



# UGANDA COOPERATIVE ALLIANCE

## HOUSING COOPERATIVE DEVELOPMENT PROJECT

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# INTRODUCTION; ABOUT UCA

- Uganda Cooperative Alliance was started in 1961 as an umbrella organisation that brings together all cooperatives in the country.
- UCA has been instrumental in ensuring that cooperatives which had long been viewed as extinct are revitalised into the vibrant institutions they are today.



- ***Vision:***

“A strong umbrella organization of prosperous co-operatives with empowered members”

- ***Mission:***

“To provide high quality support services to co-operatives and their members on a sustainable basis”

# About UCA Conti.....

## *Mandate of the UCA*

Uganda Cooperative Alliance (UCA) was set up with three main objectives:

- Advocate for and represent the Ugandan cooperatives in different forums
- Educate and train members and leaders of the cooperative movement in Uganda
- Mobilize resources for the development of the cooperative movement in Uganda

In line with the above mandate, UCA currently provides a range of services to its members, which can be categorized into two:

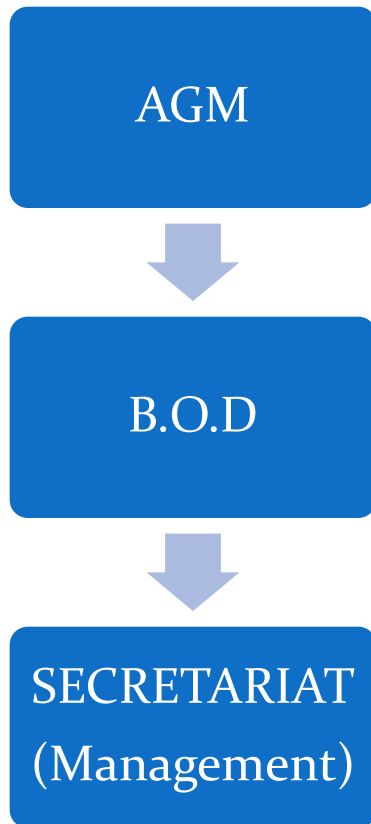
**a.** Advocacy and lobbying

**b.** Institutional capacity building in cooperatives

- The capacity building is done at institutional and member levels, covering various areas such as agricultural production, value addition, marketing, financial services, formation of new types of cooperatives like in **Housing** and the old age insurance OASIS for all members of the cooperative movement.

# Organisational Structure and members

structure



- The structure of UCA is composed of cooperatives from various sectors mainly represented by their unions.
- They are composed of both men and women and this representation is reflected in the societies as well as in the leadership of UCA.
- There is the annual general meeting that is composed of all members at the helm of UCA.
- From the AGM, a board is elected with a chairman that oversees the work of UCA.
- UCA then has a management team led by the General Secretary.

## ***BUILDING SUSTAINABLE HOUSING COOPERATIVES IN UGANDA***

- The Housing Cooperative Development Project focuses on reviving housing cooperatives within Uganda and building capacities of the low income earners to form and effectively manage housing cooperatives.
- The project strives to build capacity of cooperative members with the aim of facilitating access to adequate and affordable housing. In particular, the project seeks to address the main problem of lack of adequate and affordable housing for low income groups.
- The project is implemented in collaboration with the Government of Uganda represented by the Ministry of Trade, Industry and Cooperatives (MTIC) and the Ministry of Lands, Housing and Urban Development (MoLHUD).
- It is currently being implemented in the districts of Mukono, Wakiso, Buikwe and Kampala now (KCCA-Kampala City Council Authority) with plans of expansion to more districts beyond the central region.
- The project is funded by We Effect formerly SCC (Swedish Cooperative Centre)

# ***BUILDING SUSTAINABLE HOUSING COOPERATIVES IN UGANDA***

- ISSBs made by some of the cooperatives
- SFR roofing tiles made by some of the cooperatives.



# Project Focus

The project is working with 11 PHCs that benefit directly from the We Effect support as well as other 6 who mainly received technical support (not direct beneficiaries).

The project focuses on four major outputs namely;

- Capacity building for project staff and housing cooperatives
- Enhanced capacity of cooperatives to negotiate for land and housing finance and apply Appropriate Building Technology.
- Networking, lobbying and advocacy for access to adequate and affordable Housing.
- Mainstreaming crosscutting issues.



# Building sustainable Housing cooperatives in Uganda

- Housing co-operatives benefit from support and expertise in capacity building, lobbying and advocacy from HCDP.
- The Ministry of Trade, Industry and Co-operatives offers technical and legal assistance for the co-ops' legal registration and monitors established co-operatives to ensure compliance with the Act and regulations.
- The Ministry of Lands, Housing and Urban Development (MoLHUD) provides technical support, especially on issues of land acquisition, surveying, verification, titling and construction services. The Ministry is instrumental in ensuring that a supportive housing policy environment exists for co-op housing development and low-income housing development.

# CURRENT HOUSING SITUATION IN UGANDA

- Uganda's population is growing at a fast rate with an estimated population of 37.5 million people. In 2010 the population grew by close to 4%. It is expected that the total population of the country will reach 45 million by 2020. Currently 56% of the population is under 18 years old.
- In 2012, 14% of the total population (5 million people) - was living in urban areas. This represents an increase of more than 6 times from the 0.8 million in 1980. UN Habitat states that 93% of the urban population lives in slums.

# Housing Situation continued....

- According to the Commissioner, Human Settlement at the Ministry of Lands, Housing and Urban Development, Uganda's housing backlog is 720,000 units, with a current production of 20,000 to 30,000 units annually and shortfall of 120,000 units per year. With urbanization and the expected population growth, it is expected that in 20 years, the country will have a housing deficit of nearly 8 million units, with 2.5 million alone in urban areas.
- The Uganda National Households Survey (UNHS) indicates that, in 2009-2010, 25% of the population lived below the poverty line and the working poor represented 36%. Over 79 % of the working population was self-employed.
- The **National Budgetary allocation towards housing** is less than 0.024% of the entire budget and this is spread to include infrastructure like roads, water among others.

**Figures from Ministry of Finance, Planning and Economic Development, Approved Budget Estimates 2011/2012 (2011)**

**Note:** Out of the UGX 19 billion allocated to Ministry of Lands, Housing and Urban Development in FY 2011/2012, UGX 2.4 billion shillings was allocated to the Housing Directorate. (Source: Uganda Human Rights Commission Report 2011; pg 121)

Financial year	2009/2010	2010/2011	2011/2012
Percentage of National Budget	0.0272	0.0281	0.0242
Amount in UGX (Billions) allocated to Directorate of Housing	2.0	2.1	2.4

# Housing Situation continued....

- Progress is being made. The Housing Policy has recently been reviewed and it now recognizes housing co-operatives as a way to deal with the housing deficit within the country.
- The current review of the Land Act would, if implemented, facilitate the acquisition of land by housing co-operatives. The Act and the Policy aim to provide an enabling environment for housing co-operatives to grow and thrive.  
They address issues such as accessing housing finance and a more friendly land legal system for housing co-operatives.

# CHALLENGES WITHIN THE PROJECT AND HOW THEY HAVE BEEN MANAGED

- Attitude towards Cooperative housing; Attitude takes such a long time to change and this has been one of the major challenges during the project implementation. The individualistic prestige around owning a house among the target group is one culture that still remains.
  - However, with intensive capacity building coupled with awareness raising as well as public awareness campaigns, this is changing gradually.
- Low savings for Members. The PHCs are not saving as was agreed amongst them. This may be attributed to the low incomes. Most of the money that they earn is channelled to more urgent need like health and education as well as food for their families. What would have remained goes for rent! Averagely, less than quarter of the membership saves quarter of the amount that was agreed upon by the members every month
  - The project has conducted trainings on IGAs to assist the coops to save towards their housing. This, however, has not been successful across all the coops. It has been adopted by a few of the coops.

# Challenges continued.....

- The difficulty of accessing funds and the lack of appropriate financing mechanisms are a major challenge. According to the Uganda Human Settlement Network, 62.3% of 5.2 million households have no access to financial services. Out of those who do, only 0.62% can access a mortgage loan from commercial banks, while the remaining can access micro-finance loans from Micro Finance Institutions and Savings and Credit Co-operatives (SACCOs). There is no financial assistance from the Uganda government towards the development of housing co-operatives.
- *Availability of services, materials, facilities and infrastructure.* To ensure the health, security, comfort, and nutrition of its occupants, an adequate house should have sustainable access to natural and common resources, safe drinking water, energy for cooking, heating and lighting, sanitation and washing facilities, means of food storage, refuse disposal, site drainage and emergency services.

# Challenges and how they have been managed

- Members are growing weary of saving without reaching their set targets. This may be attributed to poor attendance in member meetings as well as low savings and other factors. This, members have been encouraged to keep saving putting in mind their Strategic plans which range up to 5 years with a hope that they will get there. Also, some cooperatives (6) of them have come up with Income Generating Activities which are helping them to meet their cooperative dues after sale of the products that they produce.
- The project staff have embarked on Resource mobilisation strategy which will be handled together with the union. This delayed given the fact that the cooperatives had not yet put their books and 'houses' in order more so on the fact that mobilising resources for individual PHCs would be tactical. However, with the union, it will be easier to source for funding as one body comprising of a number of PHCs.



# OPPORTUNITIES

- Formation of Uganda Housing Cooperative Union
- Government Support
- Growth in popularisation of the concept across all income levels to include institutions and other income levels (middle and high)

# LESSONS LEARNT & RECOMENDATIONS

- Through the past years of this project life, one lesson learnt is that the Housing cooperatives need to have other activities that can keep the momentum if they don't the members grow weary and participate less in activities. Some members have left owing to the fact that they do not see much progress within their PHCs besides meetings.
- ❖ PHCs have come up with business plans to ensure that all members are actively involved. This weighs more on the members given the fact that low income earners have alot of priorities out of their meagre income say; health and education that some became weary saving for a house.
- It is also very important that UCA keeps in touch with the PHCs in order to keep them focused and encourage them to meet regularly and in turn attend their meetings as well as save towards their housing. Members feel attached to someone and are therefore responsible to them in this case, UCA. The member become accountable to someone not within their group yet is a part of them.

# LESSONS LEARNT & RECOMENDATIONS

- The housing cooperative members still need to have regular review trainings as they forget some of the issues. It is also true that PHCs as they mobilise, get new members who need trainings after a given period of time to ensure participation.
- ❖ With the Housing Union now in place, UCA will work with the Union, build its capacity to take on such roles.
- The economic pressures have had an impact on the members' incomes and as such we have seen low savings. This means that the set objectives may not be met within the targeted time as per their strategic plans. As members struggle to deal with increased prices of consumables and services including building materials especially cement, this has slowed down the process of production of building materials for sale by those cooperatives involved.
- However, this is still coupled with member commitment to some extent.
- As the numbers grow it will become increasingly harder to keep in very close contact with all the PHCs regularly and as such there will be a slower response to the concept by the new PHCs. However, with the union formation, there will be more support.

# LESSONS LEARNT & RECOMENDATIONS

- Partnerships and Networks; The success that the project has registered is attributed to the continuous support to the housing cooperatives from the staff as well as partners (Ministry of Trade, Industry and Cooperatives as well as Ministry of Lands, Housing and Urban Development), SSA:UHSNET-Uganda Human Settlement Network and other technical resource people. Coordination of the project and its implementation has largely been favored by such partnerships where government has made commitments towards improving the housing condition birthed out of these networks.
- Increased Advocacy for government to allocate resources towards Housing and Housing cooperatives in general. This will be achieved more through the partnerships that exist and or be formed.
- The issue of Livelihood is very important to low income communities to enable them supplement their incomes and therefore their savings towards housing. However, this needs to be done with emphasis on the PHCs to save for their housing without diverting resources to other needs. It is important that the groups carry out activities that can generate extra income to boost their savings.

THANK YOU