Profiles of a Movement:

CO-OPERATIVE HOUSING

Around the World

Volume 2

ica housing

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October 2013

ICA Housing is a sectoral organisation of the International Co-operative Alliance. It was established to promote the development of co-operative housing in all countries, and in particular developing countries, as an economic and social contribution to the problem of providing shelter. Our mission is to unite, represent and serve the international movement for co-operative and mutual self-help housing.

ICA Housing has members in 30 countries around the world.

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INTRODUCTION

Dear Reader,

ICA Housing is pleased to publish the second volume of *Profiles of a Movement: Co-operative Housing Around the World*. The first volume, launched during the International Year of Co-operatives 2012, was very well received. The first volume of these *Profiles* can be found in PDF file format at www.icahousing.coop .

Our objective in publishing these *Profiles* is to inform members and others interested in housing co-operatives how they work in other countries, the history of their development, the scale of their contribution to affordable housing provision, and each country's legal, financial and administrative systems within which they operate and the challenges they seek to overcome. In doing so we aim to spread the word about the successes of housing co-operatives and inspire others to develop them as a means of meeting the growing challenge of providing good quality, secure, affordable housing around the world.

This second volume of *Profiles* extends the profiles to countries in Africa. It is published to coincide with the International Co-operative Alliance's (ICA) General Assembly held in Cape Town in November 2013. This second volume concentrates on the African continent. We are pleased to present the remarkable work achieved by the African co-operators, work accomplished in a very challenging environment. These profiles show the creativity and the dedication of the African co-operators.

There are still many other profiles to complete in Africa and around the world. This initiative, launched several years ago is a work in progress. More *Profiles* will come in future years. This second volume can also be found in PDF file format on our ICA Housing website.

I trust you will enjoy reading this publication. I also encourage you to share it as widely as possible. Together we can show how housing co-operatives have a positive impact on the lives of so many people in many different national contexts.

Yours,

David Rodgers

ICA Housing President

HOUSING CO-OPERATIVES IN KENYA

2013

STATISTICS

Population : 38,610,097

Total housing stock: Data not available

Total social (rental) housing stock: No reliable data

Total co-op housing stock: The majority of the Kenyan housing co-operatives are affiliated with NACHU, which currently has 550 members. There are also several co-operatives for middle and high income earners, which are not NACHU members. These co-operatives are formed as investment vehicles by a few members to venture into the largely untapped housing business.

People: NACHU housing co-operatives represent at least 250,000 members.

Semba Tuvike and KiteMoto Housing Cooperatives in discussion with NACHU Technical team on their housing project progress

History

The current housing situation in Kenya can be traced back to the colonial years. Until about 1939, the colonial government did not consider black Africans to be permanent residents of the urban areas, nor did they encourage families to move to urban areas. Employers and state agencies provided bed spaces for workers coming to town. Local laws prohibited Africans from residing in European or white areas. They were forced to live in "Native Locations". After 1940, the permanent presence of Africans in town was accepted, due to the workforce needed for the country's growth. Municipalities got the responsibility of providing housing for families and single men. Several thousand units were built but very few were for families. Women and children had no choice but to stay in the "bachelor" accommodation, which was basically single rooms. That set the precedent for poor housing. Informal settlements started to be built.

The first housing response from the government after independence was to encourage the private sector to build houses and to assist the public sector to expand their programs through the National Housing Corporation (NHC). The first national housing policy was formulated in 1966 in the *Sessional Paper No. 5,* which called on local authorities, government departments and public corporations to implement their own programs to supply rental housing. This was a time of centralized government initiatives and, during the three decades from the 1950s through the 1970s, local authorities built a number of subsidized rental housing units. After independence local authorities were given the power to implement the Graduated Personal Tax to secure their financial base, which allowed them to pursue their housing initiatives. However, the tax was abolished in 1973 and never replaced, leaving local authorities with the responsibility of housing without financial resources. In the mid 1970s with funding from the International Monetary Fund (IMF) large-scale site and service projects were implemented. These projects were seen as low-cost housing for the urban poor and provided full development, including servicing the lots; building the roads and necessary infrastructure, housing units, sanitary facilities, community facilities; providing loans for materials and technical assistance.

The actual number of houses constructed by both the private and public sectors was disappointing compared to the increased need due to urbanization. Moreover, these housing initiatives were too often not affordable for low-income earners, which meant that informal settlements continued to grow. In the mid 1980s local authorities stopped investing in rental housing.

During that period, government policy was to demolish informal settlements. Despite this, some informal settlements built by the residents were tolerated. Many settlements were demolished and the residents forcibly evicted without providing any real alternatives or any compensation. All too often, the land under these settlements and other urban land were grabbed by corrupt officials and politicians who build extremely poor quality rental housing and became slumlords.

The government's administration began to be questioned in the late 1980s and early 1990s with regard to human rights, economic performance and corruption. Both the population and external funders asked for political reform, including the introduction of multi-party democracy. Throughout the 1990s poverty grew, life expectancy declined, school enrolment dropped, health services decreased and Kenya showed one of the highest disparities between rich and poor.

During this period, several approaches were adopted by the government to respond to the growing housing challenges. These initiatives involved partnerships with local authorities, Community Based Organizations (CBO) and Non Governmental Organizations (NGO). Some initiatives were more successful than others and actually reached poorer people. But lack of finances and political interference contributed to the failure of many, with the result that

Fatabab Housing Cooperatives Members during the International Cooperatives Day Celebrations

60% of the population in Nairobi today lives in slums. The adoption in 2004 of the new National Housing Policy and KENSUP – the Kenya Slum Upgrading Program brought hope, as the government made a commitment to improve living conditions by 2020.

Co-operatives in Kenya started at the beginning of the 20th century with the agriculture sector. They were exclusively dominated by white settler farmers, as the 1931 Co-operative Ordinance did not allow black Africans to join a co-operative. This restriction was removed in 1945 allowing black Africans to form or join co-operatives.

Until the mid 1990s, when the country moved to a liberalized economy, co-operatives were more or less under the control of the government. This meant they were receiving some level of support but also faced political interference with the government's involvement in the co-ops' governance and operations. The Sessional Paper No. 6 of 1997 on "Cooperatives in a Liberalized Economic Environment" provided a new policy framework for co-operatives after the liberalization of the economy. The revision of the Cooperative Act in 1997 brought more freedom and autonomy to the operation of co-ops.

Housing co-operatives were introduced to Kenya in early 1980s. The National Cooperative Housing Union (NACHU) was established by the Central Organization of Trade Unions (COTU) which wanted to facilitate better housing for its members. NACHU was limited in its activities. A restriction from the Commissioner of Cooperatives prevented NACHU from generating income through general housing development services in addition to its original mandate of housing co-operative development services. As with the other co-operative sectors, NACHU's activities were much under the control of the government.

From the start, NACHU developed successful partnerships with external housing co-op movements which provided assistance in capacity building, housing development and community delivery programs, and organizational support. This partnership is still strong today. The co-op housing movement has grown in numbers due to the work of NACHU and its partners.

Context

The Article 43 of the Kenyan Constitution guarantees every person in Kenya the right to adequate and accessible housing and to reasonable standards of sanitation.

However, in 2011, in Nairobi alone, slum dwellers represent 60% of the estimated three million residents. There are 200 slums in and around the city. The largest slum in Africa is in Kibera. It started in 1912 and now has over 800,000 residents.

The annual demand for housing is 200,000 urban units and 300,000 rural units. It is expected that the number of units needed over the next 10 years will be 2.9 million, due to population growth and urbanization. By 2050, 50% of the population will live in cities. The current annual production is 50,000 units.

According to the Ministry of Housing, 80% of the new houses built are for high-and middle-income people, whereas 83% of the demand is coming from low-income families. 89% of the urban population cannot afford a mortgage. In 2010, 50% of the urban households had monthly incomes below $375. Very few rural people would be able to afford a mortgage.

Some financial factors have improved in the country, such as a stronger banking and mortgage sector, and a well-developed microfinance sector. But low-income earners, which constitute the majority of Kenya's citizens, are still largely excluded from the formal housing market, except for the work done by housing co-operatives, some NGOs and MFIs. The following factors explain this situation:

- The slow implementation of policies to deal with land grabbing in areas where rental slums were built and to regularize informal settlements occupying habitable land;
- The lack of affordable finance due to high interest rates and lending conditions that do not respond to the needs of lower income groups;
- The increasing cost of building materials;
- The lack of affordable land and;
- The lack of financial means of the majority of the population.

Changes may come. The Vision 2030 adopted by the government strives for "an adequately and decently housed nation in a sustainable environment". The government's objective is to see an increase of the annual production of housing units from 35,000 to 200,000 in urban areas. It is expected that NACHU will facilitate the construction of 50,000 units. The government has put in place some modest incentives relating to infrastructure development, housing finance, and saving mobilization to assist in the production of the new housing units.

NACHU also faces some challenges. These include building its capacity to serve a growing number of housing co-ops that need technical support and want to borrow money for land purchase, servicing and incremental housing. NACHU also has access to a limited amount of capital for loans, and it is still reliant on donors

for some of its operating expenses although it does charge interest on its housing microfinance loans and fees for its services.

Description

Key characteristics of the Kenyan Primary Housing Co-operatives (PHC) are:

- Mostly urban; rural housing co-ops are linked to the agriculture marketing co-operative sector;
- The typical size of urban PHCs is 25-50 members;
- Land is transferred for individual ownership upon full repayment of the loan;
- Any member cannot hold more than one-fifth of the share capital as required by the Act;
- Development done incrementally i.e. land is acquired, services are installed and houses are built room by room according the money saved and the financial assistance (loans) available;
- Development can also be done incrementally for larger buildings;
- Many PHCs come together around common factors such as faith, trade, geographical origin, ethnicity etc, but this is not required by NACHU;
- PHCs are required to produce annual audit reports, as is NACHU;
- Members often build more rooms and sublet them to generate income;
- Each member is responsible to take care of his or her housing unit. NACHU is considering ways to manage common services such as bore holes / water supply and shared septic systems. Co-ops also play a role in managing savings collection and loan repayment;
- Some very large rural housing co-ops are saving, with NACHU's help, for building investment properties, typically a mix of residential and commercial properties in towns or cities.

NACHU and the member housing co-operatives address many issues: security of tenure, housing and infrastructure improvement, income generating activities (letting of rooms, projects with women and youth, etc), community services, empowerment of members (especially women and youth), and health issues (particularly responses to HIV/AIDS), lobbying and advocacy, environment, gender etc.

Financing

Housing co-operatives are financed by members' savings and housing microfinance (HMF) loans from NACHU. Rural housing co-ops have also access to loans from the Savings and Credit Co-operative Society (SACCOs) they are associated with.

NACHU works with the Co-operative Bank of Kenya (CBK) which based on external guarantees and borrower deposits is providing leveraged loans for PHCs through NACHU. CBK is also lending funds for middle-income housing development done by NACHU, development done as an income generating activity.

The savings scheme administered by NACHU through the PHCs helps participants build their credit history and save for the 20% deposit required for loans. They typically commit to save a fixed monthly amount to be used for the building of their house. They earn interest on their savings at an average rate equivalent of what is being paid by commercial banks. It is worth noting that before 2006 no interest was paid on the savings. This change has had a positive impact on the savings scheme.

Individuals are encouraged to save the 20% deposit as quickly as possible. Loans can be up to 5 times the amount of savings. The interest rate on the loans is lower than in commercial banks or microfinance institutions and the lending period is between 3 to 6 years. All loan applications are channeled through the PHC and must be guaranteed by the members of the PHC. The member gives power of attorney to NACHU to hold the titles until the loan is repaid entirely. In the case where there is not title, the local authority gives a letter of allotment to the intending borrower.

NACHU housing microfinance products include loans for new construction, housing upgrading and expansion, land purchase and resettlement and, group loans for commercial purpose and infrastructure. Several mechanisms and processes have been put in place to protect the financial investment administered by NACHU. This includes financial training provided to the participants in the savings scheme. NACHU savings and loans scheme is proving to be quite successful to date – the portfolio at risk is within industry standards. Based on this success, NACHU is attracting the interest of donors and investors, which will assist NACHU to continue offering HMF loans.

NACHU's lending facility is financed from numerous sources including NACHU's own equity and member savings. Rooftops Canada has provided a guarantee and direct lending facility totaling USD $500,000. Most recently, Homeless International, a UK organization, has provided substantial funding for several projects through the Community Led Infrastructure Finance Facility (CLIFF).

Legal framework

The legal instruments for the co-operative housing sector in Kenya are:

- Cooperative Societies Act (Amended), 2004: guides the formation and operations of housing co-operatives;
- Rules and regulations issued: complement the Act;
- Co-operative By-laws from NACHU: provides standard by-laws to new PHCs which are readily accepted by the Department responsible for cooperatives;
- Cooperative Tribunal: arbitrates disputes when the internal co-operative process fails;
- Code of Conduct and Ethics for Cooperative Societies: overseen and supervised for compliance by the Ethics Commission for Cooperative Societies;
- Land Bill 2012 – Land Registration Bill 2012 – Natural Land Commission Bill 2012;
- Housing Act: provides for the effective coordination, facilitation, capacity building and monitoring of the housing and human settlement sector. The Act also establishes the

NACHU and Ngalawu Housing Co-operative, Kenya 2013

Kenya Housing Authority and the National Social Housing and Infrastructure Fund for the provision of housing and related purposes;

- Local Government Act: deals with housing approvals in the relevant local authorities;
- Public Health Act: deals with the issues of sanitation and house occupation;
- Physical Planning Act enacted in 1996, replaced the Town Planning Act (urban areas) and the Land Planning Act (rural areas): provides for physical planning and development control for both urban and rural areas;
- Draft Eviction and Resettlement Guidelines, 2010.

The Co-operative Housing Movement in Kenya

Housing co-operatives in Kenya are represented by NACHU, the National Cooperative Housing Union. NACHU was registered in 1979 under the Cooperative Societies Act (Cap 490), became operational in 1983 and held its first democratic election in 1986.

NACHU was initially established to provide technical services and small housing loans for trade union members. The broader co-op movement, some churches and NGOs also helped start NACHU. NACHU struggled for some years due to a difficult policy context and political interference. NACHU's early growth and development was assisted by CHF International (US), Rooftops Canada, and the Ford Foundation.

NACHU's primary objective is to provide affordable and decent housing and infrastructure to the urban low- and modest-income communities. But NACHU's approach goes beyond just housing. It includes: community mobilization (youth, domestic violence, HIV/AIDS) and training; technical support services; housing finance; lobbying and advocacy. NACHU works at improving the quality of life of co-operative housing members in different ways. NACHU's approach includes working with informal settlements, conventional housing and commercial projects. This approach has allowed NACHU to cross-subsidize the development of its low-income projects.

It is governed by a nine member board of directors. Seven seats are reserved for the provinces where NACHU is working and up to three seats are elected by the AGM to improve gender balance on the Board. NACHU has 27 employees in total with eight employees on its Housing Micro Finance team.

NACHU draws its membership from: low and modest-income people in formal employment, rural co-operatives associated with agricultural marketing co-operatives, middle-income earners and, informal settlement dwellers who often are self-employed and have irregular incomes. Members pay a non-refundable entry fee and buy refundable shares. Members do not pay ongoing membership fees. In 2012, 493 housing co-operatives of the 550 registered were participating in NACHU Housing Scheme, representing 11,708 individuals. 84% were low-income earners and 16% modest-income.

NACHU has counted on external funders and partners to help finance its operational costs and capitalize its revolving funds. Without these organizations, progress would have been much slower. NACHU's partners have been and are: Rooftops Canada, Homeless International, CHF International (now Global Communities), Ford Foundation, USAID (Housing Guarantee Fund), NORAD and NBBL (Norway), Swedish Co-operative Center (now We Effect), SACOMA (UK).

For more information, visit: www.nachu.or.ke

BUILDING AND HOUSING CO-OPERATIVES* IN SENEGAL

2013

STATISTICS

Population: 12,969,606 (2012)

Total housing stock: Not available

Total social (rental) housing stock: Not available

Total co-op housing stock: 744 certified co-operatives for a total of 74,400 units (2009) and 100,000 members (2012). Building and housing co-operatives account for approximately 25% of all social housing in Senegal.

Coopérative des Encadreurs du Prytanée Militaire de Saint-Louis - COOPEP

History

The co-operative system in Senegal is relatively old, but it was limited to the farming sector for a long time. A number of housing co-operative projects were introduced in the 60s, at the initiative of members and without any government assistance. These were modest in scale. However, the Coopérative d'habitat des Castors in Dakar, which is still in operation, was one of the first housing co-operatives in Senegal.

When Senegal became independent in 1960, the new country established a number of different structures to support the co-operative movement. From 1960 to 1980, co-operatives developed with support from the government, which encouraged such development and provided a structure for it. As there was very little real grassroots involvement, co-operative housing was perceived as a form of government development. Law No. 83-07, concerning the general status of co-operatives, was passed in 1983.

In the early 80s, Senegal received support from UN-Habitat to promote and explain the housing co-op model. The Senegal Housing Bank (Banque de l'Habitat du Sénégal - BHS) and the Social Housing Community Assistance Bureau (Bureau d'Assistance aux Collectivités pour l'Habitat Social - BAHSO) were established as a result. In addition to providing assistance and coordination, the BHS finances co-op projects and developers. The BAHSO implements housing policies, and supports housing co-operatives and other social housing organizations. It has a multidisciplinary team to assists co-ops with their work. The only beneficiary to date has been the capital, Dakar, because the BHS has only recently begun to open regional offices, and BAHSO regional services are extremely limited.

In the 80s, international funding organizations required that Senegal liberalize its economy and to drastically reduce its direct development interventions. From 1980 to 1990, the government dismantled the major co-operative support and financing structures it had established. However, the BHS and the BAHSO still work with housing co-operatives.

Although the Senegal government has been formulating urban development master plans for urban spaces since 1946, progress in housing improvement has been modest. The slow approval process for the implementation of these master plans, and the lack of funding, have seriously limited their scope.

An operation called Parcelles Assainies [cleaned up land] established by the government in the 70s with the support of the World Bank was designed to improve living conditions for low-income earners. The implementation of this initiative was taken in hand by the OHLM (Office des habitations à loyer modéré). The World Bank funded one of its first "sites and services" projects in Senegal. The projects developed did not meet the proposed density standards and did not end up in the hands of the intended low-income populations, because they resold the land they were given to wealthier people.

In June 1988, the government adopted its Integrated Development Zone (ZAC) policy, which identifies urban spaces to be used for housing in the master plans. The policy was incorporated into the Urban Development Code in 2008. Eighteen ZACs were created. An Integrated Development Zone Unit that became part of the Urban Development Branch handles all applications. It assists co-operatives in the subdivision process and, where required, in housing design. Private developers and co-operatives can have access to the ZAC subdivisions. Land is provided free of charge to the co-operatives, but the co-operatives must contribute to the cost of lot servicing.

The government also introduced a land restructuring and regulatory policy to put an end to informal settlements. Progress has been slow because of the few relocation sites, the lengthy implementation processes and the difficulty of finding financing for such initiatives.

** In Senegal, the official terminology refers to "coopératives de construction et d'habitat".*

Coopérative d'habitat des Agents de la SAED et Affiliés - CHASA

Context

The Senegal government's National Economic and Social Development Strategy was developed in the wake of the UN Millennium Declaration, which emphasizes an international partnership with a shared vision of sustainable development, and lists eight Millennium Development Goals. For example, to combat insecurity, the government promised to "relocate 73,757 people per year and provide them with secure tenure". Accordingly, the government plans to promote the development of social housing by supporting building and housing co-operatives, and public and private developers. In 2009, the government adopted a housing policy in the form of its Sectoral Policy Letter for 2010-2025. The policy confirms the government's commitment to develop urban space sustainably by providing access to serviced land, building housing units and reducing the size and number of slums. More recently, the government has been attempting to incorporate access to sustainability in its development interventions, including a proposed construction program to build housing units at a cost of less than $10 million CFA francs ($20,000). Up until the National Conference on Co-operative Housing held on October 30, 2012, social housing in Senegal was defined in terms of construction costs, without due regard for client income, which meant that social housing ended up failing to provide accommodation for the poorest people and informal workers.

As in all African countries, Senegal has been experiencing strong rural migration and rapid population growth. In fact, 47.7% of the country's total population of 6,101,448, lived in cities in 2011 and urbanization has been increasing by 3.3% each year. Half of the country's population lives in the Dakar area, and 63.6% of Senegalese are aged 25 years and under. In 2005, 50.6% of people and 42.6% of families lived below the poverty line. The high cost of urban housing because of land scarcity, the high cost of materials, land speculation and high taxation, led to an increase in informal housing. Slums accounted for 30% to 40% of urban space, with few or no public utilities, limited access to drinking water, no waste collection and inadequate sewer systems. It is also important to underscore the fact that a serious flooding problem, particularly in Dakar, regularly affects urban areas.

In 2002, the housing shortage in Dakar was 115,000, and 322,000 in the country as a whole. Demand for housing is estimated to be 12,000 units per year, whereas the amount of housing available is never more than 2,400 units per year. A major boost in housing development is needed to deal with the shortage caused by rural migration and population growth. However, the formal sector meets only 10% of national demand, and 20% in the Dakar area. About 85% of needs are met by self-development, which refers to building with one's own resources, step-by-step, depending on the funds available; this form of development causes serious problems in terms of construction commitments. The government's promises are therefore being met very slowly.

While the government wants co-operatives to contribute to the development of housing, they are faced with many barriers that limit their capacity to adequately intervene to deal with the housing crisis. Not only that, but only 5.5% of building and housing co-operatives end up being occupied by informal workers and their families.

Property is particularly problematic. Private land is hard to find and expensive, whereas the land set aside for co-operatives within the ZACs is burdened with lengthy administrative procedures, including the issuance of ownership deeds and building approvals, which all too often jeopardize successful project implementation. In the regions, particularly rural communities, it is mainly the local authorities that allocate national land to the co-operatives.

Access to financing is also very difficult. Requirements for loans from traditional lenders are much too strict for the clients being targeted. Co-operative members are reluctant to take out a mortgage because they are afraid of losing their home if a problem arises or a change occurs in their life, such as the loss of a job. Micro credit is too burdensome. The BHS (Housing Bank), despite the diversity of their products, the overcautious policy on the establishment of agencies in the country and the conditions it sets, still exclude many co-operative members, including the elderly and co-operative members from the informal sector.

Red tape has seriously hampered the various projects. More than 12 branches of several departments are involved in the various development phases. It can take co-operatives more than five years to complete a project. This is a genuine problem because not only must members have saved a considerable amount of money, but the retirement age from the public service is 60 years. This level of bureaucracy is definitely not suited to more vulnerable clients and too often can lead to corruption.

The financial viability of projects is often jeopardized by the fact that the proponent is required to develop infrastructures like roads, sewer systems and watermains, and by the high price of construction materials and the scarcity of locally-produced materials. The co-operatives have also been trying to get electricity and water utilities to cover some of the infrastructure costs.

Not only that, but the housing co-operative movement faces internal problems as well. The movement has virtually no professionals, and co-operatives are administered on a volunteer basis. This lack of expertise and knowledge has an impact on all structural levels. The governance of housing co-operatives and unions needs to be strengthened through appropriate training. Two international development organizations, SOCODEVI and ETMOS/RIED, recently

took steps to build the co-operative movement's capacity and improve its governance.

The building and housing co-operatives would also like to develop sustainable projects. On October 30, 2012, the National Co-operative Housing Conference was held during the International Year of Co-operatives. Discussions focused on positioning building and housing co-operatives as an option for the development and management of social housing. The co-operatives identified a set of measures that should be introduced to facilitate the development of co-operatives and would like the support of the government insofar as it recognizes the co-operative model as a tool for economic and social development. For example, given that 95% of land is owned by the country's government, the state needs to facilitate the transfer of this land to housing initiatives like those being undertaken by building and housing co-operatives. The government also needs to facilitate the provision of funds to support social housing and to lighten the tax burden. Building and housing co-operatives have also asked the financial institutions to develop financial tools that are better suited to the reality of co-operatives and low-income earners, who are not traditionally bankable.

Description

The main features of building and housing co-operatives in Senegal are:

- The co-operatives build houses for their members. They handle various processes, including land acquisition, site development and contracting.
- The co-operatives contribute to the development of infrastructures on the land they receive from the ZACs.
- The average size of co-operatives is 50 to 100 members. Some have as many as 300 to 400, or even 500 members.
- The co-operatives generally sign collective leases at the start of the project. These are then divided into individual leases with the transfer of property ownership. For the assignment of national lands in the regions, the leases are usually individual at the outset, an approach that has often been conducive to speculation and undermined the viability of the co-operatives.
- The co-operatives are financed by means of modest annual contributions from their members, and are too small to allow the hiring of employees. All the co-operatives are therefore managed on a volunteer basis and until recently, the co-operatives were dissolved once the projects were completed. This led to a loss of expertise and drive. The regional unions are attempting to rectify this.
- The members of the co-operatives come from a wide range of social and professional backgrounds, although many are salaried employees; that is because the banks, including the BHS, have focused on salaried employees when offering credit for housing because of their ability to save.
- Employers get involved in different ways. They can make savings deductions directly from employee wages. They either contribute financially to projects and/or provide professional assistance such as the services of a notary, architect or other professionals.

Financing

Co-operative projects are financed from the savings of members and through credit. Savings are invested at the BHS, which is the movement's preferred lender. Savings can be used as collateral for the loans made to members of the co-operative at preferred rates (7% compared to 9% or 10% for private banks and 13%-14% for the micro financing network). Private banks (like the BICIS) and co-operative or mutual micro financing networks (PAMECAS, CMS and others) are also receptive to making housing loans, but their role remains marginal. For co-operative networks, long-term financing (10-15 years) is a problem. For the time being, these networks are the only potential source of loans for informal workers. All the financial institutions that make housing loans require collateral in the form of savings or the member's wages.

Co-operative projects must therefore be able to rely on the saving and borrowing capacity of their members. The only successful projects are those by co-operatives whose members have stable long-term income.

The government provides land free of charge through the ZACs. The co-operatives are also exempt from annual taxation on profits and eligible for a reduction in fees (e.g. the 15% registration tax is lowered to 1%). On the other hand, taxes on materials are very high and constitute a barrier to project development.

Co-operatives whose construction costs fall below a certain level are considered social housing and do not have to pay a land transfer tax.

Employers get involved in financing their employees' projects by means of gifts, subsidies or interest-free loans.

Legal framework

Building and housing co-operatives fall under the authority of the Ministry of Agriculture, which assumes overall stewardship of Senegal's co-operatives. From the technical and social housing development structure standpoint, the action of co-operatives falls under the authority of the Ministry of Housing and Urban Development through the BAHSO.

The legal instruments applicable to the housing co-operatives movement are:

- The Uniform Act on the Rights of Co-operative Corporations passed on December 15, 2010: establishes the rules and obligations and governs the operations of co-operatives;
- Law 2008-43 – Urban Development Code: governs planning instruments and establishes subdivision conditions and control over construction operations;
- Law No. 2001-01 – Environment Code: includes Agenda 21, the transfer of authority to local communities, environmental protection and sustainable development;
- Law 64-46 (June 1964) and Law 76-66: governs land management and stipulates that the government is the main administrator for national land heritage;
- Law 96-06 (March 1996) – Local Communities Code: defines the areas of jurisdiction for local authorities in the administration of national land heritage;

- Law 2009-23 – Construction Code: sets out the government's plans to establish a framework for the construction sector.

This list is not only impressive, but also indicative of the government's regulatory efforts. According to some people involved in the housing co-operative movement, it also shows that the co-operatives are right to demand the introduction of a single window approach.

The building and housing co-operative movement in Senegal

The building and housing co-operatives in Senegal are represented by the National Union of Housing Co-operatives UNACOOP – HABITAT. The Union, which was founded in 1999, provides ad hoc support to regional unions and co-operatives. The National Union is made up of six regional unions that were established from the 1990s onward. They are located in Ziguinchor, Kaolack, Louga, St-Louis, Thiès and Dakar. The role of the regional unions is basically to:

- contribute to the promotion and development of social and co-operative housing in their respective areas;
- facilitate the acquisition of land for housing for the use of its member co-operatives;
- give its members opportunities for economies of scale through inter-cooperation, and for the provision of all services needed to achieve their goal of facilitating access to affordable quality housing;
- encourage cooperation among co-operative organizations in their region;
- act as a coordinating body for member co-operatives;
- manage potential conflicts between or within member co-operatives and maintain solidarity relationships among the various member co-operatives to ensure healthy inter-cooperative relations to find appropriate solutions to their problems;
- protect, manage and represent the interests of their members vis-à-vis public and private organizations;
- ensure that co-operative principles are followed.

The international development organizations SOCODEVI and RIED have been working with the Senegal housing co-operative movement to reinvigorate the regional unions and reposition them as the government's partners in providing social housing.

The movement is wholly managed by volunteers.

LES COOPÉRATIVES DE CONSTRUCTION ET D'HABITAT* AU SÉNÉGAL

2013

STATISTIQUES

Population: 12,969,606 (2012)

Parc total de logements: non disponible

Parc total de logements sociaux (locatif): non disponible

Parc total de logements en coopératives: 744 coopératives agréées pour 74,400 logements (2009) et 100,000 adhérents (2012). Les coopératives de construction et d'habitat contribuent approximativement à 25% du logement social au Sénégal.

Coopérative des Encadreurs du Prytanée Militaire de Saint-Louis - COOPEP

Histoire

Le système coopératif au Sénégal est relativement ancien mais fut pendant longtemps limité au secteur agricole. Certains projets de coopératives d'habitat voient le jour dans les années 60 créés à l'initiative des membres et en dehors de l'aide de l'État. Ce sont des interventions modestes. Toutefois, la Coopérative d'habitat des Castors de Dakar toujours en opération témoigne du début des coopératives d'habitat au Sénégal.

Au moment de son indépendance en 1960, le nouvel État sénégalais crée différentes structures d'accompagnement pour le mouvement coopératif. Ainsi au cours de la période 1960-1980, les coopératives se développent sous l'impulsion de l'État. Celui-ci encourage et encadre leur développement. Sans véritable implication de la base, la coopération est donc perçue comme un moyen étatique de développement. La loi no. 83-07 portant sur le statut général des coopératives est adoptée en 1983.

Au début des années 80, le Sénégal bénéficie de l'appui de l'ONU Habitat pour promouvoir et vulgariser le modèle coopératif en habitation. La Banque de l'Habitat du Sénégal (BHS) et le Bureau d'Assistance aux Collectivités pour l'Habitat Social (BAHSO) sont créés. La BHS, en plus de jouer un rôle d'assistance et de suivi, finance les projets des coopératives et les promoteurs. Le BAHSO quant à lui met en œuvre les politiques en matière d'habitat, appuie les coopératives d'habitat et les autres producteurs d'habitat social. Il accompagne les coopératives dans leur démarche par le biais d'une équipe multidisciplinaire. Une intervention qui jusqu'à récemment n'a profité qu'à la capitale, Dakar, la BHS n'ayant ouvert des agences en région qu'au cours des dernières années tandis que les services du BAHSO demeurent encore fortement restreints en région.

*/ *Appellation des coopératives d'habitation au Sénégal*

Au cours des années 80, les bailleurs de fonds internationaux obligent le Sénégal à libéraliser son économie et à réduire drastiquement ces interventions directes de développement. C'est au cours de la période 1980-1990 que l'État supprime les principales structures d'accompagnement et de financement aux coopératives qu'elle avait créées. Notons toutefois que la BHS et le BAHSO interviennent toujours auprès des coopératives d'habitat.

Bien que l'État sénégalais adopte des plans directeurs de l'urbanisme (PDU) pour l'occupation des espaces urbains depuis 1946, les progrès dans l'amélioration de l'habitat sont modestes. La lenteur dans les processus d'approbation et de mise en œuvre des PDU et le manque de financement limitent sérieusement la portée de ces plans.

L'opération Parcelles Assainies mise sur pied par l'État dans les années 70 avec l'appui de la Banque mondiale avait pour but de promouvoir l'habitat pour les populations à faible revenu. La mise en œuvre de cette initiative était assurée par l'Office des habitations à loyer modéré (OHLM). La Banque mondiale a financé un de ces premiers projets dit « sites et services » au Sénégal. Les projets développés n'ont pas suivi les normes de densité proposées et n'ont pas desservis les populations plus faibles car celles-ci ont revendu les terrains qu'elles avaient reçus à des gens plus fortunés.

En juin 1988 le gouvernement adopte la politique ZAC – Zone d'aménagement concerté- qui prévoit dans les plans directeurs des espaces urbains destinés à l'habitation. Cette politique est intégrée dans le Code de l'urbanisme en 2008. Dix-huit ZAC sont créées. Une cellule ZAC intégrée à la Direction de l'urbanisme traite les demandes. Elle accompagne les coopératives dans le processus de lotissement et au besoin de design des logements. Les promoteurs privés et les coopératives peuvent accéder aux lotissements des ZAC. Dans le cas de coopératives, les terrains sont cédés gratuitement mais les coopératives doivent participer aux coûts de viabilisation des terrains.

Coopérative d'habitat des Agents de la SAED et Affiliés - CHASA

L'État a aussi adopté une politique de restructuration et de régularisation foncière afin de venir à bout des quartiers informels. Le progrès est toutefois modeste car il existe peu de site relogement, les processus de mise en œuvre sont lents et le financement des initiatives difficiles.

Contexte

Dans sa Stratégie Nationale de Développement Économique et Sociale, le gouvernement sénégalais a fait sienne la Déclaration du Millénaire qui met l'accent sur un partenariat international porté par une vision partagée de développement humain durable, décliné en 8 Objectifs du Millénaire pour le Développement. Ainsi pour lutter contre la précarité, il s'est engagé à «Reloger 73,757 personnes par an avec une sécurité d'occupation ». Pour ce faire, le gouvernement entend promouvoir la production de logements sociaux en soutenant les coopératives de construction et d'habitat et les promoteurs publics et privés. Ainsi en 2009 l'État se donne une politique d'habitation avec l'adoption de la Lettre de politique sectorielle pour la période 2010-2025. Cette politique confirme l'engagement de l'État à aménager l'espace urbain de façon durable par l'accès à des terrains viabilisés, la production de logements et la réduction des bidonvilles. Plus récemment, le gouvernement cherche à intégrer l'accessibilité à la durabilité dans ses interventions de développement notamment en proposant un programme de construction de logements à moins de 10 millions de FCFA (20 000$). Notons que jusqu'à la Conférence Nationale sur l'habitat coopératif du 30 octobre 2012, l'habitat social au Sénégal se définissait en termes de coûts de construction sans égard aux revenus de la clientèle et que dans ce contexte l'habitat social ne rejoignait pas les plus pauvres et les travailleurs du secteur informel.

Comme dans tous les pays africains, le Sénégal fait face à une forte migration rurale et à une importante croissance démographique. 47.7% de la population totale du pays, soit 6,101,448 Sénégalais, vivait en région urbaine en 2011 et l'urbanisation augmente de 3.3% annuellement. La moitié de la population du pays vit dans la région de Dakar et 63.6% des Sénégalais sont âgés de moins de 25 ans. En 2005, 50.6 % des citoyens et 42.6% des familles vivaient sous le seuil de pauvreté. Les coûts élevés des logements urbains dus à la rareté des terrains, à la cherté des matériaux, à la spéculation foncière et à une fiscalité élevée favorisent l'expansion de l'habitat informel. 30% à 40% de l'espace urbain est occupé par des bidonvilles marqués par une quasi-inexistence des services publics, un accès à l'eau potable limité, un service de collecte des déchets et un réseau d'égouts déficients. Enfin, il est aussi important de souligner la grande problématique, et plus particulièrement à Dakar, des inondations auxquelles sont confrontées régulièrement les régions urbaines.

En 2002, le déficit de logements à Dakar était de 115,000 et de 322,000 à la grandeur du pays. La demande en logements est estimée à 12,000 unités par année alors que l'offre ne dépasse pas 2 400 unités par an. Une production annuelle plus importante apparaît donc nécessaire pour combler le déficit et répondre à la migration rurale et à la croissance démographique. Toutefois, le secteur formel ne répond qu'à 10% de la demande nationale et à 20% dans la région de Dakar. 85% des besoins est répondu par l'autopromotion, c'est-à-dire la construction d'habitations par ses fonds propres et par étape selon les fonds disponibles, une forme de développement qui pose de sérieux problèmes de respect des engagements en matière de construction. Force est donc de constater la lenteur à mettre en œuvre les engagements de l'État.

Les coopératives, elles-mêmes interpellées par l'État pour le développement de logements, sont confrontées à de nombreux obstacles qui freinent leur capacité à intervenir adéquatement dans la crise du logement. D'ailleurs seulement 5.5% des coopératives de construction et d'habitat touchent les individus provenant du secteur informel.

L'accès au foncier est particulièrement problématique. Les terrains privés sont rares et chers tandis que ceux réservés aux coopératives à l'intérieur des ZAC sont soumis à de longues procédures administratives, dont l'émission des titres de propriété et les autorisations de construire, qui trop souvent mettent en danger la réalisation des projets. Dans les régions ce sont les pouvoirs locaux, surtout les communautés rurales, qui attribuent les terres du domaine national aux coopératives.

L'accès au financement est aussi très difficile. Les exigences des prêteurs classiques sont beaucoup trop strictes en regard de la clientèle. Les membres des coopératives sont craintifs à contracter un prêt hypothécaire lorsqu'ils en sont capables de peur de perdre leur logement advenant un problème ou un changement dans leur vie, comme la perte d'emploi. Le microcrédit est trop onéreux. Enfin, la Banque d'Habitat (BHS), malgré la diversification des produits offerts, une politique d'implantation d'agences à l'intérieur du pays timide et les conditions qu'elle exige, exclut encore de nombreux coopérateurs, dont les coopérateurs âgés et les coopérateurs issus du secteur informel.

Le dédale administratif freine sérieusement la réalisation de projets. Plus de 12 directions de différents ministères interviennent dans les étapes de développement. Les coopératives peuvent mettre beaucoup plus de 5 ans à réaliser un projet. Ceci constitue un véritable problème dans la mesure où les membres doivent d'une part avoir accumulé un montant d'épargne et où l'âge de la retraite dans la fonction publique est établi à 60 ans. Une telle hyper bureaucratisation est particulièrement non adaptée aux clientèles plus vulnérables et favorise trop souvent la corruption.

La viabilité financière des projets est souvent compromise par l'obligation du promoteur de développer les infrastructures telles que les routes, les réseaux d'égouts et d'aqueduc et par le prix élevé des matériaux de construction accentué par la rareté de matériaux produits localement. Les coopératives luttent aussi pour que les sociétés concessionnaires de l'électricité et l'eau supportent une partie des frais de viabilisation.

Enfin, le mouvement des coopératives d'habitat est confronté à des difficultés internes. Le mouvement ne compte presque pas de professionnels et les coopératives sont administrées de façon bénévole. Ce manque d'expertise et de connaissance se répercute à tous les niveaux de la structure. Il y aurait lieu de renforcer la gouvernance des coopératives d'habitat et des Unions par le biais de formation adéquate. Deux organisations de développement international, SOCODEVI et ETMOS/RIED, ont entrepris récemment une démarche avec le mouvement pour le renforcement de capacité et l'amélioration de la gouvernance des coopératives.

Par ailleurs, les coopératives de construction et d'habitat souhaitent s'engager à développer des projets de façon durable. Le 30 octobre 2012, dans le cadre de l'Année internationale des coopératives, avait lieu la Conférence Nationale sur l'Habitat Coopératif. Les discussions visaient à positionner les coopératives de construction et d'habitat comme piste de production et de gestion de l'habitat dit social. Les coopératives ont identifié une série de mesures à mettre en place afin de faciliter le développement des coopératives et souhaite le soutien de l'État dans la mesure où celui-ci reconnaît le modèle coopératif comme un outil de développement économique et social. Par exemple, comme 95% des terres appartiennent au domaine national, l'État doit faciliter le transfert de celles-ci à des initiatives de logement comme les coopératives de construction et d'habitat. L'État doit aussi faciliter la mise en place des fonds d'appui à l'habitat social et alléger la fiscalité. Les coopératives de construction et d'habitat demandent aussi à ce que les institutions financières développent des outils financiers adaptés à la réalité des coopératives et des personnes à faible revenu et non traditionnellement bancables.

Description

Suivent les principales caractéristiques des coopératives de construction et d'habitat sénégalaises :

- Les coopératives construisent des maisons pour leurs membres. Elles s'occupent du processus d'acquisition des terrains, de développement des plans, des contrats etc.

- Les coopératives contribuent au développement des infrastructures sur les terrains qu'elles reçoivent des ZAC.

- La taille des coopératives est en moyenne de 50 à 100 membres. Quelques coopératives rassemblent plus de 300 à 400 membres, voire 500 membres.

- Les coopératives signent généralement des baux collectifs au départ du projet. Ils sont ensuite fragmentés en baux individuels avec le transfert des titres de propriété. Dans le cas des attributions de terrain du domaine national en région, les baux sont le plus souvent individuels au départ ce qui a souvent favorisé la spéculation et fragilisé la viabilité des coopératives.

- Les coopératives sont financées au moyen de contributions annuelles modestes de leurs membres qui ne permettent pas l'embauche d'employés. Toutes les coopératives sont donc gérées de façon bénévole et jusqu'à récemment, les coopératives étaient dissoutes une fois le projet complété. Cela contribuait à la perte d'expertise et de dynamisme. Les Unions régionales tentent de rectifier cette situation.

- Les membres des coopératives sont issus d'une grande diversité de profils socioprofessionnels quoique souvent salariés car ce sont les salariés qui, en raison de leur pouvoir d'épargner, ont été jusqu'ici ciblés par les banques et notamment la BHS dans leur offre de crédit à l'Habitat.

- Les employeurs s'impliquent de différentes façons. Ils effectuent les prélèvements de l'épargne directement sur le salaire des employés. Ils contribuent financièrement au projet et/ou ils offrent une assistance professionnelle comme les services d'un notaire, d'un architecte, etc.

Financement

Les projets coopératifs sont financés par l'épargne des membres et l'accès au crédit. L'épargne est placée à la BHS qui est le prêteur privilégié du mouvement. L'épargne sert éventuellement de garantie aux prêts consentis aux membres des coopératives à des taux préférentiels (7% contre 9% - 10% pour les banques privées et 13% -14% pour le réseau de micro finance). Les banques privées (telles la BICIS) et les réseaux coopératifs ou mutualistes de la micro finance (PAMECAS, CMS et autres) s'ouvrent également au marché de prêt à l'habitat mais leur part reste encore marginale. Dans le cas des réseaux coopératifs le financement long-terme (10-15 ans) pose un problème. Pour le moment, seuls ces réseaux acceptent de prêter à des emprunteurs travaillant dans le secteur informel. Toutes les institutions financières qui offrent du prêt à l'habitat exigent que l'épargne ou le salaire du membre y transite.

Les projets coopératifs doivent donc pouvoir compter sur le pouvoir d'épargne des membres et sur leur capacité d'endettement. Seuls les projets coopératifs dont les membres ont un revenu stable et de longue durée ont du succès.

L'État fournit gratuitement les terrains via les ZAC. De plus, les coopératives sont exemptées de l'impôt annuel sur les bénéfices et bénéficient d'une réduction de certains frais (par exemple, la taxe d'enregistrement de 15% et ramenée à 1%). Par contre, les taxes sur les matériaux sont très élevées et créent des obstacles au développement des projets.

Les coopératives dont les coûts de construction sont inférieurs à un certain plafond sont classées comme habitat social et bénéficient d'une remise du droit de mutation.

Les employeurs s'impliquent dans le financement des projets de leurs employés par le biais de don, de subventions ou de prêts sans intérêts.

Cadre légal

Les coopératives de construction et d'habitat sont sous la responsabilité du ministère de l'Agriculture qui assume la tutelle générale des coopératives au Sénégal. Au plan technique et comme structure de développement de l'habitat social, l'essentiel de leur action est encadré par le ministère de l'Habitat et de l'urbanisme via le BAHSO.

Les instruments juridiques applicables au mouvement des coopératives d'habitat sont :

- Acte Uniforme Relatif au Droit des sociétés coopératives adopté le 15 décembre 2010: détermine les règles et les obligations et régit la conduite des coopératives;
- Loi 2008-43 - Code de l'urbanisme : régit les instruments de planification et définit les conditions de lotissement et de contrôle des opérations de construction;
- Loi no 2001-01 - Code de l'environnement : intègre l'agenda 21, les transferts de compétences aux collectivés locales, la prise en compte de la protection de l'environnement et le développement durable;
- Loi 64-46 (juin 1964) et Loi 76-66: régit la gestion foncière et stipule que l'État est l'administrateur principal du patrimoine foncier national;
- Loi 96-06 (mars 1996) - Code des Collectivités locales : définit les compétences des autorités locales dans la gestion du patrimoine foncier national;
- Loi 2009-23 - Code de la Construction : traduit la volonté de l'État de mettre en place un dispositif d'encadrement du secteur de la construction.

Un ensemble qui peut paraître certes important mais qui montre par ailleurs l'effort de réglementation fait par l'État. Il indique aussi, selon certains acteurs du mouvement coopératif en habitat, la justesse de la revendication des coopératives pour l'instauration d'un guichet unique.

Le mouvement des coopératives de construction et d'habitat au Sénégal

Les coopératives de construction et d'habitat au Sénégal sont représentées par l'Union nationale des coopératives d'habitat UNACOOP – HABITAT. Fondée en 1999, l'Union offre un appui ponctuel aux Unions régionales et aux coopératives. Le sociétariat de l'Union nationale est constitué de six Unions régionales qui ont été créées à partir des années 1990. Celles-ci se retrouvent à Ziguinchor, Kaolack, Louga, St-Louis, Thiès et Dakar. Pour l'essentiel, le rôle des unions régionales est de :

- Contribuer à la promotion et au développement de l'habitat social et coopératif sur son territoire;
- Faciliter l'acquisition de terrains à usage d'habitation au profit de ses coopératives membres;
- Offrir à ses membres des opportunités d'économie d'échelle par l'inter-coopération ainsi que tous services nécessaires à la réalisation de leurs objectifs de faciliter l'accès à un habitat de qualité à prix abordable;
- Favoriser la coopération entre organisations à caractère coopératif de leur région;
- Agir comme cadre de concertation de ses coopératives membres;
- Gérer les conflits potentiels entre ou au sein de ses coopératives membres et entretenir les rapports de solidarité entre les différentes sociétés coopératives membres en vue de permettre de bonnes relations inter-coopératives pour trouver des solutions appropriées à leurs problèmes;
- Protéger, gérer et représenter les intérêts de ses membres auprès des organismes publics et privés;
- Veiller à l'application des principes coopératifs.

Les organisations de développement internationales, SOCODEVI et RIED travaillent avec le mouvement des coopératives d'habitat sénégalais à redynamiser les unions régionales et à les repositionner comme partenaire de l'État dans la livraison de l'habitat social.

Le mouvement est entièrement gérée par des bénévoles.

HOUSING CO-OPERATIVES IN SOUTH AFRICA

2013

STATISTICS

Population: 51.7 Million (2011)

Total housing stock: about 11 million dwellings, of which only 6 million have been registered with the deeds office. There are also around 1 million government-subsidised properties that have also not yet been registered with the deeds office. The rest are traditional or informal housing. State subsidised houses comprise 24% of total registered residential properties.

Total social housing stock: approximately 45,800 non-profit rental units.

Total co-op housing stock: 21 housing co-operatives developed 1,966 units. At least 25% of the units are no longer under co-operative ownership and management. Most of the 150 - 198 co-operatives registered as housing co-operatives are building and worker co-ops and not functional. (Estimates from Alison Wilson, Social Housing Consultant).

Ilinge Labahlali Housing Co-operative, Cape Town

History

South Africa has a long tradition of co-operation. Collectivist principles such as "ubuntu" (an African principle sometimes translated to mean "human kindness") have guided the development of co-operative approaches. The history of co-operatives dates back to the early 1900s. The first recorded co-operative was the Salt River Trading Co-operative, a consumer co-operative started by railway workers in 1909. Before 1930, the rules and restrictions against the black population held back the development of co-operatives, although black organisations had started to promote co-operatives and several trading co-operatives, land banks, building and burial societies were established. With the approval of the legislation for co-operatives in 1922, the government provided support to white co-operatives, mainly in agriculture. Consumer co-operatives were established to help relieve poverty among poor whites. Credit co-operatives were established during the 1920s and 1930s. Two types of co-operatives were set up amongst township residents: co-operatives to buy food and stock items in bulk to be resold, and a co-operative loan bank. By 1950 most of these black co-operatives had failed.

In an attempt to make what were then called South African "homelands" viable economic units, the Government started to promote co-operatives in the homelands and Trust Farms in 1950. These were attempts to get residents to accept the homeland system. In the 1970s, organisations were formed to promote self-help projects, which later transformed into co-operatives. The democratic movement in the late 1970s led to the first consumer co-operatives in black communities.

The new democratic government elected in 1994 was faced with addressing the accommodation needs of its population in a way that would build long-term, sustainable settlements and strengthen the capabilities and livelihood of its citizens. The government introduced the "Reconstruction and Development Programme" (RDP) to "break down apartheid geography through land reform, more compact cities, decent public transport and the development of industries and services that use local resources and/or meet local needs". RDP extended capital subsidies to low income households to secure a plot, install water and sanitation services and build a basic house. 1.5 million new housing units were built between 1994 and mid-2003, and the Department of Human Settlements estimates that 3.2 million subsidised units have been completed/ are in progress for poor families to date. The programme enabled home ownership with title deeds being transferred to beneficiaries.

Housing co-operatives emerged during the 1990s. The housing co-operative movement was initiated through the establishment of a non-governmental organisation, Cope Housing Association (COPE) in Johannesburg. Rooftops Canada provided support from 1992. In 1994, the South African government signed a bilateral agreement with the Norwegian government to further pilot the co-operative model in South Africa, initially through COPE, with the aim of introducing the co-operative model all over South Africa.Several housing co-operatives in inner city Johannesburg were developed following the Scandinavian model. However this model failed in the South African context. The model underestimated the strong desire for individual ownership. It also required high start-up costs and an ongoing income to pay for the management services. At the same time in the Eastern Cape, the NGO Afesis Corplan finalised discussions with the Swedish Co-operative Center (SCC) to fund a social housing programme and the East London Housing Management Co-operative was the first housing management co-operative to be registered.

The institutional housing component of the government's capital housing subsidy scheme, introduced in 1997, facilitated the development of housing associations and co-operatives. The new

Welcome Zenzile Housing Co-operative, Cape Town

funding mechanism, along with targeted donor support and efforts of key NGO's, served as a catalyst for the development of pilot housing co-operative projects. From 1997 seven housing co-operative schemes using the institutional subsidy mechanism were developed by Cope Housing Association. Newtown Housing Co-operative (351 units) was the first housing co-op to be registered. Afesis Corplan and the East London Housing Management Co-operative facilitated the establishment of the Amalinda project comprising 9 housing co-operatives and 216 units with the aim of transferring the units to individual ownership. (Newtown Housing Co-operative faced difficulties and, after a legal case, the building was bought by Johannesburg Housing Company. While many members still live in the building the co-operative no longer has legal control of the property. Members in the Amalinda project have mainly not been able to take individual transfer of their units).

The Social Housing Foundation (SHF) established by the government in 1997 to promote, support and assist sustainable social housing in the country, also became involved in co-operative housing development. The SHF signed an agreement of co-operation with the Norwegian government through NORAD[1]and the National Department of Housing to develop the housing cooperative sector through a programme called "Development of the cooperative housing sector in South Africa". The SHF's programme was implemented with the assistance of technical advisors from the Norwegian Federation of Housing Associations and Rooftops Canada.

Hostels were a key feature of apartheid. Africans were not seen as permanent residents in urban areas, but as temporary migrant workers with a permanent home was in the rural areas, or "homelands". The hostels provided dormitory type accommodation for migrant workers at a nominal rent per bed space. At the end of 1999, the City of Cape Town embarked on one of the most comprehensive public sector hostel redevelopment programmes through their "Tenure Options Programme" (TOP). This new approach was to give greater tenant and resident involvement in the management of their homes, while investing in improving the condition of the stock for low-income people. The aim was the transfer of 2, 000 units over four years. Tenant choice of tenure form was a key principle of the programme and allowed for the option of co-operatives, sectional title and social rental. These initiatives were supported by Rooftops Canada, and three co-operatives (two rentals, and one collective ownership) developed. Two of these co-operatives, Welcome Zenzile and Ilinge Labahlali, are still in existence.

There was a shift in government policy in 2004 to ensure the creation of sustainable human settlements rather than just the delivery of subsidised housing units. "Breaking New Ground" (BNG) recognised that the RDP programme often resulted in poor quality units, monotonous settlements on the urban edge, concentration of the very poor in new ghettoes and, poor-quality residential environments, without the necessary social facilities and supportive infrastructure. Quality of the housing improved as house specifications changed to a minimum 40m^2 house (as opposed to initial 30m^2 unit, on a 250m^2 plot of land). They also had to comply with the National Home Builders Council's minimum standards.

In 2005, Rooftops Canada ended their representation at the Social Housing Foundation, and the SHF housing co-op programme also ceased. This brought an end to technical support to grass root housing co-operatives in South Africa. This has been replaced by limited support from some provincial governments, mainly the Eastern Cape and KwaZulu Natal, to communities wanting to establish co-operatives to enhance the delivery process, such as brick making co-ops etc – rather than any support for the establishment of housing co-ops themselves.

Several international organisations gave technical support to the development of co-operative housing in South Africa: Norway (through NBBL and NORAD), Sweden (through SIDA, SCC), USA (through CHF International), and Canada, (through Rooftops Canada). In addition to technical support, considerable funding support from overseas was provided, either in kind (Rooftops Canada, SCC, etc), and in the case of NORAD, R42 million worth of support was made available to Cope Housing Association, along with the establishment of a rolling bridging finance facility, the Cope Housing Trust.

Context

It is now nearly 20 years since the first democratic government took power and started to transform a society founded on race and gender discrimination to one built on human dignity, equality, human rights, constitutionalism and the rule of law.

Even though Section 26(1) of the Constitution of the Republic of South Africa prescribes that the state must take measures to ensure that everyone has the right to have access to adequate housing, and despite success of some ambitious programmes such as the RDP and reforms to the planning system, the country continues to face a substantial housing deficit with a backlog estimated at around 2.1 million housing units. 40% of dwellings are informal housing. Colonial and apartheid legacies still result in dysfunctional and inequitable settlement patterns. Apartheid policies such as forced removals and restrictions on migration led to dense settlements in rural areas, while labour controls led to circular migration between rural and urban areas. While rural areas are the

1. 1 The Norwegian Agency for Development Cooperation is a directorate under the Ministry of Foreign Affairs and channels funds through Norwegian non-Government organisations.

most deprived in relative terms, urbanisation of poor households means that there is a growing concentration of poverty in large urban areas in absolute terms.

The country faces significant disparities in terms of human development. Many people live in poverty traps, including the former homelands, where less than 30% of adults are employed (compared with over 55% in the cities).One in two households depends on social grants or remittances, compared with one in six in cities. 55% of people are living in urban areas, while a significant proportion of the rural population spend their working lives in urban areas. At the same time, access to basic services expanded: 91.2 percent of households have access to water, 90.6 percent have access to sanitation, and 84.6 percent to electricity.

Ilinge Labahlali Housing Co-operative, Cape Town

The emphasis in housing development since 1994 has been on home ownership, yet there is a need for alternative housing options to accommodate the living and working patterns of the population. Rental accommodation should be addressed in a context of household mobility and transience, as well as the need to facilitate property finance for the lower end of the housing market. This is especially so as housing development in South Africa is seen by government as a key mechanism for addressing poverty alleviation through the participation and empowerment of people involved in the delivery process.

In 2009, the Department of Human Settlements was created. In 2010/11, the President's delivery agreement on "sustainable human settlements and improved quality of household life" (outcome eight) was adopted. This included the following elements:

- The commitment to upgrade 400,000 households in well-located informal settlements with the assistance of the National Upgrading Support Programme by 2015;
- The emphasis on increased social housing delivery and inducements on affordable rental accommodation;
- The unlocking of well-located land, especially state-owned land, for affordable housing;
- Mechanisms to induce improved performance of the lower end of the property market, including those that increase private finance to this market segment.

Fifteen percent of households in South Africa have access to mortgage bonds. Around 60 percent of households qualify for subsidised houses, leaving a group representing approximately 25 percent that do not qualify for a fully subsidised house, yet do not earn enough to qualify for a mortgage bond. This segment is known as the gap in the housing market.

The 2009 Housing Code states that the human settlement process should be participatory and decentralised to allow for an effective response to priorities and opportunities at the local level. It recognises that there should be support for community participation in the housing process, thereby facilitating skills transfer and economic empowerment. The human settlement creation process must be economically, fiscally, socially, financially and politically sustainable in the long term. At present this is mainly achieved via the Enhanced People's Housing Process (EPHP) where communities are mobilised and partnered with government in the delivery of housing.

At the end of 2011, the government's National Planning Commission adopted the National Development Plan – Vision for 2030 that recommended that the state should gradually shift its role from a direct housing provider of last resort to a housing facilitator ensuring adequate shelter and greater access to a wider choice of housing options. In that context, the Social Housing Regulatory Authority is currently looking at a strategy for rental housing co-ops and plan to undertake a pilot scheme. The National Department of Human Settlements is also undertaking a sector analysis, and drafting a policy on housing co-operatives.

Housing co-operatives could be important partners in the achievement of the government's core housing development goals. But the collective ownership model is difficult as members need to be able to sustain the payment of either a rental charge or levy to ensure the viability of the co-operative, which given high levels of unemployment is clearly challenging. Co-operative housing development projects require a high degree of sophistication in order to comply with the application, project management and monitoring requirements. In the past housing co-operatives were assisted by either local or provincial government, NGO's, professionals, or international technical advisors to guide them through the process, with varying levels of success and commitment. Finally, developing co-operatives for medium density housing is a significant challenge because of the difficult legal and regulatory requirements, the need for capacity building for members taking on management duties, affordability of the product to potential beneficiaries and the possibility of insolvency for the co-operative if members do not pay their rental charges or levies to the municipality. If housing cooperatives are to grow and be sustainable in South Africa, more emphasis needs to be given to the capacitating and building of the organisation.

Description

Two types of housing co-operatives have been developed[2]:

- **Housing (Development) Co-operatives** – where members join a co-operative to obtain housing either to be owned

1. 2 Eglin (2008) Housing Co-operatives: Lessons from Afesis-corplan's Co-operative Housing Experience.

by the group or to own the units individually;

- **Housing Property Owning (or continuous) Co-operatives** – where members join to own and manage the property collectively.

In addition, the housing co-operatives which were developed shared some of the following characteristics:

- Free standing units (in more peri-urban areas) and hostel conversions (2 and 3 storey walk-ups);
- Buildings must comply to Housing Code when government capital subsidy is provided;
- Members collect levies to cover the cost of managing and maintaining the buildings;
- Co-operatives may be managed by volunteers or staff;
- The average size of the co-ops which were developed is about 94;
- Co-operatives must adopt a constitution, have a registered office and must keep record of certain documents which are accessible by the members. The affairs of a co-operative must be audited annually;
- Co-operatives must be registered with the Registrar of Co-operatives;
- Membership is open to persons who can use the services of that co-operative and who are able to accept the responsibilities of membership; and members must meet certain criteria if government subsidies are used;
- According to the 2005 Co-operative Act at least five per cent of the surplus is to be set aside as a reserve in a reserve fund and is not divisible amongst its members;
- The highest decision-making structure is a general meeting by the members and the board of directors is accountable to the general meeting.

Legal Framework

Co-operatives fall under the authority of the Department of Trade and Industry (DTI).

The legal instruments for the co-op housing sector in South Africa are:

- Co-operative Act No. 14 of 2005: regulates the co-operative as a legal entity based on the values of "self help, self reliance, self responsibility, democracy equality and responsibility";
- Rental Housing Act 1997: in the case of a rental co-operative;
- The National Housing Code: set down by the Department of Human Settlements;
- Social Housing Act 2008: facilitates the delivery of social housing within specific urban restructuring zones and aims at providing access to housing through rental agreements or co-operative agreements.

Financing

The Housing Act, Social Housing Act and National Housing Code make provision for capital subsidies and grants to housing co-operatives but there is no consistent program to implement housing co-operatives. Housing subsidies in South Africa are in the form of upfront capital grants. Typically this is not sufficient for medium and high density housing so additional mortgage bond finance is needed. Beneficiaries must have a sufficient income to cover the resulting monthly rental charge. They must also meet certain income criteria as set out in the National Housing Code.

Institutional housing subsidy

The institutional subsidy mechanism allows for both profit and not for profit companies to access government subsidies for the purpose of providing housing on a collective basis to beneficiaries. The inner city rental co-operative housing developed used this subsidy, along with top up loans from the National Housing Finance Corporation (NHFC). The co-ops in Cape Town also received grants from the City and the private companies which previously owned some of the hostels. All the co-operatives used member savings to contribute "equity" to the projects (though in the case of rental projects the savings were the equivalent of a normal rental deposit)

People's Housing Process (now Enhanced PHP)

This is applicable in areas/projects where communities have already organised themselves and want to participate in the housing process (and build their own homes), or where there is the opportunity for mobilisation of communities to participate in the housing process. Government assists the PHP by providing subsidies, facilitating grants and funding housing support. It also provides training and technical assistance to families that own undeveloped, serviced stands and who want to access the housing subsidy to build their own homes (as in the case of Masisizane Women's co-operative). Under PHP there must be a Community Resource Organisation (CRO), capacity building funding, housing support and a contribution from the community (savings or "sweat equity"). An amount is payable for facilitation on the project at 3% of the subsidy amount, and, 2.5% for the establishment of the CRO.

Housing co-operatives such as Masisizane in Midrand and Ilinge Labahlali in Cape Town have successfully developed housing units using this method as the housing co-operative can take the role of the CRO that can help facilitate the necessary savings schemes and the subsequent development. Funding via PHP helps to pay for offices and staffing of the CRO/co-operative while the development is taking place. Ilinge Labahlali is the only housing co-operative currently developing new co-operative housing units in the country, and is using the PHP mechanism, combined with institutional subsidy.

Social Housing Act

The Social Housing Regulatory Authority (SHRA) accredits, invests in, and regulates, Social Housing Institutions (SHIs). The main aim of a SHI must be to acquire, develop and manage approved projects. The Act defines social housing as: *A rental or co-operative housing option for low income persons at a level of scale and built form which requires institutionalised management and which is provided by accredited social housing institutions or in accredited social housing projects in designated restructuring zones.*

Housing stock developed under the Act can be owned by an SHI or owned collectively by groups of residents and covers the rental option and collective ownership but excludes immediate ownership.

The SHIs must be able to demonstrate financial and operational sustainability over time and adhere to the guiding principles for social housing. Housing co-operative projects must exclude any individual member gain from the grant funding provided to the project.

Due to the ownership restriction at present the nature and regulatory requirements of housing co-operatives are unable to meet the requirements of the Social Housing Act and therefore cannot access funding for medium density inner city rental housing projects under this Act. Separate guidelines are being considered on this. If synergy can be reached between the requirements of the Co-operatives Act and the Social Housing Act for rental co-ops then housing co-operatives would be able to apply for accreditation from the SHRA and, if approved, access the Restructuring Capital Grant (RCG). The rules and regulations for accreditation are, however, very stringent and might be outside the capacity of the existing housing co-operative movement without support. This subsidy is currently more than twice the value of the institutional subsidy mechanism, with the aim of enabling very low income beneficiaries to access a rental unit in a decent location close to jobs and other opportunities.

The Housing Co-operative Movement

The National Co-operative Association of South Africa (NCASA) was established with the purpose of bringing together South African co-operatives under one apex body. It gives support to all the different co-operative sectors. NCASA helped in the formation of a housing federation, the South African Housing Co-operative Association, SAHCA, in 2004.

SAHCA is a "Secondary" Co-operative under the 2005 Co-operatives Act, as their founder members were Primary Housing Co-ops. They are affiliated to NCASA. They have 75 housing member co-operatives. SAHCA's aim is to unite, represent and provide services to housing co-operatives. It does this with the assistance of NCASA. SAHCA wishes to establish provincial structures. So far, a Gauteng Housing Secondary Co-operative has been registered, and they are establishing one in the Eastern Cape.

HOUSING CO-OPERATIVES IN UGANDA

2013

STATISTICS

Population: 37.5 million (New Vision Paper 23rd June 2013)

Total housing stock: 5,900,000 dwellings (Director Housing at Ministry of Lands, Housing and Urban Development Amb. Agnes Kalibbala – October 2012)

Total social (rental) housing stock: No social housing stock in the country

Total co-op housing stock: 14 housing co-operatives. No houses built yet.

People: 697 members

Some of the members setting up a demo unit with the products they make.

History

The housing co-operative movement dates back in the early 1990s when the Uganda National Workshop on Housing, Construction and Building Material Co-operatives was held in Mukono in 1991. The objective of the Workshop was to examine whether a co-operative approach to housing construction and the manufacture of building materials would increase the production of housing units and the use of local building materials, while creating employment.

Before that, there were some multipurpose co-operatives that built housing units for their members, although they were not formally registered as housing co-operatives and were not focused on housing alone. Kataayi Co-operative for example built some housing units for its members in the 1990s but its activities and operational model were more devoted to the agricultural and financing sectors.

Housing co-operatives received hardly any support from the various regimes in the Ugandan government after independence in 1962. Even the current government, which came into power in 1986, remained silent on the issue initially. It did very little to revive the co-operative movement, which had lost strength over the years of instability and war.

However, in 2008, the Swedish Cooperative Centre (now named We Effect) and the Uganda Government agreed to work together to revive housing co-operatives specifically for low-income earners. In order to fulfill this goal, the *Housing Co-operative Development Project (HCDP): Building Sustainable Housing Co-operatives in Uganda* was implemented. Hosted by the Uganda Cooperative Alliance Limited (UCA), the project's objective was to identify and assist housing co-operatives in the country, as well as to encourage the formation of new ones. The goal was "to mobilize low income communities into housing co-operatives and to enable them to effectively participate in the realization of their rights to adequate housing."

Since 2008, 14 housing co-operatives have been formed in the Central Region, of which 11 are directly benefitting from the support of HCDP. The Project has also helped 3 housing co-operatives in the Eastern Region. Community meetings and the media are being used to increase awareness of and interest in housing co-operatives, and to increase their numbers.

Context

The country is facing many challenges. In 2010 the population grew by close to 4%. It is expected that the total population of the country will reach 45 million by 2020. Currently 56% of the population is under 18 years old.

In 2012, 14% of the total population – 5 million of people - was living in urban areas. This represents an increase of more than 6 times from the 0.8 million in 1980. UN Habitat states that 93% of the urban population lives in slums.

According to Mr. Walaga William, the Commissioner, Human Settlement at the Ministry of Lands, Housing and Urban Development, Uganda's housing backlog is 720,000 units, with a current production of 20,000 to 30,000 units annually and shortfall of 120,000 units per year. With urbanization and the expected population growth, it is expected that in 20 years, the country will have a housing deficit of nearly 8 million units, with 2.5 million alone in urban areas.

The Uganda National Households Survey (UNHS) indicates that, in 2009-2010, 25% of the population lived below the poverty line and the working poor represented 36%. Over 79 % of the working population was self-employed.

The difficulty of accessing funds and the lack of appropriate financing mechanisms are a major challenge. According to the Uganda Human Settlement Network, 62.3% of the 5.2 million households have no access to financial services. Of those who do, only 0.62% can access a mortgage loan from commercial banks, while the remaining can access micro-finance loans from Micro Finance Institutions and Savings and Credit Co-operatives (SACCOs). There is no financial assistance from the Uganda government towards the development of housing co-operatives.

But progress is being made. The Housing Policy has recently been reviewed and it now recognizes housing co-operatives as a way to deal with the housing deficit within the country. The current review of the Land Act would, if implemented, facilitate the acquisition of land by housing co-operatives. The Act and the Policy aim to provide an enabling environment for housing co-operatives to grow and thrive. They address issues such as accessing housing finance and a more friendly land legal system for housing co-operatives.

Housing co-operatives benefit from support and expertise in capacity building, lobbying and advocacy from HCDP. The Ministry of Trade, Industry and Co-operatives offers technical and legal assistance for the co-ops' legal registration and monitors established co-operatives to ensure compliance with the Act and regulations. The Ministry of Lands, Housing and Urban Development (MoLHUD) provides technical support, especially on issues of land acquisition, surveying, verification, titling and construction services. The Ministry is instrumental in ensuring that a supportive housing policy environment exists for co-op housing development and low-income housing development.

A demo unit constructed by members of the PHCs using the interlocking blocks and the roofing tiles that they make

Description

Housing co-operatives have not yet built any houses. At this time, 4 housing co-operatives have purchased land. Two of them have completed their drawings and construction is underway.

Key characteristics of the Ugandan housing co-operatives are:

- Co-operative model promoted: the members will own their unit and they will build the units collectively. The co-operatives will own the land and the common facilities.

- Low-income membership: Most of the housing co-operatives are composed of low-income earners with poor housing conditions and living standards. They mainly come to the urban areas in search of employment. Rental housing is very costly in urban areas and many people end up settling in areas of low-quality housing that include slums. They join housing co-operatives with the hope that collectively, they will improve their housing condition.

- Geographical membership: Most members in housing co-operatives come from one geographical location and they often name their housing co-operatives after the location. Housing co-operatives are located in the Central Region due to the fact that HCDP has focused its action in that region and in particular, in urban and peri-urban areas. However, new housing co-operatives are now forming beyond the central area, more specifically in the eastern and northern regions.

- Democratic participation: All members are free to vote equally, become leaders, and participate in meetings, decision making and the general activities in their respective co-operatives.

- Size: The largest housing co-operative has 157 registered members. The average number of registered members per housing co-operative is 40.

- Self- management model: Members elect their leaders from within the membership. The leaders run and manage the co-operative on their behalf. With the exception of 2 housing co-operatives who have been able to hire a staff to assist in the management of the co-op's affairs, housing co-operatives, at this time, cannot afford to hire external staff due to insufficient funds. Management is done by the Board and the committees.

- Savings and general financial status: Housing co-operatives are mainly financed through members' savings. Given the fact that the housing co-operative concept is still new to the majority of the people, the amount of savings is low and the saving culture is still in its infancy. The financial status of all housing co-operatives is poor, due to low liquidity and low value of the few assets they have at their disposal. However, some housing co-operatives are steadily moving forward; they have managed to purchase land and are now ready to start construction.

Financing

The housing co-operatives are currently totally self-financed through member savings, share capital, membership fees, and some extra income earned from income generating activities. The Uganda Co-operative Alliance (UCA) has implemented the *Appropriate Building Technology Process* whereby housing co-operatives acquire knowledge and technology to produce building materials such as cement block and tiles.

External financing has been a challenge given the fact that most of the housing co-operatives had not yet reached the construction phase. Land acquisition for the low-income co-operatives has also been a challenge, due to both lack of appropriate and affordable land, and high price fluctuation within a year. Land titles are necessary to acquire a bank loan and the interest rates for commercial mortgages loans are too high for co-operatives to afford. The banks and other financial institutions in the country have not yet developed a product that suits housing co-operatives. Most construction loans are still given to individuals or commercial real estate developers.

For all these reasons, no construction work has been done by any of the 14 housing co-operatives in the past 3 years.

The PHCs displaying some of their proposed plans for their future houses during the World Habitat Day celebrations in October 2012

Legal framework

The legal instruments for the co-operative housing sector in Uganda are:

- National Co-operative Act 1991: details the procedures for operation of a cooperative. There is talk of reviewing the Act leadership, coverage of the co-operatives and number of members per cooperative some of the issues to be discussed.
- National Co-operative Policy 2011: seeks to create a more conducive environment for co-operatives to expand and diversify their activities and improve governance.
- Co-operative by-laws: govern the formation and management of housing co-operatives.
- Land Act 1998: currently under review by parliament, considers regulating the land prices. If implemented, the access to land would be easier housing co-operatives.
- National Housing Policy: recently reviewed, has included housing co-operatives as a means to meet Uganda's housing deficit.
- The Condominium Property Act 2001: calls for the construction of condominiums to accommodate more people on the same available land.
- Mortgage Act 2009: gives guidelines and procedures of acquiring a mortgage by individuals and groups; it protects the purchaser.
- National Environment Act 1995: favors the construction that the housing co-operative model fosters.

The Co-operative Housing Movement in Uganda

The Uganda co-operative housing movement consists of housing co-operatives, the people who live and work in them and the organizations and individuals that support and serve them.

The Uganda Co-operative Alliance Limited (UCA) is the umbrella organization of all co-operatives in the country including housing co-operatives. It was formed in 1961 by Co-operative Unions to act as the apex body of the cooperative movement in Uganda.

Under this apex body is the Housing Cooperative Development Project (HCDP) that oversees the general development and actual operations of all housing co-operatives in Uganda. HCDP currently monitors the PHCs (Primary housing co-operatives) in the Central Region but plans to widen its action to cover the entire country. Although all housing co-operatives are supported by HCDP, more emphasis is invested in those with low-income earners where it offers more support in terms of technical knowledge, capacity building, lobbying and advocacy especially in terms of **access to affordable land** and **affordable housing finance** among others.

Housing co-operatives have just formed a national union; the **Uganda Housing Cooperative Union (UHOCU)**. This is the body that will now affiliate with UCA. The Union will take on the issues of lobbying and advocacy as well as the mobilization of its members. The Union is responsible for the growth of the primary housing co-operatives and ensuring that they fulfill their mandate to their members. At this profile was written, the Union was still in its formation stage and did not have a website. The office opening is planned for October 2013.

HCDP works with several partners, in addition to the support received from the Ministry of Lands, Housing and Urban Development (MoLHUD) and the Ministry of Trade, Industry and Co-operatives, as noted in an the context section. *We Effect* (previously the Swedish Co-operative Center) has funded the project since its inception and has provided technical support and capacity building to the staff and the other partners. This partnership has enhanced efficiency and skills of staff and partners. *SSA: UHSNET*, the Shelter and Settlement Alternative: Uganda Human Settlement Network is a national network for all housing partners in Uganda of which UCA is a member of. The housing co-operatives have benefitted greatly from the membership of *UHSNET* especially in the area of advocacy. HCDP has partnered with *UHSNET* on various agendas to ensure issues of housing for low income earners are taken care of in the planning and implementation of government projects. Under the Network and with MoLHUD, HCDP has contributed to the drafting of the current housing policy which now recognizes co-operative housing as a means to meeting the housing need.

For more information visit: www.uca.co.ug/housing or write as infocen@uca.co.ug

HOUSING CO-OPERATIVES IN ZIMBABWE

2013

STATISTICS

Population: 12,973,808

Total urban housing stock: approximately 1,000,000 dwellings

Total social (rental) housing stock: No longer exists

Total co-op housing stock: There are 3,900 registered housing co-ops in Zimbabwe and, while the exact number of housing units built by housing co-operatives is not available, they have made a considerable contribution to the housing stock. 190 housing co-ops, with some 10,000 member households are affiliated to ZINAHCO. Information in this profile is largely from the ZINAHCO experience.

People: The majority of the 10,000 member households are living on their stands (plots of land), either in temporary structures or core houses, or renting these facilities out.

Chako Ndechako Housing Cooperative - Chitungwiza

History

Zimbabwe became independent in 1980. The new country inherited a segregated and overcrowded housing stock. The land was unequally distributed between the white and black population, both in term of quality and areas of land. Several race-based policies deprived blacks of the right to home ownership, among other things. These racial policies and the housing situation were a threat to social cohesion. The main task of the new government was to unify the segregated cities and provide accommodation for all urban-dwellers. The government repealed some of the race-based policies, such as restrictions to home ownership for black citizens.

In 1983, the Transitional National Development Plan was adopted. In addition to stating that housing is a basic need, the Plan recognized that housing plays an important role in people's well-being and the productivity of the country. The State also adopted a policy with the objective of providing decent affordable housing for all, with special emphasis on low-income earners. The concept of self-help was central to policies designed to help alleviate poverty. Housing co-operatives were identified as part of the strategy. However, the implementation of this policy did not achieve the hoped-for results and housing co-operatives did not receive much support.

Housing co-operatives emerged in Zimbabwe in the late 1980s. Two types of housing co-operatives - work-based and community-based - were promoted and are still in existence. Work-based housing co-operatives are formed by a group of workers from a single company. The employee is the member of the co-operative. Community-based housing co-operatives are formed by people from the same geographic location.

One of the first housing co-operatives was the *Cotton Printers Housing Cooperative*. It was formed in 1984 as a work-based housing co-operative in Bulawayo, the second largest city in Zimbabwe. One of the largest housing co-operatives today, *Kugarika Kushinga Housing Cooperative* (KKHC) was founded in 1986. This community-based co-operative now has 2,000 members. Both co-operatives had to overcome difficulties in accessing and registering land.

Financing for co-op housing development was also a major challenge. Very few housing co-ops accessed loans, so development could not start until sufficient funds were raised through member contributions. As those contributions were very small, it took a long time to raise enough money to start construction. This discouraged many. Work-based housing co-operatives often did better because they received administrative and financial assistance from the employers, who sometimes also acted as a loan guarantor. The members were also able to make higher contributions.

In 1987, the *Zimbabwe National Workshop on Construction and Housing Cooperatives* was organized to allow international and African participants to share ideas on assisting low-income people through housing co-operatives. This event led to the foundation of *Housing People of Zimbabwe* (HPZ) in 1992. HPZ benefited from the strong support of two international organisations: Rooftops Canada Foundation, which was its first international partner and the Swedish Co-operative Center (now called We Effect) which joined in support. These two organisations supported HPZ until it closed its doors in 2010.

HPZ was a major breakthrough in the development of housing co-operatives in Zimbabwe. A non-governmental organisation registered under the Social Welfare Act, HPZ was committed to creating and maintaining a vibrant sustainable housing co-operative movement in Zimbabwe by providing technical services in all aspects of co-op development to housing co-operatives. HPZ worked in partnership with organisations to improve human settlement conditions for low-income earners for almost two decades. The

economic downturn and instability from 1998 to 2009, an inability from HPZ's leadership to refocus its activities, and the withdrawing of international financial and technical support forced HPZ to close its activities in 2010. HPZ and the international partners agreed that the movement would be supported directly through the apex organisation.

SCC and HPZ facilitated the establishment of the *Zimbabwe National Association of Housing Cooperatives* (ZINAHCO). Founded in 1993 and registered in 2001 as an apex organisation, ZINAHCO's role was to assist housing co-operatives in getting registered and acquiring land and building materials.

Several government-level initiatives were put in place to assist in housing development. Among them, the adoption of the Land Acquisition Act in 1992 allowed the government to acquire farm lands for urban and peri urban expansion. The land was then transferred to local authorities who surveyed the land and delivered titles. The National Housing Fund implemented the Save for Your Home Scheme providing loans for low-income housing. Housing policies were adopted but initiatives targeted to low income households were not very successful due to insufficient financial resources, lack of political will from the local authorities and corruption. Supply could not nearly keep up with very rapid urbanization.

From 1980s to mid 1990s funding came from international development assistance given to the government. It was then transferred to the local authorities to be disbursed to housing developers, including housing co-operatives. These donations were accompanied by government loans. For example, the USAID Housing Guarantee program helped to provide mortgages for several early housing co-operatives through the building societies.

The country saw a rapid decline of its economy between 1998 and 2008. The decline was linked to hyper-inflation, an over-evaluated exchange rate and a shortage of foreign currency. It affected the government's ability to make any economic advances. Zimbabwe's withdrawal from the Commonwealth in 2003 further deprived the country of international assistance. The difficult economic situation had a direct impact on housing development. In early 1990s, building a four-room house would cost Z$30,000 but the cost had jumped to Z$100,000 by 1999. This period was also difficult for work-based housing co-operatives, where many members defaulted on their obligations due to employment cuts.

During that period, most co-ops only had their own funds. They bought building materials whenever they accumulated some money, before their funds became worthless due to hyper-inflation. Although some co-ops were allocated unserviced land, there was very little progress.. A very small number of co-ops were built with donor funds. A Trust Fund, set up in the mid 1990s by HPZ to help housing co-ops accumulate savings at the best possible interest rate, was wiped out by the economic collapse. The Trust Fund has not been re-established since the USD was introduced as the currency.

Despite the difficulties, a report from the Harare City Council on the progress on infrastructure and housing development from 1998 and 2008 indicated that housing co-operatives have proved to be the most effective housing delivery mechanisms for low-income families.

Context

The current housing backlog is estimated at 1 million units, consisting of new units and existing units needing refurbishment. One fifth of the population is homeless or lives in poor, overcrowded housing condition lacking basic infrastructure. This is due to poverty, a high rate of urbanization and campaigns to demolish informal settlements. The country's independence and the cancellation of racial policies brought a high rate of rural people migrating to urban areas in hopes of improving their living condition. This urbanization is ongoing. In March 2013, according to the Ministry of National Housing and Social Amenities, there were approximately 1, 2 million people on the government's national housing list. The exact figure is probably higher since most local authorities do not compile the data.

With urbanization came also an increase of informal settlements. With 68% of Zimbabwean (in 2004) living below the poverty line and an unemployment rate of 80% (in 2005), people were not able to acquire their own house and established informal settlements. However the 2005 forced eviction campaign called Operation Murambatsvina or Operation Restore Order aggravated the housing situation. 700,000 people were left homeless after numerous informal settlements were dismantled. This operation provoked large rental increases, further affecting low-income families. Many families also lost their incomes from home-based small businesses, room rentals and informal markets.

The main challenges faced by housing co-operatives today are:

- Access to sufficient, affordable land in good locations;
- Access to affordable finance, recognizing the financial capacity of the people and the co-operatives;
- Access to affordable building materials.

The HIV/AID pandemic is also impacting housing co-operatives, as in the rest of the country. Zimbabwe has a HIV positive rate of 14.3%. For years the co-operative housing movement has dedicated efforts to address the difficulties created by the pandemic. Even though constant efforts must continue, it must be noted that housing co-operatives have created a supporting environment for people with HIV/AID by developing skills to cope with the pandemic, supporting those affected, encouraging people to speak out, providing information, giving hope and a sense of family, and consequently reducing stigma.

Following an intensive consultative process, a National Housing Policy has been adopted in 2012. The policy is based on 3 elements: the promotion of housing development strategies to assist the poor, the use of a participatory approach and, the mobilization of the beneficiaries' own resources.

All housing stakeholders are expected to contribute, with an emphasis on community based organisations, with housing co-operatives taking the lead role. The policy defines the role of each player, including the State and the local authorities, and determines strategies to put in place to achieve the set goals. The State, through the Ministry of National Housing and Social Amenities, has the overall authority and is responsible to put in place measures to facilitate the execution of other players' respective role.

ZINAHCO submissions into the housing policy reviews resulted in an explicit recognition of housing co-ops as one of the key institutions and players in the housing sector in Zimbabwe. The policy committed the whole of Section 5:5 articulating the role played by Community Based Organisations (CBO's) in the provision of low income housing. It has put in place clear positive and critical strategies for the operations and integration of CBOs in housing development issues in the nation. Some of the key policy areas cited to be critical for CBO integration by the policy are as follows:

- Land allocation and security of tenure;
- Targeted subsidies;
- A 'no eviction without alternative' policy framework;
- Broadening access to credit facilities e.g. innovative products by formal sources of housing finance;
- Implementation of flexible policies e.g. incremental development;
- Proper regulation of the CBO sector; and
- National budgetary allocations for CBOs.

Guidelines have been developed with ZINAHCO and adopted by Local Authorities to clarify and strengthen the relationship between local councils and housing co-operatives with the view to reduce political influence and abuse. The guidelines' goal is to create trust and establish productive working parameters. Partners are invited to use the guidelines to negotiate the terms of their partnership agreement in housing delivery, which should be included in a Memorandum of Agreement (MOA). Among other things the terms will include the price of land or stands, payment plan, roles and obligations of parties, development conditions, allocation procedure, dispute resolution and timeframe. ZINAHCO and the local authorities have entered into such an agreement.

Description

Key characteristics of the Zimbabwean housing co-operatives affiliated to ZINAHCO are:

- Mostly urban and peri-urban;
- 2 types: work-based housing co-operatives and community-based housing co-operatives;
- The average size of a co-operative is around 50 members, meaning 50 families as only one person per family can be member of a cooperative. However the membership ranges from 10 members to 407 members;
- Development is typically done incrementally, i.e. the construction is done in stages – land, possibly infrastructure, and a core house or room by room - according to the money available and the development of the infrastructure;
- Co-operatives purchase the land and the building materials and, build the houses for its members. Actual construction of the houses is done in different ways, usually some combination of self-help and small builders, and in some cases, larger builders may take on some or the entire project;

Mushawedu Housing Cooperative, (cooperative composed of people living with disabilities) - Chitungwiza

- Co-operatives can access land that is already serviced with title deeds from the local authorities, or can do the servicing and the house development at the same time when co-operatives access un-serviced stands. Servicing the land involves engineering designs, roads and water systems. This means that housing co-ops must allocate financial resources that could otherwise be used to build more houses. This is difficult for housing co-ops and they do not receive much help from the local authorities;
- Houses are jointly owned by the co-operative until they are transferred to the individual members;
- Members "rent" the houses until all houses are built for all members;
- The rules determining how the allocation of the houses will be made must be agreed upon before the beginning of the project to avoid favouritism;
- The titles are transferred to the individual members only when the entire project is completed and all loans are paid;
- Beneficiaries (members) should be registered on the Council's housing waiting list;
- Once the construction is completed and every member has been housed as guided by the by-laws, the co-operative's first mandate is complete. The co-operative may then dissolve or the members re-visit the by-laws to determine how best they can continue to use the co-op to their benefit, mostly in income generation ventures or community service provision;
- Co-ops may have other income generating activities, for example Kugarika Kushinga Housing Co-operative operates buses;
- Pre-registration training is done by the Registrar of

Batonga Housing Cooperative - Kariba

Co-operatives. ZINAHCO does the comprehensive co-op training, responding to the member needs.

Financing

Housing co-operatives are financed by the contributions from members; the income generated though other activities, and the financial assistance from partners.

The monthly contributions from members are democratically decided, based on the members' available income. Once the amount of contributions is established, the co-operative is designed in the optimal way, given the financial resources available. If the member resigns from the co-operative the contribution is reimbursed.

Housing co-operatives also use income generated by other activities to invest in housing. Many of the low-income earners may not be formally employed, and co-ops engage in income generating projects (IGP) to fund their development. ZINAHCO helps with the training of the IGPs, especially those that are construction-related. Manufacturing of building materials is done to reduce the cost of the project.

ZINAHCO has begun a unique housing program with the significant funding received from the Community Led Infrastructure Finance Facility (CLIFF) from Homeless International; a UK based organisation. ZINAHCO provides loans to housing co-operatives to build core houses gradually for each of their members. Every member of the co-op helps to make the monthly payments back to ZINAHCO, whether or not they have received their house. The interest rate charged to the co-operatives is very affordable compared to anything else available in Zimbabwe. With continued success, ZINAHCO will be able to roll the loans over into more and more projects. Two important features of this program are: the loans are made to the housing co-operatives, not to the individual members, and every member must contribute to the repayment of the loan even if their own houses are not yet built. Co-op members who occupy completed core houses pay a higher monthly rate than those still waiting.

ZINAHCO provides training in loan management and construction to the co-operatives, developing their capacity and ensuring the sustainability of the programme.

Legal framework

The legal instruments for the co-operative housing sector in Zimbabwe are:

- Cooperative Societies Act, Chapter 24:05: set out the rules and regulations on forming and operating housing co-operatives;
- By-laws: rules and regulations that guide the conduct of the co-op members;
- Revised Cooperative Development Policy of 2005: to read in conjunction with the Act;
- Land Developers Bill: not yet adopted, but when it is, it will help in providing guidelines on how to develop the land;
- Labor Relations Act (1985): helps in the regulation of the secretariat's conduct;
- Housing Policy: provides legal framework and strategies for co-operatives to work together.

The Co-operative Housing Movement

The *Zimbabwe National Association of Housing Cooperative* (ZINAHCO) is the apex organisation of housing co-operatives in the country. Founded in 1993, ZINAHCO was registered in 2001 as a non-profit Community Based Organisation (CBO) under the Cooperative Societies Act 24:05. ZINAHCO membership today includes 190 primary housing co-operatives representing approximately 10,000 individual members and 5 District Unions. There are currently 3 new District unions in formation.

ZINAHACO is under the management of a Board of Directors of 11 members, elected on a regional basis and a Supervisory Board. It has 11 permanent employees and two trainee students on attachment.

ZINAHCO's ambition is "to become a centre of excellence in the provision of co-operative housing development services locally, regionally and, internationally." ZINAHCO has a vision of "societies where low-income home seekers access adequate housing". This vision translates into a mission "to champion the provision of adequate co-operative housing solutions to the low-income home seekers within and outside the borders of Zimbabwe".

The services offered by ZINAHCO include: lobbying and advocacy, training, housing finance facility and construction management services. ZINAHCO members delivered 440 housing units between 2010 and 2012, while 499 were under construction. The coming in of the CLIFF Fund is expected to drastically increase the production of co-operative housing units by ZINAHCO affiliates.

ZINAHCO is also delivering a HIV/AID community program to assist housing co-operatives to mitigate the impact of the disease in their community. It does this through support groups established in District Unions.

ZINAHCO works in partnership with Rooftops Canada – Abri International, Homeless International (UK), SIDA and, the Swedish Co-operative Center (now called We Effect) Regional office for Southern Africa.

For more information, visit: www.zinahco.co.zw