

# WINDHOEK LOW-INCOME HOUSING PROGRAMME

## QUARTERLY PROGRESS REPORT 1

### "FIRST STEPS"



Submitted by:  
**SUM-McNamara Consultants**  
to  
**National Housing Enterprise (NHE)**

March 1993  
Windhoek, Namibia

*This belongs to  
A. Walton.  
SUM-McN. Cons.*

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## **Annexures**

**Exchange rate (March 93): DM 1.00 = Rs 1.80**

## ANNEXURES

- 1/A Minutes of Meeting - KfW Mission
- 2.1/A Manual of operations
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- 2.1/D Starter solution plans and cost estimates
- 2.1/F Correspondence regarding land for cty.centers
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- 2.2/A NHE's application for land, core-house project
- 2.2/B Correspondence related to plot size
- 2.2/C Report on cost estimates for land development
  
- 2.3/A Minutes of initial LGF meeting
- 2.3/B Draft contract and rules of operation for LGF
  
- 3.1/A NHE's organizational chart
- 3.2/A NHE's letter regarding future appoint. of CDW
- 3.7/A Report on NHE's resource center
  
- 4.3/1 Letter fom CHF on NGO's involvement on WLIHP
  
- 6.1/A Balance on Disposition Fund at 280293

INTRODUCTION

This Quarterly Progress Report 1 is submitted by SUM-Mc Namara Consultants to the National Housing Enterprise, with copies to the Ministry of Local Government and Housing and to KfW in accordance to the Paragraph 2.2.3 of the Consulting Contract dated July 16th, 1992. It covers the progress of accomplished in the first quarter of the Implementation Phase, from the 1st of January through the end of March 1993.

On December 7th, 1992, the NHE submitted an Inception Report to KfW, where substantial modifications to the previously agreed Otjomuise Project were proposed. The superior/longer term goal was defined as:

"Improve the living conditions of low-income households through replicable and sustainable housing "development within the framework of the National "Housing Policy"

The objective of the revised project was defined as:

"Improve access to housing for low-income groups, "applying new approaches and encouraging the "participation of the community, public and private "sectors"

Two indicators were established to measure the success after implementation:

- i) Within two years at least 1,200 households with monthly income up to 3 PHSL have improved their housing situation.
- ii) Financial obligations are met: arrears of loans and municipal charges are less than 20 %.

The Windhoek Low-Income Housing Programme includes three projects, aimed at making it affordable to beneficiaries with different income levels: i) An urban and housing improvement project for resettlement and squatter areas; ii) A core-house project, and iii) A loan guarantee fund project to encourage the private sector in providing housing finance for low-income households. Two innovative components, a Community Development Programme and a Building Material Revolving Fund, will support the implementation of the first two Projects.

On December 21, 1992, KfW communicated to NHE its agreement to the proposed Programme, enabling NHE to initiate the Implementation Phase. As key NHE's personnel involved in the Programme's Inception Phase left the Corporation at the beginning of the year, the start of execution, envisaged for January 1993, was slowed down. NHE appointed a Project Coordinator who assumed his duties on February 1st.

From February 14 to 20 a KfW progress evaluation mission visited Windhoek to discuss the Programme with Namibian institutions involved. The mission was instrumental in helping clarify the subsidy issue and putting on the table the question of plot size for the core-house project. It also formulated a critical evaluation of the organization of work, specially regarding the work schedule and institutional arrangements, suggesting several adjustments. In addition, the mission discussed the preparation of a second housing project for Namibia with NHE. Conclusions of the mission were stated in the Minutes of Meetings signed between NHE and KfW, copy of which is attached as Annex 1/A.

The Inception Report established the basic concepts and objectives of the Programme, defined the main activities and outlined strategies for implementation. During the first quarter the project team concentrated in defining the "nuts and bolts" of execution, adjusting the steps, procedures, logistics and personnel required for the implementation of each component.

The Progress Report will state the progress of each component, identifying problems and bottlenecks; establish a detailed work programme for the execution, with emphasis on next quarter activities, give details on the organizational, administrative and logistic set-up and the relation with other institutions involved; propose a revised assignment of consultants and record the disbursements of the quarter.

The following persons have been involved in the first stage of execution. From NHE:

Mr. Axaro Tsoわせb,	Chief Executive Officer
Mr. Louis Fick,	Sr.Mgr.Finance, Plng. & Control
Mr. Jurgen Lehnert,	Sr.Mgr.Technical & Social Serv.
Mr. Adolf Botes,	Mgr. Contracts
Mr. Chris Steenkamp,	Project Coordinator
Mr. Andreas Wienecke,	Sr. Draughtman
Mr. Heinz Wittke,	Clerk of Works
Mr. Petrus Alsino,	Office Administrator
Ms. Maria Dax,	Mgr. Public Affairs
Mr. Jonathan Sam,	Media Producer
Ms. Charlotte Dunstan,	Confidential Secretary
Ms. Estelle Martin,	Office Administrator
Ms. Cathy Muller,	Secretary

From the consulting team:

Mr. Juan A. Crispo,	Chief Technical Advisor
Mr. Roland Ziss,	Policy/Institutional Advisor
Mr. Don Kurtz,	Cty.Development Advisor
Mr. Kerry McNamara,	Field Supervisor
Mr. Andrew Walton,	Field Coordinator
Ms. Sophy Shaningwa,	Cty.Development Specialist
Ms. Salmi Kaulinge,	Cty.Development Specialist

COMPONENTS OF PROGRAMME

2.1 UPGRADING OF RESETTLEMENT AREAS

A Evaluation of progress

TARGETS

The preliminary work schedule included in the Inception Report envisaged the following targets for the first two quarters of 1993:

PRELIMINARY SCHEDULE	JAN.	FEB.	MAR.	APR.	MAY.	JUN.
Land acquisition	>(completed)					
Infrastructure extension						
Design		xxxxxxx				xxxxx
Tender			xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Starter solutions						
Adj.to individual needs	x x	xxxxxxx	xxxxxxx	xxxxxxx		
Construction		xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Community centers						
Design/tender		xxxxxxx				
Construction				xxxxxxx	xxxxxxx	xxxxxxx

Activities identified in the Inception Report as necessary for implementation were:

- \* Information campaign
- \* Community development programme
- \* Construction of community centers;
- \* Definition of individual priorities with each family;
- \* Assistance in regularization of titles for land and establishment of total cost of housing solution;
- \* Initial saving;
- \* Signature of basic loan contract;
- \* Construction of starter solutions through self-help and/or by local builders;
- \* Improvement/extension of starter solution with support from building material loans;
- \* Design, tender and construction of infrastructure improvements.

REALIZATIONS, PROBLEMS ENCOUNTERED

LAND ACQUISITION

NHE has already purchased the land in the resettlement areas; however, the situation regarding infrastructures and approval of lay-outs varies among different areas.

Greenwell Matongo

A total of 61227 m2 were purchased as 291 individual plots by NHE on the basis of layout plans prepared by the

Municipality. Average size of plots is 210 m<sup>2</sup>; minimum size 200 m<sup>2</sup>. Area is not proclaimed, but NHE may sell the plots; transfer in 5 years time.

Main connecting and internal roads were developed by the Municipality; no electricity or telephone is available. Water borne sewerage is not feasible; basic acqua privies were included in selling price on condition that NHE assume responsibility for educating people on their use and assume maintenance.

#### Freedom Land

A total of 33739 m<sup>2</sup> were purchased as 142 individual plots by NHE on the basis of layout plans prepared by the Municipality. Average size of plots is 237 m<sup>2</sup>; minimum size 200 m<sup>2</sup>. Area is not proclaimed, but NHE may sell the plots; transfer in 5 years time. 81 of these plots were use for resettlement of relatively higher income squatters from Single Quarters.

Main connecting and internal roads were developed by the Municipality; no electricity or telephone is available. Sewerage and water reticulation is on place and individual connections would be feasible.

#### Onduluka, Onyeka, Nangolo, Onguo Yepongo, Onheleiwa, Ebandulu and Joseph Nepando

Land was bought by NHE as "block" erven, to be developed, on condition that minimum size of plots were to be 300 m<sup>2</sup>. Layout plans were prepared by the Municipality, plots surveyed and pegged. The plots in Onguo Yepongo were sold by NHE in August 1992 to the resettled families, with 20 years loans and subsidized interest rates of 9% p.a.

Internal roads were just marked but not developed; main sewerage and water lines are available at proximity, but no reticulation exists and individual connections are not yet feasible. Public toilets and water standposts were installed by NHE, some are not yet connected.

#### Shipena Einbeck

Land is owned by municipality. It comprises a total of 17452 m<sup>2</sup> in two locations: Plots 1745 (2711m<sup>2</sup>) and 1746 (3004m<sup>2</sup>) in Etanga St., and plots 1747 (6627 m<sup>2</sup>) and 1748 (5110m<sup>2</sup>) in Omukaru St. In a memo dated Sept.92, the City Eng. proposed two alternatives, either group ownership, in which case total price would be Rs.231612, or subdivision and individual ownership. Total selling price in this option would be Rs. 246176. Recently, settlers of plots 1745 and 1746 have applied to the Municipality for purchase of the land. NHE has decided to assist the settlers in an improvement process to be carried jointly with the Municipality without buying the land.



No development plan has been prepared, although a preliminary sketch was drawn by the City Planner, with a total of 54 plots of 200 m2 in both locations.

ADJUSTMENT OF WORK PROGRAMME

The whole implementation process was analyzed in view of developing a specific work programme and appropriate work procedures; identify priority tasks, problems and bottlenecks. It was decided to divide the resettlement areas into five geographical sectors to better organize the execution:

SECTORS	COMMUNITIES	NR.OF HHLDS.
I	Onguoyepongo, Nangolo, Onduluka& Onyeka	185
II	Onheleiwa & Ebandulu	187
III	Joseph Nepando	127
IV	Freedom Land, Shipena Einbeck	181
V	Greenwell Matongo	286

PROCEDURES

Implementation of this complex component involve many innovative activities, for which procedures need to be established, tested, evaluated and revised. A preliminary manual of procedures was prepared, using as a starting point existing NHE procedures. Copy of the manual is attached as Annex 2.1/A.

INFORMATION CAMPAIGN

It was organized to be performed in several consecutive steps:

a) Preliminary general information. For this purpose, the CDWs developed and printed an information brochure in Ochivambo which briefly explains WLIHP. This brochure was distributed through the community committees to all families involved in the resettlement project. (Annex 2.1/B)

b) Meetings with area community committees to introduce the process and request cooperation for further steps;

c) Group meetings involving some 20 households each. A video explaining the programme was produced to support the CDW in this task (Annex 2.1/B); and

d) Individual meetings with each household. A worksheet for this meeting has been drafted and is being tested and revised; it allows for re-evaluation of the household's income including subsidies that might come from other sources, affordability, and for choices of starter solutions and loans through NHE. From this worksheet, NHE can prepare the "Deed of Sale" for sale of the erf and whatever other components of a starter solution are agreed upon.



To evaluate and adjust procedures, the information campaign was tested in the Onghuuo ye Pongo and Onyeka communities in February and March respectively.

SELECTION OF BENEFICIARIES, ASSISTANCE IN  
REGULARIZATION OF TITLES,

It had been expected that erf sales and starter solutions would be promoted in many of the resettlement areas in the first quarter of 1993. Several problems have delayed progress of this work:

a) Lack of definition on some basic issues, with factors beyond the control of NHE (specifically on the up-front subsidy system and selling price for land) were not concluded in time. While testing procedures in Onyeka, it became clear in the 20 households meetings that the unresolved issues of the exact price of the erven and the actual subsidy confused the discussions. Consequently, it was decided to postpone starting individual household meetings until these issues have been resolved. The subsidy issue is now solved, but final selling prices are still to be established. The Municipality reversed an informal agreement reached during Inception Phase regarding interim rates and taxes, and NHE is in the process of appealing the decision. (Relevant correspondence as Annex 2.1/E)

b) The criteria for participation in the programme has been reconfirmed. Household income may not exceed 3 PHSL per month. Minimum affordability must allow at least for purchase of the erf on a long-term loan basis. Income levels have been re-evaluated on the basis of information collected through March by NHE as part of the registration of resettled households (Annex 2.1/C). It shows that some 26% of households, a bigger percentage than the one estimated in the socio-economic survey in October 1992, may not be able to afford even the purchase of the plot where they are settling. What to do with these families is being discussed. One possibility would be to resettle them into a "reception area" being developed by the Municipality, replacing them by other eligible households. An alternative that would avoid the hardship of another resettlement could be to grant them time to improve their income. For that, some form of temporary (two years?) lease agreement could be offered to them, charging only a nominal rent and municipal charges. During this period the families would not be allowed to erect permanent structures, but would keep the option of buying the plot if and when it becomes possible.

STARTER SOLUTIONS TYPES AND COSTS

The minimum starter solution can simply be the purchase of the erf. In fact, it is expected that a fair number of participants may not be able to afford any more as their immediate starter solution. However, most will be

able to combine some construction with purchase of the plot.

Types and costs of possible construction starter solutions were an early requirement of CDWs to inform the families. Preliminary designs, models and cost estimates of three possible alternatives were prepared in February. Definitive solutions are currently being developed. Plans, bills of quantities and cost estimates for materials for some types are attached as Annex 2.1/D. Costs range from Rs. 654 for a 4x4,7 mt foundation/floor slab; Rs. 1544 for the same slab with a roof to Rs. 9938 for a 47,5 m2 house without bathroom or connections to infrastructures. Models are being prepared as tools for communication with the families.

#### DEFINITION OF INDIVIDUAL SOLUTIONS

The process of individual household meetings to define starter solutions has been started on a selected household basis in Onghuuo ye Pongo, a community resettled early in 1992 where contracts for purchase of plots were signed last August. It involves only families that are up-to-date with their loan repayment. It is expected that by end of April/early May, after the self-help advisors are hired, tenders for the purchase of building materials are on hand and procedures are finalized, construction of some starter solutions can start on a test basis. Evaluation will follow the completion of the first cases to adjust procedures.

#### COMMUNITY CENTERS

The construction of community centers was originally perceived as an immediate priority. However, as time has progressed, the development of community centers has come to be understood as the result of a process of expressed community interests and needs, and their organization to meet those needs. Consequently, the construction of community centers will be a phased process.

Locations for three community centers, one each for the Okuryangava eastern and central areas and one for the Greenwell Matongo area were identified in January by the Field Coordinator. It was agreed with the Municipality that the areas would be leased to NHE at a nominal charge, to be used as community meeting places. In the event of a full community center being developed in any or all of them, extension of the lease or sale of the land could be negotiated by the community at expiration of the term.

On February, NHE submitted official requests to the Municipality for the three sites. On March 10 a favorable reply regarding erf 2346 (Onguo Yepongo area) was received (see Annex 2.1/E); replies for the other two plots are expected after the Municipal Council's end of March meeting.

The project team decided to begin the development of the community centers through the construction of a simple

roof structure to serve as meeting place, which communities express is a felt need. Preliminary lay-outs for an eventual future community center were prepared for each site to define location of these structures. Cost estimates for a 6.5 x 4 meters steel roof structure and concrete slab were requested, and the construction contract assigned at the end of March for the community meeting place in Sector I.

It was also decided to build a bigger and more complete structure in the other Okuryangava location (situated next to the existing municipal office), to serve temporarily as Field Office for the upgrading Project. It is expected to be operative by the end of the next quarter.

#### INFRASTRUCTURE IMPROVEMENT

This activity will be delayed by at least three/four months with regard to the initial schedule, due mainly to two reasons: i) The need to include improvement of internal streets in several areas, a component not initially envisaged; ii) the possibility of providing complete reticulation in a joint effort with the Municipality, instead of just upgrading of sewerage and water lines is under discussion. Although it may delay the project, it seems an avenue worth pursuing before making a final decision.

#### Street lights

Internal street lights was one of the urgent felt needs identified during the socio-economic survey, both to increase security and have some kind of night life in the settlements.

On the first week of February, the City Electrical Engineer's Department was requested to prepare cost estimates for provision of this service, and to inform if they would be prepared to execute the job.

On February 17 the Municipality answered quoting a total estimate of Rs 234.754,92 for all the areas. Estimates prepared during the Inception Phase amounted to Rs. 410.000. The important reduction resulted from two compounding factors: Unit price quoted by the Municipality are in the order of Rs 1600, compared to the Rs. 2000 initial estimate; and the number of poles was proposed to be reduced from the envisaged 205 to 144 by the City Electrical Engineer, combining the provision of internal street lights financed by the Programme with main street lights to be provided directly by the Municipality.

On February 24 NHE wrote to the Municipality confirming the order to perform the work and requesting a timetable for execution and some clarifications on the quote. On March 15, the City Engineer wrote back informing NHE that they could not prepare a timetable or begin the

works, as internal streets were not developed up to a standard acceptable, and requesting NHE to inform when internal streets would be built as a prerequisite for the installation of street lights. (copy of correspondence attached as Annex 2.1/F).

Street lights for the Ongava and Ombakata streets in the Northeastern sector of Okuryangava are currently been installed by the Municipality.

#### Internal streets

At the Inception Phase it was assumed that the development costs for internal streets were included in the selling price of the land. This assumption is true in the case of Greenwell Matongo and Freedom Land, but for the other locations these costs are to be absorbed by NHE, as it was constated while reviewing the deeds of sale signed between NHE and the Municipality.

It will be necessary: i) To obtain municipal agreement on development standards (already requested, see Annex 2.1/H); ii) To appoint a registered consulting engineer to prepare designs and get them approved by the City Engineer Dpt.(that will also be in charge for design of water and sewerage reticulation), and iii) To build the required improvements. Internal street improvement could start earliest in the second half of May; as stated, street lights will follow.

The total length of internal streets to be upgraded at Programme's costs is 3220m. According to estimates provided by the Municipality and VWL Cons.Eng., improvement costs will be in the order of Rs 360/400.000. No budgetary provision was made in the Inception Phase for these costs. They could be financed from savings in costs of street lights (some Rs.175000) and from the contingencies post.

According to standard practice in Windhoek, costs of street development is recovered while selling the plots; NHE should consider it while establishing selling price of the land.

#### Water/sewerage

The Inception Report proposed to upgrade the standards of provision of communal toilets and water taps. During the first quarter, the matter was discussed with the Municipality and the Communities to adjust procedures. Several issues are on the process of being clarified as they will have a bearing in the solutions and mode of implementation:

a) The Municipality may cooperate by providing sewer and water pipes; it must approve technical designs, and supervise construction, as it will own and be responsible for maintenance of the infrastructures;

b) The possibility of a joint NHE/Municipality effort to develop complete reticulation networks in the areas has also been raised; a decision needs to be made before actually designing-tendering construction.

c) As there is little if any communal space available for the additional toilet facilities that should be built, the CDWs began discussing the possibility of building combinations of toilet and shower facilities on several private erven. The owners would be responsible for maintenance and water/sewerage rates; they could collect usage fees to cover their costs. This appears to be a novel approach here in Windhoek, and is being discussed cautiously.

d) Other possibilities of community participation in the provision of communal services are also being explored. The community committees have suggested the use of local manual labour in such construction activities as trenching and installation of water, sewage and electric lines. At least one community has indicated willingness to provide that labour at half wages, with the other half to be consider community sweat equity in the project.

e) Community committees are responsible for collection of municipal fees for communal services of water and sewage; their performance in collecting and paying the municipality varies from one community to the next, and is often adversely affected by the presence of illegal squatters in and around the communities.

#### B. Work Programme

One shortcoming of the preliminary work schedule is that it did not include enough outset time for preliminary tasks required before field execution. It also assumed that some key decisions regarding subsidies, land prices and similar would be on hand in early January, which did not prove to be realistic. A revised work programme has been prepared. It is divided in two parts, the first one dealing with the results that need to be on hand before field execution may start. This preliminary tasks will be completed mostly during April and early May, although some like the construction of the site office will take longer. Overall implementation schedules for each one of the five sectors are attached. A more detailed programme for next quarter is developed below.

#### ASSUMPTIONS

- a) Land selling price will be defined by early April;
- b) Infrastructure improvement issues with Municipality and Communities are decided by end of April
- c) Suitable community development workers and construction advisors can be identified, hired and trained and the field teams are be fully operative by mid May;



NHE-KfW  
WINDHOEK LOW INCOME  
HOUSING PROGRAMME

CORE HOUSE PROJECT  
MODEL LAYOUT

TOWNSHIP:  
OKURYANGAVA PROPER  
ERF.41

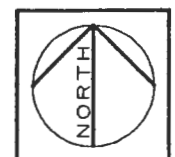
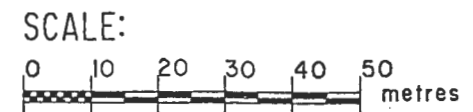
PLAN No. 2

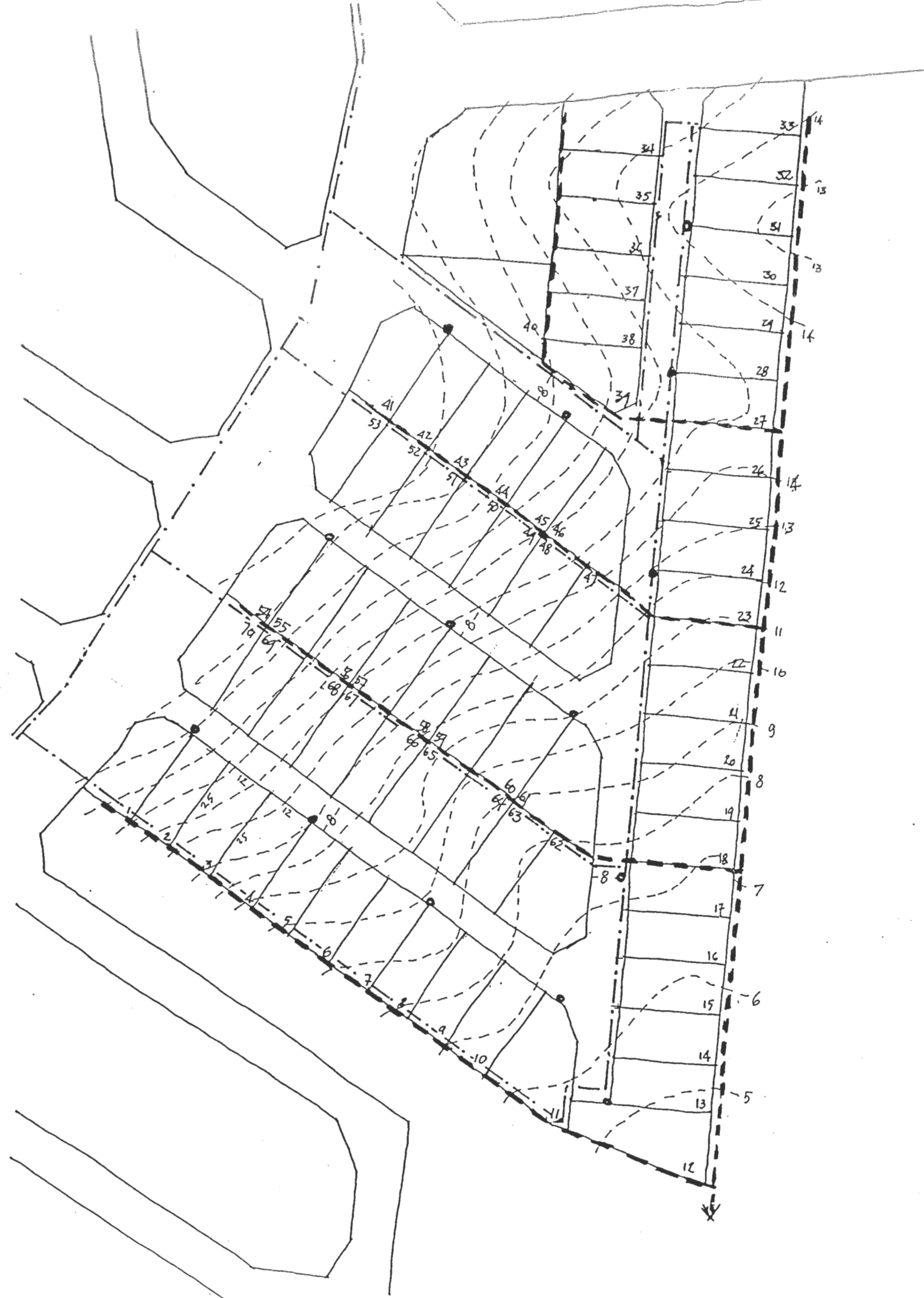
LEGEND: **200m<sup>2</sup> PLOTS**

WATER SUPPLY LINES:  
SEWERS:  
STREET LIGHTS:

COSTS:  
\*ROADS:  
550m R.147.00 per m.  
=R.81 050.00  
\*SEWERS:  
820m R.134.00 per m.  
=R.109 926.00  
\*WATER SUPPLY:  
820m R.79.00 per m.  
=R.65 599.00  
\*STREET LIGHTS:  
14 at R.1 500.00 each  
=R. 21 000.00

TOTAL: R.277 575.00  
99 ERVEN  
COST PER ERF: R.2 803.80





**NHE-KFW**

**WINDHOEK LOW INCOME HOUSING PROGRAMME**

**CORE-HOUSE PROJECT**  
**MODEL LAYOUT-300 m2 ERFS**

TOWNSHIP:  
 OKURYANGAVA PROPER  
 ERF 41 -25.794 m2

**PLAN N 2A**

**LEGEND**

WATER SUPPLY LINES    - - - - -

SEWERS                    - - - - -

STREET LIGHTS            ●

**COSTS**

\*ROADS:            555 m @ Rs 147/m= 81.585

\*SEWERS:            880m @ Rs 134/m= 117.920

\*WATER SUPPLY:    880m @ Rs 79/m= 69.520

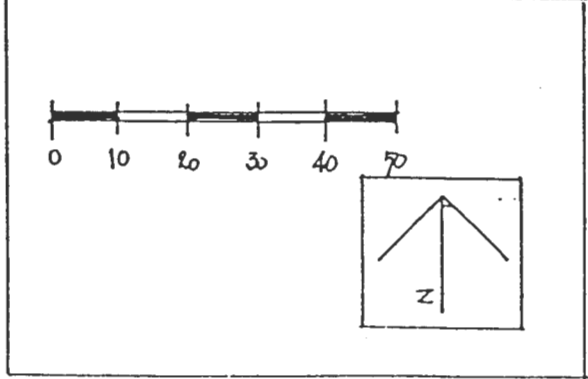
\*STREET LIGHTS:    14 @ Rs 1.500/u=21.000

TOTAL DEVELOPMENT COSTS:    Rs 290.000

70 ERVEN

COST PER ERF:                    Rs 4.140

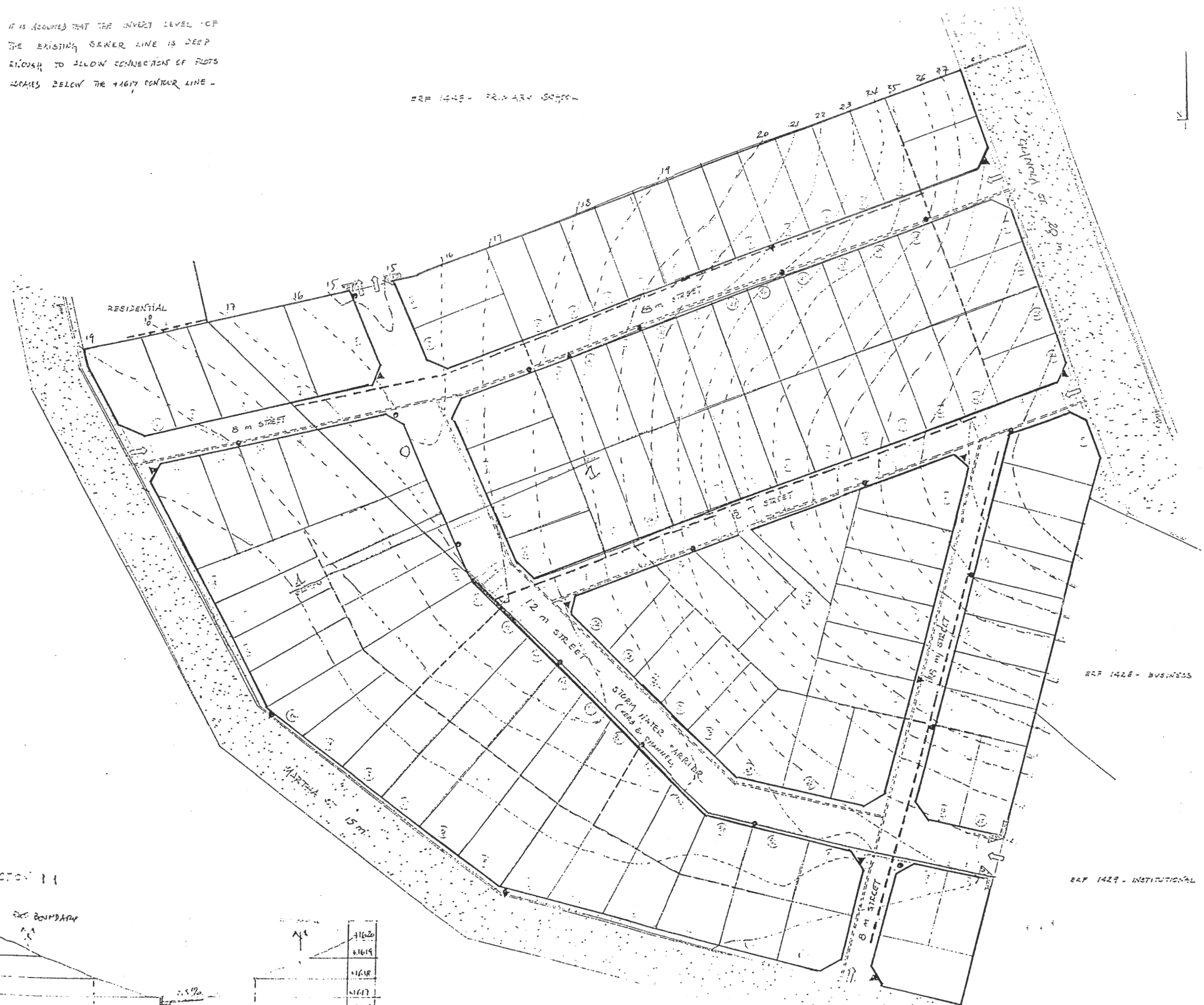
**300m<sup>2</sup>**  
**PLOTS**



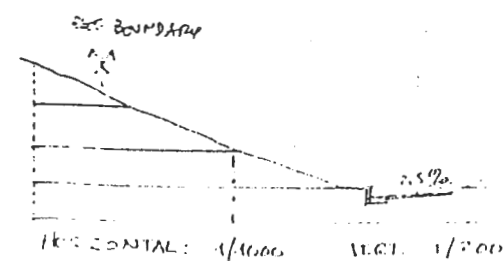


NOTE: IT IS ASSUMED THAT THE INVERT LEVEL OF THE EXISTING SEWER LINE IS DEEP ENOUGH TO ALLOW CONNECTION OF PLOTS LOCATED BELOW THE 11617 CONTOUR LINE.

ERF 1428 - PRIMARY SCHOOL



SECTION 1:1



11620
11619
11618
11617
11616

REVISIONS

# 250m<sup>2</sup> PLOTS

NOTES		
ERF SIZE 39.627 m <sup>2</sup>		
STREETS & LANES 6900 m <sup>2</sup>		
KIND	TOTAL LENGTH M	EST. AREA M <sup>2</sup>
12 m	235	2700
8 m	495	4000
ERVEN 32.727 m <sup>2</sup>		
QUANTITY	116	
MINIMUM SIZE	250 m <sup>2</sup>	
AVERAGE SIZE	260 m <sup>2</sup>	
GROSS AREA / ERF	340 m <sup>2</sup>	

- EXISTING SEWERAGE MAIN
- - - PROPOSED SEWERAGE MAIN
- EXISTING WATER LINE
- - - PROPOSED WATER LINE
- STREET LIGHT
- ▲ FARBANK COLLECTION POINT
- ⇒ STORM WATER OUTLET



KfW Kreditanstalt für Wiederaufbau

SUM - McNamara Consultants

KfW WINDHOEK LOW-INCOME HOUSING PROGRAMME

PROPOSED SUBDIVISION OF ERF 1430 KHOMASDAL EXT. 15

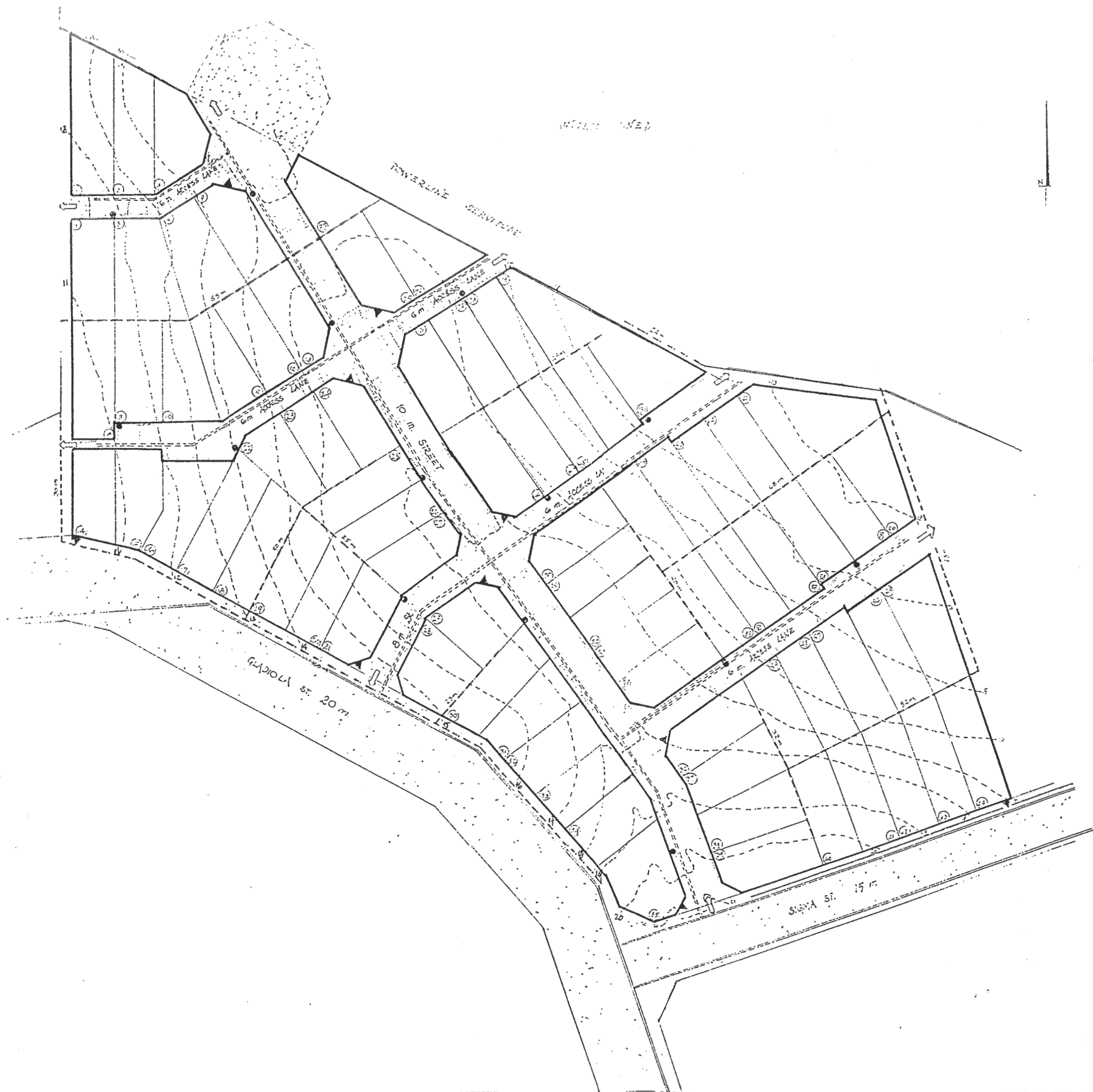
LAYOUT PLAN

DATE	BY	CHECKED	DATE
SCALE	1:1000		

ERF 1428 - BUSINESS

ERF 1429 - INSTITUTIONAL





# 250m<sup>2</sup> PLOTS

## NOTES

ERF SIZE: 25692 m<sup>2</sup>

STREETS & LANES 4300 m<sup>2</sup>

KIND	TOTAL LENGTH (M)	EST. AREA (M <sup>2</sup> )
10 m	255	2550
8 m	40	350
6 m	225	2000

ERVEN 20.722 m<sup>2</sup>

QUANTITY	77
MINIMUM SIZE	250 m <sup>2</sup>
AVERAGE SIZE	270 m <sup>2</sup>
GROSS AREA/ERF	354 m <sup>2</sup>

- EXISTING SEWERAGE LINE
- PROPOSED SEWERAGE RETICULATION (150mm Ø)
- EXISTING WATER LINE
- PROPOSED WATER LINE (150mm Ø)
- STREET LIGHT (15' Poles)
- ▲ PROPOSED COLLECTION POINT
- FLOOD WATER OUTLET



**KIW** Kreditanstalt für Wiederaufbau

SJM - McNamara Consultants

KIW  
WINDHOEK LOW-INCOME HOUSING PROGRAMME

PROPOSED SUBDIVISION OF ERVEN 1373 & 1374 KHOMASDAL EXT. 15

LAYOUT PLAN

DATE	BY	CHKD	APP
DATE	BY	CHKD	APP
DATE	BY	CHKD	APP
DATE	BY	CHKD	APP

1:1000



# 300m<sup>2</sup> PLOTS

ERF SIZE 25692 m<sup>2</sup>

STREETS & LANES 4300 m<sup>2</sup>

ERVEN 20 732 m<sup>2</sup>

QUANTITY	65
MINIMUM SIZE	300 m <sup>2</sup>
AVERAGE SIZE	319
GROSS AREA/ERF	395 m <sup>2</sup>



NATIONAL HOUSING ENTERPRISE  
 "Creating Affordable Housing for All"

**KfW** Kreditanstalt  
 für Wiederaufbau

SUM - McNamara Consultants

PROJECT  
 KfW  
 WINDHOEK LOW-INCOME  
 HOUSING PROGRAMME

DESCRIPTION  
 PROPOSED SUBDIVISION  
 OF ERVEN 1373 & 1374  
 KHOMASDAL EXT. 15

LAYOUT PLAN

DATE	BY	REVISION	DATE
DESIGNED	JAC	04/03/13	
DRAWN	JAC	04/03/13	
			1 : 500

drainage works. Details of the calculations are attached as Annex 2.2/C; the main conclusions are used as basis for the following analysis. As layout plans for alternative plot sizes are similar, it is assumed that development costs would be roughly the same in each plot size situation.

The following aspects, not considered in the engineering report, are thus included/excluded:

- i) Street lights are calculated at Rs. 2000/pole;
- ii) Land survey costs are estimated at Rs 200/plot;
- iii) Consulting engineers fees are estimated at 10% of costs for streets, drainage, sewerage and water (Engineering fees scale attached in Annex 2.2/C).
- iv) Cost of materials provided by the Municipality represent 40% of costs of water lines and 30% of costs of sewerage lines. This amount was excluded from the calculation as it will not increase directly the selling price of land.

The following tables summarize the analysis (Cost in rands, rounded):

Table 2.2.1 - Total costs with minimum street standards

PLOT	AREA m2	LAND COST	DIR.DVT. COSTS	IND.DPT. COSTS	TOT.DEV. COSTS	TOTAL
41	25794	260000	195000	35000	230000	490000
1373/74	25692	385000	198000	31000	229000	614000
1430	39627	595000	358000	53000	411000	1006000
<b>TOTALS</b>	<b>91113</b>	<b>1240000</b>	<b>751000</b>	<b>119000</b>	<b>870000</b>	<b>2110000</b>

Table 2.2.2.- Total costs with upgraded street standards

PLOT	AREA m2	LAND COST	DIR.DVT. COSTS	IND.DPT. COSTS	TOT.DEV. COSTS	TOTAL
41	25794	260000	256000	48000	304000	564000
1373/74	25692	385000	243000	42000	285000	670000
1430	39627	595000	414000	70000	484000	1079000
<b>TOTALS</b>	<b>91113</b>	<b>1240000</b>	<b>913000</b>	<b>160000</b>	<b>1073000</b>	<b>2313000</b>

Table 2.2.3-Development costs/plot-Minimum street standard

PLOT	200m2 plots		250m2 plots		300m2 plots	
	Qty.	Cost	Qty.	Cost	Qty.	Cost
41	99	2320	77	2990	65	3540
1373/74	98	2340	77	2980	65	3520
1430	149	2760	116	3540	101	4070



Land+development)		200 m <sup>2</sup>	250 m <sup>2</sup>	300 m <sup>2</sup>
		4950 5282	6370 6799	8052 7540
		6270 7243	7980 9219	10912 9440
		6750 7733	8670 9928	11407 9960
		5990 6093	7670 8533	8980
				12523
Not-Upgraded street standard				
	200m <sup>2</sup> plots	250m <sup>2</sup> plots	300m <sup>2</sup> plots	
	Qty. Cost	Qty. Cost	Qty. Cost	
1373/74	99 3070	77 3950	65 4680	
1430	98 2910	77 3700	65 4380	
	149 3250	116 4170	101 4790	

write down prices of plot...  
 total cost of develop...  
 R 2 587 422.00  
 R 2 600 000.00  
 R 12 578.00

Table 2.2.6-Total costs/plot (land+development)

41	5700 6032	7330 7759	9192 8680
1373/74	6840 7812	8700 9431	11711 10300
1430	7240 8223	9300 10533	12171 10680
Averages	6590 7480	8440 9533	9890 11204

In the Inception Report the average cost of a developed plot was estimated at Rs 6500. The total budget figure for land purchase and development was Rs 2.600.000. With the averages established, this amount could permit the development between <sup>343</sup>395 and <sup>571</sup>430 plots of 200 m<sup>2</sup>; between <sup>271</sup>308 and <sup>299</sup>339 plots of 250 m<sup>2</sup> or between <sup>232</sup>263 and <sup>252</sup>289 plots of 300 m<sup>2</sup>, depending on the street development standard. Possible number of plots will be calculated with costs of higher standard.

For zoning reasons, the subdivision of land in the two Khomasdal sites must be made with 250 m<sup>2</sup> plots, resulting in 193 erfes and requiring an investment of Rs 1.749.000. If authorization is obtained to develop the Okuryangava site with 200 m<sup>2</sup> plots, another 99 erfes will be obtained at a cost of Rs 564.000. The remaining Rs. 287.000 would permit to develop <sup>571</sup>43 solutions more, reaching a total of 335 units. The additional land required would be in the order of 12/14.000 m<sup>2</sup>.

**B. Work Programme and targets for next quarter**

The preliminary work schedule envisaged to begin land development as early as April, and beneficiaries moving to the first new settlement around mid December. Although the beginning of land development will be delayed, it is still

expected that, barring unforeseen events, beneficiaries could start moving before the end of the year to the first settlement completed.

Activities for implementing the Project have been arranged in 9 groups of related tasks. An outline of the implementation process detailed below.

#### I LAND ACQUISITION

Problems and procedures have been described; there is need to follow-up the applications for purchase already entered, to identify approx. 14.000 m<sup>2</sup> of additional land, (criteria established in Paragraph 27 i)/iv) of the Progress Report N.1-Inception Phase- should be used for that) and to enter an application for purchase.

#### II FORMAL APPROVAL OF LAND SUBDIVISION PLANS

The time required for the process of formal approval of layout plans was underestimated. The process involves:

i) Recommendation of approval by the City Council. This requires, after purchasing the land, a formal submission to the Municipality of the Plans and a written motivation for the request; a period for comments by several municipal services and inclusion of the proposal in the Council's monthly meeting agenda.

ii) With the municipal recommendations, the proposal must be submitted to NAMPAB for examination of its need and desirability. NAMPAB meets usually every two months.

iii) With NAMPAB's approval, the proposal is submitted for approval to the Township Board, that meets monthly, allowing at least a month for previous examination by the technical services.

iv) After approval, the Township Board dispatch the file to the Minister of Local Government and Housing, who signs the final formal approval. This last step usually takes two/three weeks.

The whole process might take as long as two years for a new township. For the WLIHP core-house project it might be considerably shorter as it only involves subdivision of block land within approved townships.

Based on a paper prepared by the Chief City Planner, and in the good spirit of cooperation shown by the Municipality, the Project Team prepared a strategy to accelerate the process. To succeed, it will require a permanent follow-up by NHE's Project Coordinator and the Consultant's Field Coordinator.

i) The Municipality accepted to comment on preliminary layout plans before NHE actually purchases the land. Plans were prepared and submitted



on the 4th of March. After receiving the comments, they will be adjusted and a formal presentation made. It is expected that the proposal can be entered in the Council's agenda for April.

ii) The Chief Planner indicated that, at the moment of approving the sale of the land (expected by the end of March), the Municipality will issue a letter to NHE recommending approval of the layouts. That would permit NHE to present them to NAMPAB for its approval.

iii) As mentioned, NAMPAB's approval deals with the "need and desirability" of a certain proposal. The core-house project is part of a Programme that the Government of Namibia has signed with the German Government, which seems a solid basis to justify its need and desirability. It was suggested that NHE could informally contact NAMPAB's authorities as soon as the land is purchased and request approval on that basis. Formal approval could then be obtained in NAMPAB's May meeting. The whole approval procedure could be finished by end of June, if the plot size issue can be sorted out in early April; otherwise delays of 2-3 months must be envisaged.

### III LAND DEVELOPMENT

Once municipal comments received and final layout plans prepared, detailed engineering plans for roads and drainage, sewerage and water lines and street lights must be prepared as a basis for tendering the works. A local engineering consultant should be identified and appointed for the job, as the plans must be presented to the Municipality signed by a registered engineer.

The amount and mode of Municipal contribution to the costs of developing the land must be clarified. Usually, the Municipality develops the land in Windhoek. What are called "non recoverable costs" (construction of roads, drainage works, planning and survey costs, street lights) are included in the selling price or the plots. Other capital costs like water, sewerage and electrical reticulation, are recovered through a portion of the monthly municipal rates.

Till recently, when land was developed by other parties, the Municipality contributed a certain cash amount for the recoverable costs. Municipal officials informed the team that this contribution may now take the form of supplying materials for sewerage and water lines. This issue must be clarified before preparing the tenders.

Survey of land is a potential bottleneck to begin development. It is a legal prerequisite to begin either infrastructure or core-house construction. There are very

few registered surveyors in Windhoek, usually very busy. Time has already been booked for June with one of them; there is need to confirm it and start preparatory work as soon as final layout plans are on hand.

#### IV SELECTION OF BENEFICIARIES

NHE's standard selection process for offerings to people on their waiting list for houses in Windhoek will be adapted for the core-house project. Currently some 800 people on the NHE waiting list are identified as having a monthly household income of between 1 and 2 PHSL, and qualify by that standard as potential candidates.

The NHE process includes a series of meetings, divided into manageably sized groups, that start with invitations to all those people on the waiting list who meet pre-determined qualifications on income and affordability. In the first meetings, a number of people will deselect themselves by not showing up, or by opting out when sites, sizes, costs and deadline requirements are presented.

Those maintaining interest will be invited to subsequent meetings where further details and commitments are required, including savings deposits of 10% of the costs. In case that a larger number of participants remain interested than the number of plots available, the selection process will give first priority to applicants with seniority on the waiting list.

Beneficiaries will then have the possibility of choosing their individual plots considering location and prize through a process that still needs final definition. This definition will consider seniority in the waiting list and combine standard NHE selection procedures with special conditions of WLIHP. Waiting lists will be established for each area to allow rational replacement of anyone dropping out.

Those selected as participants in the core-house project will have gone through a process of five meetings. With the objective of initiating the community development process, the final meetings will be organized by groups corresponding to sites selected. NHE experience is that natural leaders will emerge in this process, and that community committees can be elected (even before actually settling on site) with a mandate to call the new owners for meetings and discuss issues of common concern.

At this stage it is extremely important to highlight the fact that the Project is not providing "houses", but affordable core-houses to be improved/extended in the future by each family with social, technical and financial assistance. The aim is to facilitate the beneficiary's house development over time, according to his needs and possibilities.

#### V APPROVAL OF SITE PLAN

Each site plan, showing the location of the core-house in the plot and other characteristics requires municipal approval.

The participative approach of the WLIHP will offer each family the possibility of discussing and deciding on their individual solution. This means that till the last family has decided, site plans cannot be prepared and submitted to the Municipality or even be used for calling tenders.

To combine municipal requirements with the participative decision on individual solutions in the shortest possible time the Project Team envisages an approach in two steps that will permit a certain overlapping of tasks:

- Alternative core-house designs will be prepared and stored in CAD. The architectural drawings will be submitted for municipal approval of the proposed solutions. Models and cost estimates will be prepared, to be used with each family as tools for establishing their individual solution adjusted to needs and possibilities.

- Once all the beneficiaries in a given location have decided on their solution, a site plan will be prepared by including them in the layout plan for the area, and presented for approval.

An overlap with the tender may also be envisaged, requesting unit construction prices for the different kind of possible core-house solutions, and adjusting the quantity of each type to be built afterwards.

#### VI CONSTRUCTION OF CORE HOUSES

This is a well known activity for NHE, involving the tender and supervision of construction of a typical housing project, and no unusual problems are envisaged. Each area will include between 60 to 120 small size units; contractors should be able to complete each group in around 5 months.

#### VII SIGNATURE OF CONTRACTS, DEEDS OF SALE

In order for NHE to be able to register deeds/mortgages on the plots, registration of each individual erf resulting from the subdivision of land is required.

Once the land is surveyed and plots staked, the survey plan must be presented for approval to the Surveyor General, that checks them, gives number to the erven and forwards the plans to the Registrar of Deeds, along with legal documents related to property, approval of layouts

etc. Till recently there was a big work backlog in these offices, and registration used to take many months; it appears that this situation has much improved and now is a matter of weeks.

In any case, this procedure, although very important, is not on the critical path of the Project, as NHE may sign contracts with provisional plot numbers. Registration of bonds is expensive. The cost is usually collected through an amount charged NHE during the first five years of repayment. Once the amount is fully paid the bond is registered.

#### VIII BENEFICIARIES MOVE TO NEW LOCATION

The community development personnel will assist the NHE contracts staff in organizing this task, which will be mainly the responsibility of each individual family.

#### IX FOLLOW-UP

After the families are installed in the new location, a crucial step of the project will begin. On the one hand, the process of extension/improvement of the core-houses with social, technical and financial assistance will start. On the other hand, the development of a sense of community with shared goals and purpose will require follow-up for at least two/three years. The real need for a community center must be assessed, and a decision on whether to built it or not reached.

On the basis of this process, an adjusted work programme for the first year of implementation was prepared and is attached.

#### ASSUMPTIONS

The work schedule is based on the following assumptions:

- a) The plot-size issue will be favourably solved in early April;
- b) Selling prices for land to be purchased by NHE for the project will remain within the amounts estimated during the Inception Phase;
- c) Permanent follow-up is given by NHE and the Project Team to the critical issues identified;
- d) Like the Municipality is doing, both NAMPAB and the Township Board will cooperate speeding-up their approvals;
- e) The land surveyor whose services have been booked will keep his schedule.
- f) Appropriate additional land may be timely obtained.





The following activities are envisaged for the next quarter.

<u>APRIL</u>	<u>Responsible</u>
1.3 Confirm Council approval, obtain letter	CS
1.4 Sign deed of sale	NHE/CS
1.5 Identify additional land	CS/AW
2.4 Obtain Mpl. comments, prepare adj. layouts	AW/NHE
2.5 Submit layout/motivat. for Cncil appr.	CS/AW/NHE
2.6 Contact NAMPAB & Township Board	CS/KMcN
2.7 Organize formal presentation to NAMPAB	AW/NHE
2.8 Organize formal present. to Township Bd.	AW/NHE
3.1 Appoint consulting eng. for infrstr. dsgn.	CS/AW
4.2 Contact potential benef. through mail	CS/SS
5.1 Alt. core-house design prepared	AW/KMcN
5.2 Submit designs to Mplty. for approval	AW/NHE
5.3 Prepare models and cost-est. of core-hs.	CS/AW/NHE
<u>MAY</u>	<u>Responsible</u>
1.6 Enter application for addit. land	CS/NHE
2.7 Submission to NAMPAB/get approval	CS/AW/NHE
2.8 Formal submission to Township Board	CS/AW/NHE
3.1 Follow-up engineering design	AW
3.2 Prepare tender documents	CS/NHE
3.3 Organize land survey/confirm surveyor	CS/NHE
4.3 Hold info meetings with potential benef.	DK/CS/CDS
4.4 Establish list with preliminary select.	DK/CS/CDS
4.5 Organize savings among interested	
DK/CS/CDS/NHE	
5.2 Follow-up approval of designs by Mplty.	AW
5.3 Handle models & cost-est. to CDS	AW
5.4 Start process of adj. solutions to each fam.	DK/CS/CDS
<u>JUNE</u>	<u>Responsible</u>
2.7 Obtain approval from Township Board	CS/JAC
2.9 Follow-up & obtain approval from MLGH	CS/AT/JAC
3.3 Get land surveyed	CS/JAC
3.4 Call tenders, assign contract for infrstct.	CS/JAC/NHE
4.6 Establish final list of benef.-get appr.	CS/CDS
5.4 Complete adjust. of individual solut.	CS/CDS
5.5 Design site plan with all solutions	AW
5.6 Submit site plan to Mplty. for approval	AW/NHE



2.3 LOAN GUARANTEE FUND

A. Evaluation of progress

TARGETS

The preliminary work schedule envisaged to reach agreement among participating institutions on the LGF rules of operation by the end of March, and be able to start lending by private institutions by early April.

PRELIMINARY SCHED.	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.
Agreement on proced.		XXXXXXXXXXXXXX					
Operation				XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX	XXXXXX>

The following activities were identified in the Inception Phase as necessary for the implementation of this Project:

- \* Establishment of a joint committee including NHE, Banks and Building Societies;
- \* Elaborate rules of Loan Guarantee Fund;
- \* Prepare Manual of Operations, with terms and conditions of loans, information duties and control mechanisms;
- \* Prepare loan agreements between NHE and individual financial institutions;
- \* After signing the first agreement, establishment of the Fund. Money will be held in trust in a financial institution of NHE's choice.
- \* Information campaign;
- \* Banks and Building Societies start giving risk-reduced loans;
- \* Committee meets periodically to evaluate experiences and adjust procedures;
- \* After one year of operation, evaluation of performance and introduce modifications if necessary.

REALIZATIONS, PROBLEMS ENCOUNTERED

To reach agreement on basic criteria functioning of the LGF and develop operational procedures, a preliminary meeting was held at NHE's offices on February 11, 1993. Chaired by NHE's Financial Manager, it was attended by representatives of the two Building Societies (SWABOU and NAMIB), and four Banks (First National, Windhoek, Standard and Namibian Banking Corporation). The Namibia Credit Union League was also invited to join the LGF and to attend this first meeting, as an effort from the Programme to strengthen local NGOs.

The fact that all these institutions accepted NHE's invitation and their representatives actively participated in the discussion may be taken as an indicator of growing interest in the proposal.

Participants agreed that, if clear rules were established and approved beforehand by all, a Steering Committee as initially proposed would not be required, and the Fund could then be administered by NHE. (Minutes of this meeting attached as Annex 2.3/A).

Draft rules of operation were prepared by NHE's Financial Manager with assistance from the consultants, and sent to all interested parties on March 8, requesting their comments by March 23. (Copy of Draft rules attached as Annex 2.3/B). They have the format of the actual contract that each participating institution will sign with the LGF.

For financial reasons NHE decided that it was necessary that the LGF operate as a separate legal entity, most probably as a fully owned subsidiary. NHE will hold all the shares of this company, and make an interest free loan to it for the amount of the LGF.

B. Work programme for next quarter

The establishment of the subsidiary and reaching agreement on the rules of operation will take somehow longer than initially envisaged, but it is expected that these tasks could be completed during April. During April, NHE should also determine which one of the participating financial institutions offer the best conditions to maintain the funds, specially regarding rates of interest and exchange.

As established in Para 2.1 (a) of the Separate Agreement, a request for Direct Disbursement should then be addressed by NHE to KfW for the transfer of funds to Windhoek. Before transferring the funds the final rules of operation, the actual legal form of the LGF and financial conditions offered need to be approved. Two alternatives for this approval might be considered: a) The information is transmitted by NHE to SUM Consult, the CTA evaluates and reports to KfW requesting approval if conditions are acceptable, or b) During his next mission, the CDA evaluates the proposals before recommending KfW's approval. This second alternative may delay beginning of operation.

REVISED SCHEDULE	FEB.	MAR.	APR.	MAY	JUN.	JUL.
Agreement on proced.	xxxxx	xxxxxxxx	xxxxx			
Establish NHE's subs.			xxx			
(a) Rqst. apprvl.			xxxxx			
KfW disbrst.				xxx		
Start operation					xxxxxxxxxxxxx>	
(b) Rqst. apprvl.					xx	
KfW disbrst.					xxx	
Start operation						xxxxx>

#### ASSUMPTIONS

This schedule assumes that:

- i) the interest in the scheme manifested by the financial institutions persist and at least some of them will eventually join the LGF;
- ii) comments and proposals received may be incorporated into an agreed final set of rules without distorting the original intention.

#### 2.4 BUILDING MATERIAL LOANS

Building material loans will allow to further develop the individual housing solution, in accordance with the household's needs and financial possibilities. In the resettlement areas they will complement the starter solutions, particularly as far as quality improvement, construction of additional space and on-site infrastructure are concerned. In the core house projects they will mainly be used to increase the original core house unit.

As building material loans require some sort of legal housing solution or the purchase of the land, it will take the Programme at least three more months to start giving them to the beneficiaries. Some preliminary tasks were achieved in the first quarter of implementation: revising the procedures of the Windhoek Aided Self-help Project and their appropriateness for the new Programme, establishing first contacts with building material suppliers and discussing the options of material purchase and delivery.

The basic procedures will include the following steps:

- Advertising the scheme: The building material loan option is already included in the video and ongoing information campaign. It will require at least two visits to the interested household to explain the scheme and identify affordability.

- Loan conditions: Loan amounts of Rs 500 - Rs 5,000; loan period of up to five years; market interest rates of 17 % p.a. (March 93); initial savings of 10 % of the loan amount required; loans are only given to legal land owners and those who are up to date with their payments to NHE from previous loans of land purchase; security is tied to the plot, NHE will not allow the issue of title deed unless the building material loan is paid back; loans can be paid back quicker than contracted and a subsequent loan be solicited.

- Loan application: The interested head of household requests for loan application at the Field Office. The Office Administrator helps filling the application form. A Community Development Worker visits the household and checks affordability. A Self-help Construction Advisor

helps defining the building project on the basis of affordable monthly instalments; he prepares a plan of what exists on the plot and the project, the bills of quantities, and cost estimates and divides the project into a number of building stages (not more than five). He will also assess self-help potential and help identify a builder. All documents go into an application file.

- Loan approval: The loan is approved by the Loan Committee; members are the Programme Coordinator, a representative of NHE Finance Department, a Self-help Construction Advisor, a Community Development Worker and a member of the Consultant's Team. The Loan Committee verifies the documents, including wage certificate or income declaration, payment performance and proof of savings account. The loan contract is signed by the Finance Representative, the borrower and two witness, one for NHE, the other for the borrower.

- Disbursement and construction: The Self-help Construction Advisor prepares vouchers for the purchase of materials for the first stage of construction. The borrower buys these materials with the voucher at a previously determined supplier who delivers according to the date agreed with the borrower. The latter confirms reception of materials by signing the supplier's delivery slip and starts organizing construction. After approving the first stage, the Self-help Construction issues the second voucher and so on, until the project is concluded. The Self-help Construction Advisor monitors the construction process through regular site visits.

- Loan recovery: Repayment obligation starts within one month after signing the contract. The record of monthly payments will be carefully monitored. In case of arrears, the Community Development Worker will try to find out the causes. If these are justified (loss of job, illness, death of household member, etc.) the outstanding may be rescheduled. If not, standard NHE sanctions will be applied.

- Purchase of material: Bulk purchase of materials is tendered with the local suppliers. Those who win the tender maintain the materials ready for delivery to the individual sites. They produce weekly invoices to NHE, with the delivery slips attached countersigned by the borrowers. To get better prices NHE usually pays in advance; the weekly invoices are deducted from the interest free loan given to the supplier. The Self-help Construction Advisors prepare monthly and quarterly material reports to prepare the next tender.

Building material loans are similar to starter solutions. The main difference is that the costs of starter solutions are added to the erf price so that they are paid

back in fifteen instead of five years. Starter solutions will usually include a standard package of materials, whereas building material loans allow for full flexibility within the established regulations. Waste material or material with a lifespan of less than the loan period may not be considered.

The procedures have still to be worked out in the next quarter and will have to get polished with more experience. Also the estimates made on number of loans and average loan amount will have to be reconsidered. In the Inception Report it was assumed that 1,000 building material loans with an average amount of Rs 4,000 will be given within a two years period. Probably both values will have to be adjusted downward; 500 - 600 loans with an average amount of Rs 1,000 seem more realistic.

## 2.5 COMMUNITY DEVELOPMENT AND TRAINING

### A. Evaluation of progress

The WLIHP is probably one of the first attempts to integrate a community development component in a housing programme. It is envisaged as a long term process, going in parallel with implementation of the project.

The following are some of the activities identified in the Inception Phase as necessary for the implementation of the community development component:

- \* Employ and train community development workers;
- \* Verify whether community leaders are representing the communities;
- \* Facilitate election of area representatives;
- \* Promote participation in construction, management and maintenance of infrastructures and community facilities;
- \* Make sites available and build community facilities with community participation;
- \* Support group actions, i.e. community centers, community services, cleaning up campaigns;
- \* Encourage environmental upgrading activities (i.e. tree planting)
- \* Support the mobilization of households to improve their homes;
- \* Foster the organization of saving groups;
- \* Organize participatory workshops with community representatives to share experiences;
- \* Enable development of communication networks between the residents, their representatives and NHE, and provide information about possibilities of support.

## REALIZATIONS

The two Community Development Workers (CDW) contracted during the planning period in 1992 continued to work with the programme as it began implementation in the first quarter of 1993. The third CDW was not recruited due to policy and procedural decision delays. The Community Development Advisor worked with the CDW's in February and March in informal training by involving them in as much of the decision making process and development of procedures as possible.

The CDW's continue their work with all the community committees; their assessment of the committees representativity is that there is little change since the written assessment they did which was included in the Inception Report. It was decided by the WLIHP team that it was not yet appropriate to bring area representatives into the WLIHP Steering Committee, and election of area representatives was postponed.

Support for community self-help and other development activities has continued as a priority of the CDW's. One meeting site, in Sector 1 of Okuryangava, is under construction, and will meet the immediate need of the communities for a place in which to hold public meetings. The open building (concrete floor and steel roof) will form the basis for step-by-step development of a community centre responsive to community needs and actions. A similar process will be implemented for the two other community centres envisaged.

The status of community committees and leadership varies from site to site and the committees have no mandate to continue. Efforts to develop leadership through a training programme tailored to the needs of the resettlement communities are now envisaged jointly with the MLGH and CRIAA for the next quarter. The Community Development Fund could be used to partially finance the costs.

## 2.6 INSTITUTIONAL DEVELOPMENT

### TARGETS

As the Inception Report pointed out, the Programme should contribute to strengthen NHE's executing capacities and promote mechanisms of improving the institutional framework of the National Housing Policy. Activities of institutional development affect more than one component; sometimes they are addressed to the entire Programme, to the institutional policy of NHE or even to policy issues that go beyond the scope of NHE. In the last quarter the most relevant targets related to:

- preparing the first draft of a Manual of Operations,
- establishing an up-front subsidy scheme and
- introducing a monitoring and evaluation system.

### REALIZATIONS, PROBLEMS ENCOUNTERED AND PERSPECTIVES

A first draft of a Manual of Operations was prepared, (Attached as Annex 2.1/A). As much as possible existing documents and standard procedures of NHE were used. One problem was that not all known procedures are well documented. Often the draft is based on interviews with NHE staff to systematize what they usually do without any written rules and regulations. In a small organization with little fluctuation this lack of formality is absolutely tolerable. But with increasing quantities of solutions and complexity of projects, the know-how of the institution should be properly documented, especially in times of high fluctuation when practical training materials are badly needed.

The Manual of Operations will be complemented and improved over time on the grounds of experience. Once there are no more changes to make one may assume that procedures are sufficiently defined and get routinized. In the next quarter both the Community Development Advisor and the Institutional Advisor will work on the completion and improvement of the Manual of Operations.

One of the most innovative elements introduced with the Programme is the up-front subsidy scheme. Until now interest rate subsidization was used to make housing loans more affordable. Interest rate subsidization has many disadvantages: the financial implications can not be planned over long periods; in times of increasing inflation subsidized interest rates become an ever increasing recurrent financial burden on the Government. They are not fair, as they are still benefitting households when these do not need them any more; usually the poorest do not have access at all. On the other hand an up-front subsidy is a one-time non-recurrent expenditure which can be annually assigned by Government in line with availability of funds and development priorities, particularly to the poorest.



The National Housing Policy recommends the phasing out of interest rate subsidization and the introduction of up-front subsidies instead. The WLIHP is the first attempt to implement such a subsidy policy in Namibia. The concept was strongly supported by NHE at the Inception Phase NHE, that develop a comprehensive proposal and submitted it to MLGH for approval (Annex 2.6/A). When the KfW mission visited Namibia, a basic understanding was achieved and the MLGH accepted up-front subsidization of the Programme as a "test case" (Annex 2.6/B). On that basis, a transparent operational system with differentiated subsidy levels was prepared with assistance from the consultants. Submitted to the MLGH it was approved and will be used to assign WLIHP subsidies (Annex 2.6/C ). Up to a monthly household income of one PHSL (Rs 830 in March 1993) a full subsidy of Rs 2,500 (3 times PHSL) may be assigned; from one to two PHSL the amount of subsidy is phasing out.

The initial steps of establishing a monitoring and evaluation system for the Programme have been taken. Until now the efforts focussed on monitoring which is considered an internal project management technique. Two instruments have been introduced: the weekly Programme Team meeting chaired by the Programme Coordinator and the monthly work programme and time schedule revision directed by the Field Supervisor.

At present it is too early to establish a more sophisticated monitoring and evaluation system; too many basic decisions have still to be taken, work productivity of the Field personnel and acceptance of the different options will still have to be tested. A quantification of solutions in a given time can be attempted at the earliest by the end of June. Following the approach adopted in the planning workshop of last November, expected results may be quantified by indicators for each component. An evaluation workshop is scheduled after one year of implementation in February 94.





The resettlement communities have no adequate places for group meetings. Even the WLIHP meetings with committees and groups of households meet outdoors or in makeshift shelters such as this one at a committee member's home in Onyeka. The TV/VCR, used to show the introductory video, sits in the back of the NHE pickup truck shown in this photo.



The 20 household meetings, used to introduce the WLIHP programme to groups of participants, have been well attended and lively during the test sessions in Onghuuo ye Pongo and Onyeka.

EXECUTING AGENCY AND ORGANIZATION OF PROGRAMME

3.1 RECENT DEVELOPMENTS AT NHE

Since the Inception Phase some changes of personnel have taken place at NHE. Three persons who had been actively involved in the preparation of the Inception Report left the Corporation at the beginning of the year: Mr. Tom Alweendo, General Manager, was appointed Deputy Governor of the Central Bank of Namibia; Mr. Schalk Krüger, originally identified as NHE's Programme Coordinator, and Ms. Anna Muller, involved in community development work of the resettlement areas, resigned for personal reasons. Louis Wessels, who strongly supported the Programme as Senior Manager of Technical and Social Services, left NHE in March 93, also for personal reasons.

Not all the persons who left could be immediately replaced. At the end of the quarter the position of the General Manager, now called Chief Operating Executive, is still vacant. The Chief Executive Officer reacted quickly in filling in the gaps so that the Programme would not be affected. However, it will take some time until the personnel that had not participated in the discussions of the inception phase will identify entirely with the Programme.

Two organizational changes have been introduced (see NHE organizational structure, Annex 3.1/A). One is related to streamlining the task forces; the other one refers to the establishment of a longer range land acquisition and research department which somehow replaces the development corporation. Neither of these organizational changes directly affect the Programme.

The 1993 budget is totalling approximately Rs 41.0 million of which Rs 10.0 million will cover operating and finance costs, including provisions for office equipment and vehicles. Rs 31.0 million will be spent on housing projects. NHE is expecting to invest a total amount of Rs 17.0 million into new projects, excluding the financial cooperations with Germany and China. In Windhoek, 134 houses are under construction and another 100 are planned for the Otjomuise site; the Chinese will start their first project of 135 houses in April. In the rest of the country a total of 500 - 550 houses will be constructed: 193 in Orundu, 70 in Grootfontein, aprox. 100 in Katima Mulilo, 40 - 80 in Otjiwarongo, 52 in Swakopmund, 13 in Mariental and 26 in Keetmanshoop.

Including the solutions to be realized within the WLIHP (250 - 350 core houses, of which 100 concluded by the end of the year, plus 200 - 300 starter solutions in the resettlement areas), NHE in 1993 will take up and even

exceed the rhythm of construction of the eighties when the average yearly output was approx. 1,000 units.

### 3.2 ORGANIZATION OF THE PROGRAMME

During the inception phase the Programme was already conceived as a special task force, with similar characteristics of the other NHE task forces or task groups (working on a territorial project base, integrating construction and community development functions) on one hand, but with shorter decision making procedures on the other. Once the innovative elements of the Programme have been sufficiently tested and become administrative routine, the Programme may turn into a regular task force.

This general approach has now been made operative. Functions and working relations of NHE and the Consultant's staff have been defined (see organizational chart):

- The Programme Team consists of NHE and the Consultant's staff. NHE staff includes the Programme Coordinator, the Office Administrator and three Self-help Construction Advisors, all on a full time basis. The Consultant's staff includes the Field Coordinator and three Community Development Workers on full time, the Chief Technical Advisor, Institutional Advisor, Community Development Advisor and Field Supervisor on part time.

- The Programme Coordinator directly reports to the Chief Executive Officer, a great advantage especially in the initial stage of the Programme, as a lengthy communication and decision process is avoided. Under his direct responsibility is an Office Administrator who gives logistical and technical support to the three Field Teams.

- Each Field Team consists of a Community Development Worker (hired by the Consultant and financed by the German financial contribution) and a Self-help Construction Advisor (hired and financed by NHE). This peculiar arrangement is due to various historical reasons, e.g. the fact that the Government subsidy to finance community development workers had been cancelled some time ago and KfW in the original Ojomuise proposal had agreed to take over part of the costs of implementation personnel. NHE has declared its intentions to finance community development workers as soon as a sustained base of finance has been identified (see Annex 3.2/A).

- There is a common understanding that, with the exception of the Community Development Workers who deal directly with the clients in executing roles, the Consultant is supposed to advise, assist, support the Programme and prepare the documentation and positions on which it is NHE's responsibility to take decisions. Through

this advisory role of the Consultant, institutional strengthening of NHE is expected. Similarly the non-permanent presence of the Consultant's advisors and their phasing out, right from the beginning of implementation, is justified.

- The Programme is monitored by a Steering Committee which is formed by NHE staff and representatives of MLGH, the Municipality and the Consultant. In the future representatives of NGOs and beneficiary communities will eventually join the monthly meetings.

Separately from the WLIHP special task force, the Loan Guarantee Fund is managed directly by the NHE Senior Officer of Financial Planning and Control, in coordination with the Chief Technical Advisor.

### 3.3 PERSONNEL

Mr Chris Steenkamp was appointed as Programme Coordinator. He has a BA in law and a masters degree in development management. Before his appointment he was the Task Group Professional South, responsible for the execution of NHE projects in the southern region. Previously as the manager of the Windhoek Aided Self-help Programme he had acquired important skills of working in a scheme which is similar to the envisaged building material loan component. Mr Steenkamp assumed his new duties on February 1st.

On March 23rd Mr Petrus Asino, a former Housing Official of Task Group Center, started his job as Office Administrator of the Programme. He will help the Programme Coordinator in planning and organizing the activities in the field. He will be in charge of the field office which NHE will put up in the resettlement area by June or July this year in order to facilitate the contact with the target group and give logistical support to the Field Teams.

The three Self-help Construction Advisors have not been hired yet. But the first interviews have taken place and at least one person seems to provide at least some of the required skills. It is not easy to find people with practical knowledge of construction, like master masons or clerks of work, who also are able to design house projects, prepare cost estimates, like to work in the field and communicate easily with the target group. Training seems almost unavoidable. After the first interviews the general impression is that young quantity surveyors, civil engineers or architects may be more easily trained in practical skills than masons in technical design and cost estimates.

As some policy decisions have still to be taken, particularly related with the determination of the erf price in the resettlement areas, a prerequisite to assess affordability of a starter solution and define the individual housing project, it was not really necessary to hire the Self-help Construction Advisors. By the end of May all Self-help Construction Advisors should be available. Then the Field Team training programme will start, organized by the Programme Coordinator with support from Community Development Advisor and Field Coordinator.

### 3.4 COORDINATION MECHANISMS

The most important internal coordination mechanisms are memos and weekly team meetings. Memos are written by any member of the Programme Team to sum up discussions, communicate problems and let the others know about meetings or events in which they could not participate. Each Tuesday morning all team members meet, usually in the Board room of NHE to follow up the development of the Programme. The meeting is chaired by the Programme Coordinator. The agenda covers specific components and general issues. Minutes are carefully prepared by a secretary and approved in the next meeting.

Work coordination is usually done informally and on an ad-hoc basis. Coordination of daily tasks is not a problem, due to proximity of all team members in three NHE offices, the handy size of the institution and the general spirit of cooperation that prevails in NHE that also eases access to those who are not directly involved in the Programme.

During the quarter an additional coordination and management instrument was introduced: the monthly work programme revision. It will provide the follow-up of the work programme and time schedule that have been worked out on a quarterly basis. For the next three to six months the Field Supervisor will chair the sessions, until a certain routine has developed and the Programme Coordinator can take over. The Field Supervisor will produce the minutes and submit them to NHE and SUM Consult headquarters. They will inform about monthly progress, identify problems and delays and suggest modifications to the existing work programme if necessary.

### 3.5 LOGISTICS

NHE provides an excellent logistic support to the Programme. The members of the Consultant's Team are housed in two large offices at NHE headquarters, one for the Chief Technical Advisor and the Field Coordinator, the other one for the Community Development Team. Walking distance between the offices is relatively long. The only issue that could be improved is finding offices next to each other, and situated closely to the Programme Coordinator's office.

For the next quarter the establishment of a field office in the resettlement areas of Okuryangava is planned. The Field Coordinator will prepare the preliminary design and submit the plan to the Municipality for approval. NHE will prepare the construction drawings and cost estimates, call for tender and supervise construction after contracting. Meanwhile the Programme Coordinator will apply for a phone and fax line. The office should be ready by the end of July. It will be in the charge of the Office Administrator and will represent NHE's base of all upgrading operations in the resettlement areas.

The Consultant bought two pick-ups to be used for Programme implementation. They circulate as NHE vehicles. One has a canopy equipped with two benches in order to transport up to ten persons to community meetings. This is important considering the transportation difficulties of the resettlement areas, especially in night time.

A couple of other logistical items have been dealt with during the last quarter. From the Community Development Fund a videoplayer was bought for the information campaign in the resettlement areas; electricity is supplied by a portable generator provided by NHE. The headquarter offices are quite well equipped; only some additional equipment might be required over time. Once the Field Office is established, it will be equipped with all necessary office equipment, including fax and personal computer.

### 3.6 IMPLEMENTATION SUPPORT REQUIREMENTS

In comparison to other housing agencies in developing countries NHE is probably one of the most effective; technical skills, financial discipline and administrative procedures come close to the standards of organizations in Northern Europe. The institutional challenge for which NHE needs support is related to the dramatic changes which are taking place in Namibia three years after independence.



As the single most important executing agency of the National Housing Policy, NHE has to develop affordable solutions to meet the increasing housing needs of low-income families who recently migrated to the cities. Housing solutions can only be offered on a sustained basis if the beneficiaries understand their new rights and duties; thus the crucial significance of community development for any low-cost housing project in Namibia.

The specific support requirements may be characterized in the following way:

- General conceptual and management needs due to the complex nature and innovative elements of the Programme (Chief Technical Advisor)
- Necessity of improving the institutional framework to implement the National Housing Policy (Institutional Advisor)
- Lack of experience and procedures to deal with new urban communities and help integrate them into urban life (Community Development Advisor and Workers)
- Weak relationship with the different types of professionals involved in the housing process (Field Supervisor)
- Little potential of developing experimental low-cost design and promoting self-help construction (Field Coordinator)

There is a general need for training which will be covered by the different members of the Consultant's team according to implementation priorities. The first major training effort will be oriented towards building up the Field Teams (starting the end of May). Also the Manual of Operations has strong training implications, as it helps document and hand over institutional experience on how things work. An excursion to Botswana and/or South Africa, scheduled for October 93 will enhance the training efforts of the Programme.

As some highly qualified and experienced personnel have left NHE recently, the support requirements are now bigger than in the inception phase. It will take the staff who are going to replace them, quite a long time to get familiar with formal and informal NHE routines, as well as with the particularities of the Programme. It might be convenient to develop a specific training exercise to facilitate the newcomers integration.

### 3.7 NHE RESOURCE CENTER

NHE recruited a qualified librarian who is currently introducing classification and control mechanisms into the Resource Center the operation of which was neglected in the last two years. The idea is to get the Center ready for the public, including NGOs, organizations and professionals involved in housing. The opening of the Resource Center is scheduled for June, 11th. Networking is also intended with South African NGOs (see Report of the Public Affairs Officer, Annex 3.7/A).

KfW has assigned Rs 38,000 to support the development of the Resource Center. A fund was established and filled with a first disbursement of Rs 19,000 approved by the Chief Technical Advisor. If 75 % of the funds are used, it will be replenished after proof of expenditures.



A number of squatter families had moved onto the plot allocated for use as the meeting site and eventual community centre. NHE worked out an agreement to move them to other NHE plots in mid March, and cleared the site so that construction could begin at the end of the month. The site is just to the left of the "Meatco" truck, which visits the community most days of the week, bringing fresh meat and meat products to the area.



Maria Shikongo comes with her children to fetch water at one of the communal water taps in Onghuuo ye Pongo. Many of the water taps are near the communal toilets, one of which is also shown here.

COOPERATION WITH OTHER PARTIES

4.1 MINISTRY OF LOCAL GOVERNMENT AND HOUSING

The MLGH has started the implementation of the Build Together Programme, which provides loans for housing. An amount of Rs.15.000.000 was budgeted for fiscal year 1993; since the last quarter of 1992 the program has been extended to many cities including Windhoek where hundreds of persons have applied. Financial conditions, with highly subsidized interest rates and no initial saving required are more favorable than the ones offered by NHE through the WLIHP. The fact that both programs are running simultaneously, in the same areas and addressing similar income groups will surely have a negative impact on the WLIHP, based on concepts of selective and limited subsidies, full cost recovery and replicability.

At policy level, coordination between the MLGH and NHE regarding the WLIHP is partially improving. A representative of the Ministry is member of the Steering Committee, and NHE keeps the Ministry informed about the progress. The issue of up-front subsidies was finally approved for the Programme on a test basis. On the other hand, the MLGH's refusing consent for reducing minimum plot sizes goes against basic concepts, developed jointly with MLGH's representatives during the Inception Phase. By reducing the number of solutions and increasing costs, it will exclude many families from participating in the Project.

At the operational level, NHE's project team has started efforts for a joint approach towards community development in the resettlement areas. The Directorate of Community Development (DCD) of the MLGH has an existing network of "community activators" working in the project area under the coordination of liaison officers.

The WLIHP CDW's have established a working relationship with these community activators, having met with them to explain the Project activities at community level, and has invited the activators to participate in the community meetings that they hold. They have participated in about a third of the meetings held so far, but have been unable to attend any of the night or weekend meetings. NHE has offered the DCD cooperation in assisting with transportation to enable them to participate at those times as well.

The DCD also has a Training Department that has established training modules for a variety of community activities, including training for community organization. These modules have been requested by the Programme to find out whether they can be used for the envisaged Field Teams training.

The WLIHP CDW's have found an erratic pattern of community committee effectiveness in resettlement areas (see Annex 5/G of the Inception Report), a situation that still exists. These committees were created with the mandate of assisting the resettlement move; they continue to serve other roles today.

In examining ways of promoting better community organization, representation and leadership, NHE found that the French NGO, CRIAA, has faced similar problems in its resettlement program in Ombili (a site adjacent to two WLIHP sites). CRIAA was invited to join NHE in discussions with the DCD's Training Department. The possibility of having a joint community leadership training programme with the MLGH and CRIAA has been discussed. The basic agreement is to promote confirmation and/or creation of valid community organizations, committee election procedures, and responsibility and transparency in those processes. The DCD is preparing an outline for this training activity for discussion with CRIAA and NHE in April.

#### 4.2 MUNICIPALITY OF WINDHOEK

It is too early to evaluate changes that the newly elected Municipal Council might introduce into municipal policies. It may be pointed out however that the Municipality is having an increasing awareness of the housing problems of low-income population. At the moment, it has started developing a "reception area" in a site North of Goreangab, where squatters and families that cannot afford land are to be temporarily settled on 200 m2 plots.

As already mentioned, an excellent spirit of cooperation from the municipal services has greatly helped this first months of WLIHP implementation. The Chief City Planner sits in the Steering Committee; his advise and assistance helps in many ways, not the less in saving time. On their own initiative the Municipality reviewed and commented the layout plan included in the Inception Report; and are doing the same for two other layouts even if the land has not yet been purchased by NHE; many other instances of good collaboration are mentioned elsewhere in the Report.

Creative cooperation between NHE and the Municipality is undoubtedly a precondition to successfully tackle the growing housing problems of low-income households in Windhoek.

#### 4.3 COOPERATION WITH NGO'S

Two types of cooperation with NGO's began emerging during this quarter. The first type was coordination and sharing of mutual interests and problems with CRIAA, a french agency involved in resettlement activities; the second type is an attempt to invite a variety of local NGO's for participation on the WLIHP.

CRIAA has a variety of development projects in various parts of Namibia. These include a resettlement and construction program in the Okuryangava township area of Windhoek, in a community called Ombili (between two WLIHP resettlement sites). The CRIAA project's construction component includes of training some of the resettled population in housing construction skills, and production of building elements like doors and window- frames in a CRIAA workshop.

With the aim of supporting CRIAA's job creation program, NHE will offer the CRIAA project participants the possibility of contracting with the WLIHP programme to supply windows and other materials produced in their workshop. Builders trained by CRIAA will also be able to apply to build houses in both the resettlement and core-house projects.

The CRIAA and WLIHP resettlement projects have identified similar needs for community organization and leadership improvement, and are jointly working with the MLGH to develop an appropriate training program. Other joint training possibilities, including mutual training activities for community development staff, is being considered.

Other NGO's will be informed of the general and community development objectives of WLIHP, and invited to discuss participating in roles within their interests and competences in the resettlement and core-house communities. WLIHP sees potentials for NGO involvement in such areas as social, economic, educational and health activities. At CTA's request, James Hokans, the Cooperative Housing Foundation Advisor on NGO's with the MLGH, drafted a suggested strategy and prepared a list of NGO's that possibly would be interested (see Annex 4.3/A).

Availability of space in the community centers, including facilities that could be build to custom order, will be an additional attraction to NGO's. Their participation would, conversely, be a stimulus to the vitality of the evolving community centers.

The Namibia Credit Union League has been invited to participate in the Loan Guarantee Fund Project as a housing financial institution. Its representative assisted the initial meeting.

#### 4.4 WLIHP's STEERING COMMITTEE

At NHE's proposal, the same committee that steered the Inception Phase has continued as the Programme's Steering Committee. Chaired by NHE's Chief Executive Officer, it has representatives of the MLGH, the Municipality, NHE and the Consultants. It has been decided to postpone the appointment of an area representative till the time there will be a more legitimate and representative leadership.

Till end of February the Steering Committee met every two weeks; it was decided to meet monthly. Till now, its main functions are related to coordination between institutions involved; facilitate the solution of problems, disseminate information and assist NHE in policy decisions.





The Institutional Advisor helped defining procedures, particularly for the building material loans, assisted in the preparation of the first draft of the Manual of Operations, worked out the phasing out up-front subsidy system, and participated in the elaboration of the work programme and quarterly report.

The Community Development Advisor drafted the Manual of Operations, organized the information campaign and introduction of the Programme, mainly in the Okuryangava resettlement areas, trained the Community Development Workers, started discussions about a joint approach towards community development in the resettlement areas with the Ministry of Local Government and Housing and participated in the elaboration of the work programme and quarterly report.

The Field Supervisor supported the Programme with policy advice, particularly when critical issues were discussed with third parties, and provided important information on construction costs.

The Field Coordinator prepared the plans for infrastructure development and starter solutions in the resettlement areas, in coordination with the Department for Social and Technical Services, established the contacts with the construction industry and generally supported the Programme Coordinator in all technical matters.

The two Community Development Workers revised the NHE waiting lists of potential beneficiaries, assisted in the production of a video clip on the Programme, prepared a brochure in Oshiwambo, distributed it through the community committees and had the first meetings with communities of the resettlement areas to inform about the Programme, with community committees, leaders, neighborhood groups and individual households.

### 5.3 REASONS FOR CHANGE AND PROBLEMS ENCOUNTERED

Programme implementation did not start as smoothly as expected. On the NHE side the Programme practically started on 1.02.93, due to changes of personnel and organizational structure. Significant delays were caused by lateness in reaching policy decisions; at the end of the quarter the prices of the resettlement area erven are still not known, so loan conditions can not be communicated with precise figures and consequently loan contracts not be prepared.

The following problems were encountered and should be taken into consideration when rescheduling the Consultant's assignment:

- Some policy issues are highly sensitive and need more time than anticipated to be sorted out; best example: approval of plot sizes smaller than 300 m<sup>2</sup> by MLGH.

- A third community development worker (CDW) could not be hired, so far this has not hampered Programme implementation as mass household activities could not be started yet. However recruitment of CDWs has turned out to be rather difficult. Most candidates lack basic skills. Those with some skills charge excessive salaries. None of the six candidates interviewed could provide a similar experience to that required in the Programme. There is an extremely narrow human resource potential to draw from.

- One of the two CDWs announced resignation due to personal reasons. She promised to stay with the team until at least one new CDW is hired (May or June), but will leave a hole behind as she was an integral part of the team since the inception phase.

- On the other hand the crucial position of the community development component within the Programme is more and more evidenced. It seems e.g. that more than 25 % of the resettled households cannot afford even the purchase of the erf (approx. R 50 p.m.) and minimum municipal charges (approx. R 20 p.m.) and will have to leave the resettlement areas. This challenge has to be met without the experienced community development personnel who have recently left NHE and will not be replaced immediately. An increased effort should be made to offer integration and training to the MLGH community activators.

- The Manual of Operations could not be finalized. Considering the experimental character of some components and the changes that still will occur, a process approach which allows the gradual definition and improvement of the procedures, seems now more appropriate.

- Hiring field staff was delayed because it was not entirely clear, to which extent KfW could finance implementing personnel. As the self-help construction advisors (SCAs) have not been hired by NHE, the process of building Field Teams (CDW + SCA) could not be initiated and will require an additional training effort.

- Monitoring procedures had not been sufficiently defined, especially as the elaboration and follow-up of work programmes and time schedules was concerned. Following the recommendations of the KfW mission, a stronger involvement of the Field Supervisor should help.

- The Chief Executive Officer asked the Consultant to support NHE in preparing the documentation for the second low-cost housing project in cooperation with the German

Government, earmarked for the period after the WLIHP and depending on its proper implementation.

The absence of the Financial Advisor could largely be absorbed by the Community Development Advisor (Manual of Operations) and the Institutional Advisor (building material loan procedures, definition of the up-front subsidy system). The original idea of starting with a complete Manual of Operations which the Financial Advisor was supposed to work out was substituted by drawing up a draft and gradually improving it under implementation.

Generally time required for preliminary tasks and administrative approvals had been underestimated in the initial stage of the Programme. Nevertheless a permanent presence of the international Consultant does not seem to be necessary. But the Consultant's involvement should be increased, particularly in the first year of implementation and in the community development component.

#### 5.4 REVISION OF MANNING SCHEDULE

Table 5.4 represents the original manning schedule for the Consultant's personnel as agreed upon after the inception phase and the revised one taking into the consideration the problems encountered.

The differences refer to the assignment of:

- The Institutional Advisor (+ 1.5 workmonths). In addition to the original schedule he had to come at the end of the first quarter to support the Programme Team. He should also participate in the final evaluation of the Programme envisaged for Oct./Nov. 1994. His additional workmonths will be covered by those originally planned for the Financial Advisor (- 1.5 workmonths) whose tasks will be taken care of by him and the Community Development Advisor.

- The Community Development Advisor (+ 5.0 workmonths). The additional worktime is necessary to strengthen the community development component of the Programme which, in spite of its crucial significance for Programme success, is still weak and cannot rely on additional inputs from NHE. His additional input will be concentrated in the first year. He also should do more follow-up in the second year of implementation than originally planned.

- The Field Supervisor (+ 1.0 workmonths). His additional input is supposed to counterbalance the Chief Technical Advisor's periodic absence, particularly with reference to the monthly follow-up of work programme and time schedule.



- One Community Development Worker (- 4.0 workmonths). It is hoped that later engagement of the third Community Development Worker will not affect implementation, as mass household activities only can start after definition of all policy issues, especially the final erf price.

5.5 Assignment of next quarter and special tasks to be rendered

The assignments of the next quarter (April - June 1993) are visualized in the following table:

PLANNED ASSIGNMENT OF CONSULTANT PERSONNEL  
SECOND QUARTER 1993

PERSONNEL		APRIL	MAY	JUNE	MONTHS
Chief Technical Advisor	JAC			XXXXXXXXXXXXX	1,0
Institutional Advisor	RZ			XXXXXX	0,5
Community Development Advisor	DK		XXXXXXXXXXXXX	XXXXXXXXXXXXX	2,0
Field Supervisor	KMN	x x	x x	x x	0,8
Field Coordinator	AW	XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX	3,0
Community Development Worker 1	SS	XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX	3,0
Community Development Worker 2	SK	XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX	3,0
Community Development Worker 3	-		XXXXXX	XXXXXXXXXXXXX	1,5

TABLE 5.5

In addition to their general terms of reference the tasks the members of the Consultant team will have to achieve in the next quarter include the following:

- Chief Technical Advisor: He will have to look after the critical issues that have not been defined yet, particularly as related with the definition of the erf price in the resettlement areas, purchase of land and plot sizes of core house projects, building material loan scheme and loan guarantee fund. He will also give follow-up to the upgrading process in the resettlement areas as well as to the approval and tendering procedures of the core house projects. He will assist the Chief Executive Officer in preparing the documentation for the second housing project in cooperation with the German Government. Finally he will organize the preparation of the second quarterly progress report.

- Institutional Advisor: He will help improving and complementing the Manual of Operations, defining the administrative procedures of the building material loan scheme on the basis of first experience and determining the way how to deal with those resettled households who cannot comply with their obligations or will have to leave the Programme. He also shall support the Chief Executive

FINANCE

6.1 STATE OF ACCOUNTS

At the end of February 1993, when the revised Separate Agreement was signed and actual disbursements for programme's expenditures could start, a total of DM 2.538.785 were disbursed by KfW from the DM 9.600.000 grant, which now has a non disbursed balance of DM 7.061.215.

DM 538.785 were paid as consulting fees for the Inception Phase and mobilization charges for the beginning of implementation. DM 2.000.000 were sent in July 1992 to NHE for the establishment of a Disposition Fund.

Till February 28th, no disbursements were made from the Disposition Fund; the amount, converted in rands, was placed by NHE. As agreed between NHE and the CTA during the Inception Phase, interest earned were to be applied to the WLIHP. Since mid-February, the annual rate of interest is 10,30%, down from a previous rate of 11,50%.

No information is on hand for the Consultant regarding the rate at which the DM 2.000.000 were converted in rands. However, for budget calculation, an average rate of Rs 1,8/1 DM was established. The countervalue of the amount remitted by KfW was then Rs 3.600.000. At February 28, with accrued interest, the total amount in the Disposition Fund was Rs 4.028.602 (Bank statement attached as Annex 6.1/A), an increase of Rs. 428.602 (DM 238.668 at project budget exchange rates).

Other increases in the total rand amount with respect to the initial calculations may be expected, both for future interest earnings and for rates of exchange more advantageous than the one established in the Inception Report. Savings in some components (like internal street lights for upgrading areas) may further increase the available rand amount.

It is suggested that all these moneys be credited to the contingencies post (Nr.9 in the budget), that was strongly reduced in last December budget revision. Unforeseen expenditures, like improvement of internal streets, survey or consulting engineer's fees are already occurring, cost increases for escalation may also be envisaged.

6.2 ADHERENCE TO DISBURSEMENT SCHEDULE

The following table compares projected with actual disbursements during the first quarter. If not otherwise indicated, notes refer to relevant pages in the text where explanations for the deviation from the original schedule are contained.

DISBURSEMENT SCHEDULE FOR NEW FUNDS

BUDGET POST NUMBER	DISBURSEMENTS DM/ COMPONENTS	1992	1993		NOTES
			1st.Qtr. PROJECTED	ACTUAL	
1	UPGRADING RSTLT.AREAS				
	Land & basic infrastr.		1.066.666,6	1.066.666,6	
	Infrastr.extension		30.500,0	0,0	(a)
	Starter solutions		39.600,0	0,0	(b)
	Community centers		120.500,0	3.000,0	(c)
2	CORE-HOUSES				
	Land development		0,0	0,0	
	Core-house construct.		0,0	0,0	
	Community centers		0,0	0,0	
3	LOAN GUARANTEE FUND		1.000.000,0	0,0	(d)
4	BLDG.MATERIAL LOANS		0,0	0,0	
5	CTY. DEVELOPMENT FUND		15.000,0	5.945,7	(e)
7	CONSULTANTS				
	Inception phase	288.000,0			
	Implementation phase		200.000,0	250.000,0	(f)
8	CONTRIBUTION TO NHE RESSOURCE CENTER		0,0	10.555,5	(g)
9	CONTINGENCIES		0,0	0,0	
TOTALS		288.000,0	2.472.266,6	1.336.167,8	

(a) See pages 8/10

(b) See pages 6/7

(c) Approx.amount committed, not yet disb.

(d) See pages 27/28

(e) Video production; purchase of TV monitor-pages 5 and

(f) Amount modified as per revised consulting contract/Dec.1992

(g) Component included after presentation of inception report

The total amount disbursed is 55% of the original prevision. Most of the difference comes from the Loan Guarantee Fund, as its creation will pass to the second quarter.

6.3 ESTIMATED DISBURSEMENT SCHEDULE FOR 2nd QUARTER

The following table resumes envisaged disbursements for the second quarter. For infrastructure extension it will mostly include professional design fees. Under contingencies, internal streets upgrading may begin in some of the areas. Land development expenses will be related with land survey and engineering design costs. It is planned to start production of a second video aimed at explaining costs and implications of urban life will begin.

BUDGET POST NUMBER	DISBURSEMENTS DM/ COMPONENTS	1993 / Original estimate	2nd.Qtr. Revised estimate
1	UPGRADING RSTLT.AREAS		
	Land & basic infrastr.		
	Infrastr.extension	250,0	30,0
	Starter solutions	200,0	30,0
	Community centers	80,0	20,0
2	CORE-HOUSES		
	Land development	89,2	75,0
	Core-house construct.	350,0	0,0
	Community centers		0,0
3	LOAN GUARANTEE FUND		1.000,0
4	BLDG.MATERIAL LOANS	276,8	0,0
5	CTY. DEVELOPMENT FUND		15,0
7	CONSULTANTS	100,0	120,0
8	CONTRIBUTION TO NHE RESSOURCE CENTER	0,0	0,0
9	CONTINGENCIES	0,0	50,0
TOTALS		1.346,0	<del>1.290,0</del> 1.340



## 7. STATE OF FULFILLMENT OF CONDITIONS

As far as applicable, all conditions of the Financing Agreement and the Separate Agreement have been fulfilled by NHE:

- The monthly household income of the Programme beneficiaries is considerably below three times the Primary Household Subsistence Level. A household with a higher income will be automatically eliminated from the waiting list for the core houses. The Community Development Workers are actualizing the income situation when visiting the households and thus ascertain the fulfillment of the income condition.
- The financial burden of the household cannot be assessed yet empirically, as only some loan contracts have been signed in the resettlement areas. With the basic concepts of affordability and sustainability it will be unavoidable that the poorest households will have to leave the Programme. However, upfront subsidies will provide poorer household access to the Programme and every effort is made to maintain the number of leavers as small as possible. A leasehold for those resettled household who cannot even afford the purchase of an erf, is under discussion. All indications suggest that the financial burden arising from the Programme will not exceed 25 % of the household income.
- Selection procedures have been largely determined for the core house beneficiaries, though not operationalized in detail due to pending policy decisions. In the resettlement areas all household automatically qualify to become Programme beneficiaries. Gender specific selection criteria do not seem to be relevant in the urban context of Windhoek.
- A Steering Committee has been established, with the main parties involved, and meets regularly.
- A particular effort is made to promote the beneficiaries' participation in the Programme, through Community Development Workers and Self-help Construction Advisors.
- Self-help construction will be offered as an option to the beneficiaries, supported by building material loans and assistance of Self-help Construction Advisors.
- For all contract construction work and the purchase of building materials in bulk, tendering is envisaged.

- NHE will not use asbestos cement products in the Programme.
- The Loan Guarantee Fund regulations will fulfill the stipulated conditions.
- NHE is addressing NGOs not only to invite for participation in the Programme, but also as beneficiaries of the Resource Center.

JAC/RZ/260393

ANNEXURE 1/A:

Minutes of Meeting: KfW Mission

MINUTES OF MEETING

A mission of Kreditanstalt für Wiederaufbau (KfW), Frankfurt / Germany, comprising Messrs Johannes Bickel and Hans Oeller, visited Windhoek from February 14 to 20 in order to discuss with the Namibian authorities the progress of the "Low-cost housing project Windhoek".

For the National Housing Enterprise Limited (NHE) the discussions were led by Mr Tsowaseb, Chief Executive Officer. Meetings were also held with the Ministry of Local Government and Housing / MLGH (Mr N Shoombe, Permanent Secretary and Mr K Gowaseb, Director of Housing) as well as with other representatives of NHE and its consultants (Sum-McNamara consultancy joint venture) and members of the Municipality (Mr Hibbert, Chief Engineer, and others). All the meetings took place in a co-operative and friendly atmosphere.

The discussions were based on the revised project concept as laid down in the Inception Report of December, 1992, which has been approved by KfW in its fax of December 21, 1992. The revised project concept has been harmonised with the MLGH and the Municipality too (e.g. during the workshop in October 1992, and in the meetings of the Project Steering Committee). The mission also visited the envisaged sites of the project.

Project components and their implementation

The major project components are: upgrading of resettlement and squatter areas, core-houses on developed plots, a loan guarantee fund (for loans of private institutions), building materials loans and community development activities.

Upgrading component : The design and preparation for tendering of the infrastructure extensions and the starter solutions were delayed partly due to the missing final decision of the kind of subsidies for the target group of low-income beneficiaries (capital upfront or interest rate subsidy). The Municipality which is supposed to take over the infrastructure extensions, has not yet received the respective application by NHE.

Core-houses : The design for land development and for core-houses by NHE is delayed due to the missing decision on the three sites by the City Council.

Community development : The design and construction of the community centers has not yet started. The community centers for the upgrading component will, in a first phase, be erected in a provisional manner only, in order to improve the conditions for the information campaign. The co-operation with the beneficiaries, their speakers and NGOs is attached high importance by NHE and KfW because it is a vital condition for a successful project.

The infrastructure and social aspects of the project (e.g. schools, clinics, stormwater drainage, garbage collection), partially covered by

the Municipality, will be given due consideration in the design phase by NHE, too.

The KfW mission observed that the institutional conditions of the project implementation (NHE as well as SUM-McNamara Consultants) have to be improved (detailed working programmes, task assignments etc.).

The working programme is at present one to two months delayed compared to the time-schedule proposed in the inception report; unfortunately, further delays have to be expected due to missing decisions beyond NHE's control. Nevertheless, the KfW mission expects that these delays can be recovered in future by special efforts in order to avoid cost increases. The working programme of the inception report has to be actualised and extended to a Detailed version which takes into account essential decisions to be taken within NHE and elsewhere and the necessary staff assignments.

#### Total Costs and their financing

The preliminary cost estimates of the inception report, too, can now be actualised in using more reliable and consistent quantities and prices.

As far as the KfW grant is concerned, the revision of Article 1.2 of the financing agreement of May, 1992, is underway (with the National Planning Commission). The revised separate agreement to the financing agreement has been submitted (counter signatures of MLGH and NHE). The payment of most of the project components will, according to the separate agreement, be effected through the disposition fund established for NHE in the Commercial Bank of Namibia; any withdrawals from the fund have to be certified by NHE and SUM Consultant; during the absence of the SUM representative, expenses will be pre-financed by NHE.

#### Further issues for implementation

1. NHE and the KfW mission welcomes the decision of the respective MLGH-NHE committee to approve the use of capital upfront (instead of interest rate) subsidies in the project as a test case. The advantage of the capital upfront subsidy is that it
  - is more favourable for lower income groups (vide the calculations in the Inception report),
  - reduces the gap between the beneficiaries and private banks, and
  - tends to favour the revolving use of funds for other families.
  - corresponds with the National Housing Policy.

2. Envisaged sites for the core-house component (2 in Khomasdal, 1 in Okuryangava) : the KfW mission stresses the necessity to speed up the decision-making process for these sites. It reiterates its concern because these sites are rather far from the city, which creates many disadvantages for the low-income beneficiaries and contributes to maintaining the socio-economic segregation of the town.
3. Both parties confirm the necessity to have the core-houses constructed on plots smaller than 300m<sup>2</sup> (in the Inception Report 200m<sup>2</sup> have been assumed) - an exception as it is foreseen in the National Housing Policy. This counteracts to the principle of equity amongst different population groups, but seems necessary because:
  - it allows families with lower incomes to participate in the project,
  - thus increases the number of beneficiaries from the project, and
  - corresponds to the fact that the land around Windhoek will definitely become scarce because of the high influx of people.

#### Project objectives and their application

Both parties confirm that "affordability" and "replicability" are two important project objectives. "Affordability" means that the project is geared to low-income families (maximum 3 times the PHSL) and their financial capabilities (maximum 10 to 25% burden from charges for plot, infrastructure and NHE loan), after consideration of the subsidy. The project is supposed to benefit 1 600 to 2 000 families (instead of 600 families in the previous Otjomuise version); but there are still tens of thousands of low-income families in Windhoek and in Namibia without decent housing. "Replicability" means that everything must be done to ensure proper repayment of loans and revolving use of funds for housing projects for only some of these remaining low-income families. Therefore,

- the land development costs should in general, be further reduced (the costs per family for plot, water supply, sewerage, streets, electricity and Municipality's overheads),
- the repayment of the NHE loans in the above mentioned project should not be endangered by other housing projects of the public sector (perhaps a joint working group might discuss different procedures in detail and propose common solutions).

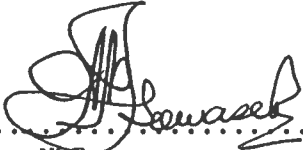
After implementation, NHE is requested to calculate the actual financial burden from charges to the Municipality and to NHE (as a percentage of

the monthly family income), for the different groups of beneficiaries of the project, in order to verify the affordability of the project.

Preparation of a second housing project

The Namibian and German governments have reserved an amount of 3,6 and 7,4 = 11 million DM (approximately R20 million) for a second low-cost housing project, dependent upon its preparation by NHE and its evaluation by KfW. It could be directed towards alleviating housing problems in Windhoek and one or two other towns. The principles to be applied should basically be the same as in the revised first housing project. As KfW has in the meantime established a working relationship with NHE, it proposes to the MLGH to extend this to the second project. NHE is requested to prepare corresponding documentation e.g. up to summer 1993. The evaluation of this project will be dependent upon the proper implementation of the first housing project.

The above-mentioned statements and conclusions will, as usual, be presented to the Board of Directors of KfW and the German and Namibian Governments for approval.

  
.....  
For NHE 19.2.'93

  
.....  
For the KfW Mission

Copy:           MLGH  
                  Municipality  
                  German Embassy

ANNEXURE 2.1/A:

Manual of Operations



*OPERATIONS MANUAL*  
*FOR*  
*THE WINDHOEK LOW-INCOME HOUSING PROGRAMME*

*Initial (draft) Edition*  
*March 1993*

*National Housing Enterprise*  
*and*  
*SUM/McNamara Consultants*  
*Windhoek, Namibia*

## PREFACE

This OPERATIONS MANUAL for the Windhoek Low-Income Housing Programme is being prepared to provide a primary resource for the project staff. It will provide them with guidelines, information and explanations of procedures and policy applications.

The OPERATIONS MANUAL will also provide the National Housing Enterprise with a functional document that can serve as a tool to facilitate that agency's objectives of increasing housing services to the low-income population of Namibia.

This document is a work in process. Many essential sections of the manual are dependent on unresolved policy issues and on organizational procedures that are not yet finalized.

Several sections are presented in this edition as drafts, with expectations of revisions as implementation experience confirms more appropriate and effective methods and procedures.

Still other sections are dependent on the finalization and publication of NHE manuals and procedures.

And other sections need further discussion between NHE and the WLIHP staff, and clarification within the WLIHP group, before drafting and then finalization of operational procedures, construction options and procurement and delivery systems.

Additionally, the interest and loan tables will also be revised from time to time, to keep them in line with current interest rates.

The OPERATIONS MANUAL is consequently a growing document that will expand and change as the programme progresses, to assure that it is as current and accurate as possible.

Windhoek  
March 1993

THE NHE WINDHOEK LOW-INCOME HOUSING PROGRAMME:

A VIDEO TO INTRODUCE THE PROGRAMME TO PARTICIPANTS  
IN THE UPGRADING COMPONENT OF "WLIHP"

A short video of about six minutes has been produced by the Windhoek Low-Income Housing Programme, to be used as an introductory tool for participants in the upgrading component of the project.

It is used as the introduction portion of meetings with groups of 20 participating households in the resettlement areas within the programme.

The process of discussions with the participants in the upgrading component of WLIHP begins with a community committee meeting with the specific community, to discuss the process of introduction and involvement of the individual households in buying their lots and building their houses. The committee is asked to assist in scheduling and participating in the next step, meeting with groups of 20 participating households (the outline of the procedures of this meeting follow).

Immediately following the group meetings, the CDW's begin meeting with individual households to discuss their particular starter solutions, and to move quickly to concluding at least agreement to purchase their plots (an outline of the procedures of individual household meetings also follows).

WORKING OUTLINE FOR

20 HOUSEHOLDS MEETINGS

I. PRELIMINARY

- A. Keep records of households attending meeting.
- B. Announce this is introductory meeting for the NHE resettlement programme.
- C. This group meeting will be followed in the next few days with meetings between NHE and each individual household.

II. INTRODUCTION

- A. Video (Part I)
- B. Or, in absence of Video, presentation from the script.

III. FOLLOW UP QUESTIONS AND ISSUES RAISED BY THE VIDEO/PRESENTATION

- A. Several issues must be revised, if not as a result of questions, then on the initiative of the CDWs:
  - 1. Resettlement was at the demand of the municipality, as people were considered squatters on municipal land.
  - 2. NHE facilitated the move, bought the land so resettled population would have a designated place to which to move that could become "theirs".
  - 3. Confirm that resettled people understand that they are required to buy the erven on which they have been resettled.
- B. Other issues as raised by listeners.
- C. Issues raised in previous meetings that clearly need to be discussed.

#### IV. HOW DO RESETTLED HOUSEHOLDS PARTICIPATE IN PROJECT?

- A. Check to make sure everyone has completed application form to buy their individual erf (show sample application form).
- B. You have to decide what you want to build, and what you can afford, on your erf:
  - 1. Nothing right now, just buy the erf.
  - 2. Options for building, with estimated costs, including finance repayment (show stepped model).
  - 3. Various ways to finance include pay cash, borrow from NHE or other building schemes or banks, or organised self-help systems.
- C. For NHE loan, a 10% deposit required (need table of 10% plus monthly repayment amount on principal).
  - 1. Show application, explain process.
  - 2. If you want to take loan and need to start saving for your deposit, you can open account any work day at NHE office in Katutura, or Klein Windhoek.
  - 3. Perhaps committees can arrange volunteers to help others complete their forms in English.

#### V. ARRANGING MEETINGS WITH INDIVIDUAL HOUSEHOLDS

- A. CDW's need meet with each head of household to discuss buying erf and building
  - 1. Must discuss options and family's intentions
  - 2. CDW's and SCA's will respond with cost options so family can consider which they want
- B. When family decides it wants loan, then NHE loan officers will assist in completing loan forms
- C. Whatever the family decides, NHE must keep a record of that decision
- D. Meeting schedule with individual households will be worked out with community committee

OUTLINE:  
FIRST ROUND INDIVIDUAL HOUSEHOLD MEETINGS

1. Review the Household situation
  - Confirm interviewee is the proper occupant assigned to the erf
  - Review the NHE application form data
  - Other background information as necessary
2. Review cost of erf
  - Explain applicable subsidy on purchase of erf
3. Explain erf purchase must be done immediately
  - Loan can be requested today through worksheet exercise from NHE
  - NHE will begin legal steps in late June 1993 for erven for which occupants have not arranged purchase
4. Discuss affordable starter solution
  - prepare worksheet on preferred starter solution option
  - prepare, discuss rough estimate and repayment implications for the preferred started solution option
  - revise worksheet to affordable starter solution
5. Discuss individual municipal services
  - water, sewage, electricity
  - revise worksheet as appropriate
6. Summarize final data on worksheet
7. Schedule follow-up meeting
  - should be within a week
  - at that meeting NHE should present either:
    - = a loan agreement, or
    - = an accurate cost estimate
  - affordability of that cost and the repayment schedule will be discussed
  - if costs or affordability not acceptable, then further negotiations necessary

Policy and Procedural Statement:

UPGRADING COMPONENT PARTICIPANTS WITH HOUSEHOLD

INCOMES INADEQUATE TO PARTICIPATE IN "WLIHP"

(Draft)

The socio-economic survey on the resettled families, undertaken as part of the preliminary phase of WLIHP in late 1992, indicated a number of the participants in the resettlement campaign had incomes inadequate to qualify them for participation in the upgrading component of the project.

Additional information has been collected by NHE (based on their loan applications) from 623 households in four of the project community sites. Compilation of this data shows that approximately 25% of households do not have a total household monthly income of more than R.286.00. Households with incomes below that amount will not be able to afford loans for the basic solution (that is, purchasing the erf), minimum municipal charges, transfer and administration charges, which amount to at least R 71,59 per month.

The WLIHP team has suggested that the following procedures be followed with households in the abovementioned category:

- \* Reassess the affordability of household during the individual household meetings;
- \* Assess whether household can mobilise other resources, e.g., family loans, additional income from sales or other activities;
- \* If it is found that the household cannot afford even the basic starter solution, they will be informed about the possibility of exclusion from the programme, the possibility of relocating their households to the reception centres will be brought up;
- \* A list of households ineligible for WLIHP will be established in the process and forwarded to the reception areas committee or to whoever will be responsible relocating this group (this list will possibly be ready after each household has sign the deed of sale on the erf ie. after September 30, 1993);
- \* The reception areas committee will deal with these households further.

## SELECTION PROCESS

### FOR PARTICIPANTS IN CORE-HOUSE COMPONENT

#### OF "WLIHP"

PRELIMINARY  
D R A F T

1. Potential core-house programme participants will be selected for the NHE's waiting list with monthly incomes of between 1 PHSL and 2 PHSL. The waiting list currently includes some 1,400 people, of whom some 800 fall within the indicated income levels.
2. NHE will organize a series meetings with the people on the waiting list in the NHE auditorium. Some 200 people will be invited per evening. The groupings will be according to years on the waiting list.
3. In the first round of meetings, the core house program will be explained. At a certain point, all those clearly not interested in the program may leave (they will remain on the waiting list for consideration in future programs). This is the first de-selection step. Those remaining will be given further cost options to consider.
4. A second round of meetings for those maintaining interest will be called. Those not attending will be considered to have withdrawn interest in the core house programme, and will be returned to the waiting list. In the presentation of the costs of the erven and core house selections, others may opt to withdraw interest as well -- this is a second de-selection step. Those remaining will be asked to prepared their choices of core houses and to identify the amount of loan they require from NHE to purchase the erf and pay for the core house. The 10% deposit will also be noted as required immediately the loan agreement is signed.
5. In the third round of meetings, site selection (i.e., for the area, not for the specific erf) will take place. Opening of an NHE Savings Deposit Account in the amount of 10% of the anticipated loan will be required at this stage. Priority for selection will be given by years on the waiting list [the waiting list of those still interested in



participation in the core house programme should be printed out by year of application for this step in the process]. Those whose applications were taken or updated in 1987 will be given first choice of location (Khomasdal, Okuryangava or Goreangah). Those who applied in 1988 will choose next; those from 1989, next; etc.

not  
applied

5. As the total number of erven for a location is chosen, that location will be considered filled, and thereafter only 10 second choices for that location will be accepted. (Second choices are to allow for potential dropouts.) When the total number of erven for a second location is chosen, that second location will be considered filled, and up to ten more people may choose that location as their second choice. When the total number of erven for the third (last) location is chosen, the next 30 of the remaining interested people on waiting list will be identified as priority for replacement of any dropouts.
6. At a fourth round of meetings, erf are to be selected. All those who have chosen the first location to be filled (plus those 10 who have identified it as their second choice, as they will be promoted automatically to fill any dropouts at this point) will be invited to this meeting. Site selection will be by lottery, with the erf numbers to be drawn from a bowl. Participation order in the drawing will be by seniority on the waiting list, defined as lowest application number has the highest seniority.
7. The process for the second and third locations will follow the same procedure.
8. Three final meetings, one for each location, will then be held. Contracts will be signed and the 10% deposit made at this meeting. A community committee will be elected.

erven

in order of  
who by lottery → let people select by seniority  
on the waiting list) allocate site. then  
want.

## THE 10% SAVINGS DEPOSIT REQUIREMENT: WHY!

1. NHE requires a 10% savings deposit up-front from all people taking a housing loan.
2. Commercial loans normally require some sort of guarantee from the person taking the loan. Usually this is in the form of putting up some property (a car, a house, or land and buildings already owned by the person taking the loan) on which the loaning bank or agency takes an attachment. Then, if the person taking the loan defaults on payments, the loaning bank or agency may recover the lost money by legally taking possession of the guarantee property and selling it; the loaning bank or agency recovers the balance due on the outstanding loan amount plus fees from that sale, and reimburses any balance (if any) to the person taking the loan.
3. Low-income people buying land and housing through NHE do not have the kind of property that can be put up as a guarantee for the loan. So instead, NHE has developed the practice of requiring the loan taker to make a 10% up-front investment (the savings deposit) as part of the funds dedicated to buying the land and housing. For example, if a total of R.10,000.00 is required to buy the land and house, the person taking the loan is required to put up a 10% deposit against that amount, or R.1,000.00, and NHE will make a loan of R.9,000.00.
4. The person taking the loan may make that 10% deposit either as a lump sum payment to NHE upon signature of the loan, or (most often) by opening a savings deposit account at NHE through which that 10% deposit requirement is met by regular deposits and interest accumulated.
5. When a loan is signed and approved, the 10% deposit is required to be turned over to NHE at the same time, so that the person taking the loan invests 10% of the value of the project (i.e., the purchase of the erf and building of his house) and the NHE loan covers the other 90%. Thus the person taking the loan immediately has an financial investment in the project.
6. Additionally, the person taking the loan risks loss of his investment (the 10% deposit) if he defaults on the loan. This is more incentive, on the borrower's part, to properly plan the amount of the loan (and the monthly repayment amounts), and to assure regular payment of the amount due.

The NHE's Windhoek Low-Income Housing Programme

STARTER SOLUTION ESTIMATE

WORKSHEET

Name \_\_\_\_\_ Application No. \_\_\_\_\_

Site \_\_\_\_\_ Erf No. \_\_\_\_\_ Today's Date \_\_\_\_\_

Total Income for this Household is R. \_\_\_\_\_ per month.

Total loan affordability of this household is R. \_\_\_\_\_

Maximum monthly repayment is R. \_\_\_\_\_

1. WHAT IS CURRENT HOUSEHOLD INCOME:.....R. \_\_\_\_\_  
What documentation is provided to confirm this amount?  
Specify on the following lines (if informal income is  
claimed, the applicant must provide a certified police  
statement confirming the amount; copies of other  
documentation may be required):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If this amount is greater than the amount in the block  
above, recalculate the new Maximum Monthly Repayment  
amount as follows:

ENTER the new household income amount:.....R. \_\_\_\_\_

MINUS previous household income amount:.....R. \_\_\_\_\_

SUB-TOTAL:.....R. \_\_\_\_\_

DIVIDE by 4:.....R. \_\_\_\_\_

ADD old Maximum Monthly Repayment amount:....R. \_\_\_\_\_

TOTAL:.....R. \_\_\_\_\_

This is the new Maximum Monthly Repayment amount.

2. Cost of erf:.....R.\_\_\_\_\_

3. ENTER the applicable subsidy amount, from the Subsidy Rates Table:.....R.\_\_\_\_\_

4. Net price of erf (1 - 2):.....R.\_\_\_\_\_

NOTE: IF PURCHASE OF THE ERF IS THE ONLY STARTER SOLUTION TO BE UNDERTAKEN AT THIS TIME, GO DIRECTLY TO PART No. 8.

5. Basic house (Materials Only):

( ) Concrete slab only,  
3x4.5m, @ R. 320.00.....R.\_\_\_\_\_

( ) Slab plus roof, 3x4.5m  
@ R.1,080.00.....R.\_\_\_\_\_

( ) One room house, 3x4.5m  
@ R.2,880.00.....R.\_\_\_\_\_

( ) \_\_\_ x Bedroom(s), 2.5x3m  
@ R.1,800.00 each.....R.\_\_\_\_\_ (estimate)

( ) Kitchen, 2.5x3m  
@ R.1,800.....R.\_\_\_\_\_ (estimate)

( ) Lounge, 3x4.5m,  
@ R.2,880.00.....R.\_\_\_\_\_ (estimate)

( ) Bathroom, 2x2m,  
@ R.900.00.....R.\_\_\_\_\_ (estimate)

( ) Toilet, 1x2m,  
@ R.450.00.....R.\_\_\_\_\_ (estimate)

( ) Veranda, 1.5x6m,  
@ R.720.00.....R.\_\_\_\_\_ (estimate)

6. Net price, basic house (total of all items in "5").....R.\_\_\_\_\_

7. Should labour and builder costs be added to loan amount? Yes/No  
If yes, See Tables to estimate costs based on amount in "6".....R.\_\_\_\_\_

8. Total initial cost estimate (total of "4", "6", & "7").....R.\_\_\_\_\_

9. Savings deposit (10% of "8").....R.\_\_\_\_\_

10. ESTIMATED loan amount from NHE  
("8" Minus "9").....R. \_\_\_\_\_

11. Monthly repayments calculation figured as a loan  
for 15 years at 17% interest on the amount in  
"9" (R. \_\_\_\_\_) x 0.01539 = monthly loan  
repayment amount of (ESTIMATE)..R. \_\_\_\_\_

+ Transfer Fees.....R. \_\_\_\_\_

+ Bond Payments.....R. \_\_\_\_\_

+ Administrative Fees.....R. \_\_\_\_\_

TOTAL ESTIMATED MONTHLY REPAYMENTS:.....R. \_\_\_\_\_

NOTES:

Estimate Worksheet Prepared by: _____ (signature)	Reviewed by Head of Household: _____ (signature)
---	--

(A SECOND WORKSHEET WILL BE PREPARED  
IN THE FUTURE  
TO INCLUDE INDIVIDUAL MUNICIPAL CONNECTIONS  
OF ELECTRICITY, WATER AND SEWERAGE  
FOR THOSE COMMUNITIES WHERE AND WHERE  
THOSE INDIVIDUAL CONNECTIONS ARE AVAILABLE.)

## Full Erf Price

BEGINNING LOAN BALANCE:	\$5,200.00
NUMBER OF PERIODS:	180
PERIOD TYPE:	Monthly
ANNUAL INTEREST RATE PAID	17.000
PAYMENT AMOUNT:	\$80.03

PAYMENT DATE	PRINCIPAL PAID	INTEREST PAID	TOTAL PAYMENT	LOAN BALANCE
YEAR 93	\$60.61	\$659.66	\$720.27	\$5,139.39
YEAR 94	\$93.74	\$866.62	\$960.36	\$5,045.65
YEAR 95	\$110.96	\$849.40	\$960.36	\$4,934.69
YEAR 96	\$131.40	\$828.96	\$960.36	\$4,803.29
YEAR 97	\$155.55	\$804.81	\$960.36	\$4,647.74
YEAR 98	\$184.17	\$776.19	\$960.36	\$4,463.57
YEAR 99	\$218.03	\$742.33	\$960.36	\$4,245.54
YEAR 100	\$258.11	\$702.25	\$960.36	\$3,987.43
YEAR 101	\$305.58	\$654.78	\$960.36	\$3,681.85
YEAR 102	\$361.76	\$598.60	\$960.36	\$3,320.09
YEAR 103	\$428.32	\$532.04	\$960.36	\$2,891.77
YEAR 104	\$507.07	\$453.29	\$960.36	\$2,384.70
SUB TOT	\$2,815.30	\$8,468.93	\$11,284.23	\$2,384.70
CUM TOT	\$2,956.02	\$8,568.30	\$11,524.32	\$2,384.70
YEAR 105	\$600.32	\$360.04	\$960.36	\$1,784.38
YEAR 106	\$710.69	\$249.67	\$960.36	\$1,073.69
YEAR 107	\$841.40	\$118.96	\$960.36	\$232.29
YEAR 108	\$232.29	\$6.59	\$238.88	\$0.00
SUB TOT	\$2,384.70	\$735.26	\$3,119.96	\$0.00
CUM TOT	\$5,200.00	\$9,204.19	\$14,404.19	\$0.00

This sample table illustrates the repayment schedule for a loan of R.5,200.00, for the purchase of an erf without an up-front subsidy. At the standard loan conditions of the WLIHP programme, of 17% over 15 years, this requires a monthly repayment amount of R.80.03 per month. The following table shows the repayment costs of the same erf when a R.2,000.00 up-front subsidy is applied.

## Erf Price - Subsidy

BEGINNING LOAN BALANCE: \$3,200.00  
 NUMBER OF PERIODS: 180  
 PERIOD TYPE: Monthly  
 ANNUAL INTEREST RATE PAID 17.000  
 PAYMENT AMOUNT: \$49.25

PAYMENT DATE	PRINCIPAL PAID	INTEREST PAID	TOTAL PAYMENT	LOAN BALANCE
YEAR 93	\$37.31	\$405.94	\$443.25	\$3,162.69
YEAR 94	\$57.72	\$533.28	\$591.00	\$3,104.97
YEAR 95	\$68.32	\$522.68	\$591.00	\$3,036.65
YEAR 96	\$80.87	\$510.13	\$591.00	\$2,955.78
YEAR 97	\$95.75	\$495.25	\$591.00	\$2,860.03
YEAR 98	\$113.35	\$477.65	\$591.00	\$2,746.68
YEAR 99	\$134.20	\$456.80	\$591.00	\$2,612.48
YEAR 100	\$158.89	\$432.11	\$591.00	\$2,453.59
YEAR 101	\$188.12	\$402.88	\$591.00	\$2,265.47
YEAR 102	\$222.72	\$368.28	\$591.00	\$2,042.75
YEAR 103	\$263.65	\$327.35	\$591.00	\$1,779.10
YEAR 104	\$312.13	\$278.87	\$591.00	\$1,466.97
-----				
SUB TOT	\$1,733.03	\$5,211.22	\$6,944.25	\$1,466.97
CUM TOT	\$1,819.65	\$5,272.35	\$7,092.00	\$1,466.97
YEAR 105	\$369.54	\$221.46	\$591.00	\$1,097.43
YEAR 106	\$437.47	\$153.53	\$591.00	\$659.96
YEAR 107	\$517.94	\$73.06	\$591.00	\$142.02
YEAR 108	\$142.02	\$4.01	\$146.03	\$0.00
-----				
SUB TOT	\$1,466.97	\$452.06	\$1,919.03	\$0.00
CUM TOT	\$3,200.00	\$5,663.28	\$8,863.28	\$0.00

This sample table illustrates the repayment schedule for a loan to cover the purchase of an erf for which the base price is R.5,200.00, and to which an up-front subsidy of R.2,000.00 has been applied. The monthly repayment amount under these terms, with the same 17% interest rate over 15 years, would be R.49.25.



## WINDHOEK LOW-INCOME HOUSING PROGRAMME

## Up-Front Subsidy Rates for Erven

Household PHSL	Household Income (Monthly)	Subsidy Amount
Up to 1 PHSL	R. 0 - 830	R.2,500.00
Up to 1.1 PHSL	R. 831 - 913	R.2,300.00
Up to 1.2 PHSL	R. 914 - 996	R.2,100.00
Up to 1.3 PHSL	R. 997 - 1,079	R.1,900.00
Up to 1.4 PHSL	R.1,080 - 1,162	R.1,700.00
Up to 1.5 PHSL	R.1,163 - 1,245	R.1,500.00
Up to 1.6 PHSL	R.1,246 - 1,328	R.1,300.00
Up to 1.7 PHSL	R.1,329 - 1,411	R.1,100.00
Up to 1.8 PHSL	R.1,412 - 1,494	R. 900.00
Up to 1.9 PHSL	R.1,495 - 1,577	R. 700.00
Up to 2 PHSL	R.1,578 - 1,660	R. 500.00

## ONGHUUO YE PONGO ERVEN SUBSIDY

The erven in Onghuuo ye Pongo were sold by NHE to the resettled occupants in August 1992, at the cost of R.3,680.00, for erven averaging 300 square meters.

The terms of the loans for these erven are different from all others in the WLIHP upgrading project.

The standard loan terms for the WLIHP upgrading project loans are for 15 years, at near-commercial interest rates. That currently is about 17% interest. Participants may be eligible for up-front subsidies for purchase of their erven, according to their household incomes.

The Onghuuo ye Pongo households do not have an up-front subsidy for the purchase of their erven. Instead, they have been granted loans with subsidized interest rates of 9%, over a 20 year period.

A comparison of the two types shows that the cumulative difference between the different types of loans closely approximates the amount of the up-front subsidy. The total repayments on a loan of R.3,680.00, at 9% over 20 years, is R.2,245.11 less than the total repayments on a loan of R.3,680.00, at 17% over 15 years. That difference is roughly equal to the up-front subsidy.





Hire Purchase 1.1 Bank or Business .....  
 1.2 Account No.: .....  
 1.3 Monthly Repayment R .....  
 1.4 Item Purchased R .....  
 2.1 Bank or Business .....  
 2.2 Account No.: .....  
 2.3 Monthly Repayment R .....  
 2.4 Item Purchased R .....

Do you have insurance policies? .....  
 Company ..... Payment R ..... per month

**OWNERS INSURANCE**

Insurance coverage in respect of the existing property is mandatory and the applicant agrees thereto that the Corporation may arrange i

**MORTGAGE INSURANCE (Recommended)**

Insurance coverage in respect of mortgage bond must be arranged.

**STOP ORDER PAYMENT**

Applicants must be able to pay by stop order.

**DOCUMENTS ATTACHED**

Copy of Identity Document  
 Proof of Income

**DECLARATION BY PURCHASER**

I declare that the information given in this application is true and correct and that no information which could influence NBIC's decision on t  
 ing of a loan has been withheld.

.....  
 SIGNED BY: \_\_\_\_\_

.....  
 DATE: \_\_\_\_\_

**FINANCIAL EVALUATION (Office Use)**

% of Household Income plus housing allowance R .....  
 Total Monthly Repayment R .....

If the ratio is larger than 2, continue with the sales process.

.....  
 APPROVED BY: \_\_\_\_\_

.....  
 DATE: \_\_\_\_\_

.....  
 APPROVED BY: \_\_\_\_\_

.....  
 DATE: \_\_\_\_\_

**CREATE/AMEND/DELETE APPLICATION**

Function:	Application No.:	ID No.:	Appl. Type:
1) Date of Application: .....			
2) Agent: .....			
3) Surname and Initials: .....			
4) Title: .....			
5) First Names: .....			
6) Address (1): .....			
7) Address (2): .....			
8) Address (3): .....			
9) Phone No.: .....			
10) Extension: .....			
11) Sex: .....			
12) Marital Status: .....			
13) SIPF y/n: .....			
14) Years of Residence: .....			
15) Period current employer: .....			
16) Period previous employer: .....			
17) Total occupants: .....			
18) Economic occupants: .....			
19) Biog. Factor: .....			
20) Educ. Factor: .....			
21) Econ. Factor: .....			
22) Att. & Values: .....			
23) Income Borrower: .....			
24) Income Household: .....			
25) PHSL R: .....			
26) Expenses: .....			
27) Housing Allowances R: .....			
28) Deposits: .....			
29) Loan Category: .....			
30) Loan Amount required R: .....			
Bond ½ .....			
Project ID: .....			
Building Choice 1: .....			
Building Choice 2: .....			

## MONTHLY REPAYMENT OF LOANS - 17% INTEREST RATE

LOAN AMOUNT RANDS	6 MONTHS	ONE YEAR	18 MONTHS	2 YEARS	30 MONTHS	3 YEARS	4 YEARS	5 YEARS
50	8,75	4,56	3,17	2,47	2,06	1,78	1,44	1,24
100	17,50	9,12	6,33	4,94	4,11	3,57	2,89	2,49
200	35,01	18,24	12,67	9,89	8,23	7,13	5,77	4,97
300	52,51	27,36	19,00	14,83	12,34	10,70	8,66	7,46
400	70,01	36,48	25,33	19,78	16,46	14,26	11,54	9,94
500	87,51	45,60	31,67	24,72	20,57	17,83	14,43	12,43
600	105,02	54,72	38,00	29,67	24,69	21,39	17,31	14,91
700	122,52	63,84	44,33	34,61	28,80	24,96	20,20	17,40
800	140,02	72,96	50,66	39,55	32,92	28,52	23,08	19,88
900	157,52	82,08	57,00	44,50	37,03	32,09	25,97	22,37
1000	175,03	91,20	63,33	49,44	41,15	35,65	28,86	24,85
1250	218,78	114,01	79,16	61,80	51,44	44,57	36,07	31,07
1500	262,54	136,81	95,00	74,16	61,72	53,48	43,28	37,28
1750	306,30	159,61	110,83	86,52	72,01	62,39	50,50	43,49
2000	350,05	182,41	126,66	98,88	82,30	71,31	57,71	49,71
2250	393,81	205,21	142,49	111,24	92,59	80,22	64,92	55,92
2500	437,57	228,01	158,33	123,61	102,87	89,13	72,14	62,13
2750	481,32	250,81	174,16	135,97	113,16	98,04	79,35	68,34
3000	525,08	273,61	189,99	148,33	123,45	106,96	86,57	74,56
3250	568,84	296,42	205,82	160,69	133,73	115,87	93,78	80,77
3500	612,59	319,22	221,66	173,05	144,02	124,78	100,99	86,98
3750	656,35	342,02	237,49	185,41	154,31	133,70	108,21	93,20
4000	700,11	364,82	253,32	197,77	164,60	142,61	115,42	99,41

## MONTHLY REPAYMENT OF LOANS - 15 YEARS TERM

LOAN AMOUNT RANDS	MONTHLY REPAYMENTS								
	15.00%	15.50%	16.00%	16.50%	17.00%	17.50%	18.00%	18.50%	19.00%
100	1,40	1,43	1,47	1,50	1,54	1,57	1,61	1,65	1,68
150	2,10	2,15	2,20	2,26	2,31	2,36	2,42	2,47	2,52
200	2,80	2,87	2,94	3,01	3,08	3,15	3,22	3,29	3,37
250	3,50	3,59	3,67	3,76	3,85	3,94	4,03	4,12	4,21
300	4,20	4,30	4,41	4,51	4,62	4,72	4,83	4,94	5,05
350	4,90	5,02	5,14	5,26	5,39	5,51	5,64	5,76	5,89
400	5,60	5,74	5,87	6,01	6,16	6,30	6,44	6,59	6,73
450	6,30	6,46	6,61	6,77	6,93	7,09	7,25	7,41	7,57
500	7,00	7,17	7,34	7,52	7,70	7,87	8,05	8,23	8,41
550	7,70	7,89	8,08	8,27	8,46	8,66	8,86	9,06	9,26
600	8,40	8,61	8,81	9,02	9,23	9,45	9,66	9,88	10,10
650	9,10	9,33	9,55	9,77	10,00	10,23	10,47	10,70	10,94
700	9,80	10,04	10,28	10,53	10,77	11,02	11,27	11,53	11,78
750	10,50	10,76	11,02	11,28	11,54	11,81	12,08	12,35	12,62
800	11,20	11,48	11,75	12,03	12,31	12,60	12,88	13,17	13,46
850	11,90	12,20	12,48	12,78	13,08	13,38	13,69	14,00	14,30
900	12,60	12,91	13,22	13,53	13,85	14,17	14,49	14,82	15,15
950	13,30	13,63	13,95	14,29	14,62	14,96	15,30	15,64	15,99
1000	14,00	14,35	14,69	15,04	15,39	15,75	16,10	16,47	16,83
1050	14,70	15,07	15,42	15,79	16,16	16,53	16,91	17,29	17,67
1100	15,40	15,78	16,16	16,54	16,93	17,32	17,71	18,11	18,51
1150	16,10	16,50	16,89	17,29	17,70	18,11	18,52	18,94	19,35
1200	16,80	17,22	17,62	18,04	18,47	18,89	19,33	19,76	20,19
1250	17,49	17,94	18,36	18,80	19,24	19,68	20,13	20,58	21,04
1300	18,19	18,65	19,09	19,55	20,01	20,47	20,94	21,40	21,88
1350	18,89	19,37	19,83	20,30	20,78	21,26	21,74	22,23	22,72
1400	19,59	20,09	20,56	21,05	21,55	22,04	22,55	23,05	23,56
1450	20,29	20,80	21,30	21,80	22,32	22,83	23,35	23,87	24,40
1500	20,99	21,52	22,03	22,56	23,09	23,62	24,16	24,70	25,24
1550	21,69	22,24	22,76	23,31	23,85	24,41	24,96	25,52	26,08
1600	22,39	22,96	23,50	24,06	24,62	25,19	25,77	26,34	26,93
1650	23,09	23,67	24,23	24,81	25,39	25,98	26,57	27,17	27,77
1700	23,79	24,39	24,97	25,56	26,16	26,77	27,38	27,99	28,61
1750	24,49	25,11	25,70	26,31	26,93	27,56	28,18	28,81	29,45
1800	25,19	25,83	26,44	27,07	27,70	28,34	28,99	29,64	30,29
1850	25,89	26,54	27,17	27,82	28,47	29,13	29,79	30,46	31,13
1900	26,59	27,26	27,91	28,57	29,24	29,92	30,60	31,28	31,97
1950	27,29	27,98	28,64	29,32	30,01	30,70	31,40	32,11	32,82
2000	27,99	28,70	29,37	30,07	30,78	31,49	32,21	32,93	33,66
2050	28,69	29,41	30,11	30,83	31,55	32,28	33,01	33,75	34,50
2100	29,39	30,13	30,84	31,58	32,32	33,07	33,82	34,58	35,34
2150	30,09	30,85	31,58	32,33	33,09	33,85	34,62	35,40	36,18
2200	30,79	31,57	32,31	33,08	33,86	34,64	35,43	36,22	37,02
2250	31,49	32,28	33,05	33,83	34,63	35,43	36,23	37,05	37,86
2300	32,19	33,00	33,78	34,59	35,40	36,22	37,04	37,87	38,71
2350	32,89	33,72	34,51	35,34	36,17	37,00	37,84	38,69	39,55
2400	33,59	34,44	35,25	36,09	36,94	37,79	38,65	39,52	40,39
2450	34,29	35,15	35,98	36,84	37,71	38,58	39,46	40,34	41,23
2500	34,99	35,87	36,72	37,59	38,48	39,36	40,26	41,16	42,07
2550	35,69	36,59	37,45	38,34	39,24	40,15	41,07	41,99	42,91
2600	36,39	37,31	38,19	39,10	40,01	40,94	41,87	42,81	43,75
2650	37,09	38,02	38,92	39,85	40,78	41,73	42,68	43,63	44,60
2700	37,79	38,74	39,65	40,60	41,55	42,51	43,48	44,46	45,44
2750	38,49	39,46	40,39	41,35	42,32	43,30	44,29	45,28	46,28
2800	39,19	40,17	41,12	42,10	43,09	44,09	45,09	46,10	47,12
2850	39,89	40,89	41,86	42,86	43,86	44,88	45,90	46,93	47,96
2900	40,59	41,61	42,59	43,61	44,63	45,66	46,70	47,75	48,80
2950	41,29	42,33	43,33	44,36	45,40	46,45	47,51	48,57	49,64
3000	41,99	43,04	44,06	45,11	46,17	47,24	48,31	49,40	50,49
3500	48,99	50,22	51,40	52,63	53,87	55,11	56,36	57,63	58,90
4000	55,98	57,39	58,75	60,15	61,56	62,98	64,42	65,86	67,31
4500	62,98	64,57	66,09	67,67	69,26	70,86	72,47	74,09	75,73
5000	69,98	71,74	73,43	75,19	76,95	78,73	80,52	82,33	84,14
5500	76,98	78,92	80,78	82,70	84,65	86,60	88,57	90,56	92,56
6000	83,98	86,09	88,12	90,22	92,34	94,47	96,63	98,79	100,97



MONTHLY REPAYMENT OF LOANS - 15 YEARS TERM

LOAN AMOUNT RANDS	MONTHLY REPAYMENTS								
	15.00%	15.50%	16.00%	16.50%	17.00%	17.50%	18.00%	18.50%	19.00%
6500	90,97	93,26	95,46	97,74	100,04	102,35	104,68	107,02	109,39
7000	97,97	100,44	102,81	105,26	107,73	110,22	112,73	115,26	117,80
7500	104,97	107,61	110,15	112,78	115,43	118,09	120,78	123,49	126,22
8000	111,97	114,79	117,50	120,30	123,12	125,97	128,83	131,72	134,63
8500	118,96	121,96	124,84	127,82	130,82	133,84	136,89	139,95	143,04
9000	125,96	129,13	132,18	135,33	138,51	141,71	144,94	148,19	151,46
9500	132,96	136,31	139,53	142,85	146,21	149,58	152,99	156,42	159,87
10000	139,96	143,48	146,87	150,37	153,90	157,46	161,04	164,65	168,29
10500	146,96	150,66	154,21	157,89	161,60	165,33	169,09	172,88	176,70
11000	153,95	157,83	161,56	165,41	169,29	173,20	177,15	181,12	185,12
11500	160,95	165,00	168,90	172,93	176,99	181,08	185,20	189,35	193,53
12000	167,95	172,18	176,24	180,45	184,68	188,95	193,25	197,58	201,94
12500	174,95	179,35	183,59	187,96	192,38	196,82	201,30	205,82	210,36
13000	181,95	186,53	190,93	195,48	200,07	204,69	209,35	214,05	218,77
13500	188,94	193,70	198,27	203,00	207,77	212,57	217,41	222,28	227,19
14000	195,94	200,87	205,62	210,52	215,46	220,44	225,46	230,51	235,60
14500	202,94	208,05	212,96	218,04	223,16	228,31	233,51	238,75	244,02
15000	209,94	215,22	220,30	225,56	230,85	236,19	241,56	246,98	252,43
15500	216,94	222,40	227,65	233,07	238,55	244,06	249,62	255,21	260,85
16000	223,93	229,57	234,99	240,59	246,24	251,93	257,67	263,44	269,26
16500	230,93	236,75	242,33	248,11	253,94	259,80	265,72	271,68	277,67
17000	237,93	243,92	249,68	255,63	261,63	267,68	273,77	279,91	286,09
17500	244,93	251,09	257,02	263,15	269,33	275,55	281,82	288,14	294,50
18000	251,93	258,27	264,36	270,67	277,02	283,42	289,88	296,37	302,92
18500	258,92	265,44	271,71	278,19	284,72	291,30	297,93	304,61	311,33
19000	265,92	272,62	279,05	285,70	292,41	299,17	305,98	312,84	319,75
19500	272,92	279,79	286,39	293,22	300,11	307,04	314,03	321,07	328,16
20000	279,92	286,96	293,74	300,74	307,80	314,92	322,08	329,30	336,57

TABLE OF LOAN DEPOSITS AND REPAYMENTS
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AMOUNT REQUIRED:	10% SAVINGS DEPOSIT:	LOAN AMOUNT:	MONTHLY REPAYMENT @17%/15 yrs.
R 1,000	R 100	R 900	R 13.85
R 1,500	R 150	R 1,350	R 20.78
R 2,000	R 200	R 1,800	R 27.70
R 2,500	R 250	R 2,250	R 34.63
R 3,000	R 300	R 2,700	R 41.55
R 3,500	R 350	R 3,150	R 48.48
R 4,000	R 400	R 3,600	R 55.40
R 4,500	R 450	R 4,050	R 62.33
R 5,000	R 500	R 4,500	R 69.26
R 5,500	R 550	R 4,950	R 76.18
R 6,000	R 600	R 5,400	R 83.11
R 6,500	R 650	R 5,850	R 90.03
R 7,000	R 700	R 6,300	R 96.96
R 7,500	R 750	R 6,750	R 103.88
R 8,000	R 800	R 7,200	R 110.81
R 8,500	R 850	R 7,650	R 117.73
R 9,000	R 900	R 8,100	R 124.66
R 9,500	R 950	R 8,550	R 131.58
R 10,000	R 1,000	R 9,000	R 138.51
R 10,500	R 1,050	R 9,450	R 145.44
R 11,000	R 1,100	R 9,900	R 152.36



3.1.3 The estimated amount of R ..... (.....) in respect of the estimated transfer of the costs of the registration of a first Mortgage Bond in favour of the Seller as well as all other costs in connection therewith as specified in Clause 9.3. Upon written notice by the Seller to the Purchaser to that effect the amount in respect of the aforesaid costs may be amended from time to time in accordance with changes in the appropriate tariffs or fees of Attorneys.

The Purchaser is also entitled to pay the said amount in monthly instalments of R ..... (.....) provided that he shall be obliged to maintain the monthly instalments and that he shall not be entitled to demand registration of transfer of his name before payment of the full amount.

#### 3.1.4

3.1.4.a An Administration fee of R ..... (.....) per month.

3.1.4.b With one month's written notice to the Purchaser, the Seller may increase the administration fee from time to time in accordance with the consumer price index, Windhoek - All items.

3.2 The amounts payable in terms of 3.1.1, 3.1.2, 3.1.3 and 3.1.4a supra are payable monthly in advance on or before the 1st (first) day of each month from the calendar month following the date of taking possession or registration, whichever occurs soonest and except for the registration fees in terms of Clause 3.1.3, the amounts are continuously payable until the purchase price together with interest thereon, as well as all other amounts due in terms of this Agreement have been paid in full.

### 4. PAYMENT

4.1 All payments by the Purchaser to the Seller shall be made at the Seller's *domicilium citande et executandi* or at such other address as the Seller may from time to time inform the Purchaser of from time to time.

4.2 The Purchaser shall be entitled at all times to make a payment before the due date in terms of this agreement and/or to make a larger payment than provided for by this Agreement, provided that the Purchaser is obliged to pay at least his instalment due each month, notwithstanding the fact that he is ahead with his payments.

### 5. POSSESSION

5.1 The Purchaser shall be deemed to have taken possession of the property on date of delivery of its keys to him or his assignee.

5.2 Signing of the form for receipt of the keys shall serve as *prima facie* proof of the delivery of the keys in terms of 5.1 supra.

### 6. RISK, PROFIT AND LOSS

The property shall be at the sole risk, profit and loss of the Purchaser from the date on which he becomes entitled to possession thereof, as set out in the previous clause, from which date the Purchaser shall be responsible for all rates and taxes levied in respect of the property, whether due to the Government or Local Authority, the Seller or whoever and notwithstanding whether such moneys are payable in terms of any statute or resolution passed by the authority to which they are due. A pro rata portion of all such moneys paid in advance by the Seller, shall be repaid to him by the Purchaser.

### 7. TRANSFER OF THE PROPERTY

7.1 Notwithstanding the provisions of Clause 2.3 hereof, the Seller shall be obliged to take all necessary steps and to sign all documents necessary to effect transfer in the name of the Purchaser without delay, as soon as all payments due in terms of this Agreement are paid.

### 8. MORTGAGE BOND

8.1 Notwithstanding anything to the contrary contained in this Agreement, the Purchaser shall only be entitled to take transfer of the property in his name against simultaneous registration of a first Mortgage Bond over the property in favour of the Seller for the outstanding amount at the time and in terms of this Agreement. It is hereby agreed that the loan secured by such Mortgage Bond shall be obtained by the Purchaser from the Seller only and not from any outside third party, unless the Seller has granted written consent thereto beforehand.

8.2 A certificate by the Seller stating the amount of the capital and interest outstanding at the time, shall serve as *Prima facie* proof of the said outstanding capital and interest.

8.3 The Seller and the Purchaser shall take all steps and sign all documents necessary to register the aforesaid Mortgage Bond.

8.4 It is recorded that the said mortgage bond shall be registered as security to the Seller in respect of the loan to be granted by the Corporation as stated in Clause 2.3 of this Agreement.

### 9. PAYMENT FOR REGISTRATION AND BOND

9.1 The Seller shall pay the registration fees mentioned in Paragraph 3.1.3 supra on behalf of the Purchaser to the Seller's Conveyancers.

9.2 All documents necessary to effect transfer of the property in the name of the Purchaser as well as all documents necessary for the registration of a first Mortgage Bond over the property in favour of the Seller shall be drawn up by the Seller's Conveyancer.

9.3 All direct costs, expenses and moneys in respect of transfer or in relation thereto (including the transfer fees, stamps, transfer duty and any other related expenses, if any) as well as the costs of this agreement and any other legal costs related thereto are for the account of the Purchaser and are payable on demand.

### 10. PAYMENTS AFTER TRANSFER

When transfer in the name of the Purchaser is registered simultaneously with the registration of a Mortgage Bond in favour of the Corporation, all payments due in terms of the said Mortgage Bond (in accordance with Clause 3 of this Agreement) shall be made at the place stipulated by the Seller from time to time.

### 11. OPTION TO PURCHASE

11.1 Should the Purchaser decide to alienate the property within a period of 8 (eight) years, calculated from the date of signature of this Agreement, he shall be obliged to give written notice to the Seller of his intention.

11.2 In that event the Seller shall have the right to exercise the option to purchase the property within 30 (thirty) days from receipt of such written notice.

11.3 Should the Seller exercise the option to purchase, the purchase price shall be calculated as follows:

11.3.1 The Purchase price as mentioned in clause 2.1 of this Agreement, plus

11.3.2 the costs incurred by the Purchaser in respect of improvements of a permanent nature to the property, introduced by the Purchaser after the date of possession, to be determined by a sworn valuator or quantity surveyor, appointed for this purpose by the Seller, minus

11.3.3 Depreciation calculated on the costs of such improvement at a maximum rate of 5% (five percent) per annum; the true depreciation to be determined by the said sworn valuator or quantity surveyor in their exclusive and absolute discretion, taking into consideration the cost of the improvements.

11.4 The said option to purchase shall be registered as a condition in the abovementioned mortgage bond simultaneously with registration of transfer of the property in the name of the Purchaser.

11.5 Any reference to the Seller in this paragraph, also includes reference to any person to whom the Seller may cede the option.

## 12. BEACONS

The Purchaser shall be obliged to maintain the beacons of the property in such a way that the boundaries shall be determined at all times.

## 13. VOETSTOOTS

The property is sold voetstoots and the Seller shall not be liable for any deficiency in extent which may be revealed on any re-survey, nor shall the Seller benefit by any surplus. The Seller gives no warranty that the property are suitable for the purpose sold and the Purchaser hereby expressly acknowledges that no warranties, proposals or undertakings were given to him or made in regard to any quality in respect of the property.

## 14. ADMISSIONS BY THE PURCHASER

The Purchaser admits that he is familiar with the property; with any servitude to which it is subjected to with the character, extent boundaries, beacons and location thereof; with all the terms and conditions of ownership and with the formation conditions, as proclaimed of the township in which the property is situated and with any Town Planning Scheme relating thereto.

If the property is situated in an unproclaimed township, it is sold subject to such conditions as the Townships Board may impose by Proclamation of the township in terms of the Townships and Land Division Ordinance, No. 11 of 1963, and registration of transfer to the Purchaser shall only be effected thereafter.

## 15. MAINTENANCE

15.1 The Purchaser shall maintain the property and all improvements thereon in a good state of repair and condition to the satisfaction of the Seller.

15.2 Should the Purchaser after 1 (one) month's written notice by the Seller, fail to do such reparations as are necessary to keep the property in a good state of repair, the Seller shall have the right to effect such reparations and to recover the costs thereof from the Purchaser, together with interest thereon at the then prevailing rate in terms of Clause 2.1 of this Agreement.

## 16. INSPECTION

The Purchaser shall be obliged to allow the Seller's authorised agent to inspect the property at all reasonable times until all the Purchaser's liabilities towards the Seller have been met.

## 17. PROSOPIS SPP

The Purchaser may not plant the tree known as Prosopis SPP on the property or allow it to be planted or to be grown on the property.

## 18. BREACH

18.1 In the event of the Purchaser failing to make any payment in terms of this Agreement, the Seller shall have the following rights without prejudice to any other rights to which it may be entitled in terms of this Agreement, or in terms of Statutory or Common Law, namely:

18.1.1 To claim specific fulfillment of the Purchaser's obligations including payment of the full outstanding balance of the purchase price, together with interest thereon at the time of the breach of contract;

18.1.2 to cancel this agreement, to take possession of the property and to claim payment of and collect any arrear instalments in terms of this Agreement, together with interest thereon at the then prevailing rate as stipulated in clause 2.1 hereof.

18.1.3 To recover from the Purchaser all rates, taxes and levies with regard to the property as well as all premiums on any insurance policies in respect of the property, paid by the Seller after transfer of the risk to the Purchaser;

18.1.4 To recover from the Purchaser, any legal costs incurred by the Seller in the exercising of its rights in terms of this Agreement on the scale as between Attorney and client.

18.2 The Purchaser undertake to voluntarily surrender the Property, and vacate and leave the property if:

18.2.1 The credit notes made available to the Purchaser in terms of clause 26 are not used in the erection of the dwelling within two months after it was issued.

18.2.2 The Purchaser does not take up the next credit note within thirty days after the previous one was fully used.

18.2.3 The Purchaser does not complete the structure within 12 (twelve) months after the loan was granted.

18.2.4 The Purchaser uses the credit note for anything other than the erection of a dwelling on the Property.

18.2.5 The Purchaser does not pay rates and taxes to the Government or Local Authority as mentioned in clause 6.

18.3 In the event of a cancellation in terms of Clause 18.1.2 or 18.2 the Seller shall be entitled:

18.3.1 to retain all payments made by the Purchaser by virtue of Clauses 2 and 3 hereof, with the exception of the registration instalments made by the Purchaser in terms of Clause 3.1.3 of this Agreement, according to the provisions of Clause 18.3.3 hereof.

18.3.2 to regard the payments, retained by the Seller by virtue of Clause 18.3.1 as payment made by the Purchaser to the Seller as compensation for the right of possession and occupation of the property by the Purchaser.

18.3.3 to repay the registration payments, paid by the Purchaser in terms of Clause 3.1.3 of this Agreement, free of interest to the Purchaser provided that it is not due to the Seller's Attorneys, provided further that the registration payments or any portion thereof may be retained to decrease any outstanding amounts due to the Seller by the Purchaser in terms of this Agreement.

## 19. RESERVATION OF SELLER'S RIGHTS

Neglect by the Seller or his employee or agent to claim strict performance by the Purchaser of his obligations in terms of this Agreement or acceptance of payment of any monies or instalments later than the due date, or the granting of extension to the Purchaser to fulfil any of his obligations in terms of this Agreement, shall not prejudice the Seller's rights in terms of this Agreement and shall not be deemed as a novation of the Agreement or a tacit waiver of the Seller's rights in terms hereof nor shall it be applied against the Seller as an Estoppel by representation.

## 20. DOMICILIA AND JURISDICTION OF THE COURTS

For purposes of this Agreement the Purchaser chooses the property as his *domicilium citandi et executandi* for all documents or notices to be served in terms hereof. The Seller chooses as its *domicilium citandi et executandi* Erf No. 6833, Omuramba Avenue, Windhoek.

The Purchaser hereby consents to the jurisdiction of the Magistrate Court in respect of any action which may result from this Agreement. Notwithstanding such consent by the Purchaser the Seller reserves the right to institute any action in the High Court according to its decision and absolute discretion.

## 21. VARIATION

This Deed of Sale constitutes the entire Agreement between the parties and all other stipulations, terms or conditions whether express or tacit, are excluded herefrom and no variation, alteration or additions to this Agreement including any variation of this clause, shall be valid or applicable unless in writing and signed by both parties hereto.

## 22. NOTICES

Notice in writing, envisaged in clause 18 supra, delivered as required by Clause 20, is the prescribed method in which the Seller shall communicate, notwithstanding the fact that it may not reach the Purchaser or come to his attention. The Seller may from time to time vary this arrangement by giving the Purchaser notice thereof as per Clause 20 hereof.

## 23. ASSIGNATION

The terms hereof shall not preclude the Purchaser to transfer his rights, title and interest in this Agreement by way of testamentary disposition, subject to such limitations contained in the Mortgage Bond to be registered over the property in favour of the Seller, simultaneously with transfer.

## 24. PROFIT ON RESALE

24.1 Any capital gain in excess of R1 000,00 (one thousand Rand) and to be determined by the difference between the selling price and all amounts due by the Purchaser to the Seller, realised from the resale of the hereinmentioned property before expiration of the period set out in paragraph 11.1, shall be re-invested with the Seller in name of the Purchaser. The period of the investment shall be the same as the period during which the Purchaser enjoyed the advantage of a subsidised loan, provided that portions of a year shall be rounded off to the nearest full year with a maximum period of 5 (five) years and a minimum period of 1 (one) year, after which period the investment shall be paid to the Purchaser.

24.2 Interest on the amount re-invested with the Seller shall be calculated at a rate corresponding with the interest rate applicable to a similar investment with Financial Institutions.

**25. SPECIAL CONDITIONS**

- 25.1 If the Purchaser is already the owner of a property and if he obtains the property described in Paragraph 1 hereof under a false pretence, the shall be entitled to cancel this Agreement and to take possession of the property.
- 25.2 The Purchaser undertakes to pay the monthly instalments by stop-order and accepts that the stop-order may only be cancelled by the Seller. attempt by the Purchaser to cancel the stop-order shall entitle the Seller to cancel the Deed of Sale and to take possession of the property.

**26. SELFBUILD LOANS**

26.1 The Loan can be taken-up according to the following regulations:

- 26.1.1 Credit Notes to the value of R.....  
(.....)
  - 26.1.2 Purchase Cost of Erf R.....  
(.....)
  - 26.1.3 Transfer Cost R.....  
(.....)
  - 26.1.4 Municipal Connection Cost R.....  
(.....)
  - 26.1.5 Administration Charge R.....  
(.....)
  - 26.1.6 (.....) R.....  
(.....)
- Total Loan Amount R.....

The Purchaser may not use the amount mentioned in 26.1.1 for any other purpose other than for the purpose of erecting a dwelling on the Property.

- 26.2 The Purchaser shall bear the responsibility to prove for what items the monies were used.
- 26.3 The Purchaser shall apply for the next credit note within 30 days after the previous credit note was fully used.
- 26.4 The further credit notes shall only be issued if the authorized representative of the Seller has been satisfied that the previous credit note were utilized fully in the erection of a dwelling on the Property.
- 26.5 The Purchaser is responsible for the safe keeping of all materials and other items used in the erection of the Building. All losses shall be for count of the Purchaser.

**27. LOANS FOR MEMBERS OF THE STATUTORY INSTITUTIONS PENSION FUND**

- 27.1 It is hereby recorded that, in the event of the Mortgagor being a member of the Statutory Institutions Pension Fund on the date of application loan herein described suretyship for a portion of the amount which the Seller has agreed to lend the Mortgagor will be provided by the Government of Namibia in terms of Article 25 of Act 11 of 1977 as amended.
- 27.2 Notwithstanding any inconsistency herein contained the said capital, additional sum and interest and any other sum whatsoever owing by the mortgagor to the Seller shall be considered as legally claimable and due forthwith if the Mortgagor ceases to be a member of the Namibian Civil Service or if the said Government so required by means of a written notice addressed to the Seller and signed by the Permanent Secretary of the Ministry of Finance.
- 27.3 It is further recorded that the aforementioned rate of interest will be subsidised by a certain amount in the case of members of the Statutory Institutions Pension Fund. The subsidy shall lapse immediately on date of resignation of the member, from which date the former member shall be liable to the loan at the full rate of interest prevailing at the time.
- 27.4 If the aforementioned erf is situated in an unproclaimed township, you are obliged to cede to the Seller all contracts between yourself and the Local Authority concerned or any rights whatsoever which you may have on the said erf, which cession is effected by your signature to this document. The Local Authority concerned will be advised of the cessions. If you have not yet established any rights on the said erf, the erf will be reserved in the Seller's name. The said residence will then be completed, after which you may occupy it. Once occupation has occurred you are required to complete your repayments as stipulated herein.
- 27.5 Upon proclamation of the township concerned the said cessions or the reservation of the mentioned erf in the Seller's name will be cancelled in both cases simultaneously with the registration of a first bond over the mentioned erf in favour of the seller and the transfer thereof in your name.

**27.6 Loan Granted**

27.6.1 The purchaser agrees to the inclusion of Transfer fee, transfer duty and bondregistration costs into the loan.

27.6.2 It is hereby confirmed that the total loan amount is comprised as follows:

- 27.6.2.1 R ..... Purchase price
- 27.6.2.2 R ..... Total transfer cost
- 27.6.2.3 R ..... Total loan granted

27.6.3 The monthly instalment as stated in clause 2.2 is herewith adjusted to R ..... ( ..... ) being the inclusion of the amount mentioned in clause 27.6.2.1

THUS DONE and SIGNED at ..... on this ..... day of ..... 19.....

by or on behalf of the Purchaser in the presence of the undersigned witnesses.

**AS WITNESSES:**

1. ....

.....  
**PURCHASER**

2. ....

THUS DONE and SIGNED at ..... on this ..... day of ..... 19.....

By or on behalf of the Seller in the presence of the undersigned witnesses:

**AS WITNESSES:**

1. ....

.....  
**SELLER**

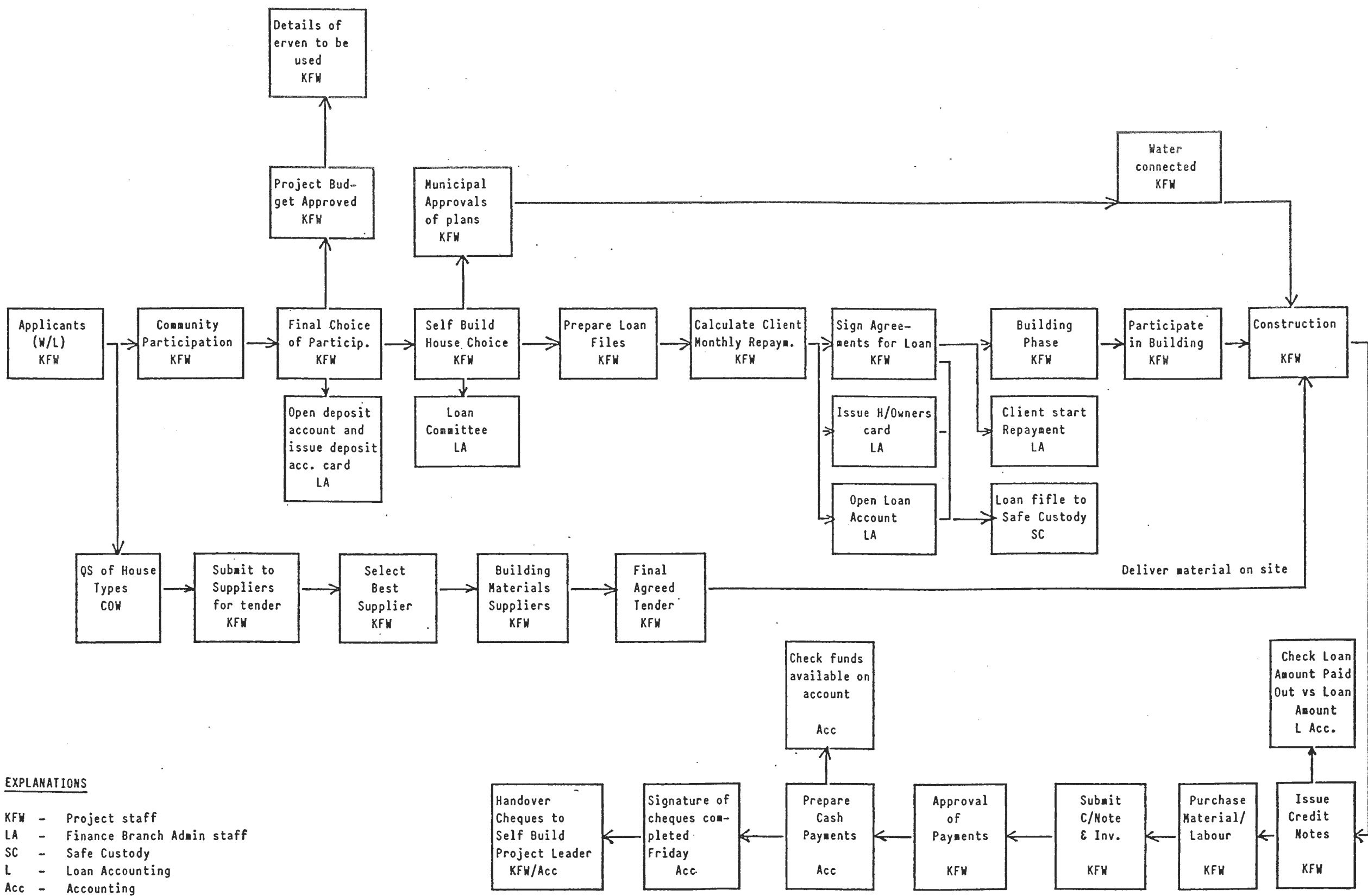
2. ....

(The NHE loan operations manual  
includes a section explaining  
loan conditions and the Deed of Sale.

It is in Afrikaans;  
when translated into English, it will  
be added (or adapted) to this operations manual.)



N H E LOAN FLOW CHART FOR  
THE WLIHP UPGRADING COMPONENT



**EXPLANATIONS**

KFW - Project staff  
 LA - Finance Branch Admin staff  
 SC - Safe Custody  
 L - Loan Accounting  
 Acc - Accounting

(THE BUILDING MATERIALS LOAN SECTION  
WILL BE DRAFTED  
DURING THE NEXT QUARTER)

(NHE IS CURRENTLY PRODUCING A REVISED  
LOAN PROCEDURES MANUAL.  
APPROPRIATE SECTIONS OF THAT MANUAL  
WILL BE ADDED TO THIS WLIHP OPERATIONS MANUAL  
WHEN THE NHE MANUAL BECOMES AVAILABLE)

L/Com:

# N H E

Account Number

--	--	--	--	--	--	--	--

Surname:

First Names:

Erf No.: 

--	--	--	--	--	--

Township: \_\_\_\_\_

Housetype: \_\_\_\_\_

Project Code: 

--	--	--	--	--	--

Acc-opened		
Application		
Acceptance		
Loan Details		
Start Repaym		
Rec'd S/Cust		
Request Bond/R		
...		

Account Number 

--	--	--	--	--	--	--	--

J.M Ltd 92-1

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## LOAN FILES

### NHE Loan Files:

1. NHE maintains an individual file for each loan taker. A (reduced size) sample copy of the file folder cover is attached.
2. The basic contents of a loan file include:
  - the loan application (original);
  - a summary of personal details and information of property and new owner;
  - insurance certification;
  - Deed of Sale (original).
3. The loan files are kept in controlled central files, and may be checked out by authorized personnel for use on premises, for a maximum of three days at a time. They are not to be taken out of the building. A sign-out card system is used (a sample sign-out card is attached).

### WLIHP Individual Household Files:

1. As the NHE Loan File contains the original documents and may not be taken out of the office, a separate working file on individual households needs to be established (at least for the upgrading programme). This file is available to the Community Development Workers, the Self-help Construction Advisors, and the NHE Loan Officers, to carry to the community when on-site discussions are necessary.
2. The Individual Household File (in a plain blue file folder) may contain:
  - a site map, with the specific erf indicated;
  - a copy of the first 2 pages of the loan application form;
  - a copy of the Deed of Sale;
  - planning worksheet(s);
  - sketches and plans, in a plastic insert page (optional);
  - registry list of meetings (glued to inside left cover).
3. The Individual Household Files will be kept in box files, grouped by community, to allow easy transport of any or all files to the site. At a later time, these working files may be more formally kept in proper file cabinets, and may require a use of the NHE check-out card system.

(THE SECTION ON  
THE BUILDING MATERIALS DELIVERY SYSTEM  
WILL BE DRAFTED  
DURING THE NEXT QUARTER)

# JOB DESCRIPTION

## Community Development Worker

### **Profile**

The community development worker (CDW) is the person of the executing agency that is in closest contact with the client. The CDW knows the household before deciding to start an improvement project, listens to the household when they have problems during construction, and follows up during the repayment period. The CDW must be fluent in the language, usually Ojwambo, and have an insight into the lifestyle, aspirations and limits of the client household. The CDW must be acquainted with loan administration and the particular procedures of the loan scheme. The CDW should be a person of confidence, both to the client and the executing agency to whom he/she reports regularly.

As far as the proper community development activities are concerned, the CDW is supposed to support the different committees and leaders in their work oriented to inform and mobilize the community members for the development of the settlement. The CDW, for example, provides assistance in preparing meetings, identifying problems and priorities, negotiating with institutions, defining responsibilities and contributions to joint action and monitoring the implementation of the decisions taken. The CDW has to balance out carefully how much time she spends on community issues and how much on the preparation and follow-up of the individual building material loans.

### **Tasks**

#### **A. Tasks related to the Upgrading Project will involve:**

1. Participate in the preparation of an information system and campaigns;
2. Organize and conduct repetitive information campaigns on project's planning and implementation for each settlement;
3. Discuss priorities, alternatives and proposals with the residents;
4. Support the election of community representatives and train them for their



tasks;

5. Conduct quarterly and annual planning and monitoring workshops with community representatives (leaders);
6. Advise communities and resident groups on:
  - Participation in the improvement of physical infrastructure,
  - administration of tariff collection,
  - upkeep and administration of community facilities,
  - hygiene, garbage collection and health campaigns, adult education and other community initiatives,
  - communications and negotiation with public and private sector agencies,
  - employment and other related projects (e.g., brick making),
  - advise the communities on the elaboration of by-laws and regulations.

B. Tasks related to the Core House project will involve:

1. Participate in the preparation of an information system to interested persons (applicants);
2. Receive, evaluate and verify application forms;
3. Participate in the approval of applicants;
4. Coordinate the advanced saving (deposits);
5. Communicate with approved applicants;
6. Monitor the relocation process and helping to solve problems which may arise;
7. Support community organization initiatives and other activities of the residents;

C. Tasks related to the building material loan component will include the following:

1. Information on the building material loan scheme in community meetings, together with the self-help construction advisor.
2. Information on the individual household who is interested in taking a loan about his repayment and other obligations from the loan contract.
3. Reception of the loan application, helping the head of household to fill the application form and to provide the necessary documents, like title deed and wage certificates. She must develop a special experience on what the household can really afford without endangering his basic needs of food, transportation, schooling, etc.
4. Socio-economic evaluation of the loan application, including a visit to the site to verify the information given.
5. Participation in the loan committee which is supposed to assess the loan worthiness of the applicant and to recommend approval.
6. Explanation of the loan agreement to the borrower, as soon as it is approved and signed by the executing agency, making sure that it is signed by the borrower. If the agency does not have an extra field person in charge of loan administration, she hands out the loan agreement and the additional documents, e.g., repayment slips.
7. Monitoring of regular repayment; monthly reports on loans given and repayment performance.
8. Participation in the loan committee meeting to discuss arrear cases and

recommendations of action to be taken.

9. In justified cases, visit of defaulters households to find out the reasons of arrear and negotiate a solution.

### **Qualifications**

The Community Development Worker must have both formal education and some practical experience showing responsibility in achieving goals.

1. Minimum secondary school diploma, preferably with further university, teacher or other training completed.
2. Minimum of three years experience in positions requiring organisation and work with communities, adult training, social work, etc.
3. Formal leadership training is desirable, as well as the ability to lead adult leadership training.
4. Sensitive working ability with community leaders and members on both individual and group work bases.
5. Good oral communications skills in Oshivambo, Afrikaans and English.
6. Good written English.

## Job Description:

### SELF-HELP CONSTRUCTION ADVISOR

#### Profile:

The Self-help Construction Advisor (SCA) will ascertain that loans for building activities are properly planned and used according to the plans. The SCA will do this by helping define the housing improvement project with the household, according to its priorities of needs, self-help potential and repayment capacity, making sure that basic technical and urban development standards are respected.

The SCA is to be a trainer of the households borrowing through the building materials loan fund, and must be a capable builder himself (however, he is not to build; rather, he is to train others to build).

The SCA must be familiar with informal construction techniques, building materials use and prices, bills of quantities, blueprints of simple housing designs, and methods of construction and supervision.

#### Tasks:

The main tasks of the SCA are the following:

1. Provide information on the building materials loan scheme at community meetings (with the Community Development Worker);
2. Participate in the revision of the loan manual, based on the first month's experience;
3. Survey the building sites and the existing structures, discuss with the individual household their improvement needs, establish priorities and long-term improvement process in construction stages, define the particular improvement project, determine the labour the household can make available, and the assistance of paid builders, if necessary;
4. Technical evaluation of the project in accordance with the household's repayment capability, including preparation of a simple plan, bills of quantities, material and labour costs, and definition and scheduling of disbursements;
5. Participation in the loan committee which is supposed to assess the loan worthiness of the applicant and to recommend approval;
6. Preparation of the weekly building material delivery schedule, and monitoring materials delivered to appropriate sites at the due time;
7. Construction training to groups of households doing self-help building, using selected ongoing improvement projects as illustrative of how to dig foundation trenches, mix mortar, lay bricks, build toilets, etc.;
8. Identify and test qualified and experienced builders (foremen) who may be contracted by the project to support organization of small-scale contractor groups;
9. Supervise building progress, preparing individual progress reports with problems identified and recommendations for the next

- disbursement;
10. Prepare monthly reports on the advancement of the programme and the experiences with self-help construction assistance.

Qualifications:

1. The SCA must speak and write Oshiwambo and English;
2. He should be able to read simple blueprints and to sketch basic house plans;
3. He should be familiar with informal construction techniques;
4. Exposure to low-income, self-help housing projects in other countries would be an advantage;
5. He should be able to conduct basic training (with groups as well as with individuals) on issues related to this level of housing construction;
6. He should have basic mathematical skills to enable him to do cost calculations and to maintain inventories;
7. He should be open in his dealings with the households and be able to understand and incorporate their wishes into practical plans;
8. He must know how to build, but within project will only build as part of training exercises.
9. He must be a Namibian citizen.

Recruitment Timing:

The SCA(s) should be available by the time the individual household meetings begin. In order to have them trained by then, they need to be recruited in mid-February 1993.

## PRINCIPLES OF COMMUNITY DEVELOPMENT:

### ROLES AND RESPONSIBILITIES OF THE COMMUNITY DEVELOPMENT WORKER

(Adapted from NHE'S "Philosophical Principles of C.D.")

#### I. SOME INTRODUCTORY REMARKS

A principle is a general belief about the way to behave, or to act and respond, which influences human behaviour. Principles are the accepted ways of doing things, the rules (explicit and implicit) that govern the way we act in private and in public, as individuals and as groups.

Community development is based on the principal that each human being has the inherent right and capacity to grow and develop, to undertake and to achieve goals that improve the social, economic, health, habitat and general conditions of individual, family, community and society wellbeing. Much of the potential for community development lies within those people that make up the community. Identifying that potential within a community, and enabling and empowering the community to respond and deal with its issues and problems, rather than resolving those issues and problems for them, is the objective of community development.

The basic philosophy of community development work is summed up in a famous ancient Chinese parable: "If you give a man a fish, he only has food for one day; if you teach him to catch fish, he will have food for a lifetime."

The ultimate goal of a community development worker is to be the catalyst that results in a community so self-sufficient in planning and implement community development that eventually (hopefully sooner than later) puts the community development worker out of a job in that community.

Please note that in this document, the reference to "community development worker" includes specifically the Community Development Workers and the Self-Help Construction Advisors ow the Windhoek Low-Income Housing Programme, as well as NHE's loan application officers and others working directly with the community and its members.

#### II. SELF-HELP

Definition: Self-help is the effort and organization by a person or a group of persons, through their own contributions and actions, to improve the quality of their lives and environment.

Practical Application: Community development assistance is not simply pouring help into a community, but rather community development assistance is a process through which the people in that community are drawn into that process, contributing their

ideas and skills to the resolution of individual, family and community problems. Projects should evolve out of expressed needs and priorities of the community, and resolution should involve as much community participation (self-help) as possible.

Conversely, a so-called community project that fails to generate community self-help participation, has failed in its conceptualization and implementation. It may not have a clearly identified community objective that truly responds to that community's felt needs. It may not have clearly involved the community in the planning and understanding of the resolution of the problem. It may have failed for a variety of other reasons having to do with wrong assumptions, inadequate involvement of the community in the identification of the problem and the planning of the solution, etc.

By emphasizing what the community feels it needs, and why it feels it needs certain things, the community development worker draws the community into more willing and energetic participation. This participation should be systematized into community organization in which self-help becomes an increasingly more important part of project identification, planning and implementation, and the community development worker's role becomes increasingly less participatory and more advisory and technical.

#### Some Measures of Success

The community development worker needs to have in mind some idea as to what will indicate that self-help community action is taking place. Some such indicators (but by no means not all such indicators) include:

- ▶ Communities show increasing ability to organize and run meetings and committees smoothly;
- ▶ Communities show increasing ability in problem identification and in assigning responsive actions;
- ▶ Community members show initiative in identifying "community" problems rather than personal ones;
- ▶ Community members show ownership of both the problem and the solution, often indicated by their saying "our" project, rather "NHE's" project.

### III. PROMOTING RESPECT AND DIGNITY

Definition: Each individual has all the rights of human respect and dignity as does everyone else, regardless of economic and social position. Community development workers, to be effective, deal with all community members with appropriate respect and dignity.

Practical Application: All community development workers should acknowledge the human dignity and value of all the people they work with, without treating them as objects. This also requires care in dealing with "clients," to assure an openness and transparency of communication that does not limit the community development workers' objectives to the selling of the employers services and products at the expense of real needs and values of the population.

Often the community development worker is confronted with people that have often and consistently been denied fundamental rights, and have consequently developed a deprived attitude and demeanour that results in an apathetic approach to fulfilment of their own needs.

The community development workers' approach and attitude to all the people with whom they work should stress dignity and respect. This respect is often more evident in actions than in the way one talks. Listen to what people are saying, and recognize their interests and strengths, and work in ways to use their contributions in self-help ways.

Measures of Success: Maturity and acceptance of one's own dignity are often expressed through the ability of a people to state their own values and to incorporate them into their development planning and activities. In some communities, people will know, and state, their rights, from the very beginning. Some will bellyache about lost rights and dignity in hurtful ways, but still that is one way of expressing your awareness of the respect and dignity one should have. Verbalizing feelings is often the beginning of developing one's self-respect, and is a step towards self-determination.

#### IV. ACTIVE ACCEPTANCE

Definition: Active acceptance is the attitude and ability to communicate with people on the basis of their capacity and potential, without value judgements of superior or inferior social or ethnic situations.

Practical Application: A community development worker should present himself or herself as a colleague to the community, its members and its leaders. An attitude of authority or of superiority cannot be a characteristic of the community development worker, as this would not be conducive to producing the self-help mode of community response.

The community development worker should exhibit a willingness and openness to meet and work with the community. But it does not imply acceptance of the status quo of poverty and lack of initiative that may exist at the community level as a viable standard of living.

Active acceptance is a two-way street. The community, its members and its leaders must also accept and work with the community development leaders. If a community development worker is not accepted as a working colleague of the community, that

community development worker cannot establish the rapport and confidence within the community to stimulate the necessary participation and initiatives necessaria to achieve the programme's goals and objectives. The onus of responsibility for gaining acceptance is on the community development work; when that acceptance is not achieved, then the community development worker must be changed.

Some Measures of Success: All community development workers will initially be viewed with some degree of scepticism by the community in which they work, and it is essential for the community development worker to build trust. As the community builds up trust in the community development worker, they will be more open and confiding in professional roles, as well as in personal capacities.

## V. INDIVIDUALISATION

Definition: As each individual person is unique, so also is each community unique. This uniqueness comes from the languages, values, norms, religion, and culture, and the combinations thereof, that make up a community. The uniqueness comes also from the combination of individuals that make up the community.

Practical Application: The community development worker needs to recognize and respect the individualism of the community and its members. The community members have the right to as much participation as possible in decisions affecting their life environment.

Acceptance and acknowledgement by the community development worker of this unique character of the community and its members not only results in more trust and acceptance by the community, but also helps in the realization of the potential of that community.

Just because a solution works in one community is not enough to assume it is the right solution for all communities. Understanding the individual nature of a community will help the community development worker develop the appropriate approach for each individual community.

The acceptance of decisions that the community development workers help to formulate will be tempered by the ability to incorporate the community's individualism into the process and the response.

Some Measures of Success: Recognition and acceptance of individualism is not something that is easily taught, learned and applied. The skills needed are the products of being able to listen and to allow the community to express its point of view, for even if very inarticulately expressed, those views are valid within that community.

A measure of success will be the degree to which the community adheres to the decisions it makes with assistance from the community development worker.



Further, the success of the community itself in making decisions and gaining acceptance and participation from its membership also requires that the community and its leadership accept and deal effectively with this factor of individualism.

## VI. SELF-DETERMINATION

Definition: The right and the ability to make responsible decisions by individuals and by communities of people.

Practical Application: Everyone has the right to participate in the decisions that affect their lives, and, within the context of society and community, to make the decisions for themselves on where and how to live. Along with that right comes the corresponding responsibility, to themselves, to their community and to their society, to utilise this freedom in equitable and fair ways.

The community development worker should not make decisions for the community or individual members of the community. The proper role is to help and guide in the decision making, to focus on the problems and the alternative solutions, but not to make the community dependant on the community development worker. The proper role is as a facilitator, not as their decision maker, which would be counter-productive to the objectives of self-determination for the community, and of reducing the role of the community development worker (and increasing the role of the community and its committees) in organization and decision making.

When the community may seem to press the community development worker for decisions, one technique to use is reflection, drawing them back into the process by getting them to review the issues and alternatives.

Some Measures of Success: As a community's self-determination abilities improve, so will its decision making processes grow both in facility and in responsibility. As self-determination capabilities improve, there will be less dependency on the community development worker to facilitate decisions.

## VII. PARTNERSHIP

Definition: Partnership, within the context of community development work, is the mutual understanding between the community development workers and the community.

Practical Application: As in any partnership, the two parties should know what are their rights, responsibilities, limitations and functions, as well as those same roles for the other party.

It is incumbent on all members of a partnership to fulfil their roles and responsibilities, and thus achieve the goals of that partnership. Partnership does not allow for paternalism or guardianship.

It is important that members of a partnership move in harmony with the other members. The community development worker, for example, should not move faster than the community responds, for in such cases, decision making tends to be left to the initiator. Conversely, as a community matures, the partnership role of the community development worker diminishes.

Some Measures of Success: As a community matures in its self-determination capabilities, it will show improving ability of independent action. And as in a parent-child relationship, the community development worker must encourage and recognize decision making and responsibility -- and judiciously withdraw, step by step, from community involvement as that maturity develops.

#### VIII. LINKING UP AND MEETING AT THE COMMUNITY LEVEL

Definition: The ability to meet the community in their situation, and to establish working relationships through mutual understanding.

Practical Application: Community development workers should always become familiar with the communities where they are to work. This familiarisation includes careful observation and the ability to ask the right questions, and to ask them diplomatically, so as to get the feel of specific communities.

The community development workers should be mature and responsible, with the ability to reach out empathically to the needs of the people. The community development worker should, on the other hand, be objective and not become so involved as to be biased when dealing with the needs of a community.

A natural and spontaneous understanding and relationship with the community will enhance the link between the community development worker and the community. The community's perspective must be understood and respected. However, superiority and condescending attitudes must be guarded against, as they may lead to interference rather than facilitation in the decision-making processes, or to community resistance to even good ideas.

Some Measures of Success: Communities are usually open to being empathetic to community workers, and will draw them into group membership as "one of us." The community development worker must achieve this status, while being careful not to be pulled into a leading rather than facilitating role.

#### IX. MOVING AT THE COMMUNITY'S PACE

Definition: Moving at the community's pace requires the sensitivity to the willingness and ability of the community to respond and deal with issues, and its readiness to accelerate or slow down that pace.

Practical Application: Moving at the community's pace requires that the community development worker know the community. It

requires knowing the level and progress of the community's specific skills and abilities, both of individuals within the community as well as on a communal basis.

Careful observation of the community and its reactions to problems and issues will enable the community development worker to be realistic in performance and movement expectations. Through this process, the community development worker's involvement with the community includes education on improving the pace at which community activities can move (and constant assessment of the current pace at which the community can move).

#### X. SUMMARY STATEMENT

Applying the principles of community development means that community development workers must understand these principles, and incorporate them as part of their professional way of life. As these principles are understood and accepted, their application becomes less difficult.

Measuring community development success can be difficult and frustrating, as are many social indicators. Mutual trust and confidence will result, and goal identification and achievement by the community, with decreasing reliance on the community development worker for facilitation, is the ultimate measure of the success of community development efforts.

ANNEXURE 2.1/B:

Information Brochure

& Video Script



NATIONAL HOUSING ENTERPRISE

# WINDHOEK LOW INCOME HOUSING PROGRAMME (WLIHP)

## OPROGRAMA YO WLIHP OSHIKE?

Ei oyo oprograma yEhangano IO-  
maumbo lOpashiwana (NHE) melon-  
gelo kumwe nombanga yEpendulepo  
loshiwana yo ko Ndowishi oyo hai  
ifanwa KFW.

Oprograma ota i yambidida ovak-  
washiwana ovo hava mono eendjabi di  
li pedu, nova hala oku li kwafa voovene  
okuxwepopaleka onghalo yomaumbo  
avo.

## OPROGRAMA EI OTA I YAMBIDIDA NGAHELPI ?

- Ota i yandja omayele opautekenika  
kwaavo va hala oku tunga ile oku  
xwepopaleka omaumbo avo.
- Ota i yandya omayele kombinga  
yaasho to dulu okuninga moku  
xwepopaleka eumbo loye.
- Ota i yandja eelienenga domaumbo  
dayeleka osho omunhu to dulu oku  
futa.
- Ota i yandya eelienenga doitungifo  
kwaavo vahala oku tunga ku vo vene.

- Ota i kwafele oku xwepopaleka ee-  
pomba domeva, oundyuwo, na-  
ikwawo ya fa ei oyo ha i longifwa  
paukumwe momalukanda
- Ota i kwafele ovakwashiwana va  
mone oufemba wokulanda eeplota  
dininge davo vene.

## OOLYELYE TA VA DULU OKUKWATELWA MOPROGRAMA EI?

- OvaNamibia
- Ovaneumbo ovo hava mono ondjabi  
yo R2490,00 komwedi ile pedu.
- Ovaneumbo ovo va tembulwa  
kEpangelo keenhele ngaashi: kosiin-  
gela, kOshandubala, kOmbili, naavo  
veli mOshipena Eimbeck.
- Ovakawneumbo ovo ha va mono  
ondjabi ta i dulu oku va pefa  
olienenga.
- Omunhu oo ena eedula da konda po  
18.
- Omunhu oo e he na nale eumbo  
limwe.
- Okuna oku kala ena odeposito ifike  
peepelesenda omulongo (10%)  
dolienenga oyo a hala.



NATIONAL HOUSING ENTERPRISE

**WINDHOEK  
LAE INKOMSTE  
BEHUISINGS-  
PROGRAM  
(W.L.I.H.P.)**

**Wat is WLIHP ?**

Dit is 'n NHE program wat geborg word deur die KFW ('n duitse organisasie).

Die program beoog om lae inkomste groepe te ondersteun om hulle behuising situasie te verbeter deur deel te neem aan die program.

**Hoe sal die program die mense help ?**

- Deur tegniese advies en hulp te gee aan mense wat hulle huise self wil bou of verbeter.
- Deur inligting te gee oor alle opsies wat beskikbaar is vir behuising.
- Deur bekostigbare len-

ings beskikbaar te stel vir alle moontlike behuisings opsies.

- Deur huidige gemeenskapsfasiliteite te verbeter.
- Eiendomsreg word gewaarborg.

**Wie kwalifiseer ?**

- Alle Namibiese burgers met 'n stabiele inkomste van kleiner as R2490 per maand wat ouer is as agtien (18) jaar en 'n deposito van 10% van die totale lening kan spaar.
- Alle hervestigde mense van die Enkelkwartiere, Shandubala en mense van Shipena Eimbeck.

THE NHE WINDHOEK LOW-INCOME-HOUSING PROGRAMME

The National Housing Enterprise has launched a low-income-housing programme to assist you if you have been resettled from the Katutura Singles' Quarters or Shandubala, or if you have been allocated a plot in Shipena Eimbeck.

The programme will help you to buy your allocated plot, build your house on it, and improve it when necessary. The programme also provides for the installation of some streetlights, and will extend existing communal toilets and water points.

Support from the German Government has enabled the NHE to help you to improve your lifestyle, at a cost you can afford.

To obtain assistance under the NHE's housing programme -

- you must be a Namibian;
- your household must have a regular income which allows you to meet regular monthly loan repayments;
- your monthly household income must be less than R2 490;
- you must have been resettled by the NHE and the Municipality, or been allocated a plot;
- you may not own another house in Windhoek;
- you must be older than eighteen; and
- you must have a 10% deposit towards any NHE loan.

The NHE bought land from the Municipality to resettle people from the Katutura Singles' Quarters and Shandubala, whereas the Municipality still owns the Shipena Eimbeck land.

So, now it is up to you to buy the plot allocated to you. The cost of the plot may be subsidised by the NHE, according to your income level.

The NHE may also help you buy the land by means of a long-term loan. Depending on your needs and your income, this loan can be expanded to include a basic house, or only part of a house, built by the NHE on your erf.

Owning the land gives you freehold rights. This means you have the right to build on the land, and to sell it once your loans are fully paid.

Owning the land also means being responsible for maintaining it, and for paying all Municipal fees.

Further assistance from the NHE can be obtained as short-term loans for building materials - for your own home only.

The NHE's community development workers will help you decide which improvements to make first, and what you can afford to spend.

The NHE's self-help construction advisers will assist you in determining what building materials you will need, and how to set about building.

Remember that a 10% deposit is also required for a building materials loan. You will be eligible for this short-term loan as



well if you have a good repayment record on your long-term loan, and if you can afford it.

With a building materials loan, the actual construction work is your responsibility. You can either do the work yourself, or pay builders to do it. Feel free to ask the NHE's self-help construction advisers for guidance.

The NHE will also extend existing communal water points and toilets, to ensure they are close enough to each household. Their exact location can be discussed with the NHE's technicians, through your community committees. It is the community's responsibility to maintain these facilities and pay all related costs. In addition, the programme will install some streetlights within resettlement areas.

You have already taken the first step in participating in the NHE's Windhoek Low-Income-Housing Programme: you have applied to buy the land you were allocated.

Next, you have to apply for a loan to buy the land - for which you need a 10% deposit. To save for this deposit, you can open an account with the NHE.

The NHE's community development workers will assist you with your loan application, and their self-help construction advisers will assist with designing your building and getting the materials you need.

So, the NHE's Low-Income-Housing Programme helps you buy your plot and build on it, and it provides more communal services.

Participate in this NHE Programme: it's there for your benefit.

ANNEXURE 2.1/C:

Review of Household Incomes

In Resettlement Areas

## RESETTLEMENT AREAS:

### HOW MANY HOUSEHOLDS WILL FALL BELOW AFFORDABILITY?

Issue: How many households cannot afford even the purchase of an erf and minimum municipal charges?

Average erf price:	R.5,600	Loan conditions: 15 years,	
Max. subsidy	- 2,500	17% interest rate p.a.	
	R.3,100	Monthly instalment: R.42.94	
Deposit	- 310	Transfer charges*	4.65
LOAN AMOUNT:	R.2,790	Admin. fee	4.00
		Monthly payment	
		to NHE:	R.51.59
		Min. municipal	
		fees:	20.00
			R.71.59

\* Transfer charges are carried over a five year period only.

On the basis of information collected by NHE on 623 households (see attached table) and assuming that not more than 25% of household income can be spent on housing and municipal charges, a monthly household income of R.286.00 is the absolute minimum necessary for a household to be able to afford an erf.

Based on the available data, 26.5% of the potential participants in the upgrading programme do not meet this basic minimum household income, and would not be able to participate in the project.

This high percentage will be reduced as the programme progresses. Experience shows that households will mobilized additional resources when they really need to in order to qualify to buy their erven and houses. But some will remain below the qualifying line, and will raise problems of how to deal with them:

1. WHAT WILL HAPPEN TO HOUSEHOLD THAT HAVE TO LEAVE THE PROGRAMME?
2. CAN REASSESSMENT OF INCOME BE ACCEPTED? IF YES, HOW TO PROVE HIGHER INCOME?
3. CAN INCREASED NHE RISK BE REDUCED, e.g., BY REQUIRING HIGHER INITIAL SAVINGS?
4. HOW SHOULD THE COMMUNITY DEVELOPMENT TEAM HANDLE THESE PROBLEMS WITH THE COMMUNITY?

EVALUATION  
OF NHE LOAN APPLICATIONS:  
HOUSEHOLD INCOMES  
IN THE RESETTLEMENT AREAS

<i>Household Income per Month</i>	<i>Site 1</i>	<i>Site 2</i>	<i>Site 3</i>	<i>Site 4</i>	<i>Line Total</i>	<i>Group Total</i>	<i>Group %</i>	<i>PHSL Group %</i>
R. 0 - 83	1	11	6	3	21	73	11.7%	
84 - 166	18	11	7	16	52			
167 - 249	13	15	6	33	67	125	20.1%	
250 - 332	9	9	12	28	58			
333 - 415	13	6	20	19	58	100	16.1%	
416 - 498	13	3	13	13	42			
499 - 581	22	11	16	17	66	132	21 1/2%	
582 - 664	18	10	16	22	66			
665 - 747	15	5	25	11	56	95	15.2%	84.3%
748 - 830	9	3	13	14	39			
R. 831 - 913	6	1	8	5	20	39	6.3%	
914 - 996	6	2	7	4	19			
997 - 1,079	2	0	2	4	8	30	4.8%	
1,080 - 1,162	6	1	7	8	22			
1,163 - 1,245	3	1	2	3	9	11	1.8%	
1,246 - 1,328	1	0	0	1	2			
1,329 - 1,411	2	1	3	1	7	9	1.4%	
1,412 - 1,494	2	0	0	0	2			
1,495 - 1,577	1	0	2	0	3	4	0.6%	14.9%
1,578 - 1,660	0	0	1	0	1			
Over R. 1,660	0	1	2	2	5	5	0.8%	0.8%
	160	91	168	204	623	623	100%	100%

This table is compiled from data collected by NHE on the application forms from the potential programme participants in the resettlement areas.

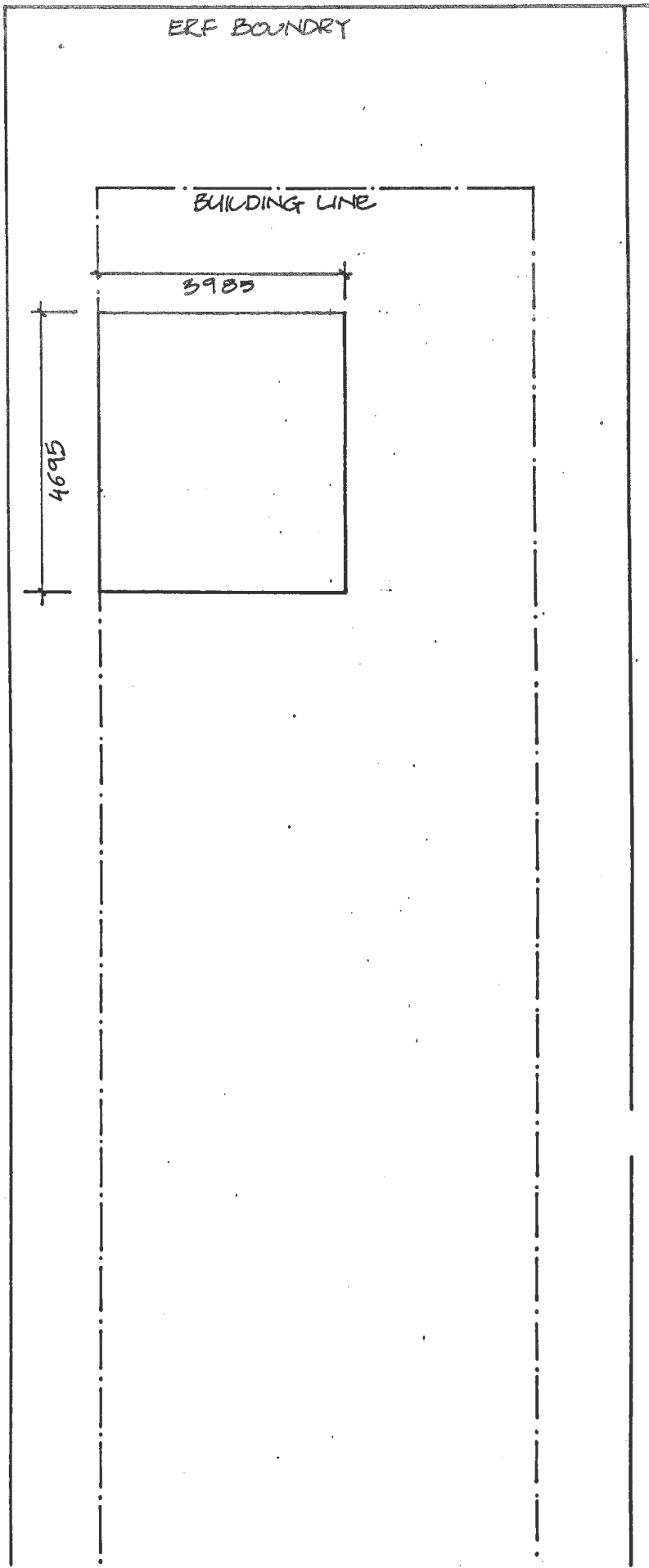
Note that 1 PHSL = R. 830.00, and 2 PHSL = R.1,660.

Site 1 includes Ebandulo and Onheleiwa; Site 2 includes Onyeka, Nangolo and Oduduluka; Site 3 is Josef Nepando; and Site 4 is Greenwell Matongo.

ANNEXURE 2.1/D:

Starter Solution Plans

And Cost Estimates



A1.1

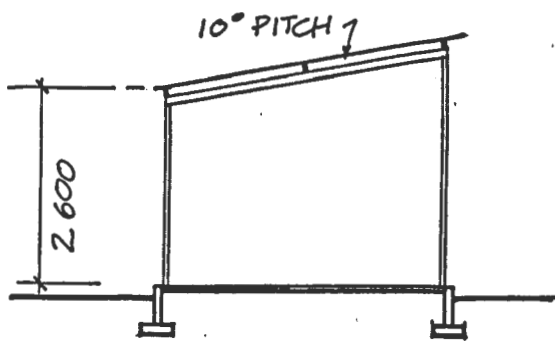
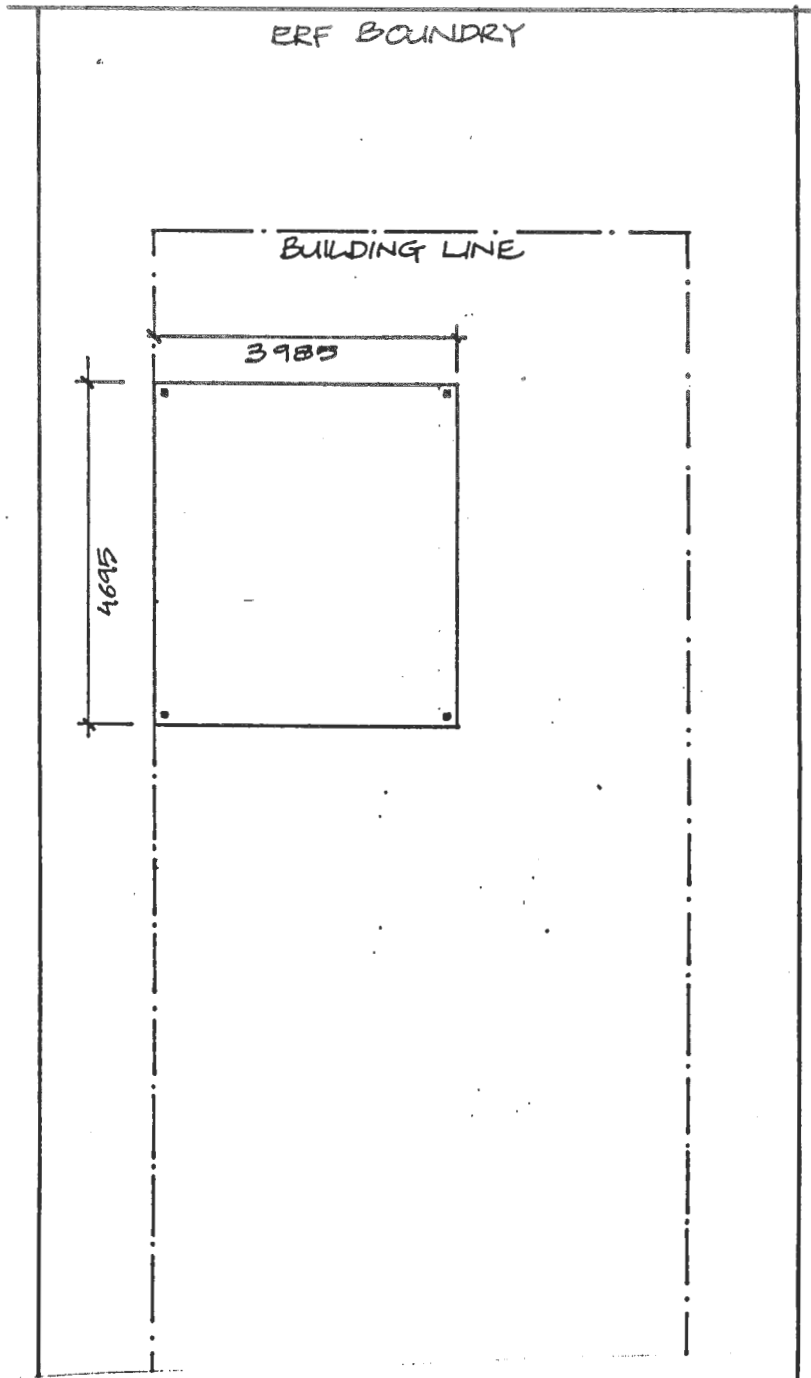


HOUSE TYPE A. 1, 1  
*slab only*

19.3.93  
 H.W.

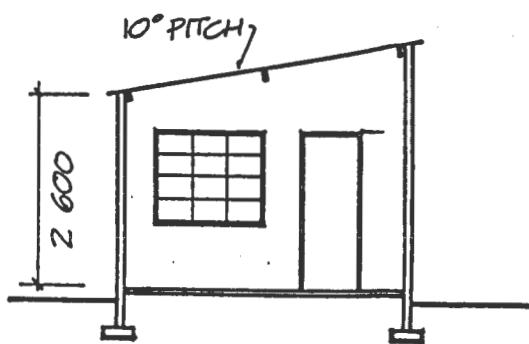
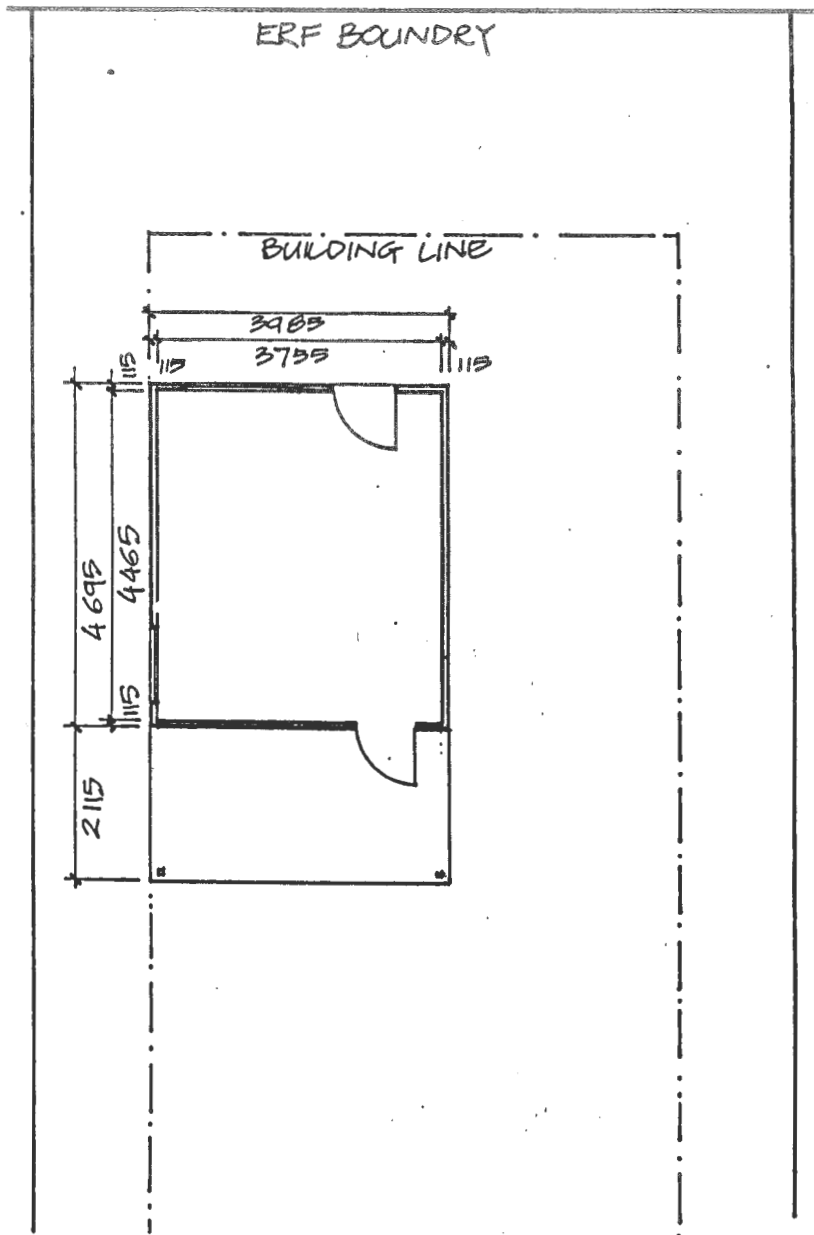
Material:	Quantity	Pr
Foundation concrete 150x400mm	1.20 m <sup>3</sup>	
Cement	5 Pbl.	89
Sand	0.75 m <sup>3</sup>	4
Stones	1.00 m <sup>3</sup>	6
Foundation brickwork super 480 = 8,00 m <sup>2</sup>	320 bricks	16
Cement	2 Pbl.	17
Sand	0.30 m <sup>3</sup>	13
Brickforce every course	50 m	13
Super structure brickwork height 2520 <i>Base plates as for A. 1, 2</i>	4	1.3
Cement		
Sand		
Brickforce every third course		
Door frame standard		
Window E2H		
" C2H		
" C4H		
" D2H		
" D4H		
D.P.C.		
Prestressed lintol ± 1,50m		
" " ± 2,00m		
Concrete floor 75mm thick	1.50 m <sup>3</sup>	
Cement	6 Pbl.	107
Sand	1.00 m <sup>3</sup>	5.6
Stones	1.20 m <sup>3</sup>	5.8
Wall plaster internal and external 15mm		
Cement		
Sand		
Roof		
Purlin rafter 164 x 45mm		
Swanrib type IBR		
Serrate closer		
Ridge		
4mm galv. wire, for roof timber anchors		
65mm wire nails		
Roof screws 90mm and washers (sealtite)		
DPC around roof timber where passed walls		
External doors tupe Fisher		
Internal doors hardboard faced		
4 lever locks with two keys		
2 lever locks with two keys		
Door screws		
Glass: to match window types		
Putty		
Paint:		
Universal undercoat white for doors and windows		
High gloss " " " "		





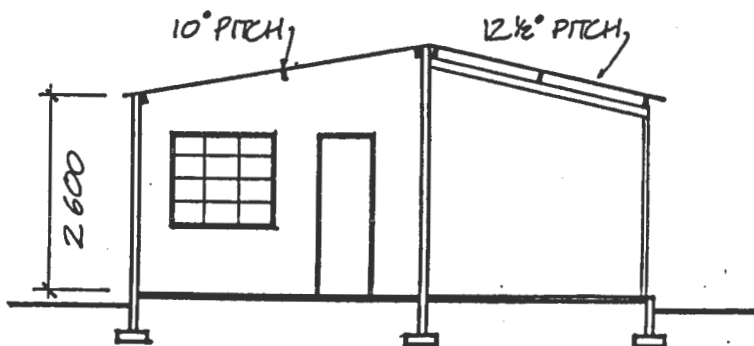
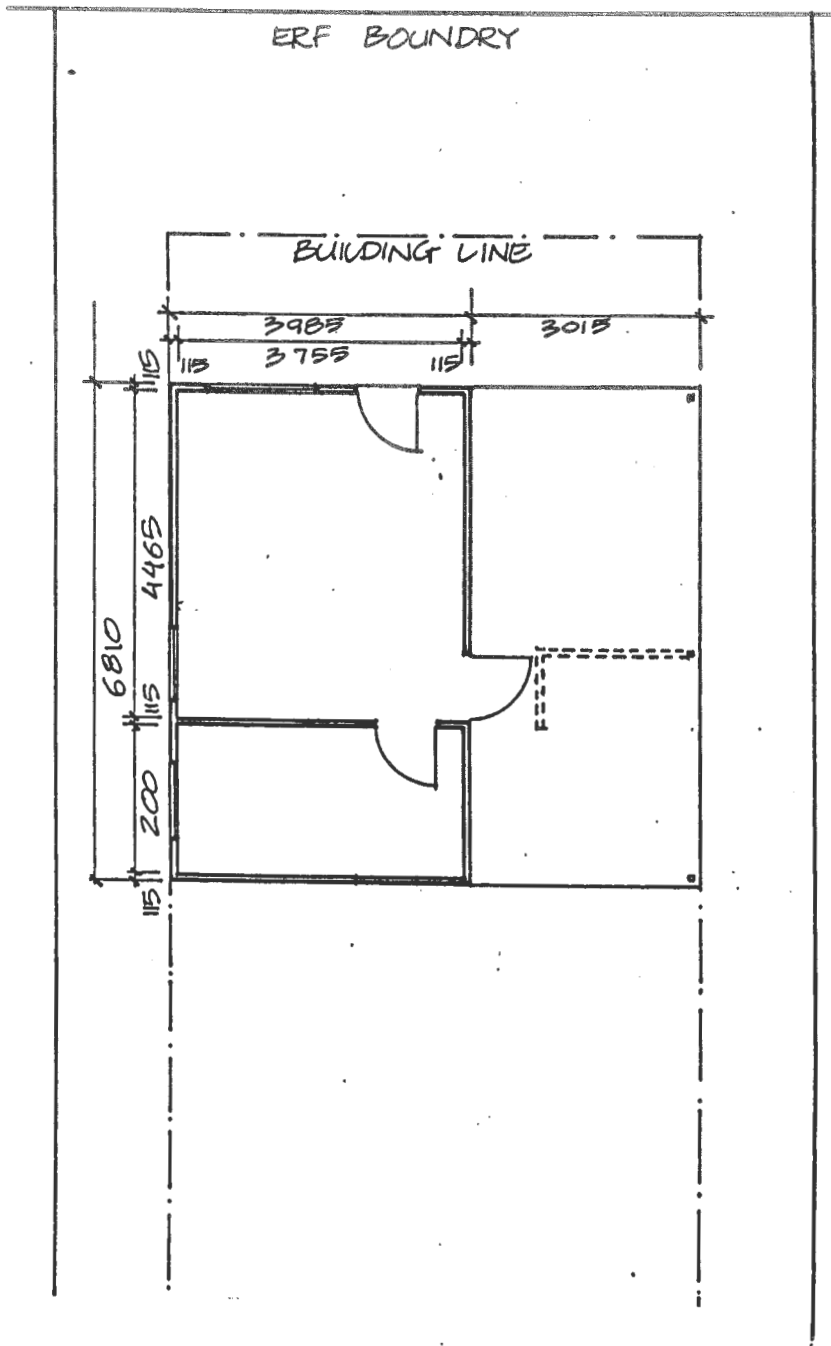
A1.2

Material:	Quantity	
Foundation concrete 750x400.75mm	1.20 m <sup>3</sup>	
Cement	5 Pkt	89
Sand	0.45 m <sup>3</sup>	34
Stones	1.00 m <sup>3</sup>	46
Foundation brickwork super 480 = 8.00 m <sup>2</sup>	320 bricks	21
Cement	2 Pkt	3
Sand	0.30 m <sup>3</sup>	1
Brickforce every course	50 m	1
Super structure brickwork height 2520	10 m	10
Cement	4	5
Sand	4	3
Brickforce every third course		
Door frame standard		
Window E2H		
" C2H		
" C4H		
" D2H		
" D4H		
D.P.C.		
Prestressed lintol ± 1,50m		
" " ± 2,00m		
Concrete floor 75mm thick	1.50 m <sup>3</sup>	
Cement	6 Pkt	10
Sand	1.00 m <sup>3</sup>	46
Stones	1.20 m <sup>3</sup>	52
Wall plaster internal and external 15mm		
Cement		
Sand		
Roof Beams 165x45mm = 2x3.30m	6.60 m	8
Purlin rafter 164 x 45mm = 3x4.80m	14.40 m	32
Swanrib type IBR 7 sheets x 4.80m	33.60 m	49
Serrate closer		
Ridge		
4mm galv. wire, for roof timber anchors	9.00 m	8
65mm wire nails		
Roof screws 90mm and washers (sealtite)	75	10
DPG around roof timber where passed walls		
External doors tupe Fisher		
Internal doors hardboard faced		
4 lever locks with two keys		
2 lever locks with two keys		
Door screws		
Glass: to match window types		
Putty		
Paint:		
Universal undercoat white for doors and windows		
High gloss " " " "		



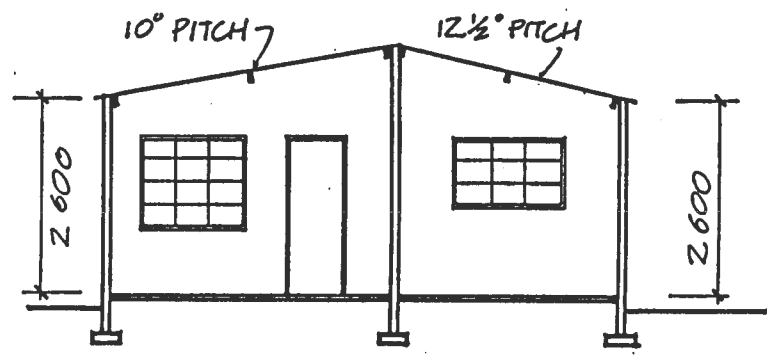
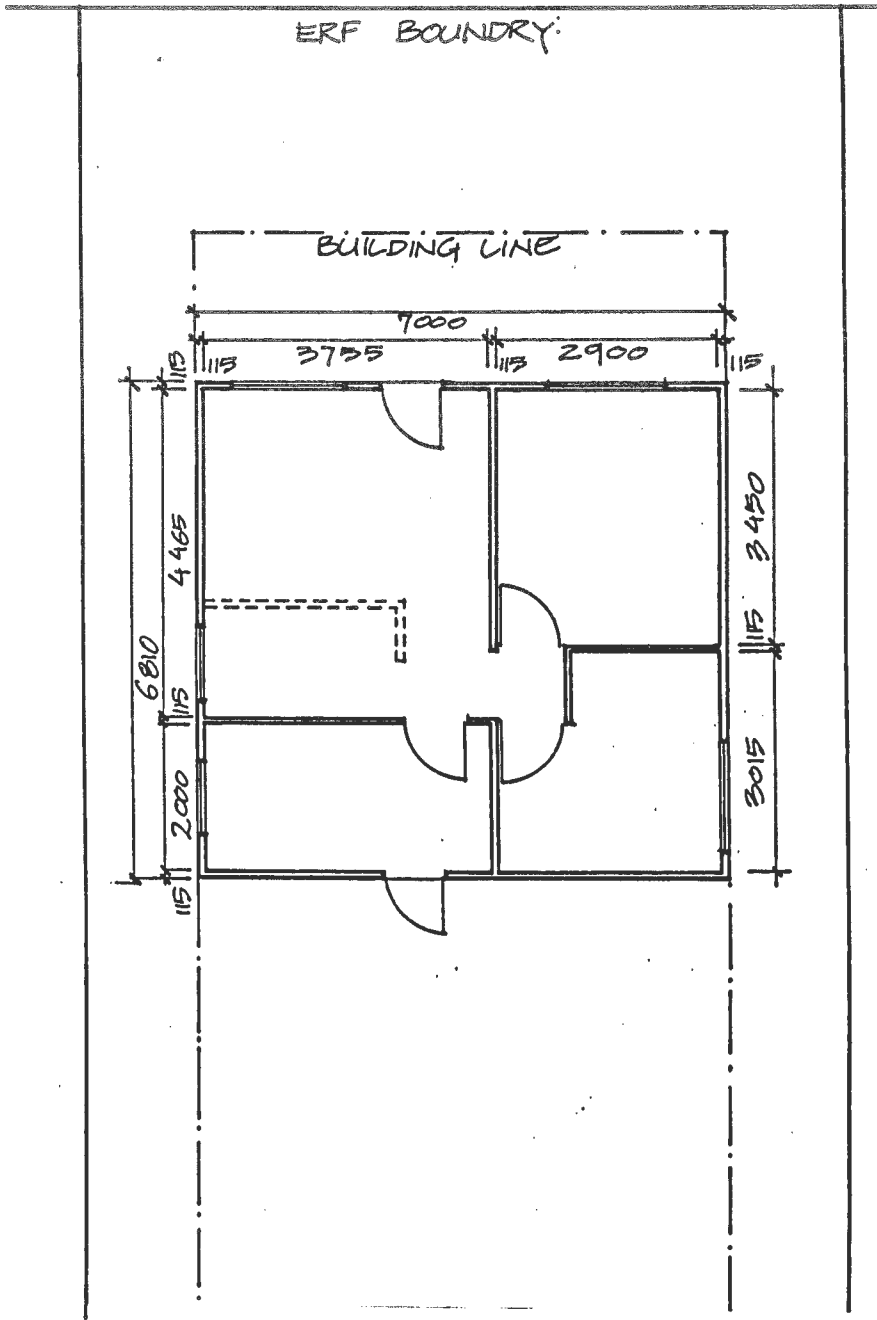
A1.4





A2





A3

Material:

Material:	Quantity	Price
Foundation concrete <i>ext. 7.50 x 4.02 int. 1.00 x 3.00 m</i>	2.50 m <sup>3</sup>	
Cement	10.60 Pck.	178.60
Sand	1.50 m <sup>3</sup>	69.00
Stones	2.00 m <sup>3</sup>	92.00
Foundation brickwork super 480 <i>Ext. 12.90 m<sup>2</sup> intern. 7.20 m<sup>2</sup></i>	770 bricks	389.60
Cement	4.5 Pck.	80.70
Sand	0.95 m <sup>3</sup>	34.70
Brickforce every course	12.5 m	33.75
Super structure brickwork height <i>Ext. 7.18 m<sup>2</sup> int. 5.8, 7.0 m<sup>2</sup></i>	5100 bricks	2580.00
Cement	23 Pck.	500.08
Sand	4 m <sup>3</sup>	184.00
Brickforce every third course	330 m	89.70
Door frame standard	4	321.50
Window E2H	1	91.62
" C2H	1	101.22
" C4H	2	342.76
" D2H		
" D4H	1	185.82
D.P.C.	40 m	1.50
Prestressed lintol ± 1,50m	2 m	26.70
" " ± 2,00m	3	57.00
Concrete floor 75mm thick	3.50 m <sup>3</sup>	
Cement	15 Pck.	267.70
Sand	2.00 m <sup>3</sup>	92.00
Stones	3.00 m <sup>3</sup>	138.70
Wall plaster <i>external bopping 7.85 m<sup>2</sup> internal and external 20.00 m<sup>2</sup></i>		
Cement	38 Pck.	672.68
Sand	5 m <sup>3</sup>	231.00
Roof		
Purlin rafter 164 x 45mm = 6 x 7.20 m	43.20 m	56.64
Swanrib type IBR = 11 sheets x 3.98m and 10 sheets x 3.10m <i>check on site</i>	74.78 m	109.57
Serrate closer	21	78.18
Ridge	7.50 m	75.98
4mm galv. wire, for roof timber anchors	32.00 m	1.00
65mm wire nails	1 kg	3.82
Roof screws 90mm and washers (sealtite)	175	23.78
DPC around roof timber where passed walls		
External doors tupe Fisher	1	137.20
Internal doors hardboard faced	3	197.00
4 lever locks with two keys	1	3.32
2 lever locks with two keys	3	8.25
Door screws	35	1.50
Glass: to match window types	5.50 m <sup>2</sup>	17.50
Putty	17 kg.	46.80
Paint: <i>External P.V.A = 25ltr and 12ltr under coat</i>		192.00
Universal undercoat white for doors and windows	5 Ltr	4.75
High gloss " " " "	9 Ltr	13.30
Bubble foil code 2906 <i>option</i>	47.50 m <sup>2</sup>	285.00
		96.52
		99.37.6

*with options*



ANNEXURE 2.1/E:

Correspondence Regarding

Interim Rates and Taxes

22 February 1993

The Town Clerk  
Municipality of Windhoek  
P O Box 59  
WINDHOEK  
9000

Dear Sir

**EXEMPTION FROM PAYMENT OF ASSESSMENT RATES**

NHE recently applied to the Municipality for exemption from payment of rates and taxes on certain erven owned by NHE.

The erven in question are those used to resettle about 960 households who had previously squatted on municipal land adjacent to the Katutura Single Quarters. You will recall that the relocation operation was a joint venture involving the Ministry of Local Government and Housing (MLGH), NHE and the Municipality as the main players on the Resettlement Committee.

We were extremely disappointed to be informed in a fax dated 2 February 1993 of the Management Committee's decision to reject the mentioned application. The reasons supplied were that the Municipality was not legally empowered to grant such exemption, and that it was experiencing financial constraints.

NHE wishes to appeal to the Municipality to reconsider its decision on the following grounds:

1. The Resettlement Committee and the MLGH had looked to the Municipality, as the state organ entrusted with land delivery in Windhoek, to provide the necessary erven.

Since the Municipality had no erven available to accommodate the resettled squatters, nor funds to service new erven, NHE agreed to allocate existing NHE project erven to the former squatters and to purchase additional erven for the same purpose. This gesture was solely to keep the relocation process on track, despite its disruption of our operational planning and budgeting.

Our normal project process would have entailed establishing that the project participants were able to afford an NHE loan, which would have included the cost of the erf as well as interim assessment rates paid by NHE. In this case, as you know, no prequalification applied before a household could be resettled: the objective was to clear the squatter area totally, irrespective of whether the household had any income.

2. Although the physical relocation is completed, the resettlement exercise is not yet over: it is simply entering its second phase. As such, we feel the Municipality as a partner in the larger exercise would be reciprocating NHE's gesture if it were to agree to our request that NHE be exempted from payment of the assessment rates up to 31 January 1993.

Should NHE have to pay the levies due for the period 1 October 1992 to 31 January 1993, the more than R80 000 so paid would have to be recovered from the relocated squatters. This would reduce the number of people able to participate in the project envisaged for the former squatters, and may leave some of them no alternative but to return to their previous lifestyle, a threat that has already been made.

We believe that a compromise would be for NHE to write off the interim interest it has lost on the purchase price of the erven in question, and for the Municipality to reciprocate by approving our above-mentioned request.

3. Regarding the mechanics of granting such exemption, we are sure that an alternative solution exists. For example, the amount due in lieu of rates and taxes on these erven may be paid now by NHE, and offset against the cost of the next tract of land purchased by NHE from the Municipality.

We have noted your request for information on the occupants of the erven. The information is enclosed herewith.

In conclusion, we trust that the Management Committee appreciates that a positive response to our request is not only of national importance (considering that the exercise is but the first of several which the Government intends launching throughout the country), but will actually help determine the success of the first public housing project sponsored in Namibia by an international agency.

Thanking you in anticipation of a reply at your earliest convenience.

Yours faithfully



AXARO M TSOWASEB  
CHIEF EXECUTIVE OFFICER

c.c. Chairman, Management Committee  
Director Department Properties and Protective Services

MUNICIPALITY OF WINDHOEK  
DEPARTMENT OF PROPERTIES AND PROTECTIVE SERVICES

F A X M E S S A G E

TO : The Managing Director  
National Housing Enterprise  
ATTENTION : MR L FICK

FAX NUMBER : 22-2301

FROM : Mrs J S de Kock  
Assistant Director  
Department of Properties and  
Protective Services

FAX NUMBER : 63171

DATE : 2 February 1993

SUBJECT : EXEMPTION FROM PAYMENT OF ASSESSMENT  
RATES

REFERENCE : 5/3/1/1

=====

Our telephonic conversation of 1 February 1993 has reference.

On 23 November 1992 the Management Committee resolved inter alia -

"That the request of National Housing Enterprise to be exempted from paying assessment rates until January 1993 be turned down."

The Local Authorities Act, 23 of 1992 does not give local authorities the power to exempt in example the NHE or individuals from paying assessment rates. Furthermore the Municipality is experiencing financial constraints and exemption of payment of assessment rates or other levies are financially unsound. In the light of this the NHE's application for exemption was turned down.

During November 1992 a meeting was held with the then Project Manager, Mr Alweendo and it was explicitly stated that if all relevant information regarding consumers of municipal services occupying NHE property are not received before the end of December 1992, the Municipality would have no alternative, but to levy such tariffs from the NHE.

Since then the information has not been forthcoming. Kindly note that the Municipality has no alternative but to forward such accounts to the NHE as owner of the properties for payment.

Your co-operation is appreciated.

Yours faithfully

*JSDK*  
MRS J S DE KOCK  
ASSISTANT DIRECTOR  
DEPARTMENT OF PROPERTIES AND PROTECTIVE SERVICES

JSDK/wvw

ASSESS.JDK

ANNEXURE 2.1/F:

Correspondence Regarding Land

For Community Centres

DEPARTMENT OF  
PROPERTIES AND  
PROTECTIVE SERVICES



PROPERTIES (KATUTURA)  
P.O. BOX 2085  
WINDHOEK 9000  
TELEPHONE 63171

ENQUIRIES: MR D L JOUBERT

REFERENCE: L/2346/OKU

CITY OF WINDHOEK

10 March 1993

The Professional : Special Projects  
National Housing Enterprise  
P O Box 20192  
WINDHOEK  
NAMIBIA

N. B. I. C.	
File:	
1 6 MAR 1993	
FOR ATTN: ANSWERED	C. STEENKAMP

ATTENTION : MR C STEENKAMP

Dear Sir

LEASE : ERF 2346, EXTENSION 5, OKURYANGAVA : COMMUNITY CENTRE

I refer to your application dated 4 February 1993 regarding the abovementioned.

The City Council of Windhoek on its meeting held on 24 February 1993 consider this application and it was resolved :

- "1. That a portion of Erf 2346, Extension 5, Okuryangava, in extent  $\pm$  2 000 m<sup>2</sup>, be leased to National Housing Enterprise for a period of ten (10) years at a nominal rental of R120,00 per annum, subject to the following conditions :
  - 1.1 that the proposed use at the cost of the applicant be advertised for comments and objections;
  - 1.2 that the portion be closed as an "public open space" and zoned to "municipal" if it is needed for permanent improvements.
  - 1.3 that the applicant be responsible for any costs involved in the proposed closure, rezoning, advertising, extension or alteration of services and connection fees;

2/....

Bw.

2

- 1.4 that the applicant submit a development plan and programme to the Chief Town Planner;
- 1.5 that the applicant take note that no compensation for improvements erected shall be payable at the expiry of the lease;
- 1.6 that building plans for improvements be submitted in terms of the Building Regulations;
- 1.7 that the provision of toilet facilities be cleared with the Chief Health Officer.
2. That governmental approval in terms of section 30(1)(t) of Act 23 of 1992 be obtained for the lease.
3. That a Deed of Lease be drafted.

Resolution Number 56/O2/93."

\*\*\*

This office have already applied for governmental approval in terms of paragraph 2 of the said Council Resolution and as soon as this is obtained, we will advise you to sign the Deed of Lease. You are therefore requested to advertise the proposed use of Erf 2346 as a community centre in terms of clause 20 of the Windhoek Town Planning Scheme, of which a copy is attached hereto for your information, whereafter proof must be given to this office that no objections has been received before the Deed of Lease could be finalised.

Your co-operation will be appreciated.

Yours faithfully

  
PROPERTY MANAGER : NORTHERN AREAS  
DEPARTMENT OF PROPERTIES AND PROTECTIVE SERVICES

DLJ/gdg

DLJ2346.OKU



WINDHOEK TOWN PLANNING SCHEME

Advertisement  
and appeal in  
certain cases:

20. (a) Unless otherwise determined by the Council, any person making application for consent to erect or use a building, or for the use of land in zones I, II, III, VI, and XI for any purpose requiring the Council's consent, shall at his own expense:
- (i) Publish once a week for two consecutive weeks a notice of his intention to make such application in an English, Afrikaans and German newspaper circulating in the Local Authority Area. The notice shall state that any person having objections to the erection and/or use of the proposed building, or to the proposed use of land, may lodge such objections together with the grounds thereof with the Council and with the applicant, in writing, within fourteen (14) days of the date of the last advertisement and shall further state where the plans, if any, may be inspected.
  - (ii) Post a notice, for a period of fourteen (14) days in English, Afrikaans and German, setting out the particulars as in (i) above, in a conspicuous position in the Municipal Offices and on the erf concerned. The notice to be posted on the erf shall be of a size not less than 600 mm x 450 mm and no letter thereon shall be less than 5 mm in height.
- (b) On submitting an application in terms of this clause the applicant must lodge with the Council a copy of each of the notices as published and as posted. Such notices must be to the satisfaction of the Council.
- (c) The Council shall take into consideration any objections received within the said period of fourteen (14) days and shall notify the applicant and the persons, if any, from whom objections were received of its decision.
- (d) The decision of the Council shall not take effect until the expiration of twenty eight (28) days from the date on which the applicant and the objectors, if any, are notified thereof, or if an appeal has been made, until such appeal is disposed of.

2344  
OPEN SPACE

ONGAVA STREET

2326

2320

JRYANGAVA  
EXT 5  
K242

OMBAKATA STREET

2332

MAEJAMALA ST.

CHIEF MANDUMI STREET

PONDU NANGOMBE STREET

OKAHNE STREET

2329

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ONGAVA STREET

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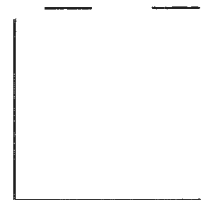
OKAHNE STREET

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**NATIONAL  
HOUSING  
ENTERPRISE**

Tel. 37224



**MINISTRY OF LOCAL  
GOVERNMENT AND HOUSING**

Tel. 225898

**Housing Improvement Programme**

# **Communal Meeting Place**

*A development project of Namibia co-financed by the Federal  
Republic of Germany through Kreditanstalt für Wiederaufbau (KfW)*

ANNEXURE 2.1/G:

Correspondence Regarding

Street Lights

**MUNICIPALITY OF WINDHOEK**

REPUBLIC OF NAMIBIA

P O BOX 5011, WINDHOEK  
9000, NAMIBIA



TELEPHONE: (061) 3912473  
FACSIMILE: (061) 3912494

KINDLY FORWARD THE FOLLOWING DOCUMENT TO:  
OORHANDIG ASSEBLIEF DIE VOLGENDE BOODSKAP AAN:

COMPANY : NHE - KFW	ED.3/1
MAATSKAPPY:	
ATTENTION : Mr Walten	
AANDAG :	
FAX. NO. : 222301	1993-02-17

Facsimile Operator: (061) 3912472

Number of pages sent including this page : 2.  
Aantal bladsye gestuur insluitende hierdie bladsy:

Should any problems be experienced with receipt hereof, please contact:  
Indien enige probleme met ontvangs ondervind word, skakel asseblief :

Mr F Diener at telephone number 3912455.

---

**MESSAGE / BOODSKAP**

Sir

**STREETLIGHTS FOR LOW INCOME HOUSING PROGRAMME**

Your request for cost indication for the installation of streetlights in the areas Goreangab Extension 1, Okuryangava Extension 5, Extension 3 and Extension 4 is shown as follows:

**1. Trenching distances and quantity of poles**

**Goreangab Extension 1**

- Trenching distance: 1 990 metres
- Quantity of poles : 38

**Okuryangava Extension 5**

- Trenching distance: 1 570 metres
- Quantity of poles : 60

**Okuryangava Extension 4**

- Trenching distance: 700 metres
- Quantity of poles : 16

**Okuryangava Extension 3**

- Trenching distance: 1 230 metres
- Quantity of poles : 30

Grand total:

- Trenching distance: 5 490 metres
- Quantity of poles : 144

2. Material cost (including sales tax and municipal stores levy)

		R
144 x 100 watt high pressure sodium lanterns	@ R292,09	42 060,96
144 x 100 watt high pressure sodium lamps	@ R 45,38	6 534,72
144 x 9 metres wooden poles	@ R434,21	62 526,24
144 x auxiliaries (fuses, fuseholders, 1,5 mm <sup>2</sup> cable, photo cells, contactors, terminals, joints and circuitbreakers) estimate	@ R 20,00	2 880,00
5 490 metres 6 mm <sup>2</sup> 2 core cable	@ R 5,56	<u>30 524,40</u>
<b>Total:</b>		<u><b>144 526,32</b></u>

Note: (a) Not every pole will be equipped with a photo cell.

(b) Should the 6 mm<sup>2</sup> cable not cater for voltage drop as result of special requirements, additional amounts must be allowed for thicker cable.

3. Labour cost

		R
5 490 metres cable trenches 300 mm wide x 500 mm deep	@ R 5,00	27 450,00
144 x streetlight holes @ R100,00		14 400,00
432 hours for electrical connections and installation of streetlight poles including cable installation	@ R 93,00	<u>40 176,00</u>
<b>Total:</b>		<u><b>82 026,00</b></u>
10 % labour levy		<u>8 202,60</u>
		<u><b>90 228,60</b></u>

Note: Additional amount could be necessary for hard ground works.

4. Total material and labour cost **234 754,92**

Delivery:

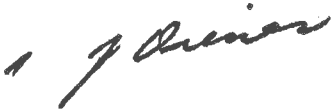
The longest delivery are the delivery of wooden poles ± 12 working weeks.

- 3 -

Should NHE be interested that the work be done by the Department of the City Electrical Engineer it is necessary to set up a possible time table for the work proceedings. It must be mentioned that the City Electrical Engineer might use a contractor for cable trenching and digging of holes for streetlight poles. Above figure is only an estimate but only actual cost occurred will be charged for.

Hoping above estimate will be of advice.

Yours faithfully



CITY ELECTRICAL ENGINEER

FDI/sve



NATIONAL HOUSING ENTERPRISE

Head Office: 7 Omuramba Road, Eros • P.O. Box 20192, Windhoek, Namibia  
Telephone (061) 37224 • Fax (061) 222 301

24 February 1993

Mr Ferdinand Diener  
Deputy City Electrical Engineer  
Municipality of Windhoek

Fax No 3912494

Dear Mr Diener

**RE: STREET LIGHTS FOR WINDHOEK LOW INCOME HOUSING PROGRAMME**

Following Messrs Crispo's and Walton's meeting at your offices and your fax of 17 February 93 indicating price estimates for the installation of street lights in Goreangab Extension 1, Okuryangava Extensions 3,4 and 5, we confirm that NHE is interested that the work be undertaken by the Department of the City Electrical Engineer.

As discussed, we expect you to prepare a timetable for the execution. NHE would like it to commence as soon as possible in Okuryangava Extension 5 (East sector), and continue to the West.

To complement the information in your fax, we would be grateful if you can:

- i. indicate possible percentage of variation of actual costs as against the estimate (last paragraph of fax);
- ii. specify the amount corresponding to GST in all relevant costs;
- iii. specify payment system.

We understand that all purchases and contract for this kind of work are awarded by tender by the Municipality; we would require details of the tenders involved in this street lights contract.

Looking forward to your answer, I remain

Yours faithfully

L. FICK  
SENIOR MANAGER : FINANCIAL PLANNING AND CONTROL



**MUNICIPALITY OF WINDHOEK**

REPUBLIC OF NAMIBIA

P O BOX 5011, WINDHOEK  
9000, NAMIBIA



TELEPHONE: (061) 3912473

FACSIMILE: (061) 3912494

KINDLY FORWARD THE FOLLOWING DOCUMENT TO:

COMPANY	: National Housing Enterprise	ED.1/3
ATTENTION	: Mr L Fick/Mr A Walton	
FAX NO.	: 222301	1993-03-15

Facsimile Operator: (061) 3912472

Number of pages sent including this page : 1.

Should any problems be experienced with receipt hereof, please contact:

Mr F Diener at telephone number 3912455.

MESSAGE / BOODSKAP**STREETLIGHTS FOR WINDHOEK LOW INCOME HOUSING PROGRAMME**

Your letter dated 24 February 1993 refers.

At this stage it is difficult for us to prepare a timetable for the installation of internal streetlights. The reason being the non existence of internal roads as indicated in the "Resettlement Areas Services Layout". Once these roads can be identified on site a timetable can be prepared.

The Department of the City Electrical Engineer already started to install streetlights along the main roads but could not start with installation along the other roads as result of abovementioned reason.

Please indicate to us when construction work of the streets will start so that we can indicate to our contractor when to start with installation of streetlights along the internal streets.

Once the timetable for the street construction is in our hands we might be able to address the questions in your letter.

Yours faithfully

CITY ELECTRICAL ENGINEER

NTH/sve

FDLOWINC.FAX

ANNEXURE 2.1/H:

Letter on Standards

For Internal Street Improvement

17 March 1993

Assistant City Engineer  
Road Planning : City Engineer's Department  
City of Windhoek  
P O Box 59  
WINDHOEK  
9000

Attention: Mr A C van der Merwe

Dear Sir

**ROADS DEVELOPMENT : OKURYANGAVA EXTENSIONS 4 AND 5**

Further to discussions held on 15 March 1993 in your office with yourself and Mr J Kriel of the City Engineer's Department and Messrs Crispo and Walton of Sum-McNamara Consultants, on behalf of NHT we are writing to request approval for the development of the internal streets of the same erven in the above-mentioned areas.

Enclosed herewith are the description of and motivation for the standard of development.

We trust that this application will be favourably considered and await a response at your earliest convenience.

Yours faithfully

CHRIS STEENKAMP  
SPECIAL PROJECTS OFFICER

encl Application for Approval of Standards  
Location Plans

**APPLICATION FOR THE APPROVAL OF STANDARDS FOR THE  
DEVELOPMENT OF INTERNAL STREETS : OKURYANGAVA EXTENSIONS 4 AND 5**

---

**LOCATIONS**

**Okuryangava Extension 5:**

erf	2320	2311
	2324	2312
	2329	2313
	2331	2313R
	2332	

**Okuryangava Extension 4:**

erf	2096
	2098

**PROPOSED STANDARD:**

Graded, formed and levelled to fit in with existing feeder road levels.

Sufficient stormwater drainage to allow the unimpeded flow of stormwater from high to lower ground without destroying the road.

**MOTIVATION:**

The erven are owned by NHE and are being developed by NHE for those households recently resettled from the single quarters in Katutura.

These are low income households whose income breakdown is illustrated in Table I below:

Monthly income (R)	% Households	
200	13.0%	13.0%
201 - 400	21.6%	34.6%
401 - 600	23.6%	58.2%
601 - 800	17.8%	76%
801 - 1000	11.5%	87.5%
1001 - 1200	4.3%	91.8%
1201 - 1600	3.4%	95.2%
1601	4.8%	100%

In order to assist as many households as possible, is attempting to keep the development costs of these settlements as low as is reasonable possible, whilst still achieving a standard acceptable to both the Municipality and the community living there.

The programme for the development of these settlements is structured so that the cost of the development of the

streets to the proposed standard is absorbed and will not be passed on to the end user. Should higher standards be required, the increase in costs will have to be borne by these low-income communities thus making the erven affordable to fewer people and thus inhibiting the development of this group as specifically selected for this programme.

**CONCLUSION:**

We believe that to develop these streets to such a high standard as to make access to the land unaffordable would inhibit the development and growth of a community in Windhoek. Hence we request approval for the development of the streets to an affordable standard as proposed above.

---

17 March 1993

Assistant City Engineer  
Roads Planning : City Engineer's Department  
City of Windhoek  
P O Box 59  
WINDHOEK  
9000

Attention: Mr A C van der Merwe

Dear Sir

**DEVELOPMENT OF INTERNAL STREET EXTENSION 1 GOREANGAB**

We are writing to enquire when the street (unnamed, see attached plan) in Goreangab Extension 1 will be constructed by the Municipality.

This street serves erven developed by the Municipality and purchased by NHE in 1992 for the resettlement of the single quarters squatters from Katutura. NHE are currently engaged in an upgrading programme for this community, which involves the installation of street lights on internal streets. The City Electrical Engineers inform us that this cannot be carried out until the streets are constructed. All the other streets in the area concerned are graded and levelled but this one remains a rough track. Kindly indicate to us as soon as possible when these streets will be completed, so that we can plan accordingly.

We look forward to your earliest response.

Yours faithfully

C STEENKAMP  
SPECIAL PROJECTS OFFICER

ANNEXURE 2.1/I:

Letter Regarding  
Infrastructure Ugrading



NATIONAL HOUSING ENTERPRISE

Head Office: 7 Omuramba Road, Eros • P.O. Box 20192, Windhoek, Namibia  
Telephone (061) 37224 • Fax (061) 222 301

24 March 1993

City Engineer's Department  
City of Windhoek  
P O Box 59  
WINDHOEK  
9000

Attention: Mr Ben van der Merwe

Dear Sir

**INFRASTRUCTURE UPGRADING : EXTENSIONS 4 AND 5, OKURYANGAVA**

Further to recent discussions with Mr Walton of Sum-McNamara Consultants on behalf of NHE, we are writing to confirm the Municipality's offer to supply materials for the extension and upgrading of the water and sewer reticulation in areas of Okuryangava Extensions 4 and 5.

The erven concerned are appended hereto. These communities are part of the recent resettlement of squatters from the single quarters in Katutura. NHE is engaged in a housing improvement programme there. An aspect of this is the upgrading and extension of the services infrastructure. In order to establish the real costs involved, we would like confirmation from the City engineer's Department of the details of this offer. We seek clarity on the extent of the Municipality's contribution, procedures for application, timetable, in which locations and projects this is applicable and any other restrictions or conditions that are relevant.

We are presently assessing the feasibility of undertaking the infrastructural upgrading at this stage before too many permanent structures are built and would appreciate your response to the above as soon as possible in order to assist us complete our assessment.

Thanking you in anticipation.

Yours sincerely

**C STEENKAMP**  
SPECIAL PROJECTS OFFICER



WINDHOEK LOW INCOME HOUSING PROGRAMME

SERVICES UPGRADING

Block Erven:	Okuryangava Extension 4	2096
		2098
	Okuryangava Extension 5	2311
		2312
		2313
		2313R
		2320
		2324
		2329
		2331
		2332

ANNEXURE 2.2/A:

NHE's Application for Land

For Core Houses

ENQUIRIES: A Botes

REF: 159921

11 December 1992

The Town Clerk  
Windhoek Municipality  
P O Box 59  
WINDHOEK

ATTENTION : MR B WATSON

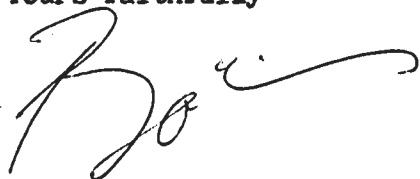
Dear Sir

**APPLICATION TO PURCHASE 3 ERVEN IN KHOMASDAL EXT. 4  
AND 1 ERF IN OKURYANGAVA EXT. PROPER FOR THE WINDHOEK  
LOW-INCOME HOUSING PROJECT**

1. With reference to our previous discussions and meetings regarding the abovementioned project the NHE wishes to apply to your Council for approval to purchase the following erven:
  - A. OKURYANGAVA PROPER  
Erf no 41, size  $\pm$  25 794 m<sup>2</sup>  
After discussions between Mr P Crispo of Sum Consultants and your Mr N van der Westhuizen, it was determined that the selling price would be R10,00 per square meter.
  - B. KHOMASDAL EXT. 14  
Erf no. 1430 (39 627 m<sup>2</sup>); erf no's 1373 and 1374 (25 692 m<sup>2</sup>)  
After discussions between Mr P Crispo of Sum Consultants and your Mr N van der Westhuizen, it was mentioned that the selling price would be between R12,00 and R14,00 per square meter.
2. NHE also cordially request your Council to present us with all the relevant costs and other requirements, including the Council's contribution towards the development costs, as well as the conditions that will be registered against the title of the land.

We trust you would find the abovementioned in order.

Yours faithfully



**A J BOTES**  
for SENIOR MANAGER: SOCIAL  
& TECHNICAL SERVICES

ANNEXURE 2.2/B:

Correspondence

Related to Plot Size



## NATIONAL HOUSING ENTERPRISE

Head Office: 7 Omuramba Road, Eros • P.O. Box 20192, Windhoek, Namibia  
Telephone (061) 37224 • Fax (061) 222 301

3 March 1993

The Honourable Dr Libertine Amathila  
Minister of Local Government and Housing  
Private Bag 13289  
WINDHOEK  
9000

Dear Dr Amathila

### PLOT SIZE FOR KfW PROGRAMME

The purpose of this letter is to apply for your consent, under the provisions of Section IV, 10(b) of the National Housing Policy, for the plot size to be used in the core-house component of the KfW financed housing programme to be reduced from 300m<sup>2</sup> recommended in the National Housing Policy to a minimum of 200m<sup>2</sup>.

This would result in reduced erf costs and increased affordability. It would also enable the programme to develop a bigger number of solutions with the resources and land available - bringing houses to some 400 families instead of only 270/280.

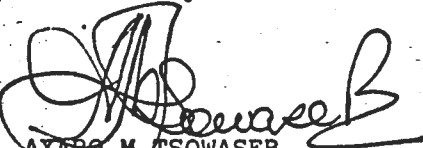
The Windhoek Low-Income Housing Programme is based on the concept of participation and of offering to each family the possibility of choice for its individual solution. The core-house component is addressed to households with incomes in the range of R800 - R1 500; smaller plots would not be imposed on them but presented as an affordable alternative, to be freely chosen with full understanding of the economic implications.

The size of the plot is certainly a factor in the quality of the housing solution. However, the actual dimension is not an absolute value, and should be considered in relation with many other elements that have a bearing on the quality of life of the users. The location in the city, the level of services, the possibilities of developing a house adjusted to the real needs and of a flexible use of the plot are some of the elements taken into account for the design of the programme's appropriate and affordable solutions.

Many arguments like the problem of scarcity of urban land and high development costs advocate for a flexible approach to this question. Some of them are developed in the attached report.

Looking forward to a favourable resolution, I remain

Yours truly



AXARO M. TSOWASEB  
CHIEF EXECUTIVE OFFICER



RECEIVED 15 MAR 1993

REPUBLIC OF NAMIBIA

---

MINISTRY OF LOCAL GOVERNMENT AND HOUSING

---

TEL: 061-225898  
FAX: 061-226049  
TELEX: 908-603

PRIVATE BAG 13289  
WINDHOEK  
9000

OUR REF.:

YOUR REF.:

12 March 1993

ENQUIRIES:

National Housing Enterprise  
P.O. Box 20192  
WINDHOEK

Dear Mr. Tsowaseb

**PLOT SIZE FOR KfW PROGRAMME.**

In response to your letter of 11 March 1993, I have to inform you that I am not going to allow the reduction of plot sizes. My decision is to recommend 300m<sup>2</sup>, the 200m<sup>2</sup> size is too small for families with children. Please we have to think about children, there must be enough space for children to play in.

National Housing policy also states that plots of 300m<sup>2</sup> sizes would be sufficient. I am sure you will be in agreement with the above and I will not give my approval for small plot sizes.

I understand your point to build more houses but it will be fair if we give them both houses and adequate land to develop or extend their houses in the future.

Yours sincerely

*J.P.*   
DR. LIBERTINE AMATHILA  
MINISTER

c.c. Mr. K. Gowaseb

3 March 1993

**SOME ARGUMENTS SUPPORTING THE REQUEST FOR SMALLER PLOT-SIZE STANDARDS FOR THE KfW FINANCED HOUSING PROGRAMME**

**A. AFFORDABILITY OF PLOTS**

Block, undeveloped land is to be purchased for the project. The Municipality has not yet established the selling price; for budget purposes, it was estimated at R15 m<sup>2</sup>. One of the programmes is to be located on erf No 41 in Okuryangava Proper. With an area of 25 794 m<sup>2</sup>, its cost would be R386 910.

To compare costs, two alternative lay-out plans, one with 200 m<sup>2</sup> erven and the other with 300 m<sup>2</sup> erven were prepared for this plot, illustrated in the attached plans. The development costs are in the order of R280 000, roughly similar in both cases, bringing the total cost (purchase + development) to approximately R667 000.

The first alternative would permit development of 99 plots of 200 m<sup>2</sup> with a unit cost of R6 700 (actual average size 215 m<sup>2</sup>); the second, 70 plots of 300 m<sup>2</sup> with a unit cost of R9 500, a 40% increase. This R2 800 extra will make the plot unaffordable to many low-income households at whom this programme is specifically aimed.

**B. QUANTITY OF SOLUTIONS**

For the Core-house component of the programme, NHE has already applied for the purchase of four undeveloped (block) plots from the Municipality: 3 in Khomasdal Extension 16, and the one already mentioned. The total area involved, slightly over 91 000 m<sup>2</sup> would permit the development of between 350 - 370 erven of 200 m<sup>2</sup>, but only 250 erven of 300 m<sup>2</sup>. The municipality has advised NHE that at present it would be very difficult to find other appropriate land for the project.

**C. QUALITY OF SOLUTIONS**

The location of the projects, all close to existing neighbourhoods, assure that the new communities to be created will be easily integrated into urban life and would count, from the beginning, with transport, commercial and other services. If required, community centers could also be included to promote community development.

Some preliminary core designs were developed during the Inception Phase, showing that adequate housing solutions can be built on 200 m<sup>2</sup> plots leaving ample open space for other uses (see attachment). Each plot will be fully serviced, and the initial core-houses can be extended by the beneficiaries with financial, technical and social assistance from NHE.

**D. CHOICE : SELECTION OF BENEFICIARIES**

NHE has a list of over 1 500 households registered as needing houses, a sizeable percentage of whom are in the income categories to which the core-house project is addressed. They will be contacted and the project will be explained to them in detail. Each one, with full knowledge, will then have the possibility of applying for the project, if the solution is suitable and affordable. They will also participate in the definition of their individual core-house design.

**E. SCARCITY OF URBAN LAND**

Developed urban land is an expensive and scarce commodity in most cities. In Windhoek this fact is aggravated by the topography, that limits future extensions and require a particularly careful use of the available land. Increase in densities, use of smaller plots and multi-story buildings for housing and other planning instruments should be considered in this regard. This fact is well known to municipal planners, that from a technical point of view they have no objection in accepting erven with areas below 300 m<sup>2</sup>, and have actually developed townships (in Khomasdal, Goreangab etc) with such kind of plot areas.

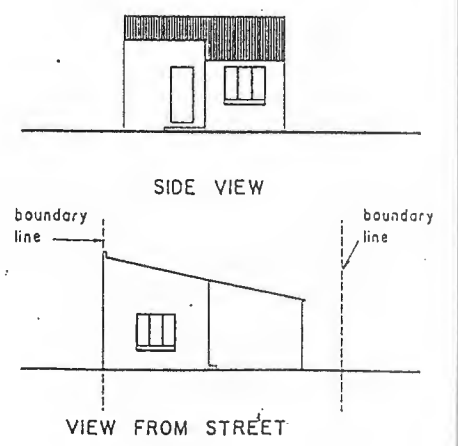
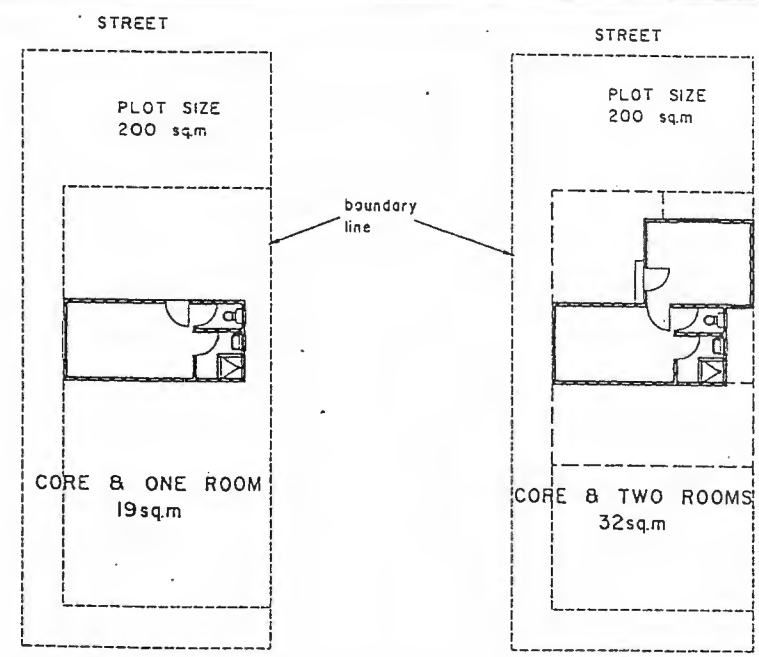
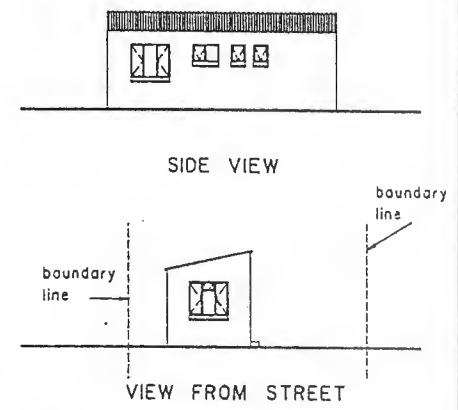
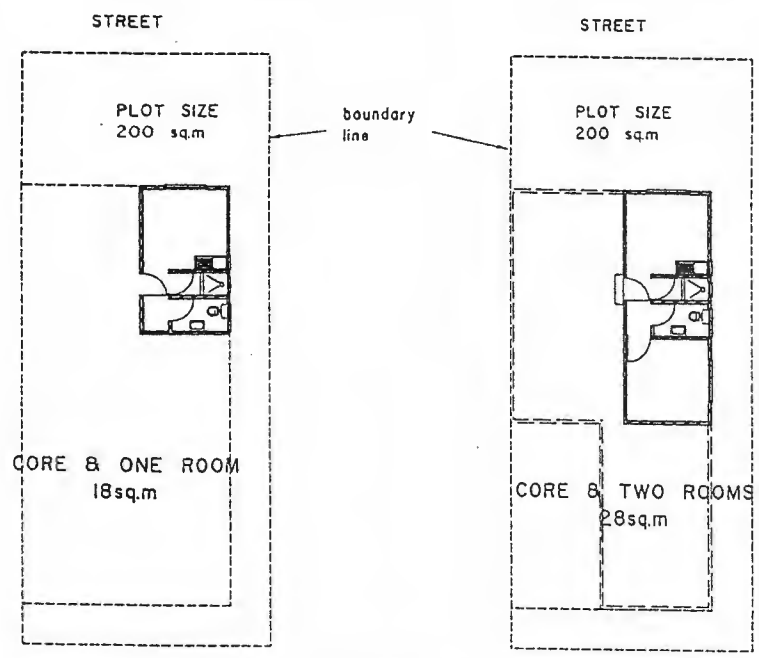
Windhoek



NHE-KfW  
WINDHOEK LOW INCOME  
HOUSING PROGRAMME

CORE HOUSE MODELS

PLAN No.3



SCALE:  
0 2 4 6 8  
metres

DEC.92



INTLE RTW  
WINDHOEK LOW INCOME  
HOUSING PROGRAMME

CORE-HOUSE PROJECT  
MODEL LAYOUT-200 m<sup>2</sup> ERFS

TOWNSHIP:  
OKURYANGAVA PROPER  
ERF 41 -25.794 m<sup>2</sup>

PLAN No. 2

LEGEND:

WATER  
SUPPLY LINES:   
SEWERS: 

\*STREET LIGHTS: 

COSTS:

\*ROADS:  
550m R14700 per m.  
R81 050.00

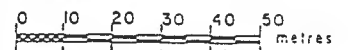
\*SEWERS:  
820m R13400 per m.  
R109 925.00

\*WATER SUPPLY:  
820m R7900 per m.  
R65 599.00

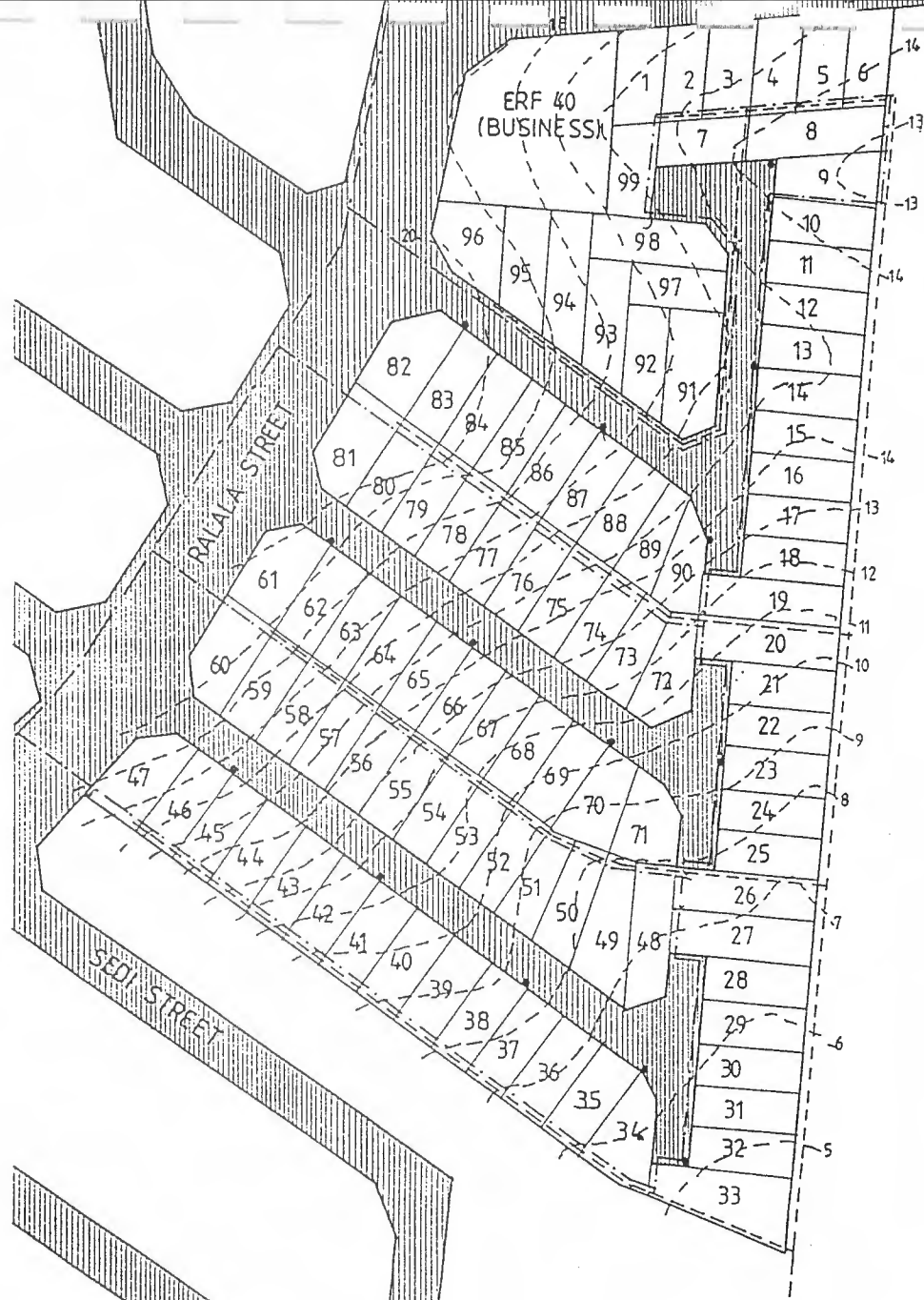
\*STREET LIGHTS:  
14 of R1 50000 each  
R 21 00000

TOTAL: R277 575.00  
99 ERVEN  
COST PER ERF: R2 80320

SCALE:



DEC.92



PUBLIC OPEN  
SPACE




WINDHOEK LOW INCOME HOUSING PROGRAMME

CORE-HOUSE PROJECT  
MODEL LAYOUT-300 m<sup>2</sup> ERFS

TOWNSHIP:  
OKURYANGAVA PROPER  
ERF 41 -25.794 m<sup>2</sup>

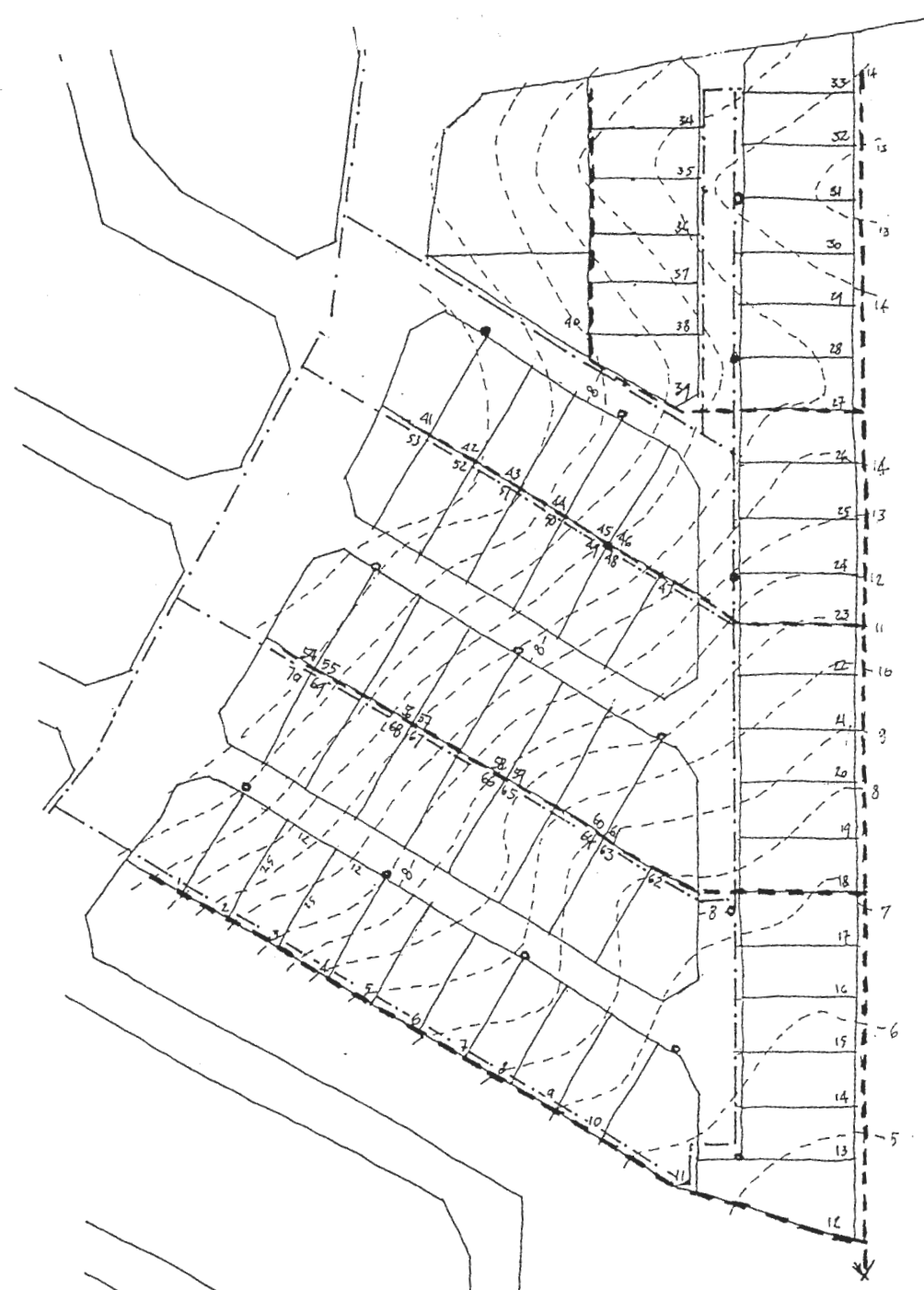
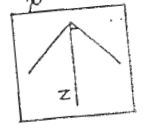
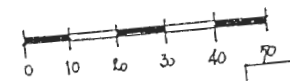
PLAN N 2A

LEGEND

- WATER SUPPLY LINES 
- SEWERS 
- STREET LIGHTS 

COSTS

\*ROADS: 555 m @ Rs 147/m= 81.585  
 \*SEWERS: 880m @ Rs 134/m= 117.920  
 \*WATER SUPPLY: 880m @ Rs 79/m= 69.520  
 \*STREET LIGHTS: 14 @ Rs 1.500/u=21.000  
 TOTAL DEVELOPMENT COSTS: Rs 290.000  
 TO ERVEN Rs 4.140  
 COST PER ERF:



ANNEXURE 2.2/C:

Report on Cost Estimates

For Land Development



# VWL Namibia Inc

Consulting Engineers

Windhoek

P.O. Box 22600  
Windhoek  
Telephone: (061) 3-7704  
Fax: (061) 3-3595

Kamenco Haus  
8 Curt von Francois Street  
Windhoek

Laboratory:

2 Ruhr Street  
Northern Industrial Area  
Windhoek  
Tel: (061) 6-1907

Our reference:

Your reference:

Date:

11214/JK/ms

25 March 1993

National Housing Enterprise  
P O Box 20192  
WINDHOEK  
NAMIBIA

**ATTENTION : MR CAPURRO**

Sir

**COST ESTIMATE FOR THE PROVISION OF SERVICES**

Further to our telephonic discussion on 24 March 1993, the cost to construct gravel roads may be reduced by omitting the kerbstones and subbase layer, i.e. only providing an in-situ selected layer and wearing coarse with open stormwater side drains.

Should the pipes and relevent material for the sewer reticulation and water network be provided by the Municipality the cost estimate to provide civil services for the respective townships, then becomes:

**COST ESTIMATE OF CIVIL SERVICES**

DESCRIPTION OF SERVICE	ERF NO 1430 KHOMASDAL	ERVEN NO 1373 & 1374 KHOMASDAL	ERF NO 41 OKURYANGAVA
Streets	R135 000	R 49 000	R 53 000
Sewer	R109 000	R 67 000	R 58 000
Water	R 49 000	R 36 000	R 38 000
Total	R293 000	R152 000	R149 000

The cost of civil services for the total project is then R594 000, with an average cost per stand of R2 267.

This cost excludes establishment costs which may be taken as 12 % in the Windhoek area.

Attached please find a copy of the fee scale, Model form 1 of 1987, all disciplines, of the Namibian Association of Consulting Engineers, for your information.

Yours faithfully

**J KABER Pr Eng**  
**VWL NAMIBIA INC.**

11214.01.JK.ms

**TARIFF OF FEES AND EXPENSES**

**(1987 FEE SCALE)**

**PART 1 - WORK OF NORMAL CHARACTER**

**T.1** In respect of Works making normal demands on the time of the Consulting Engineer, the fee shall be as provided in Clauses T.1.1, T.1.2, T.1.3, T.1.4, T.1.5, T.1.6, T.1.7, and T.1.8 of this Tariff, together with any charges for additional services as described in Part 3.

**T.1.1 CIVIL AND STRUCTURAL ENGINEERING WORK**

The fee for the Civil and Structural Engineering work shall be calculated as follows:

**T.1.1.1 BASIC FEE**

Where the cost of the Works-		The fee shall be the sum of the primary fee stated in Column 3 and the secondary fee calculated in terms of Column 4	
exceeds	but does not exceed	Primary fee	Percentage for secondary fee calculated on the total cost of the Works
(Column 1)	(Column 2)	(Column 3)	(Column 4)
R	R	R	%
(a) -	120 000	400	10,00
(b) 120 000	200 000	1 600	9,00
(c) 200 000	300 000	2 600	8,50
(d) 300 000	500 000	4 100	8,00
(e) 500 000	800 000	6 600	7,50
(f) 800 000	1 200 000	10 600	7,00
(g) 1 200 000	2 000 000	16 600	6,50
(h) 2 000 000	3 000 000	26 600	6,00
(i) 3 000 000	6 000 000	41 600	5,50
(j) 6 000 000	10 000 000	71 600	5,00
(k) 10 000 000	14 000 000	121 600	4,50
(l) 14 000 000	24 000 000	156 600	4,25
(m) 24 000 000	-	216 600	4,00

**T.1.1.2 ADDITIONAL FEE FOR REINFORCED CONCRETE PORTION OF THE WORKS**

The additional fee on the reinforced concrete portion of the Works, including the concrete, reinforcement and formwork, which involves structural design on the part of the Consulting Engineer, together with the relevant proportion of the items under the heading "Preliminary and

# **REPORT AND COST ESTIMATE FOR THE PROVISION OF SERVICES**

**ERF 1430 AND ERVEN 1373 & 1374 IN KHOMASDAL EXT 15 AND  
ERF 41 IN OKURYANGAVA PROPER**

**MARCH 1993**

**ISSUED BY :**

National Housing Enterprise  
P O Box 20192  
WINDHOEK  
NAMIBIA

**PREPARED BY :**

VWL Namibia Inc  
P O Box 22600  
WINDHOEK  
NAMIBIA

Tel. 37704



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5.	ERF 41 OKURYANGAVA PROPER	4
6.	COST ESTIMATE	4



## 1. INTRODUCTION

The Kredietanstalt für Wiederaufbau in co-operation with the National Housing Enterprise is interested in developing certain erven in Khomasdal and Okuryangava.

To determine the feasibility of this development a cost estimate is required and the Consulting Engineers, VWL Namibia Inc. were subsequently appointed.

This report deals with the cost estimate for the civil works, i.e. water, sewer and streets. The electrical cost estimate, distinguishing between a cost estimate for street lighting and supplying electrical services to each stand, is presented in a separate report.

The topography and availability of existing services varies considerably for the different erven. Firstly general information concerning streets, sewer and water services and secondly, conditions pertaining to a specific erf, are dealt with in this report.

A cost estimate of providing streets, sewer reticulation and water network for each erf as well as the average cost per erf is provided.

## 2. GENERAL INFORMATION

### 2.1 STREETS

Provision is made in the cost estimate for a cross fall on the street with kerbstones and concrete channel on the low side which will allow the street to serve as an open stormwater channel.

Areas were identified where specific stormwater structures are required and are described in more detail under the relevant township development.

The pavement layers of streets consist of a 150 mm in-situ selected layer, 100 mm imported subbase layer and a 150 mm wearing coarse.

When in future, the wearing coarse is in need of regravelling it may be economically viable to upgrade the gravel road to an all weather surfaced standard by simply replacing the wearing coarse with a base coarse layer. The advantage being that the original design drawings may be utilized to upgrade the road and the kerbstones and channel are in their final position.

The subbase layer may be omitted from the pavement layers described above, resulting in a saving of some 10% in the cost estimate for streets, stated in this report. This will, however, reduce the total pavement strength with resulting increased maintenance requirements to the wearing coarse. When upgrading the road to a bitumen surface, a new design and re-instating of the kerbstones and channel will be necessary.

Provision is made for a gravel surface on all streets except the street with a 12 m reserve on erf 1430 Khomasdal which is provided with a 19 mm bitumen single seal and slurry. (Cape seal)

The widths of the carriageways corresponding to the street reserve widths are tabled below:

**TABLE 2.1 : WIDTH OF CARRIAGEWAYS VERSES STREET RESERVE WIDTH**

STREET RESERVE WIDTH	WIDTH OF CARRIAGEWAYS
12 m	7 m
10 m	6 m
8 m	5 m
6 m	3 m

## 2.2 SEWER

Vitrified clay sewer lines are nominal 150 mm diameter except erf connections which are 100 mm diameter.

Erf connections are provided at a position 1 m inside the erf boundary. The builder then connects the sewer from the house to the erf connection.

In general, one sewer line is provided to serve stands on both sides of the line. This means that some erven are drained against the natural fall of the terrain necessitating the deepening of the main sewer line. The practical feasibility and economical viability to extend a certain depth of excavation versus a second sewer line can only be determined in the detail planning phase. Provision has in certain cases been made for a sewer line on the down hill side of each row of erven as described in this report.

Some erven may be drained to an existing sewer line rather than installing a new line.

## 2.3 WATER

Existing water lines are available on the boundaries of the proposed townships to be developed. The water pressure available at the connecting points is at present not known and the final pipe diameters may therefore only be calculated during the detail design phase.

In general 90 mm and 110 mm diameter uPVC pipes appear to be sufficient, which also allows the domestic water network to be utilized as a fire water system.

Some erf connections are made from existing water pipes.

### 3. ERF 1430 KHOMASDAL EXT. 15

#### 3.1 STREETS

The street with a 12 m reserve is situated in a natural stream which drains the stormwater of this erf as well as neighbouring erven. This street will form a major stormwater channel with a gradient of 3% and it is therefore essential to provide this street with an all weather surface since a gravel surface will be subject to serious erosion.

The rest of the streets are provided with a gravel surface. Although the gradients of some streets may be as high as 15% the catchment area of these streets are limited. The concrete channel sizes may therefore vary to accommodate stormwater on these steep slopes.

No specific stormwater structures are required for this erf.

#### 3.2 SEWER

This erf is situated in a hilly area with slopes in excess of 15%. It may therefore not be feasible, in two specific areas, to drain the sewer against the natural fall of the terrain.

The most northerly sewer line on this erf which drains in a westerly direction, crosses the 12 m road reserve, which is a low point, before joining the existing sewer some 2 m higher up. Depending of the depth of this existing sewer this street crossing may not be feasible.

The necessity to provide an additional sewer line in order to drain erven and to be able to connect to the existing sewer line will only be determined during the detail design phase when all the relevant information is available. An amount has, however, been included in the cost estimate to accommodate certain additional requirements.

#### 3.3 WATER

Sufficient points to connect to the existing water network are available.

Some 18 erven need to be connected to the existing water network.

### 4. ERVEN 1373 AND 1374 KHOMASDAL EXT. 15

#### 4.1 STREETS

The 10 m street reserve runs on the water shed and the minor streets drain stormwater from this street towards neighbouring erven.

All streets have limited stormwater catchment areas, with gradients in the order of 5% and a designed concrete kerb and channel will suffice to drain stormwater. No surfaced road area nor specific stormwater structures are required to drain stormwater on this erf.

All roads are provided with a gravel surface.

## 4.2 SEWER

In one area erven are drained against the natural fall of the terrain although this is not foreseen to be a major problem.

## 4.3 WATER

Water connections to this erf are limited to two positions. Depending on the available water pressure a 110 mm diameter water pipe in the 10 m street reserve may be sufficient.

## 5. ERF 41 OKURYANGAVA PROPER

### 5.1 STREETS

The general fall of the terrain as well as the three parallel streets drain perpendicular onto one street. It is not advisable to concentrate all this stormwater in one street and then releasing it at a specific point, causing excessive corrosion. It is therefore proposed to install two 600 x 450 box culverts in this street to allow the natural flow of water down the hill.

All streets are provided with a gravel surface.

### 5.2 SEWER

In one area erven are drained against the contour which may necessitate a second sewer line.

Provision is made to connect 11 erven to an existing sewer line.

### 5.3 WATER

Water lines are placed in the street reserve and not mid block to allow for accessibility to fire hydrants, valve boxes and in general to protect the lines from damage in erven.

Ample positions are available for connection to the existing network.

## 6. COST ESTIMATE

The cost estimate to provide the civil services for the proposed development of the respective townships, is tabled below:

**TABLE 6.1 : COST ESTIMATE OF CIVIL SERVICES**

DESCRIPTION OF SERVICE	ERF NO 1430 KHOMASDAL	ERVEN NO 1373 & 1374 KHOMASDAL	ERF NO 41 OKURYANGAVA
Establishment	R 50 000	R 30 000	R 30 000
Streets	R176 000	R 81 000	R102 000
Sewer	R156 000	R 98 000	R 83 000
Water	R 81 000	R 60 000	R 63 000
<b>Total</b>	<b>R463 000</b>	<b>R269 000</b>	<b>R278 000</b>

The relative cost of civil services per stand is tabled below:

**TABLE 6.2 : COST ESTIMATE OF CIVIL SERVICES PER STAND**

	ERF NO 1430 KHOMASDAL	ERVEN NO 1373 & 1374 KHOMASDAL	ERF NO 41 OKURYANGAVA
NO OF STANDS	115	77	70
Total cost of civil services per stands	R4 026	R3 494	R3 971

The cost of the civil services for the total project is R1 010 000, with an average cost per stand of R3 855.

ANNEXURE 2.3/A:

Minutes

Of the Initial LGF Meeting

MINUTES OF A MEETING HELD AT NHE ON 11 FEBRUARY 1993 ON THE INTRODUCTION OF  
A LOAN GUARANTEE FUND

PRESENT: Mr A Tsowaseb - NHE  
Mr L Fick - NHE (Chairperson)  
Mrs M Dax - NHE  
Mr C Steenkamp - Bank Windhoek  
Mr B Reynecke - First National Bank  
Mr Mr Potgieter - SWA Building Society  
Mr A Louw - "  
Mr Bornmann - "  
Mr A Barnard - Namib Building Society  
Mr Fouché - Namibian Banking Corporation  
Mr Joubert - Standard Bank  
Mr G Kazombau - Credit Union  
Mr J Crispo - Sum Consultants  
Mrs C Muller - NHE (Secretary)

1. WELCOME

Mr Fick welcomed all present.

Mr Tsowaseb pointed out that the meeting was called to work out a system which will enable Namibia's lending institutions to pool their considerable resources and expertise. He mentioned that the national housing shortage totals about 50 000 housing units. In the NHP draft of 1991 the Government acknowledges the important contribution of the private sector in housing. At the same time the Government acknowledges that steps need to be taken to solve several issues which have up to now prevented the private sector to participate in the provision of housing.

2. BACKGROUND TO AND REASONS FOR THE ESTABLISHMENT OF THE LOAN GUARANTEE FUND

Mr Crispo informed the meeting that KfW had granted DM1 million to Namibia for a housing program that involves several sub-projects which has been started with low-income people. The programme has been designed in such a way to put the responsibility for housing on each individual family. The policy of the German Corporation is to involve the private sector and financial institutions in the financing of housing for low-income people. Money is available to develop a Loan Guarantee Fund. The fund will be created on the basis of an idea suggested by SWA Building Society to the Ministry of Local Government and Housing in 1991. The private sector and financial institutions should participate in this housing programme for low-income people through the Loan Guarantee Fund. A condition of the KfW grant is that the project should cater for the lowest income groups to the largest possible extend. The project is combined to help households with incomes spread below 3 x PHSL.

Mr Potgieter of SWABOU pointed out that one of the main reasons for the establishment of a Loan Guarantee Fund was that most of the financial institutions are very weary of lending money to that segment of the market. It is normally the low-income housing and low-income

groups that are mostly effected by retrenchments. Low-income groups are therefore seen as a risk in mortgage lending. To overcome this problem, a Loan Guarantee Fund needs to be created and which should be administered by one body. As loans are granted from the Loan Guarantee Fund, a paper guarantee is issued to the financial institution for a certain amount of the bond amount that was granted. Should the borrower default, the amount should be claimed from the Loan Guarantee Fund. To safeguard and to make it possible for the financial institutions to get involved in this market, most of the financial institutions indicated that this is the only way they would get involved in a low-income housing project.

### 3. DISCUSSION ON PRINCIPLE OF LOAN GUARANTEE FUND

#### (a) % Coverage of Loan

Mr Steenkamp indicated that Bank Windhoek at the moment requires a 20% deposit and in the case of an agreement with the Government, a 20% guarantee on a 100% loan. Non-government officials have no financial backing. Problems could be experienced with the affordability at market related rates. The market being looked at is R2 500. Loans are given according to affordability. Anybody who wants such a loan would have to save for a 10% deposit. Bond registration costs should also be brought into calculation. There are very few people in this income group who will be able to save for a deposit. If a person can prove his ability to save i.e. R500 for 10 months, this is also an indication of his ability to pay his bond.

The important aspect is that the person should have some obligation. He should contribute from his own pocket. If a person wants a house, he should show that he is responsible enough to obtain one.

On the other hand, the question arises as to where a person will stay while saving for his deposit.

#### (b) Re-insurance of Risk

Questions that arise are

- (a) What will the cost of insurance be, and
- (b) Will the financial institutions be willing to include that costs in the loan

#### (c) Size of Loans

Loans of between R20 000 to R50 000 will be made available. It cannot be expected that the scheme should stay in that range. It has to be adjusted as inflation and salaries increase.

#### (d) Management and Administration of the Fund

It was felt that a Steering Committee as initially suggested will not be required if clear rules were established and approved beforehand by all - then, NHE will administer the fund.



4. REQUIREMENTS OF THE FINANCIAL INSTITUTIONS BEFORE PARTICIPATION CAN BE CONSIDERED

Applications would be accommodated after having considered each application on a merit basis. Each institution's requirements/lending criteria will apply.

5. DRAFTING OF LOAN GUARANTEE FUND RULES

Mr Fick agreed to draft these rules and distribute them within 10 days for comments and amendments. Rules should be fair to both parties.

THE MEETING ADJOURNED AT 15h30

ANNEXURE 2.3/B:

Draft Contract and Rules

Of Operation for LGF

Sir

LOAN GUARANTEE FUND RULES

Attached please find a draft set of rules for the proposed Loan Guarantee Fund.

The Loan Guarantee Fund needs to be a separate legal entity from NHE. We are considering a number of options to achieve this.

Consideration can also be given to include loans on houses in unproclaimed areas, (no bonds possible) if your company can provide loans under those conditions.

Your comments on the acceptability of the proposed scheme by 24 March 1993 will be appreciated.

Yours faithfully

L FICK  
SENIOR MANAGER: FINANCIAL  
PLANNING & CONTROL

CONTRACT OF INDEMNITY

ENTERED INTO BY AND BETWEEN THE;

LOAN GUARANTEE FUND

of;

P.O.Box 20192

WINDHOEK

Telephone number (061) 37224

(Herein represented by .....

in his capacity as .....

having been duly authorized thereto and herein-after referred to as "LGF")

and

.....  
.....

(Name of the Financial Institution)

of;

.....  
.....

Telephone number .....

(Herein represented by .....

in his capacity as .....

having been duly authorized thereto and herein-after referred to as "FI")

Whereas:

A. In the framework of the Windhoek Low-Income Housing Programme that the National Housing Enterprise (NHE) is implementing with financial assistance from the German Government through the Kreditanstalt für Wiederaufbau (KfW), it was decided to create an instrument to encourage private financial institutions to extend housing loans to low-income families;

B. The NHE has proposed and KfW has agreed to assign an amount of DM 1 000 000 (German Mark one million) to create a LOAN GUARANTEE FUND (LGF) to reduce the risk of lending to this socio-economic sector.

C. The parties wish to agree the terms and conditions of such indemnity in writing.

NOW THEREFORE IT IS AGREED THAT:

## 1. DEFINITIONS

In this contract of indemnity, unless inconsistent with or otherwise indicated by the context -

1.1 "Loan Guarantee Fund" means an amount equivalent to DM 1000 000 (Deutsche Mark one million), to be held in trust by NHE at a financial institution of its choice and to be used exclusively for the purposes and following the procedures established below. NHE will report to KfW quarterly on the use of these funds.

1.2 "Loan Guarantee" means the guarantee issued by the LGF to the FI in the form of the attached draft "Certificate of Participation" which covers the FI against losses up to 20% of the loan granted to an individual.

1.3 "Deposit replacement guarantee" means the same as the guarantee issued against loss mentioned in 1.2 above.

1.4 "Year of Business" means any period of one year calculated, in the case of the first year of business, from 1 May 1993, and in the case of every succeeding year of business, from the day upon which the immediately preceding such year terminated, and terminating on the day twelve months thereafter, both days inclusive;

1.5 "Judgement/insolvency advice" means an advice or notice in the form of Annexure B -

1.5.1 of a judgement having been granted by a competent court against the borrower in terms of a guaranteed loan, whether at the instance of the FI or of any other person, pursuant to which judgement -

1.5.1.1 The FI intends to arrange a sale in execution; or

1.5.1.2 The FI has been given notice in accordance with any applicable law that the relevant property has been attached at the instance of such a person; or

1.5.2 of the borrower, in terms of any guaranteed loan, having been sequestrated, provisionally or finally;

1.6 The "loan balance" means the amount of the balance of the guaranteed loan actually owed, at the time when the loan balance is determined, by the relevant borrower to the FI, on account of the cash amount actually lent and advanced to such borrower and all finance charges or other costs or amounts which may, in terms of the Usury Act 1968 be recovered from such borrower in terms of the guaranteed loan, notwithstanding that such loan balance may be greater or smaller than the initial value and notwithstanding that such loan balance may include the amounts of any re-advances in terms of the guaranteed loan.

1.7 "Notice of sale of property" means a notice of sale of property-

1.7.1 at a sale in execution as contemplated in 1.5.1.1; or

1.7.2 By public auction pursuant to the insolvency of the borrower in terms of any guaranteed loan as contemplated in 1.5.1.2 substantially in the form of Annexure C.

1.8 "Property" or "Immovable Property" in relation to property to be mortgaged as security for a guaranteed loan, includes any mortgageable right in respect of immovable property.

1.9 "Guaranteed Loan" means a loan advanced by the FI, covered in terms of this agreement against potential loss in the case of non-payment of the loan by the borrower where --

1.9.1 Such loan is secured wholly by a mortgage bond registered or a mortgage bond ranking *pari passu* with any first mortgage bond over immovable property in favour of the FI;

1.9.2 The property referred to in 1.9.1 is used or intended to be used primarily for residential purposes by the borrower;

1.10 The singular shall be deemed to include a reference to the plural and reference to one gender shall be deemed to include a reference to the others and vice versa.

## 2. CONDITIONS OF GUARANTEE.

### 2.1 Coverage.

The participating FI, willing to provide on reasonable business principles mortgage loans for the purpose of construction or acquisition of dwelling houses to low-income families, will be issued by the LGF a guarantee covering 20% of the amount of the loan. In return for the payment of the premiums in respect of the individual guarantees, the LGF hereby guarantees and agrees to hold harmless the FI against such portion of the loss arising from the occurrence of any guaranteed event as may be covered by the guarantee.

## 2.2 Beneficiaries.

Under the terms of the Agreement signed by the Government of Namibia and the KfW, only families with a total income below 3 times the Primary Household Subsistence Level and able to save or pay a 10% deposit on the purchase price of the house may be granted loans guaranteed by the LGF.

## 2.3 Period of the guarantee.

The guaranteed period in respect of any individual loan shall be three years from the date of the relevant insurance advise and payment of the relevant premium.

## 2.4 Fees.

The FI undertakes to pay the LGF an amount equal to 1.0% (one percent) of the loan amount or such other percentage as the parties may agree upon.

## 2.5 Transfer of rights.

The FI transfer all rights of recovery of the loss, as claimed against the LGF to the LGF as to enable the LGF to recover any loss against the individual.

## 2.6 Subsequent loans.

The FI may -

2.6.1 grant a readvance under an existing guaranteed loan; provided that, in such event, the loan balance after the grant of such readvance may not exceed the loan balance at the time when the loan was originally granted;

2.6.2 grant a guaranteed loan in respect of a property already encumbered by a mortgage bond securing a guaranteed loan previously granted by another institution, or itself grant more than one guaranteed loan secured by different mortgage bonds



over the same property and individual policies may be taken up in respect of each such loan; provided that, in such event -

2.6.2.1 all such mortgage bonds shall rank *pari passu* in respect of such property;

2.6.2.2 at the time of the granting of any guaranteed loan subsequent to the first guaranteed loan granted in respect of the same property, the initial value of the property shall again be determined by reference to a new valuation carried out at that time;

and

2.6.3 not any time grant a loan under this scheme which exceeds (R35 000,00 (THIRTY FIVE THOUSAND RAND) or such higher amount as may from time to time be determined by the LGF by written notice to the FI.

### 3. GUARANTEED EVENT.

#### 3.1 Occurrence.

A guaranteed event shall be deemed to have occurred, if in respect of any guaranteed loan a loss is suffered where -

3.1.1 A sale in execution, whether at the instance of the insured or of any other person, or a sale by way of a public auction pursuant to the insolvency of the borrower in terms of the relevant guaranteed loan, was held in respect of the relevant property;

3.1.2 At the sale referred to in 3.1.1 -

3.1.2.1 The property was purchased by any person other than the FI for an amount which is insufficient to cover the full amount of -

3.1.2.1.1 the loan balance, in the event of the sale being a public auction referred to in 3.1.1 or a sale in execution held in the instance of a person other than the FI, ;or

3.1.2.1.2 the unpaid balance of the judgement debt, in the event of the sale being a sale in execution held at the instance of the FI,

including interest and costs in respect thereof included in such loan balance or judgement debt, in which event the total loss to the FI shall be deemed to be in an amount equal to the difference between such purchase price and the loan balance referred to in 3.1.2.1.1, or an amount equal to the difference between such price and the unpaid balance of the judgement debt referred to in 3.1.2.1.2, as the case may be; or

3.1.2.2 Such property was purchased by the FI in which event the total amount of the loss suffered by the FI shall -

3.1.2.2.1 In the case of a sale other than a sale in execution at the instance of the FI be deemed to be equal to the loan balance; or

3.1.2.2.2 In the case of the sale being a sale in execution held at the instance of the FI be deemed to be equal to the unpaid balance of the judgement debt,

including interest and costs in respect thereof in such loan balance or judgement debt.

## 3.2 Exclusions.

There shall be excluded from the liability of the LGF in terms of this agreement -

3.2.1 any loss suffered as a result of an expropriation of the relevant property or any part thereof by any public authority;

3.2.2 any loss arising as a result of the insolvency or sale of the relevant property held pursuant to the insolvency of the borrower, other than a loss suffered at a public auction sale as contemplated in 3.1.1;

3.2.3 any loss arising outside the Republic of Namibia; and

3.2.4 any loss arising from radio-activity or the use, existence or escape of any nuclear fuel, nuclear material or nuclear waste.

### 3.3 Additional exclusions.

In addition to the exclusions set out in 3.2 there shall be excluded from the liability of the LGF any liability for any loss which is related to or caused by any of the following perils;

3.3.1 civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the foregoing;

3.3.2 war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;

3.3.2.1 mutiny, military rising or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;

3.3.2.2 insurrection, rebellion or revolution;

3.3.3 any act, (whether on behalf of any organization, body or person, or group of persons) calculated or directed to overthrow

or influence any state or government, or any regional or local authority with force, or by means of fear, terrorism or violence.

3.3.4 any act which is calculated or directed to bring about loss or cause or to bring about any social or economic change, or in protest against any state or government, or any regional or local authority, or for the purpose of inspiring fear in the public, or any section thereof;

3.3.5 any attempt to perform any act referred to in 3.3.3 or 3.3.4 above;

3.3.6 the act of any lawfully established authority in controlling, preventing suppressing or in any other way dealing with any occurrence referred to in 3.3.1, 3.3.2, 3.3.3, 3.3.4 and 3.3.5 above.

If the LGF alleges that by reason 3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5 and 3.3.6 of this Exception, loss is not covered by this agreement, the burden of proving the contrary shall rest in the Financial Institution.

3.4 This LGF does not cover loss occasioned by permanent or temporary dispossession resulting from nationalization, confiscation, commandeering or requisition by any lawfully constituted authority.

#### 4. PROCEDURES

4.1 For taking a guarantee from the LGF.

4.1.1 Application for coverage.

4.1.1.1 The guarantee shall apply only once the application for such a guarantee has been approved and after the premium for the issue of the guarantee had been paid by the FI to the LGF.

4.1.1.2. No certificate of participation shall be issued before the conditions in 4.1.1.1 had been met.

4.1.1.3. Individual guarantees shall be deemed to have been taken up in respect of any guaranteed loan with effect from the date of payment of the premium.

#### 4.1.2 Monthly Report.

A guarantee advice recording all individual policies taken up in respect of the guaranteed loans during a particular month shall be completed by the FI at the end of every month and delivered to the LGF within 7 days thereafter, provided that

4.1.2.1 an individual guarantee may not be so taken up prior to registration of the relevant mortgage bond; and

4.1.2.2 in the event of the individual guarantee having been so taken up in respect of an guaranteed loan which is a "building loan" in terms of which amounts will be advanced to the relevant borrower as and when construction of the relevant building on the property proceeds and is completed, no claim under such guarantee may be made to the date of completion of such dwelling house; provided further that nothing herein contained shall preclude the FI from itself completing such dwelling house before instituting such claim.

#### 4.1.3 Payment of premiums.

4.1.3.1 The aggregate amount of premiums payable in respect of individual guarantee recorded on any particular monthly guarantee advice shall be an amount equal to such rate as the LGF may from time to time determine on not less than 30 (THIRTY) days written notice to the FI.

4.1.3.2 Once paid, no premium referred to in 4.1.3.1 or any part thereof shall, save for the purpose of correcting errors of calculation or payment, be refunded to the FI, notwithstanding that any guaranteed loan to which any individual guarantee relates may during the relevant period referred to in 2.3 have been cancelled or discharged.

4.1.3 No individual guarantee may be taken up in respect of any loan qualifying as a guaranteed loan after a 60 (SIXTY) days period has lapsed in respect thereof.

#### 4.1.4 Variation of premium rate.

Any variation of the rate at which premiums are calculated, as contemplated in ~~4.1.3~~<sup>2.4</sup> shall apply only in respect of individual guarantees taken up after the date of such variation.

#### 4.2 Claims against the LGF.

##### 4.2.1 Notices.

Within 14 days after -

4.2.1.1 the FI has obtained judgement against the borrower in terms of any guaranteed loan pursuant to foreclosure proceedings instituted by the FI; or

4.2.1.2 the FI has been given notice in accordance with any applicable law that -

4.2.1.2.1 judgement has been obtained against the borrower in terms of any guaranteed loan by a person other than the FI and that the relevant property has been attached at the instance of such other person; or

4.2.1.2.2 the borrower in terms of any guaranteed loan has been sequestrated:

the FI shall deliver a judgement/insolvency advice in the form of Annexure B; provided that such advice shall be delivered at least 7 days prior to the date of a sale referred to in 4.2.1

4.2.1.2 The FI shall deliver to the LGF a notice of sale of property in the form of Annexure C -

4.2.1.2.1 in the case of a sale in execution being arranged at the instance of the FI, at least fourteen (14) days prior to the date for which such sale is being arranged; or

4.2.1.2.2 in the case of any other sale contemplated in 3.2.1, no later than 7 (seven) days after the FI has, in terms of any applicable law, been given notice of such a sale, but in any event at least 24 (TWENTY FOUR) hours prior to such sale.

#### 4.2.2 Claims.

4.2.2.1 Within 14 days of having suffered a loss as contemplated in 3.1, the FI shall deliver its claim to the LGF in the form of Annexure D whereafter the LGF shall effect payment in terms of the claim or deny liability in respect thereof within a further period of 30 (THIRTY) DAYS.

#### 4.2.3 Reservation of rights for the LGF to bid in auction.

At any time after a judgement/insolvency advice or a notice of sale of property has been delivered by the FI to the LGF, but prior to the relevant sale in execution, the LGF or its nominee may require, appoint and authorize the FI to bid at the sale in execution or public auction referred to in 6.2.1 for and on behalf of the LGF or the LGF's nominee up to and to acquire the relevant property at such price as may be determined by the LGF or its nominee in the LGF's or such nominees sole discretion.

4.2.4 Reserve of rights for the LGF to purchase an auctioned property from the FI.

In the event of the FI having purchased the relevant property in the FI's own name at the relevant sale in execution or public auction referred to in 3.1.1, the LGF or the LGF's nominee shall be entitled to purchase the relevant property from the FI at the price equal to the amount of the loan balance (together with the costs incurred by the insured in acquiring the property) and on the other terms, *mutatis mutandis*, which applied to the FI's purchase of the property at such sale in execution; provided that the right of the LGF or its nominee so to purchase the property shall not in any way other than the determination of "loss" in terms of 3.1.2.1, affect the liability of the LGF to pay any claim under this agreement.

## 5. GENERAL

5.1 The liability of the LGF is conditional upon the strict observance of all the terms and conditions of this agreement by the FI.

5.2 Subject to the terms and conditions contained in this agreement, the guaranteed loans shall be granted and controlled entirely by the FI and the terms and conditions of each guaranteed loan and its general arrangements shall be left in the hands of the FI. Subject to the terms and conditions contained in this agreement, the LGF's liability to the FI shall not be extinguished or reduced should the FI waive payment of any instalment due in terms of any guaranteed loan or in any other way grant extension of time or any other form of indulgence to the relevant borrower; provided that the FI shall ensure that a normal homeowners policy covering perils such as subsidence, fire, flood and other physical damage in respect of



the actual replacement value of improvements to the land in respect of a property contemplated in 1.8 is taken up and renewed from time to time and generally that the guaranteed loan is administered in accordance with the normal practice of the FI.

5.3 If the LGF repudiates liability for any claim made or contemplated under this agreement, the FI shall be relieved of liability in terms hereof unless legal action commences within six (6) months of such repudiation.

5.4 Any individual guarantee shall lapse upon discharge of the borrower's obligations under a guaranteed loan or upon the relevant guaranteed loan ceasing to meet the characteristics of a guaranteed loan set out in the definition of "guaranteed loan" in 1.9 or after three years after the commencement of the guarantee.

5.5 Either the LGF or the FI shall, with 30 (THIRTY) days written notice to the other, be entitled to cancel this agreement; provided that with effect from the date of expiry of such notice -

5.5.1 all individual guarantees taken up prior to such date shall remain of full force and effect; and

5.5.2 no new individual guarantee may be taken up after such date by the institution concerned.

5.6 In the event of any guaranteed loan and mortgage bond securing such loan being ceded, whether by way of "securitization" or otherwise, by the FI to any other participating FI -

5.6.1 the FI's rights and obligations in terms of the individual guarantee relating to such loan may also be ceded and delegated to such other person;

5.6.2 any cession and delegation referred to in 5.6.1 shall be effective as from the date of -

5.6.2.1 the delivery by the FI to the LGF of written notice identifying the cessionary, the individual guarantees and the guaranteed loans concerned;

and

5.6.2.2 payment of the stamp duty in respect of such cession by either the FI or the cessionary.

5.7 In the event of the FI, after having claimed and having received payment from the LGF in accordance with the provisions of the agreement, selling the property in respect of which a guaranteed loan was granted to a borrower, to that very same borrower, the FI shall immediately repay the amount of such payment received from the LGF to the LGF.

5.8 The LGF shall provide a 6 monthly statement of affairs to each of the participating FI of

5.8.1 Income and Expenditure

5.8.2 Guarantees issued

5.8.3 Claims paid

5.8.4 Claims pending

5.8.5 Total commitment on guarantee versus total assets of the fund.

5.9 The LGF shall consider any claim within 30 days of submission, according to the rules contained herein.

5.10 All claims shall be submitted on the standard claim form "Annexure D" with all necessary documentation as required. No claim shall be considered where all relevant documentation as required is not available.

Thus done and signed at ..... on this ..... day  
of .....19..... in the presence of the  
undermentioned witnesses.

As Witnesses.

- 1. ....
- 2. .... for: Loan Guarantee Fund

Thus done and signed at ..... on this ..... day  
of .....19..... in the presence of the  
undermentioned witnesses.

As Witnesses.

- 1. ....
- 2. .... for: Financial Institution

ANNEXURE "B"

JUDGEMENT/INSOLVENCY ADVICE

SECTION 1

NAME OF LENDER :  
ADDRESS OF LENDER :  
CONTACT PERSON AND TEL NO. :  
DATE OF THIS NOTICE :

SECTION 2

NAME OF BORROWER :  
LENDER'S ACCOUNT NUMBER :  
CERTIFICATE OF PARTICIPATION :  
DATE :

(Annexure A)

SECTION 3

CURRENT LOAN BALANCE : R

SECTION 4

If Judgement -

1. NAME OF JUDGEMENT CREDITOR :  
2. DATE OF JUDGEMENT :  
(Attach copy of notice/  
judgement)

If Insolvency -

1. DATE :  
2. NAME OF TRUSTEE/LIQUIDATOR :

ANNEXURE C

SECTION 1

NAME OF LENDER :  
ADDRESS OF LENDER :  
CONTACT PERSON AND TEL NO. :  
DATE OF THIS NOTICE :

SECTION 2

NAME OF BORROWER :  
LENDER'S ACCOUNT NUMBER :  
CERTIFICATE OF PARTICIPATION DATE :

(Annexure "A")

JUDGEMENT/INSOLVENCY ADVICE DATE :  
(Annexure "B")

SECTION 3 (Complete only if different from particulars in Annexure "B")

CURRENT LOAN BALANCE : R

SECTION 4 (Complete only if different from particulars in Annexure "B")

If Judgement -

- 1. NAME OF JUDGEMENT CREDITOR :
- 2. DATE OF JUDGEMENT :  
(attach copy of notice/  
judgement)

If Insolvency -

- 1. DATE :
- 2. NAME OF TRUSTEE/LIQUIDATOR :

SECTION 5

TYPE OF SALE : In execution at instance of FI\*  
In execution at instance third  
party\*  
Public auction after insolvency\*

DATE OF SALE :  
PLACE OF SALE :  
TIME OF SALE :

(Note: Conditions of Sale to be attached)

\* Delete that which is not applicable.

ANNEXURE "D"

CLAIM FORM

Section 1: General Information

- 1.1 Name of Lender :
- 1.2 Address of Lender :
- 1.3 Name of borrower
- 1.4 If building loan, has building been completed?
- 1.5 Date of sale in execution/public auction
- 1.6 Certificate of Participation Date
- 1.7 Date of Judgement/Insolvency advice (Annexure "B")
- 1.8 Date of Notice of Sale of Property (Annexure "C")
- 1.9 Amount of any collateral security

Section 2: Initial Value

- 2.1 As set out in Column 5 of Annexure "A" R

Section 3: Maximum cover: Guarantee Amount  
(where applicable)

- 3.1 As set out in Column 8 of Annexure "A" R
- 4.1 Loan Balance/Judgement debt at time of sale R
- 4.2 Amount Recovered at sale R
- 4.3 Total loss (4.1 less 4.2)
- 4.4 Total cover
- 4.5 TOTAL CLAIM (Lesser of 5.3 and 5.4) R

Section 5: Political Riot

- 5.1 Indicate whether the loss emanates from political or commercial factors: Political/Commercial
- 5.2 If you regard the loss to be politically related, supply full details

.....  
Name of Person completing  
this form

.....  
Authorized signature on  
behalf of Lender

.....  
Date

.....  
Date

LOAN GUARANTEE FUND  
CERTIFICATE OF PARTICIPATION

ISSUED TO: .....  
(Name of FI)

in respect of

Borrowers surname: .....

Borrowers first names: .....

Identity Number: .....

Erf number: .....

Township: .....

Monthly Income:

6.1 Borrower R.....

6.2 Spouse R.....

Total Income R.....

Property Valuation R.....

Purchase Price R.....

Deposit Paid R.....

Guarantee Required R..... (20% of 8.)

Premium R..... (Payment attached)

Completed by Loan Guarantee Fund

Participation Approved YES/NO

Amount Guaranteed R.....

.....  
APPROVED BY

.....  
DATE

Original returned to FI, LGF retain copy).



**First  
National  
Bank**

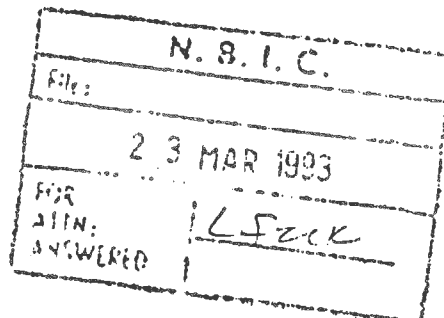
Head Office, Windhoek

First National Bank  
Namibia Limited  
Registered Bank  
Reg No 88/024  
2nd Floor  
First National Building  
Cnr. Post Street &  
Independence Avenue  
P.O. Box 195  
Windhoek 9000  
Namibia  
Telephone (061) 22-99  
Telex 60908-479  
Telefax (061) 22-6004

/tdw

18 March 1993

The Senior Manager  
National Housing Enterprise  
P O Box 20192  
WINDHOEK



Dear Sir

LOAN GUARANTEE FUND

We thank you for your letter of the 11th instant. Consideration, and the extent thereof, will be given to enter the scheme once the suitability thereof has been accepted by the Financial Institutions.

Yours faithfully

D MOOLMAN  
MANAGING DIRECTOR'S ASSISTANT





**NAMIBIAN**  
Banking Corporation

CARL LIST HAUS, INDEPENDENCE AVENUE, WINDHOEK  
P O BOX 370, WINDHOEK, NAMIBIA  
TELEPHONE (061) 225946, TELEGRAMS "VASCOGAMA"  
TELEX 56-629 WK, FACSIMILE (061) 223741

N. B. I. C.	
File:	
23 MAR 1993	
FOR ATTN: ANSWERED	L. Fick

OUR REF: MR FOUCHÉ/mvt

16 MARCH 1993

The Senior Manager  
Financial Planning & Control  
National Housing Enterprise  
P O Box 20192  
WINDHOEK

ATT: MR L FICK

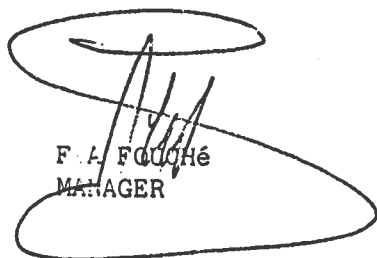
Dear Sir

LOAN GUARANTEE FUND RULES

We thank you for the draft set of rules received under cover of your letter of 11 March 1993.

Kindly supply more information regarding "fees" mentioned in paragraph 2.4.

Yours faithfully

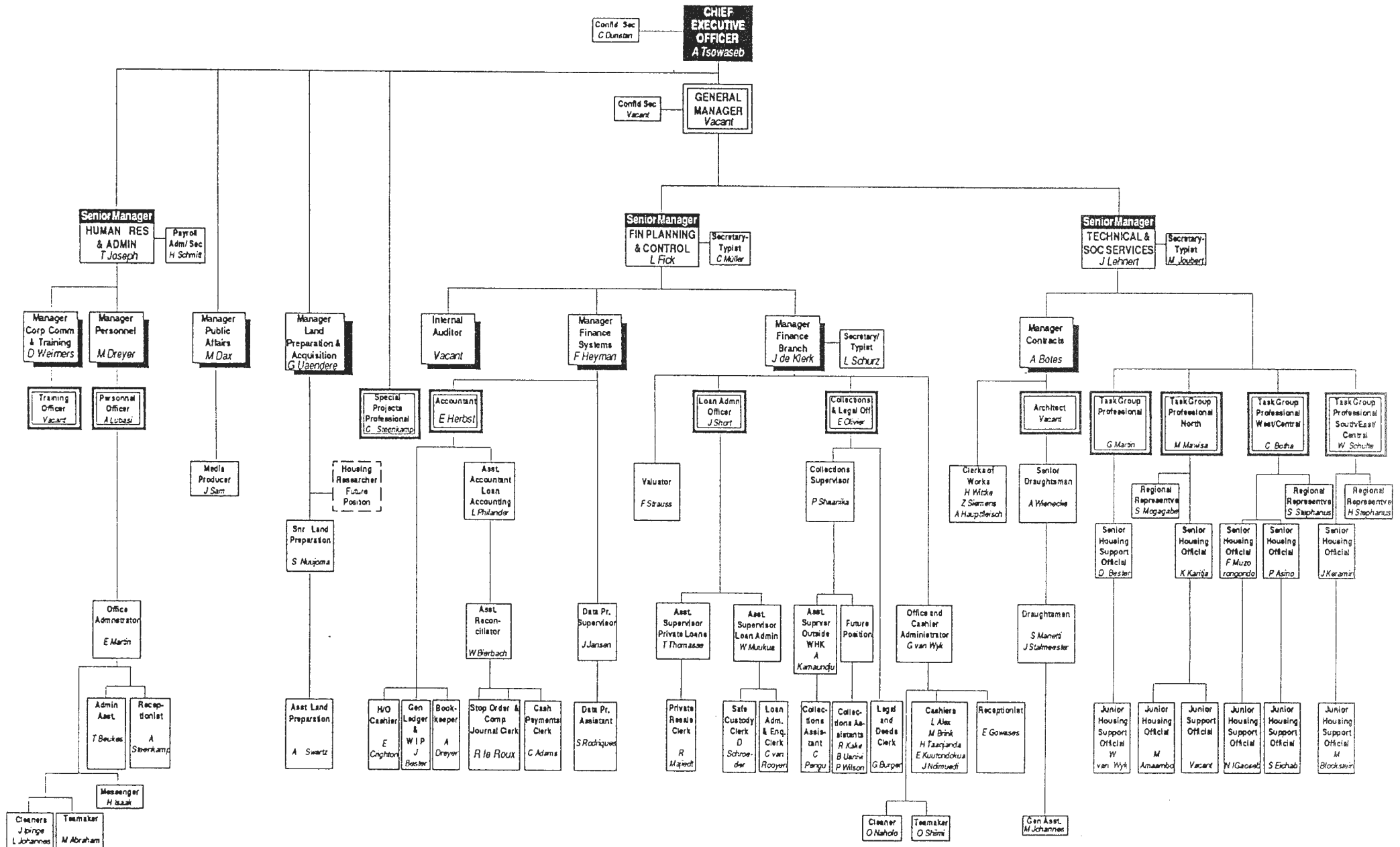


F. A. FOUCHÉ  
MANAGER

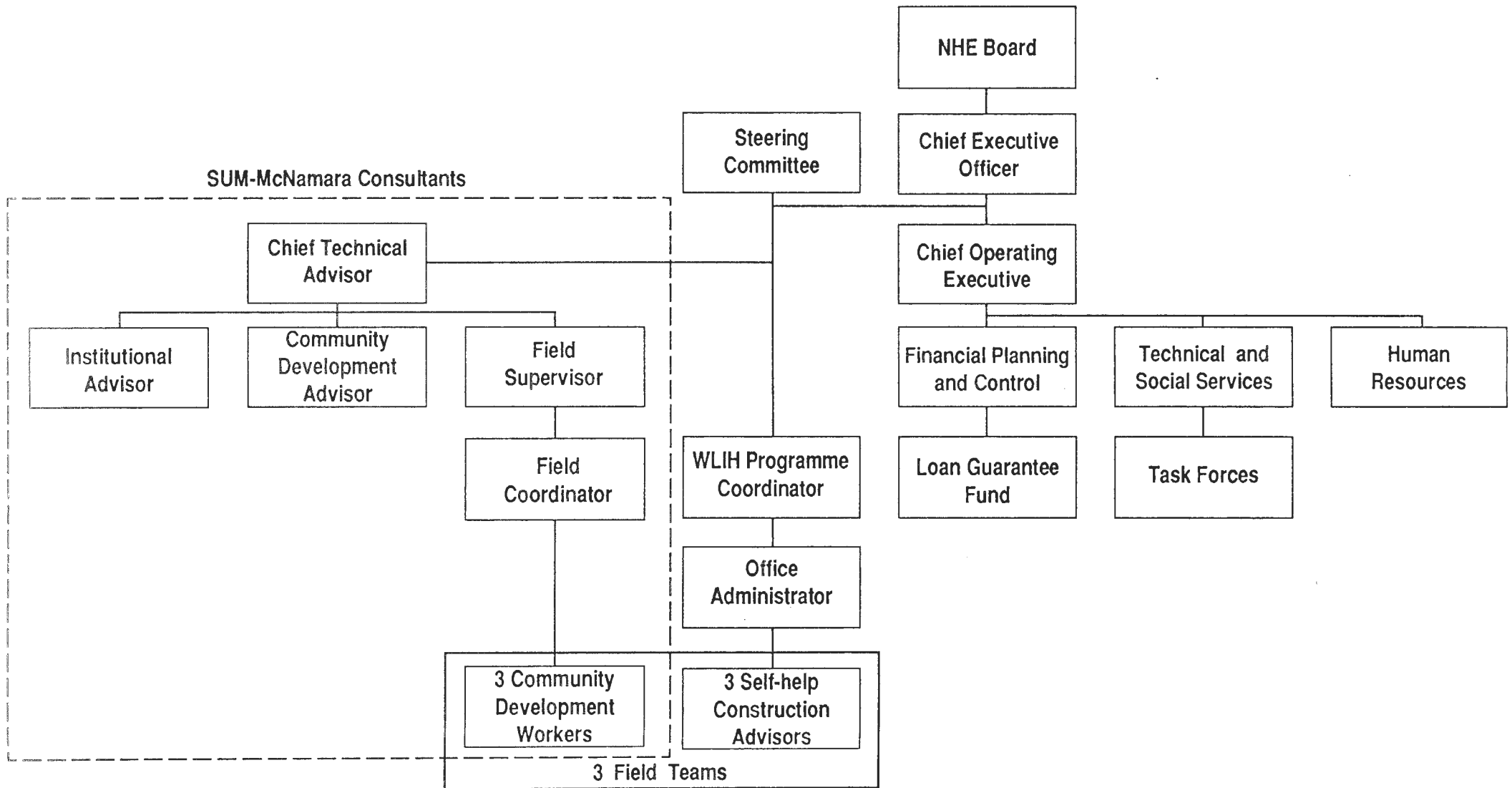
ANNEXURE 3.1/A:

NHE's Organizational Chart

# NATIONAL HOUSING ENTERPRISE : ORGANISATIONAL STRUCTURE



# WLIHP SPECIAL TASK FORCE: ORGANISATIONAL CHART



ANNEXURE 3.2/A:

NHE's Letter Regarding  
Future appointment of CDW's



NATIONAL HOUSING ENTERPRISE

Head Office: 7 Omuramba Road, Eros • P.O. Box 20192, Windhoek, Namibia  
Telephone (061) 37224 • Fax (061) 222 301

18 March 1993

Kreditanstalt für Wiederaufbau  
Postfach 11 11 41  
6000  
FRANKFURT AM MAIN II  
GERMANY

Attention: Dr Bickel

Dear Dr Bickel

**FINANCING FIELD PERSONNEL**

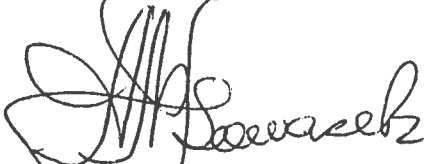
Following discussions both internally and with the Consultant regarding the financing of the field personnel for the Windhoek Low-Income Housing Programme (Community Development Workers and Self-Help Construction Advisors), we would like to inform you about the results and ask that you kindly approve the suggestions as follows:

1. KfW had approved the budget of the WLIHP in their fax dated 21 December 1992, which included provision for the field personnel under the Consultant's fees. KfW later expressed doubts as to whether the field personnel should be financed by KfW as the related functions are not of an advisory (Consultant) but executive (NHE) nature.
2. NHE recognizes that both CDWs and SCAs have executing functions which are in line with NHE policy and the importance of which will increase in future given the Namibian reality. Nevertheless, it will not be possible to finance both CDWs and SCAs as an additional subsidy to the WLIHP in 1993 and 1994 due to budgetary constraints and the policy of not augmenting staff.
3. NHE will finance the three SCAs necessary for the WLIHP. The first interviews have been made. By the end of March 93 at least one SCA will be employed and the other two by the latest at the end of May 1993.
4. The three CDWs should be financed by KfW and employed by the Consultant, as long as a way of covering their cost on a sustained basis has not been identified. It should be remembered that the Government had previously eliminated the subsidy that financed NHE's Community Development Department. The members of this Department have been integrated into the Task Groups: their costs are at present included into the recoverable project costs.

5. NHE, together with the Consultant, will develop a mechanism of financing the community development costs during the execution of the WLIHP and to try their utmost to make budgetary provisions for CDWs from 1995 onwards, if these are still needed for WLIHP or similar community development orientated projects.
6. In addition to Mr Steenkamp, the Programme Co-ordinator, an Office Administrator has been assigned exclusively to the WLIHP to give logistical support to the field teams.

We would be pleased if you would advise whether you agree with the above suggestions so that a revised budget can be prepared accordingly.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Axaro M. Tsowaseb', written in a cursive style.

AXARO M. TSOWASEB  
CHIEF EXECUTIVE OFFICER



ANNEXURE 3.7/A:

Report on NHE's Resource Centre



## N H E RESOURCE CENTRE

24 March 1993

### 1 Qualified Librarian

1.1 We managed to recruit a qualified librarian at the beginning of March, Miss A Nghifikwa who finished her studies at Ford Hare (South Africa) in 1992 and who obtained a 4 year degree in Library Science. We are very fortunate to have got her because qualified librarians are very much in demand as the University of Namibia does not offer courses in Library Science.

She is now working in the Resource Centre with the assistant whom she is training to do duties e.g. lending of books, receiving books, processing and covering of books.

Miss Nghifikwa, the librarian, has been in the library for 3 weeks now and she listed her priorities to be the following before the library can be opened up to outside organisations for use.

1.2 She took stock of books in the library and designed proper records of books available. She would also want to trace books that are not accounted for. This is a big task because the library was manned only on a part time basis for the past two years and a lot of materials are misplaced.

1.3 Books received in the past two years were recorded, catalogued and classified. She would also like to finish this task before the library can be opened for the non NHE people.

1.4 She will re-arrange the library to have a reference section where important and rare collections would be shelved and where they will be kept for reference purposes only. She remarked that NBIC reports especially those that are in the library need to be preserved as they will be useful to NHE and other organisations involved with low cost housing.

1.5 She designed membership cards for all users of the library. She intends to issue membership cards to individual NHE employees in order to have both control over books borrowed. Other users will take out books under their organisation's names who will be accountable for books borrowed to their members.

1.6 Furthermore a leaflet, as a guide how to use the library, will be designed to facilitate library users to find information in an easy way.

## 2. Opening Day

All the preparations listed above should be finished by mid June.

On the 11 June, NGO's and other organisations will be invited to the opening of the resource centre where the purpose of the centre will be introduced to them and how the organisations involved with low cost housing can benefit from the centre.

## 3. Other general issues being dealt with are:


3.1 The NHE Resource Centre renewed the membership of Namibia Information Workers Association which is an umbrella body for librarians in Namibia. The purpose of this body is networking and mutual assistance amongst librarians to ensure that they keep abreast of new developments in the field of information.

3.2 We are investigating possibilities of an re-establishing an interlending system between NGO's and ourselves both in Namibia and South Africa. Some NGO's have their own small resource centres used by their staff members who we thought could benefit from NHE Resource Centre.

3.3 NHE has established a department that will do research in land acquisition and preparation for building purposes throughout Namibia.

All the research materials will be distributed by the Resource Centre to the Ministry of Local Government and Housing and to NGO's involved with low cost housing.

NHE has the expertise and means to do this type of work because of their experience in low cost housing whereas newcomers would need a lot of assistance in this regard.

  
Compiled by  
M Dax  
Public Affairs Officer

ANNEXURE 4.3/1:

Letter from CHF

On NGO's Involvement in WLIHP



Cooperative Housing Foundation

Memorandum

TO: Juan ~~Grispo~~, SUM-McNamara Consultants

FROM: James Hokans, Adviser, CHF

COPY TO: M. Dax  
K. McNamara

DATE: 15 March 1993

SUBJECT: NGO Participation in Assisting Communities to Manage their Community Centres under the NHE/KfW WLIHP

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Panchi, thanks for requesting CHF's assistance in recommending a strategy for including NGOs in assisting communities to manage their community centres which will be constructed under the WLIHP.

To hopefully ensure a constructive dialogue with the NGOs, I recommend the following:

1. Under the signature of the Chief Executive Officer, send a one-page letter to NGO leaders inviting them to discuss NHE's intention to build x number of community centres in Windhoek, and to invite NGO participation in the siting, design and management of the centres in collaboration with the citizens of these urban areas. Attached please find a potential list of NGOs to invite.

2. The letter should specifically mention that Sophy Shaningwa and/or Maria Dax will be co-chairing the meeting. Axaro and Chris and/or you would provide information/introduction of the project. A brief statement of support for NGOs in the development of Namibia from Axaro might go a long way towards creating a successful dialogue.

3. A one-page description of the WLIHP should be attached to the letter of invitation.

4. At the meeting, Chris should make a presentation on the overall project and address the land and building ownership/finance questions of the community centres.

5. At the meeting Sophy or Don should make a presentation on the surveys/data that NHE has collected on the various target groups, with a discussion on whether or not these geographical areas are truly "communities" and how the centres would hopefully try to encourage community formation.

6. Pose the question, rather than prescribe a set of scenarios, of how could NGOs either might participate or assist community leaders to operate the proposed centres, and what should be the roles of NGOs post-construction.

7. Keep very careful notes, send out minutes and letters

of decisions, if any are taken, and send out materials under the signature(s) of Maria and Sophy.

Words of caution:

1. Once you have invited the NGOs in, do not attempt to "streamline" their decision-making or else prepare to face even more delays and conflict than you already will encounter. Prepare yourselves for at least four or five more meetings on the topics raised.

2. NHE and you should realize from the outset that NGOs are looking for more office space in Katutura, and some will have this goal in mind from the outset. Prepare to address this issue head-on, if you consider it a problem.

3. Be patient, but continue on constructing the centres at your pace.

Recommended List of NGOs to Invite

Paul Vleermuis, Director  
Namibia Community Cooperatives' Alliance  
P.O. Box 50155  
Windhoek  
Tel: 36029

Lindi Kazombaue, Coordinator  
Namibia Development Trust  
P.O. Box 8226  
Bachbrecht  
Windhoek  
Tel: 38002/3; 36021

Nathanael Areseb, Coordinator  
National Job Creation Services  
P.O. Box 70147  
Khomasdal  
Windhoek  
Tel: 217409

Anna Muller  
Namibia Housing Action Group  
P.O. Box 60117  
Windhoek  
Tel: 34965

Andrew Corbett, Director  
Legal Assistance Centre  
P.O. Box 64  
Windhoek  
Tel: 223356

Ms. W. Volkman  
Namibia Clayhouse Project  
P.O. Box 610  
Windhoek  
Tel: 36541

T. Ngaujake  
Namibia Institute for Community Development  
P.O. Box 23353  
Windhoek  
Tel: 271108

Gift Kazombaue, Director  
Namibia Credit Union League  
P.O. Box 7537  
Katutura  
Windhoek  
Tel: 217577

Mrs. M. Shingenge  
Centre for Resource Transformation  
P.O. Box 24897  
Windhoek  
Tel: 36458

Mr. K. Jacobs  
Collective Self-Finance Scheme of Namibia  
P.O. Box 22044  
Windhoek  
Tel: 62726

Mr. Naftalie Uirab  
Bricks Community Project  
P.O. Box 20642  
Katutura  
Windhoek  
Tel: 62726

Mr. E. Mwenda  
CCN  
P.O. Box 41  
Windhoek  
Tel: 217621

Mr. O. Erikson  
ELCIN  
P.O. Box 23129  
Windhoek  
Tel: 222283

Rev. Karuaera  
African Methodist Episcopal Church  
P.O. Box 21142  
Windhoek  
Tel: 215428

Mr. M. Hishikushitj  
Anglican Church  
P.O. Box 65  
Windhoek  
Tel: 36009

Mrs. M. Truebody  
The Private Sector Foundation  
P.O. Box 2217  
Windhoek  
Tel: 37370

Mrs. O. Abrahams  
Jacob Marengo School  
P.O. Box 21075  
Windhoek  
Tel: 62021

ANNEXURE 6.1/A:

Balance in Disposition Fund

As of 28 February 1993



COM BANK of NAMIBIA WDH 4845

DETAIL ACCOUNT INQUIRY

RUN DATE: 09/03/1993 SYSTEM 09/03/1993 11:45

FROM ACCOUNT 005/01/01693/01  
TO ACCOUNT 005/01/01693/01

TRANSACTION FROM DAY 31/01/1993

ACCOUNT NUMBER : 005/01/01693/01

ZAR

BOOK BALANCE: 4,028,602.00CR 28/2  
 CLEARED BALANCE: 4,028,602.00CR  
 UNCLEARED AMT : 0.00  
 LIMIT : 0  
 INTEREST RATE %: 10,3 DR 0,0 DR  
 ACCR. INT GROSS: 10,231.55CR NETT:  
 Y-T-D INTEREST : 0.00  
 SERVICE CHARGE : 0.00

NATIONAL BUILD. & INVEST. CORP P.O. BOX 20192  
CALL DEPOSIT - W/SALE

MATCHING A/C:  
 MATURITY :  
 SIGNATURE CD: 8 1 2 3 4 5  
 INDICATORS : 00 00  
 MEMO 1:  
 MEMO 2:  
 MEMO 3:

DATE	VALUE DATE	TYPE	REFERENCE	AMOUNT	BALANCE	INTEREST	NARRATIVE
31/01/1993	31/01/1993	INT		40,413.50CR	3,995,065.34CR	0.00	INTEREST TO DATE
15/02/1993	15/02/1993	IRC	RATE CHANGE	11.500000 TO	0.300000Z		
28/02/1993	28/02/1993	INT		33,538.65DR	4,028,602.00CR	0.00	INTEREST TO DATE

END OF REPORT

