and adoption of new methods and techniques will require the establishment of local organizations and advisory services whereby rural housing improvement can be promoted as part and parcel of general community development.

24. Programmes in rural housing improvement will lead to the introduction of a monetary factor. This will involve establishment of credit facilities, often in conditions where they have not been common and where incomes are low. This factor also must be associated with community development generally and will provide a framework for the growth of credit facilities for rural housing.

Methods of financing rural housing improvement programmes

25. In the countries with a large majority of population living in rural areas and many of them depending on subsistence agriculture, governments are unable to see their way clear to undertake extensive housing programmes in rural areas. The alternatives of providing financial resources for rural housing are:

- (a) direct government intervention through a national housing agency on the basis of resources allocated for investment through the national development plan;
- (b) indirect government intervention through agencies in large re-settlement schemes, e.g. Volta River Authority in Ghana;
- (c) intervention by local government authorities using finance provided by government and/or local taxation;
- (d) intervention by private employers, e.g. mining, timber and oil companies, etc.
- (e) last but not least in the list, stimulation of domestic savings wherever possible used in a co-operative way to establish direct lending associations or co-operative housing societies whereby the large resources of manpower can be used in constructing houses in self-help schemes.

26. Enough has been written in this paper already in regard to the suggested reappraisal by governments on the question of allocation of resources to housing in the national development plan. Tentative figures available in the secretariat indicate that a minimum figure of 2 per cent of gross domestic product would be a starting point for improving rural housing.

27. Statutory bodies, e.g. Volta River Authority, Senegal River Basin Commission, and Local Government Authorities have a large role to play in appraising the current situation in rural housing within their jurisdiction, and in consultation with those Ministries and Departments of Government responsible for community development, to encourage the training of cadres of persons who can then spread their knowledge of building simple houses with improved methods to the generality of the public living in the rural areas. They can go further by providing building materials on repayment where local building materials are either insufficient or of poor quality.

28. The question of private employers providing housing for employees is one which should be pursued although it may not be regarded as entirely satisfactory. In present financial conditions in African countries where exchange control measures have been instituted whereby dealings in foreign exchange are almost exclusively with the Central Banks, remittance of profits have been reduced. Such profits can, of course, be ploughed-back into the business and this should include housing provided for employees. On the other hand, it is suggested that the employers might co-operate on a financial basis with local government authorities and/or the national house-building agency. This co-operation will have two advantages: first, to provide houses needed for employees through the recognized agencies and, secondly it would provide support for the recognized agencies in extending and consolidating their activities in the rural areas.

29. We now come to the main problem of improving rural housing conditions for the majority of the rural dwellers who are not in a position to pay economical rents for housing built by the agencies or who have not the opportunity of employment in those companies operating in the rural areas. Some very constructive steps have already been taken in different countries to assist these people. These steps should be revitalized and extended. A national rural housing programme has been instituted, for example, in Zambia, Kenya and Tanzania. Extensive work in Algeria in rural development is being undertaken with assistance from the World Food Programme, which is an important UN agency for providing assistance in rural programmes and which is not being adequately exploited in African countries.

30. The example of the Roof Loans Scheme in Ghana is important. A document ^{1/} describing this Scheme is available to the Meeting. Although it was primarily operated by a rural housing Department and the Department of Community Development jointly, such a scheme can be operated by a national house-building agency in collaboration with community development authorities and local government authorities.

31. Other examples of improvement schemes and their methods are:
U.A.R. - Nazlit El Ashter, PILOT PROJECT - The Nazlet project was the first step in a large programme of village reconstruction which is aimed at rebuilding the present settlements of the rural community throughout the UAR. Already a great effort has been made to provide the rural settlement with water supply, primary schools, hospitals and health centres and training centres in health and agriculture improvements. The following are the high lights of the PILOT project which was carried out with the assistance of the United Nations.

^{1/} "The Roof Loans Scheme in Ghana" (E/CN.14/HQU/68).

32. The Ministry of Housing and Public Utilities was responsible for this project. It has set up a special administrative unit for this purpose. The project was carried out through the local agricultural co-operative society which represents the interest of the families selected for the project. The co-operative supplied the necessary loans at low interest rate, took care of the purchase of building materials and collected the repayment, as the loans granted matured. The activities of the participants, government and agricultural co-operative were co-ordinated by a special committee representing the 3 groups.

33. The project was organized on a voluntary basis and families were invited to join, provided they met the following conditions:

- (a) They had to be in need of new homes;
- (b) They had to undertake to abide by the obligations of a self-help scheme, and be willing to work by themselves;
- (c) They had to possess the economic means to enable them to repay their loans.

34. The project aimed at a maximum participation of the village families, and efforts were made to satisfy their social needs and requirements.

35. In its first stage, the pilot project was devoted to the construction of a number of new dwellings. The government in co-operation with co-operative societies decided to limit the project to those people whose income is around £100 (Egyptian) per annum. This is considered as an average family income in rural Egypt.

36. The financial scheme was as follows:

- maximum cost of a house 350 £E;
- maximum amount of loan per house: 60 % of a total cost;
- downpayment to be contributed by participants before and during construction time: 10 per cent of total cost;
- direct subsidy from the Government: 10 per cent of total cost;
- other subsidies in terms of technical assistance, provision of land (in some cases), and difference in the rate of interest, which normally is from 4 to 6 per cent for urban housing;
- self-help efforts provided by the participants in terms of unskilled labour: 20 per cent of total cost;
- rate of interest for the loan: 1.5 per cent period of repayment: 25 years.

37. In carrying out this programme maximum use was made of local materials and of such skills as the people already possessed. Practical research was undertaken in the use of new type materials which could be processed from traditional materials as well as the introduction of modern and more expeditious methods of construction.
38. Additional lands were purchased and developed for village extension. The participants were assisted with the materials for constructing their houses and repayments made therefor through the local co-operative society. Block-making and other equipment were loaned to villagers under the supervision and direction of community development officers and technical personnel, they were instructed in the manufacture of such construction materials as are required, and given training in such other skills as may be necessary in the building of their homes.
39. At the outset provision was made for the extension of the project into the five governorates of Gharbya, Minifya, Qalyubiya, Beny Suef and Qiena. Each governorate sponsored its own pilot project, selected a village in which it would be sited, and provided a pilot project team consisting of a project director, (architect, engineer or social worker), an engineer in charge of building works, one foreman and two social workers.
40. The teams were trained by the Ministry of Housing and Public Works in self-help techniques before the project was launched and in addition the Ministry provided technical assistance, general supervision, expenses for the land, building materials and equipment as well as loans for the participating families. Funds to cover preliminary expenses were sent in good time to the governorates. Technical personnel from local governments, also assisted with the planning and execution of the self-help housing projects in the various areas. These technicians were given training by the Ministry of Housing and Public Works and they in turn returned to their areas and assisted in getting several projects underway.
41. It seems clear from the early accomplishments that this new approach is destined to play a considerable role in changing the standard of rural living in UAR and generally to move the thousands of farmers and their families into higher levels of accommodation.

Tanzania Rural Housing Project

42. A more modest but no less effective start in rural self-help housing has been undertaken by the government of Tanzania with UN assistance in the rural settlement of Kabuku. Here, in this sisal producing area, the government planned to provide 40 farmers and their families drawn from four villages of the settlement, with modest but improved houses of their own.

43. The plan provided for the allocation of a developed plot of land and materials necessary for erecting a building for each participant farmer. Each allottee worked in a team of ten participants under the direction and guidance of an officer provided by the government for the purpose and built along with his colleagues, ten houses, one of which was to be allotted to him on the completion of the total number of units.
44. The house given each farmer would be one that is capable of easy extension and in the first stage of construction would provide approximately 180 sq.ft. of total area which would include a main building of two bedrooms, living room, front and rear verandah with out buildings of kitchen, latrine and bathroom.
45. Total costs including that of building materials, transport tools, block making equipment, technical assistance, supervision and development was to be passed on to the allottees in the form of a long-term loan repayable over a period of 15 years. The payments were so arranged that they could be stepped up whenever the farmers earnings increased. However, such repayments would at no time exceed 20 per cent of his income.

Liberia

46. Fisebu Town is an example of rebuilding a village with self-help efforts. Fisebu was devastated by a fire, and all of its 560 families were made homeless. The thatch roofs were nearly touching one another so that the fire spread easily from house to house. There were 46 units to the acre.
47. The towns people removed the debris with the help of a bulldozer. A land and social survey were completed. A preliminary town plan was completed and discussed with the towns people. Certain revisions were made by the Town Elders. The final Town Plan was approved by the Elders and the Government.
48. The New Town Plan provided 16 units to the acre. 210 houses, 20 shops, a market place, streets and pit latrines were rebuilt on the old Town's area. For the remaining 350 units a Tribal School area was released by the Chief for the family houses.
49. The families built their houses and pit latrines; they helped build the drainage systems, 4 demonstration houses and the new school. The demonstration houses include two improved round houses, one round-and-rectangular house, and one rectangular house. Materials include oil-cement blocks, preserved thatch, stick and earth, sand-cement tile, wood and cone crete. Costs range from \$100 to 750. The school building is to be used also as a community center and a health education clinic. The Government built and graded the streets, and carried house building materials to the town. The total cost of the Aided Self-Help rebuilding project was estimated to be US\$30,590.00

50. Nineteen aided self-help demonstration projects have also been initiated in remote rural areas. Starting with schools and demonstration houses for teachers, soil-cement blocks were introduced in these villages. About 100 similar demonstrations were planned up to 1970.

51. The buildings are to be built by a combination of local contractors and self-helpers. The families collect the soil, sand and rocks and make the blocks, while the contractor builds.

52. Under this system the first 19 schools cost about \$6,200 each, for four classrooms and two half-rooms, with removable partitions between the rooms to form 2 large meeting halls. The desirable and estimated cost was \$5,000 each. The estimated cost of the 2 bedroom houses were \$1,500.

Kenya: site and service scheme

53. The Government of Kenya although it recognizes the necessity of providing an adequate number of houses in the rural areas, is also aware of its limitation. It therefore limits its efforts to encourage the organization of co-operatives and aided-self-help schemes. It also has undertaken a number of pilot projects in housing with the aim of demonstrating and encouraging the use of improved techniques, design and material.

54. Important as the co-operative efforts and pilot projects are the greatest contribution to Housing supply has been the site and service scheme initiated at Kariobangi to reconstruct this former shanty town in Nairobi. Although it was essentially an urban scheme it can be applicable in the rural areas as well. The scheme made provision for the allocation of a plot of land 45' x 40' on which are located a shower, water tap and sewerage. Successful allottees were required to sign an agreement to complete the construction of a dwelling thereon within six weeks, not to sublet more than two rooms and to pay a service charge of 30/- monthly.

55. The scheme has been in operation for more than 5 years. Houses vary in size from 4 to 6 rooms, the greater number of which are occupied by tenants. The survey states "a total of shs. 15,715/- per month was paid into the Scheme in the form of rents to allottees. This is a very significant sum. 384 families who lived in shanty huts, with no services of any kind and no income whatsoever, are now in a position to earn a living by letting out one or more of the rooms in their new houses at an average rental of shs. 45/- per month per room. They also have a clean and decent house, clean water and services provided at minimal service charges.

56. It was found that the majority of occupied houses cost the owner approximately 3,500/- each to complete excluding transport of materials. There are also several stone houses built at a cost of approximately 20,000/-. Apart from the former shanty town dwellers living in Kariobangi the scheme has also been the means of providing accommodation that is economically feasible to low income government workers, employees of commercial firms and other persons.

57. Altogether the project, which is really a form of aided self-help, has a great deal to commend it as another method of getting people of limited means to help themselves to secure better accommodation, and can therefore be applicable in the rural areas.

Rural housing co-operatives

58. Another form of housing in rural areas, which draws largely on the principle of self-help is that of the rural housing co-operative. This form of rural activity uses the methods of financing, bulk purchasing and distribution of materials found successful in agricultural co-operative societies, and applies them to housing problems.

59. Sometimes, this co-operative gets its start from a society that is already undertaking some other project in the area and which now functions as a promotional body on behalf of its members. The co-operative society would undertake the planning of the project, buy and develop the land and contract for the construction of the houses. Arrangements for financing the project would also be made through the society either by stepping up members' shareholding or by a cess on their produce sold through the society. The proceeds being credited towards their housing account.

60. An equally effective approach is one in which members of a community get together, discuss their housing problems and investigate various ways and means of finding solutions thereto. When the details of securing a site, the development of the land and the type of unit to be constructed thereon have been satisfactorily worked out, potential members will then seek to have their society registered and arrangements made for securing the necessary financing. A plan is worked out for the construction of the units. Quite often in this situation members themselves provide a good deal of the local materials as well as the unskilled labour. Such additional materials as are required are purchased in bulk and advantage taken of mass production methods in the manufacture of doors, windows and other components for the house. In carrying this operation into effect every effort is made to effect as much savings as possible for members. As a consequence the total operation is much more economical than would otherwise be the case.

61. Although the development of rural co-operative housing is not yet widespread in Africa, it provides one of the most effective and successful means for the accumulation of domestic savings and the development of local capital to be used for investment in housing. Experience has shown that rural housing co-operatives work best where there is enabling legislation which provides the type of climate and control most suited to their operation.

62. As indicated elsewhere the development of rural housing co-operatives in Africa is still in the embryonic stage and little purpose could be served in giving examples at present; nevertheless the development in this area has moved to the point where several countries in Northern, East and West Africa are in the process of investigating the possibilities of these societies as another step towards the solution of their rural housing problem.

63. All the schemes and their methods of operations described involve the use of money which should preferably be used in a revolving fund irrespective of whether the fund is under the control of a government department, housing agency, savings and loan association, or rural housing co-operative society. Any unused moneys lying in the fund should be promptly invested for short-term periods which will not prevent withdrawal at a convenient time for use in the housing programme. There are many examples of short-term investment opportunities of a secure nature, two of which are the Post Office Savings Bank and Government Treasury Bills. This latter form of investment is usually on a 90 day period.

64. If money provided by Government for any scheme can be obtained by way of grant so much the better. This type of financing may be possible only in countries where the economic conditions allow, such as those countries enjoying large revenues from mining and petroleum production. If, however, Government is lending money which it has borrowed then the rate of interest payable from the revolving fund would presumably be at the same rate as that which Government itself is paying.

65. Money collected by way of savings by Savings and Loan Associations and Rural Housing Co-operative Societies may be used at whatever rates of interest their governing bodies decide upon. These organizations would presumably be established on a non-profit making basis and any rate of interest applied would presumably cover only essential administrative expenditure with a reserve for a small percentage of losses in the normal way of business.

66. Rates of interest used by non-profit making organizations need not be linked to commercial rates although there is often a tendency for this imitation to take place. Every revolving fund is an entity, the working of which must be thought out in advance. For example, a savings and loan association which confines its lending operations to residential buildings of a small type used in rural areas might well conduct its operations on a differential of say 2 per cent as between 3 per cent paid to its investing members and 5 per cent charged to its borrowing members. With effective management the rates might be less in the rural areas.

67. The objective of all the schemes is not to determine the most effective one as a means of establishing a standard organization. All of them have different methods in operation, and having regard to local circumstances each or any of them can be fitted into the general plan for housing improvements.

Conclusions and recommendations

68. With an increase in population of 2.6 per cent per annum, it will be necessary for governments to adopt a deliberate policy in regard to population within national development planning. By this means, housing needs may be forecast with a reasonable degree of accuracy. Such a policy will also emphasize the necessity of more investment of national resources in housing generally which would make an improvement in housing conditions in the rural areas.

69. However, the resources available to the majority of African governments means that they will be unable to satisfy housing demand let alone housing needs in the rural areas. The alternative is for thorough regional planning within countries which will bring urban amenities to rural areas and thus alleviate to some extent the migration of the population from rural areas to overcrowded urban centres. A decisive factor in this matter is the dispersion of industry and the establishment of new settlements in these rural areas.

70. Activities already undertaken in different countries show that while financial resources are limited, the authorities are sensitive to the needs of the urban population. They are beginning to use the vast reservoir of labour in various forms of self-help housing and are providing trained personnel to spread the knowledge of building simple houses. In some cases they are providing the materials where local materials are either insufficient or are of too poor quality.

71. The establishment of savings banks, savings and loan associations, and rural housing co-operative societies should be encouraged by all means possible even to the extent that the government and local authorities might undertake small "pump-priming" measures for initial capital where they are assured of efficient management of the undertakings.

72. Governments have recourse to the various United Nations and bilateral donor technical assistance programmes and these should be thoroughly explored. This does not mean to suggest that they should seek to obtain large sums of money, e.g. suppliers' credits, on terms and conditions which they cannot afford to pay in the short run however attractive propositions may seem initially. The provision of expertise from UN and bilateral sources and assistance by way of building materials gratis is a much more tangible way in which to improve rural housing conditions.

73. The services of the African Development Bank are available and these should be explored as a means of raising capital investment in rural housing linked with other development projects in rural areas ^{1/} according to the regional planning undertaken in individual countries.

74. Governments might, however, prepare specific plans for rural housing projects which are of high priority financing them from budgetary appropriations and internal resources as far as these permit, and at the same time seek assistance for their financing from international institutions. In this connexion, reference is drawn to the proceedings of the African Regional Meeting on Technical and Social Problems of Urbanization in Africa with Emphasis on Financing of Housing (document No. E/CN.14/450) held in Addis Ababa in January 1969 and to the proceedings of the East African Sub-regional Meeting on Specific Aspects of Housing Finance (document No. E/CN.14/485) held in Kampala in July 1970. The proceedings of both these meetings show explicit indications and methods of increasing the inflow of capital into both urban and rural housing.

75. Nevertheless it is clear that the bulk of improvement and new housing in rural areas in Africa will have to be carried out by self-help or aided self-help methods. The Economic Commission for Africa has undertaken training courses in this field in 1965 in Addis Ababa, in 1967 in Nairobi, and 1968 in Monrovia, all on a sub-regional basis. As a result of these countries about 50 persons working in housing and community development have been trained in the techniques of aided self-help housing. Governments are being advised that these trained persons should themselves carry out local training courses in their home countries so as to spread the knowledge and experience as widely as possible. Participants to the meeting are invited to take follow-up action in this respect on return to their home countries.

^{1/} See report of East African Sub-regional meeting on Specific Aspects of Housing Finance 1970 (Document No. E/CN.14/450).