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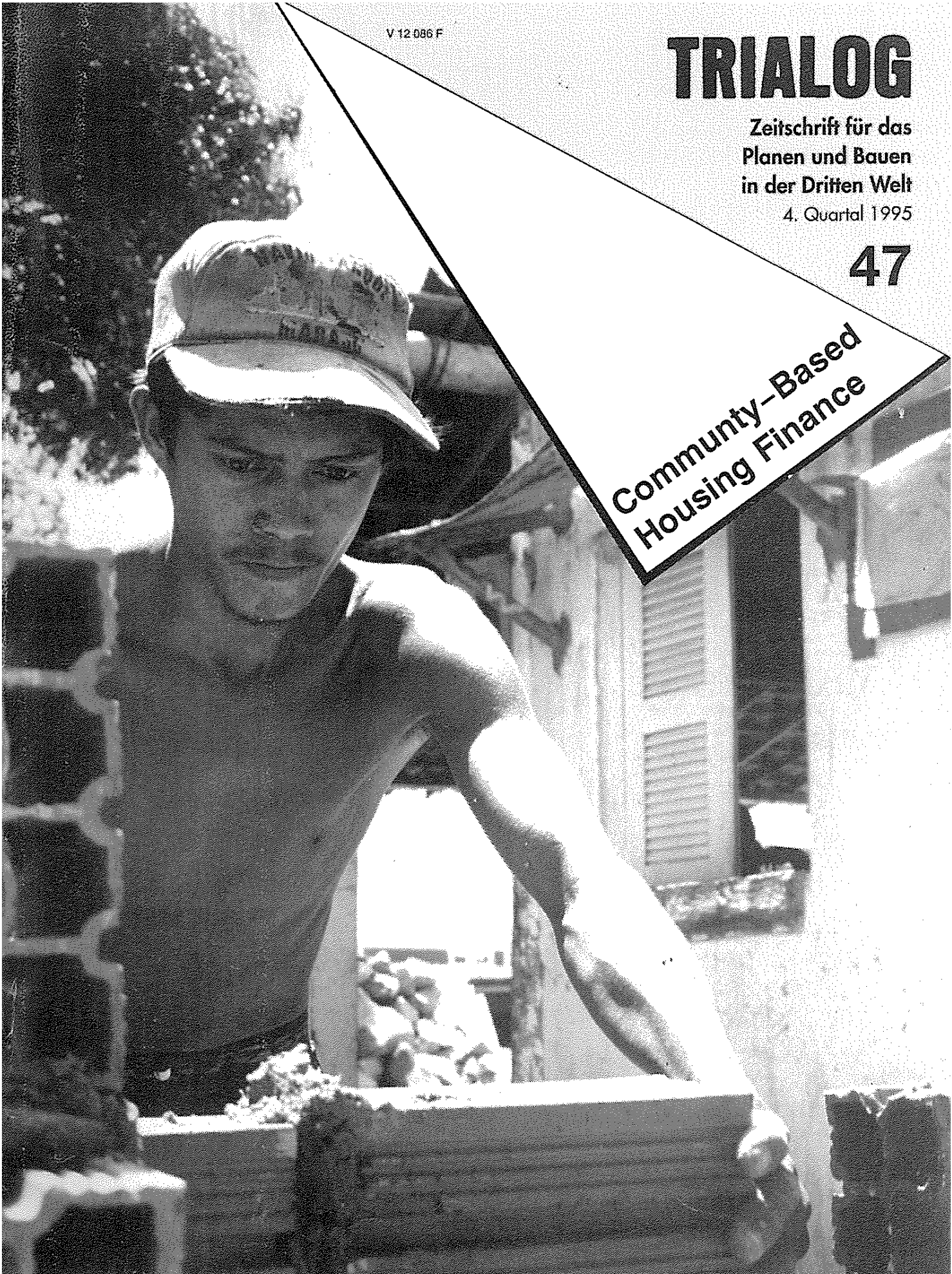
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Community-Based  
Housing Finance



A TRIALOG Contribution ... Towards Habitat II  
Volume Editors: Yves Cabannes and Kosta Mathéy



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Editorial:

## The Poor and the New Crisis of Housing Finance

Kosta Mathéy

Twenty years ago the first UN Habitat conference in Vancouver defined new and hopeful approaches towards the improvement of housing conditions of the poor in the South. Most of the recommendations have, at least in part, been adopted by the national housing policies and by the international donor community since then. However, at the same time slums and squatter settlements have continued to grow at a dramatic pace not only in the poorer countries. Almost all industrialized countries in the North also experienced a new housing crisis – a problem they believed to have overcome for decades. It is common wisdom that the housing shortage always hits the poorest

first, indicating that lack of shelter is, first of all, a problem of finance. Ecological, social, legal, aesthetic and physical planning concerns follow only much later. Before departing in search for a new, ultimate 'alternative' solution to the housing problem – which in the long run may prove as inefficient as the previous policies – it seems wise to review the tested strategies first, and to memorize where and why they failed as a widely replicable solution.

**Social housing** was the recipe to combat the housing problem not too long ago. The principle was simple and extremely successful for a considerable period – at least in

### Nachbarschafts-gestützte Finanzierungsmodelle für den Wohnungsbau

Zwanzig Jahre nach der ersten UN-Wohnungskonferenz hat sich die Versorgung mit Wohnraum, trotz zahlreicher positiver Ansätze auf der Grundlage der vorgelegten Positionen und verabschiedeten dieser Veranstaltung, weltweit verschlechtert. Unter den multiplen Ursachen nimmt die Frage der Finanzierung von Wohnraum eine Schlüsselstellung ein. Ohne eine Antwort auf diese Frage zu finden wird sich das Wohnungsproblem nicht lösen lassen.

Alle konventionellen Spar- und Fördermodelle haben sich auf Dauer als nicht tragfähig erwiesen, auch wenn sie zum Zeitpunkt ihrer Konzipierung sinnvoll und z.T. über eine längere Zeitspanne erfolgreich waren. Dies gilt insbesondere für Entwicklungsländer, wo die sich die Armutsschere als Konsequenz internationaler Wettbewerbs-Verschärfung und Struktur-Anpassungsmaßnahmen immer weiter öffnet. Die Armen, von der Regierungspolitik und dem Markt gleichermaßen im Stich gelassen, verlassen sich in gesunden Selbsterhaltungstrieb auf z.T. traditionelle Praktiken wie Spazirkel und Gruppensolidarität. Diese Strategie enthält die nahezu einzig funktionierenden Modelle der Gegenwart für die Finanzierung von Wohnraum für untere Einkommensgruppen. Das Grund genug, dieses Heft mit Darstellungen ausgesuchter, und z.T. prämiierter Beispiele solcher Strategien der kommenden zweiten UN-Wohnungskonferenz in Istanbul 1996 zu widmen.

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countries like Britain, Austria, Germany. It basically relied on both exchequer or municipal subsidies (redistribution of resources) and rent sharing. The latter mechanism made it possible to lower the organically high rent of newly built housing units through a cross-subsidy by letting older and already depreciated housing stock at a uniform price level. However, recent privatization of this same old stock led to an erosion of rent sharing possibilities, while the new conservative governments additionally scrapped the housing subsidy element – at least for the poor. The rapid decline of the social housing system was the inevitable consequence.

In the Developing World social housing schemes existed in smaller numbers, and were mostly introduced by the colonial (neo-colonial, in the case of soviet influence) powers or their companies – like the railways, for example. The main motivation, of course, was the assurance of a cheap and, above all, healthy labour force. With independence, the resourceful public landlords disappeared; the newly empowered nations felt the need for different priorities for the investment of their scarce resources and were reluctant to maintain or even expand this line of supply.

Another related housing strategy centres on *co-operatives*. They were and still are a highly sustainable mechanism in many places – France, Belgium and Austria – to name the most famous examples. Again, they were able to offer affordable housing costs

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through rent sharing, and by eliminating the speculation component that incurs through increased land values which must be paid every time the ownership changes. Some models successfully established in the North were also exported to the South, mostly without allowing for the necessary social and cultural adaptation. Moreover, for the members of a co-operative the temptation of transferring shared ownership titles to the individual occupants, thus privatizing collective assets, is a great temptation given the prevailing immediate need to secure daily survival (food, health) in extremely poor neighbourhoods.

A third strategy frequently encountered is a national *housing cum pension fund* fed by enforced savings deducted from salaries. This option, still acknowledging the state's responsibility to cater for housing needs, proved ineffective in providing low income-housing in the long run. There were two obstacles. First, obliged to provide a 'secure' investment of the deposited funds and possibly to increase value of the same, prefer to invest these funds in profitable high and middle-income housing rather than in poorer neighbourhoods, where the purchasing power is minimal. Secondly, the system only touches on workers employed in the formal sector – who still represent a privileged minority in a developing economy. The bureaucracy involved in these often very big institutions poses another obstacle to success.

Operating on a very small scale, many *revolving funds* were set up in poor neighbourhoods in Asia, Africa, and Latin America over the last twenty years, but few of them survived over a long period. An obvious problem arises in an environment with steep inflation, where the returns to the fund rarely reach the value of the initial sums disbursed – even if a certain amount of value adjustment is provided ('indexing'). The latter may just not be quick enough to follow the day-to-day price increases, or it may be linked to an official index kept unrealistically low for political reasons.

However, even more critical is the common foreign-driven nature of these funds if they were fed by an international donor. The administrative mechanisms implemented were just too complicated to be sufficiently transparent and convincing to the clients. They also lacked the capacity of inducing a sense of ownership, or identification, by the users with this instrument. The result was poor repayment records.

Finally, faced with the limitations of institutional solutions, the ultimate policy wisdom – dominant today – suggests relying on and enforcing private and individual initiatives – always the last resource when the social provision of a given resource fails. Applied to the context of shelter in poor neighbourhoods, 'self-help' is the leading paradigm proclaimed in particular with reference to the debates and resolutions of Habitat I. Following from there a common policy put forward was to encourage private letting to pay for the owner's plus the subtenants accommodation. Again, this was a solution more suitable for the better off among the poor than for the poorest themselves – and certainly not a universal solution since if everybody was subletting there would be no tenants left to pay the bill.

Having stated the crucial role of finance in relation to the housing problem, and having reviewed some dominant but mostly unsustainable strategies for funding low-income housing provision, we understand better the structural limitations we are bound to face in searching for more suitable financing alternatives. These limitations are rooted in both the demand and the supply side of the market. This weakness is amplified by the application of imported models and instruments although they are incompatible with the local social and cultural context.

### Supply side constraints

On the supply side the housing is characterized by increasing production costs – an effect aggravated by less available possibilities of external and national funding.



### *Contraction of public resources*

It has been observed that social housing schemes as well as other programmes which depend on public subsidies are being drastically cut over the last years. Ideologically this step may have been justified because of abuse of the concepts of self-help, 'devolution', and 'enabling' (all implying less dependence on the state through own initiatives). More recently the argument was repeated by neo-liberal rhetoric. However, even governments committed to social policies found themselves forced to follow the same line. The underlying structural forces are often stronger than day-to-day politics.

First of all, land prices have been rocketing in the bigger cities all over the world in recent years. Rapid urbanization over the last three decades has dried up virtually all accessible land reserves in and around the bigger population centres. And since land is a

resource that cannot be multiplied its price is determined by monopoly rules. In weak economies, land is also valued as a relatively safe and profitable investment that can be withdrawn from the market for extended periods thus contributing to land scarcity.

In addition, building construction costs have increased disproportionately since this sector offers almost no possibilities of mechanization and industrialization. Furthermore, given the scarce land resources, development tends to be more and more multi-storey. This eliminates possibilities for incremental construction, improvised building materials and technologies, and more rigorous standards must be complied with. The capacity of urban technical infrastructure, often dating back to colonial times, has reached its limits, and further extensions would require major capital investments.

The globalized economy, offering an almost unlimited number of loc-

ations for investment projects weakens the negotiating power of municipalities and governments *vis-à-vis* international (but also national) capital. This implies that taxing concessions may be the only way of attracting capital in the hope of fuelling the local economy. In the South, subcontracting to the informal sector and the increasing size of marginal settlements also diminish the tax base which would otherwise be the principal municipal or state income to pay for social housing and subsidy programmes.

Most developing countries are caught in international debts which they are unable to repay. Interest payments on the debt exceed the volume of new international loans granted in the majority of developing countries and consume a significant proportion of their GNP. Structural adjustment policies are designed to avoid the complete collapse of the national economy, and require rigorous cutting of social expenditure.



*Self-Help Housing in Los Lactos, Santiago de Chile (Banco de Materiales)*

*Foto: Gerardo Anabalon V.*

### *Global shift in international development co-operation*

Weak national economies are an accepted criterium for classification as a Developing Country and may help to obtain favorable loans and other aid from the wealthier states through international cooperation. However, the fall of the iron curtain increased the number of countries in need, and much development aid has since been diverted from the South to East(ern Europe). Given the better discipline and education of the labour force in these countries such a move does not only make sense economically but also politically. The rationale is to retain the flow of potential labour migrants into the donor's home countries.

Mismanagement, corruption (often out of pure necessity to secure subsistence costs) and other negative impacts of aid have also induced the donors to be more careful when placing international cooperation with the South. Only countries with supposedly unstable social conditions can hope to receive considerable aid packages – like Chile after the dictatorship; Mozambique, Angola, Nicaragua after the civil war, South Africa after Apartheid.

### *Market constraints*

According to the standard arguments accompanying the withdrawal of state subsidies, the private sector is expected to fill the gap. However, even in the North, low-income housing is not a favourite investment asset any more. The money would be fixed for a long period while economic and political predictions even in the medium-term are impossible to make. Financial securities for loans to this kind of user are considered bad or non-existent; and a house or a piece of land in a barrio where even the police does not enter is hardly tradeable in the formal market. Moreover, the administration of relatively small credits is extremely expensive. In any case, the return on investment in other sectors of the economy is better most of the time, and borrower must compete

with other investment opportunities in a world-wide money market.

### **Demand side constraints**

Of course 'market' approaches can not be seen in isolation from effective demand. Looking at the other side of the coin, we naturally encounter a complementing picture. The fall in real incomes over the last decades is well known and does not require much comment. Although the urban (and rural) poor are by no means a homogeneous mass, and a certain savings and investment capacity can be observed by the kind of constructions and cars present in most informal settlements, we must acknowledge that a good proportion of those people just cannot pay for housing. Even the most promising policy innovations arising from the Vancouver conference were counterbalanced through increasing poverty levels.

### **Where to go?**

The previous section has illustrated the apparently hopeless perspective of formulating a convincing housing finance policy aimed at attacking the housing problem in the Third World and elsewhere, too. It has been demonstrated that even shelter policies that appeared viable in the past, cannot offer a satisfactory answer to the problems encountered in the Developing World today. What can be done? Once again, common 'expert' knowledge – if honest – must confess that it has no answer.

Apparently hopeless situations often generate intrinsic ingenuity solutions – maybe an expression of the species' compulsion to survive. Continuing traditional techniques and practices which – by definition – have demonstrated that they are sustainable, should be reconsidered and kept alive by integrating them into today's environment.

Being abandoned by their bankrupt governments local commun-

ities must again rely on group solidarity and mutual assistance. In some cases a partially independent economy may flourish where integration into 'the market' is being denied: a good example are the lottery-like saving clubs known in many communities all over the world. In other instances cooperation with the formal finance sector is possible, where the latter is flexible enough to depart from economic schoolbook wisdom (that I never found convincing anyway), and to adapt itself to the culture of the communities with which it wants to collaborate. Fortunately such proposals are not just fantasy, but many local experiences were already born in this spirit, and some of them seem to be extremely encouraging.

### **A selection of illustrative cases**

Remembering that finance is the core element of the current housing crisis the volume editors of this TRIALOG issue, Yves Cabannes and Kosta Mathéy, suggested reviewing a variety of examples of such community based models for housing finance and present them in a special volume dedicated to Habitat II – the UN Shelter conference scheduled to take place in Istanbul in 1996. The cases included were drawn from a much wider spectrum of experiences than listed in this volume, most of them previously identified and analyzed with the support of PSH (Programme Solidarité Habitat) of the French NGO "Gret", and of HIC (Habitat International Coalition). Several of these selected examples have also been honoured as Best Practices to be presented at Habitat II, and three cases won the Habitat Scroll of Honour, 1995.

The individual articles are all original material and intend to explain how the cases function and what the principal achievements are. A conclusive article at the end of the volume analyzes common trends observed, discusses the main challenges for the future and also their limitations.

## International Grassroots Networking Yields a handsome Dividend in the New South Africa

### The South African Homeless People's Federation and the uTshani Fund

Joel Bolnick and Ted Baumann

#### Housing Struggles in South Africa

During the late 1980's Jorge Anzorena, editor of *Selavip* and 'housing priest of Asia', visited South Africa to get a first-hand impression of the housing situation of the country's urban poor. This early engagement with South African non-government and church organisations – then immersed in a struggle against apartheid – triggered a process which was to lead to the emergence of a housing moment of the urban poor. This took place in March 1994, when a tree-year old network of women's housing savings groups from South Africa squatter settlements launched themselves as *Umfelandawonye Wabantu Base Mjondolo* – the South African Homeless People's Federation.

There had been significant regional squatter movements in South Africa as early as the 1940's, but in the late 1980's socio-economic struggles were subsumed by the battle for political liberation. When Fr. Jorge made his maiden visit to South Africa, most organisations in the country's informal settlements were either oligarchies of slumlords or party-political cells, manned (very few women participated) by

#### **Zusammenfassung: Utshani-Fonds, Südafrika**

In den "townships" einiger südafrikanischer Städte – das sind die Wohnviertel der ärmsten Bevölkerungsschichten, die in etwa mit den venezolanischen "Ranchos" verglichen werden können) haben sich seit 1992 sogenannte Spargemeinschaften zusammengefunden. Ein Zusammenschluß dieser Gruppen, meistens von Frauen getragen, gründete dann 1994 die "Homeless People Federation" – Föderation der Obdachlosen – nach dem Vorbild der indischen Pavement-Dwellers Organisationen. Dieser Schritt war in erster Linie das Ergebnis internationaler (d.h. Süd-Süd) Zusammenarbeit auf NRO-Ebene. Ihr Ziel war die Gründung eines selbstverwalteten Kredit-Fonds für den Wohnungsbau der Armen und Ärmsten, der von der Regierung gespeist werden sollte.

Dieses Ziel wurde mit der Gründung des Utshani-Fonds erreicht, auch wenn die Unterstützung der Regierung weit niedriger ausfiel, als erwartet und z.T. auch versprochen. Bis Juni 1995 wurden fast 200 Spargemeinschaften in den verschiedenen Städten des Landes registriert, mit etwa 11.000 Familien als Mitgliedern. Bereits 168 Kredite mit einer durchschnittlichen Höhe von 2.240 US\$ wurden vergeben, was jeweils etwa dem Jahreseinkommen einer Familie entspricht. Die Laufzeit der Kredite beträgt maximal 15 Jahre, und wird der finanziellen Situation der jeweiligen Familie angepaßt. Die Kredite werden in der Hauptsache für den Kauf von Baumaterialien verwendet.

comrades who held unwaveringly to a doctrine of 'political liberation first' – with social and economic upliftment assumed to be a natural and automatic consequence. These small, tightly-knit groups of politically-committed cadres enjoyed considerable popular legitimacy, but had little experience in open democratic governance or in development and social upliftment. The situation dictated that theirs was a mentality and a practice of sacrifice, warfare and authoritarian command.

heid's draconian efforts to reverse the tide of black urbanisation, housing policy and practice in South Africa had shifted. Restriction on urban tenure were softened. The emphasis shifted from reversing black urbanisation to attempting to manage it. Decision-making and planning were no longer the sole domain of apartheid ideologues and racist functionaries. Technocrats and financiers, including those from outside the ruling National Party, began to have increasing influence.

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The public policy perspective on urbanisation and poverty in the formal sector was also pretty bad in the late 1980's, but for opposite reasons. After decades of apart-

The result of this alliance between reformist apartheid bureaucrats and financial capital was the top-down imposition of a site-and service policy which adhered to the apart-

heid geography of towns and cities. These typically comprised basic infrastructure (roads, water, sewerage) for household 'sitings' on which toilets were built. Private contractors spent lavishly, deducting the costs of these developments – including, of course, their own profits – from the subsidies allocated to each household earmarked to live in the development. Little or nothing was often left for construction of a house. The products of this suspect largesse were aptly called 'toilets towns', and are despised by the urban poor. The latter had been recognised as being a nasty reality which could not be eradicated. Yet under the new system they were going to be treated as passive recipients of the decisions of external agents – and many of them knew it.

### **The homeless Poor organise themselves ?????**

Fr. Anzorena returned to South Africa in March 1991. He helped create the space for eleven housing practitioners from Third World NGOs and CBOs to attend a landmark conference in Johannesburg called 'A People's Dialogue on Land and Shelter.' This conference broke new ground by bringing together 150 poor men and women – regardless of political persuasion – from the shacks, back-yards and hostels of South Africa's black settlements. Professionals and government officials represented a fraction of the delegation, and were only allowed to observe and record proceedings. The poor themselves came together, as the theme of the conference had suggested, to strengthen their positions as poor, homeless and landless people, by sharing their experiences.

The conference mirrored the prevailing tensions within urban poor settlements. A strong lobby of ANC activists and civic leaders tried to discredit the process from the very start, arguing that the conference lacked credibility because it had 'not received a mandate' from either the liberation organisations or the civic organisations. At last half the del-

egation felt differently. They celebrated this first ever opportunity to meet with fellow squatters from all over the country and to identify their priorities, proposals and problems as homeless people. For the first two days of the conference they absorbed the vigorous filibustering of the mandate obsessed cadres. Then they gradually took the offensive, so that by the end of the gathering their position of open dialogue and focus on social and economic as opposed to political strategies had won the day.

This significant breakthrough was actively supported by the international team which had participated in the conference. The five-day meeting was punctuated by reminders from the international delegation that experience in their countries – India, Thailand, the Philippines, Sri Lanka, Zambia, Kenya and Colombia – clearly demonstrated that homeless poor people had to organise *Themselves* around their *own* resource needs. The obsession with political liberation as a panacea for social and economic deprivation, which permeated the collective consciousness of South Africa's oppressed, was understandable, but lamentable. The People's Dialogue was seen by the international team and by a reasonable number of the South Africans as a small but nevertheless ambitious step towards redressing this situation.

At the end of the conference a group of about fifty squatter leaders pledged to strengthen ties between their settlements. This appropriately cautious commitment to grassroots networking represented the birth of a social housing movement in South Africa. The international team at the People's Dialogue conference, which had served as midwife to the birth, continued to play a role.

### **Collecting Money Collecting People**

Once the form of a grassroots housing network had taken shape, it began to develop mechanisms for

people – centred development. As a first step, communities in the network quickly prioritised their needs. Then they turned to their overseas counterparts, especially the National Slum Dwellers Federation in India, to draw on the latter's experience, explore their system and strategies, identify elements of value, and adapt them to South African conditions.

The initial visits to and from India in 1991 and 1992 served as kind of shock therapy for the squatter leaders in the People's Dialogue network. The conditions of poverty and homelessness which greeted them on the pavement of Bombay after more than 40 years of independence shattered the consoling illusion that an ANC government would provide land and houses for all. The evaporation of this vain hope did not lead to despair, but increased an awareness of the urgent need for poor people to unite, strengthen themselves, and most importantly, constitute a consciousness in which they were aware and confident of their capacity to manage their lives and their own development priorities.

Once again international linkages played a catalytic role. Already at the March '91 conference, access to credit had been identified as a need of urban poor. In India, leaders of the network saw for themselves that the universal need for credit was a powerful tool for mobilising and empowering the urban poor.

Thus, in 1992, at a time when the South African government was consolidating a housing policy based on capital subsidies to be released via private contractors, the People's Dialogue network began mobilising thousands of homeless poor families into Savings and Loans Schemes for Housing. This first Housing Savings Schemes (HSS) were established in October 1992. Barely eighteen months later, there were over 50 savings schemes in South Africa's informal settlements. These HSS began calling themselves the *South African Homeless People's Federation* in early 1994.



Average family earning in the Federation amount to about R690 per month (US \$ 187).

Since then there has been an extremely rapid rate of growth of the number of saving schemes, the number of family saving and the amount of money saved.

Date	HSS	Members	Savings
October 1992	12	670	R1.432.13
August 1993	58	2.178	R34.039.44
July 1995	198	10.627	R371.249.50

Table 1: Rate of Growth in South African Homeless People's Federation

The level of saving of the Federation remains low, even in relationship to the extremely low income levels of the members. These figures give an insight into far more significant developments within the Federation, however. Firstly, overall growth has been astronomical. The Federation continues to than double in size savings every year. Secondly, the practice of savings and borrowing has equipped the members of the HSS with the skill to manage money and credit, thereby debunking the myth that homeless people are not creditworthy. Thirdly, the HSS have no minimum amount of savings. A member can save as little as a cent a time, provided she saves as regularly as possible. The Federation has a motto (also adapted from India) which gets to the heart of the matter: 'We are not only collecting money . We are collecting people at the same time'.

In other words, these saving schemes are much more than informal and simplistic saving and lending institutions. All the members involved feel a real sense of ownership, because they have invested their own precious time and money in the exercise. At the same time, they focus people's minds directly on their material needs, and generate in them the *interest and capac-*

*ity* to become agents of transformation – as opposed to beneficiaries of outside intervention.

An interesting and important result of the focus on saving is the considerably high level of women's participation. Men are far less likely to save regularly for housing. As a result, women's participation in the Federation stands at over 85%. This is reflected also in leadership positions, and signals a significant shift in the overall position of women in shack settlements where HSS are strong.

The ultimate objective of these savings has always been to secure affordable housing. This has meant that the activities of the HSS in the Federation quickly incorporate other important aspects of housing development besides savings. The different programmes currently run by Federation members testify to the depth, diversity and innovation of the process. The HSS in the Federation design their own houses, determine levels of income and affordability, measures and enumerate shack settlements, identify suitable land, struggle for land tenure, negotiate with government and seek to transform policy by demonstrating what they have accomplished.

### The homeless Poor take Control of Finance

Perhaps the most innovative and ambitious element of the Homeless People's Federation's activities has been the establishment of a credit mechanism controlled by the homeless themselves. This is called uTshani Fund<sup>1</sup>.

As mentioned above, very early on the network of homeless poor that was to become the Homeless People's Federation realised the importance of access to credit. Whilst the homeless poor possess in abundance energy, initiative, skill, and experience, they lack the material resources to transform their situation. For this reason, all their efforts at people-driven development eventually run into a financial obstacle.

The Homeless People's Federation decided in 1993 that the only way the solve this problem was to establish their own finance scheme. This was for two reasons:

1. Firstly, despite the efforts of the housing policy apparatus of the new South African government to convince them otherwise, the private financial sector has effectively written off the vast majority of South Africa's homeless poor. Although the banks often refer to those earning less than R1.500 per month (US \$410) as part of the housing 'market', in reality they are entirely outside it. No bank or building society is willing to loan money to this income category – by our estimates, nearly 70% of the country's homeless. If the energy and initiative of the homeless poor were to wait for private sector finance, it would soon dissipate.

2. Secondly, in the Federation's experience, the state housing subsidy system has been designed on the assumption that the homeless poor are to be the recipients of development planned and executed by 'experts' and 'professionals'. The homeless poor are the largest providers of human shelter in the country. Yet their efforts are devalued and ignored in policy debates *simply because they lack the resources to do a better job*. Paradoxically and illogically, rather than make more adequate resources available to the thousands of communities who have already planned, designed, and constructed their own settlements out of scrap wood and tin, current housing policy seeks to form them into 'queues' to await 'real' development – by others. As a result, no Federation community has succeeded in their earnest and energy-consuming efforts to obtain promised subsidy finance.

To put this another way: in the prevailing official mind-set, houses are regarded as commodities to be supplied by professional producers. If the poor are unable to purchase such commodities, they are expected to surrender control over

<i>Location of Savings Schema</i>	<i>Total Loan</i>	<i>Average, Loan,</i>	<i>Average, Repayment,</i>	<i>Bank, Repayment,</i>	<i>Loan, Amounts,</i>
<i>Piesangs River, Inanda (#1)</i>	8	<i>R14.431,25</i>	<i>R150,00</i>	<i>R1.200,00</i>	<i>R116.250,00</i>
<i>Piesangs River, Inanda (#2)</i>	30	<i>R8.252,01</i>	<i>R100,00</i>	<i>R3.000,00</i>	<i>R247.560,00</i>
<i>Vusisizwe HSS, Mossel Bay (#1)</i>	10	<i>R8.252,01</i>	<i>R100,00</i>	<i>R1.000,00</i>	<i>R82.520,10</i>
<i>Vusisizwe HSS, Mossel Bay (#2)</i>	10	<i>R8.252,01</i>	<i>R100,00</i>	<i>R1.000,00</i>	<i>R82.520,10</i>
<i>Win HSS, Kleinskool (#1)</i>	10	<i>R8.286,12</i>	<i>R100,00</i>	<i>R1.000,00</i>	<i>R82.861,24</i>
<i>Win Hss, Kleinskool (#2)</i>	10	<i>R8.286,12</i>	<i>R100,00</i>	<i>R1.000,00</i>	<i>R82.861,24</i>
<i>Imizamu Yethu HSS, Plett</i>	10	<i>R8.286,12</i>	<i>R100,00</i>	<i>R1.000,00</i>	<i>R82.861,24</i>
<i>Oukasie HSS, Brits</i>	10	<i>R7.870,11</i>	<i>R95,00</i>	<i>R950,00</i>	<i>R78.701,13</i>
<i>Kgotsoong HSS, Bothaville</i>	10	<i>R7.043,71</i>	<i>R85,00</i>	<i>R850,00</i>	<i>R78.182,00</i>
<i>???? HSS, North West</i>	10	<i>R8.286,12</i>	<i>R100,00</i>	<i>R1.000,00</i>	<i>R82.861,24</i>
<i>Cato Crest HSS, Durban</i>	10	<i>R8.286,12</i>	<i>R100,00</i>	<i>R1.000,00</i>	<i>R82.861,24</i>
<i>Robert MacBride HSS, Durban</i>	10	<i>R8.286,12</i>	<i>R100,00</i>	<i>R1.000,00</i>	<i>R82.861,24</i>
<i>Kanana HSS, Gauteng</i>	10	<i>R8.286,12</i>	<i>R100,00</i>	<i>R1.000,00</i>	<i>R82.861,24</i>
<i>Victoria Mxenge HSS, W. Cape</i>	20	<i>R9.560,82</i>	<i>R115,00</i>	<i>R2.300,00</i>	<i>R191.256,30</i>
<i>Totals</i>	168	<i>R121.766,26</i>	<i>R121.766,26</i>	<i>R121.766,26</i>	<i>R121.766,26</i>

Table 2: uTshani Fund Loans

their own material development in order to receive state subsidy finance.

After a period of capacity-development which included a major conference on Housing Finance in June 1994, attended by the late Housing Minister Joe Slovo, uTshani Fund began operations in January 1995, with a modest grant from the government.<sup>2</sup> Although managed on a day-to-day basis by People's Dialogue staff in Cape Town, the Fund's executive decision-making structure is a Governing Body comprised of representatives from each of the nine regions in the Homeless People's Federation, as well as three National Convenors of the Federation. Professional support staff have no vote on matters of load policy.

UTshani Fund's operating principles are that (i) finance should be made available directly to Housing Savings Schemes on a collective basis, and (ii) the ground-work of the Fund should be undertaken at community level. Accordingly, uTshani Fund process works as Follows:

1. Any Housing Savings Scheme is eligible to apply for an uTshani Fund loan. The final decision on a loan rests with the Governing Body. There is no minimum saving required to obtain a loan. People's savings are designed to accomplish the following: (a) mobilize people. As the Federation says "When we collect money we collect people". (b) develop a culture of savings and borrowing. (c) Develop systems of accountability and partnership. Once savings groups have demonstrated their capacity to drive a housing development process they request loans.
2. A Housing Savings Scheme wishing to apply for a loan plans its ideal community lay-out and designs houses which are affordable to the members. But credits can also be granted for other housing related investments, such as land purchase, upgrading, infrastructure.
3. The Housing Savings Scheme then undertakes an Affordability Exercise to determine the amount each member can afford to repay

every month. Members who will build houses financed by the prospective uTshani Fund loan are identified by the Saving Scheme according to their own criteria. (Loans are usually for groups of ten to twenty members at a time)

4. Once the members's monthly repayments have been determined, uTshani Fund staff determine the amount which can be borrowed over a 15-year period at a simple interest rate of 1% per month, but there exists an interest rate subsidy on housing loans for low income families.<sup>3</sup> Loan size is determined on the basis of affordability, not the value of the savings. The Housing Savings Scheme then adjusts its house designs to build within this amount. The groups know how much people can afford to repay on a monthly basis. This information comes from trust, close co-operation backed up by needs assessment surveys conducted by savings scheme and a system of revolving loans which ensure that is in the material interest of other group members to ensure that loan recipients repay their loans.

5. If approved, the load is made to the Housing Savings Scheme as a collective, with collective responsibility for repayment. The Housing Savings Scheme disburses the loans to its members in the form of building materials (not cash). Management of the construction process is undertaken by the members, supported by other Federation groups in the course of regular exchange programmes.

6. Collection of repayments and record-keeping for individual members is undertaken by the Housing Savings Scheme, using a system designed to match the existing savings system. There is a certain flexibility in repayment, and the monthly repayment amount varies from month to month.<sup>4</sup> Bulk repayments are made monthly from the savings schemes to uTshani Fund. uTshani Fund staff maintain records for the collective loans to the Housing Savings Scheme only.

7. No physical security is required, but further loans to Housing Savings Scheme and to other groups are based on the Performance of existing loans. Regular exchange programmes between the Housing Savings Schemes help to ensure that members remain aware that their repayments will determine access to finance by thousands of homeless poor. Because uTshani Fund is a 'revolving' fund, loan repayments are the source of further loans. The loans disbursed so far are contained in table 2.

The numbers of loans made so far is intentionally small. The focus this year has been on developing the community-based loan management systems required to make the fund a sustainable and truly community-controlled institution.

## Notes

1. uTshani (or utyani) means 'the grassroots'
2. A R10 million grant (2,8 Mio US\$) was promised to the Fund, though this amount will be released in smaller instalments. The first transfer has been delayed for 15 months. Compared to the Government housing budget counting 2,5 billion this grant is negligible. The government prefers to set up an own National Housing Finance Corporation in early 1996, over which it will have tight control.
3. This subsidy is 24% (compounded). The government also has a capital subsidy policy which allows very poor families to receive a once off grant of R 15,000. However, institutional arrangements are such that subsidies are released to developers on completion of housing schemes. The uTshani fund does not qualify for this.
4. Some borrowers prefer to repay their loan quicker than envisaged when they have some money available.

»Die Villa San Girolamo hatte das Aussehen einer belagerten Festung, den meisten Statuen waren die Gliedmaßen abgesprengt worden. Kaum eine Trennungslinie zwischen dem beschädigten Gebäude und den verbrannten und verwüsteten Teilen des Erdbodens.«

Michael Ondaatje, Der englische Patient

INTERNATIONALE LANDMINEN KAMPAGNE



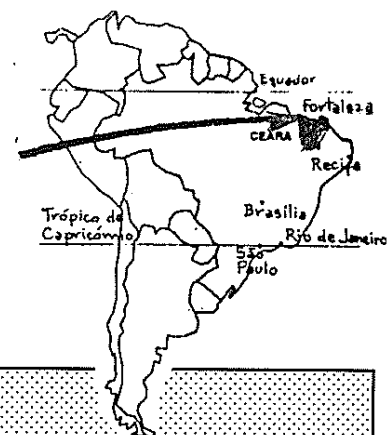
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## Alternative municipal finance for home improvements in Brazil

Yves Cabannes



In the Metropolitan Region of Fortaleza, capital of one of the poorest Brazilian states, new approaches to housing and income generating financial systems have been experimented on since 1988 :

- Self-managed community funds
- Revolving funds to micro entrepreneurs and income generating activities
- Loans to CBOs to implement and manage micro industrial zones and popular commercial centres
- Support to integrated micro urbanisation with peoples management (Comunidades Programme)



### Zusammenfassung:

#### **"Casa Melhor" ein kommunales Programm zur Sanierung und Vergrößerung von Wohnraum in Elendsvierteln in Fortaleza, Brasilien**

Das Programm "Casa Melhor" - "Besseres Haus" - entstand 1994 als Ergebnis einer 2-jährigen partizipativ durchgeführten Analyse bisheriger öffentlicher Förderprogramme für den Wohnungsbau durch mehr als 50 im Wohnungssektor tätigen Basisgruppen (CBOs) der 2-Millionen-Stadt Fortaleza. Die Stadtverwaltung, lokale Mieter- und Siedler-Organisationen und zwei NROs (GRET und Cearah Periferia) waren an der Formulierung des Programms beteiligt, und die Gelder werden durch einen Verwaltungsrat, der alle drei beteiligten Partner einschließt, kontrolliert. Aufgabe dieses Rats ist die Vergabe von Kleinkrediten (Maximal 150 \$US, was dem 1,5-fachen offiziellen Mindestlohn entspricht) an Familien mit einem monatlichen Einkommen vom 1,5- bis 3-fachen Mindestlöhnen.

Diese individuellen Kredite sind in weniger als 12 Monaten zurückzahlen. In bestimmten Fällen können Gruppen von bis zu 15 Familien einen Kredit bekommen, sofern sie in derselben Basisorganisation gehören und eine Spargemeinschaft gründen. Die Höhe des bewilligten Kredits ist gleich hoch wie der angesparte Betrag, dazu wird noch einmal ein öffentlicher Zuschuß in der gleichen Höhe des Kredits gewährt. Diese drei Teilsummen zusammen erlauben der Familie, Baumaterial zu kaufen um ihr Haus zu erweitern, zu reparieren oder zu verbessern; in der Regel jeweils genug für einen zusätzlichen Raum oder eine Toilette. Seit Mai 1994 haben sich 1.800 Familien von 50 Basisorganisationen eingeschrieben, und etwa 1.000 weitere stehen auf der Warteliste. Insgesamt 500 haben bereits einen Kreditvertrag, und in dem kurzen Zeitraum von Januar bis August 1995 erhielten schon 150 Familien ein Darlehen. Bisher wurden so gut wie alle fälligen Raten-Rückzahlungen pünktlich geleistet.

The paper presents two financial alternatives for home improvements and expansion, Casa Melhor and Paac. They are the result of a long process and which currently gives credit to poor families who would otherwise have no access to formal banking whatsoever. One of the original aspects of Casa Melhor was its capacity to find innovative ways to build working and efficient relationships between grass roots movements and a Local Authority, with the support of two NGOs.

### Key moments in the process of setting up the fund

#### *Mutual Aid in housing Programmes opens new possibilities*

In 1987, in the aftermath of the fall of the dictatorship, which lasted

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from 1964 to 1984, and under the pressure of the Civil Society which had played a major role in the democratisation process, a government Programme of Mutual Aid Housing – locally called Mutirão – was launched on a national scale. It was heavily subsidised, since the government was transferring resources to CBO's to buy materials to build their houses through self-help.

The 400 000 units target which was originally planned was never achieved and the programme was stopped abruptly in 1990 when the newly elected President Collor decided that the private sector could do it better. Less than two years later he was dismissed for active corruption, particularly in connection with the private sector.

However, in a few large cities, such as Fortaleza which is one of the poorest cities of the North-Eastern part of the country, where more than one third of the 2,5 million inhabitants survive in favelas and squatted lands, the Mutirão programme resulted in more than 10



# Fundão comunitário

000 houses, built through Popular Building Communal Societies. Specific conditions (Cabannes, 93) might explain such a situation.

Although the results were encouraging at local level, some problems still existed. First of all, production was far from meeting the 150 000 backlog of decent houses. Secondly, specific organisations, "Popular Societies", were to be formed, despite the possible existence of previous excellent ones and had to follow a set of rules decided at the top. Thirdly, the land on which the houses were built had no legal status and neither the local authority nor the State Government was keen to solve the tenure problems, leaving families without any property title.

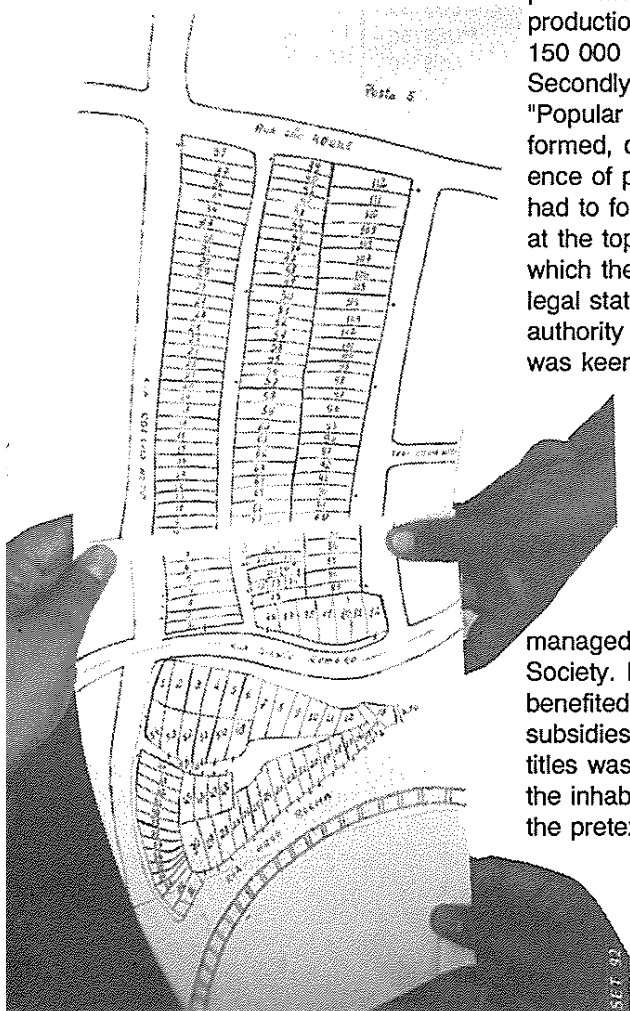
On the positive side, the programme opened the possibility of creating "community funds", managed by the Communal Society. Its resources were from benefited families that had received subsidies. The uncertainty of land titles was very often put forward by the inhabitants as the reason (or the pretext?) for not paying.

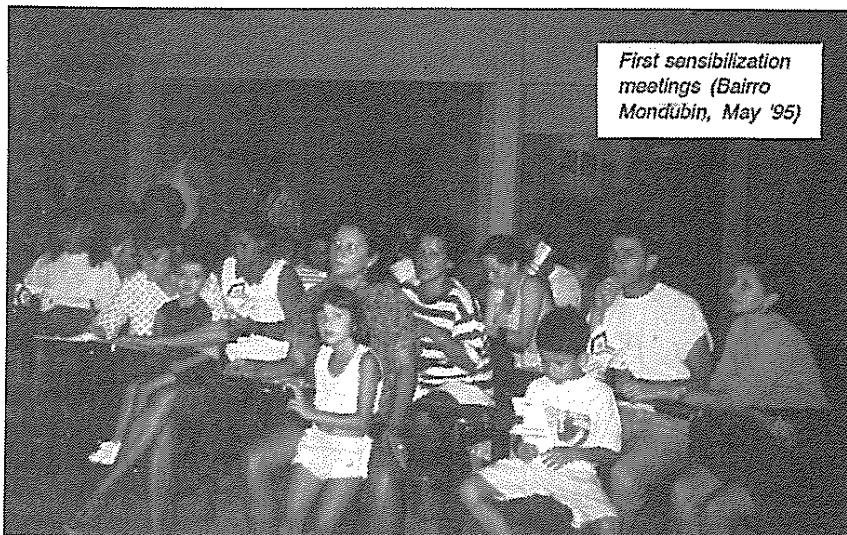
*Grass roots reflects collectively on mutirões*

At the beginning of the 90's, the end of the "mutirões" which had generated hope within the communities, the climate of legal and massive corruption and the failure of one of the pillars of the Brazilian finance housing system, the National Housing Bank –BNH– which had financed 4 million houses in 20 years might explain why some of the hundreds of local grass roots organisations from Fortaleza began a reflection process, which by no means meant that they were abandoning their struggle for decent housing.

*A community fund for people's housing*

This process of gaining strength was supported by a tiny professional NGO, Cearah Periferia, which had recently been formed by four social workers, all women, and closely linked to housing questions and community activities. It culminated at the end of 1992 in an independent seminar where more than 100 leaders from about 30 grass roots organisations participated. A commission of 21 representatives met regularly during the





First sensibilization meetings (Bairro Mondubin, May '95)

course of six months to elaborate proposals and to define lines of actions.

The creation of a "Community Fund for People's Housing" was the major outcome of this long process. It came into the limelight in March 1993, when a special issue of the open university supplement of the main local newspaper with a circulation of 40 000 copies, was devoted to the Housing Question and co-ordinated by the support team, Cearah. A full page in the newspaper presented the project of the fund and the topic could no longer be ignored. It became an issue, especially for most local grass roots organisations and some of them saw the political benefit of a high profile and the opportunity of gaining new members.

*Grass roots negotiations with federal government*

Within a very short time, various communities got organised and among other activities, travelled together by bus to Brasilia, the Brazilian federal capital 2000 km's away. Their intention was to present the project of the Fund to the recently appointed Federal Housing Minister who came also from Fortaleza. The 42 delegates insisted that Cearah be present. A couple of meetings and working sessions allowed for the changing of one of the federal Programmes, but in fact, at the end of 1993, the housing

conditions of those who were fighting for change had remained as bad as it ever was. However, the communities gained enormous experience and their relationships with

Philippines, England and Fortaleza. As a result, the idea of creating an alternative system to facilitate access to credit was ripening. Shortly after this, one of the moving spirits from Selavip – Latin American and Asian Service for Popular Housing – visited Fortaleza. and, in cooperation with the CBOs and Cearah, considered the necessity of developing a financial system which would associate various partners and three basic elements which up to then were not available to the poor in Brazil: saving, subsidy and credit.

*NGO/local authority linkages*

At the same time, since 1988 Fortaleza local Authority and Gret, (a French based NGO with a locally based professional staff since 1991 which worked closely with Cearah)

*Comparison of basic financial conditions of Casa Melhor and PAAC*

	Casa Melhor		PAAC	
<b>Origine of Resources</b>	People Local authority External		People External External	
<b>Value</b>				
Max. Saving	1.5 SM*	US\$150.-	0.75 SM	US\$ 75.-
Max. Subsidy	1.5 SM*	**US\$150.-	1.50 SM	US\$ 150.-
Max. Loan	1.5 SM*	US\$150.-	2.25 SM	US\$ 225.-
	4.5 SM	US\$450.-	4.50 SM	US\$ 450.-
<b>Duration</b>	max. 12 months		max. 10 months	
<b>Type of guarantee</b>	Personal colateral		Solidarity & mutual	
<b>Loan Use</b>	Building materials		Building materials	
<b>Type of works</b>	Kitchen, bathrooms, shops, enclosure wall, additional room		Kitchen, bathrooms, shops, enclosure wall, additional room	

\* SM = Monthly minimum salary. \*\* up to 70% can be in the form of building materials that the family has produced or obtained through its own means

the advisory group gained in clarity and strength.

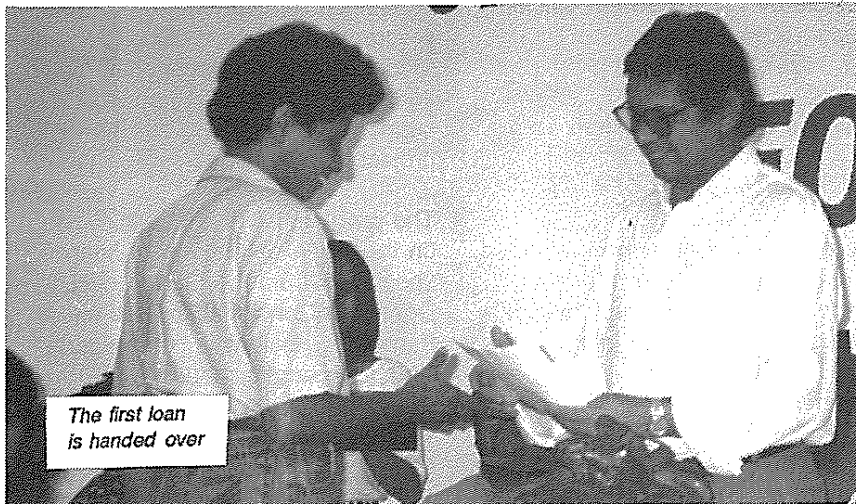
*International exchange of experience and networking*

During the same period, a workshop on alternative finance, sponsored by HIC (Habitat International Coalition) and Misereor gave the opportunity of sharing experience and ideas among representatives from South Africa, Namibia, Mexico, Colombia, Thailand, The

had forged a stable and strong working relationship to implement innovative, though limited in scale, urban Development and Income Generating Programmes with grass roots organisations.

*Long negotiations to set up the Fund*

These conditions allowed for preparation and negotiation at a municipal level of a fund geared to low income families to facilitate their



ccess to soft terms credits to improve their housing conditions. This applied particularly to sanitary conditions since during the three first months of 1994, a cholera epidemic struck more than 24 000 persons (official figure) and a Dengue Fever upsurge 600.000 out of 1.800.000 inhabitants.

Negotiations took time mainly because of the innovative and people-oriented elements inserted. The key points of the agreement were that:

- Credits could be directed not only to formally employed persons but to those belonging to the informal sector such as self-employed, shop keepers,
- The land property title was not necessary and in fact the necessity of a land title would have eliminated most low income

dwellers. An usufruct title (posse in Portuguese) was enough.

- The dwellers associations would play an active role during the whole process. Given the difficult relationships between most grass roots organisations and the governments, in a context of land invasions, this element was difficult to finalise.
- Even if the repayments were to be made individually to the bank, the whole process was collective and the constitution of Housing Saving Groups was a precondition. It is to be noted that saving practices among low income families was not at all common.
- Technically, the linkage between extremely decentralised small saving groups, the Institute of Planning – IPLAM – at municipal level and the State Bank where the Fund also had its account, was a difficult task : numerous

administrative and bureaucratic problems had to be solved.

#### *May 94: Casa melhor becomes an agreement*

Eventually, in May 1994 an agreement was signed to set up the "Casa Melhor" financial system. Difficulties existed from the people's side as the dwellers' associations and mainly the federations they belong to are extremely political and linked to parties. Some of them were not were not happy about a kind of compromise with the local authority and the cosharing of the fund. Worse still, the Casa Melhor was not geared to the "absolutely poor" and was introducing a credit component into the system.

The Housing Solidarity Programme gave its support to Gret's request and as a result a seed financial support – to start the revolving loans – was received from the French Ministry of External Affairs, dealing with support to NGOs programme.

#### *Community work*

As a next step, during the whole of 1994 there was an intensive motivation and explanation campaign with the communities and the people. In fact, this lasted till mid 1995 and more than 1800 families participated in meetings. The main problem was the strong resistance to joining a public programme and depositing savings into an account seen as a public one. The lack of confidence was widespread, compensated by a good relationship with the two NGOs.

Local leaders, a few civil servants from the municipality and the Cearah professional team (in fact broadly speaking half of Cearah staff are communities leaders without formal degree and the other half are standard NGO professionals) organised meetings in the "favelas" and barrios almost every evening and at the weekend to explain what the programme was about and answer the many questions that were rightly raised by the audience. The principle of saving was so new to the families surviving on a day to



day basis, that long sessions were needed even to explain the concept.

As a result, the approach was firmly rooted in people's will and not only in community leaders or progressive technocrats. In September 1995, out of 1800 families who participated at meetings, 1000 were interested. They belonged to about 50 of the most diverse cbos (Housing Communal Societies, Dwellers Unions, Popular Councils, Peoples Associations, Philanthropic Social Unions, Community Kindergarten groups...) living in the most diverse poor human settlements from the Southern Regions of the City (mutual settlements, consolidated neighbourhoods, low density public poor settlements, favelas, invaded lands...).

#### *January 1995, the first loans*

January was a milestone in the whole process as the first group took out their loan. Confidence began to grow on stone and bricks and no longer on speeches and promises about better living conditions.

On June 95, the Casa Melhor gave birth to the "PAAC" (Support Programme to Self Help - Programa de Apoio à Autoconstrução) which operates directly between Cearah Periferia and a few selected and well-organised communities with whom a long-lasting confidence relationship had been created.

#### **Credit conditions**

As indicated in Table 1, which summarises credit conditions, the main financial differences are a lower level of necessary savings and a mutual guarantee instead of an individual collateral. PAAC was an answer to the communities which wanted to join the programme and were living in non attended parts of the city. It reflected the willingness of the ngos involved to be supportive to peoples suggestions for improving the system. The positive answer was made

possible by the limited but efficient support from Selavip.

#### **How the Casa Melhor operates**

##### *Operating structure*

The programme is formally directed by a *Board* composed of three members : one from the Municipality, represented by the Iplam (Municipal Planning Institute) President, one from Gret local team and one is a community leader elected by the associations involved in the fund. The first elections took place in November 1995. Its role is to define the objectives and strategies, approve the financial accounts and indicate the directors of the management team, responsible for the current account.

The **management team**, composed of one professional from the Municipality and another one from the ngo Cearah Periferia is mainly in charge of the bank accounts operation, the follow up of reimbursement and training of support team and community agents in the field of finance.

The *support (or technical) team* is composed of social activists and social workers, managers, construction technicians, young professionals from the Federal Technical School and community

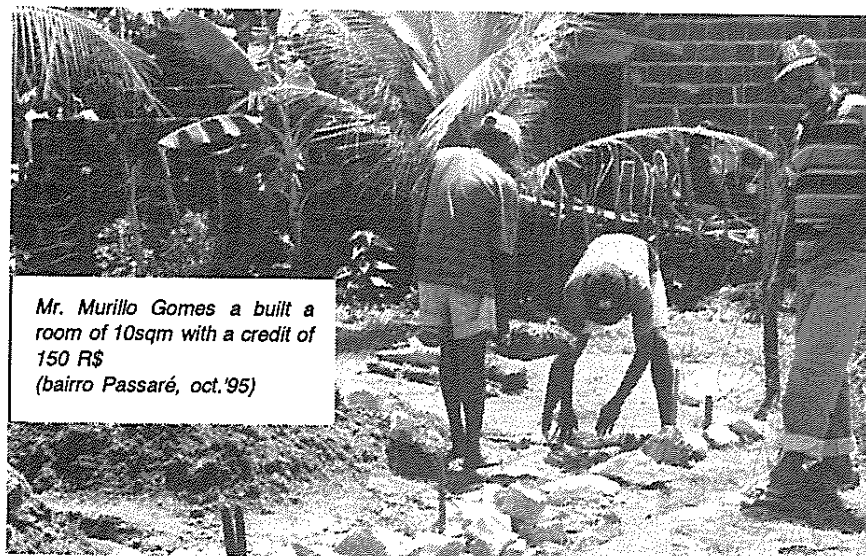
professionals. They deal with the programme dissemination, the visits to identify the socioeconomic conditions of the interested families. They support the families to finalise their project.

The programme was able to count on the *technical support* of finance specialists from the Caisse des Dépôts et Consignations the major french financial institution responsible for loans for housing.

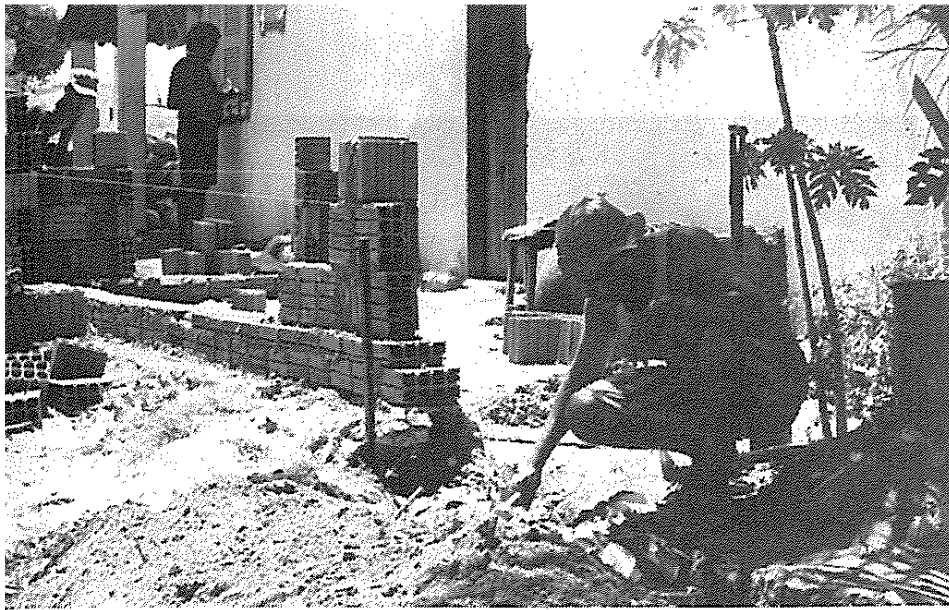
##### *Financial process*

1. Theoretically, as indicated in the "manual of operations", families look for their communities, express their interest and can start saving. However, the initiative comes generally from one or two persons from the neighbourhood who approach their association. They, in turn, together with these first interested persons will invite between 15 to 30 families. Each of these families receives basic information, fill in the socio economic form, usually with some assistance from the community or the support team, and hand it to the support team.

2. The forms are analyzed, then each family is visited and their individual project is finalised and its value calculated in order to match the criteria of the fund and the family saving and credit capacities. At that stage, those families who have







Ms. Francisca Mendes built a wall (2.1m high) in front of her house with a credit of R\$ 150,- (Bairro Passaré, Oct. '95)

no paper such as an identity card or other administrative documents are helped by the other members of the groups to get them. This can take time but is important for the people to gain formal citizenship and confidence in themselves.

3. Once the personal papers are obtained and the socio economic and technical forms prepared and gathered by the association, the management team prepares the lending contracts and meanwhile, the families continue to save.

4. The contracts are signed and the checks are handed over to the families in the neighbourhood during a public event open to the public. This is a crucial moment for the strengthening of the saving group in the eyes of the rest of the community, the association and the neighbours. They compromise themselves to pay back their credit. Generally this meeting ends up in a party with singing and dancing.

5. With their checks in their hands, the families generally buy building materials collectively after an accurate, though informal, price-check throughout the neighbourhood. Building activities are carried out through family or individual self-help, with the occasional help of neighbours and friends. Sometimes they contract skilled labour especially for plumbing and electrical fittings.

6. One month after receiving the money, the family start to pay back over 12 months as a maximum. The payments are generally done on a monthly basis. However, possibilities of paying back weekly or fortnightly is acceptable. This can be done through the association which deposits in the bank, or directly through the bank. A creative agreement is under way to allow people to make repayment by means of a broad and very popular network of chemist shops called "Pague Menos" ('Pay Less') widely spread in the settlements. This is where part of the population pays their electricity and water bills when they are officially connected to the public networks.

7. As the value of the loan is limited (US\$ 150, i.e 1,5 minimum monthly wage) and as the total amount of the check, summing up the three equal parts – the saving, the credit and the subsidy – does not exceed US\$ 450, the people are usually willing to enter into a new saving group or to start another one. To be

Interview of Iolanda Bizerra da Silva, representing Dias Macedo association which entered in the PAAC. Iolanda is the director for education of the Federation of Bairros and Favelas which aggregates hundreds (the numbers vary from 300 to 800) of dwellers associations.

**What do you think of PAAC ?**

*I feel it is a good programme because needy families have a chance to improve their day to day (cotidiano) life, and even their relationships. I mean, it gives a little bit more privacy to the couple. Very often the couple divides its own sleeping room with the kids (...)*

**Which are its most innovative aspects?**

*It is the possibility to train (educar) the families to save and to pay back (devolver) a loan, transferring a responsibility to the family. It is an integration of the collective. Our objective is to integrate the families with the association. And this happened. The programme strengthened our entity.*

**What are the risks ? The limits?**

*First, the amount is never sufficient, I mean that the value is very limited, it never gives to conclude the works, very often it creates frustration.*

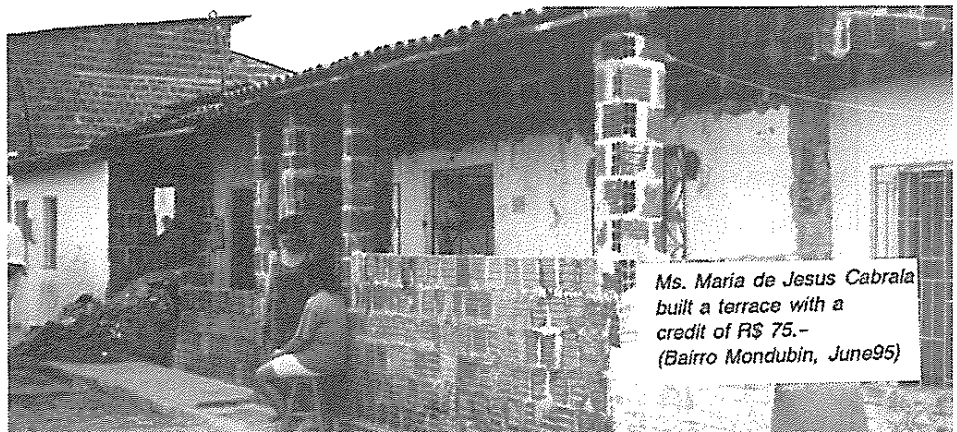
*Second, manpower is always a preoccupation, I see fear when the families cannot pay for it.*

*The entity happen to take responsibility for the repayment and chase the families. In the beginning, the families were saying we gone control one each other Today only the association does it. And if the families do not pay back, how the programme will continue ?*

**Which are your suggestions ?**

- Open an account for the families to deposit by themselves their payments
- Open to more barrios
- Increase the value of the credit.
- Study the possibility to transfer a percentage of the resources to help sustaining the association.

*We intend to reach 400 families in our "barrio". This is more or less the number of members of our organisation. This does not mean that only our members will be benefited, but thanks to Paac we are everyday getting the families closer to our entity. The number of members is increasing.*



Ms. Maria de Jesus Cabrala built a terrace with a credit of R\$ 75,- (Bairro Mondubin, June95)

eligible for a new loan they must have paid back their past credit without any default. This might be one of the reasons why recovery is nearly 100%, an exceptionally high figure for Brazilian records.

For the second credit, the tiny subsidy is halved in relation to the first time, and will be cancelled for the third and next ones (table 2).

8. If a second group of 15 to 30 persons is constituted within the same association, it will be eligible for credit only if there are no arrears from participants of the first group. This has worked as an additional incentive to speed up the repayment process.

### Lessons and perspectives

#### Overall results

Of the 1000 families interested, 550 are at one of the stages of the process already described. At the end of September 95, 14 groups representing 150 families had received a loan. The objective for 1995 is to attend about 30 saving groups representing 300 loans and benefiting nearly 2000 persons. With the loan value, including the subsidy and their savings, people mostly add a new room to the one they live in, extend their house to build a



shop or a workshop of about 10 sqm., set up a water tank, a kitchen or toilets. In some cases they build a fence wall or improve comfort conditions with a cement floor, proper openings and improved ventilation, etc.

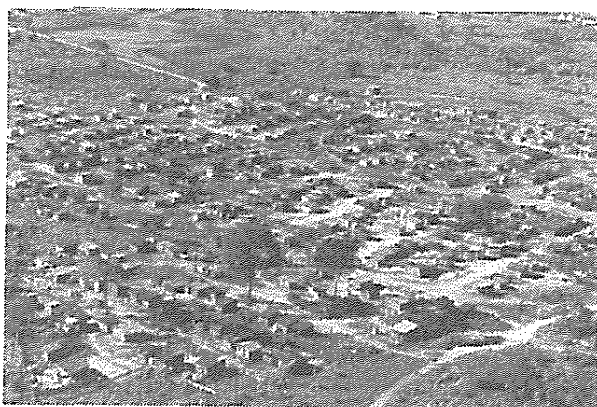
#### Debates among the Saving groups

An indepth evaluation process was carried out with the community throughout August and showed an overall satisfaction of the families with the functioning of the fund so far. The role of the professional support team and the size of the saving groups were considered adequate. Among the difficulties expressed, the saving issue

appears first. It is considered either too high in absolute terms, sometimes the very principle is not accepted. The maximum value of the credit is considered too low. This reflects the widening gap between the actual inflation (much higher than official figure and of the range of 80% over one year) and the indexation of the Casa Melhor on the minimum salary which has been frozen. The new groups have much less buying capacity than their colleagues from the former groups. Solutions will have to be worked out. Boxes one and two present the opinion and the criticism of the community board member and those of one of the women who played a major role in the PAAC.

Casa Melhor: Financial conditions for evolutionary and repetitive loans in US\$ (Sept. 1995)

	Saving	Subsidy	Credit	Total
1st loan	150 (1.5 MW)	150 (1.5 MW)	150 (1.5 MW)	450 (4.5 MW)
2nd loan	150 (1.5 MW)	75 (0.75 MW)	225 (2.25 MW)	450 (4.5 MW)
3rd loan	150 (1.5 MW)	0	300 (3 MW)	450 (4.5 MW)
4th loan	150 (1.5 MW)	0	300 + i	450 (4.5 MW)



Through the election process for the Board of Directors, the saving groups and the associations began to meet on their own and become aware of their commonalties, despite the differences that might have existed politically in their federation. The Casa Melhor has made possible an exchange of experiences between the various neighbourhoods which are generally segregated. It is still too soon to know which direction the saving groups will take.

#### The involvement of Fortaleza Local Authority

A positive result has been the progressive involvement and full support which has been gained through

time by Fortaleza Local Authority which covers the subsidy component of the Casa Melhor, professional support staff and half part of transportation and running costs. The subsidy had a good leverage impact on savings or, at least, is one good additional incentive and a real benefit. It reflects a shift in local policy in the sense that previously, the cheapest housing solution cost US\$ 1500 (building materials for self-help programme). Through this programme, ten families will be benefited with the same amount.

The Casa Melhor has gained political and institutional support and visibility, as now the municipal counterpart is earmarked in the normal annual budget, hence voted at municipal council, instead of being a mere local government programme.

*How to face the growing demand ?*

Casa Melhor has been gaining popularity and is emerging as an alternative within the social and powerful church movements and communities and the 185 associated local authorities from the Ceará State. This might reflect the drastic reduction of financial options for housing both at federal and at State levels.

The requests to expand go much beyond the existing technical, social and financial installed capacities of the various actors involved. Four possibilities, at least, can be explored to meet the demand and

the expectations, plus the combinations of some of them:

- Setting up of a **Municipal Foundation** at city level which could serve as a reference for interested local authorities.
- Setting up of an independent **Peoples Housing Fund**, managed by the associations and organisations involved.
- Creation of a **Community and Municipality Bank** for popular Housing which meet the expectations of the Civil Society and local Authorities and the same time.
- Creation of a Community Integrated Fund (or any adequate financial institution) which would not only extend housing loans, but would deal with other needs from the communities such as income generating loans or short term/ occasional/emergency loans.

Those possibilities will have to be decided upon in the near future.

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**Interview of João Batista de Lima,**  
Dwellers association from Francisco Borges barrio and representative of the communities to the casa Melhor Board.

**What do you think of "Casa Melhor" ?**

*Speaking as one of the benefited person and as the representative from benefited organisations, at the beginning I thought that the programme was full of advantages, in which the beneficiaries were animated because it was a different project, because of its seriousness and the follow up itself. As the delegate I think that it can be much more improved bringing in better quality.*

**Which are the most innovative aspects, the new elements?**

*When I looked for this programme for our community, I looked for its criteria, because the majority of projects presented by the public bodies (state and federal) leave a gap as far as the follow up is concerned, too much rigid. In Casa Melhor, as being the follow up from an ngo, I thought that the thing was closer to the entity (...) making the access and the respect of the programme easier for the beneficiary. From there, the organisation and the people can integrate themselves (in the sense of participate) into the project. This is the difference with the other projects from the public sector, in which all responsibility is given to "clientelist" (unscrupulous) leaders who do not follow up.*

**What are the risks ? The limits?**

*There are three partners, The local Authority, Gret and the community, two with resources and the families. If Gret and Fortaleza think about their resources, the organisations have to do the same. I realise that the project had the improvement of the houses as its objectives, but I see a step backward of one of the parties, or a fear, I don't know of what, to invest in the continuity of the programme.*

*My organisation entered with full confidence, I've been disseminating the programme because I believed in it, in the financial follow up, in the financial set up. I see an obstacle, it is to stop the participants to receive credits as many times they wish. (Sr. Batista refers to a long and lingering discussion about the possibility to receive more than one loan).*

*I even can foresee this limit, from our side this would bring a tackling of the programme.*

**Which are your suggestions ?**

- a) Keep the level of the saving as it is (i.e. 1,5 minimum monthly wage) and increase the value of the loan and of the subsidy.
- b) Include in the loan the value of the manpower (so far the loan only allows for buying building materials)
- c) Reconsider the question of the collateral. Maintain the collateral (one person) for the first credit and offer the possibility to suppress him for the next ones, or mortgage an asset of the credit holder.



Left: Local Journal from ecclesial community

## The Emergence of Community Savings and Credit Activities

Samsuk Boonyabancha

In the situation where the poor have lacked access to any form of credit from the state system, it is significant to note the wide scale emergence of various forms of community savings and credit activities among the urban poor groups, not only in Bangkok but in the regional cities of Thailand and Asia. The immediate functions of such groups range from schemes for paying debts, loans for emergency, income generation and savings and loans for housing. They have become very concrete examples of self-managed activity in assisting community members through the development of a group process and agreement on simple rules and regulations with management by the community themselves. In Thailand more than 200 community Savings and Credit groups have emerged, at least 173 groups in Bangkok, 23 in regional cities and 6 Federations. The combined savings of the groups is about 13 million US\$.

In March 1992 the Thai Government approved a Budget of US\$ 50 million to install "The Urban Poor Development Programm" under the 7th National Economic and Social Development Plan. The approval led to the setting up of a new organization, "The Urban Community

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### *Zusammenfassung: Spargemeinschaften und Kreditringe in Thailand*

*UCDO, das landesweit operierende Büro für gemeinschaftsorientierte Stadtentwicklung, wurde im März 1992 gegründet auf, nachdem die thailändische Regierung den Betrag von 50 Millionen US-Dollar für Kleinkredite im Rahmen des 'Entwicklungsprogramms für die städtischen Armen' bereitgestellt hatte. Obwohl es sich um eine staatliche Einrichtung handelt, die der "Nationalen Wohnungsbaubehörde" untersteht, kann diese autonom wirtschaften. Es verfügt über ein eigenes Projekt-Komitee und einen Vorstand, bestehend aus 3 Regierungsmitgliedern, 3 kommunalen Vertretern, 2 Vertretern von Nicht-Regierungsorganisationen sowie einem des privaten Sektors.*

*In den 3 Jahren seines Bestehens (September '92-'95) hat UCDO Kollektivkredite an 50 Organisationen für 105 Projekte in 111 Gemeinden vergeben, und damit 7800 Familien erreicht, die vorher keinen Zugang zu Finanzierungsmaßnahmen hatten. Ungefähr 10,7 \$US wurden an Kleinkrediten ausbezahlt, wobei die Rückzahlungsquote bei 99% liegt. Die Kredite (bis zu 15 Jahren Laufzeit bei 3% Zinsen), sind nicht allein für den Wohnungsbau bestimmt - auch wenn dieser mit zwei Dritteln den größten Anteil bestreitet - sondern auch für andere Zwecke innerhalb der Stadtteilgruppen, wie offenen "Rotierende Fonds" (bis zu einem Jahr Laufzeit bei 10% Zinsen) und Kredite für Kleingewerbe (über 5 Jahre Laufzeit bei 8% Jahreszins).*

Development Office", to implement the programme nation-wide. Its status is as a special project under the National Housing Authority, but working independently under its own project committee and system of administration.

The fast appearance of the groups must be seen in the light of the development of a more democratic political system over the past decade. More space has been created for people to voice their needs and demands through a variety of intermediaries and political actors. There has also been a greater trend to decentralize and give more power to local authority. Even a co-operation of the public and the voluntary

sector as the case of the Urban Community Development Office (UCDO) demonstrates. This institution evolved from an initiative to deal with poverty alleviation issues on a national scale. The programme has developed with the knowledge and experience of past successes and failures, and with good participation from NGOs and CBOs in the process of its establishment. It not only intends to achieve a broader integrated development process mainly by the communities themselves with active interactions by other local actors, but also to concretely demonstrate the new kind of dynamic process partaken of and learned by the main actors involved.



## The Establishment of UCDO

In 1992 the Thai Government approved a budget of US\$ 50 million to initiate the 'Urban Poor Development Programme' under the 7th National Economic and Social Development Plan. This provision led to the setting up of a new organization, the 'Urban Community Development Office' to implement the programme nationwide. Its status is that of a special project under the National Housing Authority, but working independently under its own project committee and system of administration.

In 1990, before the approval of the programme, a special study project for the programme was set up, preparatory research was organized by an independent team of NGOs with the full participation of government, NGO professionals and community leaders. The outcome was a number of innovative ideas and possibilities for the setting up and implementing of the Urban Poor Development Programme. Indeed, the major asset was the qualitative change in knowledge and experience of community organisations over the past 10 years which brought real weight to the creation of this programme and of UCDO itself. The other important factors is, perhaps, an exploration of new methods and institutional set-ups both flexible and participatory, to adequately deal with the problems on a larger scale than the previous initiatives known to them.

### An integrated Approach

The most important and innovative qualities of the programme and the UCDO can be summarized as follows:

#### 1. It is an institutionalized 'partnership' organization

The organization is governed by an independent Board which has complete power to make decisions on all UCDO policies – even without seeking approval by NHA, to which it is institutionally subordinated. A crucial point is the combination of the nine Board Members: three are

### Composition of the board

No.	Board members	Representing	Status
1	NHA Governor	NHA, NHA Board a government structure officially care taker of UCDO	Government
2	Director, Urban Development Coordination Division, NESDB	National Economic Social Development Board	
3	Representative from Finance Ministry	Finance Ministry	
4	Representative from Bank of Thailand	Central Bank	
5	Manager of Nakomthon Bank, a private Commercial Bank	The private Commercial Sector	Private Sector
6	Board member of Credit Union League	Cooperatives Sector	NGOs
7	University Professor	NGOs and Academics	
8	Community Leader	Upgraded Communities	Community leader
9	Community Leader	Communities under threat of Eviction	
10	Community Leader	Resettlement Projects	
11	UCDO Managing Director as Secretary	UCDO	UCDO

from government organizations (the Bank of Thailand, Ministry of Finance, and NESDB), three are community leaders, two represent NGOs and one is from the private sector. The NHA Governor acts as Chairman and the UCDO Managing Director is the secretary of the Board.

The composition of the board has inspired a true process of partnership of actors in the implementation of the programme. Other programmes or committees of similar nature tend to be comprised solely of government committee members who make lonely decisions on policies and operational procedures on behalf of the users. This new process, however, brings in all relevant and concerned stakeholders as partners within its core structure throughout the whole implementation process.

#### 2. Using integrated "Credit" as a mechanism to strengthen community capabilities.

The project provides an "Integrated Credit System" in support of comprehensive community development initiatives. This avoids the conventional sectoral approaches and permits catering for integrated needs of the communities. The types of loans that may be issued range from income generation, general revolving funds, to direct housing finance. Thus the community can in fact draw up an integrated community development plan, or a Community Development Master Plan to be implemented over a longer period of time, drawing from a credit from UCDO.

The community is required to set up a clear management structure and start their saving activities at least three months prior to being eligible for a loan. Initiating "saving activities" is a first stage in a longer process of enabling the growth of self-determination capacities and initiating grass roots participation. This is the basis of a development process from within to follow at a later stage.

UCDO only grants wholesale loans to the community for up to a maximum of ten times the amount saved beforehand. Another precondition is having demonstrated that there is a sound and responsible management structure and clearly defined beneficiaries and a realistic management for the project development process. In other words, UCDO only supplies additional financial resources to projects that the urban poor communities are already managing themselves.

Moreover, when filtering the credits down to its individual members, the scheme allows the community organization to add a margin of 2-5% on top of the interest rate set by UCDO, which results in members being charged an interest rate similar to or slightly lower than the going market rate. This enables the saving and credit organization to strengthen its financial capacity to pay for its internal operation, or development or other activities decided upon by the members.

Using the credit as a leverage mechanism in this way enhances the roles of the community organization as initiator, organizer, manager - being the main actor for implementation as well as in the formulation of the projects and activities. In time the community organ-

ization may thus become a strong development unit able to deal more effectively with representatives of the formal state institutions and other influential social decision makers. Internally it can foster an integrated development process.

### 3. The Community is the Major Operating Mechanism

The organization's first goal will be to strengthen the community's managerial capacity, then try to secure a multiplication of the activities it has already initiated. So UCDO will encourage various forms of community organizations and federations to be set up or become involved in its programem. In other words, the efforts lead to a new form of community organization with increasing concrete managerial experiences and capabilities.

### 4. Working with other Existing Organizations

Another major UCDO strategy is to work with as many existing organizations as possible: Government, Local Authorities, NGOs, federations, professionals etc. All these organizations are considered potential development engines to be strengthened and as potential partners to work together with in implementing the programme. Moreover, UCDO also tries to encourage and initiate wherever possible, oper-

ational partnerships between GO/-NGO/CBO in community and housing development processes, especially local authorities and various other local groups and organizations. Up to now, UCDO has given direct financial support to NGOs to implement projects in six regional cities, and to two CBO Federations.

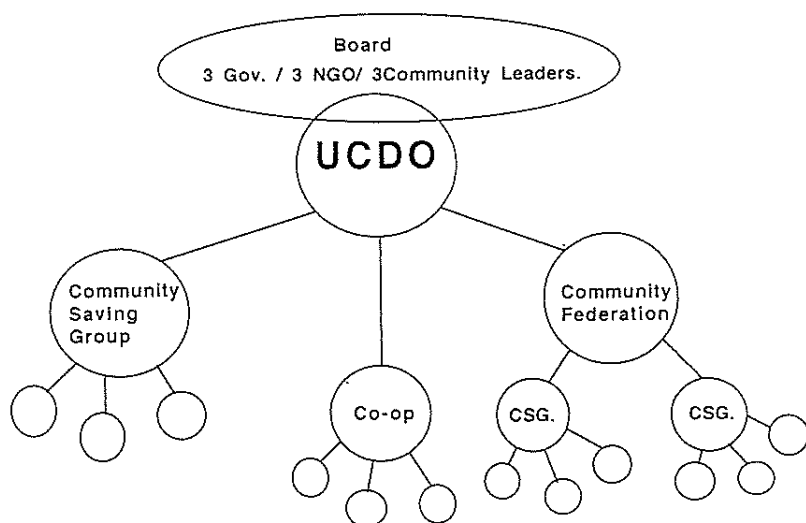
## Operational Aspects of the UCDO Credits

### Interest Charged

It has been calculated that the Fund can be sustained as a revolving fund with an average interest rate for loans of 7% per annum. This interest rate will cover all expenses for administration and the community development process. It is planned to allocate 4% of the fund towards paying the expenses of UCDO, 1% should be kept as reserve. Considering an annual inflation rate of around 4%, the average rate of 7% may not be a very realistic proposition in the long run. However, when the rate was fixed by the Board of Directors, its representatives from the communities argued strongly in favour of fostering social sustainability of the community building process and not just complying with financial or institutional motivations.

Since it is a wholesale loan to a community organization, the community is permitted to add a margin of 2-5% to the interest to their clients to cover its own operation and development costs. The decision on the definite rate must be reached within the community. The dynamics that evolve in this process prove extremely interesting and vary considerably in respect to the volume, the use, and the management of this supplement.

## Urban Development Office



Type of loan	Interest rate	Term (years)
1. Income generation	8%	5
2. Housing	3%	up to 15
3. Revolving Fund	10%	1
<b>Average</b>	<b>7%</b>	

### The Collateral

All committee members are required to sign personally as guarantor to the loan scheme. In housing projects, the land title or the dwelling itself may also be used as collateral.

### Repayment

The community can decide on the repayment modalities provided that it does not exceed the maximum terms laid down by UCDO. The community or saving groups may decide to repay daily, weekly, fortnightly or monthly but not beyond that frequency. Communities must make regular repayments of the loan according to the agreement or once every month. Delay or default without reasonable notice will result in a fine.

### Performance

Since its inception in July 1992, UCDO has launched an information campaign and established contact with most existing Federations, Community Organizations, Saving Groups, NGOs and other government organizations. Campaigns have been organized to stimulate saving and credit activities in as many poor communities as possible. Another important step was to establish participatory decision making practices right from the beginning to assure that the poor are involved from the beginning and perceive it be a "Fund of the people, for the people". Only this way is it possible for them to contribute their efforts to the initiative - which is opposed to a "Government's Fund" in which their efforts would be more focused on maximizing financial benefits.

### Loans Granted

The first loan was granted in mid-December 1992. Since then, loans have been granted to 50 organizations and 105 projects, covering 111 communities with about 7.800 families. The total value of loans disbursed reaches some 269 million Baht (10,7 million US\$) and about 1,4 million US\$ have been repaid

### Development Performance

N°	Title	1992 Sept.	1993 Sept.	1994 Sept.	1995 Sept.
1.1	Communities/organizations contacted	100	127	811	1.237
1.2	Community/organizations operating	0	94	186	296
1.3	Training courses organized	0	17	44	73
1.4	Participant attendance at training/seminars	0	407	1.265	2.478
1.5	UCDO member communities/organizations	44	119	313	465
	1. In Greater Bangkok	39	107	282	390
	2. In Provinces	5	12	31	75
1.6	Members with savings activity	0	68	168	265
	1. Organizations legally registered	0	18	24	44
		0	50	140	221
1.7	UCDO individual members	6.297	10.664	23.155	36.448
1.8	Total savings of UCDO member organizations (million US\$)	3.15	3.76	3.84	11.14
1.9	Total Assets of UCDO	0.00	NA	11.52	26.81
1.10	Loan non-recovery rate of member organizations (% of loan)	NA	NA	NA	3.23

already. The repayment record is 99%. About 2/3 of the total value of loans has gone to housing although the number of loans for projects is similar to numbers for income generation and revolving funds.

The experience is that most new savings groups commence with a loan to feed into a revolving fund and thus increase the capacity of an existing credit scheme by a savings group. After this the group will start planning for a more complex housing or income generation loan. The latter are more often applied for from communities that have a certain security of tenure for the land they occupy, that do not feel immediately threatened by eviction

(although in reality the possibility is almost always there), or by communities which have been resettled and where housing problems have been resolved.

### Implication for Change

#### New Management patterns

The UCDO's Savings and Credit scheme has advanced enough to be able to draw first lessons. It has been observed, for example, that the development of a new community building and concrete management process goes hand-in-hand with the formulation of realistic and flexibly integrated development programmes. Its principles include:

### Housing Loans

Types of loans	N°. of Projects	N°. of Communities	N°. of families	Amount approved
1. Purchasing existing land or land next to existing slums	4	3	141	1.043.160
2. Purchasing land further away for relocation	17	42	2.407	8.585.442
3. Housing Construction	5	*3	95	900.572
4. Housing repair, improvement	47	54	409	727.176
5. Infrastructure development	1	** (1)	(540)	200.000
Total	74	102	3.052	11.456.350

\* 2 Projects (81 families) got loans for both housing and land

\*\* 1 Project got loans for both infrastructure and land

- New forms of practical and concrete Community Organization encouraging learning by doing.
- The community builds up its own resource base
- Community planning and incremental development processes are encouraged
- New forms of Community Federations can be involved

*A self-perpetuating and Self Expanding Development Process by people.*

- There are no limits for replicability
- Management is decentralized and fosters self-created skills and manpower.

*Finance provision should be flexible given the integrative nature of the community development process.*

- Integrated community development must be flexible, incremental and continuing
- Community Housing Finance through people's organizations or community housing co-operatives must be seen as an innovative, broad support and a new way to solve housing problems on a large scale by the poor themselves.

#### *Institutional Change*

New kinds of social institutions have evolved, which represent alternative forms of government and involve all related actors in the decision making and implementation process. The organizational structure encourages dialogue and negotiations among the key actors in the process. Government plays the role of facilitator, not of decision maker or the control institution in the development process.

- Change political relationship among actors.
- Give direct support to CBOs, NGOs, Local Authority and other government organizations by

regarding the roles of all actors as partners, each actor has its roles and potentials to be in the process.

- Emphasize on local integrated development process by structural involvement of local actors.

*Creating an opportunity for social actors with conflicting or unharmonious interests to learn from each other the causes of their differences and to learn how to negotiate and compromise.*

It is, perhaps, the design of the structure of this process itself that intends to bridge the widening gap among various actors and to create a dynamic learning process by working together in the implementation of the development process.

*Enhancing Roles of Women as important Development Actors.*

Savings and Credit are activities that flow naturally with the potentials of women. Therefore, their role as core actors in the community has been strengthened through Savings and Credit schemes. Consequently, the stronger roles of women in community development is very significant in an integrated and incremental community development process.

#### **Cautions**

Many of the aspects clearly indicate a positive change, and propose to rethink institutional arrangements dealing with urban poverty issues on a large scale. However, it is necessary to be aware and cautious of a number of aspects:

- Community savings and credit schemes should be viewed as a means or instrument for a new development process by people themselves, not as an end or objective in itself. This implies an approach and perception of development not as a mere welfare activity but a process to build a real community strength and development force from within.

- The new institutional set-up based on partnership between various actors is an important and perhaps inevitable development. However, it can be a rather problematic issue, too. Many actors involved, including some municipalities, NGOs or CBOs emerged from a past spirit of a process of partnership and decentralization. So far, there are few actors with sufficient will, understanding and skill to deal with this. Needless to say, this new process can easily be obstructed or by-passed by actors still sticking to conventional values and practices.

- It may be difficult, and in some cases impractical, to set up a new procedure or institution within an existing bureaucratic structure, and may even result in the failure or disappearance of the new institution if adequate care and effort are not invested. The conventional bureaucratic process and mechanism with all its intricate administrative procedures governed by conservative rules and regulations, and managed by various departments in many concerned ministries, is a complex but powerful mechanism which can obstruct potential bottom-up processes. Particular skills and understanding are required to deal successfully with such a powerful complex and delicate system.

- It is also important to build a development process, within the administering organization, that corresponds to the bottom-up community development process. A new administrative culture is required to allow and encourage maturity and strength in the development workers that share the learning process with the community. Failure to carefully build a facilitating, institutional system carrying a people-centered philosophy, may cause failure of the actual development process. A new administrative and managerial system is, as already mentioned, another crucial and delicate asset to be developed.

## The Finance of Neighbourhood Infrastructures in Senegal by Enda Tiers Monde

Malick Gaye, Pierre Echard

### The Context

To improve financial sustainability of urban development projects in Rufisque, Senegal, a revolving fund enabling the community to control resources was created in 1992 and named FOCAUP (Community Fund for the Sanitation of the Poor Urban Areas). It was set up by Enda Rup (Relay for Urban Participatory development) in extension of an on-going infrastructure improvement projects known as PADE (Diokoul and Surroundings Sanitation Project). The latter aims at promoting wide participation in the management of liquid and solid wastes. A locally initiated sanitation fund shall revitalise the popular economy. More in particular, the goals of PADE are **economic** (job creation, income generation); **social** (lightening of women's workload, improvement of living conditions, home economics and especially social status of participants); **environmental and sanitary** (fight against the spread of faecal hazards, domestic refuse and numerous illnesses); and reinforcement of independence of the community and citizenship of its inhabitants. Con-

crete project elements include a shallow sewer sanitation system, animal powered refuse collection, a composting plant, waste and water recycling for use in urban and peri-urban agriculture (table A).

### The Revolving Fund: FOCAUP

To finance the upgrading of sanitary amenities both for a community and in the individual dwellings, ENDA as an intermediary has facilitated the access to credit. To finance the provisions of such amenities individuals or communities may receive a

loan from the mentioned fund (FOCAUP), placed in a bank by ENDA with a grant initially provided by international donors<sup>1</sup>. Later on the borrowers repay the loans by their own savings so that new loans can be given to other applicants without depending on external donors. Erosion of the capital through inflation is prevented by a repayment ratio of 108% – which includes 8% handling cost and inflation adjustment. Thus, apart from the initial grant, there is no further subsidy element envisaged in the programme.<sup>1</sup>

#### **Zusammenfassung: Community-Fonds zur Sanierung der Sanitär-Infrastruktur in Rufisque, Senegal**

Auf Initiative der Nicht-Regierungs-Organisation ENDA-RUP wurde 1992 ein Community-Fonds mit dem Namen FOCAUP als Fortführung eines älteren Sanierungsprogramms für den Vorort Diokul bei Dakar gegründet. Der Start wurde ermöglicht dank ausländischer Finanzierung.

Das Ziel des Fonds ist die Beschaffung von Krediten für den Bau von Sanitäranlagen der Häuser, einschließlich etwaig notwendig werdender Anschlüsse. Die aufgenommenen Darlehen müssen innerhalb von 21 Monaten zurückgezahlt werden. Bis Juni 1995 wurden 400 Kredite bewilligt, die ungefähr 800 Familien oder 3.200 Personen zugute kamen. (In den Unterschichtsvierteln an der Peripherie von Dakar wohnen im Durchschnitt zwei Familien auf einem Grundstück.)

Zentrales Element des Managements ist ein sog. Gesundheitskomitee, auch "Komitee für Management und Koordination" genannt, das aus den sozialen Organisationen des Viertels (Frauengruppen, Gruppen von Jugendlichen, etc.), der Gemeindeverwaltung von Rufisque, der NRO Enda-RUP, dem privaten Sektor und Vertretern eines Gemeinde-übergreifenden Komitees besteht. Mit dem Kredite ist kein öffentlicher Zuschuß verbunden. Im Gegenteil: Insgesamt müssen 108% der Darlehenssumme zurückgezahlt werden, wovon Gebühren für die Verwaltungskosten und technische Beratung enthalten sind. Die durchschnittlichen Kredite von 234 \$US entsprechen etwa 2,5 Mindestlöhnen. Die monatliche Belastung für die Rückzahlung beträgt etwa 25 % des Familieneinkommens – bei einer relativ kurzen Laufzeit von 13 Monaten.

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This article is an edited version of the original submitted by ENDA. Due to the tight schedule the author's authorization for the final version could not be obtained before publication. The editors apologize for any errors or misinterpretations, for which they assume full responsibility.



Table A(i): Results of the PADE (Rufisque): Impact on the population as a whole and specifically on women (30/06/1995)

Realisation		Global population affected			Women affected	
Nature	quantity	number	% population of district	number of households	number	% heads of household
Individual sanitation	400	6 400	12	800	3 200	20
Public lavatories	8	16 000	30	1 300	8 160	20
Horse-drawn refuse carts	20	25 000	50	3 500	12 750	20

Table A(ii): Results of the PADE (Rufisque): Economic impacts (30/06/1995)

Désignation	1990	1995	Comments
Number of beneficiary households	-	400	There are nearly as many beneficiaries waiting to be connected to the individual and collectivesanitation network
Number of households benefitting from daily refuse collection	-	3 000	
% illnesses caused by insalubrity	75 %	50 %	Reduction of illnesses
Recycling of waste water (in m <sup>3</sup> /day)	-	60	Sale of inputs and 80% reduction of quantity of domestic refuse transferred to the waste dump
Recycling of domestic refuse (in tonnes / day)	-	3	
Annual household revenue (US\$)	1 080	1 100	1,8 % increase in revenue
Annual expenditure in equipment maintenance (US\$)	108	58	86,2 % reduction of expenditure
Expenditure : Revenue ratio	10 %	5,3 %	Households spend less
Cost <sup>(1)</sup> of private sanitation per household - Classical System (Diokoul)	500 US\$	180 US\$	With 65% subsidy
Cost of sanitation per household connected to the water purification plant (Castors)	500 US\$	234 US\$	After devaluation of the Franc CFA
Average cost of sanitation in Castors	20 to 40 \$ US per inhabitant		Subsidies have fallen from 65 to 35%
Average investment for the implementation of the refuse collection	0.5 US\$ per inhabitant		Each beneficiary contributes to the functioning up to 1 US\$ per year

<sup>1</sup> The costs are market costs, and not those of NGOs.

Each loan involves an individual contract between the beneficiary and Enda, and is administered by a 'Management and Concertation Committee' operating in the applicant's neighbourhood. This committee, which also incorporates Decentralised Technical State Services, is locally known as 'Health Committee'. It provides the following services:

- receiving requests from the applicants for finance of sanitation infrastructure
- evaluate those applications in respect to need and adequate repayment modalities
- prepare the contracts to be signed by ENDA, the committee, and the beneficiary

- supervise the execution of works
- control the reimbursement of loans<sup>2</sup>

By September 1995, some 19 million FCFA (42,000 US\$) had been deposited in the savings account by the beneficiaries. This result demonstrates the capacity of mobilising local savings to finance community-controlled urban infrastructure. The target is a deposit of 30 million FCFA (close to 70 000 US\$) by the end of the current programme, to create a solid basis for the community fund to provide low-interest credits for those in need of private sanitation works. At that stage Enda as NGO will concentrate its activities to training, technology advice, capacity-building and control, leav-

ing the management of the fund to the bank.

The population is an integral part of the fund's management structure. The beneficiaries articulate their demands through their delegates in the Health Committee, and in consultations with the NGO (ENDA). Local *fora* are organised monthly and determine the indicators to monitor environmental improvement in the same way as they encourage collective decision making. This approach catalyses cooperation between the various stakeholders involved, such as potential investors, experts, decision makers, and – above all – the population. General consciousness raising in environmental matters has also been achieved as apart of the process.

To summarize, the FOCAUP revolving fund provides loans for the (mostly informal) community sector. This is a 'bottom-up' approach, whereby the population is linked to the formal institutional system, but can inversely be promoted 'top-down', thus fostering community dynamic.

### A typical family loan

Let us assume a family wants to build a sewer connection, what steps will it has to follow? Normally no previous savings will be requested.



PADE: Biological waste-water treatment and composting of household waste

The family just addresses an application to the Management and Concertation Committee, which will discuss and evaluate the case. If it judges that the candidate has a genuine need for such an investment (say, for example, a similar amenity is not yet available in the house), and has punctually paid back any previous credits, a contract is prepared and signed by the counterparts. The necessary funds are then advanced to build the structure. Once the works being completed, the beneficiary will usually be given 21 months to repay the loan.

### Structure of the FOCAUP

On a central level, FOCAUP is represented by a *Joint Committee* composed of the various Neighbourhood *Health Committees*. They link up with a large number of social actors who need to cooperate in the realization of the various programme activities. Without being comprehensive, the list includes:

- The benefitting population who contributes to the functioning of the fund through their financial inputs.
- The Health Committees in Rufisque, which regroup various associative movements (Youth Sporting and Cultural Associations (ASCc), women's movements, the elderly...), and play an anchor role for the PADE within the communities. A consultative organ, elected every two years, ensures the transparency in the articulation between the populations and other participants.

- The City of Rufisque, which ensures the necessary relay for the domestic refuse collection by determining the sites for transfer and treatment of solid and liquid refuse.

- ENDA Rup, which ensures a methodological assistance and accompanies local initiatives in urban environmental management.

- Donors: The Canadian Host Country Participation Fund (ended September 1995) and the European Union (since December 1994) are the financial partners of Enda Rup.

They pre-finance credits for sanitation works once neighbourhood committees have identified the actions to be taken.

- The private sector (environmental department of the SOCOCIM – a cement factory which recuperates the recycled waters and fertiliser).

- The municipal Inter-Committee on Environment, Urbanism and Public Works.

The position of the Joint Committee within the structure of the programme is shown in diagram 1, while the main actors of the FOCAUP are illustrated in the diagram 2.

FOCAUP facilitates the establishment of relationships between local initiatives (micro-economic level) and urban policies (macro-economic level). Usually the public and private sectors work on a macro-economic, and NGOs and CBOs on the micro-economic level. For example, when a community addresses a request for sanitation provision to the municipality, this takes place in the *micro-level*.

However, once the technical implementation starts it involves both the private sector (an enterprise) and the public sector (investor): then the *macro-level* is reached. FOCAUP (i.e. through Enda) provides the link between both levels through the advice on technology based on local expertise (diagram 3).

### Origin of the Financial Resources

The initial deposit of the fund was paid by a grant from the Canadian Host Country Participation Fund (FCCS), and the European Union (EU). This contribution was enough to cover 100% of the initial cost of the sanitation and other infrastructure investment.

### Sustainability

In the beginning only 32% of the costs were recovered from the beneficiaries, implying a substantial subsidy. While only 280 households were targeted for initially, over 500 actions have been undertaken until now.<sup>3</sup> In relation to a the total population of Rufisque numbering 10,000, this represents a share of 8.7%. To allow large scale replicability, efforts were undertaken to reduce the public subsidies to a minimum. This was done by reducing the cost of the installations provided, and by recuperating a maximum of remaining costs from the beneficiaries. To lessen costs, for example, the Health Committees

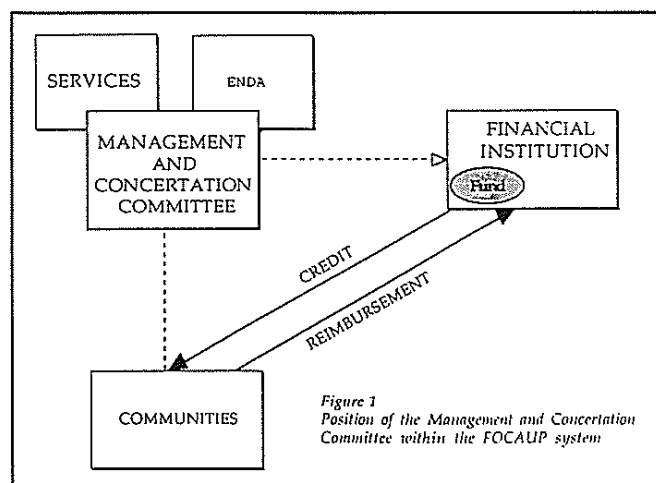


Figure 1  
Position of the Management and Concertation Committee within the FOCAUP system

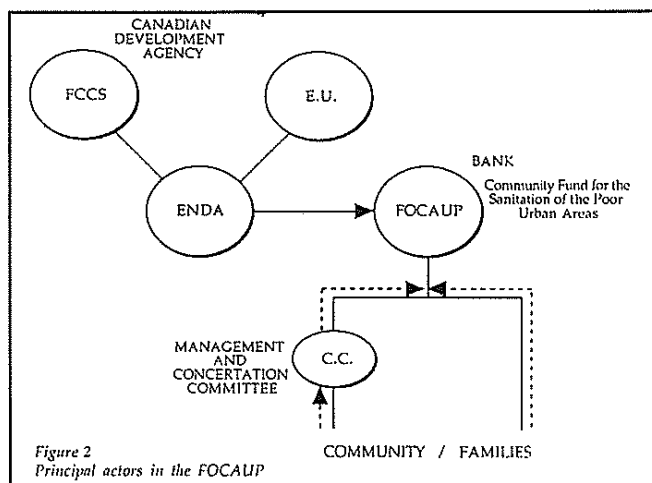
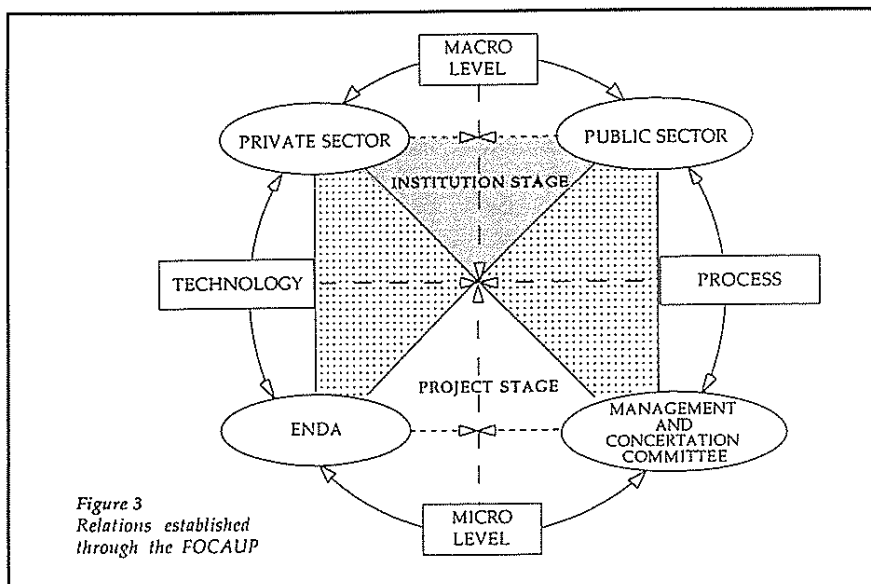
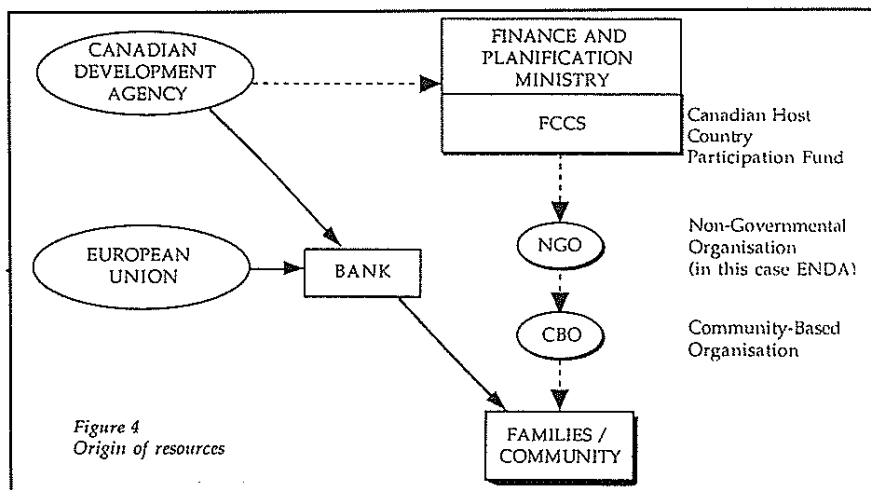


Figure 2  
Principal actors in the FOCAUP



- training and awareness-building initiatives linked to the use of the infrastructures,
- mechanisms and methods of community-control in the execution of contracts given to Micro-, Small and Medium Enterprises (MEs, SMEs, PME),
- assistance to micro-enterprises to increase their marketing capacities,
- efforts in job creation for youths, or by providing services for the neighbourhoods,
- creation of an interface between communities and municipal institutions, to improve coherence in the various local initiatives to enhance and protect the environment,
- facilitating communication between the residents and other actors belonging to the urban society.



However, the principal objective of FOCAUP is to support to communities in gaining access to *financial resources* (access to credits which take into consideration the local circumstances of the urban popular economy) and to assist the development of *human resources* (through technical assistance, training, an improved urban environment with better living conditions of the poor). Also the neighbourhood committees' activities address other issues than just dealing with loans and applications: for example, they mobilize voluntary work for the project, such as vigilance on work sites and in storehouses for construction materials. The non-monetary contribution has been calculated to

started to tender the contracts for the works, or tried to negotiate with the builders for a better price. Also, shared facilities, like a group sewage treatment installation instead of individual septic tanks lowered the costs, or the use of local technologies.

### A Comprehensive Approach

An important aspect of FOCAUP is that it does not stop at just providing finance for sanitation infrastructure. Its approach embraces social, technical, and economic aspects – including, for example:

Table B (i): allocation of resources in 1994.

Designation	expenditure	as % of total
1 Human Resources	10764	11,6
2 Collection of domestic refuse	900	1
3 Sanitation of waste waters	68465	74
4 Logistics (computer, displacements)	4328	4,7
5 Management (base costs + .....	8043	8,7
<b>TOTAL</b>	<b>92500</b>	<b>100</b>

source : Enda rup

Table B (ii): redistribution of resources in 1994.

Designation	expenditure	as % of total
Methodology	10764	11,6
Investment	69365	75
Management	12371	13,4
<b>TOTAL</b>	<b>92500</b>	<b>100</b>

represent up to 20% of the total project costs – this further reduces the need for subsidies.

### Destination of resources

Taking 1994 as a reference (this was the year with the highest expenditure), about three quarters of the available funds were disbursed for capital investment, and one quarter was used for social expenditure, technical assistance ('methodology') and management (see tables below). Capital investments were divided in 74% for private sanitation structures, and the remaining for domestic waste collection. The social expenditure cost is supposed to be covered by a subsidy, as the diagram 5 indicates.

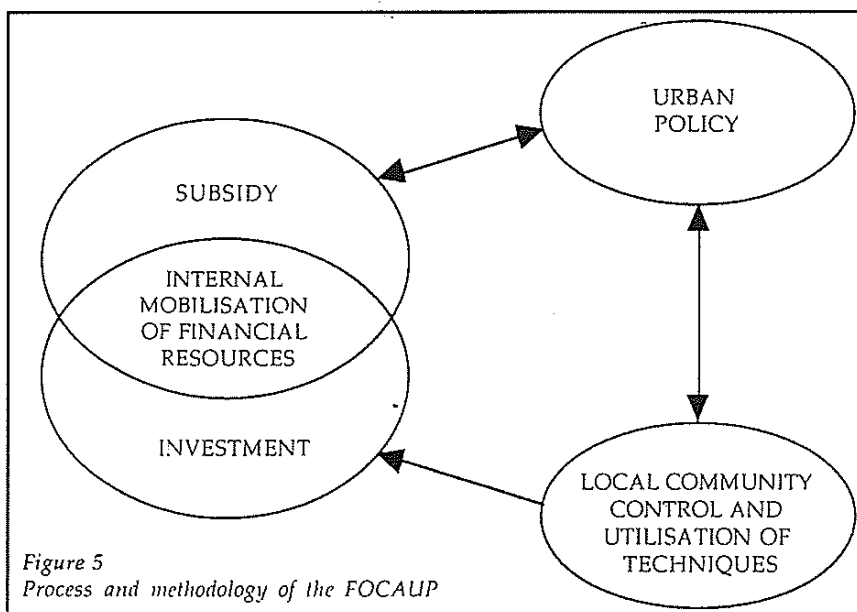


Figure 5  
Process and methodology of the FOCAUP

### Cost recovery

The Health Committees and its members within the community are should also make sure the funds are duly recuperated from the pop-

Tables C & D

Investment Subsidy	0-100	100-200	200-300
35 %	X		
65 %		X	
100 %			X

Investment Recovery	0-100	100-200	200-300
35 %			X
65 %		X	
100 %	X		

ulation. After all, the committee is one of the counterparts signing the credit agreements. A solidary guarantee and communal pressure backstop the collection of the contributions, as these resources will enable other members of the community to benefit from new loans. In some isolated cases there has been the need to appeal to the court to ensure compliance with the terms of the contract. It is interesting to note, that the smaller loans need the least subsidy and show the highest recovery rate at the same time (see

tables C and D). Luckily it was possible to recover an ever increasing proportion of new loans from debt reimbursement, ascending from 32.2% to 66.7% in 1994, see table F.

Under the FOCAUP scheme, a nominal family loan of 117,260 FCFA (260 US\$)<sup>4</sup>, may be reimbursed in 13 monthly instalments of 9,020 FCFA (20 US\$) each. Given the low income levels, this payments representing some 22% of the average income appear relatively high.<sup>5</sup> In practice, however, this amount is quite acceptable since the loans run for not much more than a year, and several earners live in one household: Considering that most households consist of between 10 and 15 people, it can be assumed that the sum paid per person over the 21 months for a private sanitation infrastructure is between 12,690 and 19,037 FCFA<sup>6</sup>, which breaks down to about 604 to 906 FCFA (1.34 to 2.01 US\$) per person and month.

### Implications of the FOCAUP

The establishment of this communal fund responds more efficiently to the demand for sanitation infrastructure in Rufisque, and other cities in Senegal as well. Several requests for access to this resource have already been received from other cities.

### Notes

1. In the FADE programme (phase 1) there was a 33% subsidy granted towards the loans.
2. Repayment morale is good, also due to social pressure from those who expect a loan in the future: Of all credits paid during the first phase of the programme (PADE, 1990 – 1992) 93% have been repaid. Some cases of loan default have been taken to court.
3. Some of the loans were taken up by groups, this is why the percentage of beneficiaries is higher than the number of 'actions'.
4. The actual loan is slightly less since 8% interest and handling charges are added.
5. For comparison, family contributions considered acceptable by the Habitat Bank of Senegal (BHS) are 50% higher.
6. 19,037 - 190,369/10.  
12,690 - 190,369/15.

PROGRAMME SCHEDULE	Total cost (FCFA)	Total participation	Percentage participation	Monthly payment	Duration in months
PADE 1990-1992	271 569	87 470	32,2	9 720	9
PADE 1992-1994	209 050	73 170	35	7 317	10
PADE 1994-1995	175 725	117 260	66,7	9 020	13

FOCAUP	175 725	190 369	108	9 065	21
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Table F: Time period for cost recovery Source: Enda rup

# Building Materials Banks in Chile

## A Management Tool for the Social Production of Shelter

Francisca Rivero Caray  
 Claudia Veglia Quintana  
 Rodrigo Vásquez Toro

### Zusammenfassung

Die Baumaterial-Banken in Chile sind Spar- und Kreditfonds, die Kredite an in verschiedenen Basisvereinigungen organisierte Familien vergeben, etwa an "Comités de Allegados" von in Hausgemeinschaft oder Untermietsverhältnissen zusammenlebenden Familien oder an Vereinigungen zum "Gemeinsam bauen". Das Programm entstand auf Initiative der Nichtregierungsorganisation JUNDEP sowie der Kirche als Reaktion auf die fehlenden Maßnahmen der Diktatur angesichts der verheerenden Folgen des Erdbebens von 1985, welches mehrere Quartiere von Santiago und einige Kleinstädte zerstört hatte. Die Kredite sollten den Erdbebenopfern erlauben, Baumaterial zu kaufen, um ihre Häuser in Selbsthilfe oder in gegenseitiger Hilfe wiederaufzubauen, zu reparieren oder zu verbessern. Seit 1989/90 können die Familien die Kredite auch für den Kauf von Hausgeräten (Kühlschränken oder Elektroartikeln) benutzen und eventuell auch für Nahrung oder für Sonderausgaben wie Schuluniformen. Von 1985 bis 1994 operierten verschiedene Baumaterialfonds, die in diesem Zeitraum 4.358 Kredite an 1.408 Familien in 117 Vereinigungen vergaben. Durchschnittlich wurden jährlich 500 Kredite vergeben, so daß jede Familie im Schnitt drei aufeinanderfolgende Kredite bekam. Das System ist nicht subventioniert. Eine der Bedingungen für Kredite bis zu etwa 200 \$ ist ein Sparguthaben von etwa 10% der Kreditsumme. Der (erneuerbare) Kredit muß innerhalb von 8 Monaten oder 2 Jahren zurückgezahlt werden. Die Zinsen betragen 2 bis 4 %, die Nichtrückzahlungsrate liegt unter 10%.



 jundep / PROGRAMA URBANO

### The Context

Spatial segregation, caused by the explosive growth of our Latin American metropolis, has aggravated the social exclusion of wide sectors of the urban population. Located at the bottom of the income ladder, thousands of impoverished city dwellers, hard-hit by structural adjustments, suffer the rigours of daily survival under the horizon of poverty. This situation is even more evident in the belts of misery in the city surroundings, a territory that has always been marked by inadequate provision of local services, basic infrastructure and community equipments.

This territorial expression of the economic polarization is compounded by the drama of inadequate housing. That is, insufficient space for family

reproduction and poorly built houses, which are structurally unsound.<sup>1</sup> In this way, social segregation is reflected not only in the squalor of the community environment, but also in the residential housing plans in the popular sectors.

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Public policies, on the other hand, have not reduced spatial segregation. On the contrary, the implementation of housing programmes has maintained the marginal location of these popular sectors on resourceless sites. This situation is aggravated by the fact that the state housing programmes have focused on reducing the national housing deficit, which has implied the supply of a large number of least cost housing, providing families with basic infrastructure but not adequate space for the development of family life.<sup>2</sup>

### The concept of Building Materials Banks

The Building Materials Bank (MB) is a tool at the service of community organizations involved in the practice of self-management and in dealing with their housing improvement needs in a collective manner. It is a technical and resource redistribution mechanism, managed by the popular organizations that seek to overcome the deficiencies of inadequate housing through associative and solidarity self-management.



Member of a Material bank committee. Violetta Parra Neighborhood

Added to this are those houses built or improved by self-building without the necessary technical assistance, where dwellers build their houses slowly and gradually according to their income and saving capacity, in a process affected by multiple deficiencies and technical construction errors which in the long run result in constructions with architectural short-comings, both in design and functionality and with inadequate use of resources. Some sources conclude that approximately 60% of the country's housing stock is considered inadequate.<sup>3</sup>

In this situation, it is of crucial importance to encourage communities to form organizations for the social production of habitat.

We conceptualize the MB as a self-help tool that allows the acquisition and distribution of materials to be used for house improvement, on the basis of the collective effort that enables access to popular credit for sectors traditionally excluded by institutional finance systems. It comprises three components:

- a) community organization,
- b) technical assistance,
- c) financial system.

#### a) The Community Organization

In general, the organizations with which JUNDEP has operated the Materials Bank are those aiming to improve the housing conditions of their affiliates. For example: neigh-

borhood associations, allegados (plot sharers), housing committees, etc. Despite the varying nature of these organizations, we identified certain common characteristics that facilitate the implementation of this device:

- Residential proximity among organization affiliates.
- Legitimacy of the leaders of the organization.
- History and recognition of the organization in the local and territorial environment.

These are generally medium-sized organizations, with an average of 15 to 25 members. These organizations are headed by directorates elected democratically and which, in most cases, present a traditional structure constituted by a president, secretary and treasurer.

The organizations possess legal status (according to Law Decree nº 18.893), and therefore statutes regulating internal operational procedures. Once the organization begins to deal with the MB, specific norms are defined to regulate the operational and procedure mechanisms to access credits.

#### Levels of organizations

"The 'building materials banks' actually corresponds to three different saving and loans revolving funds:

- "Community building material bank" It is a genuine grass root organization. Generally, 10 to 20 persons from the same community get together to save money and get their loans. Of the 38 groups which were functioning in 1994, five were organized in such an independent way. The management of the first credit is carried out by the NGO Jundep and if the repayment is on schedule the second round of loans will be managed by the community itself.
- Fund at municipal level One fund (called bank as well) exists in the municipality of Cerro Navia, composed of three grass roots organizations "Building Together for a better life". The first round of credits was jointly managed with Jundep.
- Inter municipal banks Two intercommunal banks are working in the Metropolitan Region of Santiago, independent of each other.

The first one works for three municipalities in the Northern regions and ten grass roots organizations are part of it. It is totally self-managed, and acts officially through a "Committee for Housing and for the allegados -families co-sharing a house- from Northern Region".

The second one is self-managed as well and covers four municipalities and 20 grass roots organizations are active today, representing about 300 families altogether. Of the 20 organizations, 18 were formed during the reconstruction phase after the 1985 earthquake and two joined later on, which shows the capacity of the bank to absorb newcomers"

Interestingly, this latter bank has been able to work with a private bank, called Banco de Desarrollo. The resources from the "intercommunal bank" now act as a guarantee fund and for every peso channelled through the building material bank, the Banco de Desarrollo lends 1,4 pesos (extract from Cabannes and Tapia - Jundep-, 1994).

#### b) The Technical Assistance

The technical assistance is the responsibility of a multidisciplinary professional team: architect, construction engineer, social worker. They are responsible for training the organization in the management procedures to operate a Materials Bank and advise them on alternative designs for housing improvement and on the construction process to be carried out, during the intervention.

The housing improvement works can be carried out either through a mutual-help self-building process, or by contracting private builders. In the first case, the technical assistance will include technical content which allows community members involved to carry out building tasks in an optimal manner. It also includes designing a system for building brigades.

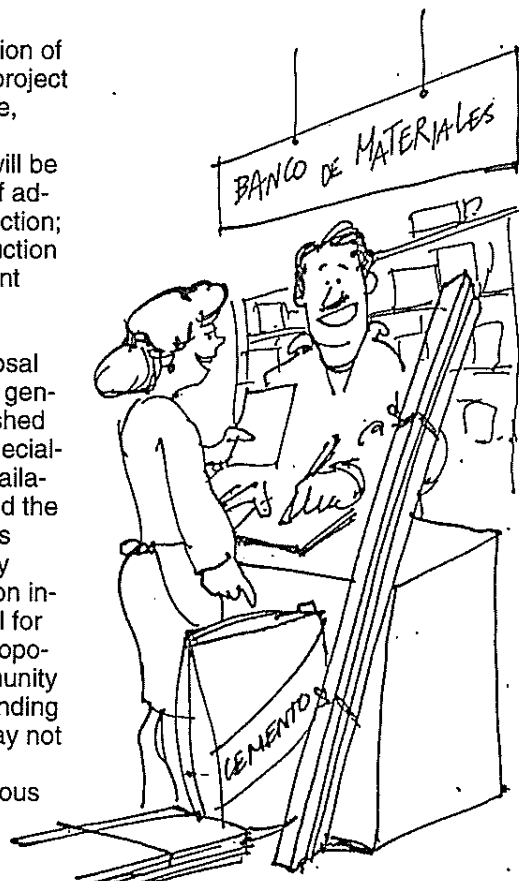
When private builders are contracted, the building tasks are assumed in the control and follow-up stage by technicians and the organization itself, ensuring the established design, the agreed terms and the quality of construction. The technical assistance is developed basically in four phases

1) Assessment Phase: Evaluation of the settlement in which the project will be implemented; the type, quality and substance of the houses in which the works will be carried out; the availability of additional materials for construction; the architectural and construction expectations of the participant families.

2) Proposal and Counter-Proposal Phase: Proceeding from the general reference terms established previously for the project (special number of families and available economic resources), and the data collected in the previous phase, the technical advisory group develops a construction intervention technical proposal for the houses involved. This proposal is submitted to the community organization for approval pending modifications that may or may not be suggested by community members. After this, the various alternatives are considered with regard to technical and methodological feasibilities (feasibility of generating self-building processes through mutual help) and costs. Finally, the advisory team draws the final technical proposal, incorporating joint agreements reached by the organization and the advisory team.

3) Capacity-building Phase: In order for the families participating in the project to carry out some of the building tasks defined in the technical proposal, the advisory team designs and develops a self-building training programme, along with the families. This programme includes a subject list with basic contents and the stages that will be developed by self-building. The training process is supported with the use of educational aid material such as models and three dimensional design tools, diagrams, architectural plans, site plans, etc. Training also involves assisted building practice on work sites, that can be either a pilot construction or in project participants own houses.

4) Building Phase: In most of the housing improvement experiences supported by Jundep, construction labor is a family contribution using an intervention methodology that promotes their participation and cooperation in an



organized manner (self-building by mutual-help). This form of work is assisted by master-builders and technical advisors that provide constant support to the building squads. The technical assistance in this phase focuses mainly on aspects such as material specification, measurements, purchase of material, on-site inspection and supervision of the works executed, and defining weekly construction schedule with the master-builders and/or building brigades.

#### c) The Financial System

The financial system is constituted by initial economic resources, serving as base to generate a capital fund that will allow the allocation of credits for housing improvement, and by finance management devices.

The initial economic resources fund is made up of financial contributions from international donors or from national sources and by previous savings of the families which will participate in the intervention. This initial fund is allocated in the form of credit to each of the beneficiary families, and as such, require that the loan

candidates comply with an initial saving and adopt one of various pre-defined repayment forms. The loan is extended to the family in building materials and repaid in money. In this way, the fund will be maintained and renewed.

The financial management rules are tools which control the credit system, ensuring the flow of economic resources that are mobilized during and after the intervention. The most commonly used are: IOUs, check-books and repayment charts, specific to each "bank". The appropriation of these devices by the community organization, facilitates the sustainability and institutionalization of the Materials Bank, as a popular credit system for housing improvement.

### The results obtained so far

"From 1985 to 1994, the saving and loans revolving funds, called Building Materials, extended 4358 credits to more than 1400 families from 117 grass roots organizations, which means an average of 500 credits per year. Also, each participating family received an average of three loans which clearly demonstrates the repetitive and evolutionary aspect of this financial system.

The banks are located in the western and northern districts of Santiago de Chile Metropolitan Region, where nearly 4000 loans were extended.

From 1985 till the end of 1993, the value of the loans exceeded 1,2 millions US\$, which makes this experience one of the most significant in Latin America in the field of finance for the poor. The value of the loans, according to the regions where they were distributed, varies on average from 180 to 300 US\$, meaning the equivalent of 1,8 to 3 minimum monthly wages.

Of the 1,2 million dollars loans, external resources represent a limited portion : 220 000 US\$ were international grants - transformed into loans by Jundep and some of the organizations-, channelled to Chile after the 1985 earthquake. In 1991, one year after the collapse of the dictatorship, national resources coupled with international ones could be channelled to foster the fund. How-

ever, one of the clear results and unique feature of the fund has been its astonishing capacity to grow, to get stronger, to become self-managed by the people during difficult times.

### How the Building Banks operate

#### Criteria for eligibility

To be eligible for a loan, families have to meet the following requirements:

- Be an active member of the organization which manages and possesses the fund. In some organizations, the families need to have been an active member for at least three months.
- To be in a need of house improvement
- To have a saving capacity to meet the requirements.
- To have the capacity to pay back the loan
- To make your debt official through a legal document (called "Pagaré" in Chile).
- Some of the organizations are requesting additional documents such as copies of the electricity or water bills.

### General conditions for the loans

- They are basically for home improvements (façades, walls, second floor, addition of a room,...) and are collective credits.
- The loans are not in cash: the family receives building materials.
- The families pay monthly in cash.
- The rate of effort (the portion of the income which can be used for repaying the loan) should not exceed 10% of the family income.
- The maximum loan value should not exceed twice the family income
- The interest rates are indexed on the expected inflation rate for the year, plus an additional interest rate of about 5%.
- The repayment period is flexible and the most common choices are 12, 15, 18 months.
- The value of an improvement can be split into three parts: the savings which represent about 7% of the total, the actual credit received from the building material banks which on average amounts to 67 % and the manpower value that the family puts in as self-builders or contract locally ( about 26% of total)

### The Jundep Urban Programme

From its beginning, the Jundep Urban Programme has centered its efforts on the urban popular sectors. With a multi-disciplinary approach, our task has been to develop methodologies to improve the housing quality and strengthen the organizational capacity of the groups excluded by the neo-modernization processes.

Despite their limited resources for individual growth, the inhabitants of Santiago's poor urban periphery possess a wealth of potentialities that the Urban Programme has sought to unleash. Far from considering our community members incapable or resourceless, our best efforts have been directed towards valuing those basic strengths they unleash in their struggle for daily survival. In this case, their capacity to collectively overcome housing and service deficits through self-management and solidarity. The unifying theme behind our interventions refers to one of the most important programmatic goals: social production of Habitat. We understand this concept as a process by which organized groups participate in the finance, architectural design and actual building of their homes and community spaces.

This proposal is oriented to a new understanding of the urban development process and the configuration of human settlements, located within a context of protagonism of the intervening actors, with special emphasis on collective action. At the local level, it implies considering habitat not only as housing, but as the physical space where life is developed, which includes urban space, community equipment, infrastructure services and the quality of the housing.

Thus, our scale of intervention is the local level, as we understand that the initiatives regarding habitat empower community members to improve other dimensions of their living conditions, strengthening a sense of territoriality and cultural identity in the communities. In this way, the territory becomes a privileged social, geographic and political space, in which the protagonism of the popular sectors is developed.



## Lesson - The Building material banks as a powerful instrument for urban poverty alleviation

" One of the most attractive aspects of the Building Materials banks has been their capacity to adapt their lines of credit in a flexible way in order to meet families' needs.

### Home Improvements

From 1985 to 1989, 100 % of the credits were targeted for home improvements through four different lines:

- Extension, either vertical or horizontal, up to 12 sqm.
- Finishings such as doors, windows, sanitary items, false ceilings (to improve thermal insulation especially for the cold months of winter)
- Repairing, for instance damage caused by the earthquake, filterings, etc.
- Complements in order to finish the heaviest part of the house to make it liveable : covering, walls, etc...

### Basic home equipment

From 1989 on, the house improvement line of credit loses in importance and gets less priority from the members. Those families who had paid back their first loan, requested new ones not only to improve their houses but to get basic equipment for bedrooms (superimposed beds, sheets, blankets, mattresses,...), for kitchen and toilets.

### Specialized equipment

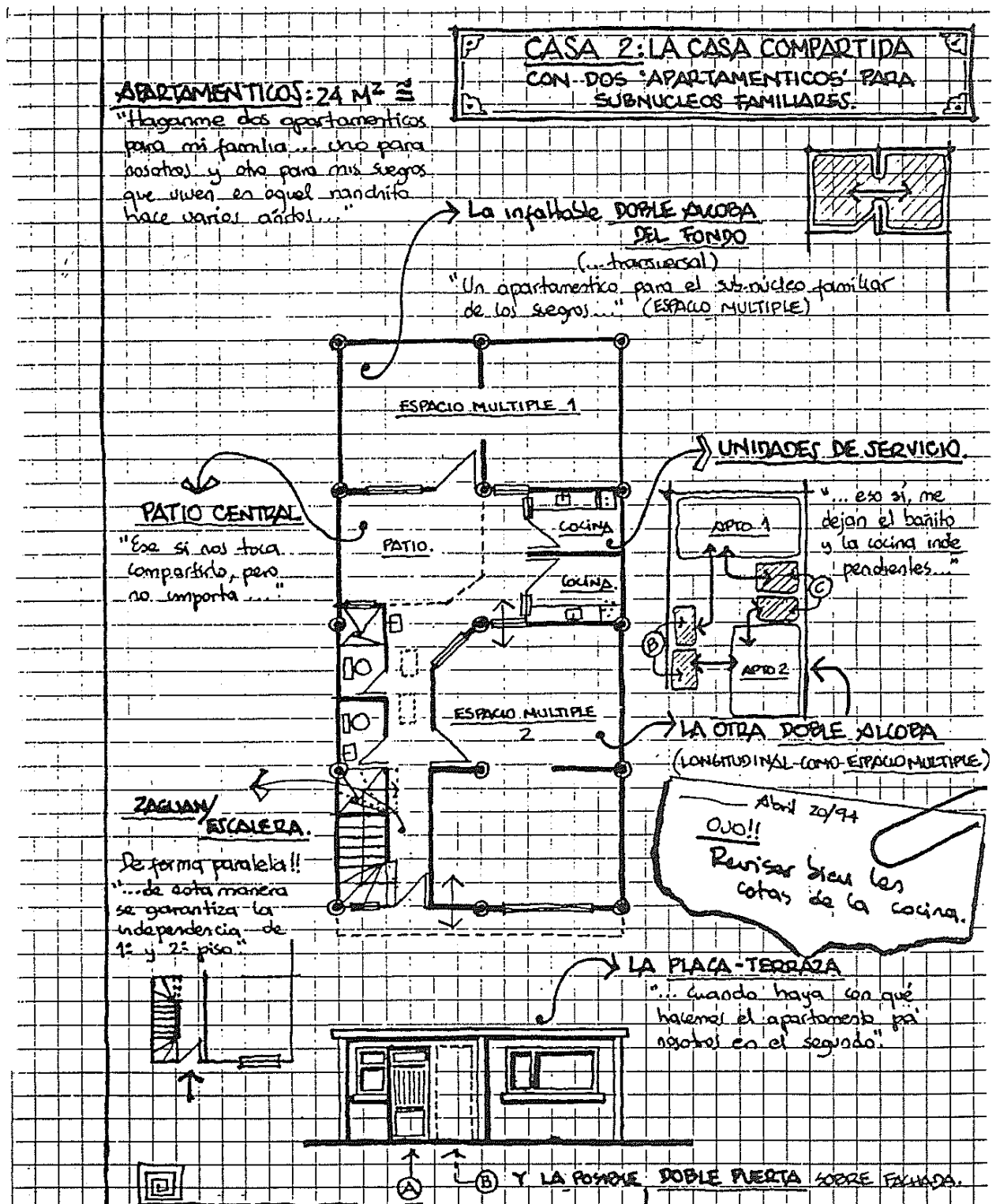
From 1990 onwards, a new line of credit was created in addition to the existing ones. It allows for buying domestic items such as gas bottles, electrical items, stoves and particularly refrigerators.

In time, loans will be used for items far removed from those originally intended. In March, members use loans to buy uniforms and schools items (books, writing pads, etc...) for their children. In September credits are used to buy boots and on many occasions they are used to buy food and supermarket items.

In conclusion, credits are tailored to fit domestic needs in order to reduce the urban crisis and to alleviate urban poverty. As such, the Building Materials Banks turned into a powerful instrument for poverty alleviation in Latin America". (4, pp 11,12)

### Steps to get a loan

- a. The member approaches his committee and has to demonstrate that he has been an active member.
- b. According to his committee and to the level of savings requested, the family has to deposit the savings within two months.
- c. Once these two steps have been accomplished, all members from the organizations meet and decide, according to the level of needs, whether a loan should or should not be granted. If too many candidates apply at the same time for loans, priority will be given to those with harsher needs.
- d. Once the candidate has been selected, the monitor pays him a visit and approves the type and the quantity of building materials which are necessary and finally the value of the credit.
- e. The monitor shows him three different lists of prices. If the family indicates a supplier who offers a better price, he will be selected.
- f. The monitor goes to the chosen supplier and pays for the building materials. The benefited family then takes them.
- g. The member starts to repay the committee treasurer monthly, who deposits the money in the account " (4, pp 29)



Notes

1 The UN concludes that for each inhabitant, a house should have at least 17,5 squaremeters constructed, in order to be considered a fit space for living, which means that for a family of five members, the houses would be constructed on sites exceeding 85 square meters large. The social housing policies currently deliver solutions that are far from meeting this requirement as they are never larger than 40

square meters, as is the case of the Basic Housing Programme (30 square meters approx.) and the Progressive Housing Programme (32 square meters approx. in both its stages).

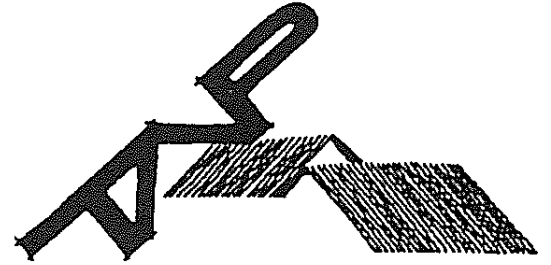
2. Joan McDonald: 'How many houses are lacking? The regional and international deficit'. Work Paper N° 16/94. C.P.U.

3. Housing in the 1992 census. July, 1994. Santiago de Chile

4. The text draws on the final report of an in-depth evaluation work worked

out by Jundep, urban programme, and its director at that time Ricardo Tapia and Yves Cabannes. (Cabannes, Tapia, Jundep. Acceso al financiamiento de la vivienda para grupos de escasos recursos. Los Bancos de Materiales de Santiago de Chile, Enero 1994, 32 pag. mimeo) was part of a research programme on alternative financing in Latin America promoted by the French Solidarity Programme for Housing and coordinated from Brasil by the Human Settlements team from Gret.





## Las Tandas y el Plan de Ayuda Mutua.

Cecilia Ibarra

*'Una experiencia singular tanto en el ámbito financiero-cultural, como en el de las estrategias de apoyo a la población de menores recursos.'*

### El Taller de Arquitectura Popular

Dentro de la marginalización creciente hacia a un gran número de individuos y de grupos sociales que ha generado las nuevas modalidades del desarrollo, los organismos no gubernamentales, confrontados con la pobreza de la población han tenido que rebasar la aversión por el campo económico-financiero y reconocer que no hay desarrollo posible si este no está fundado en iniciativas de la población.

Los grupos de apoyo siempre han trabajado en su mayoría bajo la lógica de que todo aquello que no es financiado tiene infinitamente menos posibilidades de producirse, sin embargo, a lo largo de los años se ha constatado que los mecanismos de ayuda internacional tienden a reforzar la dependencia y ante la problemática que enfrentan nuestros países es necesario buscar fórmulas alternativas que doten de autonomía financiera las iniciativas de los habitantes.

En la actualidad se hace necesario alentar a la población para que participe activamente en la satisfacción de sus necesidades, esti-



mulando su creatividad e iniciativa para que con su rica experiencia, que va desde las prácticas culturales de financiamiento existentes, hasta proyectos económicos como las cajas de ahorro y los sistemas formales de financiamiento, proponga e instrumente nuevas soluciones a partir de la movilización de recursos, sin con ello hacer referencia únicamente a los recursos económicos.

Dentro de esta problemática y teniendo como principio este gran reto, el Taller de Arquitectura Popular, A.C (TAP), creado en 1984 y circunscrito en el contexto de las organizaciones no gubernamentales mexicanas, ha desarrollado su trabajo dentro de la línea de asesoría integral a grupos organizados en torno a la vivienda, tanto en el medio urbano como en el medio rural.

Es a partir de su intervención, a causa de los sismos de 1985, en el medio rural donde logra constatar que las prácticas culturales continúan siendo fuertemente reproducidas, logrando desarrollar en torno a ellas procesos organizativos verdaderamente anclados en la vida cotidiana de la comunidad.

La experiencia vivida durante los 4 años que duró la reconstrucción en la zona, clarifica al TAP que las organizaciones de apoyo no pueden seguir actuando al margen de las dinámicas sociales ya que estas repercuten en las potencialidades de los actores y diferencian la capacidad que los diferentes grupos tienen para insertarse en el sistema económico, para expresarse políticamente y representarse legítima y simbólicamente.

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**PAM: Selbsthilfe auf Gegenseitigkeit. Ein Beispiel aus Jalisco in Mexico**

Das Selbsthilfe-Wohnungsprojekt PAM (Plano de Ayuda Mutua) wurde 1991 mit vierzig Bauern-Familien im Mexikanischen Bundesstaat Jalisco gegründet. Die Initiative kam von einer unabhängigen, als NRO registrierten Architektengruppe mit dem Namen Taller de Arquitectura Popular (TAP, or: Popular Architecture Workshop) in Kooperation mit verschiedenen Basisorganisationen (CBOs). Die Absicht war, den Leuten, die keinen Zugang zu den existierenden Krediten des staatlichen Wohnungsfonds FONHAPO haben, alternative Finanzierungsformen zu erschließen. Der erste Kontakt mit der Zielgruppe schloß TAP im Zusammenhang mit dem Wiederaufbau einiger Dörfer nach dem großen Erdbeben von 1985. In weniger als zwei Jahren breitete sich das Programm – im Wesentlichen dank Mundpropaganda – in der ganzen Region aus, und umschließt bereits etwa 1.200 Familien, die sich in 19 Spargemeinschaften zusammengeschlossen haben.

Das System der Wohnungsfonds basiert auf dem traditionellen Sparplan der sog. Tandas – die mexikanische Version der afrikanischen Tontines. Das sind Zusammenschlüsse von einer begrenzten Anzahl von Personen oder Familien, die in festen Abständen einen festen Betrag in eine Kasse einzahlen, wobei bei jedem Einzahlungstermin der gesamte Einzahlungsbetrag an ein einziges Mitglied verlost wird. Nach einem Jahr haben alle Teilnehmer einmal gewonnen und jeweils den gesamten in Teilen eingezahlten Betrag in einer Summe zurückerhalten. PAM geht jedoch weiter, indem es den Sparplan wegen Einbeziehung einer größeren Zahl von Teilnehmern flexibler gestalten kann, und vor allem, durch Zusammenarbeit mit einer Bank und anderen Unternehmungen in der Lage ist, Zinsen auszuführen. Wichtig ist aus, daß PAM nicht nur ein Finanzierungssystem ist, sondern in integrativer Weise Sparen, Bauland-Beschaffung, Hausbau und -Sanierung, Baumaterialproduktion und Vermarktung, Entwurf, Bauleitung, Parzellierungen, Forschung, und Training miteinander verbindet.

Innerhalb von drei Jahren konnte PAM eine gesamte Sparsumme von 500.000 US\$ aufbringen. Zusätzlich wurden Einnahmen von US\$ 35.000 durch den Kauf, Urbanisierung und Verkauf eines Grundstückes an neue Mitglieder erzielt. Insgesamt erlangten 380 Familien Zugang zu Bauland, 15 konnten neue Häuser bauen, und 630 ihre Wohnungen verbessern. Über die ganzen Jahre konnte PAM ohne externe Hilfe nicht nur überlegen, sondern auch wachsen – ein gutes Beispiel für ein nachhaltiges Entwicklungskonzept.

La organización latente observada en las comunidades rurales a través de sus practicas culturales, transmitidas y adecuadas de generación en generación, Los motivo a incursionar dentro de ese ámbito para tratar de descubrir cuales son los factores o elementos en ellas presentes que han determinado su permanencia.

**Plan de Ayuda Mutua. (PAM)**

En este marco surge el Plan de Ayuda Mutua, proyecto inspirado en una practica cultural de financiamiento existente en México. Fue concebido por El Taller de Arquitectura Popular A.C, teniendo como interés fundamental la reproducción del financiamiento informal que se desarrolla al interior de estas practicas culturales denominadas tandas y que han sido bastante reconocidas entre los pobladores por su eficacia.

La tanda es la denominación general que se le da a las formas de ahorro informal existentes en México, conocidas y practicadas de una manera bastante dinámica, reposando sobre el principio de puesta en común de bienes y atribución sucesiva a cada uno de los miembros.

Principalmente organizadas por mujeres, las tandas han representado una alternativa que viene a complementar el ingreso familiar.

Teniendo la tanda como punto de partida el PAM, fue creado esencialmente como un mecanismo financiero que pudiera aportar soluciones específicas y múltiples al problema de la vivienda, basado en la auto-ayuda y el apoyo mutuo tratando de reproducir la cultura del ahorro existente y que readecuada permitió la implementación de un sistema financiero adecuado a los pobladores integrando la producción de la vivienda dentro de una perspectiva de desarrollo integral comunitario.

La creación del Plan de Ayuda Mutua, respondió a la aspiración de



lograr vía la institucionalización del sistema de las *tandas*, un modelo a través del cual se alcanzara para la organización resultante, un desarrollo autónomo tanto en lo social como en lo económico, donde el PAM se constituyera como un instrumento que llevara al fortalecimiento de la acción colectiva y con ello a la conformación de una red a nivel regional, partiendo del ahorro como eje aglutinador y haciendo del programa un espacio abierto que llevara de la casa a la comunidad.

### **Panorama Global de la Trayectoria del PAM**

El Plan de Ayuda Mutua ha buscado ante todo, revitalizar las energías colectivas, tomando el problema del hábitat como punto de partida y generador de una propuesta integral, donde se entrelazan el sistema de producción de la vivienda con el sistema productivo (micro empresas) y el sistema de capacitación-formación (técnica, financiera, organizativa y cultural), a partir del desarrollo de un sistema de auto-financiamiento informal: La experiencia del PAM ha revelado un verdadero potencial organizativo con grandes capacidades de captación y movilización de recursos y que logró extenderse en la región rápidamente de una manera sólida y organizada.

#### *Historia del Proyecto.*

El 2 de Febrero de 1991, el Plan de Ayuda Mutua inicia oficialmente sus actividades en una comunidad rural como un proyecto piloto, convocado por el Taller de Arquitectura Popular y un grupo de pobladores organizados quienes proponían se trabajara con 40 familias, tratando con ello de dar continuidad al proceso iniciado en la región con la reconstrucción pero que había quedado inconcuso por la falta de recursos.

El PAM surge en un ambiente donde por una parte se hace imperiosa la necesidad de dar seguimiento a todos los grupos constituidos a raíz de la reconstrucción, los cuales estaban desintegrándose por lo des-

gastante que había resultado el proceso mismo de la obtención del pie de casa y por la otra lo poco funcional de estos pies de casa, así como la falta de recursos para su adecuación.

Estos factores, el trabajo tan cercano con la población realizado por el grupo de apoyo y la conformación de un equipo de trabajo que incluía a pobladores ampliamente reconocidos por los habitantes jugó un papel muy importante para el arranque del programa. El PAM logra reunir en su primer ciclo a 250 familias, las cuales inician con gran confianza su ahorro e inician el proceso con un pequeño fondo de liquidez reunido en las cuatro primeras semanas de ahorro:

Este fondo permitió la apertura de un centro de materiales para construcción y una pequeña unidad de producción de ladrillo y teja, trabajadas por el mismo grupo, manteniendo la venta no solo a los grupos organizados al interior del PAM, sino a los habitantes de estas poblaciones en general, a precios diferenciados y siempre mas bajos en relación a los promedios del mercado.

Su buena estrella de partida se debió a la confianza depositada en los asesores (importante por girar en torno al ahorro) y al involucramiento y promoción directa realizada entre los mismos habitantes. El TAP trabajo solo la adecuación del modelo con un pequeño grupo y ellos se encargaron del resto.

En menos de dos años por sus resultados comienza a ser difundido y promovido por los mismos habitantes logrando extenderse ya a otras tres comunidades de la región y elevando el numero de familias participantes a 1179 familias distribuidas en 19 grupos clasificadas en sub-grupos de acuerdo a sus mismas necesidades: vivienda nueva, vivienda mejora y acceso al suelo.

Diversifica sus actividades hacia los diferentes sectores logrando una participación a nivel familiar y la contribución de estas en otras acti-

vidades de la comunidad, por ejemplo se inicia un programa de ahorro con los niños para la adquisición de bicicletas, con los campesinos para adquirir fertilizante, con las mujeres para la crianza de cerdos y a nivel familiar el impulso de pequeñas empresas productivas que les permitan aprender y a la vez generar ingresos adicionales que les faciliten la permanencia en el programa y la constancia en su ahorro que mas que ahorro, después de su primera evaluación se le denominó '*castigo al salario*' pero que ha funcionado muy bien como eje aglutinador.

#### *Características del Sistema Financiero*

El Sistema Financiero al igual que la *tanda* es fundamentalmente una rifa en la que todos los participantes reciben el total de los beneficios a través de un sorteo semanal, equivalente a su ahorro anual, en materiales para construcción, mano de obra o iniciación de pago para acceder al suelo.

Cada participante determina libremente la cantidad a ahorrar durante todo el ciclo. La dimensión de la cantidad del beneficio es igual a la suma total del ahorro individual durante la duración del programa. La duración se define por el numero de participantes y la cantidad de ahorro semanal reunida por el grupo, tratando de que no sea mayor de 52 semanas para que no decaiga el interés de los participantes.

Para tener un soporte que posibilite los ajustes en el proceso se hizo necesario contar con un fondo de liquidez que se creó con el ahorro de las cuatro primeras semanas durante las cuales no se asignó obra, ni se otorgaron materiales, desfasando así el calendario entre recepción de las cuotas y asignación de las obras.

El programa ha sido bien aceptado por todos los grupos que se han integrado y de quienes ha dependido en buena medida su crecimiento y consolidación.



### *Elementos de Innovación y Resultados obtenidos.*

Desde su inicio el PAM ha desarrollado sus actividades en torno a 7 líneas de trabajo: ahorro, compra de terrenos, mejora o construcción de vivienda, producción y venta de materiales para la construcción, diseño y asesoría técnica para la edificación y la urbanización, el taller de innovaciones tecnológicas y los talleres de capacitación-formación.

Su primera característica innovadora ha sido apocarse a un sector que no había sido atendido por los sistemas financieros formales y que les permitió acceder a un sistema de captación de recursos, que es muy elemental pero que en el caso de México nunca había sido ofrecido a la población en general y mucho menos a la población rural.

El ahorro, la movilización de recursos y la participación social, para dar cumplimiento a los objetivos comunes, se ha combinado para potencializar las capacidades económicas de los grupos de escasos recursos logrando una ampliación de la capacidad financiera, ya que estos recursos no alcanzarían su potencia máxima si no son integrados en procesos de valorización como la adquisición de un terreno, en la compra en volumen de materiales para la construcción y la edificación por ayuda mutua.

En tres años el PAM ha logrado movilizar alrededor de US\$ 500,000 de ahorro colectivo, ha gestionado créditos por US\$ 70,000 y ha obte-

nido US\$ 35,000 producto de una operación inmobiliaria de suelo adquirido colectivamente. Ha dado acceso a suelo a 380 familias, ha dotado de vivienda terminada a 15 y ha permitido 630 mejoras de vivienda.

Logró además la articulación de todos los grupos de vivienda existentes, al interior de un solo programa que, por un lado, terminó con la segmentación existente y por el otro dió cabida no solo a los grupos sino a toda la población.

En este sentido la lógica fue terminar con la proliferación de grupos aislados intentando con ello reducir esfuerzos para hacer posible el seguimiento y el apoyo a la vez que potencializar organizativa y económicamente el proyecto al conjuntar esfuerzos y recursos.

Se ha coincidido por diferentes expertos que han intervenido dentro de las evaluaciones al PAM, que de haberse realizado estudios y proyecciones de viabilidad previas a la implementación del PAM, nunca se hubiera implementado, se hubiera llegado a la conclusión que llegan los bancos y el gobierno mismo y es que los grupos a los que esta orientado el programa no puede acceder a este tipo de sistemas ni a la vivienda bajo ninguna circunstancia. Se asevera lo anterior por la deducción simplista de que sus ingresos 'formales' no permiten cubrir cuota de recuperación para los créditos y por no contar los asesores con un fondo de reserva para cuentas incoables.

Entre los pobladores de bajos recursos, aun cuando no son considerados sujetos de crédito ni por la banca privada ni por las instituciones oficiales, si lo fueran, para ellos no resulta atractivo el otorgamiento de créditos, ni su recuperación por esta vía, ya que no los consideran de confianza y existe un gran temor a contraer compromisos de este tipo.

En el PAM por el contrario, la cohesión social es un elemento importante que ha permitido el esfuerzo de la población para crear esta movilización de recursos donde la masificación del proyecto o la escala son determinantes.

Lo importante después de tres años de vida del programa, los resultados son que esta gente que no podía acceder a la vivienda lo esta haciendo y para explicarlo hay que considerar otro tipo de variables, lo que obliga a hacer una evaluación extra financiera como lo encontramos en el testimonio de un economista.

*'Para mi el programa tiene dos resultados sorprendentes, el primero es la supervivencia del programa y su capacidad de desarrollarse y crecer y el otro es la capacidad de ofrecer bienes que en instituciones formales no se hubieran ofrecido. Puesto en términos muy sencillos si se aplicara una estricta lógica financiera el programa hubiera estado condenado a fracasar desde el primer mes, y el solo hecho de que este vivo a estas alturas implica que lo estrictamente financiero no puede ser evaluado solo. Hay que tratar de explicar y hay bue-*

*na parte de la economía que nos remite a conocer aspectos que no son contables y tienen mucho mas campo en la experiencia humana, algunos economistas lo consideran, algunos no, pero pocos los cuidan y es un hecho, hay un poco de antropología en cada proceso común, en eso cada quien usa su dosis'.*

**Dificultades financieras:**  
*Autonomía o Subsidio.*

Lo mas interesante del PAM son sus posibilidades y versatilidad, sus dificultades derivan de la carencia de una estructura organizativa mas avocada a cuestiones administrativas, donde se podría decir que el PAM se sostiene en buena medida por entusiasmo y altruismo tanto de los habitantes como de los organizadores y no por una coherencia administrativa muy solida. Una columna vertebral, donde la carencia de tipo administrativo, hace que el programa enfrente anualmente ciclos de auge y desesperación, por ser los integrantes en su mayoría campesinos de temporal y no cuentan con periodos del año sin ingreso fijo.

Los estudios que se hicieron muestran que además de estos ciclos hay una especie de subsidio estimado del 7% que tiene que ver con el trabajo no cobrado de los asesores o autores del proyecto (el TAP), y es preocupante porque al margen de que da cuenta de un esfuerzo interesante de parte de un grupo de personas, al mismo tiempo da cuenta de que sin este esfuerzo no sería posible sostenerlo

Por otra parte el problema del déficit manejado como volumen no recaudado o fondo perdido se sitúa entre un 5 y un 7% (margen de riesgo por debajo del bancario) del volumen que se maneja, entonces digamos que el problema de autonomía tiene que ver con la escala que se maneja, ya que no es lo mismo manejar cien millones de pesos al año, que ser autónomo para manejar diez mil millones de pesos. Si eres autónomo manejando cien millones de pesos al año tienes posibilidad de financiar de manera alternativa los riesgos de esa autonomía, sin embargo, si estamos hablando de diez mil millones

de pesos se pierde toda capacidad de financiar.

### **Las Tandas y el PAM**

Mediante la oposición de estos dos modelos se ha tratado en diversas ocasiones de poner en evidencia las similitudes y discrepancias entre el funcionamiento y el comportamiento asumido por la población dentro de cada uno de ellos.

Esta oposición creemos que ha hecho aflorar la interpretación que los pobladores hacen del PAM y la manera en que manifestaron su resistencia al cambio en gran medida por el espíritu asumido para la conservación de sus practicas y por todo lo que representa en sus patrones de conducta el ser portadores de una experiencia histórico-cultural.

El análisis comparativo entre la práctica cultural y la reproducción de ésta a través del PAM, se realizó a partir de lo expresado por los diferentes actores en ellos involucrados y ha contribuido grandemente a la comprensión mas profunda de sus prácticas y su evolución no solo como herramientas económicas sino como fenómenos de sociabilidad, donde se inter-relacionan tres componentes a considerar como son el nivel cultural, el social y el económico.

Dicho análisis ha dado elementos igualmente para reflexionar mas ampliamente sobre el papel que ha jugado en este programa el grupo de apoyo externo y el papel que deberían jugar tanto en la construcción del modelo, en su intervención como agentes facilitadores del proceso. A continuación presentamos algunos aspectos.

### **Origen de la Organización**

Tanto en la *tanda* como en el PAM, el origen constituye uno de los puntos mas contrastantes entre las características de los dos modelos:

*La tanda como producto de un proceso completamente endógeno, es resultado de una herencia histórica, transmitida de generación en gene-*

*ración y que ha hecho posible la continuidad de las practicas basada en la producción de codificaciones que han facilitado esta secuencia y sus necesidades de adaptación en cada una de ellas.*

*La tanda no es un fenómeno económico, sino un fenómeno de sociabilidad por lo cual la gente se siente integrada y participa de diferentes maneras al interior de estas, independientemente de los ciclos de ahorro establecidos.*

Las actividades festivas realizadas al interior de las comunidades, en la mayoría de los casos son encabezadas por las diferentes coordinadoras de las *tandas* en cada localidad, lo que propicia la participación activa en dichos festejos de la población en general. Tanto para la recolección de los ahorros como para la organización de las diferentes festividades del pueblo, la casa de la organizadora se constituye en sede siempre frecuentadas por la población, participan o no en la *tanda*.

La continuidad de estas practicas ha sido posible gracias a la interpretación del significado y de la función de las *tandas*, ya que estas mantienen vivo el interés de los participantes y nos da fe de la validez practica.

Adentrándose en la dinámica interna de las comunidades se percibe una organización latente capaz de reaccionar ante cualquier situación o circunstancia que surja, ya que su campo de acción no se reduce solo a resolver los problemas de carácter económico.

El PAM por su parte como un proyecto impulsado a iniciativa de un grupo externo, inicia un proceso con la necesidad de una interpretación de dichas prácticas, que le permita establecer un lenguaje adecuado para el programa en cuestión.

En el PAM como proyecto promovido desde el exterior, alcanzar la legitimación y la implicación de todos los participantes no es una tarea fácil, requiere de un gran trabajo a nivel de la base ya que si esta no se integra es imposible que se produzca el



sentido y con el la permanencia de los pobladores en la organización.

En el PAM la implicación es asumida como una tarea del grupo de apoyo y asociada a un proceso formativo a lo largo de la vida de las organizaciones. De igual manera se estableció una casa de la comunidad como sede de la organización y las reuniones, con este nuevo local adecuado por los mismos pobladores adquirieron otro sentido. Para los participantes no era el local, sino 'la casa del PAM'

Sin embargo aun con estos esfuerzos y la avanzado del proceso queda mucho por trabajar. Aquí presen-

*'Yo siento que un punto difícil en el PAM es que no se ha logrado la implicación necesaria de los habitantes, como que no se involucra toda la gente en un proyecto mas organizativo, siento que la gran mayoría participa por la utilidad que el sistema les presenta'.*

(Implementador del PAM).

### Relación social

A nivel interno tanto la *tanda* como el PAM, la mecánica misma de la relación se estableció entre el grupo y la responsable administrativa. La diferencia entre ambos procesos se

En el PAM la presencia del grupo de apoyo vino a modificar las facultades de la tesorera (que hasta ahora todas son mujeres ) que si bien por una parte evitaron la centralización del poder en una sola persona por la otra implantaron y ratificaron la figura del grupo de apoyo como portador de un amplio poder en la toma de decisiones, sin embargo la tesorera en la practica terminó diluyendo la presencia de la mesa directiva.

### Relación de la gente con el dinero

A diferencia de la administración autónoma experimentada en las *tandas*, donde solo el dinero mantiene un ciclo normal ejecutado por la organizadora quien se ocupa de distribuir semanalmente el capital recaudado, en el orden establecido por la organizadora misma, previa evaluación del comportamiento de cada participante, en el PAM el tesorero solo se encarga de la recaudación de los recursos y los deposita en una cuenta bancaria que es administrada por la ONG y las comisiones técnica y administrativa. La asignación se realiza en base a un sorteo mensual efectuado en asamblea y con un reglamento ya establecido.

En la *tanda* el integrante es libre de decidir su uso que dará a sus recursos, mientras que en el PAM esta ya predeterminada su utilización.

Este manejo de los recursos hace la gran diferencia entre la sensación de un compromiso con la colectividad y otro de manera directa con la organizadora de la *tanda*.

### Ciclo del Dinero.

Las modalidades y el manejo del dinero están ligados al objetivo por el cual se ahorra. No es lo mismo ahorrar para invertir en un bien de consumo duradero, para la fiesta de cumpleaños etc., que ahorrar en vista de invertir paralelamente en una actividad que pueda generar otros productos relacionados con la vivienda.

En las *tandas* el dinero no es considerado ni en base al tiempo ni como producto en si mismo, sino solo se



tamos dos testimonios en los que se puede apreciar la dinámica experimentada en cada uno de los modelos. En la *tanda* la auto-implicación se establece en el acto y la producción no depende de la organizadora, y en el PAM como ya lo mencionábamos es siempre una tarea que se echan sobre las espaldas el grupo responsable.

*'A mi la gente me lo pide y yo por eso organizo las tandas, es solo para la gente y pos mientras la gente quiera pos aquí le seguimos porque yo me ayudo y la gente se ayuda conmigo'*

(Organizadora de tanda.)

establece a partir del papel que desempeñan, fuera de las tareas propias del manejo de los recursos.

En las *tandas* tanto la relación a propósito de la recaudación de los recursos, como la dinámica social interna del grupo en la comunidad, la toma de decisiones, se establece siempre alrededor de la iniciativa de una sola persona (invariablemente mujer), quien ocasionalmente delega responsabilidades a partir de la atribución de que goza para ejercer su legitimidad que le ha sido otorgada enteramente por el grupo, y va mas allá de un ciclo de ahorro.

plantean la movilización de los recursos que den a los participantes la posibilidad y a la vez la seguridad de adquirir o disponer de una cantidad en una fecha estipulada. Nadie siente que gana mas ni que pierde mas, ya sea la primera o la ultima en recibir su ahorro, sino solo se desarrolla el sentimiento de ayudarse los unos a los otros.

En el PAM se parte del principio de que el dinero produce dinero y a esto se debió el impulso inicial para la creación de un fondo que como ya se menciona se constituyo con las cuatro primeras semanas de ahorro. El capital reunido, utilizado como capital de trabajo para la apertura del centro de materiales y de las unidades de producción, tuvo como lógica la creación de excedentes que permitieran al programa cubrir los gastos de operación y la zona de riesgo o de imprevistos producida por el déficit causado por cuentas incobrables. Sin embargo el programa o los gastos que este ocasiona se supeditan al éxito o fracaso de dichas empresas comunitarias.

Tal como se puede apreciar la manera en que se fue conformando el PAM dio como resultado un nuevo modelo que si bien no es hasta ahorita una fiel reproducción de la practica, tampoco reproduce los modelos formales de intervención de organismos de apoyo aplicados a partir de la década de los setentas, de donde deriva su calificativo de innovador.

Los esfuerzos realizados en la búsqueda de un proyecto diferente que permita avanzar hacia la consolidación de las organizaciones, se hace evidente y los resultados del programa hablan por si mismos.

Este nuevo modelo ha sufrido un sin numero de transformaciones en su trayectoria, pero tiene una característica importante que lo distingue de las experiencias anteriores que han nacido, han crecido y se han disuelto. El PAM ha logrado su reproducción y en las circunstancias actuales es necesario hacer un balance que nos permita situar las necesidades actuales y reo-

rientar conjuntamente las acciones con la población.

### **Una Experiencia situada entre las Practicas de Intervención de Organismos de Apoyo y las practicas culturales.**

La experiencia del PAM, como proyecto formulado con una inquietud en la búsqueda dentro del aspecto cultural, significa en si mismo un avance considerable para las practicas de intervención que de una manera uniformizada desde años atrás han adoptado los diferentes grupos de apoyo que surgen al interior de las organizaciones no gubernamentales.

Ha mostrado como los grupos de apoyo pueden convertirse en agentes que producen, reproducen o transforman una realidad, pero que como tales no actúan de una manera totalmente autónoma sino que son condicionados por su pertenencia grupal, por su posición de clase y por el tipo de sociedad en la que viven.

Dentro de este proyecto, la existencia del autofinanciamiento como regla directriz de financiamiento, muestra como de inicio el proceso parece mas lento pero resulta mas formativo y contrarresta lo que anteriormente mencionábamos sobre los antecedentes de receptividad pasiva ante la ayuda exterior.

En el PAM no se trato de establecer la lógica de introducir a los habitantes en ese cuadro preestablecido del que hablábamos sino que, a partir



del autofinanciamiento desarrollar un sistema original acoplado a sus necesidades y a su propia cultura.

### **Situación actual y Perspectivas**

A partir de Enero de 1995 México se encuentra sumido en una nueva pero profunda crisis económica, que a golpeado de manera especial a los grupos de menores recursos. Esto provocó un desequilibrio temporal en los grupos dada la dificultad de adecuarse económicamente a las nuevas circunstancias.

El PAM se mantiene activo en dos comunidades rurales con la participación de 200 familias. Su ahorro semanal es de 30 pesos y representa aproximadamente el 33% del salario mínimo semanal.

Tratando de impulsar al PAM desde otros ámbitos, se analiza actualmente aplicándole ciertos criterios gubernamentales y sociales, donde, nos encontramos con que es un sistema de crédito y producción de vivienda mucho mas eficiente que el estatal, y donde con un porcentaje mínimo de gastos que se lleva cualquier burocracia y organismos productores de vivienda, el PAM produce mucho mas, ya que su problema no es la productividad ya que ha demostrado que es un programa extraordinariamente productivo y que permite aprovechar mucho de la energía social.

Tratando de elevarlo a política pública de vivienda, se ha trabajado para que se adopte como modelo a nivel estado. Como un logro inicial, aparece ya como un sistema de financiamiento alternativo propuesto en el Plan de Desarrollo Urbano del Estado de Jalisco 1995 y esta por aprobarse de igual manera dentro del Programa Estatal de Suelo Urbano y Vivienda donde también se encuentra incluido y se vislumbra con muchas posibilidades de instrumentarse por el Taller de Arquitectura Popular.

De avanzar en estas iniciativas el PAM se convertirá en un programa de gran alcance a nivel del estado con grandes retos y grandes posibilidades a otras escalas y con apoyos financieros por parte del gobierno.

Members of Guerrero Co-operative  
Sunday party on the recently bought land.  
Foto: Yves Cabannes



## Mexico: A Revolving Fund for Access to Land and the Promotion of Self-Managed Popular Real-Estate

Maria Emilia Herrasti Aguirre

*Human beings, as any other species, have the right to a habitat on earth. The Human Right to a shelter is inalienable and narrowly linked to the Right to Life, in its spiritual as well as its material aspects.*

HIC / Mexico

In 1988, CENVI, the Housing and Urban Studies Centre (a NGO based in Mexico City) launched a revolving Savings and Loans Fund<sup>1</sup> for financing land acquisition by community-based organizations (CBOs). This was part of its 'Promotion of Self-Managed Popular Real-Estate Program', which generally aims at developing prepositive mechanisms to raise broader housing policy issues, and to endorse claims for hereto non-existent credit programs to facilitate access to land and shelter.

In 1988, CENVI and the Guerrero Housing Cooperative, one of the first in the country, were jointly de-

signing in popular serving project to get access to land. At the time, this cooperative faced serious difficulties in finding affordable building sites within its action radius of the city's downtown area to continue its housing projects.

Through GRET Habitat (a French NGO), this project could get financial support from PSH-Solidarity Programme for Housing- to set up a revolving fund (the resources were channelled through another NGO, Cimade). To start with, the Fund stipulated a savings scheme among the members of the cooperative to purchase a piece of land, and to have easier access to public financing for building the houses with this property in hand.<sup>2</sup>

### General Agreement for the Functioning of the Fund

The fund grants support to different grassroots organizations. Relating

to its functioning, the main aspects are the following:

- The loan is granted to organizations, not individuals. The volume of the credit, mode of repayment, and guaranties are negotiated with each organization individually, always aiming at the shortest possible repayment period to enhance the revolving nature of the Fund.
- To avoid erosion of the fund through inflation, the loan is indexed in line with the legal minimum-wage: when the minimum-wage is re-adjusted for inflation, the debt is also re-adjusted. However, in practice minimum-wage adjustments have fallen far behind the high inflation rates and successive currency devaluation in the past.
- The request for a loan must be accompanied by a full documentation of the site, including plans and other data, to allow legal, financial and technical assessment of the financial viability.

Aguirre is Projects Coordinator at CENVI and a researcher with the OCIM (Mexico City Urban Observer) - UAM-A/CENVI Program.

CENVI, the Housing Centre and Urban Studies A.C., is a Mexican NGO. Since its founding 15 years ago, CENVI is committed to housing and urban issues research and development of operational models to contribute to the solution of housing problems among low income populations. Its technical assistance to community-based organizations covered several aspects of the habitat: Participatory planning by the communities and regions, self-help home building, installation and upgrading of basic infrastructure and services for slums and squatter settlements.

### **Ein revolvierender Fund ermöglicht den Zugang zu Bauland und basisorientierte Immobilien-Geschäfte**

*Die hier beschriebene Erfahrung ist besonders deshalb interessant, weil sie die Bodenfrage - neben der Finanzierung das heikelste Thema in der Wohnraumversorgung - in Angriff nimmt. Die Initiative wurde von einer einzelnen Frau in der Siedlung Santo Domingo (in Mexico D.F.) gestartet, die von einem benachbarten Grundstück wußte, andere Interessent/inn/en ansprach, und ihre Bewohnervereinigung involvierte. Diese konnte ein von der NRO CENVI verwaltetes Darlehen vermitteln, das den Grundstückskauf schließlich ermöglichte. Das steinige Land wurde von den Siedlern in mühsamer Handarbeit urbanisiert und sollte dann verkauft werden, um woanders ein größeres Stück Land zu kaufen - groß genug, um alle Mitstreiter zu beherbergen. Innerhalb von drei Jahren war das Geld zusammen für die Rückzahlung des Kredits, aber da bot sich die Gelegenheit zum Erwerb eines zweiten Grundstücks ebenfalls in der Nachbarschaft zur bestehenden Siedlung, und das bereits gesparte Geld wurde als Anzahlung verwendet. Beide Gelände zusammen waren jetzt groß genug für alle. So wurde von der Absicht des Wiederverkaufs Abstand genommen und der Bau der Häuser kann jetzt beginnen.*

### ***Crisis in Popular Access to Urban Land, and Development of Popular Self-Managed Practices in Mexico City***

*During the past three decades, land invasions and squatting in the suburban areas constituted the 'solution' to the housing problem for the majority of the population in Mexico City, where the formal market was fully controlled by the profit-oriented real-estate market. Today, this solution is vanishing for lack of empty land. In fact, traditional community-driven self-help building seems to have encountered its limits of proficiency and faces opposition by the current urban policy.*

*For Mexico City, the prevalent aim is to curb the city's spacial growth, in order to protect the natural environment. The proposed alternative is to densify the existing urban space, which would also imply reduced urbanization costs. The new paradigm has amplified the already existing housing crisis in the housing problem affecting the poorest sectors. The right to housing crisis for the poor in Mexico City by denying them the right to access to land. The policy change also removed the little support enjoyed by certain organizations negotiating with the State over 'legal' access to urban lands for the poor, and assisting self-managed housing schemes. A number of community-based organizations, whether 'housing cooperatives' or 'land and housing claimant groups', obtained access to land reserves belonging to public institutions, from which they also obtained some financing for their housing projects - involving a cumulative figure of some 20,000 houses in self-managed projects.*

*In the nineties, the cuts following structural adjustment measures resulted in a move away to finance complete houses - the available money is hardly enough to pay for a serviced piece of land. On the other hand, land reserves of the public housing institutions are shrinking, too. Other economizing measures include to eliminate all subsidies, personalize loans and mortgages and channel all construction through private builders, thus raising costs and curtailing the chances for lower-income to find adequate housing.*

*Presently, the City Administration cannot offer a clear policy on land supply, accessible to impoverished sectors. Grassroots organizations are, therefore, forced turn to the highly speculative market in search for the sites required to develop low-income housing projects. There is no legislation to hinder land speculation, and land use planning is not providing for low-income housing in any reasonable scale. The new strategy of densifying existing urban space does not cater for the poorest, their 'Right' to a decent place to live in the city demands a different urban land public policy than that practised today.*



Mural by Daniel Marique, an 'Arte Aca' painter, with links to the dwellers' association 'Campamentos Unidos'

Foto: Claudia Piloto

● The CBO can borrow an amount equal to what it was able to save from its own funds and up to the amount required to pay for the land including additional costs (permits, licenses, legal fees, etc.).

So far, the Fund has benefitted an estimated 560 families. One of the participating groups is the Union of Settlers of Santo Domingo, which will be presented in the remainder of the article.

### **The Union of Settlers of Santo Domingo: Support for Buying to Plots of Land**

The Union was founded following the invasion of the Pedregal de Santo Domingo terrains next to the University Campus in Mexico City, in 1971. This organization was set up to solve the conflicts of regularization of land tenure and the provision of basic services. Later, the Union mainly dealt with the difficulties faced by families that had been assigned to a same lot or who remained on public streets. The organization fought against public authorities to relocate these families to new settlements. Since 1973, they achieved over 1000 relocations. After this experience, the Union decided not to admit new groups of land claimants, but to concentrate its efforts towards neighbourhood improvement, particularly through the provision of infrastructure, cultural and leisure facilities in the neighbourhoods, where the members had their houses. This scheme is part of the 'Barrio Vivo, Barrio Nuevo' (Lively Neighbourhood = New Neighbourhood) integral programme, which proposes to promote sports and vocational training, along with other social services (health care, community restaurants, etc.).

A new and different initiative 'in community driven land acquisition' was catalysed by Mrs. Juanita Pedraza, a member of Santo Domingo settlement. Knowing about a piece of land that was up for sale in the area, she began to organize a group of neighbours. Mrs. Pedraza, however, had little experience in





*Collective labour by the members of the co-operative in clearing the land*

this business, and turned to the Union for help. At one point, the group had grown to include up to 800 families in need for land, but eventually shrunk again to 250 families. The Union accepted the challenge, achieved the purchase of the lot, and bought a second one later.

#### **Purchase of the first Plot**

The first lot, called Rancho Monzerat of measures some 1,000 m<sup>2</sup> and is located in Los Reyes Coyoacán. When the Union of Santo Domingo applied for the Fund, it had already signed a contract with the owner and had paid 200 Millions Pesos. The Union requested a loan of 100 million pesos from the fund to pay for the remainder value of the land, to avoid the heavy financial penalties laid down in case of not meeting the payment deadlines. The group had also approached the Public Works and Services Bank for a loan which was denied.

This land is the union's favourite site as it is located in a highly privileged site next to a planned shopping centre, bordering a major highway, a large housing development, and very close to a tube station.

The size of the terrain was by far too small to settle 250 families. Therefore the initial strategy was to urbanize this piece of land with the group's own efforts (building terraces on the steep and rocky slope, and negotiate for infrastructure). It

would then be an asset that could be sold commercially at a much higher price thus paying for land big enough for all families elsewhere. After 20 years of struggle this land became an annexo of the Dwellers Union during this period. However, instead of settling new families, they decided to construct a Social Centre in which they offer numerous services to their community members. It was inaugurated in October 1993.

At the time of purchase, the site lacked basic infrastructure, but since major construction works were programmed in its neighbourhood, there was a possibility of having these services installed shortly. The local authorities would never have thought that the dweller's unions was going to be able to buy such valuable land. Eventually, a governmental program called 'Solidaridad'<sup>3</sup> provided finance for supplying the necessary infrastructure. Community members on their part collaborated with labour.

Part of the collateral to secure the loan was another property belonging to the Union; this was complemented by a solidarity guaranty (a pledge to substitute default contributors, with new savers) by *Campamentos Unidos*, another CBO. Together with the Union, technicians from CENVI then drew a socio-economic profile of the Union's affiliates and fixed the monthly saving according to the personal possibilities of each of them, varying between 100 and 150

pesos. The group of contributors included people with very low incomes: 25% of them were single women in domestic employment, and the others were mainly unskilled labourers, earning no more than two minimum-wages. Nevertheless, some 30% of the 200 members did not comply with their repayment responsibilities and lost their right to obtain a terrain.

#### **The Second Lot**

The group saved the amount necessary to repay the loan over a period of three years. However, instead of tilting the loan, the Union urged the Revolving Fund to use the sum as a down-payment for the purchase of a second site from the same owner, measuring about 1000 sqm. This terrain appeared to be particularly good bargain since it was extremely well located and the owner had a solvency problem (The public authorities had not paid him as promised for the buildings they had bought). In addition, the location of the new site was opportune again, next to a site on which the Institute for Worker's Housing (INFONAVIT) was building a social housing scheme. This improved the possibilities to struggle for basic services through mobilization from the Colonos de Santo Domingo organization at obtain them at a fair price.

#### **Lessons learnt**

The two plots had a better use value for the association than the benefit they could have obtained





The rocky site is being urbanized by manual labour

(Foto Y. Cabannes)

selling them. There two plots are well located, very good and they wanted them to live on them! They have built up a real neighbourhood over so many years, through so much effort in terms of labour and money! Now that the areas is becoming a good and well serviced neighbourhood (*a colonia*), they do not want to leave it.

Today the organization has obtained all plans and is ready to start the self-building of a total of 36 houses. They have savings, but like many other organizations too, for the last four years they have been looking for a credit to begin the works. They have also struggled to be recognized as a social land and housing developer.

#### Notes:

1. The Fund was conceived by CENVI, a Mexican NGO that is also the organization in charge of administering the fund.
2. The resource mobilization for this was carried out through CIMADE.
3. Like many welfare programs in Latin America, the actions of *Solidaridad* are led by clientelist and electoral criteria in support of the party in power (PRI in the case of Mexico).

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Commercial development adjacent to first acquired site assures access to services and infrastructure

(Foto: Yves Cabannes)

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## Leverage on financial resources and flexibilization of credit conditions.

### Colombian experience for home improvements.

Olimpo Rojas Rodríguez

#### Introduction and context

This article focuses on the description of the finance leverage model developed by Fedevivienda for housing improvement programs, as it meets the requirements of easy access to finance, sufficiency, opportunity and is adequate to the possibilities of the communities in terms of repayment period and interest rates, among other variables.

#### Alternative trends on finance

The leverage or resource mobilization through a financial intermediary, has become an alternative for popular sectors as it takes on the role of 'popular or community banks'. According to the support these community banks can provide for community development, they must comply with the pre-requisites established in the 'Human Scale Development' proposition for local finance. These pre-requisites are: i) to possess a decentralized structure; ii) to establish the closest link possible between savings development and local finance needs; iii) to overcome or find alternatives for the usual security demands for credit concessions'.<sup>1</sup>

Olimpo Rojas Rodríguez, Fedevivienda Research Director. Economist, speciality in social evaluation of Projects from Los Andes University (Colombia). He worked for 10 years in different departments of Banco Popular S.A (a mixed Private/Public Colombian bank). For the last six years he has been the finance advisor of FRAT - Revolving Fund for Technical Assistance-, and researcher in PMV - Home Improvement Programme- as part of Fedevivienda professional staff.

#### **Zusammenfassung: Dynamisierungsfonds und die Flexibilisierung von Darlehen.**

Der Dynamisierungsfonds für Wohnungsbaukredite wurde 1990 von der kolumbianischen NRO 'Fedevivienda' auf der Grundlage eines Übereinkommens zweier Organisationen ins Leben gerufen: der 'Cupocredito', der größten Spar- und Kreditgenossenschaft des Landes mit 150 Büros und 340.000 Mitgliedern, und 'Fedevivienda' (Federación de Vivienda), dem Dachverband von mehr als 20 Organisationen des Wohnungswesens, NROs, Kooperativen und Wohnungssuchenden.

Die relativ bescheidenen ausländischen Mittel, die Fedevivienda mobilisieren konnte, konnten mit beachtlicher Hebelwirkung in Hinblick auf die Bereitstellung staatlicher Fördermittel eingesetzt werden, weswegen der Begriff 'Dynamisierungsfonds' gerechtfertigt ist. Eine andere wichtige Innovation ist die Flexibilisierung individueller Wohnungs-Kredite in Bogotá - nicht nur mit variablem Volumen und Laufzeiten, sondern auch mit der Möglichkeit einer früheren Tilgung als vorgesehen. Ende 1994 waren 1.128 Kredite mit einem Gesamtwert von 1,6 Millionen Dollar bewilligt worden, was einer durchschnittlichen Kredithöhe von 1.418 Dollar oder 11 monatlichen Mindestlöhnen entspricht. Fedevivienda vermittelt die Nutzer an Cupocredito, die als Genossen der Kooperative in den Fonds einzahlen. Für jeden ersparten Peso kann die Familie bis zu 8 Pesos Darlehen erhalten; doch die Gesamtbelastung der Rückzahlung darf 30% des Familieneinkommens nicht übersteigen. Der berechnete Zinssatz von 33,6% p.a. liegt 13% über der Inflationsrate, um die Kosten für Verwaltung und technische Beratung zu decken. Dieser Jahreszins bildet die Untergrenze kommerzieller Zinssätze.

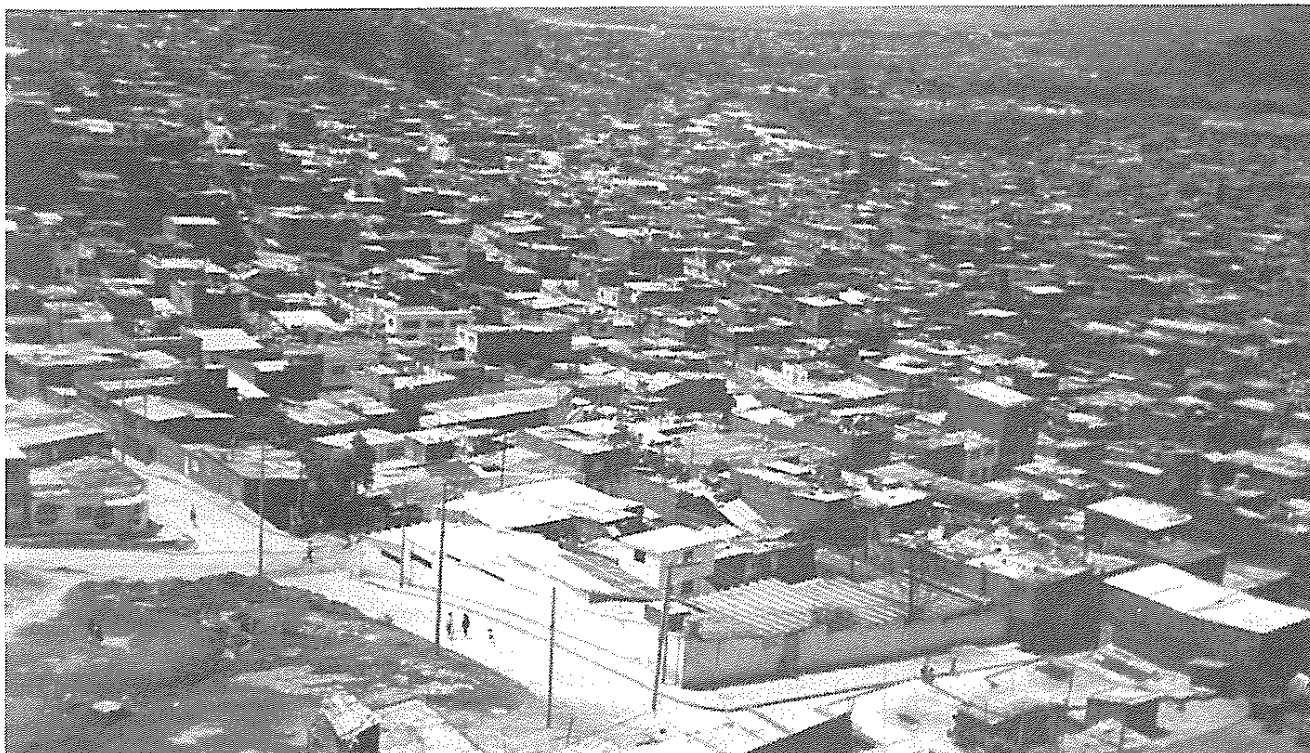
In this context, in Colombia and other Latin American countries, various models have been developed to test alternative financing, models ranging from Revolving, Guarantee, to Leverage Funds.

As such, this model has been designed by Fedevivienda as a finance alternative to promote, manage and implement housing improvement programs. Following this experience it was expanded to other sectors of the economy (small businesses, farmers, family enterprises, among others), through the

establishment of Serfindes as a society to generate Investments and Services for Development. This entity is formed by Non-Governmental Organizations supporting the various popular organizations in their quest for finance to carry out their own projects.

#### *Rationale behind the concept of a leverage fund*

The financial mechanisms are an important part in planning and evaluating housing programs. In the Colombian case the incidence of



this factor is clear, considering the high number of defaulted portfolios observed in the BCH<sup>2</sup> and the ICT<sup>3</sup>, and greatly determines whether the established goals are achieved or not.

The incidence of the financial prerequisites in the families – safety is not only economic, but also social, due to the impositions of the traditional financial sector for extending loans: mortgage guarantee, high interest rates, loans to families with formal incomes, among others. In these circumstances, families frequently lose their home which, in most cases, is their only asset.

To date, the only possibilities which allow low-income families access to housing are: subsidies or the implementation of self-help housing programs and, in both cases, financial costs have had to be reduced to ensure success.

Practice has shown that it is not feasible to subsidize all families, given the ever-widening gap between resource supply and housing demand. Thus, it is necessary to find medium-term alternative solutions. Families have found this solution by self-managing their housing projects, starting a slow process that involves everything from buying

the lot to building the house, and even taking responsibility for installing basic public and community services. In Colombia this has been the more common way of consolidating the cities.

Donations, subsidies and political favours are frequent in self-managed programs. These finance mechanisms reinforce the dependency and poverty condition of the popular sectors. This is why it is necessary to establish different basic conditions to allow low income families to overcome this dependency and have access to a home through their own efforts, without the wear and tear implicit in self-help individual construction.

## **2. 1. 1987. Creation of a Revolving Fund for Technical Assistance**

In January 1987, a first agreement was signed between Fedevivienda and Cupocrédito to set up a Revolving Fund for Technical Assistance (FRAT) . This first venture between a banking institution and an NGO was a pilot phase for the setting up, a few years later of the leverage fund presented here.

Fedevivienda was the manager of the Technical Assistance Fund and its resources, (mobilized through an external grant) deposited in the Cupocrédito account were used as guarantee, giving access to credit for families earning less than three minimum official wages

Through the Technical Assistance Revolving Fund Project (FRAT), Fedevivienda worked with the traditional trust fund concept as a resource multiplication mechanism, by means of a Term of Agreement signed with the Saving and Loans Cooperative (CUPOCREDITO).

Fedevivienda, the "National Federation of Popular Housing Organizations" is an organized expression of one sector of the Civil Society which has been striving for more than ten years, for the achievement of the right for a decent house and a decent habitat for all Colombians.

They are part of the Colombian social movement for housing and actively participate to the elaboration of proposals and alternatives directed both to the state and the NGOs.

Fedevivienda is a Federation of grassroots organisations, co-operatives, NGOs and organisations from the civil society in general related to housing. It has a national coverage and has been able to open channels of communication with the various sectors of the Colombian society and to reach a positive influence and impact on National Housing Policy.

During this experience, basic principles were developed to establish the proposed financial model. It was applicable to the trust fund scheme inasmuch as the number of loans extended by the cooperative was low, and thus manageable. According to the Term of Agreement, the Federation was responsible for following up these loans, which implied: 1) a financial overhead covered, in the project, by external finance and 2) a management wear out for the Federation in controlling the loans.

#### *Fedevivienda and Cupocrédito agreement on the fund*

In August 1990 a new agreement was signed between Fedevivienda and Cupocrédito, within the context of the Home improvement program. The resources channelled by Fedevivienda from the German institution Misereor were not used, as in the first phase of the FRAT programme, as a guarantee fund. They basically allowed for the establishment of a *leverage fund* from the resources channelled by Cupocrédito and for a *better flexibility* of loan conditions.

The Saving and Loans co-operative, Cupocrédito, is today the biggest co-operative in the country as far as the assets are concerned and has faced an overwhelming increase in recent years. In 1986, when the first contacts were established by Fedevivienda, Cupocrédito had 27,000 members. This figure increased to 280,000 in 1993 and estimates for 1995 indicate 340,000. It has gained national coverage with 150 branches spread throughout the country.

#### **Basic financial conditions for Loans**

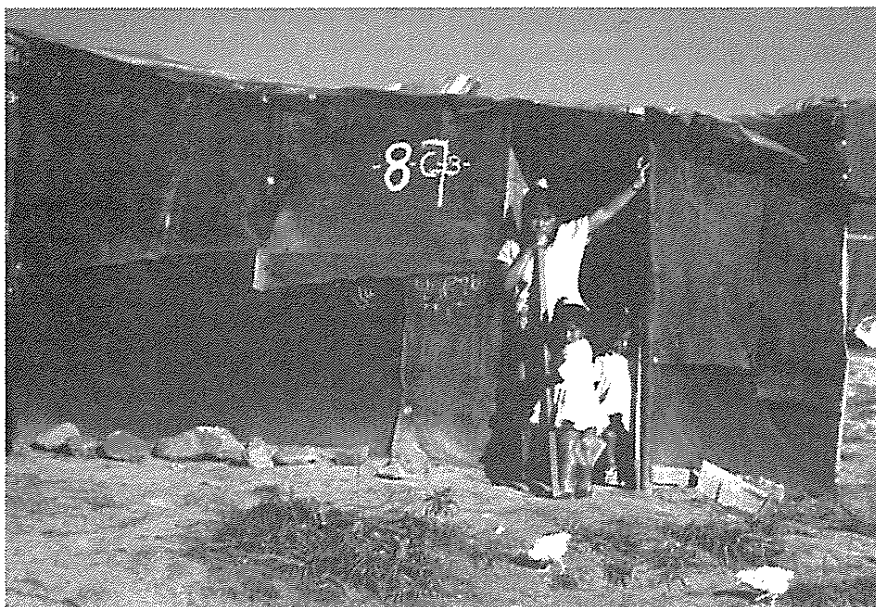
Basic conditions for loans are determined on the basis of the agreement between Fedevivienda and the Loans and Savings Co-operatives 'Cupocrédito' and 'Avancemos', which establishes more flexible<sup>4</sup> pre-requisites than those which are usually stipulated by the cooper-

atives for offering loans. Even if the possibility of extending collective loans still exists, as in the pilot phase of the FRAT, the loans are generally for individuals

*Repayment Period:* Cupocrédito and Avancemos Co-operatives generally offer loans to be repaid over a maximum of 36 months. In the contract this period was extended to 48 months which, despite being a relatively short length of time to buy a house, is not so for progressive development house-building.<sup>5</sup> Also, according to the families repayment capacity, the duration of the loan can be a negotiable variable.

*Loan ceiling:* The value of the loan varies according to the repayment capacity of the family. As a matter of fact, these loans are targeted to families earning up to four minimum salaries (520 US\$) and the rate of effort –meaning the part of the income which can be devoted to the loan repayment– should not exceed 30%.

*Documentation:* Important progress relating to paper-work was achieved in the Term of Agreement, limiting the pre-requisites basically to proof of income for loan recipients. This item is of vital importance considering that credit mainly benefits the informal sectors, which do not



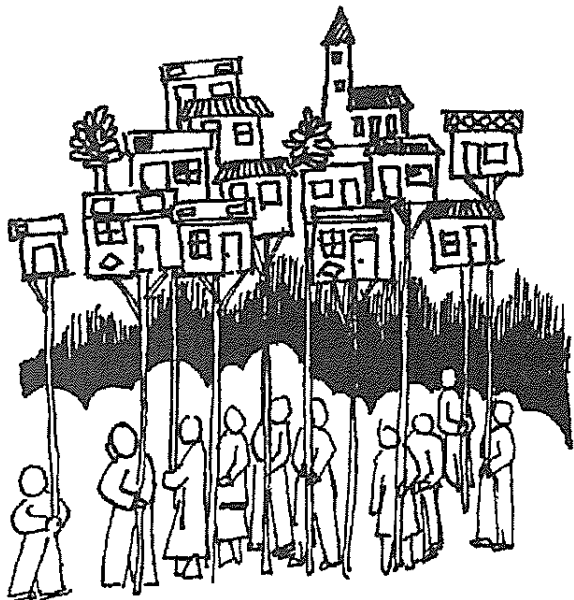
*Guarantees:* It was possible to establish personal and solidarity guarantees with groups of three people. Another form of security is the follow-up process carried out by technical advisors who confirm the information – especially the data referring to income and repayment capacity– provided in the loan request forms.

*Savings :* A monthly saving of limited value (about 5 US\$) is compulsory for all co-operative members. To be eligible for a loan, according to the agreement signed between Cupocrédito and Fedevivienda, the family needs a saving period of 60 days. This period has been reduced to one month.

have stable job relations. Acceptance of the ownership of real-estate as proof element or the intention of sales certificates issued by the lot vendors was made acceptable. This is another important point since the community members addressed by the program do not have legal deeds on the land.

*Interest rates :* Despite being a key element in the financial process, the negotiation of interest rates was not considered a priority in the negotiations with the cooperative. Not establishing subsidized interest rates has allowed the sectors to become familiar with the concept of the 'real cost of money'. In the non-formal banking market, popular sectors handle interest rates





that are much higher than those of the formal financial one.

The current interest rate on loans is 33,6% per year, whereas the annual rate of inflation is around 20%. On the other hand, Cupocrédito does not pay interest on the families' savings, but a simple rate of return fixed by the General Assembly every year. For 1994, it was 19%, meaning a rate very close to the inflation rate.

*Reciprocity:* The co-operative sector deals with this variable as one of its main points, with the objective of guaranteeing part of the loan while making low-cost, long-term financial resources available to the co-operative. Affiliates request loans according to the amount of contributions they maintain in the co-operative. In the referred case this usually works on a 1 to 3 relation, meaning that for every peso invested in savings, the member gets three pesos in credit. The Term of Agreement extended reciprocity in global terms on a relation of 1 to 4.

The 'reciprocity' relation between the savings from the members (1) and the credit families (4) was made possible by the following

The reciprocity relation between savings from members (1) and the credit possibilities (4) was made possible through the following resource allocations:

- a) deposit from Fedevivienda
- b) interest from the deposits from Fedevivienda
- c) cumulated interest on all savings from all PMV members
- d) balance of on-going loans

*Monthly savings:* Another component of the model are the savings the family is required to deposit as a member of the co-operative. In general, the amount saved should be a percentage

of the monthly income of the cooperative member. It should be noted that if initially the savings serve to generate credits, later it is the credit that generates savings.

#### The Home Improvement Program. PMV.

Fedevivienda resources are earmarked in Cupocrédito for the PMV - Home Improvements program.

Its main objective is to set up a flexible and replicable model for the development of housing improvement programs. It aims to contribute to the definition of a global policy geared to social production of housing and intend to articulate three elements : financial factors, technical assistance and commercialisation of building materials.

Through the mobilisation of the "Solidarity Economic Sector" the PMV intends to introduce more flexible solutions for the end users, especially on four items: relation between sav-

ings and credits (reciprocity), guarantee, repayment period and costs. It focuses on five basic elements:

- The introduction of *methods and instruments* to improve the performance in terms of costs, quality and output.
- The design of a *planned system of building materials supply and delivery* to facilitate the commercial process and to reduce costs.
- The elaboration of *financial proposals* to mobilise and to fit to resources from both the public and private sector.
- A new perspective on technical assistance which as a first step intends to gain *recognition* from the State and from the Society as the that *Technical assistance is a basic component* for the Social production of Housing. The cost of the Technical Assistance should be an integral part of the financing of Improvement programs and should be prefinanced.

Generally, Fedevivienda presents Cupocrédito groups of users who





make their deposit in order to get a credit eight times higher than their savings. However, the value of the balance of the credits of all users cannot be over four times the value of the deposits from the families and Fedevivienda.

Technical Assistance has generally been given by NGOs such as Barrio Taller, Proco, Cogestoria, Prociudad, Corproyectos. Nowadays, Fedevivienda also began to give technical assistance and to monitor the cost of it, the intention being to optimize it, in order at the end of the day to reduce the amount paid by the beneficiary.

At the end of 1994, the Fund had delivered 1128 loans, representing 1,6 millions US\$, which meant over the five years of life an average of 1418 US\$ per credit, i.e about 11 times the official minimum Colombian wage (see Table below).

Year	Number of loans	Value (US\$)
1990	30	54 472
1991	353	415 746
1992	386	485 515
1993	212	391 102
1994	147	253 107
TOTAL	1128	1 599 942

Financial records so far are exceptionally high by Colombian standards since the percentage of arrears on current loans is below 3%

Another shift in resource allocation during that period related to a greater share devoted to technical assistance in order to follow closely and take advantage of housing subsidies which were made possible through the national housing policy (law 3 from 1991) and distributed through a 'Family Compensation Fund' (Caja de Compensación Familiar: COMPENSAR). At the same time, an information system was set up and gave birth to a software to calculate costs and financial items for beneficiaries from PMV.



## Conclusions

### *Adaptation of the model to the payment capacity of the Families*

The usual practice in the housing programs is to proceed from the cost of the solution and then look for the demanders of this cost, generally excluding the families with the least resources.

The repayment capacity of these families will determine their possibilities to incur debts and thus the amount to be loaned. The popular sectors have shown that they have the potential to save, as is evidenced by materials piled up in front of their houses or on building sites.

The individual self-construction implies: site location, family-savings through the purchase of materials and their later use in the construction. What is proposed in the model is rationalizing these savings. It seeks to have families receiving credits amounting to several times their savings depending on the financial institution the family approaches and their repayment capacity.

### *The Solidarity economic sector and finance Leverage*

Despite certain limitations, the "economic solidarity" sector has shown capacity to offer effective alternatives for social and commun-

ity development projects. The *economic solidarity sector* is a variation of the *social economy sector*, which give emphasis on local development and people driven processes. Social economy, conventionally includes three subsectors: associations, cooperatives, mutualist sector. Both have a common aim as far as the economy is concerned: social benefit as a priority and not, as indicated in liberal theory, private profit.

The solidarity sector in general, and co-operativism specifically, is posed as a development potential for the country and its participation has been effective in the experiences carried out in the different habitat components. The activities implemented by the sector are, in principle, development vehicles for individuals, but transcend to the development of the communities to which these individuals belong.

The programs and institutions that carry out housing experiences, have managed to develop schemes with the potential to improve with a more active participation through cooperativism, allowing them to better fit the context of these experiences. The solidarity sector is a means, a tool, a way of doing things and widening the possibilities for a solution to the housing problems of low-income populations.

The solidarity sector has managed to rationalize the savings capacity and usage existing in the communities, while multiplying this capacity. The experience of the solidarity sector managing loans for lower-income communities, is one of the most important features, having allowed it to become an optimal service for resource multiplication.

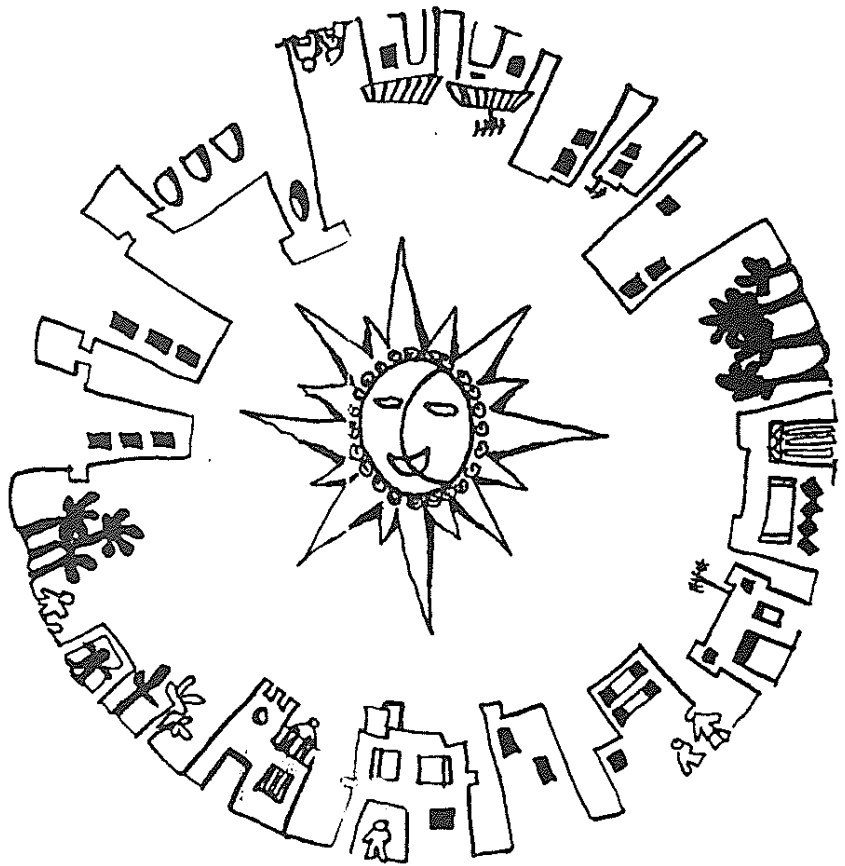
Co-operativism constitutes, from the social, economic, technical and legal point of view, the ideal mechanism to promote social development projects, considering that the co-operative philosophy is defined as the human expression of the solidarity with equity and mutuality, in the constitution of economic endeavors with social objectives and social organizations with economic objectives.

### Perspectives for the future

The existing system can still be improved and here are some of the elements that are being looked into.

- Direct management of the supply of building materials and integration of commercial activities within the existing model will reduce costs and time span of building works.
- Increase the social impact through a wider community development component
- Creation of new Leverage funds with other financial institutions in order to improve the financial program coverage.
- To shift the technical support and to standardise the kind of improvements in relation to the repayment capacity of the family and to basic cost indicators (cost per sqm of bathroom, cost per sqm of a slab, etc.)

Improvement of the organisation of skilled and unskilled manpower, through the creation of associated co-operatives. Additional mechanism will be explored in order to strengthen the organisations, increase the level of skill, and give more stability to the workers and better social security.



Define the technological alternatives which would meet the priority needs for home improvements.

#### 'System' Definition

The definition of the system is based on the experiences carried out by the Revolving and Trust Funds, respectively, building on their advantages to allow low-income sectors access to finance under the normal conditions of the resources available in the financial system. These conditions refer to:

- Interest Rates,
- Security,
- Impossibility to prove income.
- Impossibility to have deeds on the real-estate they own.
- Reciprocity or previous savings.

#### Objectives of the system

The main goal is to develop a finance mechanism which uses the structure of the solidarity sector of the economy (co-operativism) as financial intermediary to:

- Raise resources among the general public, and allow beneficiaries involved in social interest housing programs to have an organization committed to their programs.

- Invest these same resources in projects benefitting the sectors of the population that are currently excluded from the formal finance markets.
- Serve as channel to allocate State investment and subsidy resources in housing programs and their components.
- Study flexible systems of individual and collective reciprocity, repayment systems and mechanisms to combine private, public and solidarity economy sector finance resources.
- Study mechanisms to attract to the solidarity economy sector, resources which are deposited in the traditional financial system, as these do not flow back to the popular sectors as credit.
- Allow the members of the informal and non-traditional sectors to be considered acceptable loan recipients by the finance institutions.
- Allow that the multiplying effect be ensured by the same population subject to loans through alternative mechanisms: Mutual and Trust Funds, among others.
- Ensure a healthy portfolio through follow-up mechanisms.

## Pre-requisites for Success

The system requires basic conditions for it to work. These can be of a theoretical as well as practical nature, and involves:

- The existence of a significant amount of savings in the popular sectors. This can be expressed in materials or money, as the monitoring of financial institutions in popular neighbourhoods has shown. The popular sectors have two saving mechanisms: on the one hand, it is limited saving oriented to direct investment low quality in a slow process which entails works, through overcost. On the other hand, it is saving in the conventional way without access to credit. It is therefore necessary to generate a dynamic by which the saver is subject to credit.
- The existence of other expressions of the solidarity sector linked to the co-operativism in order that the latter can function as a resource channel and multiplier.
- Channel resources (development, social investments) to the cooperative sector to be able to modify the existing finance conditions (interest rates, repayment period, reciprocity, management costs, among others).
- Flexibilize credit conditions: Securities, pre-requisites, repayment systems, etc.
- Expand loan recycling and recovery with rational repayment period management.
- Maintain permanent savings in the popular sectors. This enables the model to become a revolving finance system.
- Maintain a relation between payment capacity, with the time length and amount of the loan and the possibility to look for repayment forms adequate to the beneficiary, to avoid a defaulted portfolio.

This proposal has been applied to the House Improvement Program, based on the criteria and historic responsibility of the Federation, and the conviction that 'yes, it is possible to produce and improve social

interest housing through associative programs, based on self-managed, self- and mutual help construction. What is not possible, nor responsible, is for us to continue promoting these forms of production management processes without a serious effort to systematize and monitor them with moderns planning, management and administration tools, organization and methods, which may ensure a logic and minimum efficiency in the face of average market costs and yield indicators'.<sup>6</sup>

### Notes:

1. Manfred Max Neef, A. Elizalde and M. Hopenhayn, "Human Scale Development: An Option for the Future". Cepaur Dag Hammarskjöld Foundation. October 1995, Medellín, Colombia, pp 81.
2. BCH - Central Mortgage Bank, a state and private combined institution responsible for extending loans to finance housing, particularly used houses.
3. ICT- Territorial Loans Institute: a state institution responsible for financing and promoting social interest housing construction. Since 1991, under Law 3a, this institution was liquidated, giving space to the constitution of the Colombian Institute for Social Interest Housing and Urban Reform (INURBE), which is no longer involved in financing or building houses directly, but promoting the management processes of these and administrating the resources of the Family Housing Subsidy (demand subsidy).
4. Conditions flexibility was obtained by offering the leverage resources on a long-term basis. However the interest rates payed by the cooperatives to Fedevivienda are market rates.
5. Progressive housing refers to houses that are built gradually, when there is money to spare. The Improvement Program tries to shorten the period required by families to finish their houses (an average 7 to 10 years in Bogotá).
6. Report of the Directing Board and Executive Directorate of the General Assembly of Fedevivienda, 1992-1993 Period. El Cerrito, Valle, 1993.

### Basic indicators: COLOMBIA

GDP per capita (1995):	US\$ 1,902
GDP rate of increase (estimation for 1995):	+ 4,6 %
Official minimum wage:	US\$ 130
Official exchange rate: (October 1995)	1 dollar = 914 pesos
Evolution of exchange rate per year in relation to the US\$	-10 %

# TRIALOG

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- Ein Journal für Architekten, Stadtplaner, Ökologen und Entwicklungsplaner.
- Ein Journal zum Austausch beruflicher Erfahrungen im Bereich städtischer und ländlicher Entwicklung der Dritten Welt.
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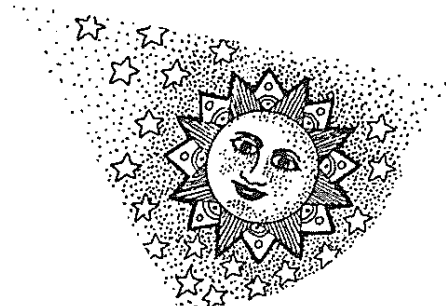
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# Community-Based Housing Finance A Step ahead .. Who Knows the Direction?

## Lessons and Limits Learned from the Experience

Yves Cabannes



The rich experiences presented before, their diversity, the context and the period in which they were developed are so different that any cross-reading will leave many aspects in the dark. Three topics only will be developed for debate, but many more should be.

The first one relates to the importance of alternative finance systems for the poor and for the families whose lives have changed through the process. The second deals with the role of the Community Based Organisations (CBOs) in a process which does not involve only credit but also subsidies and savings. The third topic deals with the changes which have occurred in the financial engineering and in the financial technicalities. Some limits do exist as well and there might be a necessity to think ahead about the various directions which might be taken next.

### Financial systems can reach the poor

From all cases presented, one conclusion remains clear: alternative financial systems are growing and are *reaching the poor*, the excluded

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This article summing up the experiences presented in this volume of TRIALOG was conceived and written by Dr. Yves Cabannes in close collaboration with Dr. Kosta Mathéy – the other editor of the volume. The arguments will be elaborated in further detail on another occasion.

### *Nachbarschafts-gestützte Wohnraumfinanzierung: ein Schritt in die richtige Richtung. Evaluierung bisheriger Erfahrungen*

*Die beschriebenen Erfahrungen alternativer Wohnraumfinanzierung werden in dreierlei Hinsicht kommentiert. Erstens erreichen sie, anders als konventionelle Kredite, tatsächlich die Zielgruppe der Armen. Diese wird durch ein ausgewogenes Verhältnis zwischen Ansparung, Kredit, und öffentlicher Förderung erreicht. Zweitens stärken die Basiskredite den Zusammenhalt der betroffenen Gemeinden und stärken ihre Verhandlungsposition gegenüber Behörden und Privatwirtschaft. Drittens zeichnen sie sich durch unkonventionelle Darlehensbedingungen aus. So sind z.B. die Laufzeiten extrem kurz und entgehen so der Inflationsfalle. Auf Sicherheiten wird zugunsten einer mündlichen Erklärung verzichtet. Statt einem großen Kredit wird eine Serie von Kleinkrediten angeboten. Neu ist auch, daß ein breites Spektrum von Maßnahmen finanziert werden kann, bis hin zum Kochgeschirr. Das Konzept ist zukunftsstrählig und kann in Zusammenarbeit mit den Gemeinden, als nationales Programm, oder als Parallelwirtschaft weiterentwickelt werden.*

from the neo liberal approach and those ranked below the poverty line. Moreover these systems have taken different shapes according to the characteristics and needs of specific groups of persons which are called the "poor". A few examples could illustrate who are these persons:

The systems have been able to *reach an extremely wide range of people*: from agricultural workers who had lost virtually everything in Chile after the 85 earthquake, to squatters or self-employed urban dwellers from Senegal or Colombia. The capacity of these different approaches to give answer to the necessities of the poor is particularly important in an extreme liberally oriented period when conventional public and private credit systems offer virtually no credit solutions to those earning less than 5 minimum monthly wages, who – in most countries presented in this volume –

represent about 90% of the population.

Women are playing a major role, as promoters and credit recipients, in most studied cases, especially in the uTshani Fund from South Africa or in the Building Materials banks from Chile or the Mutual Aid Plan from Mexico.

A crucial point for debate at that point in time, is that the presented cases *do not suggest* that credit at commercial rate can successfully cater for the poor. Such a statement would be equivalent to travel back in time for more than 25 years, when the World Bank decided simply that "the poor can pay" and hitherto based its housing programmes on the principle of full cost recovery. This principle was then considered a key criterium for success and reproduction of the programmes, aiming at solving the housing problem once and forever.

Reality has shown how wrong the World Bank was and still is in insisting on this principle.

One of the main differences which have to be stressed is that the people themselves, *individually and collectively*, play a major role in these financial processes. They are not simply commercial credit recipients. First of all the new financial systems are based on some values which are subtly and insistingly linking the cases although having emerged independently. To name a few, *respect to the people* and confidence to the families. The experiences show that if people are given a chance and with a proper support, they can manage to do, an incredible use of scarce credit as they have been forced to do to survive.

The second point is that most systems are not credits but a financial set up based generally on three elements, of which credit is only one. The other two, savings and subsidies, are giving a better stability to any alternative financing system for housing the poor. The balance between these three elements might vary from cases to case, but their interlinking will determine the capacity to achieve a long term and broad perspective.

#### ● *Previous savings.*

Savings reduce the burden of the credit repayment. In the examples presented they vary from a tiny, symbolic financial value up to the equivalent of the loan. The capacity to save give people more confidence about their real capacity. In addition, as the authors of the South African case are quoting their colleagues from India, saving is not only "collecting money, but collecting people", meaning that through saving activities, families get together and are able to build organizations to defend their rights far beyond housing. The PAM experience from Jalisco in Mexico is illustrative of how a saving process can be important for organizing communities.

#### ● *Subsidies*

Subsidies may come from local authorities (Brazil), central government (South Africa), or international

donors (various cases). The possibility to reach, on a broad and stable base, the poorest of the poor depends very much on the subsidy component. To think that this group can be reached otherwise, appears a dangerous illusion to us. The repayment of loan might be able to divert the limited income of the family for a certain period, could entail a but disastrous consequences on the fragile domestic economy in the long run. Despite this necessity some of the presented programmes were obliged to reduce the subsidy input and have focused it on the technical support component.

#### **Saving, Credits and the grassroots**

A major difference with conventional credit system is that the people, through a wide range of organisations, are either driving the social processes or are gaining strength through them. As a result, the access to credit and to better housing conditions appears only as one step towards a solution of the housing question. The other one is that people's organisations are strengthened through the whole social process. They tend to grow through the creation of the saving groups, for instance. On the other hand, the existing groups gain legitimacy and are trustworthy to their members, in getting closer to their immediate needs. One of the women leading an association involved in the Paac programme in Brazil clearly explained the changes which have occurred: one of the most innovative aspect of the Paac is *"the possibility to train families to save and to pay back a loan, transferring a responsibility to the family. It is an integration of the collective. Our objective is to integrate the families into an association. And this happened" ... "thanks to Paac, we are everyday getting the families closer to our entity. The number of members is increasing" (nov,95).*

These financial programmes have not only permitted a closer relationship between the families and their

organisations, or among the families themselves through saving or credit groups. One additional benefit is that the associations involved are gaining legitimacy and political space in relation to their governments. Community leaders stand on the Board of the Urban Community Development Office in Thailand; the Senegalese Fund for Improvement of Sanitary Conditions (Focau) has opened new channels of communication between the CBOs from some neighbourhoods and the Local Authority. The House Saving Groups which were created in the townships of South Africa reached a critical mass and then were strong enough to obtain from the Government a block grant which is managed and controlled by the Peoples Federation.

Even if the CBOs played a major role in the processes in the described cases and got stronger, the Non Governmental Organisations (NGOs) and professional support groups are another key actor, too. In most cases they were the real initiators of the financial programmes and their technical support was crucial, especially for the design of the system at the pilot phase, of the methods and of the instruments.

Interestingly, the 'NGO approach' is changing in the sense that they do not intend to run the programmes by themselves and to control the management of the fund. Instead they tend to hand over that control to other major actors. Two different examples might illustrate this positive move.

● Fedevivienda in Colombia was able to sign an agreement with a major saving and loans cooperative which opened a new line of credit for home improvements. Fedevivienda provided a Guarantee fund at the pilot stage and, later on, was able to influence the credit conditions so that they became more flexible in the end. The "leverage"<sup>1</sup> on national private resources was probably one of the major outcome from the whole process.





*Jundep. Occupation of Castillo Comuna Pudahuel, Santiago de Chile.*

*Foto: Gerardo Anabalon V.*

- The Chilean NGO Jundep, designer and original promoter of the described Building Banks, jointly with church groups were successful and vigilant enough to slowly withdraw and hand over the management of the systems to the savings organisations themselves, being either the grassroots funds, or communal and inter-communal units – the three types of building banks involved.

Apart from their designer role, in most cases the NGOs appear as able and flexible trainers. In general they play a major role in community organisation, technical support for building and project design and follow-up activities. The actual cost of their work and its relation with the volume of the loans needs to be analyzed better in order to assess the feasibility and the prospects of the financial systems.

### **A new financial engineering is emerging**

The new systems adapted or created, started with limited knowledge of conventional finance most of the times, but in all cases with a good perception and understanding of social and cultural codes of the people and conceived new concepts. At least three major changes can be identified: They related to financial conditions; to the kind of shelter the credit is intended for; and to inter-institutional management systems or new partnerships. Even though extremely creative solutions are being implemented, this as far as management is concerned topic will not be developed further in this paper.

### ***New financial conditions***

- *Shorter terms for credits*  
Most of the funds have dramatically reduced the duration of the loans down to one year (Paac, Casa Melhor from Brazil, Pam and revolving funds for Mexico) or; about two

(Focaup in Senegal, Building Material Banks in Chile); or four as in the Colombian cases (PMV, Cupo-crédito). This drastic change in comparison with conventional credits allow to the funds to resist the impact of inflation much better, and to reduce the financial risks in cases where the loans might not be paid back in time. In addition, the short loans are more in line with people's day-to-day practices and thus makes them more self-confident to be able to pay them back.

Only two cases, the UCDO (Thailand) and uTshani (South Africa) funds extend loans for a much longer periods of up to a maximum of 15 years – which is shorter than the conventional loans of 20 or 25 years in any case. Not surprising these two cases are the ones that have access to government resources, which usually are extended on long term periods.

- *Guarantee, mortgage and collateral*  
One of the radical shift from common practice that may be observed

in most cases is the flexibility of the requested guarantees. In some cases they have been eliminated altogether and substituted by a verbal and formal compromise to pay, which generally is done in public. Sometimes (revolving fund in Mexico), the guarantee is provided by another association, and sometimes (uTshani fund or Focaup, for instance), the guarantee is mutual, meaning that the borrowers are responsible one for the other. Personal guarantee from a friend or a relative are less common. Only rarely the loan is mortgaged on a material asset (land, properties, domestic equipment...), as it occurs in conventional loans. The generally excellent repayment records clearly indicate that these conditions are well adapted, probably more than conventional mortgages, which have not such good records even if they are working with supposedly safer clients.

● *Evolutionary and repetitive loans.* Loans are not only shorter but their volume is smaller than conventional ones, too. Their value varies from about two month's income of the family (if a family earns, for instance Us\$ 100 per month, it will be authorised to borrow 200 Us\$), or even less as in Casa Melhor where the ceiling is equivalent to 150 Us\$ (equivalent to 1,5 minimum wages). The maximum would be in the range of 12 monthly incomes (if it earns, say 1200 Us\$ in one year, the credit would be of that order). This is the case in the examples from South Africa or Colombia.

The smaller loans, payable in a couple of years, are evolutionary and renewable, provided that the family paid it back in due time. In the Chilean example, for instance, each family received an average of 3 loans in ten years. In Brazil, the aspiration to get a new loan is probably one of the strongest motivations to pay back in time or even anticipate the payment.

The evolutionary housing credits are very different in each of the presented cases. In the mutual Aid Plan from Mexico, a first loan to collectively buy a piece of land can be followed by a second one to buy

materials, and this can give way for a more important loan to build a bigger house later. In the Casa Melhor programme in Fortaleza, Brazil, even if the credits are limited to the purpose of home improvements they can cover a different work every time: one fencing wall at the first time, an additional room at the second, toilets and kitchen at the next one, etc. The Building Materials banks in Chile have shifted from standard housing improvements such as repairs or finishing to home improvements (buying of domestic furniture, refrigerator, beds, etc.) and to 'emergency' domestic expenses such as school uniforms or food.

● *Interest rates, credits conditions and repayments*

Interest rates for the loans, the relation between level of savings and value of credits, indexation procedures etc. vary from one case to the other very much. Despite this diversity, repayment records are equally very good: arrears are generally below 5% of total loans.

*What are the credits for?*

● *Housing is desegregated into smaller components*

Only exceptionally the credits allow to construct completely new house or to buy an existing one, as it is the case in conventional systems. Instead they will finance only a part of it: that could be for building land (PAM, revolving fund), sanitation (Focaup), for building materials either for a new house (uTshani Fund) or for an existing one (Brazil), for home improvements (Colombia), for a second floor of one's own house (Chile).

● *Financing a productive house.*

Very few conventional housing credits, especially from public sources, allow people to transform and adapt their house to add or improve a shop, a workshop, an occasional restaurant, or any local for an income generating and commercial activities. Some of the cases presented here have clearly based their credit on the under-

standing that a piece of land and shelter in poor settlements is not only a place to live in, but a place where the family many times work, produces, and sells as well. Credits to improve economic activities within or around to the house will improve the services in the neighbourhood at the same time (shops, artisans, etc.), and help the family to sustain itself. Because of the increase in income the repayment record of the loans improves as well.

● *From housing credits to revolving community funds and loans for income generating activities*

The UCDO experience from Thailand is opening a wide perspective of housing credits in the sense that the same fund is not earmarked for housing alone but allows other types of credits to suit better the community's needs and priorities best, especially for very short terms and emergency loans, or others ones over longer periods in order to buy equipment or to set up or expand an income generating activity. This kind of mixed, integrated fund is financially interesting because each line of credit can have a different rate of interest and a different duration, thus permitting to optimise the resources.

**Limits and points for debate**

*Who should pay for the community work?*

The cases have clearly shown the crucial role of CBOs and of NGOs in setting up and initially managing community-based housing finance. This new role and transfer of responsibility is a point which deserves further discussion, particularly in the perspective of future growth. Some questions arise. For example, who will pay for the work that the communities and the NGOs are delivering? Should it be paid, and, if yes, by whom? In Brazil the topic is under discussion among many of the communities involved. In Chile, the "Building Materials Banks" are paying their 'monitor', an

agent of the bank belonging to the community.

At least three critical areas should be clarified and resolved to allow the system to expand:

- a clear definition of roles between the CBOs, the NGOs and the other actors,
- an accurate assessment of the cost of each task (social, financial, technical) in the process which begins with the awareness raising activities until the repayment of the fund and beyond.
- a discussion among all actors in order to formalise the decisions.

### Which direction for change of scale

The different funds and financial alternatives emerged independently and grew up in an individual way, according to local conditions and to local possibilities. At that stage, it might be useful to reflect on possible directions and change of scale that these initiatives might take in the future. Three of them, not necessarily exclusive one from the other are proposed.

- The first one directs towards a *modernisation of national finance policies* with the implementation of mixed or integrated funds such as UCDO, possibly self-managed by the peoples and their organisations. This would be a positive move in the sense that such steps would strive for more decentralisation, more self management at neighbourhood levels and more democracy. It might defend as well a space for subsidy in order to facilitate the access to shelter for the poorest and to possibly allow the system to be managed better. These funds might grow without great difficulties as they partially rely on existing administrative resources, usually under-used.

- The second direction could be the multiplication and the increase of *municipal funds*, possibly interlinked, but clearly working at local development level. Again, as they would partially or totally rely on public resources they might expand without much difficulties in terms of the volume of loans that they manage. However they might need thorough on-going training. On the other hand, the relationships between local authorities (when they exist as such), NGOs and CBOs might need to be clarified or established. The Senegalese (Enda) and Brazilian (Casa Melhor) cases are illustrative of the possibilities.

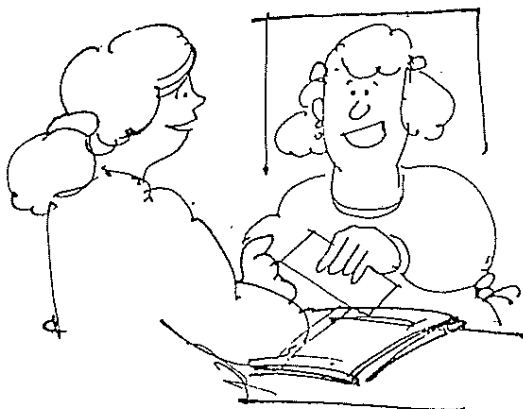
- The third possible direction could be the development of the *"Social Economy Sector"*, in close relation with the cooperative and mutual funds, either at national or international levels. This might be one of the main directions to be taken for a real change of scale and for the construction of an alternative approach vis-a-vis the neo-liberal (dis)order. In that sense, the creation<sup>2</sup> of an International Guarantee Fund for Housing which could "leverage" national resources from social sectors are of crucial interest. This tendency, despite its potential, has been receiving a growing, but still limited attention from social organizations and the civil society so far. In this direction, possible other ways might be explored: the first one relates to more independent, self-managed solidarity systems, in tune with the "Solidarity Economy" approach. These initiatives are extremely sound locally but face a problem of expansion, as illustrated by the Chilean Building Banks or the Mexican PAM. A second option would be a better connection with banks and financial institutions from the cooperative and mutual sector, hoping that they will maintain the respect and the priorities of their members, as it should be.

In order to define which are the most suitable directions to be taken in a particular national and local context, including possible ones not included here, a permanent exchange of experience could be useful, particularly among those directly involved. At the end such an initiative could contribute to the setting up of a New Economic Order in which the right to housing and a decent place to live in would have its place.

### Notes

- 1 Leverage = capacity to mobilize either significant private or public resources with limited resources
2. See: Cabannes, Y., 1993. *Inovaciones para el financiamiento de la vivienda social*. Santiago de Chile: MINVA/GTZ. And: Cabannes, Y., 1995. *Synthèse des travaux du groupe de travail. Accès au financement de l'habitat. Rapport final*. Paris: PSH.

14



Jundep (Chile)

Initiatives such as the one from Fedivienda to set up a monitoring system for analyzing the real costs of the financial, administrative and technical activities of the programme been supporting, is particularly relevant at that stage and the method could be used elsewhere to prepare future expansion.



## People towards Habitat II.

### Finance and Resource Mobilization

from a Position Paper  
by the Habitat International Coalition

The experience accumulated by community based organisations, housing cooperatives and NGOs over more than 30 years, is a valuable asset when it comes to formulate and manage finance policies for housing provision. The very same experience demonstrates, that 'resources' are more than financial matters. The low-income groups which are not yet deprived of their own capacities through technocratic policies and industrialized and trade oriented modernisation trends, still have abilities and multiple resources which can be used. In fact, they have been used in many and very creative ways to improve the peoples' living conditions. From the social point of view, the following aspects and concepts should be considered in any agreement concerned with housing provision:

#### Resource Mobilization for Housing is a Right and the Responsibility of everyone.

- Housing as massive problem and as a basic right for everyone requires the active participation of all

This text was taken from a position paper of HIC (Habitat International Coalition) conceived at the Habitat International Seminar held in Havana, Feb/March 1995: Documento de Posición de las Organizaciones No Gubernamentales y de Base. Segunda Version para Discusion, Mayo 1995. Translation into English by Antje Wemhöner and others. The full Spanish version may be obtained from the HIC Secretariat: Cordobanes 24, San José Insurgentes, 03900 Mexico, D.F., Mexico. E-mail: HIC@laneta.apc.org. Tel. (525) 6516807; Fax: (525) 5935194.

TRIALOG 47 (1995)

#### Zusammenfassung

Der hier abgedruckte Text ist ein Auszug über Wohnungsbau-Finanzierungsmodelle aus einem Positionspapier von HIC (Habitat International Coalition), der internationalen Dachorganisation der Wohnungs-NROs mit Forderungen und Vorschlägen zur Neuformulierung von nationalen Wohnungsversorgungs-Strategien. Das Dokument basiert auf Ergebnissen thematischer Arbeitsgruppen auf der HIC-Jahresversammlung in Havanna 1995, und wurde als NRO-Beitrag für Habitat II (1996) in Istanbul konzipiert.

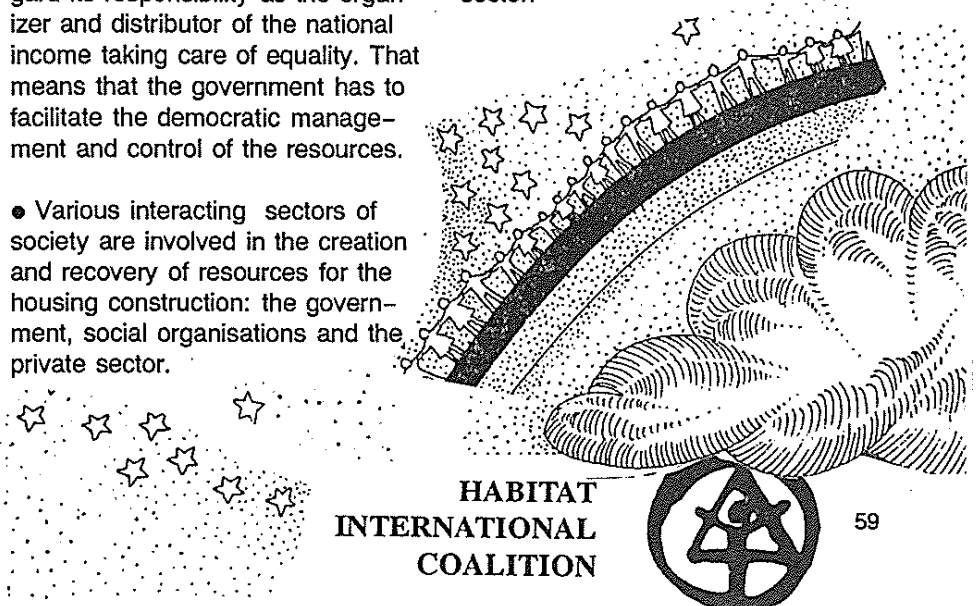
Kernforderung ist eine verstärkte Ausrichtung finanzieller Forderungen auf die konkreten Bedürfnissen und Möglichkeiten der einzelnen Nutzergruppen, sowie die Berücksichtigung bestehender Sozial- und mikro-ökonomischer Strukturen. Als wichtige nicht monetäre Unterstützung wird die Schaffung von administrativen, politischen und Planungsinstrumentarien aufgeführt, die den Bewohnern bzw. Nutzern weitestgehende Eigeninitiative und Selbstbestimmung, und damit einen zielgerichteten und effektiven Einsatz von Krediten und Zuschüssen ermöglichen.

involved sectors of society in the search of solutions. It is the responsibility of the government as the mayor responsible body to provide the conditions that grant the mentioned contribution to be effective.

- The government must not disregard its responsibility as the organizer and distributor of the national income taking care of equality. That means that the government has to facilitate the democratic management and control of the resources.

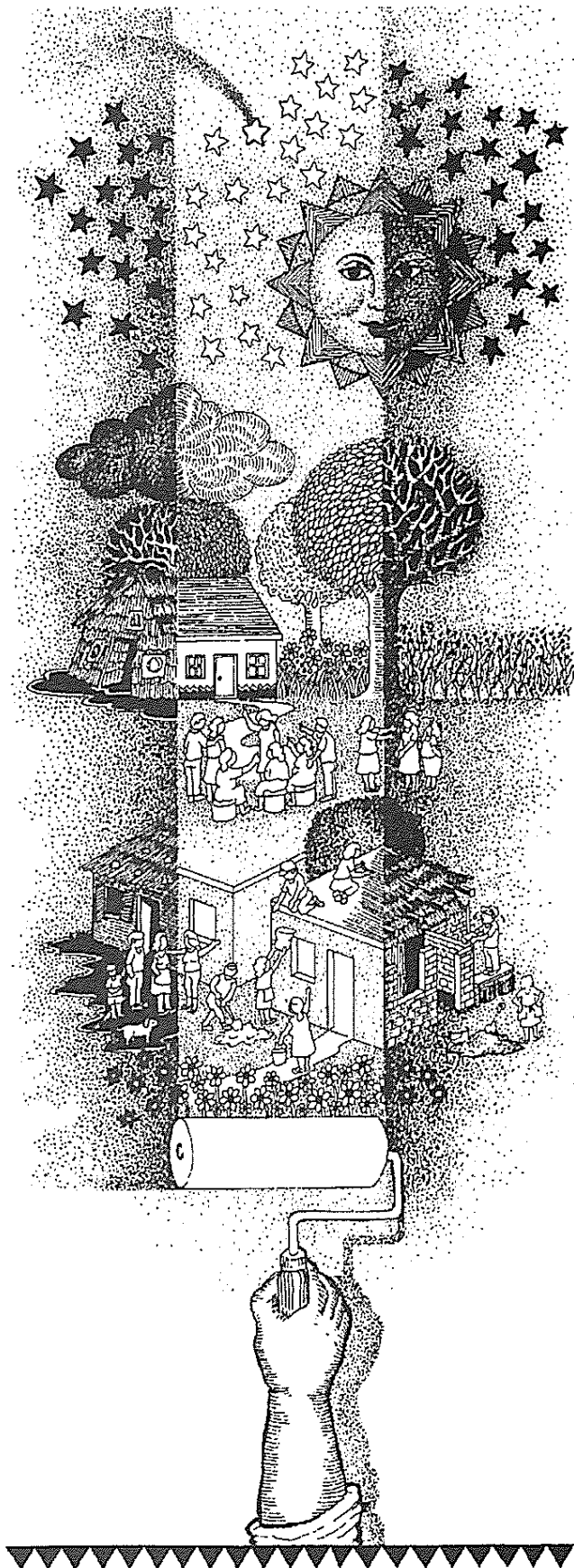
- Various interacting sectors of society are involved in the creation and recovery of resources for the housing construction: the government, social organisations and the private sector.

- It is necessary to define the resources in relation to the requirements of shelter and housing. Their sources should be defined, as well as priorities of investment and distribution and the administrative and control mechanisms, considering the negotiation between social organisations, government and private sector.



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- The social actors represented in the social movements – men as well as women – have to negotiate for arrangements which allow them to participate in management, administration, maintenance, control and recovery of public resources to make that work efficient and sustainable. This must be based on local and regional participative diagnosis which enable them to define priorities by investing and distributing resources.

- It is necessary to recognize and to make visible the role women play in the management of housing, in the creation and mobilization of barrio-related resources and in survival strategies.

**Subsidies: the necessity to maintain them and to strengthen their social impact**

- Financial policies, loans and subsidies for housing must be closely related to urban development policies, to access to land, to the investment in urban infrastructure and control of construction costs.

- The government must facilitate the access to shelter for low-income groups by means of subsidies to be generated from tax income.

- Subsidies can be direct or indirect. In supporting low-income groups, and especially when it comes to social production of housing, housing subsidies must be directly accessible and the procedures should be transparent.

- The subsidy must be given as a supplement to finance. Nevertheless it has to be sufficient to cover the basic needs of those social groups which cannot afford any indebtedness. Preference should be given to female heads of households and single parents.

**Funding the social production of housing, and the importance to create specialized instruments and tools for its development.**

- The *social production of housing* is the production carried out under the control of individual families and organized groups, in contrast to the *production of social housing* which is carried out by private promoters and some governmental units. The social production of housing requires access resources from public and other resources, considering it's particular logic of production in setting the conditions. this way, housing is understood as a social and family oriented process with the final interest to live in it. This stands in contrast with private producers' concept who see "housing" as a merchandise to be sold in the market.

- Financing the social production of housing requires that the promoting social organisations – such as co-operatives, housing associations, labour unions, professional support groups and neighbourhood-committees are officially recognised and can obtain a legal status.



● Mechanisms are also required that are rooted in local social processes and practices, respect the population's needs, characteristics and possibilities in respect to finance. Therefore it is essential:

- \* to create differential credit lines according to the processes of housing production: acquisition of land, project design, provision of infrastructure, building construction (self-help or mixed systems)
- \* to open a variety of programme lines that correspond with the real living conditions of the low-income groups. They should include the following elements: urbanized land, legalization of tenure, progressive housing units, complete houses, improvement and renovation of housing and infrastructure, production and distribution of building materials and components.
- \* to handle the system in a very flexible and allowing any conceivable combination of elements, in order to respond to the variety of different social initiatives in which the population is engaged. The people involved in the social production of housing must be allowed to participate in the different project stages as there are: programme formulation, planning, design, execution, monitoring, evaluation and control. Any finance made available to the sector must acknowledge all type of costs related to the entire production process of housing, infrastructure and social services.



● The strengthening of the social production of housing requires administrative instruments to:

- \* develop adequate mechanisms to provide administrative support and training to various public entities, like for example simplifying application and licensing procedures, tax incentives, training programmes, technical consultation and assistance.
- \* recognize community-based organizations as collective and legitimate recipients of credits. This implied the creation of special proceedings for the acceptance and management of the funds, in the assessment of guaranties, conditions of payment and recovery.
- \* establish clear rules and regulations, which take into consideration the characteristics of the popular sector: gender, volume and irregularity of income, the realistic saving and paying capacity, and living conditions of the most vulnerable sectors.

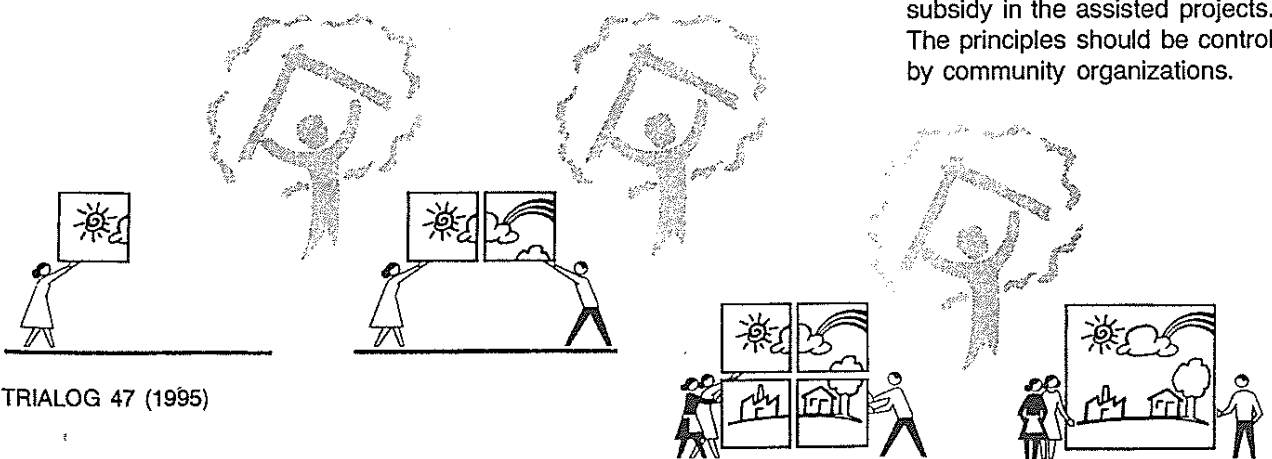
● To improve efficiency of social production of housing, public financial resources may be complemented by:

- \* resources the communities can mobilize themselves and which shall be promoted, facilitated, and quantified in determining the final value of housing.
- \* resources provided in the form of external cooperation and finance, which should be concentrated on training for management, administration and control and directed to the participating groups and families

### Strengthening of the popular economy in housing processes

Strengthening the popular economy in relation to shelter production and operation processes is a fundamental element. It makes those housing programmes viable and secures safe management where the initiatives comes from community organizations. This requires that:

- the public institutions that provide finance to shelter programmes consider in their norms and regulations the inclusion of space for economic activities both within the houses and the settlements. The construction of premises for rent under the control of the community itself should be permitted.
- the public institutions accept that a part of the finance may be used for the production of building materials and components on the construction site by the participants themselves.
- the public institutions accept and promote mechanisms for cross-subsidy in the assisted projects. The principles should be controlled by community organizations.



## Book Reviews

### Neue Bücher

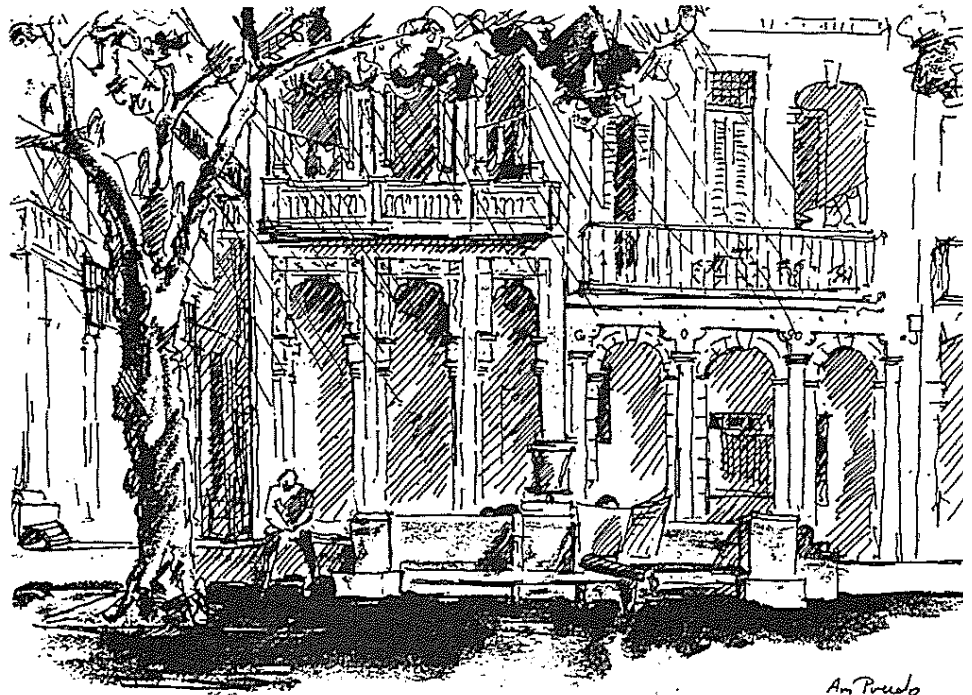
Kosta Mathéy (Ed.). **Phenomenon Cuba. Alternative Wege in Architektur, Stadtentwicklung und Ökologie.** Karlsruher städtebauliche Schriften Band 2. 300 S., DM 28.- ISBN 3-930092-01-8. Lehrstuhl für Städtebau und Entwerfen, Universität Karlsruhe, Postfach 6980, D-76128 Karlsruhe. 1994.

- 'Das Bauen in Zeiten der Träume und der Not

Ein Les-, Studien- und Reisebuch will das 300 Seiten starke Kompendium über alternative Wege in Architektur, Stadtentwicklung und Ökologie sein. Es geht um das "Phänomen Kuba", vom Herausgeber Kosta Mathéy so titulierte, weil dieser, wie er sagt, die Insel bei seinen rund 20 Aufenthalten stets aufs neue verändert vorfand. Er möchte dies, da er dem sozialen und politischen Experiment aufgeschlossen gegenübersteht, als Indiz für die Flexibilität des kubanischen Gesellschaftssystems gewertet wissen.

Da mag man ihm folgen oder auch der Meinung sein, das Hin und Her und Vor und Zurück sei weniger die Folge kluger politischer Strategie als vielmehr Ausdruck eines drei Jahrzehnt lang währenden Chaos in vielen Bereichen des gesellschaftlichen Lebens. Am reichhaltigen Informationsgehalt des Buches ändert das nichts. Vor allem kann man der Zusammenstellung von 24 teilweise bereits früher veröffentlichten und bisher nur schwer oder gar nicht greifbaren Aufsätzen nicht den Vorwurf machen, ein einseitig positives Bild zu den angesprochenen Themen zu malen.

Behandelt werden Architektur, Stadterneuerung, Wohnungsversorgung und Ökologie und es kommen zu allen Themenbereichen Kenner der Materie zu Wort. Roberto Segre, Professor für



Architekturgeschichte, und Sergio Beroni zeichnen in kurzen, aber präzisen Aufsätzen die Architekturgeschichte des revolutionären Kuba nach, die durch weitere Beiträge ergänzt werden. (Lustig ist es, im Glossar über Segre zu erfahren, er gehe 1984 für "voraussichtlich" zwei Jahre nach Brasilien). Endlich werden die hoffnungsvollen Ansätze der Aufbruchsjahre gewürdigt, ohne sie zu glorifizieren, es wird gezeigt, wie die Architektur und ihr schöpferisches Milieu dem Diktat der Technik geopfert wurde und wir erfahren etwas über Keime eines neuen kreativen Geistes in den 80er Jahren. Vieles, was die junge kubanische Architektur seitdem zuwebringt, bleibt allerdings aufgrund der wirtschaftlichen Talfahrt Desiderat und sogar ihre Selbstdarstellung strahlt nicht gerade Optimismus aus.

Die Beiträge zur Stadtentwicklung Havannas lassen die vorfindlichen

Strukturen nachvollziehbar werden und in diesem Zusammenhang ist es hilfreich, etwas über Planen und Bauen auch im vorrevolutionären Kuba zu erfahren. Meist nämlich klafft in ähnlichen Darstellungen ein Loch zwischen dem Erbe aus der Kolonialzeit, das schon in den 70er Jahre wiederentdeckt worden war und zu dessen Schutz gesetzliche und später auch praktische Maßnahmen erfolgten und dem, was nach dem Jahr 1959 geschehen ist. Der beigefügte Stadtplan Havannas mit einer Übersicht über wichtige Baudenkmäler enthält denn auch viel Sehenswertes aller relevanten internationalen Stilrichtungen gerade aus der Zeit zwischen 1900 und 1959. Nur ließ der verengte Blick auf ihre Herrschaftsfunktion die Diskussion ihrer ästhetischen Qualitäten in Kuba verkümmern. Hier besteht Nachholbedarf.

Dies Defizit gleicht leider auch der Aufsatz von Mario Coyula, dem stellvertretenden Direktor der Gruppe für die integrierte Hauptstadtentwicklung, nicht aus. Er wiederholt Altbekanntes, Dezentralisation, Basisnähe und Bürgerbeteiligung werden werden wieder einmal eingefordert, aber es fehlt eine kritische Wertung der Prozesse in der Realität. Das soll die Verdienste von Coyula bei der Rettung vorhandener Bausubstanz nicht schmälern. Aber der kritische Blick auf die tatsächliche Funktionsweise der auch von ihm repräsentierten Einrichtungen wie den Werkstätten auf Stadtteilebene von Irma Leinauer u.a. in einem weiteren Beitrag zeigt, wie weit die Realität von den strapazierten Formeln entfernt ist.

Leider ist die Analyse der Wohnungsversorgung auf Kuba noch immer von einer Aufdeckung der Funktionsmechanismen und inneren Widersprüche der Praxis weit entfernt. Vielleicht entziehen sich aber auch der Planungsdschungel, die undurchschaubaren Finanzierungsformen, abenteuerliche und halblegale Praktiken des privaten Bauens, verworrene Kompetenzen und Verantwortlichkeiten schon längst dem Zugriff des Forschers. So ist es schon ein Verdienst des Herausgebers, die staatlich vermittelte Form der Selbsthilfe, die Mikrobrigaden, einer sehr genauen Analyse unterzogen zu haben. Aber Baupolitik und Wohnungsversorgung vor allem unter einzel- und gesamtwirtschaftlichem Aspekt kritisch zu reflektieren, ist noch nicht gelungen, obwohl es dringend nötig wäre.

Daß die furchtbare wirtschaftliche Krise, die Kuba durchlebt, viele Diskussionen inzwischen akademisch erscheinen läßt, liegt auf der Hand. Doch immerhin einen Bereich scheint sie zu befördern, nämlich die stärkere Beachtung ökologischer Prinzipien. Das gilt vor allem für Landwirtschaft und Energiegewinnung, aber in Teilbereichen auch für den Bau. Daß es einfach das

Gebot ist, mit dem wenigen Verfügbaren auszukommen und besser zu wirtschaften, erscheint nach Lektüre der zahlreichen Fallbeispiele allerdings ein einleuchtenderes Motiv dafür als Levins Postulat einer generellen Begünstigung ökologischer Ansätze durch die Linkswendung marxistischer Politik, wie sie 1986 erfolgt sei. Eine solche Sichtweise verkennt zudem das Problem, daß eine Ökologie der Armut stets gefährdet, in besseren Zeiten wieder verdrängt zu werden.

Betrachtungen über Kuba neigen allzuoft dazu, Traum und Wirklichkeit zu vermengen. Viele Forscher sehen, was sie sehen wollen und glauben, was sie glauben sollen. Daß dies im Fall des vorgestellten materialreichen Buches großenteils nicht der Fall ist, macht es aufschlußreich, lesbar und lesenswert. Bleibt zu hoffen, daß Kuba noch längere Zeit phänomenal bleibt und ihm qualifizierte Unterstützung zuteil wird.

Reinhard Aehnelt



**Juan Rodríguez-Lores: Sozialer Wohnungsbau in Europa. Die Ursprünge bis 1918: Ideen, Programme, Gesetze, 1994, Basel: Birkhäuser Verlag (Bd.16 der Reihe Stadt Planung Geschichte), ISBN 3-7643-2897-5, 224 S., DM 58,-.**

Von den 220 Seiten Umfang dieser Veröffentlichung sind die ersten 60 Seiten ein Text des Autors zum System der staatlichen Wohnungsförderung und dem Kontext ihrer Entstehungsgeschichte in der Zeit zwischen den Gründjahre und dem Ersten Weltkrieg. Auf den übrigen 160 Seiten werden die wesentlichen Gesetzestexte und Wohnungsprogramme aus unterschiedlichen europäischen Ländern wiedergegeben, z.T. erstmalig in deutscher Übersetzung. Die Dokumente sind in drei Kategorien gegliedert: erste nationale europäische Wohnungsgesetze (1889-1911), deutsche Ländergesetze und Verordnungen bis zum 'Reichswohnungsgesetz' (1873-1911); ausgewählte Wohnbauprogramme von Wohnungsbauvereinen,

Verbänden u.ä.. In einem abschließenden Glossar werden die wichtigsten Begriffe und Institutionen aus den vorausgegangenen Dokumenten jeweils kurz erläutert. Diese Veröffentlichung ist vor allem ein Quellenband für den einschlägig interessierten Spezialisten. Für diejenigen, die an der Lektüre von abstrakten Gesetzestexten weniger Spaß haben, ist sie eine eher schwer verdauliche Kost. Hier hätte ein Mehr an Kommentaren und Erläuterungen der Dokumente, an vergleichender Zusammenfassung, ggfls. auch ergänzt durch Abbildungsmaterial, gut getan, um das sicherliche wichtige Phänomen der Entstehungsgeschichte des sozialen Wohnungsbaus einer breiteren Leserschaft näher zu bringen.

Michael Peterek

**Atelier 5. Siedlungen und städtebauliche Projekte. 1994, Braunschweig/Wiesbaden: Vieweg, ISBN 3-528-08103-1, 250 S., DM 128,-.**

Die Siedlung *Halen* bei Bern, ab 1955 von der jungen Bürogemeinschaft des *Atelier 5* geplant, von 1959 bis 1961 gebaut, stellt eine weltberühmte Inkunabel des modernen Siedlungsbaus dar. Wie ging es weiter nach Halen? Manches davon ist bekannt, vieles auch nicht. Die vorliegende Veröffentlichung gibt Aufschluß über das nachfolgende (wohnbau-bezogene) Werk des *Atelier 5*

Der Band ist zunächst ein detaillierter Werkbericht: 22 Siedlungen und städtebauliche Projekte seit 1955 werden, in chronologischer Reihenfolge, dokumentiert. Das Spektrum ist breit:

hen Siedlungen in der direkten Nachfolge Halens, über die großen internationalen Projekte Ende der 60er Jahre (1966 *Park Hill Village* in London; 1969 der PREVI-Wettbewerb in Lima), weitere Siedlungen, zum Teil nun im dichten, städtischen Kontext, bis hin zu aktuellen städtebaulichen Planungen und Wettbewerbsbeiträgen (u.a. für Pforzheim, Heilbronn, Berlin, Hamburg, Hannover). Alle Begleittexte wurden eigens für diese Veröffentlichung neu verfaßt und versuchen, neben der Beschreibung, die jeweilige Erfahrung auch rückblickend zu bewerten. Hervorragend ist die graphische Aufarbeitung und die Bebilderung durch Pläne und Photos: sehr gut lesbare Lagepläne, vergleichbare Grundrisse und Schnitte in einem durchgehend einheitlichen Maßstab von 1:250 sowie eindrucksvolle Photos, denen es gelingt, dem Betrachter nicht nur die Architekturästhetik, sondern auch die 'Gebrauchswiese' und die 'Stimmung' der jeweiligen Projekte zu ver-

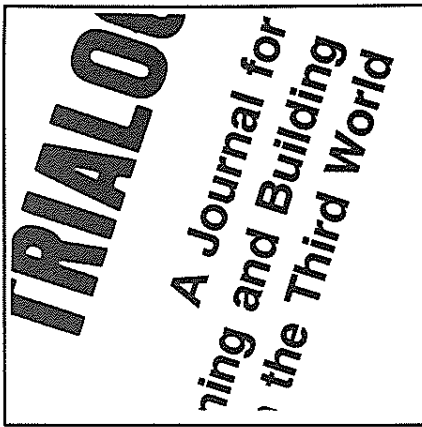
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Bitte angeben, ob Spendenbescheinigung erwünscht!



turästhetik, sondern auch die 'Gebrauchsweise' und die 'Stimmung' der jeweiligen Projekte zu vermitteln. Ein ausführlicher Anhang enthält ein vollständiges Werkverzeichnis des Atelier 5, biographische Hinweise zu den Mitgliedern des Büros sowie eine Bibliographie sowohl zu den hier veröffentlichten Projekten als auch zum Gesamtwerk.

Das Buch bietet aber noch mehr – und wird damit, über die spezifischen Einzelprojekte hinaus, zu einem wichtigen Grundlagenwerk zur verdichteten Wohnbau- und Siedlungsplanung. Zum einen ist dies die Einführung von Kenneth Frampton, die einen umfassenden und gleichfalls gut gebildeten Überblick über die Geschichte des Siedlungsbaus ab 1895 liefert. Zum anderen sind es die über das Buch verteilten theoretischen Text-Einschübe ('Zettelkasten' genannt), welche die konzeptionellen Leitlinien verdeutlichen, nach denen die Projekte geplant und gebaut wurden. Dabei handelt es sich um Überlegungen zum Wohnungsbau, die durchweg, über die spezifischen Projekte hinaus, eine generelle Gültigkeit besitzen: zur *Wohnung als Haus*, zu *Loggien*, *Gärten*, *Terrassen*, zum *Öffentlichen Außenraum*, zum *Umgang mit dem Auto*, zu *Siedlungsmustern* u.a.m.

Beeindruckend ist die 'Prinzipientreue' und die konstante Qualität der Arbeiten über vier Jahrzehnte hinweg: Die Siedlungen sind stets mehr als nur eine einfache Aneinanderreihung von Häusern; immer wieder gibt es einen qualitativen Sprung, der einen Ort des Zusammenlebens schafft, eine neue Ganzheit mit einer eigenen Prägnanz und Identität. Vieles ist prototypischen Charakters und durchaus übertragbar: Flexibilität, Flachbau, Eigen(aus)bau, Introvertiertheit und, damit zusammenhängend, auch Dichte und (wie jüngst in Solothurn) mögliche Nutzungsverflechtung. Spannend – und durchaus erfolgsversprechend – wäre sicherlich

die Erprobung in einem orientalisch-islamischen Kontext; bedauerlich ist, daß die mit einem 1. Preis beim PREVI-Wettbewerb in Lima bedachte Konzeption nicht zur Ausführung kam.

Das Buch wurde von den Mitgliedern des Atelier 5 selber verfaßt und – wie alle bisherigen Projekte – *gemeinsam* firmiert: auch das wohl eher eine Ausnahme im heutigen System der auf individuelle Selbstdarstellung bedachten Star-Architekten. Der Preis ist zwar hoch, doch die Investition auf jeden Fall lohnenswert und zu empfehlen. Es zählt zweifellos zu dem Besten, was in den letzten Jahren zum Thema Wohnungs- und Siedlungsbau veröffentlicht wurde.

Michael Peterek

S. Thorbek. *Gender and Slum Culture in Urban Asia*. 233 S. £ 22.-. London: Zed Books.

Dieses Buch (wie auch das frühere Buch 'Voices from the City' der selben Autorin) beschreibt die Beziehung zwischen Urbanisierung, Wachstum von Slums und der Profilierung von Frauen in Ihrer speziellen Rolle innerhalb des Wohn- und Lebensumfeldes der städtischen Slums. Der Titel des Buches ist etwas irreführend, da es sich allein um zwei Fallstudien handelt: Ratmalana in Colombo, Sri Lanka und Khlong Toey in Bangkok, Thailand. Die Autorin zeigt auf, daß trotz der gleichen Religion (Theravada Bhuddismus) aufgrund erheblicher Unterschiede im Urbanisierungsprozeß, in der wirtschaftlichen Entwicklung der zwei Städte und der jeweiligen nationalen Politiken auch sehr gravierende Rollenunterschiede im Leben der Slum-Frauen zum Ausdruck kommen. Zum Beispiel in Bangkok ist der Grad der Berufstätigkeit und politischen Aktivitäten der Frauen größer als in Colombo, wo Frauen mehr der Hausarbeit zugetan sind, und weniger Beschäftigungsmöglichkeiten bestehen. Obwohl in Sri Lanka ein Art proletarische Kultur existierte, ist diese im Aufbruch begriffen mit dem Eindringen einer konsumorientierten Kultur. In Bangkok fühlen sich die Frauen mehr emanzipiert im Hinblick auf ihre sexuellen Rechten und behaupten sich selbstbewußter. Dies zeigt auch, daß Patriarchismus und Puranismus in Sri Lanka noch viel fester verankert ist als in Thailand, obwohl westlicher Einfluß in Sri Lanka viel älter ist als in Thailand. Das Buch ist eine detaillierte und durchaus wichtige ethnologische Studie, und Planer können indirekt daraus lernen, daß *gender*-Aspekte bei allen

Siedlungsplanungen eine wichtige Rolle spielen.  
Florian Steinberg

OECD (Hg.). *Cities and New Technology*. Paris 1992. 289 S. Bezug: OECD, 2, rue André Pascal, 75775 Paris Cedex 16.

Die OECD hat 1992 ein großes Seminar zum Thema des städtischen Wandels als Folge der Modernisierung der Informationstechnologien durchgeführt. Spezielles Interesse der OECD ist die Artikulation der 'Information Society', welche traditionelle Konzepte von Form und Funktion der Stadt aufheben (erden). Das Buch versammelt die auf dem Seminar vorgestellten Beiträge, und behandelt vor allem die Auswirkungen der Informationstechnologien auf Stadtentwicklungspolitik, Infrastruktur, Wohnungsversorgung, soziale Dienste, Transport, Ausbildung, Umweltschutz, und Art und Verteilung der Bodennutzung. In den Empfehlungen des Buches wird hervorgehoben, daß diese neuen Informationstechnologien sehr dienlich sind für die gemeindliche Dezentralisierung und dies unterstreicht die 'laissez-faire' Politik bezüglich städtischer Entwicklung in den meisten OECD Ländern, in denen Eingriffe des Staates immer geringer werdend. Es wird empfohlen, daß noch mehr anwendungsorientierte Forschung betrieben wird in Hinblick auf die Anwendungsmöglichkeiten der neuen Technologien für den Dienstleistungs- und Verwaltungssektor. Sowohl Verbraucher wie auch städtische Manager müssen sich mit dem vollem Ausmaß der Nutzungs- und Anwendungsmöglichkeiten vertraut machen. Dies hat auch interessante Auswirkungen auf die Verhaltensweisen von Individuen und Institutionen: die Frage ist aufgetaucht, ob die neuen Informationstechnologien mehr Selbstständigkeit oder mehr externe Kontrolle fördern werden. Es besteht durchaus die Gefahr einer erhöhten Konzentration von Information, was negative Folgen für die individuellen Freiheiten haben kann. Ein fortgesetzter Austausch unter den Städten der OECD Region – wie auch mit den Städten in den Entwicklungsländern (wo genau die gleichen Entwicklungstrends einer rapiden Bedeutungszunahme der Informationstechnologien anzutreffen sind) – ist wichtig. Städte werden nicht nur regionale sondern auch internationale Informationssysteme aufbauen müssen, um sich den ihnen stellenden Entwicklungs- und Managementaufgaben gerecht zu werden.

Florian Steinberg

TENTATIVE SCHEDULE FOR HABITAT II (as for April 1995)

EVENT	5/30 Thurs.	5/31 Fri.	6/1 Sat.	6/2 Sun.	6/3 Mon.	6/4 Tue.	6/5 Wed.	6/6 Thur.	6/7 Fri.	6/8 Sat.	6/9 Sun.	6/10 Mon.	6/11 Tue.	6/12 Wed.	6/13 Thur.	6/14 Fri.	6/15 Sat.
LOCAL AUTHORITIES	CITIES' ASSEMBLY																
PROF./RES./ACAD																	
PRIVATE SECTOR																	
FOUNDATIONS																	
NGO MEETINGS																	
PARLAMENTARIANS																	
SPIRITUAL LEADERS																	
LABOUR UNIONS																	
EXHIBITIONS (HOST COUNTRY)																	
EXHIBITIONS (UN AND OTHERS)																	
TRADE FAIR																	
REGISTRATIONS																	
PLENARY																	
PRE-CONFERENCE CONSULTATIONS																	
BUREAU																	
COMMITTEE 1																	
COMMITTEE 2																	
DRAFT GROUPS																	
THEMATIC ROUND TABLES																	
CEREMONIES Other Activities																	

3 THEMATIC ROUND TABLES (Strategies for action)

1. People on the Move
2. Making a Living
3. Civic Engagement
4. Urban Physiology
5. Changing Urban Forms
6. Moving about the City
7. A Place to Live
8. Doing by Learning
9. Governance and Democracy

3 EVENTS

1. Film Festival
2. Exhibitions: Best Practices/ Sewage Alternatives/ Mediterranean Cities/ Urban Environment/ Lat-Am. & Europ. Innovations/ Open Space (posters) etc.
3. Convivial Spaces Contests
4. One-Minute Video Festival Opening
5. Opening Concert
6. Exhibitions on Human Settlements in Anatolia and Istanbul history
7. Trade Fair Opening
8. Children's Competition Awards
9. Awards Ceremonies

10. Listening to Junior Citizens\*
  11. Listening to Senior Citizens\*
  12. Closing Event (public)
  13. Closing Reception
  14. Cities' Video Theatres
  15. World Environment Day (Awards)
  16. "Enjoy your City"
  17. Hotels' Conference-on-TV
  18. Electronic daily Consultations
  19. Partners' brunch-meeting
- \* Also a worldwide TV network programme



# Countdown to Istanbul

## NGOs/CBOs agree upon an organizational structure

Over 75 NGOs were represented by approximately 150 participants at the second session of the Preparatory Committee for Habitat II. Their participation included sitting on Informal Drafting Groups and Committees, participating in Government delegations, drafting resolutions and statements, and lobbying Government delegations to sponsor these inputs.

NGOs at PrepCom II agreed upon an organizational structure for themselves and their work in the Habitat II process. This includes an NGO International Facilitating Group (IFG), with facilitators drawn from regional and issue-based caucuses, and four co-chairs (with North-South and gender balance). Currently, regions represented include the following: Francophone Africa, Anglophone Africa, Latin America, North America, Australia/New Zealand/Pacific, Asia, South Asia, and West Europe. Issue caucuses include: Women, Youth, Children, Values, and Urban Research and Training.

The overall structure of the IFG has been designed in a fluid open-ended manner. As new NGOs and other major groups join this broad-based effort, new caucuses will be added, and new facilitators will be elected to join the IFG. The IFG is expected to grow to include a stronger and more complete base of regional caucuses, and the addition of caucuses around environment, health, and other major issues.

### *For more information, contact:*

*Barry Pinsky*

*IFG Secretariat c/o Rooftops Canada*

*2 Berkeley Street, Suite 207*

*Toronto, Ontario M5A 2W3*

*Tel: 1-416-366-1445*

*Fax: 1-416-366-3876 Email:*

*rooftops@web.apc.org*

### **NGO Accreditation:**

During PrepCom II, 92 NGOs were granted accreditation to Habitat II. This brings the number of NGOs accredited to Habitat II to a total of 128. In addition, approximately 235 additional NGOs are in the process of being recommended for accreditation. Interested NGOs are encouraged to complete the accreditation

application as soon as possible. Accreditation ensures receipt of all relevant information and documents from now until Istanbul, and is required for attendance at the third session of the Preparatory Committee in New York (February 1996) and the Conference in Istanbul (June 1996).

### *For more information, contact:*

*Partners Liaison Team, Habitat II Secretariat*

*P.O. Box 30030, Nairobi, Kenya*

*Tel: 254-2-623-137*

*Fax: 254-2-623-080 Email:*

*habitat2@unep.no*

### **NGOs, Local Authorities and the Global Plan of Action:**

The Informal Drafting Group for the Global Plan of Action (GPA), constituted by PrepCom II, includes representatives of NGOs and Local Authorities. The NGO representatives, designated by the NGOs present at PrepCom II, are Cecilia Kinuthia-Njenga of Environment Liaison Centre International and Han van Putten of Habitat International Coalition. Their work on this drafting group will be supported by the IFG. Local Authorities, through the Group 4+, are represented by Christine Brookfield of the Local Government International Bureau. These representatives are playing key roles in the development of the new text for the Global Plan of Action. During the Informal Drafting Group meeting in Nairobi this July, youth representatives Juliet Muhoro and Prosper Ogonga, of AIESEC-Kenya, also joined the Group.

The latest draft from the Informal Drafting Group of the GPA is available on line, through web and gopher sites. For more information on how to access these sites, refer to box on p. 7. Any NGOs or CBOs who would like to provide inputs to this draft may contact the NGO representatives listed below. The Habitat II Secretariat requests that all comments be received by 15 September 1995.

*Cecilia Kinuthia-Njenga*

*Environment Liaison*

*Centre International*

*P.O. Box 72461, Nairobi, Kenya*

*Tel: 254 256 2015*

*Fax: 254 251 2175*

*Email: elci@elci.gn.apc.org*

*Han van Putten*

*Habitat International Coalition*

*Frankenslag 313*

*2582 HM The Hague, Netherlands*

*Tel: 31-70-355-7361*

*Fax: 31-70-324-6916*

*Email: hvputten@antenna.nl*

### **Fora at Istanbul, 1996:**

A Secretariat has been established in Turkey to coordinate the NGO Forum. Turkish NGOs and the IFG plan to work closely with the new Turkish secretariat to design this event. Look for details in the next issue of the *Countdown to Istanbul*.

### *For more information, contact:*

*Gurel Tuzun*

*Head of the Habitat II Coordination Unit*

*Housing Development Administration*

*7-8 Kisim 17-B, Blok D-12*

*Atakoy, Istanbul, Turkey*

*Tel: 90-212-559-3508*

*Fax: 90-212-559-0509*

*Email: habit-kd@yunus.mam.tubitak.gov.tr*

### **Local Authorities and Mayors**

A Cities Assembly is being coordinated for local authorities and mayors by the Group 4+, a coalition of local authorities associations.

### *For more information, contact:*

*IULA, Wassenaarweg 39/2596 CB*

*The Hague, Netherlands*

*Tel: 31-70-324-4032*

*Fax: 31-70-324-6916*

### **Private Sector**

Private sector initiatives for Habitat II Fora are being coordinated by the following organisation:

*Habitat II Private Sector Forum Foundation*

*c/o Progressio Foundation*

*Parklaan 51*

*3041 RD Doorn, Netherlands*

*Tel: 31-65-313-2441*

*Fax: 31-34-302-0030*

### **Academics**

Initiatives of academic institutions and associations for Habitat II Fora are being coordinated by the following organisation:

*National Academy of Sciences*

*Foundry Building (2nd floor)*

*Washington DC, USA*

*Fax: 1-202-334-3094*

### **Newsletter**

The newsletter "People Towards Habitat II" is posted on the apc conference: <un.habitat.gen>. If you do not have access to this conference, you can obtain this free newsletter, in either electronic or hard copy by contacting Rooftops Canada (see address above).

# Countdown to Istanbul

# Habitat II

## IMPORTANT DATES

4-15 September 1995

Fourth World Conference on Women, Beijing, China

10-13 September 1995

Habitat Urban Finance Conference, Washington D.C., USA

11-15 September 1995

International Seminar on "Challenges of the Informal Town", Belo Horizonte, Brazil

18-20 September 1995

DPI-NGO Conference On UN at the Turn of the Century: Global Issues, Global Actors and Global Responsibilities, UN Headquarters, New York, USA

25-29 September 1995

XXIII IAHS World Congress, Singapore

27-30 September 1995

Third Arab Preparatory Conference for Habitat II, Rabat, Morocco

27-30 September 1995

Global Workshop on "A Place to Live: Homes and Streets", Curitiba, Brazil

2 October 1995

World Habitat Day, Global Observance, Curitiba, Brazil

9-13 October 1995

Second Intersessional Meeting of the Open-ended Informal Drafting Group for the Global Plan of Action, Paris, France

16-18 October 1995

Regional Meeting of African Ministers, Johannesburg, South Africa

24-27 October 1995

Global Workshop on Urban Governance, Berlin, Germany

26-27 October 1995

Colloquium on "Sustaining Cities: Urban Solutions to Global Problems" Vancouver, Canada

13-18 November 1995

"Towards a City for Life" Conference for the Latin American and Caribbean region, Quito, Ecuador

19-22 November 1995

Dubai International Conference for Habitat II on Best Practices in Improving Living Environments, Dubai, United Arab Emirates

December 1995

Final National Reports due

February 1996

Third meeting of the Preparatory Committee for Habitat II, New York, USA

3-14 June 1996

Second United Nations Conference on Human Settlements (Habitat II), Istanbul, Turkey

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*Countdown to Istanbul* is a bi-monthly publication and is available free of charge. If you would like to receive a copy, please fill out the information below and return to: The Editor, Countdown to Istanbul, Habitat II secretariat, UNCHS, P.O. Box 30030, Nairobi, Kenya; Fax: 254-2-623080.

Name \_\_\_\_\_

Occupation \_\_\_\_\_

Organization \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Veranstaltungen Forthcoming Events

### January 1996 in Cairo, Egypt

International Conference: "Improving the Living Environment for the Urban Poor towards Sustainable Development". Topics: sustainable development policy, role of key actors, involvement of women in urban management, implementation tools and management. Contact: Society for Upgrading the Built Environment (SUBE), Prof. Magda Metwally, 56 El-Tahir Street, Dokki, P.O.Box 41, El-Agouza, Egypt. ☎ (202) 716 722 / 716 853 / 202 3249, fax: (202) 360 2800.

### 12 -16 February, 1996 in New Delhi, India

7<sup>th</sup> Conference on Urban Transport in Developing Countries. Abstracts and requests for information (in French or English): Association CODATU, c/o Cités Unies, 22 rue d'Alsace, 92300 Levallois-Perret, France, e-mail: codatu@univ-paris.fr

### February 1996 in New York, USA

Third meeting of the Preparatory Committee for Habitat II. NGO accreditation: Partners Liaison Team, The Habitat II Secretariat, P.O.Box 300 30 Nairobi, Kenya. ☎ (254-2) 623 137, fax: (254-2) 623 080, e-mail: habitat2@unep.no

### April 14, 1996, University of Exeter, UK

"A changing Europe in a Changing World: Urban and Regional Issues", organized by the Journal for European Urban and Regional Studies. Further information: Kathy Wood, EURS, Department of Geography, University of Durham, South Road, Durham DH1 3LE, UK

### May 1996 in Ballerup, Denmark

Danish International Housing Exhibition "Live in Town". Organized by: Municipality of Ballerup, Ministry of Housing, Danish Building Research Institute (SBI) et al. Contact: Erik B. Jantzen, SBI, P. O. Boks 119, DK - 2970 Hørsholm, Denmark.

### May 27 -June 1, 1996 in Ankara, Turkey

XXIV IAHS World Housing Congress: "How to House a Nation: the Challenge for the XXI<sup>st</sup> Century". Organized by: Middle East Technical University (METU), Ankara, International Association For Housing Science (IAHS) and other institutions, in cooperation with World Bank and UN, Habitat. Conference language is english. Call for Papers, deadline for abstracts December 31, 1995. Contact: XXIV IAHS World Housing Congress, Dr. Talat Birgonül, Congress Secretary, Civil Engineering Department, Middle East Technical University, 06531 Ankara, Turkey. ☎ (90-312) 210 1000 Ext. 2427, fax: (90-312) 210 1262, e-mail: birgonul@rorqual.cc.metu.edu.tr

### 03 -14 June, 1996 in Istanbul, Turkey

Habitat II, UNCHS World Conference, Second United Nations Conference on Human Settlements, "Managing Urbanization and Improving Our Living Environment", "The City Summit", - a conference on the future of cities - an expo of good ideas for better cities. Available: Habitat II newsletter, report of the First and Second Precom, guide to the City Summit, guide for Local Government /for NGOs /CBOs, guide for preparing National Plans of Action, information on housing and urban indicators. Contact: The Habitat II Secretariat, UNCHS (Habitat), P.O.Box 300 30 Nairobi, Kenya. ☎ (254-2) 623 033, fax: (254-2) 623 080 / 624 266, e-mail: habitat2@unep.no

### 08 -14 June, 1996 in Luton, UK

INURA 1996 Conference: "Direct Regeneration - Sorting the Wastelands". Contact: Michael Edwards, Bartlett School, UCL, 22 Gordon Street, London WC 1H 0QB, Great Britain. ☎ (44-71) 387 7050 #4874, fax: (44-71) 380 7453.

### 26 -29 June, 1996 in Salamanca, Spain

I Congreso Europeo de Latinoamericanistas: "América Latina: Realidades y Perspectivas". Conference languages: Spanish and Portuguese. Organized by Consejo Europeo de Investigaciones Sociales sobre América Latina (CEISAL) and Consejo Español de Estudios Iberoamericanos (CEEIB). Contact: Manuel Alcántara Sáez, Sara Martín o María Pia Escario, Instituto de Estudios de Iberoamérica y Portugal, C/ San Pablo, 26 - Palacio de Abrantes, E-37001 Salamanca, España. ☎ (3423) 29 46 36, fax (3423) 29 46 37, e-mail: iberoame@gugu.usal.es

### July 29 - August 2, 1996 in Vancouver, Canada

Pan Pacific Hazards '96 Conference: Earthquakes, Volcanoes and Tsunamis in the Pacific "Ring of Fire" countries. Call for papers, deadline Nov. 1<sup>st</sup>, 1995. Contact: Program Committee, Pan Pacific Hazards '96 Conference, The University of British Columbia, Disaster Preparedness Resource Centre, 2206 East Mall, 4<sup>th</sup> Floor, Vancouver, BC V6T 1Z3, e-mail: dprc@unixg.ubc.ca

### 26 -31 August, 1996, Denmark

ENHR / SBI Housing Research Conference - Housing and European Integration. Organized by the Danish Building Research Institute (SBI) and ENHR. Contact: Hans Kristensen, Deputy Director, Head of Housing and Urban Planning Division, or Hedvig Vestergaard, Senior Researcher, or Eva Hultman, Secretary. Danish Building Research Institute (SBI), P.O.Boks 119, DK-2970, Hørsholm, Denmark.

### July 29 -August 3, 1998 in Montreal, Canada

XIV<sup>th</sup> World Congress of Sociology. Contact: Mr. Gilles Pronovost, Université de Québec à Trois-Rivières, P. O. Box 500, Trois-Rivières, Quebec, Canada G9A 5H7. ☎ (819) 376-5133, fax: (819) 373-1988.