

UPGRADING OF LOW INCOME URBAN SETTLEMENTS

COUNTRY ASSESSMENT REPORT

SENEGAL



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**The World Bank
AFTU1 & 2**

Abbreviations and Acronyms

AFD	Agence Française de Développement (French Development Agency)
A.F.V.P.	Association Française de Volontaires du Progrès (French Association of Volunteers for Progress)
BHS	Banque de l’Habitat du Sénégal (Senegal Housing Bank)
CFAF	Communauté financière africaine, francs (African financial community francs)
CFD	Caisse Française de Développement (French Development Agency)
CUD	Communauté Urbaine de Dakar (Greater Dakar Authority)
DUA	Direction de l’Urbanisme et de l’ Architecture (Directorate of Urban Development)
EIG	Economic Interest Group
ENDA	Environnement et Développement du Tiers Monde (Third World Environment and Development)
EU	European Union
FAC	French Corporation
FDV	Fondation Droit à la Ville (Rights to the City Foundation)
FORREF	Fonds de Restructuration Foncière (Fund for Upgrading and Legalization of Land Tenure)
GIE	Groupement d’Intérêt Economique (Economic Interest Group)
GOS	Government of Senegal
GTZ	Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation)
HDI	Human Development Indicators
IDA	International Development Association
KFW	Kreditanstalt für Wiederaufbau (German Bank for Reconstruction)
MEFP	Ministère de l’Economie, des Finances et du Plan (Ministry of Economy, Finance and Planning) (Ministry of Economy, Finance and the Plan)
MEQ	Ministère de l’Equipement (Ministry of Infrastructure)
M.INT	Ministère de l’Intérieur (Ministry of Interior)
MUH	Ministère de l’Urbanisme et de l’Habitat (Ministry of Urban Planning and Housing)
NGO	Non-Governmental Organization
NTF	Norwegian Trust Fund
SDAU	Schéma Directeur d’Aménagement et d’Urbanisme (Urban Master Plan)
SONEES	Société National d’Eau Sénégalaise (National Water Supply Company)
SONELEC	Société National d’Electricité (National Electricity Company)
UNDP	United Nations Development Program
UUN	Urban Upgrading Network
WB	World Bank
ZAC	Zone d’Aménagement Concerté (Mixed Housing Development Zone)

TABLE OF CONTENTS

FOREWORD	5
OVERVIEW.....	6
1 PROBLEMS AND CONTEXT.....	6
1.1 The Country	6
1.2 Urbanization.....	7
1.3 Problems	7
1.4 Past and Present Responses	7
2 CURRENT SITUATION	8
2.1 Low income settlement characteristics and location.....	8
2.2 Profile of Low Income Settlement Residents	9
2.3 Land Ownership	9
3 POLICY CONTEXT AND INSTITUTIONAL FRAMEWORK.....	10
3.1 Policy Context.....	10
3.2 Institutional Framework	11
4 UPGRADING PROJECTS AND PROGRAMS	12
4.1 Overview of Initiatives	12
4.2 Objectives and Approach.....	13
4.3 Land and Legal Aspects	14
4.4 Design Principles and Guidelines for Upgrading.....	15
4.5 Community Participation.....	16
4.6 Financial Aspects	16
4.7 Overview of Implementation Arrangements	16
4.8 Operation and Maintenance	18
5 CASE STUDIES.....	19
5.1 The Dalifort Project.....	19
5.2 Medina Fass M’bao Project	21
6 LESSONS LEARNED.....	23
Urban Upgrading.....	23
Land Legalization.....	24
Community Participation.....	24
Cost Recovery	25
Partnerships.....	25
7 CHALLENGES AND PROPOSED NEXT STEPS	25

ANNEXES

ANNEX A- COUNTRY AND CITY PROFILES 28

ANNEX B- BIBLIOGRAPHY 29

ANNEX C- CONTACT INFORMATION..... 30

ANNEX D- PHOTOGRAPHS..... 31

FOREWORD

Background to Study

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

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

Acknowledgments

This paper is one of a series of ten country assessment reports. The study was managed by Sumila Gulyani and Sylvie Debomy, under the direction of Alan Carroll, Catherine Farvacque-Vitkovic, Jeffrey Racki (Sector Manager, AFTU1) and Letitia Obeng (Sector Manager, AFTU2). Funding was provided by the Norwegian Trust Fund for Environmentally and Socially Sustainable Development (NTF-ESSD) and the Africa Technical Department (AFT). Alicia Casalis and Chris Banes conducted the field work for the five Francophone and five Anglophone countries, respectively, and also prepared the draft reports for each of their five countries. Genevieve Connors provided extensive comments and was responsible for restructuring and finalizing the reports. Nine of the reports were edited by Lisa Van Wagner and the Zambia report was edited by Nita Congress.

OVERVIEW

Senegal has been implementing a national urban upgrading and land legalization policy since 1987 in order to respond to the rapid and uncontrolled urban growth of its sprawling squatter areas. In the past, the Government applied a policy of successive slum evictions (*deguerpissement*). In 1985, there was strong reaction against the massive slum clearances implemented in Dakar, and as a result, the *deguerpissements* were stopped.

Faced with the magnitude of the growing informal areas and the negative social reaction to the clearance policy, the Government decided to apply a new "urban upgrading and land legalization policy" with the support of the German Technical Cooperation (GTZ). This upgrading policy has over time become one of the main components of the national urban policy developed in order to resolve the strong demand for housing for the poor.

Set up by a unit of the Directorate of Urban Planning (DUA) and the GTZ, the urban upgrading and land legalization policy was established in 1987, and has been regularly applied since. The policy was first used experimentally in the Dalifort neighborhood (1987-1990); was later set up as a national policy by two Presidential Decrees in 1991;¹ is being extended to nine neighborhoods in Dakar; and was duplicated and adapted by other development agencies. Recently, new institutional and financial instruments have been created in order to sustain this policy. During this process, evaluations have been made; and the lessons learned from both successes and failures have been incorporated in the approach for new projects.

1 PROBLEMS AND CONTEXT

1.1 The Country

Senegal is a coastal Sahelian country located in the western part of Africa with an estimated population of about nine million people (2001). Although overwhelmingly agricultural, Senegal has a growing industrial sector, one of the largest in West Africa. Nevertheless, the economy remains largely dependent on a single crop: peanuts. In the past, Senegal has suffered prolonged droughts, which have caused severe land degradation and have aggravated the chronic rural exodus. It is estimated that 47 percent of the Senegalese population lives in urban areas.² Currently, 25 percent of Senegal's urban zones have been illegally occupied, particularly in the Dakar area, where nearly 30 percent of the urban population lives in unplanned areas. The Human Development Index (HDI) rank Senegal 156 out of the 174 countries listed by the United Nations Development Program (UNDP).

¹ -Projet de Décret. *Organisant la procédure d'exécution des opérations de restructuration et de régulation foncière des quartiers non lotis dans les limites de zones à renovation urbaine*. Juillet 1991.

-Projet de Décret. *Instituant un Fonds de Restructuration et Régularisation Foncière (FORREF)*.

² The definition of urban population changed following the 1988 census; now the population living within "communes" territories (municipalities) is considered urban.

1.2 Urbanization

Senegal's annual population growth (1995-2000) is 2.6 percent and more than 4 percent in the capital, Dakar. Dakar is the largest city and the principal port and commercial center; it has 50 percent (about two million) of the total urban population of the country. This rapid growth has caused the spread of urbanization beyond the border of the city jurisdiction. The Dakar metropolitan area is now comprised of three municipalities, each one with an indirectly elected mayor: Dakar, Pikine, and Rufisque-Bargny. A Greater Dakar Authority (CUD) was created in 1983 in order to coordinate most local services.

The other cities in Senegal are much smaller than Dakar: the next largest are Thiès and Kaolack, which have populations of between 100,000 and 150,000 inhabitants respectively. After these, there are only three other cities in the country with more than 50,000 inhabitants.

1.3 Problems

The rural exodus has been toward Dakar, in which the population of unplanned settlements grew by 45 percent between 1965 and 1972. The Dakar urban and industrial areas expanded to Rufisque and Thiès, and, very quickly, were ringed by informal settlements. Local authorities periodically applied the slum clearance policy and pushed the poor population towards the periphery. These areas are under-equipped and, because they are considered illegal, no infrastructure has been built.

1.4 Past and Present Responses

A certain number of upgrading projects were carried out in Senegal with the approach set up by the DUA/GTZ unit, most of them in the area of Dakar. These included Dalifort, Arafat, Medina Fass M'Bao, Ainoumady, Sam Sam I, II, and III, Wakhimane, Gueule-Tapée, and Rail. The approach that was set up by the DAU/GTZ team during the first intervention was in the pilot quarter of Dalifort; from which came the name, "Dalifort methode."

The most recent intervention is a component of the United Nations Development Program (UNDP) Program of Poverty Alleviation. The objectives of this project are to ameliorate the living conditions of the population of the municipalities of Guinaw Rails Nord and Sud (population total 150,000 inhabitants); to develop the capacities of intervention of the communities; and to reinforce the capacities of the local authorities. In this first phase, the investments in micro-projects are not a priority. This program started in 1999 with an initial budget of US\$200,000.

Beyond Dalifort, it is important to note the diverse organizations undertaking upgrading projects in Senegal. Further projects were undertaken in the secondary towns of St. Louis, Bignona, and Richal Toll. These projects were less important, and reached different levels of achievement. Two projects are considered as the most relevant: the Dalifort project, the pilot case to set up the DUA/GTZ method for slum upgrading in Senegal, and the project in Medina Fass M’ Bao. A list of all the projects is summarized below.

Neighborhood	Estimated Number of Plots	Status	Financing Agency
Dalifort /Dakar-Pikine	600	Closed	DUA/GTZ
Arafat/Dakar	900	On going	DUA/GTZ
Rail/Dakar	252	On going	ENDA/CFD
Aïnoumadi/Pikine	400	On going	DUA/GTZ
Pikine	-	On going	ENDA/UNESCO
Sam Sam I, II and III (Pikine)	2,700	On going	DUA/GTZ AND KFW
Médina FassM’ Bao (Pikine)	1,300	Closed	AFVP/CFD
Wakhinane/Guediawaye Guele Tapee II/Guediawaye	700	Closed	AFVP/(FAC) French Cooperation
Guinaw Rails Nord and Sud	-	Started 1999	UNDP
Pikine, St Louis	4,000	On going	EU
Khouma, Richal Toll	2,500	On going	EU
Tenghory, Bignona	4,000	On going	DUA/GTZ

2 CURRENT SITUATION

2.1 Low income settlement characteristics and location

In 1952, Pikine was created to house the population which had been expelled from Dakar’s slums. This was the beginning of periodic interventions to clear slums in Dakar’s center and to relocate the poor population into planned plots on the periphery of the city. In 1969, 100,000 people lived in Pikine; today the estimated population is 1,000,000 and, as a result, Pikine has effectively become a satellite city of Dakar.

Because informal settlements in Senegal are characterized by illegal land occupation, they are all underserved. However, the land tenure status and socio-economic characteristics of each neighborhood are quite different. Most of these characteristics originated with the displaced population as a consequence of the clearance policy before 1987, and grew with the immigrants arriving from different regions of the country.

Dalifort, located between Dakar and Pikine, was chosen for the implementation of the DUA/GTZ pilot project. In Dalifort, approximately 7,000 inhabitants live in precarious wooden shacks.

The project was replicated in Medina Fass-M’ Bao which was created in 1970 by the population displaced by slum clearance from other areas. Medina Fass-M’ Bao is a

neighborhood of about 13,000 inhabitants east of Pikine, where most houses are built of permanent materials (cement blocks) surrounded by walls.

2.2 Profile of Low Income Settlement Residents

In Dalifort, much of the land occupation was illegal. According to the administration, an “owner” was defined as someone who owned a house. Owners often possessed one or more houses which they rented. Those arriving in Dalifort had moved from other urban Dakar neighborhoods.

In Dalifort, more than 70 percent of the households were made up of renters and 20 percent of the inhabitants were unmarried. Two kinds of renters could be identified: families that had lived in the quarter for a long time and rented houses belonging to a family member; and unmarried young people, who lived several occupants to a room.

In 1987, 75 percent of the heads of household had an economic activity, most of them in informal activities. The socio-economic status of the inhabitants is strongly affected by their illegal land tenure and their precarious physical housing.

2.3 Land Ownership

Three categories of land ownership exist simultaneously in the informal settlements:

- Registered plots belonging to the State (with a title deed);
- Registered plots belonging to individuals (with a title deed);
- Non-registered land belonging to the “Domaine National,” the nationalized land system.

For the first kind of ownership, the process of legalization is very simple: after the land division into plots, the Droit de Superficie (valid for 50 years) can be provided to the beneficiary. For the second kind, expropriation has to be carried out; and for the third, the land has to be first registered by the State as State land and then registered in the beneficiary occupant’s name. The expropriation and registration procedures are very long and complex. These can be done when the upgrading project is declared by a presidential decree to be a public utility. This process became possible after a decree in June 1991, which extended the notion of public utility for the expropriation of land illegally occupied. This important legal tool for the implementation of upgrading unplanned settlements policy is specific to Senegal in the Sub-Saharan African region. The beneficiaries of this land security policy are identified at the beginning of the project by means of a census and a public verification of all the people eligible for it. At the end of the procedure, and after payment, a genuine title deed is given.

3 POLICY CONTEXT AND INSTITUTIONAL FRAMEWORK

3.1 Policy Context

Between 1960 and 1987, the Government carried out large-scale slum clearance in the illegally-occupied areas. Despite the Government's efforts to clear the informal settlements and to create housing alternatives through Sites and Services and planned housing programs, squatter areas continued to spread.

The “deguerpissement” (clearance) policy of demolitions and displacement was socially and economically high-priced, as well as impracticable on a large scale. In order to deal with uncontrolled urbanization and to meet the strong demand for decent housing, the government has engaged in a series of three actions:³

- Setting up social housing projects through property developers or housing cooperatives (planned housing);
- Developing and laying-out with services the urban extension zones, so as to provide people with improved plots of lands and to encourage self-help housing construction. The new planned plots created in the periphery of the urban areas were so limited in number that they could not meet the growing demands of the population, particularly the poor inhabitants;
- Upgrading and legalizing informal areas. This new squatter settlement upgrading and legalization policy was designed with the help of the GTZ in 1987.

The World Bank financed four urban projects in an effort to provide low-income populations with affordable housing solutions between 1972 and 1997. These provided serviced plots, reinforced Dakar's urban institutions, developed local government capacities, and supported urban development. The Sites and Services Project was a large experimental project aimed at delivering serviced plots to 140,000 people in Camberene, a neighborhood of Dakar, and to another 12,000 people in Thiès. The experience of preparing this project provided important inputs to the now-classic document, “*Sites and Services Projects: A World Bank Paper*” (1974)⁴.

The second project was the Technical Assistance Project for Urban Management and Rehabilitation (Credit US\$6 million). The project was approved in 1984 and closed in 1989. The objective of this project was to reinforce Dakar's urban institutions. The third was the Municipal and Housing Development Project (US\$46 million), approved in 1988

³ Ministry of Urban Planning and Housing/GTZ, *Urban Upgrading And Land Legalization -Senegal*

⁴ World Bank. *Performance Audit Report -Urban Management and Rehabilitation Project.1993.*” Many problems were experienced during the implementation (poor cost recovery, inadequate involvement of Senegalese staff), but the philosophy of trying to reach low-income populations with affordable housing solutions was accepted.”

and closed in 1997. The major objectives of this project were to develop the capacities of the local government of the Greater Dakar area; expand the efficiency of the housing sector supporting the BHS; and improve the operation of the urban land market through the annual supply of a significant number of serviced and titled plots.⁵ The fourth urban project, the Urban Development and Decentralization Program (UDDP), was approved in 1997.*

The aim of the UDDP was the reinforcement of municipal capacities in order to control urban development. The following projects provide support to housing and land municipal activities. The approach of the WB is that upgrading activities have to be included in municipal development activities and in the Contrat de Ville (City Contract).

3.2 Institutional Framework

Institutional arrangements for managing urban development in Senegal are complex. Although local governments (through municipalities and CUD in the case of Dakar) have wide-ranging formal responsibilities, central government remains the key player in the sector.

Four ministries are involved specifically in urban upgrading and land regularization:

- Housing: Ministry of Urban Planning and Housing (MUH)
- Planning: Ministry of Economy, Finance and Planning (MEFP)
- Infrastructure: Ministry of Infrastructure (MEQ)
- Local authorities: Ministry of the Interior (M.INT)

Concessionary companies and the private sector—Société National d'Eau Sénégalaise (SONEES) and Société National d'Electricité (SENELEC)—are also involved.

Responsibility to upgrade informal settlements belongs to the Ministry of Urban Planning and Housing; however, the MUH can delegate this responsibility to a municipality or to another institution, either public or private (e.g., non-governmental organizations (NGOs), Fondation Droit à la Ville (FDV)).

The administrative territorial reform of 1972 set up 37 urban municipalities; mayors were later elected with the decentralization policy of 1990. The responsibilities of municipalities were changed in 1996 with Law No. 96-07, which gave the municipalities more responsibility in urban development, in infrastructure, and in the provision and management of services. However, land use remains a centralized responsibility.

⁵ Municipal and Housing Development Project. *Implementation Completion Report.*, Nov. 1997

Local autonomy is relative, since the municipal receipts are kept in the National Treasury, and the financial capacity of the municipalities is still very low. In addition, there is insufficient clarity regarding the division of responsibilities between the national and local levels.

The municipalities have very few prerogatives concerning land affairs. In Senegal, there is no concept of a public or private municipal land domain.

Law 96-07 presented the following principles:

- Municipalities can intervene over the land belonging to the State for the development of infrastructure, facilities, and services for the community;
- Municipalities have the right to use the land belonging to the State; the land is allocated to the municipality to serve as a base for infrastructure; however, the land still belongs to the State;
- “Lotissements”⁶ in urban areas are owned by the State;
- Land Attribution Committees, in charge of the attribution of plots, are headed by the Mayors.

It also enlarged municipal prerogatives related to urban development; the municipalities are responsible for:

- “Lotissement” development after obtaining State authorization;
- Providing stakeholders with permits to construct and demolish housing;
- Preparing the urban documents for the municipality in accordance with the national authorities.

4 UPGRADING PROJECTS AND PROGRAMS

The DUA/GTZ Approach

4.1 Overview of Initiatives

The DUA/GTZ program, which started in 1987 with the Dalifort pilot project, was designed and implemented with technical and financial support from the GTZ. The program relied on the involvement (both financial and physical) of the squatter population in the process of improving their living conditions.

⁶ “Lotissement” divides land within the plots.

The main objectives of the program were providing security of land tenure; participation of the inhabitants; cost recovery and financial replicability; minimal infrastructure intervention; and management of the surrounding environment.

The upgrading program was set up as an alternative to the “clearance” policy rejected by the population after the massive Dakar slum clearance of 1985. This program is described by the Senegalese Government and the GTZ in four different stages.⁷

1. The Dalifort pilot project: “a laboratory” (1987-1990).

With the June 1991 Presidential Decrees and the concomitant political will, a new policy of upgrading and legalization of uncontrolled settlements was established.

2. Enlargement of the scope and setting up a policy (1991-1992).

Within the framework of this new policy, the program's scope of intervention changed from one settlement of 7,000 inhabitants to nine settlements of 100,000 inhabitants, who had all expressed their wish for an upgrading and land legalization program. This aim has not been achieved by 2001.

3. Strengthening the means and instruments within the framework of a nationwide approach (1993-1995).

The aim of this step is to strengthen the administration's means to set up technical as well as legal and financial instruments. The purpose was to sustain efforts to simplify land legalization procedures and gradually set up a Fund for Upgrading and Legalization of Land Tenure (FORREF), created by decree in June 1991 during the implementation of the Dalifort pilot project. At the institutional level, an active dialogue between all involved participants (Ministries, city councils, decentralized government agencies, NGOs) was implemented.

4. Setting up an autonomous operator, the Fondation Droit à la Ville (1996-present).

In order to consolidate the benefits reaped in the upgrading program and to ensure its sustainability, and to meet the growing demand in settlement upgrading, the DUA/GTZ proposed reworking the initial project unit into an autonomous operator, the “Fondation droit à la Ville,” in order to facilitate the coordination of various partners, both public and private (see Section 7). An autonomous operator, while separate from the administrative authorities, would maintain the public and social missions. In addition, autonomous status would improve coordination and dialogue between the different partnerships, concessionary companies, ministries, local authorities, NGOs, and the private sector.⁸

4.2 Objectives and Approach

The settlement upgrading and legalization policy in Senegal has five goals:

⁷DUA/GTZ. *Urban Upgrading and Land Legalization*

⁸ Ibid.

1. Security of tenure;
2. Participation of the inhabitants;
3. Cost recovery and financial replicability;
4. Equipment adapted to the beneficiaries' means;
5. Improvement of the environment.

This new approach is based on two principles: keeping the population *in situ*, and involving the population in all of the steps of the urban upgrading and land legalization process.

The DUA/GTZ approach has two main components: urban upgrading and legalization of land tenure.

Upgrading consists of three phases:

- a census of infrastructure needs for the neighborhood;
- a consultation with the inhabitants that permits minimizing intervention;
- construction of infrastructure, amenities, and services.

As a part of urban upgrading, the DUA/GTZ approach has tried to ensure land security to inhabitants. Based on the hypothesis that the growth of precarious housing is not always due to poverty, but, instead, to a feeling of insecurity, improving access to land ownership is an important component of this approach, encouraging the owners to invest in their houses and to improve their living conditions. The principle for the DUA/GTZ approach is one plot of land per household. The land legalization process consists of attributing to each beneficiary a right of land occupancy (Droit de Superficie) in exchange for financial participation in the form of payment for infrastructure expenses and the land plot (based on an administrative scale for the sale of national land).

4.3 Land and Legal Aspects

Land legalization is the main objective of the DUA/GTZ approach. This process starts with a study of land use and ownership in order to identify the beneficiaries. In the end, each household has the right to have one plot. A title deed called a Right of Land Occupancy (Droit de Superficie) is given to each household.

The plot pricing depends on the area. The total price CFAF 3,000 per square meter (equivalent to US\$9 per square meter) was divided into CFAF 750 (US\$2-3) per square meter of land for the Dalifort pilot project (price fixed by the administration) and a contribution of CFAF 2,250 (US\$ 6-7) per square meter to recover the costs of infrastructure. These infrastructure costs depend on the level of infrastructure chosen by each neighborhood.

After payment for the plot, the beneficiary receives a right of occupancy for 50 years, without the option of selling the plot, and with the obligation of building a house in conventional materials in order to obtain a definitive land title. This regulation, however, has not been able to stop the sale of plots in the very active informal land market.

4.4 Design Principles and Guidelines for Upgrading

The DUA/GTZ approach proposes minimal intervention in infrastructure, considering urban upgrading as a process and a challenge to successive generations. The project targets priorities and tries to be limited in scope and time. The respect of these criteria implies planning within the existing structures. If necessary, such planning must do without the norms of conventional city planning.”⁹ For the upgrading policy, a few changes in regulations had to be introduced by the Government in order to make possible exceptions to norms and standards and/or to allow some flexibility.

Phases of execution:

Methodology developed by the unit DUA/GTZ for the execution of the “urban upgrading and land legalization” projects:

<p>1. Phase: Preliminary Studies</p> <ul style="list-style-type: none"> - Population Information - Census - Inventory Plan - Land use study 	<p>2. Phase: Preparation</p> <ul style="list-style-type: none"> - Verification of beneficiaries - Creation of GIE (Economic Interest Group) - Collection of savings for GIE 	<p>3. Phase: Planning</p> <ul style="list-style-type: none"> - Plan “d’Urbanisme de Détail” - Public Utility Procedures - Registration of Land in the name of the State Planning with the GIE - Upgrading Plans - Pricing plots - Protocol between the GIE and the contracting delegate - Contribution of the GIE
<p>4. Phase: Implementation; Part 1</p> <ul style="list-style-type: none"> - Design of plots - Attribution files - Population Reinstalled - Infrastructure techniques - Contribution GIE 	<p>5. Phase: Implementation; Part 2</p> <ul style="list-style-type: none"> - Individual sanitation - Social infrastructures - GIE contribution 100 percent 	<p>6. Phase: Final</p> <ul style="list-style-type: none"> - Title Deeds

Source: Groupe Huit/Poly consult

In order to support the execution of the different phases of the projects of upgrading and land legalization, manuals have been prepared by the DUA/GTZ team to explain the activities for each phase.

⁹Ibid. *Urban Upgrading and Land Legalization*

4.5 Community Participation

In the DUA/GTZ approach, “the population or its representatives have to take an active part in all stages of the process leading to the improvement of their surroundings: decision-making, implementation, financing, and facilities management. Once they have organized themselves as a ‘Groupement d’Intérêt Economique’ (GIE: Economic Interest Group), the population defines its priority needs. All decisions are made with due concern for the financial means of the population. At the squatter level, the principle of solidarity must be a prerequisite. The improvement cost by square meter is equally allotted to all.

4.6 Financial Aspects

In order to ensure financial replicability, the DUA/GTZ approach expected that beneficiaries would pay for their plots. Cost recovery is intended to ensure the financial replicability of the upgrading operation. After its creation, the GIE opens a bank account and collects its members’ shares and savings.

Plot prices are estimated (see point 4.3), including participation in the infrastructure cost, land value, tax costs, and registration fees. Since the last two elements are a lump sum, the cost by the square meter is estimated according to the facilities chosen by the beneficiaries. “Although each household has to sign a deed of payment engagement, financial participation remains a considerable risk” according to the results reached.¹⁰ The resources collected for the payment for the land goes to the Treasury, and the cost-recovery for infrastructures goes to the FORREF.

FORREF was created by decree in June 1991 during the implementation of the Dalifort pilot project. Dalifort was given a grant by the German Cooperation; the funds collected by FORREF will be used for replication of the project in other areas.

4.7 Overview of Implementation Arrangements

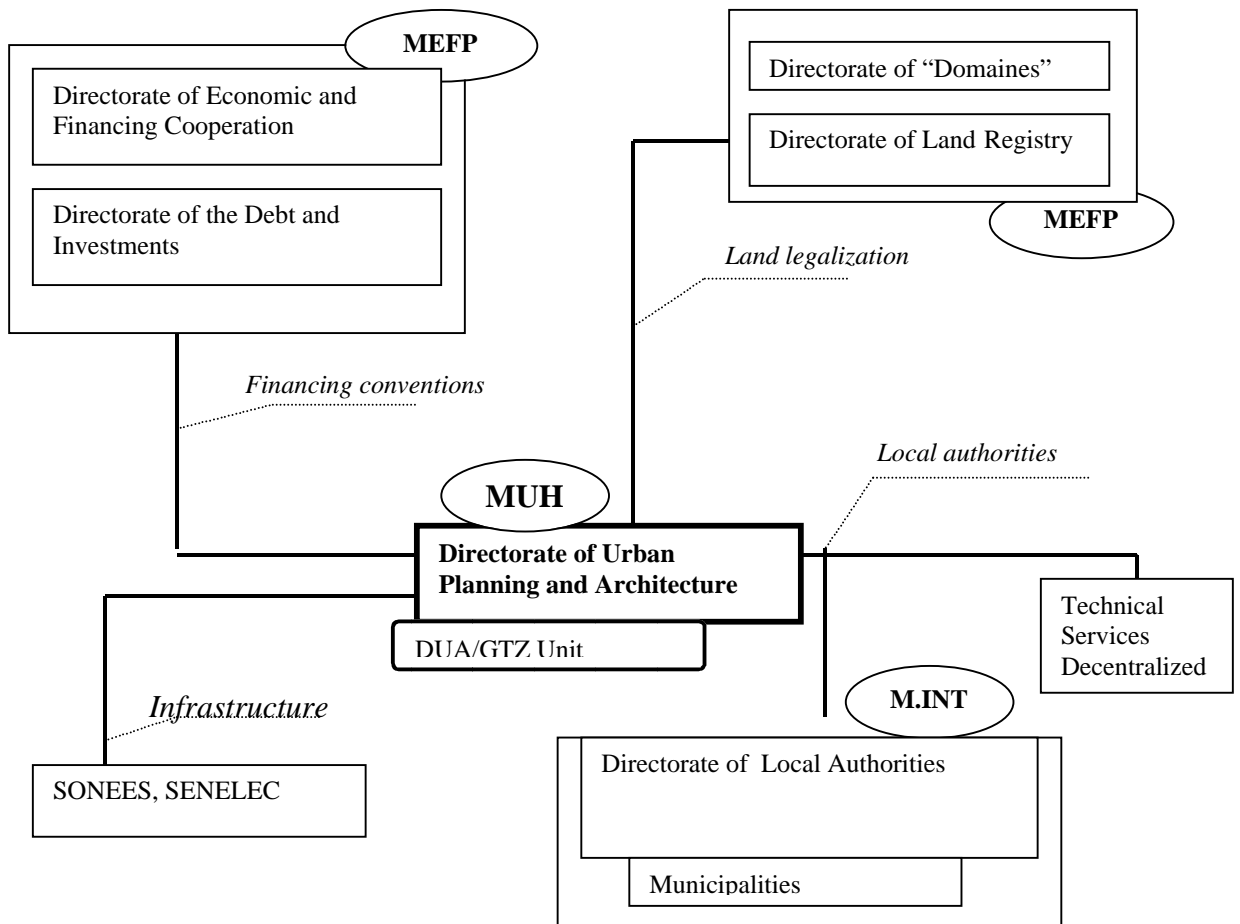
The slum upgrading program was executed by a DUA/GTZ unit funded by the GTZ established at the Directorate of Urban Planning. This DUA/GTZ unit is a centralized institutional framework and was justified as necessary until the present by Senegalese authorities in order to set up a national upgrading policy (during the three first steps of the upgrading program). For the next steps, an independent agency (FDV) is being set up to support decentralization and to reinforce the actions of local authorities.

During the Dalifort pilot project, the Director of the Directorate of Urban Planning also served as the Director of the DUA/GTZ program. This institutional framework facilitated the following:

¹⁰ Ibid.

- Upgrading became one of the main components of the national housing policy;
- Few changes in regulations had to be introduced in order to make possible exceptions to and/or to allow flexibility in the norms and standards;
- The relationships and coordination with other institutions, such as Directorate of Land Registry, Directorate of “Domaines,” Directorate of Economic and Financing Cooperation, Directorate of the Debt and Investments (MEFP), concessionary companies (SONEES, SENELEC), local authorities, etc., became much more effective.¹¹

¹¹ Interview Landing SANE



Source: DUA/GTZ

4.8 Operation and Maintenance

The approaches tested by the Dalifort pilot project are based on the principle of a small initial contribution to the project, immediately followed by making the beneficiaries feel responsible, either by requiring their financial participation or by empowering them to manage the facilities themselves, for example, by managing public amenities such as lavatories and showers.

The primary roads were transferred to the municipality for maintenance, and the water and the electricity supply system to SONEES and SENELEC.

5 CASE STUDIES

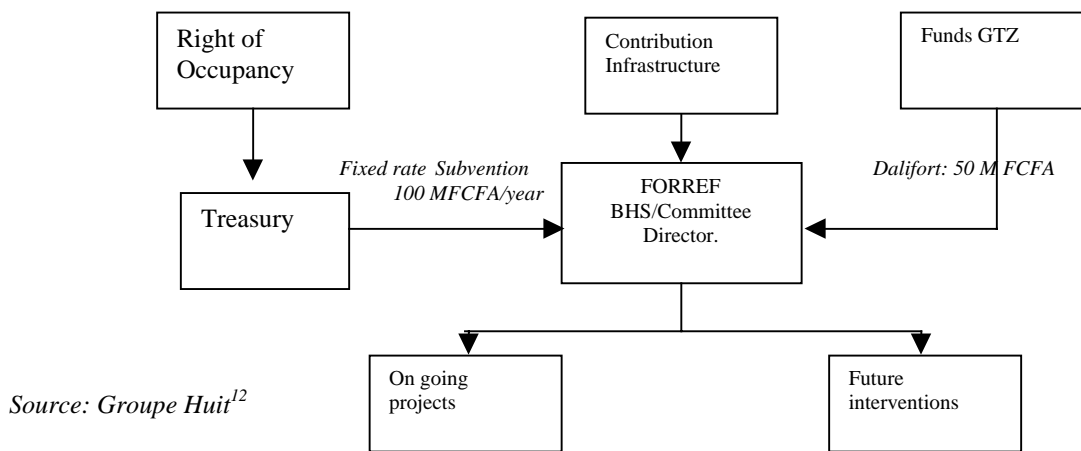
5.1 The Dalifort Project

The Dalifort neighborhood is on the border between Dakar and Pikine city. It contains 18 hectares and 600 plots; the population has grown from 7,000 to an estimated 9,000. The objective of the Dalifort pilot project was to develop a method to permit replicability of the "urban upgrading and land legalization method" in other neighborhoods. The cost of the project is estimated at CFAF 300 million (US\$900,000). The cost of technical assistance and personnel, which is not included in this amount, was very high in relation to the amount of investment. This technical assistance was in force for seven years.

The Dalifort pilot project was executed by the DUA/GTZ team. A GIE (Economic Interest Group) was instituted at the level of the neighborhood as a base organization in order to facilitate the participation of the population in all phases of the intervention. As a result, a total of 600 stakeholders paid the CFAF 3,000 (US\$9) to adhere to the GIE; however, it was a very long process, taking more than eight years. The contribution from the stakeholders for the costs of tertiary infrastructure (within the neighborhood: roads, stand pipes, sewerage facilities, lavatories, showers) is required, and goes to the FORREF. This contribution is not applied to trunk (primary) infrastructure.

The resources from the payment by the beneficiaries for the "Droit de Superficie" go to the Treasury. The Treasury then gives the FORREF an amount (subvention or subsidy) equal to that received. This arrangement was established by a Government decree. The primary water and electricity supply, funded by GTZ, were transferred to the concessionaires SONEES and SENELEC for management and maintenance; the cost of individual connections was recovered directly from the consumer. The primary roads (trunk system) funded by the project (GTZ) were transferred to the municipality for management and maintenance.

Recovery cost schema



Source: Groupe Huit¹²

¹² Groupe Huit/Polyconsult. *Etude de Restructuration de Medina Gounass*. Février 2001.

FORREF was created in order to collect the payments for the plots and for the infrastructure created by the inhabitants. The amount collected was to be used for replication of the project. This was the base of the grant from the German Cooperation for the Dalifort project.

According to the original device, FORREF, managed by the Senegal Housing Bank (BHS), should have received the contributions directly, bypassing the Treasury, thus avoiding the “unicité de caisse”(consolidated revenue) inherited from the French institutional system. This financing flow was never implemented as originally conceived. The FORREF was created by Presidential decree in 1991 and its financing mechanisms were reviewed in 1997 to respond to the legal framework of Senegal and to the conditions required by the GTZ. Of the resources collected from the beneficiaries, one part goes directly to FORREF (cost-recovery for infrastructure); and the other part goes to the Treasury. The cost recovery is estimated at 25 percent of the total cost.

However, FORREF was not set up until 1997 — about five or six years after the operational phase started. This delay explains the low cost recovery of the Dalifort pilot project.¹³ FORREF is still not functioning as expected.

The Dalifort project contained a total area of 18 hectares: 11 owned by the State and seven held by private owners. The State applied for a decree to expropriate the privately-owned land. Two decrees were issued: the first one declared the public utility of the intervention; the second ordered the expropriation of the area. There was an accord between the owners and the authorities permitting the State to pay the owners by exchanging the Dalifort project land for other State-owned plots within the same area. There were long discussions between the private owners and the DUA/GTZ team; 18 months after the project had been declared a public utility by decree, an accord was reached under which the private owners accepted a proposition before judicial proceedings began.

The owners may have accepted these land exchanges because in many cases the original plots had a lower value than the ones received in exchange. In the judicial expropriation process, the first phase is consultation, which permits arrangements between the authorities and owners in order to diminish costs and the length of proceedings. In the case of the Dalifort pilot project, this accord facilitated the project because a disbursement from the government was not required.

More than 600 planned plots were occupied by Dalifort stakeholders. Other important physical improvements included water supply and electricity connections installed by the SONEES and the SENELEC; roads to provide access to isolated blocks; individual and public sanitation; and garbage collection. This upgrading took three years and the inhabitants did the majority of the work.

¹³ Ibid.

5.2 Medina Fass M'bao Project

The neighborhood of Medina Fass-M' Bao covers 40 hectares and is situated east of the Pikine Municipality. In 1993, the population was estimated at about 13,000 inhabitants, who occupied 1,300 plots (average of 200 square meters), without land titles. The Association Française des Volontaires du Progrès (A.F.V.P.) was the main implementing agency and the Agence Française de Développement (AFD) the financing agency. This neighborhood was created in 1970 by the population displaced (*deguerpie*) from other areas. The plots were irregular and under-equipped. Most of the inhabitants work in informal economic activities in Dakar.

The DUA/GTZ approach (the Dalifort method) was replicated for Medina Fass M' Bao; however, some modifications were made in order to address the unique environment of this community. A methodology of *participatory planning* was developed¹⁴ by A.F.V.P. to establish the program with community participation. Primary infrastructure was designed by the technical team while secondary and tertiary infrastructure was decided during planning workshops with the community. The A.F.V.P. considered the GIE, the neighborhood community participatory structure, the key player for the success of the project; thus, the A.F.V.P. team prioritized the reinforcement of the GIE.

The cost of the Medina Fass-M' Bao project of F.F. 20.3 million (equivalent US\$3.63 million) was 60 percent financed by the AFD; 38 percent by the inhabitants (payments for right to occupancy of land and cost recovery from infrastructure); and 2 percent by the State (project support). Although the cost-recovery from the population should go to the FORREF, as a result of the postponement of the definitive set up of this fund, the contributions are still going to the bank account of the GIE.

The F.F. 12 million (US\$2.15 million) funded by the AFD was shared: F.F 7.7 million (US\$1.38 million) for investments (hardware); and F.F 4.3 million (US\$700,000) for A.F.V.P. (36 percent of total cost), the Social Intermediation Team, for training, information, and dissemination (software).

Using an NGO (A.F.V.P.) as an operator was a new institutional framework in the implementation of the DUA/GTZ approach. The project Medina Fass-M' Bao was the first upgrading and land legalization intervention with a DUA/GTZ external operator. The project started in 1993 and closed in 1998.

Several evaluations and documents have been written in order to analyze the Medina Fass-M' Bao project. For example, the French Cooperation set up a framework for the evaluation of the broad "Projet de Quartier" policy;¹⁵ the A.F.V.P. conducted an internal evaluation; and the AFD set up a new strategy for a new intervention in Senegal.

Urban Upgrading

¹⁴ A.F.V.P. *Restructuration Urbaine Quartier Medina Fass-M' Bao-Commune de Pikine*.

¹⁵ Secrétariat d'Etat à la Coopération. *Evaluation de Projets de Quartiers et Formulation de Reflexion Pour L'elaboration d'une Strategie*. Fevrier 1997.

In this quarter, 1,300 plots were designed, and 88 displaced stakeholders were resettled in the same area and financially compensated. This process was accomplished faster than in Dalifort. The primary roads were designed by the technicians of the project and the secondary and tertiary roads with community participation. A water supply system with a capacity for 850 individual connections was provided. The investment was limited by the low level of savings of the inhabitants (the investments were prorated according to savings).

Legalization of Land Tenure

The Medina Fass-M' Bao project was implemented with the DUA/GTZ approach for the legalization of land tenure. Obtaining the title deed was the last step in the upgrading and land legalization process; the beneficiary had to pay for the plot within five years of the start of the process. However, by then the plots had already been upgraded and the stakeholders felt that their land occupancy was more secure. Even if a financial commitment document had been signed by the beneficiary to the president of the GIE, the payments could still have been postponed.

The acquisition of the right of occupancy did not prove to be a strong motivation for the beneficiaries to pay their shares of the costs involved. However, the stakeholders reached a level of assurance of land occupancy in a regularized area, and the risks of slum clearance altogether disappeared.

The legalization of land tenure is considered a financial failure in terms of the low level of payments for the right to land occupancy and in terms of the long delays in the administrative processes. It is not, however, considered a failure in terms of giving land assurance to the inhabitants; the origin of this inconsistency can be found in the false assumptions that the beneficiaries would insist on having a “droit de superficie” in the short term and that acquisition of this right would serve as a motivation for payments.

Cost Recovery

The original objective for the recovery of CFAF 200 million (US\$600,000) was not attained. In 1996, the recovery for infrastructure was estimated at CFAF 15 million (US\$45,000), less than 10 percent. The principal reasons cited are the following:

- the low financial capacity of the stakeholders;
- the low attraction of the “droit de superficie” for the population since more land security could imply payment of taxes and at any rate security was already assured;
- the absence of links between the population’s savings and the implementation of the physical work.

The Approach

The commitment to the GIE by almost all the inhabitants of the quarter is considered an accomplishment for the A.F.V.P. team. The GIE is still active today, three years after the closing date of the project. In addition, interventions are regularly pursued in order to improve the living conditions of the neighborhood. The president of the GIE has not changed since the project was initiated (elections take place every two years), and the upgrading approach continues to be implemented by the GIE and the population in order to develop the quarter. This is an important achievement for the project.

6 LESSONS LEARNED

The upgrading approach set up by the DUA/GTZ has been used as a reference for other upgrading projects. However, the complete replicability of the approach and the follow-up on a large scale seem, for some professionals, to be difficult, particularly because of the continuing need for technical assistance and the consequent high cost.

The two main objectives in this approach, urban upgrading and land legalization tenure, are supported by community participation in all processes of the project, and by cost-recovery, which permits the replication of the intervention.

Urban Upgrading

- Urban upgrading must be disassociated from land legalization. Past projects show that urban upgrading and land legalization have dissimilar “rhythms.” A timetable can be applied to planned urban upgrading activities, with the implementation of work by an enterprise; however, land legalization, under the control of a national or local administration, can be affected by uncontrollable delays. Thus, synchronization between the two goals is nearly impossible.
- Primary and tertiary infrastructure should also be disassociated. Primary infrastructure is based on technical and political decisions, and has to be accomplished first, with a non-financial contribution required from the stakeholders. Community participation is reserved for the secondary and tertiary infrastructures, in the definition of priorities, levels of infrastructure, design, and financial participation. For the future project of Pikine Irregular, five phases are proposed, the first one to focus on the principal infrastructure and the later phases on the process of participation for the secondary and tertiary infrastructure and for land legalization.
- The Dalifort team believed that involving small enterprises could ameliorate the quality of work and reduce delays. The inhabitants of Dalifort participated physically in the work in order to reduce the cost of the project; however, in some cases, this was detrimental to the quality of achievement.

- Upgrading is facilitated if the stakeholders displaced by the project are resettled in the same neighborhood.
- Compensation for the displaced depends on the material of the existing houses. Dalifort dwellers were helped by the community to move their wooden constructions; in Medina Fass-M’ Bao, the stakeholders received financial compensation for the demolition of their houses.

Land Legalization

- Land legalization was the main component of the Dalifort method, and a response to the insecure land occupancy provoked by the previous national slum clearance policy. However, in the new urban policy context, the possibility of being displaced is reduced. Thus, the population is less interested in receiving the title for the land, especially when the process of neighborhood upgrading has begun. In the two projects at Dalifort and Medina Fass-M’ Bao, security of tenure need not necessarily involve the issuing of land title through a title deed.
- The original approach assumed an urgent need by stakeholders for a “droit de superficie” and linked the payment for the plots with the legal procurement of this right.
- In the two projects, the procedure for land legalization failed in terms of the low rate of payment for the plots, at least in the short term after the close of the project.
- Stakeholders feel secure about their land occupancy in an upgraded neighborhood, and the population is investing in houses and is improving the area.
- Large scale legalization procedures are long and complex. Certain procedures need to be simplified and adapted, especially by expanding certain operations geographically, e.g., the declaration of public utility and the registration of land in the name of the State. It is equally necessary to ensure coordination between the different agencies involved (Urban Planning, State Property, Land-Registry Office).

Community Participation

- Community participation through the GIE has permitted the creation of an identity in each quarter; this structure is a key element for the Dalifort method, as it is an important intermediary between the inhabitants and other entities.
- Although participation in the implementation is possible in some sites, especially in the task of clearing public roads, experience has shown that all civil

engineering work must be left to professionals.¹⁶

Cost Recovery

- Everybody agrees on the necessity of cost recovery; however, there are differences regarding what the amount of this recovery should be and what kinds of infrastructure must be recovered. The principle of linking the dimension of intervention with the level of savings of the population has limits for low-income populations. On the other hand, financial participation has shown a real impact on the sustainability of the interventions.
- Cost recovery is difficult if it is implemented after the upgrading of the neighborhood, and if the only benefit is the acquisition of the “droit de superficie.”
- For DUA/GTZ team, cost recovery from beneficiaries of the project is more a matter of time and formalization than of beneficiaries accepting the principle of participation, which has been widely supported. In the two projects, there are no sanctions if there is no payment. The payment is linked only to obtaining the land title.
- The implementations in Dalifort and Medina Fass-M’ Bao show that there are correlations between the rhythm of the work and the rhythm of the contributions from the inhabitants.

Partnerships

- In past projects, the municipalities were not involved, and the participatory methodology was focused on the communities. However, decentralization in 1996 has changed the institutional context for future projects.

7 CHALLENGES AND PROPOSED NEXT STEPS

The establishment of an upgrading and legalized land tenure policy is a very long and complex process, which calls for specialized structures and mechanisms as well as economic and legal tools.

The Dalifort pilot project carried out by the DUA/GTZ unit permitted the improvement of an upgrading approach for a small area. To extend the scope of this approach to other areas and cities is not only a matter of replicability; the approach needs to be consolidated and to formalize the human, technical, and financial means to ensure the continuation of the activities.

¹⁶ Ibid.

Large scale intervention measures are being prepared by the Government with the support of the German Cooperation in order to ensure the sustainability of the present upgrading activities:

- The intervention structures are gradually being set up: the first was an experienced central unit from DUA/GTZ; the next an inter-ministerial technical dialogue unit; and then the Fondation Droit à la Ville, an autonomous foundation has already been done in December 2000.
- Large-scale intervention measures were also prepared: the creation of the Droit de Superficie at the owner level and the formalization of the FORREF at the financial level. The approach has been institutionalized by the two Presidential decrees, the first to set up the processes for upgrading and land legalization, and the second to create the FORREF.
- At the level of housing projects, funds are ready for the Pikine/Sud upgrading project, which will deal with an unplanned area of 700 hectares and 240,000 inhabitants.

The Fondation Droit à la Ville (FDV): an Autonomous Foundation to support the decentralization process

The Fondation Droit à la Ville was created by decree in December 2000¹⁷. This new organization is working to implement a large-scale upgrading project in the area of Pikine Sud. It will do so with much more autonomy and freedom than was previously possible. The Foundation will intervene as a project supervisor in different projects in order to respond in a more efficient way to squatter settlement upgrading in the context of decentralization.

The objective of the foundation is to execute on behalf of the local authorities and the State the following activities:

- regularize and legalize land in informal settlements,
- develop infrastructure in unplanned quarters,
- identify and conduct studies for new regularized and legalized land projects, funded by the municipalities and other partnerships, both national and international.

The status of the foundation, according to the law, permits, in the framework of a private right, the implementation of missions of general interest and the raising of capital from private or public sectors. The initial allocation is F CFA 857 million from the first 17 public founder members (the State, the Municipalities of Dakar, Pikine, and Zinguichor)

¹⁷ Fondation Droit A La Ville (FDV). *Status Prefaces par une note explicative*. 2000.

and private operators (Société Générale, l'AGETIP, the BHS, etc.). The Foundation will be under a double control system: technical control by the Ministry of Urban Planning and Housing and financial control by the Ministry of Economy, Finance and Planning. The Fondation Droit à la Ville will start its activities with the “South Pikine Irregular” project, funded by the German Cooperation.

The “South Pikine Irregular” large-scale upgrading project

The “South Pikine Irregular” feasibility study ordered by the GTZ was finalized in 1998. The project was expected to start in January 2000; however, the status of the foundation “Droit à la Ville” was not approved until December 2000, and the recruitment of personnel started only in April 2001.

In the project area of 700 hectares, there are 240,000 persons and an annual population growth of 8 percent.

The total resources from the German Cooperation are CFAF 6 thousand million (US\$10 million) for the first phase of five years:

- GTZ: US\$4 million: support for the organization (software) and equipment (cars and computers);
- KFW: US\$6 million: physical infrastructure (hardware);

The program has three phases of implementation, each one lasting five years. The upgrading will be disassociated from the land regularization procedures. The main priority is to build a minimum network of roads and individual sanitation systems; the second land regularization, which will be the responsibility of a specialized team (with experience in the preceding projects, e.g: Fondation à Droit à la Ville); and the third, community participation with increased participation of the municipal authorities.

FORREF: a financial tool to assure replicability

The functioning and limits of FORREF were explained above. The creation of the “Fondation Droit à la Ville” (FDV) as an autonomous operator and the KFW contribution of F CFA 500 million to start the South Pikine Irregular project are seen as an opportunity to enhance FORREF performance in the future.

Annex A

COUNTRY AND CITY PROFILES

Ref	SENEGAL	Data
1	Area	196,200 square kilometers
2	Population	9,003,000
3	Urban Population	46.7 percent
4	Population Living Below Poverty Line	20 to 30 percent
5	Population without Safe Water & Sanitation	37 percent to 61 percent
6	Capital City	DAKAR
7	Human Development Indicator	158
8	Life Expectancy at Birth	50.3
9	GDP Per Capita	US\$650
10	Density	48 inhabitants per square kilometer
11	Unplanned Dakar Area	60 percent
12	Dakar Density	800 inhabitants/hectare
	DALIFORT	
1	Area	18 hectares
2	Population	7,000
3	Plots	600
4	Project Cost (without technical assistance)	CFAF 300 million (US\$900,000)
5	Minimum Size of Plots	80 square meters
	MEDINA FASS-M'BAO	
1	Area	40 hectares
2	Population	13,000
3	Plots	1,300
4	Project Cost	F.F 20.3 million (US\$3.63)
5	Average Size of Plots	300 square meters

Annex B

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Annex C

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PHOTOGRAPHS

ANNEX D

D.1: DALIFORT



D.2.: MEDINA FASS-M'BAO

