



B. SUMMARY

3. Although progress was made in the preparation of the project, particularly in its technical aspects, the rate of advancement was much slower than the March mission had anticipated. The reasons for this slow progress are:

- (a) apparent difference between Government's and Bank's objectives in undertaking the proposed project (see paras. 10-14);
- (b) Government has not moved ahead on schedule with the preparation of project components (see paras. 15-24, 34, 35);
- (c) consultants' reports containing information necessary for project preparation have been delayed (see para. 35).

4. The Bank objective in undertaking a site and services project is to assist the Government in establishing an ongoing program designed to meet the needs of Senegal's lower income urban population sector for housing and related facilities at a considerably lower cost than possible by conventional public housing programs. A serious commitment to the site and services approach will require:

- (a) a shift over time in public investment in habitation from existing programs which provide housing and related community facilities whose standards are comparable to those of developed industrial countries; and
- (b) the development of a program to improve existing lower income urban settlements.

It appeared to the mission through discussions with and actions of the Government that there is no clear agreement between the Bank and the Government on the objective of the project. The Government appears to regard the project as a means of temporarily relocating families from central city squatter settlements and urban renewal areas, and that squatter settlements in Dakar should be completely eradicated. Moreover, it would appear that the positive response of the Government's in March 1971 toward shifting funds from OHLM to the site and services has been reversed. However, as the mission was unable to discuss the project with the Prime Minister and the Minister of Finance it was not able to discern whether this is due to the lack of information or the product of informed deliberation (see paras. 10-14).

5. The Government has taken no decision yet on the institutional arrangements for the implementation and management of the site and services program. The mission suggested that the Government consider using Office d'Habitation a Loyer Modere (OHLM) for the implementation and management of the program. Given the scarce resources of Senegal in skilled manpower



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and capital, it appears preferable to use an existing agency rather than establish a second one to function in the same investment sector. Although this had also been the previous position of the Government, both the Director of Urbanism and Housing (Director UH) and the Director of OHLM are presently opposed to the idea. The Director UH appears to favor the establishment of a second public agency (see paras. 16-24). The mission asked the Secretary for the Plan<sup>1/</sup> that this issue be discussed at the ministerial level of Government and that the decision either to use the OHLM or to create a new agency be communicated to the Bank.

6. Some progress has been made on the technical aspects of the project, however, the Director UH seems to have worked in isolation without consulting the other agencies directly concerned with aspects of the project, i.e. the Directorate of Energy and Hydraulics for questions related to water, sewerage and electrification, the Ministry of Education for the primary school facilities and the Ministry of Health for the health clinics. Consequently, the standards and the costs adopted for various elements of the project are generally too high, as they are based on misinformation, and ideals expressed in the national development plan. The mission again advised that all agencies concerned with the project be involved in its preparation. At the mission's request, the Director UH agreed to prepare the preliminary engineering including cost estimates for the first 100 ha of the project in Dakar and for the first 15 ha in Thies, by October 15, 1971. The NEDECO Water and Sewerage Master Plan for Dakar, which included recommendations for the site and services program and which was previously expected in July 1971 is now due at the end of August (see paras. 25-34).

7. No progress has been made on the formulation of mechanisms for the management of the project. The Director UH was unable to obtain the components of the consultants BCEOM<sup>2/</sup> study needed for project preparation as early as expected. Completion of the entire BCEOM study is expected by the end of December 1971 and the section on socio-economic conditions in September 1971. The survey of characteristics of existing low income shelters in Dakar and artisans in the construction trade which the Director UH had proposed to undertake in April has not been started. The mission asked the Government to prepare proposals on the various managerial aspects and agreed to further develop its own suggestions (para. 35).

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<sup>1/</sup> Secretary for the Plan (Secrétaire d'Etat au Plan): this is the Cabinet level post responsible for national development planning.

<sup>2/</sup> BCEOM: Bureau Central d'Etudes Pour les Equipement d'Outre-Mer.

8. Given the present status of project preparation and the apparent variance in objective between the Bank and Government, the mission advises that the tentative date set for appraisal, October 1971, cannot be met. The next step will be to obtain from the Government during the Bank's Annual Meeting the results of requested Bank action (see para. 9).

C. RECOMMENDED BANK ACTION

9. The mission recommends that:

- (a) The Bank should write the Government (see Annex I for text of letter) advising it of the mission's findings and requesting:
  - (i) an agreement on the objectives of the site and services program as stated in para. 12;
  - (ii) an assurance that the Government will develop a national policy and program on habitation to be included in the next 4-year National Development Plan (1973-77) (see para. 13);
  - (iii) assurance that the Government will make resources available for the continuation of the site and services program after completion of this contemplated project. In this respect the mission suggests that one way to achieve this is by having the rents of OHLM in future operations reflect the actual costs of construction and management of the units (see para. 15), thus reducing the need in the long run for annual budgetary allocation to OHLM and freeing the resources for the site and services program;
  - (iv) a decision on the institution that will be in charge of the national site and services program (see paras. 15-24);
  - (v) a decision on the land to be reserved for the project in Dakar (see paras. 26-30);
  - (vi) submission of General Development Plans, preliminary engineering and cost estimates for site and services in Dakar and Thies including cost estimates for the project by October 15, 1971 (see paras. 31-34);
  - (vii) concrete proposals on the mechanisms for the management of the project (see para. 35).



- (b) Discussions should be held with Senegalese representatives to the Annual Meeting to obtain decisions on the issues (i) to (v) above.
- (c) The project staff should:
  - (i) continue with the collection and analysis of information (social and technical) as it is made available by Government and consultants;
  - (ii) work in close collaboration with the U.N. Centre for Housing, Building & Planning to integrate their proposed technical assistance within the project (ref. paras. 12, 20);

D. OBJECTIVES OF THE SITE AND SERVICES PROGRAM

10. The dossier on the proposed site and services project submitted to the Bank mission by the Government of Senegal in September 1970, contained what appeared to be a realistic program aimed at solving part of its problem of rapid and considerable urban growth. A memorandum was subsequently submitted to the Loan Committee stating the rationale for Bank lending for site and services type projects and, in particular, recommending that the Bank proceed with an exploration of the proposed Senegal project. In March 1971 a mission expressed to the Government, through the Office of the Minister of Public Works, Transportation and Urbanism (PWUT), and the Director of Urbanism and Housing (Director UH), the Bank's interest in assisting Senegal to establish a national program for site and services through the means of a project.

11. The mission also explained the Bank's objectives in undertaking such a project, i.e., to initiate a program designed to meet the needs of lower income groups for housing and related urban infrastructure at a much lower cost than possible through the conventional public housing programs, and the consequences which concurrence with this objective would have for the Government housing and urban development policy; i.e. that

- (a) a serious commitment to a site and services program would probably require a shift in public investment in programs of habitation from existing programs which provide housing and related facilities whose standards are comparable to those in developed industrial countries; and
- (b) a site and services program should be combined with a program aimed at the improvement, and not the eradication of existing low income urban settlements (in the main, shantytowns).

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Both the Minister of PWTU and the Director UH expressed immediate agreement with (a) above, but reluctance on (b). However, the Director UH later in our discussions, after apparently giving some thought to the argument offered in support of the latter proposal, stated that he agreed with it, and would advise higher officials in the Government of his and the Bank agreement; namely, the Secretary for the Plan, who was absent, and the Prime Minister, whom he serves directly as a technical adviser.<sup>1/</sup>

12. Through discussions and actions of the Director UH and Minister of Plan (see paras. 26-30) during this most recent visit to Senegal, the mission was given the strong impression that no clear agreement existed on the objectives of the site and services project between the Bank and the Government. However, it was not possible for the mission to meet either the Prime Minister or the Minister of Finance to determine to what extent this lack of concurrence on the objectives is due to lack of information at the ministerial level of Government or the product of a position arrived at through informed deliberation. During the discussions with the Secretary for the Plan, who along with the Prime Minister and Minister of Finance are the key decision makers in this matter, it appeared quite clear that he had not been informed by the Director UH of the Bank's reasons for involving itself in the project. He perceived the project to be an interim solution to accommodate families being relocated from eradicated central city squatter settlements and urban renewal areas, and that eventually all urban dwellers would be supplied with public housing of the type built by the public housing agencies, OHLM and SICAP. This view of the settlement problem is perhaps influenced by a request of the President of the Republic to his Ministers that all squatters are to be cleared from the capital city, Dakar. (However, the Minister of Plan stated that this policy was not irreversible and he would discuss it with the President and the Prime Minister.) It does not result from a clearly defined Government policy on habitation (housing and related facilities), and a comparison of the needs with the resources available to satisfy them. Also during discussions with the Director UH he argued strongly for no shift in public expenditure from OHLM to site and services despite earlier agreement on this issue. In view of this condition it seems imperative to the mission that:

- (a) discussions be held with the Prime Minister, Minister of Finance and Secretary for the Plan in order to explain to them the aims of the site and services approach and illustrate the magnitude of costs implied in attempting to meet the urban habitation needs of Senegal by existing orthodox public housing means or by adopting the site and services approach to meet most of the need;

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<sup>1/</sup> A U.N. mission visiting Senegal in April 1971, subsequent to the Bank mission, has informed us that the Director of Urbanism was in agreement with these principles.



- (b) the Government should be requested to include within its next 4-year Development Plan (1973-77) a clear statement on its national policy for habitation accompanied by a description of the functions of the national agency for programs of habitation and corresponding budgets; and
- (c) in accordance with the wishes of the Government, the proposed United Nations technical assistance (see para. 20) should be initiated as early as possible as an integrated part of a strategy to launch the site and services program as well as to begin to develop means of undertaking a corresponding community development program and a shifting of the Government's middle income housing program towards a more effective and economic basis.<sup>1/</sup>

13. As stated above, concurrence with the Bank objective would probably mean a shift in public investment from public housing (OHLM) to site and services. It is apparent to the mission, for the following reasons, that this shift will have to take place over time in Senegal. First, the Government has to be convinced that they can rely upon site and services for the solution to a main part of their habitation problems, and this will only result from a concrete demonstration of success which will only be apparent over time, 4 to 6 years. Even after discussions at the ministerial level take place and the magnitudes of need and resources are clearly understood, time will still be needed not only to change policy and develop new administrative conditions, but probably also to undertake a Government sponsored information campaign to formulate a positive public image for site and services, particularly among people of moderate income. It is reputed that at present the OHLM type housing is the aspiration of most urban inhabitants. This apparently is not only a desire for housing of high standard but also for housing that is Government supplied. Moreover, at present, OHLM receives annual budgetary allocations from the revenues of a 2% housing tax levied on each permanent salaried worker, and these people apparently feel that this entitles them to access to OHLM housing.<sup>2/</sup>

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<sup>1/</sup> Mobilization of personal savings through mortgage bank system (savings and loans), rather than the present OHLM solution.

<sup>2/</sup> A 2% housing tax is levied on all salaried workers (another 2% is paid by the employer) and produces about CFAF 1.2 billion (US\$4.32 million) a year of which about half goes to the OHLM. The other half of the tax goes to the general budget and its use cannot be clearly identified. Although it could be argued that there is no Government subsidy to OHLM since the annual budgetary allocation comes from the housing tax paid by the beneficiaries of OHLM housing, there is certainly some internal subsidization. Many of the 100-120,000 salaried workers who pay the tax have no hope to ever obtain OHLM housing as the rent levels in OHLM automatically cut out all workers with monthly incomes below CFAF 25,000 (US\$90). In 1968, 64% of the salaries in Dakar were below CFAF 25,000 a month (NEDECO survey).



14. The mission thus recommends that the way to bring about, over time, a shift in public resources committed to OHLM would be to have the OHLM rents in future OHLM operations reflect the actual costs of construction and management of the units.<sup>1/</sup> This should

- (a) eliminate the internal subsidization that presently exists;
- (b) because of the resulting inability of individuals to pay for the unduly high standard of most housing now being built, either bring housing standards down to a level where larger numbers would be able to afford housing or reduce the number of units built. The latter may prevail if in the meantime the site and services program proves successful (i.e. people accept this solution, payment delinquency is low and self-improvement of housing is occurring); and
- (c) eliminate the need for annual budgetary allocation for middle-income housing of OHLM in the longer run when the agency becomes a financially self-supporting entity through rents covering costs.

E. INSTITUTIONAL ARRANGEMENTS FOR THE SITE AND SERVICES PROGRAM

15. The first level of choice among possible institutional arrangements for the implementation and management of the site and services program is between a program unit attached to a ministry, either the Ministry of the Plan or the Ministry of Public Works, Transportation and Urbanism, and an autonomous agency of the public housing corporation type. It is imperative for the success of the program that the institution in charge can count on regular budgetary and staff allocations, and ones that will be used solely for their designated functions. Following discussions on these points with Government officials and others (UNDP resident representative, CCCE resident representative), the mission concluded that budgetary allocation of funds and personnel could not be clearly earmarked or guaranteed a reasonable degree of continuity within a ministry's annual budgetary allocation. Consequently, the mission advised the Government that the program unit alternative be eliminated.

16. Regarding the autonomous agency alternative, there are also two possible arrangements, consisting in (a) using the existing public housing agency, OHLM, modified to carry out all governmental programs in the field of housing and related facilities (middle income housing, site and services and improvement of existing communities), and (b) creating a second autonomous agency specifically for the site and services and community improvement programs.

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<sup>1/</sup> Costs to be reflected in rents are for individual housing units, public utilities, local service roads and landscaping within a planned unit development.



17. The mission suggested that the Government consider using the OHLM for the implementation and management of the program. Given the scarcity of capital and skilled manpower, it would appear preferable to use an existing agency rather than establishing a new one. The creation of a second agency would involve duplication of some services such as top management, technical and accounting departments, and an inefficient use of capital investment in buildings, vehicles, material, etc. It could also lead to undesirable competition for funds and manpower between two agencies operating in the same sector, and could make communication and program coordination in the sector more difficult. Although both solutions of using OHLM or creating a new agency will require Government promulgation of new statutes, it is likely that to prepare a new agency for operation would probably take much more time than to expand the operation of an agency which has been functioning in the housing sector for the last 10 years and has established management methods which, although not directly usable for the project, can provide a base from which to start. Other advantages of having a single agency in charge of all housing and related infrastructure programs of the Government would be the possibility to

- (a) have common policies towards land acquisition and choice of project location, contractors, personnel, and design standards for urban development and housing;
- (b) create programs in between housing and site and services such as the provision of loans for self-help housing construction; and
- (c) develop joint public housing and site and services projects.

18. Within this agency, it will be necessary to guarantee the autonomy of the site and services program. Consequently, the mission suggested that the structure of the OHLM be modified and that two separate divisions be created, one to handle the middle and moderate income housing program, and the other to handle the site and services and community improvement programs. The two divisions would have separate accounts, although both would be administered by a common accounting office. The technical services involved in engineering and architectural studies, and the contracting and supervision of construction would also be common to the two divisions. An advisory committee formed by representatives of the communities would be created to advise the site and services and community improvement division. Representatives of this committee should sit on the Board of Directors (Conseil d'administration) of the OHLM.

19. Although the use of OHLM would appear to have a considerable advantage in terms of efficient use of skilled manpower, capital and time, there are certain reasons why it may not be practical. One is the

opposition of both the Director of OHLM, and during this most recent mission, and the Director of Urbanism.<sup>1/</sup> The main arguments of the Director of OHLM against placing the program in his agency are:

- (a) The shortage of qualified personnel which, he says, he faces already in undertaking his present task;
- (b) the fear that OHLM's financial position would be jeopardized if, as he expects, the rate of delinquency in the payment of rents or fees from the site and services program is high, and therefore as a consequence OHLM could no longer borrow externally for its housing program. The main lender besides the National Bank is the French Caisse Centrale de Cooperation Economique (CCCE);
- (c) the program will be directed at a totally different group of people than the present OHLM program. At present, the OHLM program provides housing for people on regular salaries only (from which a 2% housing tax is collected) and in 80% of the cases, rents are deducted directly from their pay-checks. The sites will be open to everyone and different methods of rents and fees collection need to be devised. The Director of OHLM has little confidence that it will be possible to make the users of the sites pay;
- (d) the sheer size of the program, with the sites rapidly outnumbering the housing units and thus requiring a management system of their own; and
- (e) a modification of the purpose of the OHLM (which is to provide housing for salaried heads of households only) would be strongly resisted by the unions of salaried workers who regard the OHLM as their agency. The salaried workers contribute to the operation of the OHLM through a 2% housing tax on their salaries (see page 7, f.n. 2).

20. Regarding the availability of personnel, the mission stated that the U.N. had already offered technical assistance for the program and that such assistance could be augmented through the Bank loan if necessary to ensure the success of the program. Finding Senegalese counterparts will be a difficult problem, but this will be the case whatever institutional form is used for the program.

21. In relation to the Director's fear for the borrowing capacity of OHLM, the mission discussed the institutional issue with Mr. Mery, the resident representative of the CCCE. Mr. Mery stated that he also thought it would be better to use OHLM for the site and services program rather than creating a new agency, and he did not foresee any problem in further lending to OHLM arising from this institutional change. However, he said he could understand the reluctance of its Director in view of the somewhat expanded programs the OHLM expects to undertake in the coming two years to catch up with the national development plan objectives (1,500 units per year instead of about 1,000 to date).

<sup>1/</sup> The proposal in the initial Government description of the project and the proposal of the Director of Urbanism during the March 1971 mission were for OHLM undertaking the national site and services program.



22. Regarding the managerial aspect of the program and, in particular, the question of rent or fee collection, It is obvious that a system will have to be devised specifically for the site and services and community improvement. Experience in other countries suggests that the system should be decentralized and rely on local community groups. The sociological information needed to make recommendations for the use of community groups has not yet been developed. Hopefully, the sociological study conducted by consultants BCEOM and expected in September will contribute information on this component. The mission also asked the Government to develop proposals.

23. Regarding the political problems that could arise out of a change in the purpose of OHLM, it was not possible for the mission to appraise the judgement of the Director of OHLM.

24. The mission asked the Secretary for the Plan that further discussions be held at the ministerial level of Government on this institutional issue and that the decision either to use OHLM or to create a new agency be communicated to the Bank. The mission mentioned to the Secretary for the Plan that if the Government should decide on a new agency, the Bank would expect the Government to prepare draft statutes for such an agency before appraisal.

#### F. TECHNICAL AND ENGINEERING ASPECTS OF THE PROJECTS

##### i. Choice of Regional Capitals

25. Following its visit to Senegal in March the mission recommended to consider Thies and Kaolack as the two regional capitals besides Dakar that would be included in the project. After discussions with consultants NEDECO in July, it appears that Kaolack's water supply is limited and the prospects for inexpensive additions to this supply are not good. Also the Director of Regional Development of the Ministry of Plan gave the mission a recently prepared report on the proposed urban hierarchy for Senegal which the mission must study before a final recommendation can be made on the third city to be included in the project.

##### ii. Project Location in Dakar and the Regional Capitals

26. Dakar - Of the 400 ha that are proposed for Dakar urban area, the Director UH has proposed to assign to the project 300 ha in the area of immediate urban expansion west of the suburban town of Pikine, and the other 100 ha at some 15 km from the city center east of the suburban town of Pikine. The mission accepted the location of the 300 ha west of Pikine as suitable for the project. However, because the people that will live on the sites will be of low income, and highly dependent upon the city for their jobs, the mission stated clearly that unless the Government could give convincing assurances that jobs would be created in the area proposed for the remaining 100 ha and that a convenient, rapid, and cheap public transport connection to central Dakar would be developed, the Bank would not be able to consider this location satisfactory for the project.



Experience in other countries has shown that where the two conditions above are not satisfied, the people that were located on sites more than some 15 km from the city rapidly abandoned the sites and returned to the central city. In response to this criticism, the Government stated that the people that were moved from downtown Dakar to Pikine, about 10 km from downtown, generally stayed there and that only few had filtered back to the city.

27. When asked why it was not possible to have all the 400 ha for the project west of Pikine, the Director UH referred to "urbanism constraints," and the need to mix various types of residential areas such as private and public middle income housing and site and services. The mission agreed fully upon the desirability of mixing various types of residential development to avoid large concentrations of low income people; however, it indicated that the proportion of the mix should reflect the possible relative magnitude of each type of development. When asked to indicate the future use that had been designated for all land reserves between Dakar and Pikine, the Director UH indicated some 840-1100 ha (some 260 ha are still occupied by the military) reserved for private and public housing versus the 300 ha for site & services. A quick estimate by the mission of the relative needs for both types of residential settlements indicate that the 840-1100 ha would provide for some 15-20 years of private and public housing expansion, while the 300 ha reserved for the site and services would be absorbed in about 3 years.

28. This discussion on land reserves for various types of residential settlements clearly indicates that the Government still considers the site and services program as a temporary solution to accommodate people, and thinks that land contiguous to existing urban development should be reserved for public housing which is still considered as the ultimate solution for everyone.

29. The mission discussed this issue with the Secretary for the Plan and asked that the Government give further consideration on the matter of land reserves for residential development in the Dakar urban area, in relation with the Governmental housing policy and program and the respective needs for various types of residential settlements and advised him that the total 400 ha should be located to the west of Pikine.

30. Satisfactory locations for the project have been determined in Thies and Kaolack and in both cities they are close to main transport routes and employment (industrial zone in Thies, port in Kaolack) and contiguous with existing urbanized areas.

### iii. The General Development Plan

31. The mission asked the Director UH to prepare a General Development Plan for the site selected in Dakar and Thies. This plan should indicate the proposed location of the major commercial, industrial, social and recreation centers, the main arteries and a description of the



public transport system, and the relation of these centers and transport network with the existing centers and transport network of the city. The Director UH promised to have these plans ready for October 15, 1971.

iv. Preliminary Engineering

32. The mission asked the Director UH to prepare the preliminary engineering for about 100 ha in Dakar and 15 ha in Thies (amounts corresponding to about one-quarter of each development). The cost for the whole project will then be extrapolated, since the land in Dakar and Thies is uniform in character. The Director UH promised to have this preliminary engineering and the corresponding cost estimate ready for October 15, 1971.

33. Agreement was reached on the technical characteristics for various components of the project. The most important points are the following:

- (a) the densities will be of the order of 30-35 lots/ha. According to the estimate of consultants NEDECO, at this density there is no need to provide for a storm drainage system.
- (b) the open space and landscaping will be concentrated around the fountains rather than distributed along street rights-of-way.
- (c) the preliminary engineering will be done on the basis of 25% of the parcels individually connected to water and sewerage. According to NEDECO, this percentage of private water connections is the estimated minimum needed to ensure the proper operation of a sewerage system which appears to be the least cost solution.
- (d) regarding electrification, the mission asked the Director UH to define with the Directorate of Energy and Hydraulics the service zone in which the proposed site is located and estimate cost accordingly.
- (e) regarding primary schools, the cost given to the mission appeared too high and the mission asked the Director UH to discuss with the Ministry of Education the possibility of having the local inhabitants build their own schools on the site reserved in the project. In such case, the cost of materials would be only some 40% of the cost given for the schools. The number of classes to be built during the course of the project will depend upon the availability of teachers. An agreement on the number of teachers that will be assigned to the project area should be reached with the Minister of Education.

- (f) regarding health facilities, representatives from the Minister of Health were not available to meet the mission, but the remarks pertaining to education also apply for health. The number and type of health facilities to be built will depend upon the availability of personnel to operate these facilities. The mission asked the Director UH to reach an agreement on this matter with the Minister of Health.

34. In general, the mission found that the project preparation had not advanced as fast as expected. In particular, concerning the last three elements above, electrification, education and health, the Director UH had not consulted the respective directorates. Regarding the latter two elements, he had simply extracted the general standards proposed in the 3rd National Development Plan. For health and education, it is proper to use the Plan's standards to reserve space for building these facilities over time, but not for calculating the cost of the project since only part will be built immediately and the remainder spread out over time, the exact period depending on shifts in society's and the local community's incomes. The mission pointed to the need for the Director UH to involve all other Government services concerned by the project in its preparation.

#### G. MANAGERIAL ASPECTS OF THE PROJECT

35. There are a number of managerial aspects on which decisions will have to be made before appraisal, i.e. the method of selecting people that will receive the lots, the land tenure and occupancy system, the means of collecting rents and fees, the maintenance system, the organization of communities, etc. None of these matters were discussed by the mission given (a) the problems encountered on the fundamentals of the project discussed above (see paras. 11-15), (b) the fact that the Government had no concrete proposals on any of these points, and (c) the inability of the mission to meet with people undertaking social research to discuss these issues. In the closing meeting, the mission recommended that the Government prepare proposals on all these points and that the Bank would assist by doing the same on its side. The BCEOM study, due at the end of December 1971, should give recommendations on the question of land tenure and rent and fee collection. The NEDECO study expected for the end of August 1971 should have recommendations for water pricing and collection of water fees. At present, water is distributed free at the public fountains.

#### H. PROJECT RELATED ISSUES

36. The mission met with Mr. Loic Hervouet, Project Director of the UNDP Industrial Development Project with the Societe Nationale d'Etudes et de Promotion Industrielle (SONEPI). Mr. Hervouet explained to the mission the work of SONEPI and mentioned a quick preliminary survey that SONEPI had done in the Pikine area to identify artisans that would have the capabilities to develop into small industrialists if they were



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provided with some financial and technical assistance. Some 20 candidates have been identified and SONEPI would need some 5 ha of land at a cost below 500 CFAF/m<sup>2</sup> (\$1.80/m<sup>2</sup>) to install them. Although a site had been previously offered to SONEPI in Pikine, no development has occurred yet, and the possibility of including this development or a subsequent one within the project is recommended.

#### I. FINAL MEETINGS

37. At a summary meeting on July 30 with the Director of Cabinet of the Secretary for the Plan, the mission highlighted the following issues which had emerged from the discussions with the Directorate of Urbanism and Housing:

- (a) The mission is not convinced that the objective of the Government and those of the Bank in undertaking the project coincide and thus recommends that the Government express clearly its housing policy in terms of an estimate of the needs, the objectives it wishes to attain and the programs needed to attain them.
- (b) Discussions should be held at the ministerial level of Government to define a Government position on the institutional framework proposed for the site and services program.
- (c) Discussions should be held between the Ministries of Plan and Public Works to define a position regarding land reserves for residential development in the Dakar urban area consistent with the housing policy of the Government (a above).

These issues were discussed again with the Secretary for the Plan on August 1 who promised to air them with other members of Government and communicate the Government position to the Bank no later than at the Annual Meeting in Washington at the end of September 1971. The Secretary asked that these issues on which the Bank would like to have a Government position be confirmed by letter (see Annex I for text of this letter).

38. In a separate meeting with the Director UH the mission restated its request that General Development Plans and Preliminary Engineering including cost estimates for some 100 ha in Dakar and 15 ha in Thies be developed for October 15, 1971. The Director agreed that this was possible. The mission also asked him to develop proposals for the managerial aspects of the project, and to send to the Bank other information requested by the mission (see annex to the letter in Annex I).

JYenny/LMoss/dd/nom

Cleared with and cc: Mr. Kirmani

cc: Messrs. Chadenet, Baum, King, Rovani, Engelmann,  
Lee, Lithgow, Sadove, Lind, Bohr, Dunkerley,  
Iverson, Elkouby, Venkateswaran, Paijmans,  
Meda



English Translation of Letter to:

Mr. Ousmane Seck  
Secretary of State for the Plan  
Dakar, Senegal

August 20, 1971

Dear Sir:

I want to thank you very much for the assistance given by members of your Cabinet and other Ministries to Messrs. Yenny and Moss during their recent mission to Dakar.

The purpose of this mission was to review the status of preparation of the site and services project, "Parcelles Assainies." Please find the conclusions of their report in the Annex attached. It seems from this report that while some progress has been realized in the preparation of the project and notably its technical aspects, a certain number of unresolved problems remain for which solution would depend rather on the Council of Ministers. You will find in this Annex details on

- (a) the objective of the site and services project which must enter into the framework of the Government's habitation policy. In this connection, it seems that the mission has been sufficiently clear in its explanations of the Bank's intentions in this project;
- (b) the institutional aspects associated with considerations on the various alternatives regarding management; and
- (c) the sites chosen for the project supported by justified arguments.

We take note of your cable of August 17 informing us that Governmental decisions on this project are to be sent shortly. In regard to our conversations at the time of the Annual Meeting, it would be desirable if decisions are taken, particularly on the first points (from "a" to "e") of the summary in the Annex.

In the event that the Government wishes it, we plan on sending a mission at the beginning of September. A cable on your part in this regard would be greatly appreciated.

We are sending a copy of this letter to Messrs. the Prime Minister, the Minister of Finance, the Minister of Public Works, Transport and Urbanism, and the Director of Urbanism.

Best regards.

Roger Chaufournier  
Director  
West Africa Department

Annex

P.S. The mission foreseen for the beginning of September has as its goal aid in the preparation of the General Development Plans and preliminary engineering.

PROJECT OBJECTIVES

1. As stated by the March mission, the Bank objective is to aid in the development of a national program designed to meet the needs of lower income groups for shelter and related urban infrastructure at a much lower cost than possible through the conventional public housing programs. Further, the Bank conceives the site and services type project as

- (a) a major contribution to the solution of the urban extension and housing problem faced by the rapidly growing cities of many developing countries and not only as sites for the relocation of low income strata of the population displaced from their central city settlements (typically shanty towns); and
- (b) a solution that can be upgraded in situ over time, by the combined effort of the individual settlers and the Government as the economic conditions of the country improve, rather than a temporary solution that will eventually have to be demolished and replaced by public housing.

2. As stated by the mission, the concurrence with these aims would mean that

- (a) a serious commitment to a site and services program would probably require over time (à terme) a shift in public investment in habitation (habitat) from present public housing programs to the site and services program; and
- (b) the site and services program should be combined with a program for the improvement and not the systematic eradication of the lower income settlements (bidonvilles et irreguliers).

3. Taking into account the fundamental characteristics of these aims and their implications for the Government housing policy, it is evident that a decision in this matter be taken by the Council of Ministers. It would be recommended that a governmental housing policy be clearly defined and included in the next national Development Plan (1973-77).

4. To this effect, we would like to receive from the Government a statement of agreement with the objectives of the site and services project given above and an assurance that the Government will develop a national policy and programs on habitation to be included in the forthcoming 4th Plan.

5. To establish the habitation (habitat) policy, the mission recommends that the Government should

- (a) estimate the total national needs in terms of habitation and then express them by regions and by estimated income groups;
- (b) define objectives that the Government proposes to achieve in satisfying all or part of the needs of different regions and different income groups; and



- (c) define the programs and the budgetary allocations that will be needed to achieve these objectives.

6. As mentioned by the mission, the interest of the Bank in assisting Senegal with the site and services project is to help in establishing a national site and services program that will continue after the completion of the Bank assisted project. We would, therefore, like to have the assurance that the Government will make budgetary allocations in the national development plan and provide the resources needed for the continuation of the site and services program after completion of the contemplated project. In our view, the best way to achieve this is to make the rents of OHLM housing in future operations reflect the actual costs of construction and management, thereby reducing in the long run the need for annual budgetary allocation to OHLM and freeing resources for the site and services program. NOTE: The cost of construction should include the costs of land, individual housing units, public utilities, local service roads and landscaping within a planned unit development.

#### INSTITUTIONAL ASPECTS

7. Regarding the institution that will be in charge of the implementation and management of the national site and services program, the mission recommends that the Government consider using the OHLM, rather than creating a new agency. The creation of a new agency would involve duplication of some services such as top management, technical and accounting departments and an inefficient use of capital investment in office buildings, vehicles, material, etc. It could also lead to undesirable competition for funds and manpower between two agencies operating in the same sector and could make communication and program coordination more difficult. Other advantages of having a single agency in charge of all housing and related infrastructure programs of the Government (i.e. middle income housing, site and services, community improvement) would be the possibilities of formulating

- (a) programs in between housing and site and services such as the provision of loans for self-help housing construction;
- (b) joint public housing and site and services projects; and
- (c) common policies toward land acquisition and choice of project location, contractors, personnel, and design standards for urban development and housing.

8. If OHLM is designated as the responsible agency, its structure would have to be modified and two separate divisions created, one to handle the existing OHLM housing programs and the other to handle the site and services and community improvement programs.

9. We suggest that this institutional issue be discussed at the ministerial level of Government (giving consideration to the reasons for the mission's recommendation) and the decision either to use OHLM or to create a new agency be communicated to the Bank. In either case we would also expect the Government to proceed with the preparation of draft statutes for the proposed institution (this assumes that OHLM statutes would have to be modified if the recommended single agency is used).



### PROJECT LOCATION IN DAKAR

10. Regarding the location of the project in Dakar, the mission advised, in order to meet the stated objectives, all 400 ha should be reserved for the project in the extension zones of Dakar, between Dakar and Pikine. Although the mission agreed fully upon the need expressed by the Director of Urbanism to mix various types of residential development to avoid large concentrations of low income people, it indicated that the proportion of the mix should reflect the possible relative magnitude of needs in each type of habitation. In the area assigned to residential use according to the Master Plan (Plan Directeur) between Dakar and Pikine, 840-1,100 ha are presently being reserved for private and public housing, i.e. OHLM and SICAP; and only 300 ha for the site and services. A preliminary estimate by the mission of the relative needs for both types of residential settlements indicate that the 840-1,100 ha would provide for some 15-20 years of private and public housing expansion, while the 300 ha reserved for the site and services would be absorbed in about 3 years.

11. We would like to have this issue of land reserves for various types of residential development in the Dakar urban area discussed at the ministerial level of Government in close relation with the Government's housing policy and program and the Government's objectives in undertaking a site and services program. The decision concerning the location of the 400 ha for the Dakar part of the project should then be communicated to the Bank. The mission also asked the Director of Urbanism to identify all land having private property titles that will be reserved for the project and determine the cost of the Government of acquiring this land.

### TECHNICAL ASPECTS

12. Regarding the technical aspects of the project, the Director of Urbanism agreed to prepare General Development Plans (Plan Général du Développement) for the site selected for Dakar and Thies, and preliminary engineering (avant projet) including cost estimates for about 100 ha in Dakar and 15 ha in Thies for October 15, 1971. The General Development Plan should indicate the proposed location of the major commercial, industrial, social and recreation centers, the main arteries and a description of the public transport system, and the relation of these centers and transport network to the city. The preliminary engineering should cover all elements of the project, i.e. streets, open space and landscaping, water distribution, sanitation, electrification, primary schools (école primaire) and health clinics (dispensaires). Besides those elements, the cost estimate should include the cost of land, topographical work and earthwork (terrassement).

13. The mission recommended that the various Ministries and Directorates concerned with the project should be more involved in its preparation. The Directorate of Energy and Hydraulics should be consulted particularly on the question of private connections for water and sewerage (branchements d'eaux et d'égoûts) and on the type of service zone in which the project falls. Discussions should be pursued with the Ministry of Education to determine the means of having the inhabitants of the sites build their own primary schools on the sites reserved, as recommended by the mission. An



agreement has to be reached with the Ministry of Education (Directorate of Primary Education) as to the number of primary school teachers that they will provide for the project areas, and the proposed number of classes to be built by the project should be determined accordingly.

14. Representatives of the Minister of Public Health (Santé) were not available to meet with the mission, but the same remarks apply as for education. Agreement will have to be reached on the number of doctors and/or nurses that they will provide for the project areas, and the health facilities to be built by the project should be determined accordingly.

#### MANAGERIAL ASPECTS

15. Regarding the managerial aspects of the project (gestion), the mission has asked the Government to make proposals on the method of selecting people that will receive the sites (parcelles), the land tenure and occupancy system, the means of collecting rents and fees, the maintenance system, and the organization of communities.

#### SUMMARY

16. In summary, we are requesting the following Government actions in order to proceed with the project's preparation:

- (a) a clear statement of the Government objectives in undertaking the site and services program;
- (b) an assurance that the Government will develop a national policy and program on habitation to be included in the next 4-year National Development Plan (1973-77);
- (c) an assurance that the Government will make resources available for the continuation of the site and services program after completion of the contemplated project;
- (d) a decision on the institution that will be in charge of the national site and services program;
- (e) a decision on the land to be reserved for the project in Dakar consistent with the objectives of the site and services program;
- (f) preparation of General Development Plans, and preliminary engineering including cost estimates for 100 ha in Dakar and 15 ha in Thies by October 15, 1971;
- (g) development of concrete proposals on mechanisms for the management of the project by October 15, 1971; and
- (h) mailing of the documents and information requested by the mission and listed in Annex, as soon as they become available.

LIST OF DOCUMENTS AND INFORMATION REQUESTED BY  
THE MISSION OF THE PREPARATION OF THE  
PARCELLES ASSAINIES PROJECT

To be sent to: Messrs. Moss/Yenny, Special Projects Department  
World Bank  
1818 H Street, N.W.  
Washington, D. C. 20433

- 1 - National Budget of Equipment 1971/72 and allocation to Urbanism and Housing Sector(s).
- 2 - Municipal Budgets Dakar and Kaolack if available 1971/72, otherwise 1970/71.
- 3 - Evolution of municipal budgets Dakar, Thies and Kaolack during the last 5 years. Indicate only the totals without disaggregation.
- 4 - Housing Tax: Exact amounts collected during the last 5 years, number of wage earners subjected to the tax during the last 5 years in Cap Vert/ remainder of Senegal. Disaggregation of the tax receipts by income brackets of people subjected to the tax and as a proportion of their salaries. Allocation of the tax receipts to various budget categories: OHLM, Urbanism, etc. Give details of the tax appropriation for the fiscal year 1970/71 and forecasts for the fiscal year during 1971/72.
- 5 - Tax on Fiscal Minimum: Indicate the fiscal minimum for Dakar, the method of collection for non-wage earners, and an estimation of delinquency in the areas of low income settlement of Dakar and Pikine.
- 6 - Census of the artisans prepared by OSA.
- 7 - On the land reserved for the site and services project, census of land titles and price of land (latest transactions).
- 8 - Statistical survey on the artisans in the building construction industry, and study of housing characteristics in low income settlements.
- 9 - Sociological Survey Report of BCEOM consultants.
- 10- Indicate on a map of Dakar the different zones of electric service (zone desservie, zone d'extension, zone concédée).



LIST OF PERSONS CONTACTED BY THE MISSION

Dakar, Senegal

State Secretariat for Planning

Mr. Ousmane Seck	State Secretary
Mr. Diakite	Director of Cabinet
Mr. Mbaye Thioune Wade	Chief, Division of Urban and Rural Development
Mr. Mactar Seye	Director, Projects and Programs

Directorate of Urbanism (Ministry of Public Works, Transportation  
and Urbanism)

Mr. Mousse Daby Diagne	Director
Mr. Gueye	Deputy Director
Mr. N'Diaye	Chief, Planning Division
Mr. Jean Claude Dumont	Technical Assistant

Ministry of Industry

Mr. Louis Dupuy	Director, Energy and Hydraulics
Mr. Loic Hervouet	Project Director - UNDP Industrial Development Project, SONEPI (Societe Nationale d'Etudes et de Promotion Industrielle)

Ministry of Education

Mr. Dione	Director, Primary School Education
Mr. Florese	Technical Assistant, Chief of School Buildings

Office des Habitations a Loyers Moderes (OHLM)

Mr. Bocande	Director
Mr. Vallat	Technical Assistant

CCCE (Caisse Centrale de Cooperation Economique)

Mr. Henri Mery	Director
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UNDP

Mr. Leger	Resident Representative
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ILO

Mr. Bell Deputy Director of Mission

Office de la Recherche Scientifique dans la  
Territoires d'Outre Mer (ORSTOM)

Mr. Verniere Human Geographer

Thies, Senegal

Mr. Bop Local Representative, Directorate  
of Urbanism

Mr. Alphonse N'Daiy Governor of Thies Region

Amersfoort, Netherlands

NEDECO (Consultants)

Dwars, Heederick en Verhey

Mr. A. Velderman Engineer in Charge of Dakar Water  
and Sewerage Master Plan  
Dr. G. A. V. D. Rhoer Economist  
Mr. J. Louwe Kooymans Engineer

Netherlands Economic Institute

Dr. E. H. Mulder Economist  
Dr. B. A. den Twinden Economist

University of Leiden

Dr. R. R. Bergh Sociologist