

## **SLUM UPGRADING AT DIFFERENT SCALES: THE TANZANIA CASE STUDY**

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### CONTEXT

This paper seeks to unpack the relationship between community, city and national level policies in slum upgrading in Dar es Salaam, Tanzania and the ways in which various strategies have impacted the policy opportunities for slum upgrading. This analysis is intended to inform the formation of the National Slum Upgrading and Prevention Policy in neighboring Kenya.

Tanzania bears important similarities and differences to Kenya. While they were both colonized by Britain, organized under similar spatial segregations and gained Independence in the 1960s, Tanzania--in contrast to Kenya—adopted the Arusha Declaration, written by then President Julius Nyerere, that constituted Ujamaa, Tanzania's version of Pan-African Socialism. In Africa's largest and most debated example of social engineering, industries, banks and services were nationalized, economic activity collectivized towards agriculture and the accumulation of private wealth discouraged. Almost 70% of all Tanzanians were moved from traditional lands into planned villages in a process of villagization. This economic and political transformation was designed to foster economic and cultural self-reliance. These capital-intensive village schemes were further embodied by five-year Social and Economic Development Plans. In regards to squatters, the Tanzanian government's approach in the 1960s was a typical one: the clearance of city's "eyesores."

Economic decline, which began during a severe drought and oil crisis in the 1970s, finally resulted in a series of structural adjustment agreements with the World Bank and the International Monetary Fund. The government began to encourage foreign investment, decrease the civil service sector and introduce schooling fees (Vavrus, 2005). Government administration was devolved after the Decentralization Act of 1972, and urban local authorities and rural district councils were dismantled between 1972 and 1978. This development was accompanied by the 1972 'Sites and Services and Squatter' upgrading program, funded partially by the World Bank but discontinued throughout the 1980s, as the Tanzanian government became unable to pay its financial contribution. As a result, unplanned settlements grew (NHSDP).

The National Land Policy of 1995 legalized all unplanned settlements and provided them with legal rights to land, and the urban local authorities were given the power by the government Ministry of Lands and Housing to implement sites and services upgrading. In 1999, The New Land Act sought to address the issue of land value and provides mechanisms for regularizing unplanned settlements. Tanzania's government has shifted from an extremely centralized role in land, development and finance provision to a more facilitating government.

Other policies which have improved and influenced the policy environment for slum upgrading include:

- The NGO Policy: clarify and regulate the scope of the NGOs
- The New Employment Policy: identify strategy areas for employment growth
- Tanzania Financial Services for Underserved Settlements

## NATIONAL-LEVEL POLICIES: THE NATIONAL HUMAN SETTLEMENTS DEVELOPMENT POLICY (NHSDP)

### CONTENT

The National Human Settlements Development Policy (NHSDP) was adopted in 2000 by the Ministry of Lands and Human Settlement Development. Its main objectives are to develop sustainable human settlements and facilitate the provision of adequate and affordable shelter to all income groups in Tanzania. The policy states that "instead of demolishing unplanned settlements, it is government policy to upgrade them through stakeholder participation," exemplifying a new approach to slum upgrading in Tanzania (NHSDP, 2000).

Village level upgrading during the 1970s and 1980s was carried out through the World Bank using a sites and services approach that provided only basic services such as roads, drainage systems and community facilities such as health centers, schools and markets. The NHSDP policy introduces a more comprehensive and rights based argument for informal settlements. It is unlike its predecessor, the Urban Development policy, which sought to address "squatter" development by planning areas in the urban periphery to discourage the formation of slums and by "designing" low income areas with minimal services. It also prioritizes "ground-up" upgrading through CBOs and NGOs, with facilitation support from government. According to its mandate "unplanned and unserved settlements shall be upgraded by their inhabitants through CBOs and NGOs with the government playing a facilitating role." Statement 4.2.2.2 of the policy clearly asserts that the government will not be directly involved in the production or management of housing. At the international level, the government will be the main driver of projects that require donor assistance.

The policy makes numerous directives, which influence economic, planning and project implementation outcomes in slum upgrading. Specifically, it mandates that the government will promote small-scale building material industries and labor-intensive projects, undoubtedly a result of the success of the Hanna Nassif upgrading project (Lupala et al, 1997). In addition, the government is asked to encourage the earmarking of special areas within neighborhoods for informal sector activities, to incentivize local economies.

The NHSDP also considers the role of the private sector, and the ways in which government can maximize of private sector involvement for the benefit of local communities, especially in terms of supporting the informal sector (NHSDP, 2000).

At the level of the overall urban economy, the government is charged with providing a supportive environment for the development of micro-enterprises, informal sector activities and urban farming. This represents a clear shift towards supporting rather than inhibiting the informal economy, which by 2002 had the capacity to employ 63% of the annual urban labor demand (UN-HABITAT, 2010). In addition to community participation,

increasing of national budgets for the provision of adequate housing is also cited as a key objective. Village and rural planning mechanisms are also outlined. These methods compliment the policy's efforts to rejuvenate poor rural economies through employment and housing improvements.

Within environmental planning strategies, the government is tasked with enacting participatory, research grounded, land use plans. Policy statements accompany a directive for indicators and performance evaluation methods that pay particular attention to the impacts of urbanization on vulnerable groups. There are provisions for coastal preservation and sustainable development in the coastal and island regions. Resources will be allocated to settlements according to a hierarchy of settlements ranging from village, minor town, town, municipality, city and mega-city (NHSDP, 2000).

90% of the urban housing stock in Tanzania is privately financed (NHSDP, 2000). The policy makes particular claims about the structuring of new housing finance solutions. First, housing is positioned as a key national policy, alongside health and education. Additionally, the policy pushes for housing finance generated from multiple sectors, including private, but also from public, community and international sources. Investment in housing and home ownership is especially promoted, bolstered by the development of a secondary mortgage system (NHSDP, 2000). Regulatory institutions must be established to supervise these new finance systems along with savings schemes to support loans for home ownership. Since the policy states that the government will be removed from housing production, housing provision should come through individuals, private sector development and employers. Individuals are asked to consider housing co-operatives as a means of low cost housing. Rental housing will be regulated based on a revision of the Rent Restriction Act of 1984.

In terms of financial implementation, the policy enumerates a mechanism for municipal taxation. Local taxes and revenues sources will be exploited to reduce dependence on central government funding. Next, several lending institutions will be established for the purposes of urban development and an Equalization Fund will subsidize poor councils. Local leaders will mobilize their constituents around the importance and benefits of tax collections(REFERENCE).

### ACTORS & IMPLEMENTATION

The successful implementation of the policy requires a significant restructuring of institutional and legal frameworks, national resource allocation and capacity at all levels of government. The Decentralization Act of 1972 resulted in a multiplicity of actors in the human settlements development sector, making the coordination of a variety of stakeholders included in the policy a difficult and fragmented process.

In order to streamline the comprehensive NHSDP mandates, clear roles are delegated to both government and non-governmental agencies. A new Town and Planning Law must be enacted and there will be one ministry responsible for the development of human settlements. Local authorities will set goals their respective development goals, allocate

land, enforce regulations, construct low cost housing, manage projects and collect data. The private sector will support public-private partnerships, produce affordable housing and building materials and partner with communities in projects. Finance institutions will provide secondary mortgages, investment opportunities, and seeding finance for private sector investors. NGOs and CBOs will assist communities in procuring and developing land, assist savings groups and aid in community participation during project implementation. A Building Research Unit will be formed to execute continuous study on urban and rural housing conditions. The Ministry of Foreign Affairs and International Cooperation will facilitate international collaboration in settlement development. Currently, there has not been an analysis conducted on the impact of the policy nor an evaluation of its implementation.

## NATIONAL-LEVEL POLICIES: THE NATIONAL STRATEGY FOR GROWTH AND REDUCTION OF POVERTY I (2005) AND II (2010)

### CONTEXT

In 2005, the cabinet approved the National Strategy for Growth and Reduction of Poverty, known as MKUKUTA (Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania) that functions as the successor to the Poverty Reduction Strategy Paper, the first generation of a series of Participatory Poverty Assessments that were piloted across the country in 1994-1995 and 1997. The first poverty papers generation had limited impact on policy because of a limited sample size and lack of thorough collaboration between researchers and policy makers (Ehrhart et al., 2001). Informed by Vision 2025 and committed to the Millennium Development Goals, this is a national policy aimed at improving the lives of slum dwellers. Outcome-focused, this strategy is catered towards fostering “greater collaboration among all sectors and stakeholders” (MKUKUTA, 2). The MKUKUTA sought to deepen ownership of the strategy and aimed to ensure an open dialogue and to collect views from all levels.

### CONTENT

The strategy is organized around three clusters of broad outcomes: 1) growth and reduction of income poverty, 2) improvement of quality of life and social well-being and 3) governance and accountability. In order to understand to what extent this strategy creates an impact at the community-level, it is crucial to examine in more detail the specific goals to be achieved in each of these broad outcomes. The Growth and Reduction of Poverty cluster aims at scaling up investments towards modernizing small, medium and large scale agricultural enterprises, promoting off-farm activities including small and medium size enterprises with emphasis on agro-processing, promoting more sustainable use of natural resources for the benefit of poor communities, attracting private investment through a more conducive environment with more trade, services and markets and better infrastructure. Moreover, the two fastest growing industries, tourism and mining, are geared towards employment promotion. The second cluster, Quality of Life and Social Well-Being, emphasizes improving the efficiency of social service delivery, the promotion of a clean and healthy environment and sustainable use of natural resources as well as strengthening equality across regions, income, age, gender and disability. The third cluster,

Governance and Accountability, focuses on improving accountability of leaders and public servants to the people, cultivating peace and political stability and improve the rule of law. This cluster serves as a base for the first two clusters that can only be implemented if the third cluster exists and functions. See more detailed information on specific goals in Appendix (MKUKUTA, 2).

## ACTORS & IMPLEMENTATION

The development of the MKUKUTA began with the launch of the PRS Review in October 2003 and ended with the cabinet approval in February 2005. During the review, three preparation phases were identified: 1) stakeholder-led consultation, 2) analysis of data and 3) review of existing policies and strategies. The three-phase consultation process included Parliament, civil society, faith-based groups, the private sector, districts and villages, development partners and over 500,000 questionnaires. The collected data was then used to prepare the first MKUKUTA draft that was sent to stakeholders for comments. The resulting second draft was presented in Poverty Policy Week 2004 for additional comments and finally used to prepare the final draft.

## IMPACTS

MKUKUTA II in 2010 reviewed some of the impacts of MKUKUTA I, including improved provision of public services, education and health. Accessibility of water, the fight against corruption and reduction of poverty have proven to be challenging and are addressed in MKUKUTA II.

MKUKUTA defines five areas of collaboration: 1) the macro sectors, 2) productive sectors, 3) social sectors, 4) economic service sectors and 5) public administration sectors. Groups of individuals with cross-cutting sector expertise prepare guidelines for sectors to use to review sector plans and budget plans. The implementation framework also aims at harmonizing MKUKUTA with other national processes such as the Public Expenditure Review and Medium Term Expenditure Framework, the Joint Assistance Strategy, the Poverty Reduction and Growth Facility, Poverty Reduction Budget Support and the Poverty Reduction Support Credit. Finally, a MKUKUTA communication strategy has been developed to facilitate debate, dialogue and knowledge exchange (MKUKUTA, 2005)

MKUKUTA uses an existing Poverty Monitoring System, including annual progress reports, biannual Poverty and Human Development Reports. Throughout the period 2000–2006, progress reports were written by the Tanzanian government and evaluations—known as Joint Staff Assessments (JSAs)—were carried out by the IMF and the International Development Association of the World Bank to assess the MKUKUTA and compliance with associated debt relief agreements. According to Vavrus and Seghers (2009), Tanzania is one of the few countries that has reached the second Poverty Strategy Papers benchmark and has received favorable reviews of its reforms in the JSAs. However, it is unclear to what extent it connects to the National Human Settlement Development Policy and to what extent it is actualized on the ground.

## CASE STUDIES: UPGRADING AT THE COMMUNITY LEVEL: THE HANNA NASSIF COMMUNITY MANAGED SETTLEMENT UPGRADING PROJECT

### CONTEXT

Initiated by the Sustainable Dar es Salaam Project (SDP), this community-driven project sought to address issues related to storm drainage, given the environmental and health risks wrought by frequent flooding and storms (Sheuya & Shaaban, 2008). Prior to the implementation of the Hanna Nassif upgrading in 1992, there were two World Bank- and federally initiated attempts to improve the site that failed due to lack of funding. Nevertheless, the community preceded with the Hanna Nassif Community Managed Settlement Upgrading Project in 1992, with a new set of actors and a new approach to the upgrading process: community ownership and employment-based implementation.

### ACTORS

The Hanna Nassif project was piloted through the International Labor Organization (ILO) that encouraged Tanzania to restructure upgrading programs as simultaneous income-generation initiatives for unplanned settlements. The Community Development Committee (CDC) of Hanna Nassif community members was formed in 1993, and project implementation began in 1994. The CDC served as the representative body of the community and also led finance collection, infrastructure construction and future maintenance and monitoring. Interestingly, the Dar es Salaam City Council (DCC) was a co-beneficiary of the project, as capacity building through the implementation experience would benefit future projects.

### CONTENT

The United Nations Development Program (UNDP), EUF (European Development Fund) and Ford Foundation were the main funders, while the UN Center for Human Settlements (UNCHS) and United Nations Volunteers (UNV) served as associated agencies. The UNCHS mainly supported the local government in the implementation of sustainable human settlements policies, while the UNV worked in community level mobilization. A Steering Committee of representatives from each of the stakeholder groups was responsible for overall group coordination. Finally, a Technical Team staffed by ILO and UN officials provided expertise in engineering and construction training.

Through structured interviews and focus group discussions, the Hanna Nassif community identified three key environmental problems in settlement: lack of storm water drainage channels, lack of safe drinking water, impassable access roads. Infrastructure was developed using local resources, labor-based technology and community contracting as well as financial support from within the community, aided by technical assistance from ILO and UN agencies. The project was considered demand-driven because it stemmed from a particular set of long-standing community needs and a history of inactivity around improvements. Community contributions included CDC support and management, as well

as financial and labor resources. Members were expected to donate either 8 million Tsh or the equivalent in free labor to help finance the project.

### CHALLENGES:

However, conflicting political affiliations among CDC elected leadership created obstacles in forming a community-based organization (CBO), that reflected the needs of the greater Hanna Nassif community. Complications also arose from community members whose homes were not as affected by the flooding, and may have prioritized other upgrading interventions (Lupala et al, 1997).

### IMPACTS:

The main impacts included physical improvements, especially in water-management systems, and income generation through the acquisition of technical and non-technical skill sets through on-the-job trainings and contracts needed to implement the projects. Water supply was established by installing water kiosks that were jointly owned between individual plot holders and the CDC. Sanitation (solid-waste management) was implemented as a result of community organizing and the formation of solid-waste management teams that the municipal council contracted to manage solid waste in the settlement. Moreover, microfinance institutions contributed to facilitate the process of tenure through microfinance institutions. The overall process led to enhanced civil society participation, which was both an input that allowed for the success of the Hanna Nassif upgrading program and was observed as one of the major outcomes as well.

The key strengths of the Hanna Nassif community slum upgrading intervention are that it was community-led and -implemented and employed labor-intensive strategies that benefited the community in the short-run through increased employment and long term through more savings and an increased standard of living.

### CASE STUDIES: UPGRADING AT THE COMMUNITY LEVEL: THE CITYWIDE STRATEGY FOR UPGRADING UNPLANNED AND UNSERVICED SETTLEMENTS

#### CONTENT

The Citywide Strategy for Upgrading Unplanned and Unserviced Settlements in Dar es Salaam began in May 2007 is the first full scale policy since the NHSDP to create a strategic plan for the implementation of policy mandates. It focuses on urban land delivery, basic services provision, and housing improvements. The aim of the plan was to upgrade 50% of all existing unplanned and unserviced areas by 2020 and prevent the formation of new settlements in Dar es Salaam. Influenced by the NHSDP, community capacity building is one of four main thematic approaches.

#### ACTORS & PROCESS

Planning of the Citywide Strategy began in 2004 as a collaboration between the Government of Tanzania and the Dar es Salaam local government, with technical assistance from UN Habitat and funding from Cities Alliance. A citywide consultation process was completed in 2007. \$1.2 billion of funding was needed from Cities Alliance, community contributions, private sector actors, municipal and city revenue sources, the central government, and development partners for the realization of the plan. The timeline of the plan spans from 2010 to 2020.

#### Implementation

The Citywide Slum Upgrading and Prevention Programme Unit (CSUPPU) led implementation of the strategy. The CSUPPU was overseen by a Steering Committee consisting of officials from the Regional Secretariat, Dar es Salaam Local Authorities, sector ministries, the Prime Minister's Office, academic and research institutions and Development Partners. A Technical Committee assisted both the CSUPPU and the Steering Committee and technical Support Teams were set up in each municipality. Wards and sub-wards will play key roles and communities participated through Community Planning Teams.

#### IMPACTS

The Citywide Plan would address four thematic areas, attaching specific short term and long term targets, and various indicators relative to each theme. The Land Action Plan tackles increased revenue from land taxation and the allocation of affordable land plots. The Basic Services Action Plan strategizes increased water, sanitation, roads, waste management and access to social services and amenities. The Housing Action Plan addresses access to quality housing including rental housing and housing finance and regulation of the housing stock development. The Capacity Building Action Plan examines institutional procedures that enable communities to undertake further upgrading.

Impacts of the Plan vary for each thematic group. For land, this includes the titling of land parcels, provision of new, affordable planned lots and tax structures on land. Trees were planted and land use layouts were established. In terms of basic services, boreholes and water kiosks were constructed and water kiosks, as well as communal toilets, and gravel and tarmac roads. Other objectives were to establish one waste collection transfer station in each municipal council, construct schools, dispensaries and markets, and provide long term housing finance.

The indicators of the plan's success is broadly based on goals set and directed through the National Strategy for Growth and Reduction of Poverty (MKUKUTA), the National Vision 2025 and National Housing Policy and the MDG Targets related to water, sanitation and slum. The key strengths of this city-wide approach are the clearly established indicators of success linked to each of the thematic action plans to streamline both short and long term implementation goals.

There are several key lessons that are transferable from the case of Tanzania to Kenya. First, the Hanna Nassif case is evidence of how community-based upgrading models can

inform policy, and how broad, integrated indicators such as increased employment and savings among communities and increased capacity of local agencies can result in larger impacts for slum upgrading projects. In addition, the Citywide Upgrading Plan shows an action plan that directly implements many of the NHSDP's directives. However, without necessary evaluation, it is unclear what role the policy had in successful slum upgrading. Rather, it seems that a complex web of overlapping and complimentary national level policies including the NHSDP but also the National Land Policy, MKUKUTA and the Tanzania Financial Services for Underserved Settlements coupled with the robust demand for upgrading from communities and civil society, led to a progressive slum upgrading policy environment in Tanzania.

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