

Turning back to the Urban Poor

Analysis of the National Housing Authority's Mandate for the provision of housing for the Urban Poor in Lusaka

Mutinta Mwape Sichali

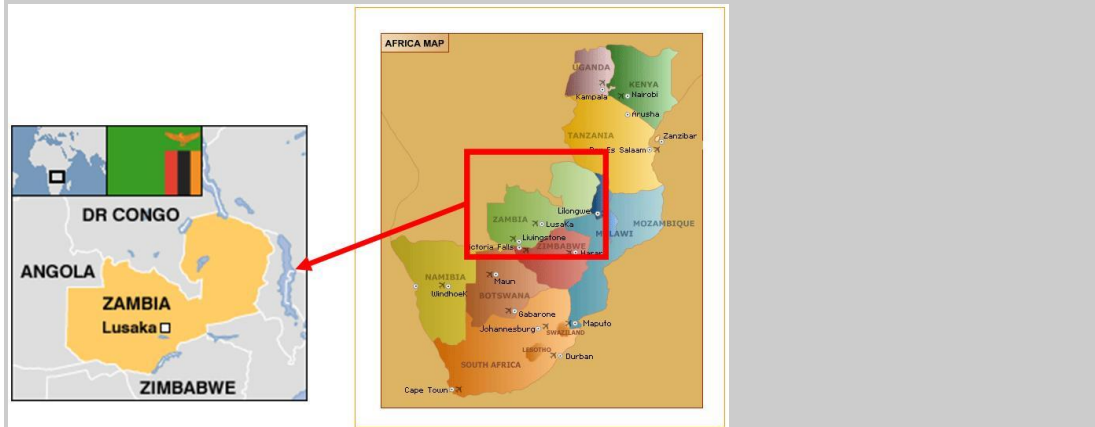
Senior Architect
National Housing Authority, Zambia

Abstract

Cities in the developing world are undergoing rapid urbanisation, Africa has not been spared from this urban growth. Urbanisation its self is not a problem but the resultant effect of poor infrastructure and services is what makes the whole process negative. Zambia has had a rapid population growth rate that has resulted in the doubling of the population in less than 20 years. This growth rate coupled with rural urban migration has come with it, problems of poor shelter and the absence of infrastructure services, especially in the informal settlements. This paper aims to highlight these problems in Zambia's capital city Lusaka. It focuses on the main actors in the delivery of shelter and narrows down to one actor, National Housing Authority of Zambia (NHA). It gives an analysis of what NHA is going, what it ought to be doing, its strengths and short falls. It further gives recommendations on how it can improve its performance in order to become relevant to the shelter needs of the urban poor.

Shelter Situation in Zambia

Figure 1 Map of Zambia



Source: Africa Map: <http://www.africanimpact.com/africa/map/>
Zambia Map: http://news.bbc.co.uk/cbbcnews/hi/newsid_2680000/newsid_2687200/2687213.stm

Zambia is a Sub-Saharan African country with land coverage of 735,000 kilometres. It is divided into nine administrative provinces and further divided into 72 districts. In its 44 years of independence, Zambia has had a transition from a socialist state to a Multiparty Democratic Government¹. Between 1964 after its independence from British rule to 1975, it underwent an economic boom that allowed the development of infrastructure through out the country. After 1975, it underwent an economic decline that saw it move from one of the richest nations in Africa to one of the poorest nations.

Demography and Health

The population of Zambia can be divided into rural population of 62% and an urban population of 38%. The rural population is widely scattered over the seven provinces while the urban population is concentrated in a few provinces, as can be seen from figure 2. Lusaka the capital city of Zambia has a population of approximately 2 million people with a population density of approximately 19%, while the country average is 10.7%. The square area of Lusaka urban district is only 0.04% of the total area and yet it has 12% of the total population living in it. 70% of the population in Zambia live in the informal settlements on only 20% of the land. These settlements

¹ It has a democratic Government and a strong opposition in parliament. Each district is run by a municipality and the residents are represented in their wards by the Residents Development Committees (RDCs) at Municipality meetings

are densely populated causing a real threat on the sustainability of the environment and place huge demand on housing and infrastructure services.

Table 1 Zambia Country and Capital Basic Facts

Population total	11.9 million
Pop. Growth (annual %)	2.7 %
Urban population	38 %
Population living in poverty (<US \$1 per day)	80 %
GDP US \$ per capita	410
Lusaka	
Area (province)	21,896 sq. km
Area (urban district)	360 sq. km
Population	2 million

Source: World Development Indicators and Data base, April 2007

Figure 2 Population Density

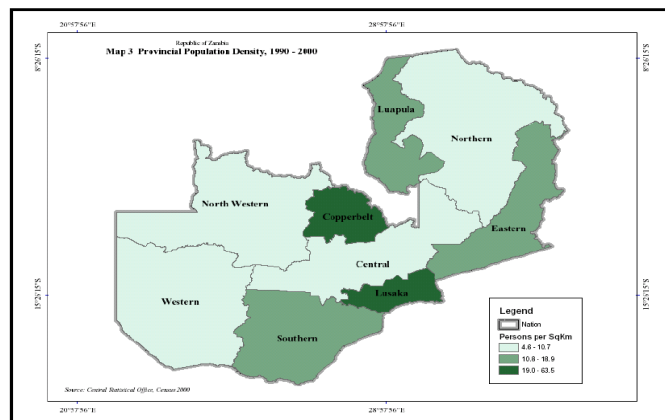
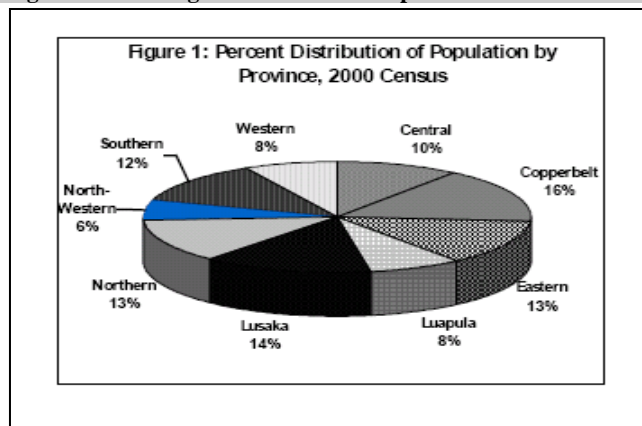


Figure 3 Percentage Distribution of Population



Source: Central Statistical Office, Zambia, 2000

The health pattern in Zambia has undergone a downward trend. The health facilities have turned from one of the best in the region to one of the worst. This has been as a result of poor investment by the government in the health sector both in terms of manpower as well as infrastructure development. Most of the manpower in the health sector has migrated to other countries for better jobs. Hospitals and health centres are characterised with a shortage of manpower, shortage of drugs and dilapidated structures.

Shelter Related Facts and Figures

According to the National Housing Policy (NHP), the total housing stock in 2004 was 2.1 million. 66.2% is informal housing while 33.8% is formal housing². The table below shows that 65% of the houses are traditional and these are mostly individual owned (NHP 2007, pg. 4). In the urban areas 80% of the housing stock is owned by individuals and of the rented units, 39.9% are also individually owned. 32.7% from Central Government³, 17.6% from private organisations and 8% from parastatals like the National Housing Authority (NHA).

Table 2 Housing Stock, Zambia – 1991 and 2001

Housing Type	1991		2001
	No. of Houses	% of total stock	No. of Houses
Traditional	988,249	65.8	1,527,301
Squatter	160,703	10.7	242,771
Site and Service	58,574	3.9	87,743
Low cost	241,806	16.1	381,498
Medium cost	24,532	1.7	32,369
High cost	26,034	1.8	39,306
Total	1,501,898	100	2,311,988

NHA 2001 Annual Report

Source: *Fifth National Development Plan*, (GRZ, 2006)

² The meaning of formal and informal are not based on whether they are legal or illegal respectively but as defined in Andreasen lecture on Shelter in Kenya and Housing Typology, the definition of informal is the absence of adequate infrastructure services and formal the presence of adequate infrastructure services (Andreasen 2008).

³ Most of the government and parastatal housing was sold to sitting tenants by the Government in 1996

Access to Shelter

The direction that the housing sector has taken in Zambia has been largely influenced by the socialist governance and the liberalised economy introduced by the multiparty democratic government of 1991. Key reforms were made for example the price of goods and services were to be determined by the market force and this increased the cost of housing and infrastructure delivery. The interest rates have been high in the last 10 years thus very few people were able to obtain mortgage facilities. The building regulations however have remained archaic and have not been evolving with the changing time. These have become irrelevant and too costly to follow by the urban poor. The building materials have become unaffordable thus the urban poor have devised ways of making the production of building materials cheaper.

The majority of the urban poor live in rental housing thus it is the tenants that feel the effect of poor infrastructure services. The housing stock has not been increasing in comparison with the increase in population due to government withdrawal in actively participating in the supply of housing. The World Bank advocates that Governments should use subsidies in housing as a tool to reduce the cost of the commodity without creating unfair competition with other players. It suggests that regularizing insecure tenure and access to market – rate housing finance and removing barriers to the production of rental housing will improve the productivity of housing for the poor (World Bank, 1993, pg. 27).

Access to housing finance is not only a national problem but also a worldwide problem. The low financial basis of developing nations and the non-existence of strong credit markets in developing countries, notes Freedman is a major impediment to sustained economic growth (World Bank, 1993, pg. 27). Where credit is available, stringent conditions are attached that make it difficult to access finance for long-term investments. The low domestic savings levels in the region have adverse effects on the financial institutions operating there (UN-Habitat, 2005b). Zambia through the Statutory and improvement area Act put in place a comprehensive legal framework for regularisation of informal settlements. This act enabled the 1975 World Bank squatter upgrading of Ngombe, Kamanga and Kalingalinga settlements. NHA was part of the implementers in the squatter up

grading project. This project was not able to reach all the targeted groups due to financial constraints.

Access to Land

Zambia since independence has undergone several land reforms. After independence, there was the land nationalisation programme. In this programme land was vested in the president and all freehold land held by commercial farmers was converted into leaseholds for 100 years. Unutilised tracts of land were taken over by the state and all sale of land was prohibited. Undeveloped land was acquired by the central government or the local government. In the liberalised economy of 1991 to date, the market forces determine the price of land. The state recognises customary tenure and putting back value to land, which is vested in the president through the commissioner of lands (Adams, 2003, pg. 5). However despite of all these changes property rights are based on customary land and the process of land tenure is long and bureaucratic (World Bank, 1993, pg. 25).

Figure 4: Housing in the informal settlement and there surroundings



Source: author, 2008

Housing Construction and Building Materials

In the rural areas, the houses are built from burned bricks or mud bricks plastered with clay soil and roofed with thatch. The urban house is built of concrete block and

a roof of iron or asbestos sheets. The materials used in the conventional houses are very expensive thus making construction of the houses too expensive for the urban poor. However, in the informal settlements many families really on cheap sources of these materials sold within their settlements. These materials most of the time prove to be of very poor quality resulting in very weak structures. In the informal settlements, one can see a lot of ingenuity in the way they combine materials in the construction of the houses and in the end the urban poor manages to construct his house.

In order to make the construction of the house more affordable there will be need to look at the current building regulations. The regulations may need to be reviewed and adjusted to suit what is acceptable within the context of adequate housing. The current building regulations have stringent conditions which have to be looked at. For example the minimum plot coverage, the size of the rooms and the appropriate building materials.

NHA has been trying to come up with affordable low-cost houses in the midst of high construction costs. This has been a great challenge as the cost of building materials alone raises the price of the end product.

Access to infrastructure and services

In low Income countries like Zambia, the rapid urban growth has put enormous strain on the infrastructure services and urban environment as can be seen in figure 4. Zambia and Lusaka in particular has a huge challenge in as far as the delivery of basic infrastructure and social economic services are concerned. The water service provider company is only able to supply 84 % of the total number required and the waste disposal is only catering for 15%. In the rural area only 29.5% get safe water and only 2.1% have waste disposal which is usually pit latrines. The many pit latrines in the informal settlements are polluting the under ground water thus this form of waste disposal is unsustainable.

Table 3 Percentage of Households with Access to selected Amenities

Residence	Safe Water	toilet facilities	Electricity	collected garbage
Rural	29.5	2.1	2.2	2.2
Urban	86.1	39.2.4	39.2	6.1

Source: *Beyond Inequalities 2005*

The National Housing Policy

After independence Government seeing the high urbanisation that was taking place, tried to address the issue of housing and infrastructure provision in the urban and rural areas, through its five years development plans. However, these plans were not able to meet the housing demand. As earlier mentioned from 1964 to 1991 during the socialist state, the government was the major housing provider for the civil service. The private sector and the parastatals companies were mandated to provide housing for their employees. After 1991 the new government gave a presidential order that all municipal, government and parastatal housing be sold to the sitting tenants. This situation benefited the sitting tenants but many more did not benefit and new employees in the government and Local councils could no longer be housed. NHA also had to sell its stock of houses, this left it with very little income to continue constructing houses in huge numbers.

There was need to address the housing shortfall, this was done by launching the National Housing Policy (NHP) in January 1996. Its main goal was to provide adequate affordable housing for all income groups in Zambia (National Housing policy 2006, pg. 15). However, the president felt that the policy was not meeting the needs of the citizens in housing and asked that the policy be revised, thus the new housing policy of 2007.⁴ The new housing policy's emphasis is public – private partnerships as the answer to the housing shortage.

Actors in Shelter Delivery

The main actors in the delivery of shelter are:

- The Central Government
- Local Municipalities

- National Housing Authority
- Pension Funds
- Private Sector Companies (Lilayi Housing Project)

The government through its infrastructure service programme of 2007 has introduced National Housing Bond Trust, whose main aim is to raise finance for housing. The central government has detached its self from providing housing and has mandated the Local municipalities to provide housing. No longer are private or parastatals companies mandated to provide housing for their employees. Each employee however is entitled to a housing allowance but most of the time this housing allowance does not much up to the rental charges. This situation has left many employees with no choice but to get rental housing in the informal settlements. Now that there is no government control on rental charges, property owners determine their charges according to the market price.

NHA through the Ministry of Local government has been given the mandate to construct houses for all sectors of societies, however NHA has not been able to meet the housing demand due mainly to the poor funding by the Government. It has however been constructing houses for sale at the market price. The stock of houses that NHA is providing at the market price does not even meet the demand. Due to the housing gap left, other private players have come into the housing market. For example the Lilayi Housing Estate that has earmarked to construct 5000 housing units with supporting infrastructure. The estate through funding from the American government and a Danish bank has been able to construct 100 low cost houses. It has graded roads and is in the process of putting up stabilizing ponds for sewer reticulation. Other housing developers are mainly providing serviced plots. The Meanwood Housing Estate is providing plots, which are not fully serviced. The contribution of such initiative has had significant input in the provision of housing as it has allowed individuals to start constructing their own houses.

All in all the culture of waiting for the government to provide housing has changed. The individual citizens would rather scout for land and start constructing their own houses, even if it takes them many years to complete. There however may be the danger of being swindled of their money when buying land. The trend of providing serviced plots to the poor should be encouraged and this could be the only

⁴ the policy is still in draft form

way that they can be helped to build their houses. The main factors at hand are to be able to make tenure of land easy and to be able to control the price of land. It has been observed that prime land in the city has become scarce within 30 km from the central business district. Huge tracks of land are in individual hands and most of this land is not for sale.

The Pension Funds who in the last ten years had moved away from housing investment have begun to invest in housing. For example, the National Pensions Fund Authority (NAPSA) has invested in the construction of 250 housing units. These range from low to medium and high cost houses but in reality they are not meant for the urban poor. Eventually the increase in the housing stock could reduce the price of the commodity. The concern is the affordability of these houses, even if more players come into the provision of housing if the price of land, the building materials and building regulations are not adjusted it will be impossible for the urban poor to have access to housing.

Shelter Design

The Ministry of Local Government through the Local Councils and Planning Authorities carry out all physical plans for the entire nation. The Ministry of Works and Supply carry out all national infrastructure projects on behalf of the Central Government. NHA is a government agency that has been given the mandate to design houses for all sectors of the society. It has been mandated to control the quality of houses that are being constructed by the Local authorities and advise the government on housing policies. It has also been mandated to facilitate and provide funding for housing. In the informal settlement most of the shelter design is done by the individuals and the Local Authorities do not inspect the construction works taking place.

National Housing Authority (NHA)

NHA came into existence after an act of parliament in 1971 (NHA Act pg 6, 1971). It is governed by its act CAP 195 of the Laws of Zambia and is run by a Board, which is appointed by the Minister of Local Government. The Board of Directors comprise of representatives from Town and Country planning, Local Government, Zambia

National Building Society and the University. The Board gives the NHA management through its Chief Executive Policy guidelines. It has four divisions as can be seen from figure 6, Construction Division, Consultancy, Low-cost Housing, Finance and Administrative division⁵. The work force of NHA is approximately 250 permanent workers and employs temporal workers according to the amount of construction work going on.

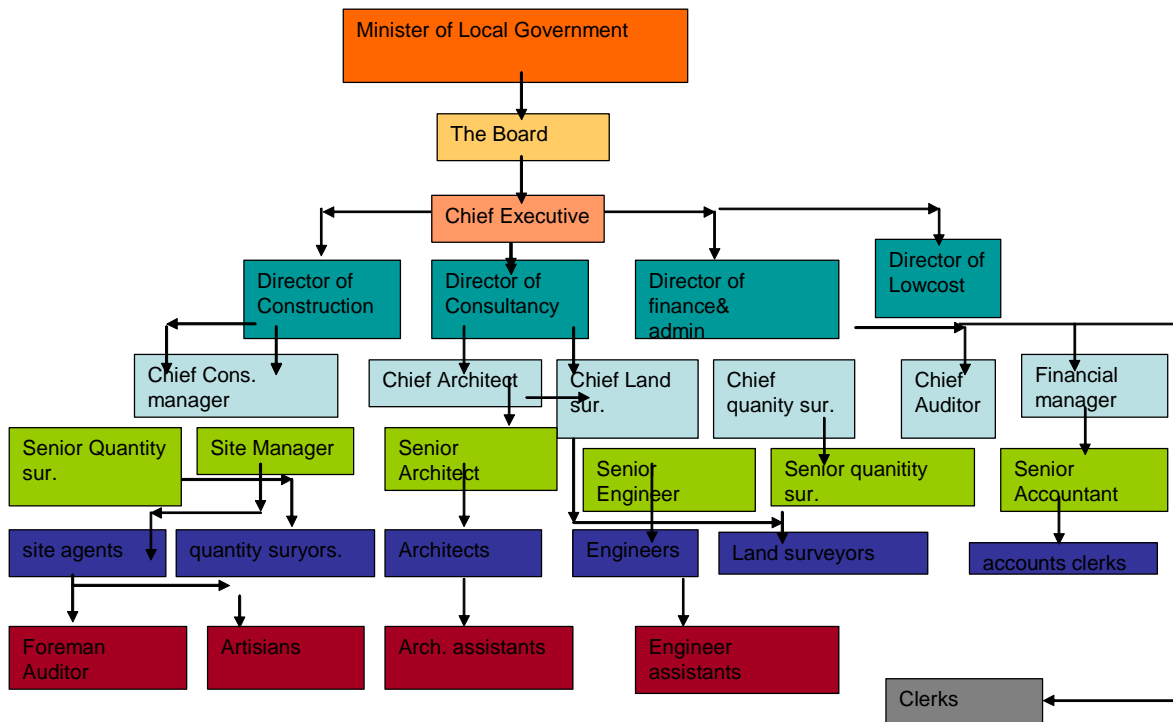
Performance of NHA

Since its inception in 1971 NHA has been one of the major players in the construction of housing in Zambia. The category of houses that it is delivering is low to medium and high cost houses. In the last 20 years, it has delivered over 6,000 housing units and blocks of flats in Lusaka alone. NHA has been involved in squatter upgrading project in Lusaka and various districts of Zambia. The NHA mandate is stipulated as follows:

- to provide housing accommodation for the republic
- to make recommendations and proposals to the Minister of Local Government with regard to the formulation and implementation of government policy on housing
- to make reports on current and future requirements of housing throughout the country
- to clear squatter areas and plan improvement and re-development of such areas
- to carry out research of building materials and techniques that would promote cheap housing and to advise the Local Authority in the preparation of programmes for the construction of houses and to carry out such projects.
- to assist manage and control housing accommodation for public officers and Local Authority areas
- to establish a National Housing revolving fund to provide finance for housing through out the country.
- to purchase and manufacture and process building materials on behalf of the Local Authorities

⁵ In its five years strategic plan, which is still in draft NHA's Mission statement reads, "The NHA aims to be the leading provider of affordable housing in a sustainable environment together with

Figure 6 The NHA Organisational Chart



NHA Performance in Providing Affordable Low Income Housing

In Zambia, the housing sector has not experienced a situation of supply elasticity because huge demand for decent housing has not increased the supply but has instead increased the price of the commodity (World Bank 1993, pg 14). It has been noted that the country would have to produce 110,000 units/year if it was to clear the housing deficit over a 10 year period (MLGH, 1996). The country’s population growth rate between 1999-2000 was 2.9% and the rate of increase of housing units was less than 1% of what is required annually (Tembo, 2007, pg 16).

There is, therefore an urgent need to look at the provision of housing to adequately meet the existing demand of a growing population. NHA is not meeting this huge deficit due to several factors. An analysis of NHA’s performance can not

supporting infrastructure services through out the country.” It main objective is to be able to build 5,000 housing units every year by 2010

be done in isolation, it has to be done against what has been taking place on the political and economic front. In the socialist state, the government was involved in the provision of housing and infrastructural development. From 1964 to 1991 before the new government came into power the government was the major housing provider for the civil service. As mentioned earlier the private sector and the parastatals companies were mandated to provide housing for their employees and NHA carried out several projects on behalf of the Government.

In 1991, the government removed its self from being actively involvement in the provision of housing and encouraged public - private partnerships. In its quest not to be involved, it created the Presidential Housing Initiative (PHI), which could access finance directly from the president for housing finance. This organisation however began to construct houses. Although this organisation was under NHA, it acted autonomous and undermined the performance of NHA. The Local Government minister in 2005 talking about PHI noted that it did not provide an enabling environment for the private sector to take a leading role in the development of housing (Times of Zambia, 2005).

The performance of NHA will be evaluated using its key responsibilities of provision of housing, advice on policy framework, research and production of building materials and techniques, up grading projects and provision of infrastructure services.

Provision of housing for the Republic

The category of houses NHA has been delivering as can be seen from figure 7 is too expensive for the urban poor. A typical low cost house 76.13 sqm on a plot size of 22 x 15m cost US\$ 39,820. This is beyond the affordability of any average Zambian. Due to the high cost of infrastructure and building materials NHA has been carrying out pre-financed housing projects where the clients pay 50% of the cost of the house and the house is delivered after 9 months. The clients pay for the cost of infrastructure, the consultancy fee, the value of the land and all legal charges to produce the title deed.

Advice on Policy Frame Work

NHA has been given the mandate to advice the Government on policy framework for housing. NHA through its annual reports advises the Government on the housing

situation but in the last 10 years there has been little publication on the housing situation apart from the Housing policy. In any housing development, it is vital that clear guidelines are given on how a country will meet its housing needs. It can be concluded that there has not been any implementations on the housing policies as the number of people living in the informal settlements is increasing and the conditions in these settlements are not improving. Angles sees the policies are key in driving the increase in the supply of housing and that resources are translated to improving the poor housing conditions of the urban poor (World Bank, 1993 pg. 29,31).

Research and Production of Building Materials and Techniques

The Authority is mandated to carry out research into building materials and techniques, this has reduced drastically in the last 10 years. Liuka in her lectures emphasises the need for a country to come up with technologies that are appropriate and that adapt to the climatic conditions of that nation (Liuka, 2008). In our field trips we were able to visit the National Housing Building Research Agency of Tanzania. We were able to see for our selves how the cost of building materials is reduced when local building materials are used within the local context.

Up Grading Projects and Provision of infrastructure services for settlements and new areas

NHA is supposed to be involved in up grading settlements but this has not been the case in the last 10 years. These up grading projects were done in only few settlements and they were not completed. This is an area in which NHA could be fully involved. These settlements are engines for economic growth as the informal business thrives (Tannerfeldt and Ljung 2006, pg. 29). Astrands in his lecture shows how the squatter upgrading improves the structural, economic and social welfare of the urban poor and how this eventually improves the productivity of the urban population. (Astrand, 2008).

Figure7: The different Low-cost houses construction by NHA

Source: NHA

Squatter up grading in the informal settlements was also seen when we visited Kinondoni and Hassani of Tanzania. In these informal settlements the upgrading projects united the communities to start community development projects. These community groups were able to raise finance as contribution to the upgrading projects. The communities were even able to start micro business projects that have empowered them to improve their houses and to give them economic freedom.

Proposal for Change and Improvement

In order to come up with proposals for change a swot profile of NHA was done as seen below.

Strengths	Weaknesses
<ul style="list-style-type: none"> • NHA has been mandated by the Government to provide housing • It is the biggest and longest player in the provision of housing • It has been able to retain professions 	<ul style="list-style-type: none"> • It has not been constructing low-cost housing for the poor • No upgrading projects • Not researching • Lacks information on housing
Opportunities	Threats
<ul style="list-style-type: none"> • Government investment in plot servicing projects • The interest of public –private partnership • The reduced interest rates and ability to borrow • The huge demand for housing due to bank loans • The re-entering of big pension funds in the housing market 	<ul style="list-style-type: none"> • Other players coming into the housing sector apart from NHA • The inability for NHA to deliver affordable housing • The slow process of getting title from NHA • it inability to invest in infrastructure development

The swot profile has identified key strategies to follow to initiate changes. NHA is experienced in the provision of housing and can thus lobby government to have cost sharing projects, where the government finances the infrastructure and it finances housing construction. The communities can contribute in a small way towards the finance of the project or contribute by offering the labour component.

NHA can also be involved in squatter up grading projects. It can engage the private sector into public- private partnerships. There are several examples in developing nations where these squatter up grading projects have been successful. Projects like FUPROVI in Costa Rica, PRODEL in Nicaragua and in KINONDONI Tanzania. There is already private interest in working in informal settlements at community levels in Lusaka, for example CARE International is installing water reticulation in informal settlements. Habitat for Humanity is working in SOS

informal settlement improving housing in community initiated projects. Therefore there are local programmes that have been started which NHA could get involved in. It should reduce its threats by investing into up to date equipment and machinery and revamp the building research unit.

The Authority can also lobby through the Local Government for finance to provide serviced plots in areas where the urban poor live. The government has already engaged NHA as the leading consultant in the provision of 100 serviced plots in the 72 districts of Zambia. NHA should actively pursue these projects and if these projects are a success, the government can be lobbied to increase funding.

Due to the government policies the banks now has a lot of liquidity and are lending out money to institutions and individuals for housing projects. If Lilayi Housing Estate a private Housing company can get financing for housing then NHA should take advantage of this environment and borrow money for investment into housing and infrastructure development. NHA should take advantage of the housing shortage and create rental housing. Rental housing will give NHA a steady income as most of their capitalized houses were sold to the sitting tenants. This is also another way of revamping its stock of houses. This paper has shown that many employees desire decent housing but this is beyond their means if there were more rental housing the rental cost could come down due to competition among land lords.

Conclusion

NHA's planning strategies have to change, it has to re-look its plot sizes which are too big and expensive to service. Prime land has become scarce in the city it becomes inevitable that NHA will have to change from horizontal expansion to vertical expansion. Densification becomes a solution for increased housing stock as the infrastructure cost is drastically reduced.

The proposal could go to the Ministry of Local Government so that the ministry lobbies government to consider supporting such programmes. The proposal could also go to communities that it is targeting and inspire people to advocate for the implementation of such projects. Once people see NHA in the field working for the poor, many private entities could join in and form public – private partnerships, which have been sighted as key to reducing the problem of shortage of decent housing.

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