



## Slum Upgrading and Land-Regularization: Successful Urban Development in Mauritania

*Supported by the World Bank and the Government of Mauritania\**

**SUMMARY:** This urban and peri-urban slum-upgrading and land-regularization project highlights the need for flexible, context-specific and multisector programs, especially in countries struggling with political turmoil and other national issues. A strong partnership between the national government and international donors is particularly important when the major funding is coming from outside the country.

### Background

Mauritania, a drought-prone African country of 3.2 million people — one of the poorest countries in the world — has witnessed one of the highest urbanization rates in the world over the past 50 years. The percent of the population residing in cities and towns increased from just 4 percent in 1962 to 62 percent in 2010, with 35 percent of the current urban population living in slums. About 800,000 people, one-fourth of the country's population, live permanently in the capital, Nouakchott, although substantial numbers of nomadic people often reside there temporarily. The country has endured political instability during the past decade, with the overthrow of elected governments in 2005 and 2008, although civilian government was reinstated in 2009. Economic difficulties brought on by the political situation, the global economic downturn beginning in 2008, declining oil revenues, lower prices for major exports (mostly iron ore, gold and copper mining) and drought have increased unemployment and degraded the quality of life for most citizens, but especially those in rural areas and urban slums. The country's poor economic infrastructure relatively limits the competitiveness of its cities and their ability to benefit from the economies of scale that usually accompany urbanization.

### Objectives

In 2001, the World Bank approved its first urban development program in Mauritania, a \$70 million International Development Association, or IDA, program, supplemented by \$30 million from host

country contributions and other donors, to improve living conditions and promote employment in the major urban centers, principally in the slums, and to strengthen the capacity of institutions for urban and land management. The project components include:

- Support to a 10-year program of comprehensive slum upgrading in Nouakchott and the extension of basic infrastructure and community facilities in 12 regional capitals.
- The Twize (“solidarity” in the local language) program, which is funded entirely by the government, for land tenure regularization and land acquisition, microcredits for home construction or improvement, community development, and employment promotion.
- Technical assistance, training and capacity building for local organizations, municipalities and government administrations.
- Expenses for monitoring, auditing and operating costs of implementing agencies.

## Program implementation

The program was intended to last five years, but the political crisis of 2005 caused the World Bank to suspend operations in the country. The program was restarted and extended in 2006 but was again suspended after the coup of 2008. Implementation began again in December 2009, and the program was extended through mid-2011. Additional financing of \$25.5 million and a further extension to June 2012 were approved in 2011.

The implementing partner for the program is the Ministry of Economic Affairs. Infrastructure contracts are managed by the national agency for public works and the electricity and water networks, and the Twize component is managed by the Technical Research and Exchange Group, or GRET. Program monitoring and auditing is ensured through a Project Coordinating Unit reporting to the World Bank.

## Results

Given the difficult economic and political environment, the program results through 2011 have been significant. Most targets were met, and some were exceeded. More than 163,000 additional people living in the slums of Nouakchott now have access to improved urban services; 6,600 more people in urban areas now have access to an improved water source; and 26,500 have access to improved sanitation. In addition, 17,000 have access to improved drainage, and 11,000 additional people in the regional capital cities have household electricity connections. The program generated more than 100,000 months of employment (more than twice as many as originally projected). Water consumption increased from 15 to 41 liters per person per day (the target is 25 liters), and water prices decreased as expected by 50 percent. More than 80,000 land titles were regularized, 18,250 were registered (the targets are 3,000 each), and central transfers to municipalities increased tenfold, bolstering the government’s decentralization policy. Land taxation changes and municipal tax generation have been more difficult and time-consuming, but the government is fully committed to the process.

**Housing microcredit.** Under the Twize microcredit component, a newly created microfinance institution, Beit el Mal, had generated 148,253 active loan accounts (worth \$15.9 million), and 5,129 people either bought or improved their houses with microloans (68 percent of the target) through 2011. About 70 percent of those taking microcredit loans are women. In addition to providing housing finance, Twize provides technical support to families wishing to upgrade or construct a house by supplying them with materials and equipment, using small local companies for construction work and supervising. Two housing products are offered, a 20-square-meter (215-square-foot) room or a package including a latrine and a perimeter wall around the land.

The housing microfinance loans are targeted to people working in the informal sector — tradespeople, laborers, artisans — whose monthly income is less than \$150. The cost of the typical housing solution is about \$1,500. The state provides a subsidy of about 60 percent of the cost, the credit covers 27.5 percent, and the family contribution is about 12.5 percent. The credit carries a 36-month term at 12



percent interest with monthly payments and may be secured by joint guarantee groups (such as Twize), savings collateral or in an individual guarantee to which the occupation permit is pledged.

The improved infrastructure — streets, lighting, drainage, water supply and sanitation — and the microloans for housing upgrades have significantly improved the safety, health and overall standard of living of those in the target slum and peri-urban informal settlement areas. Improvements to the neighborhood marketplaces and the Twize activities have also provided increased income-earning opportunities for the slum residents.

## Keys to success and lessons learned:

The strong support and active engagement of political leaders and the greater-than-expected financial support of the mayors of the “communes” (districts) from resources made available to them through the Regional Development Fund of the national government, in addition to the World Bank resources, have been critical to scaling up the interventions to a point where the neighborhoods have become much more viable and livable.

In addition, reforms at the national level to promote greater administrative decentralization and to improve urban planning policies and standards and management of land and the environment were essential to the program’s successful outcomes. The improved administrative and technical capacity of local government staff and of community-based organizations through the technical assistance and training component of the program was also deemed essential to increasing the prospects for sustaining the project results over time.

The experience supports a conclusion that comprehensive slum-upgrading projects in a context such as Maruitania’s are very complex, costly, time-consuming and dependent on foreign assistance and that the consolidation of the upgrading efforts and the full asorption of slum areas and peri-urban settlements into the greater urban fabric is a long-term proposition.

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*\*This case study is based on World Bank’s “Project Paper for Proposed Additional Financing to the Mauritania Urban Development Project,” 2010 ; Practice and Innovation in Finance, No. 1, ADA (Appui au Developpement Autonome), 2009; and information provided by the World Bank Project Coordination Unit in Mauritania.*



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