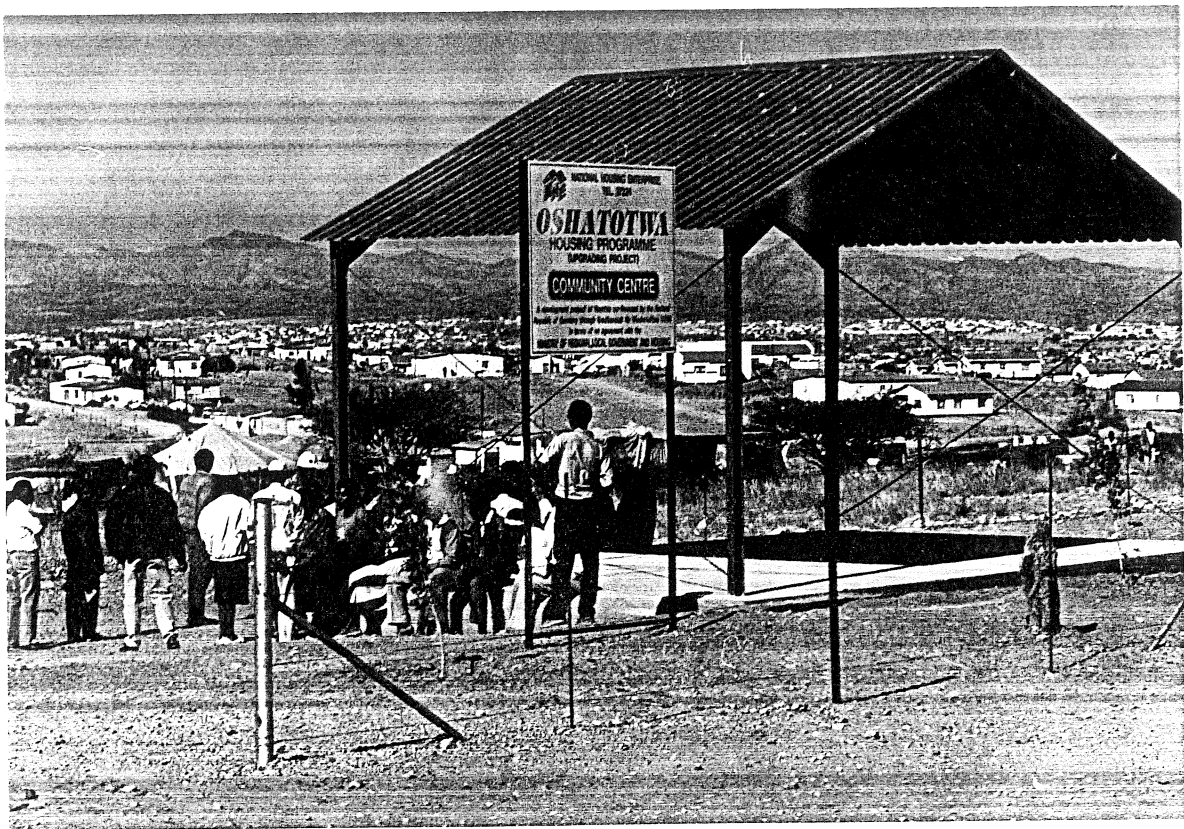


OSHATOTWA HOUSING PROGRAMME

QUARTERLY PROGRESS REPORT 2

"A FOUNDATION HAS BEEN LAID"



Submitted by:

SUM-McNamara Consultants

to

National Housing Enterprise (NHE)

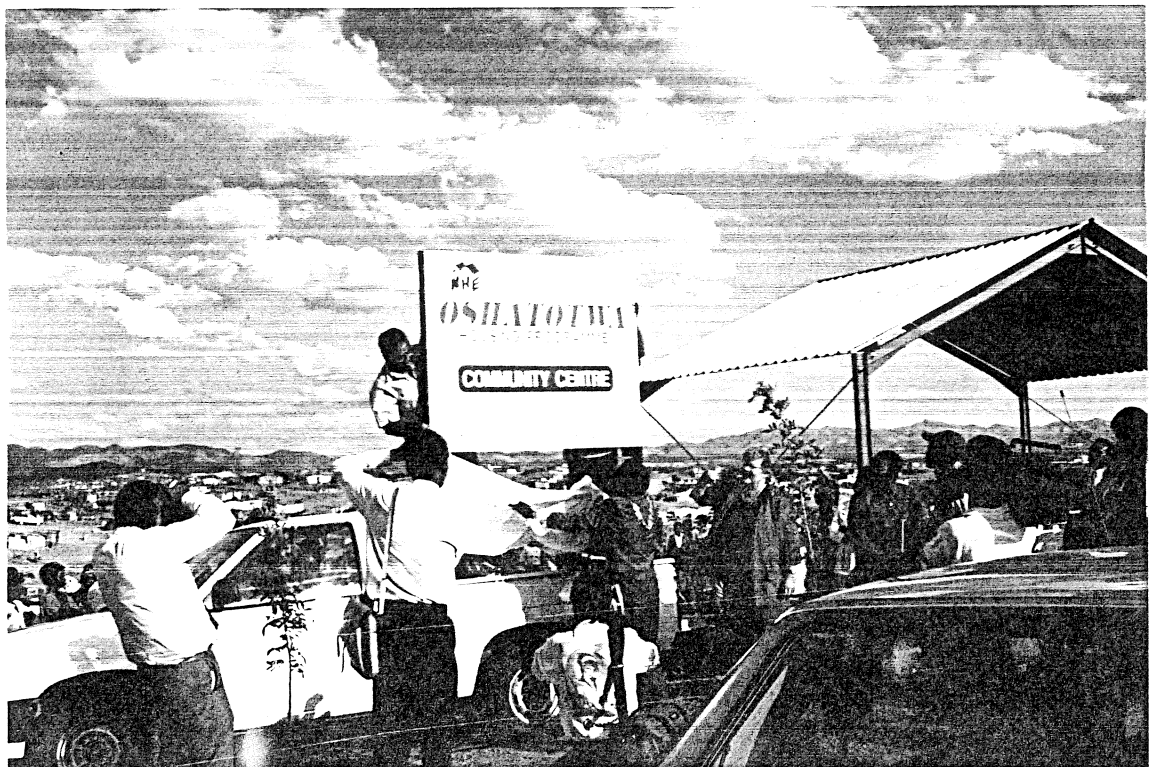
July 1993

Windhoek, Namibia



◀◀ *The Honourable Mayor of Windhoek, Mr. Matheus Shikongo, was the guest of honour at the service dedicating the renaming of the project as the Oshatotwa Housing Programme. He addressed a crowd of over a hundred residents and invited guests in the shade structure, the core of the community centre building in Onghuuo ye Pongo.*

▼▼ *The Mayor unveils the sign announcing the new project name: the Oshatotwa Housing Programme. "Oshatotwa" is the Oshiwambo word which means "A foundation has been laid."*





◀◀ *Mrs. Maria Dax, NHE's Public Affairs Manager, chaired the dedication ceremony of the Oshatotwa Housing Programme. The name "Oshatotwa" was selected in a competition among the residents of the upgrading project areas.*

▼▼ *The invited guests join the local populace in listening to the Mayor's speech. The ceremony was covered by NBC-TV and by several local newspapers.*



OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93

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Exchange rate (June 93): DM 1.00=Rs.1.90

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ANNEXURES

- 2.1/a Municipal Council's resolution on interim rates and taxes.
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- 2.1/d Submission to NHE's Management Committee on level of infrastructure upgrading.
- Proposed level of infrastructure upgrading in Inception Report
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 - VWL cost estimates for improvement of infrastructures
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- Letter to Municipality requesting approval of lay-outs;
 - Municipal Council's June resolution approving lay-out plans for core-house projects;
- 2.2/c Core-house Projects land development
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- 2.2/d Core-house Projects: Correspondence related to value of construction in Khomasdal locations
- 2.3/a Contract for Loan Guarantee Fund

INTRODUCTION

This Quarterly Progress Report 2 is submitted by SUM-Mc Namara Consultants to the National Housing Enterprise, with copies to the Ministry of Regional and 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 accomplished from the 1st of April through the end of June 1993.

The second quarter of implementation was a fruitful period for the Programme. Most issues that initially delayed implementation are now solved, although unfortunately not always according to the assumptions stated in the Inception Report.

A small but very relevant change is to be highlighted. In keeping with the participative approach, a competition to rename the Programme was organized among people in the upgrading areas. More than 150 entries were received from the community, and "OSHATOTWA", an Oshivambo word that means "a foundation has been laid" was selected by the communities themselves.

Despite certain delays, Programme Implementation is progressing well and the main objective, defined as: ***"improving access to housing for low-income groups, applying new approaches and encouraging the participation of the community, public and private sectors"*** will be achieved. The progress in the three Programme components is outlined below:

UPGRADING: After establishing of the price of plots, field work is proceeding for securing land tenure and developing starter solutions. NHE has adopted several decisions to facilitate access to land and houses. The Municipality has offered cooperation for the improvement of infrastructures. It was decided to provide full water and sewerage reticulation for all areas; engineering plans were prepared and construction is now scheduled to begin in August.

Data coming from the field have been evaluated and the budget and operating procedures adjusted accordingly. Field work is more time consuming than anticipated; it is NHE's first experience with upgrading, dealing on a large scale with people already living on the sites. Many new procedures have been developed to bridge the gap between the informal life style in the upgrading areas and the administrative routines of NHE and the Municipality.

CORE-HOUSE PROJECTS: The land for the three initial core-house projects has been purchased, lay-out plans have been prepared and approved by the Municipal Council, survey works and engineering designs are under way. The MRLGH

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decision on 300 m² as the minimum plot size, municipal requirements on standards for roads, price escalation and new taxes on building materials will have an adverse effect on the affordability of the core-houses.

Additional land for a fourth core-house project was identified. NHE is purchasing 450 developed plots at Otjomuise, and will allocate some of them for this purpose. It was agreed that no land development costs would be reimbursed from the grant for these plots. NHE's counterpart contribution to the Programme is increased accordingly; now a total number of 430 units is envisaged.

LOAN GUARANTEE FUND: The Loan Guarantee Fund was established, and SWABOU signed the agreement as the first financial institution that will offer guaranteed loans to low-income households. A publicity campaign is being prepared and loans under this programme will be available soon.

A major output of the quarter has been a substantial revision of the Programme budget, on the basis of more ascertained assumptions and the experience so far gained through implementation. The number of envisaged starter solutions and building material loans have been decreased; the number of core-houses increased. NHE's share in financing the Programme has increased from an original 14,6% in the Inception Phase to 21,0%, which shows the strong commitment of NHE management towards the Oshatotwa Programme.

From the institutional development point of view the overall picture is encouraging: NHE has incorporated basic conceptual innovations of the Programme into its Strategic Plan and adjusts administrative procedures in a flexible way. The Municipality has responded positively to some of the suggested reductions of land development standards and is ready to co-finance infrastructure improvement of the upgrading areas.

Two new Community Development Workers and two Self-Help Construction Advisors were hired. NHE's Office Administrator joined the team in April. On the other hand, Mr. Chris Steenkamp, NHE's Programme Coordinator has announced that he will soon be leaving the Corporation. A very efficient coordinator and a valuable resource is thus lost for the Programme. NHE will soon replace him and requested the Chief Technical Advisor to extend his stay in Windhoek for a week to facilitate the transition.

At the end of June the Programme Team conducted a participative planning workshop to establish activities, outputs and responsibilities for the next quarter. All team members positively evaluated the experience and felt that

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as a result they had a better understanding of the Programme.

The consultancy services so far seem appropriate and sufficient to accompany implementation as scheduled.

The following persons have been involved in the second quarter of execution. From NHE:

Mr. Axaro Tsoaseb,	Chief Executive Officer
Mr. Alpheus Gaweseb,	Chief Operating Executive
Mr. Louis Fick,	Sr.Mgr.Finance, Plng. & Control
Mr. Jurgen Lehnert,	Sr.Mgr.Technical & Social Serv.
Mr. Adolf Botes,	Mgr. Contracts
Ms. Maria Dax,	Mgr. Public Affairs
Mr. Chris Steenkamp,	Project Coordinator
Mr. Pietrus Asino,	Office Administrator(Program)
Mr. Brian Graig	Self-Help Construction Advisor
Mr. Ernst Mathias	Self-Help Construction Advisor
Mr. Johann de Klerk	Manager, Finance Branch
Mr. James Short	Loan Administration Officer
Mr. Andreas Wienecke,	Sr. Draughtsman
Mr. Jonathan Sam,	Media Producer
Ms. Charlotte Dunstan,	Confidential Secretary
Ms. Estelle Martin,	Office Administrator
Ms. Tella Beukes,	Administrative Assistant
Ms. Carol Muller,	Secretary
Ms. Ansie Steenkamp,	Receptionist

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
Ms. Aune Tjirare	Cty.Development Specialist

2. COMPONENTS OF PROGRAMME

2.1 UPGRADING OF RESETTLEMENT AREAS

A. Evaluation of progress

TARGETS FOR QUARTER

Information campaign

- Information regarding the Programme was to be disseminated among potential beneficiaries in all five sectors; definition of land selling price was expected by mid-April;

Starter solutions

- Adjusted technical designs of alternative solutions; construction drawings, bills of quantities, cost estimates and models were to be prepared by mid-April;

- Self-help construction advisors were to be hired and trained by mid-May;

- Price competitions to select building material suppliers were to be conducted during April;

- Operational procedures for implementation were to be established during April;

- Builders were to be selected and standard contract prices for construction of the various alternatives defined, to offer the possibility of hiring a builder to beneficiaries unable or unwilling to proceed through self-help;

- A preliminary experience to implement between 6 and 10 starter solutions was to begin in the Onguo Ye Pongo community in May;

- After evaluation of this initial experience, a joint process of regularization of land tenure and development of starter solutions was scheduled to be gradually extended from Sector I to IV.

Infrastructure improvement

- As requested by the Municipality, a local consulting engineer's firm was to be appointed to design and supervise construction of the upgrading of internal streets and water and sewerage reticulations. The contract was scheduled to be signed by the end of April;

- Standards for internal streets upgrading and for utilities networks were programmed to be defined with the Municipality by the end of April;

- Design and construction drawings for infrastructure improvements were expected by mid-June, with tender and construction starting afterwards in Sector I and gradually extended to other sectors.

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Community Centers

- Municipal Council's reply to NHE's request for land for the Community Centers in Sectors IV and V was expected by the end of March, and the lease signed immediately afterwards;
- The initial structure for the community center in Sector I was to be completed by mid-April;
- Design, construction drawings, bill of quantities, cost estimates and tender for the construction of site office (Community.Ctr. Sector IV) was scheduled to be completed by the end of May, actual construction to begin in early June.

Progress of work was based in the following assumptions:

- a) Land selling prices would be defined by early April
- b) Infrastructure improvement issues pending would be decided by end of April
- c) CDWs and SCAs can be hired and trained and are operative by mid-May.

REALIZATIONS, PROBLEMS ENCOUNTERED

Information campaign

General information regarding the upgrading project was disseminated among all potential beneficiaries during the second quarter through leaflets, meetings with community leaders and groups, the organization of a competition to give a name to the project (see 2.5 below) and other methods.

The programmed "twenty households meetings" approach was not completed in all areas. Due to delays in defining the selling price for the plots it was decided that it would be more effective to explain the project's details during the regularization of tenure process.

Securing land tenure

LAND SELLING PRICE: Land selling prices could only be established in mid-May, after the end of April Municipal Council's resolution that temporarily waived payment of interim rates. Details on this lengthy process that delayed field work more than a month were provided in the weekly reports submitted to KfW by SUM-McNamara Consultants and NHE's Project Coordinator. Copy of Council's decision is attached as Annex 2.1/a. NHE established selling prices at Rs.6.100/plot in the serviced areas (Freedom Land and Goreangab), and Rs. 5.650 for all other plots in the upgrading areas. These prices were later revised when NHE's Management Committee decided to provide full water and sewerage reticulation, levelling them at Rs 6.100 in all areas (see Infrastructure Upgrading section).

OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93-CHP.2

CHANGES IN IMPLEMENTATION STRATEGY: NHE decided to give priority to providing secure land tenure to as many relocated households as possible, and introduced some adjustments into the originally envisaged procedures.

a) The process of signing deeds of sale for plots will have first priority and be separated from the definition of individual starter solutions. The initial programme envisaged this as a single operation. A basic loan will be granted for the purchase of the plot, an additional loan for the starter solution will be extended to families willing and able to afford them.

b) NHE has decided to waive the requirement of a 10% initial saving on the purchase of the plot proposed in the Inception Report. Concurrent with the up-front subsidy, this relaxation of financial conditions is expected to allow a bigger number of households to become plot owners, the basic initial stage to develop a housing solution.

c) As mentioned in the Quarterly Progress Report 1, eventually 25% of the households may not be able to afford even the purchase of the plot. To reduce the number of potential evictions, a temporary lease arrangement was then suggested. NHE has now decided to offer such families the possibility of signing a conditional contract for six months. Households that, despite their low declared incomes, manage to regularly meet their monthly obligations will be able to remain in the plot; otherwise they will be evicted. This creative approach will allow the mobilization of hidden informal resources that might be available for some families but do not appear in their income declarations.

d) NHE has also decided to relax age requirements. According to usual policy, 60 years is established as the age limit to end loan repayment. For the Upgrading Project loans will be granted regardless of the age of the beneficiary.

THE LAND SELLING PROCESS: Basic procedures were established and field personnel trained to use them at the beginning of June (Details in 2.5 and Operations Manual). Signature of deeds of sale involve a coordinated effort between NHE's personnel, the Programme CDWs and Office Administrator. The CDWs explain the Programme and loan conditions and re-evaluate household's affordability; this information is transmitted to NHE's personnel for the actual signature of deeds of sale and loan contracts. CDWs work is performed on site, contract signature is done at the Municipality's Okuryangava offices, lent to NHE till the site office is ready for use.

The Freedom Land experience

During the month of June the process of selling plots was started in the Freedom Land area. By evaluating the experience the Programme Team has been able to adjust procedures, and estimate better the potential for starter solutions. Annex 2.1/b contains a detailed description of the process, implications for field work, training etc. The following conclusions refer to special cases identified and suggest policies to deal with them.

THE AREA

The Freedom Land area has some particular characteristics:

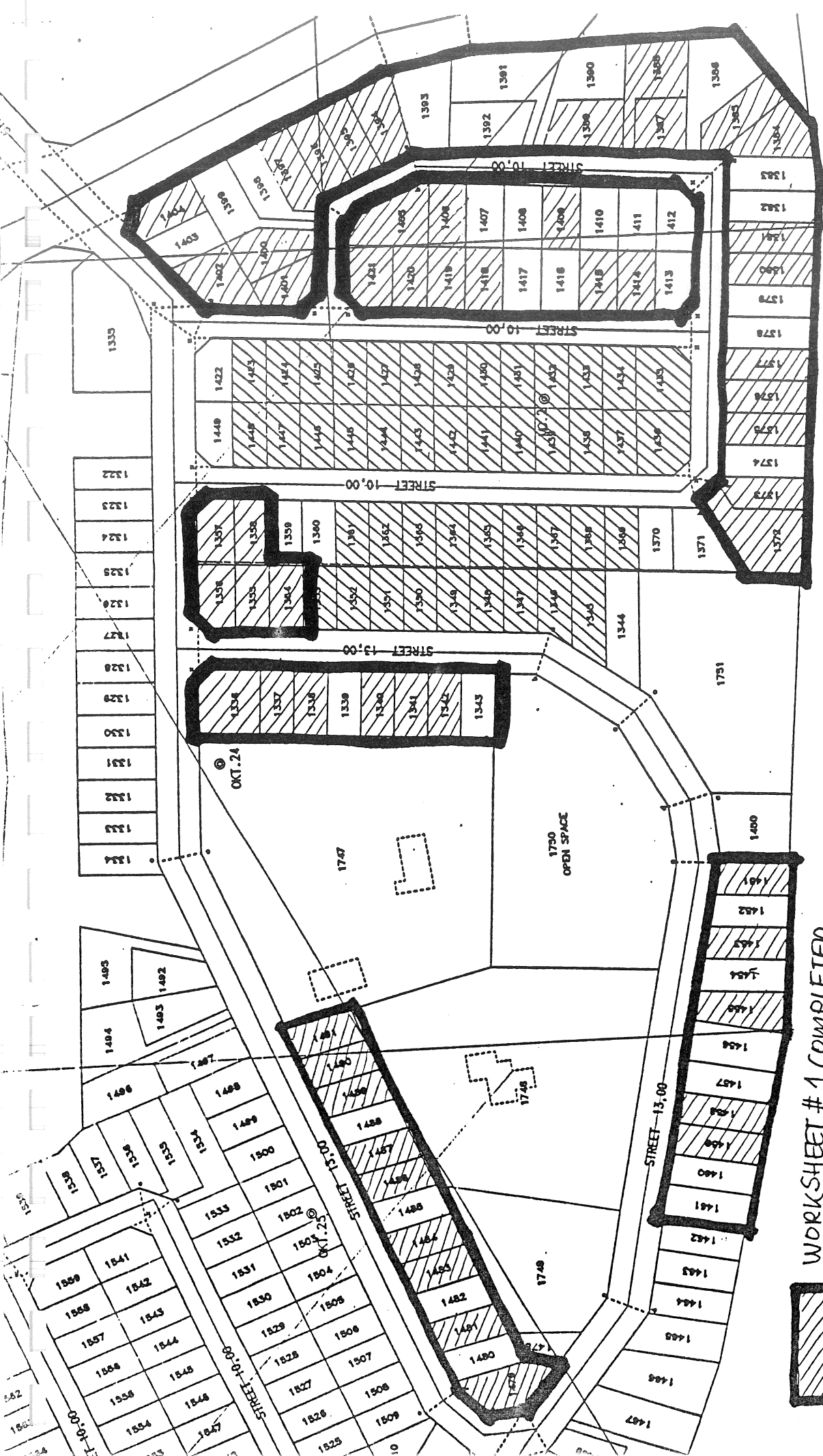
- It is not a clustered community as the others. One part of the erven are situated around NHE's WASP (Windhoek Assisted Self-help Project), the other erven around the Shipena Eimbeck or Freedom Land squatters (see plan).
- In comparison to all other upgrading areas Freedom Land has a privileged location, with the important Monte Christo Road on one side and the main entrance to Okuryangava on the other.
- The people of Freedom Land were the first ones to be resettled; a former NHE employee stated that the group was selected in Single Quarters among households with relatively higher incomes.

Despite these characteristics Freedom Land looks very much the same as the other upgrading areas: there is no clear evidence for an accelerated process of consolidation. According to the CDWs the community is relatively well organized. Many of the findings therefore should then also be relevant for the other areas.

SPECIAL CASES IDENTIFIED

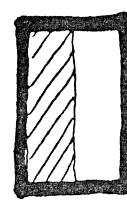
Only 54 worksheets # 1 out of a total of 85 erven (64%) could be completed in the first round without special efforts by the CDWs to meet the people. An array of other situations, requiring special attention and additional time of the Team was identified. They may be grouped into the following categories:

- **Owner who live regularly on the plot, but**
 - * are away because of their job (e.g. taxi driver, construction worker)
 - * are on leave in Ovamboland, for a couple of days
 - * have not been able to produce their income statement
 - * do not know about the possibility of having access to housing allowances with their employer.
- **Owners who do not live regularly on the plot.** Some of them go to Ovamboland and come from time to time; others live in another town because of a temporary employment and intend to go back once the job is finished. Usually family members live on the erf and



FIRST 54 WORKSHEETS COMPLETED
AT FREEDOMLAND UPGRADING AREA

WORKSHEET # 1 COMPLETED
SPECIAL CASE



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know where the owner is; they do not usually know when he will come back to Windhoek.

- **One person claiming ownership of several plots:** A few of these cases have been detected; they amount to intend to deceive NHE for speculative reasons (there are three different people called Jonas Lucas or Lucas Jonas in the upgrading areas!).

- **Other people living on the plot with consent of the original owner.** The plot was assigned to somebody who now lives in another place, but maintains his claim to the erf. The case of erf 1386: Naftali Amuquia, 23 years of age, is living there with a woman. His brother Jeremia (26) is the owner; he is presently employed in Okahandja. As he is the first born of the family he would never pass over his claim to Naftali, "unless he dies."

- **Other people living on the plot without consent of the original owner.** People do not know the original owner or pretend not to know him. He might have sold them the erf, or just abandoned the erf some time ago.

- **Unoccupied structures.** Nobody is living currently on the erf; the structure may be locked or used for non-residential purposes. The case of erf 1456: The owner lives in Otjiwarongo. The structure is used as a bottle store and a tombo place. There is a bed inside which is used by the night watchman. The lady from erf 1453 is looking after the business.

- **Unoccupied plots.** Sometimes because the boundaries have not been clearly defined or people have difficulties in understanding them (e.g. "panhandle" erf). Also, plots may not have been originally allocated due to steep slopes or other reasons (in Onheleiwa plots were designed over an old graveyard site).

WORK IMPLICATIONS

These special cases require a lot more work input by the CDWs, the Office Administrator and the Programme Coordinator than the normal cases. If one visit to the erf is usually enough to complete worksheet #1 for a normal case, three to five visits have to be envisaged for the special cases, plus additional meetings with the community leaders. It is recommended that an area map is used to identify these special cases and follow them up. The Programme Coordinator when assigning the time of the CDWs has to make provisions for the special cases.

On the other hand, during the initial phase the attendance of the special cases should not delay the attendance of the normal cases. It is recommended that in the coming months the focus should be placed on the mass of normal cases. This first round should also include the identification of the range of special cases and the corresponding procedures. Once the first round is

OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93-CHP.2

concluded, the special cases should be dealt with in a second round. It is expected that by doing these two rounds many of the owner considered special cases will try to sort out their problem and approach the Team themselves.

PROCEDURAL AND POLICY IMPLICATIONS

Dealing coherently with the special cases means trying to formalize informal life styles. There are certainly limits, but some basic policy guidelines have to be established to cover the majority of these cases and at least prevent obvious forms of misuse.

- **Establish clear control mechanisms:** Names of plot owners shall be cross-checked against all owners in resettlement areas, other NHE projects, the MRLGH Build Together and other Housing Programme's beneficiaries lists.
- **Set a deadline for legalization of ownership:** A deadline will be established for erf owners to produce the necessary documentation for the deed of sale; if he does not show up, his erf will be will be repossessed by NHE and reassigned to somebody interested from the waiting list.
- **Locate the original owner:** The Team uses different means of tracing the original owner, according to what the community leaders think most effective, in order to brief the original owner (leaving note with occupants or neighbors, radio message, etc.).
- **Accept change of ownership:** If the original owner is not living on the erf, he may pass his claim to ownership with a written declaration to the occupant who will become the new owner of the erf.
- **Absentee ownership:** NHE does not accept absentee ownership; if the owner is not living on the erf and does not want to pass ownership over to the occupant, the erf will be repossessed by NHE and reassigned to somebody who really needs it.
- **Non-residential use of the erf:** If the owner lives on the erf, he may also use it for non-residential purposes; if the erf is only used for non-residential purposes, it will be repossessed by NHE and reassigned to some family with real housing needs.

Many of these situations result from the fact that people were resettled from the Single Quarters without establishing very clearly that they would have to pay for the land. They were permitted to stay without any repayment for an initial period of six months; in practice they have been there for much longer practically for free, and some have the perception that the land was given to them by the Government. This perception is already affecting cost recovery in other areas: the Community Development Workers reported that in the Onghuwo ye Pongo community, where contracts for the purchase of plots were signed last year. Many households are not willing to start repayment as long as the other resettled groups are not paying.

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In the broader context of the National Housing Policy it is obvious that households may be supported to acquire only one erf or house. The individual desirability of having one house in Ovamboland and another one in Windhoek cannot be met with governmental support. Permanent formal employment is no longer a requirement for having access to a housing solution. This does not mean that people should have a permanent place to stay wherever they go to look out for employment opportunities. To consider these situations, selection criteria were adjusted to include: i) Beneficiaries must be bona fide residents of Windhoek, living and working in the city; ii) The plot must be the sole residence of household and used mainly for residential purposes; iii) Any person using the plot exclusively for commercial activities, or identified as owning other plots or houses in Windhoek will be excluded from the Programme, and the erf re allocated by NHE. Procedures established to deal with the different situations are shown in the charts in pages 13 to 15.

THE SHIPENA EIMBECK SQUATTER AREA

The issue of land tenure at the Shipena Eimbeck squatter area is still unsolved. The Programme Team monitors conversations between the community and the Municipality. NHE stands by its policy of assisting the squatters in the improvement process without previously buying the land.

Starter solutions

Preliminary tasks required to begin implementation of this component were roughly completed by mid-June, a delay of about one month compared with previous planning. Main reasons for the delay were:

- Difficulties in identifying and hiring the self-help construction advisors, the key personnel for this task. The first one joined the team in early May, the second in early June.

- Delays in NHE's draughting section. Although NHE has purchased another CAD station and temporarily assigned a senior draughtsman to the Oshatotwa Programme, there is at present an overload of work and conflicting priorities between the Upgrading and the Core-house that sometimes result in certain tasks being postponed. This bottleneck has been brought to the attention of the Manager of NHE's Technical Services Dpt., and solutions are under way.

During the second quarter of implementation:

- Alternative starter solutions designs, bills of quantities and cost estimates were prepared (see Operations Manual - OM);

- Procedures for the evaluation of "excess" affordability after payment of loan for plot, for defining individual solutions with families, for processing the

UPGRADING AREAS: DIFFERENT SITUATIONS OF PLOT USE

The use of erven may be characterized by 4 situations which have to be carefully assessed and followed up for each area. The percentages below are rough estimates. Each situation requires a proper way of attendance and a special set of actions.

<p>OWNER OCCUPIED</p> <p>60 - 70%</p>	<p>OCCUPIED BY OTHER PEOPLE</p> <p>10 - 20 %</p>	<p>WITH AN UNOCCUPIED STRUCTURE</p> <p>5 - 10%</p>	<p>NON OCCUPIED</p> <p>5%</p>
--	---	---	--------------------------------------

Erf has been assigned last year to Single Quarter squatter. People are registered. Most of them are heads of household.

Required action:
Sign Deed of Sale

Original owner does not live on the erf anymore. Somebody else is living there with his household. People are not registered.

Required action:
Legalise tenure and sign Deed of Sale.

Some erven have structures that are locked. Owners live somewhere else and may come from time to time.

Required action:
If owner does not use erf, repossess and reallocate it.

Strangely enough, there are still empty erven!

Required action:
Repossess and reallocate erf.

OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93-CHP.2

concluded, the special cases should be dealt with in a second round. It is expected that by doing these two rounds many of the owner considered special cases will try to sort out their problem and approach the Team themselves.

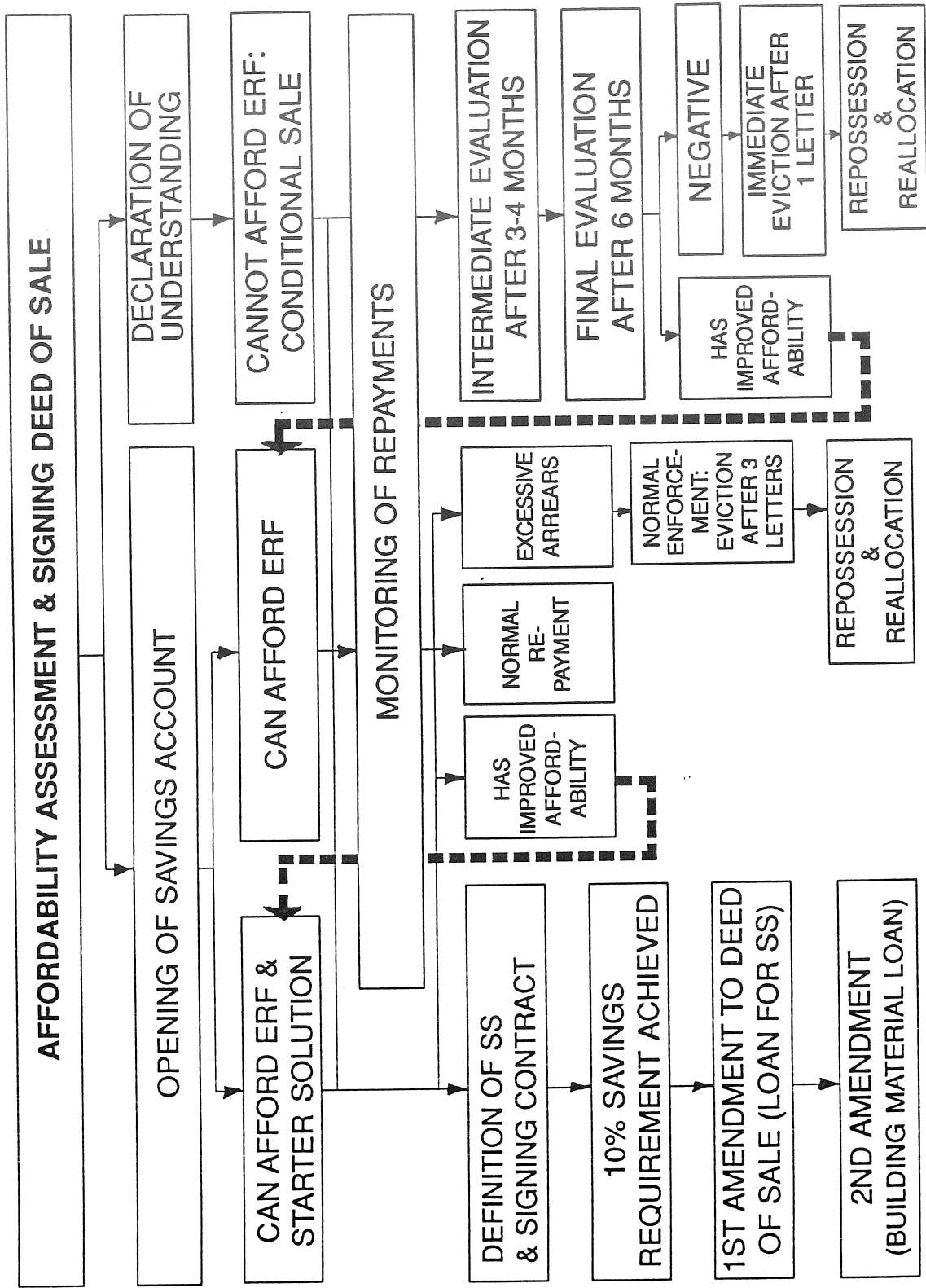
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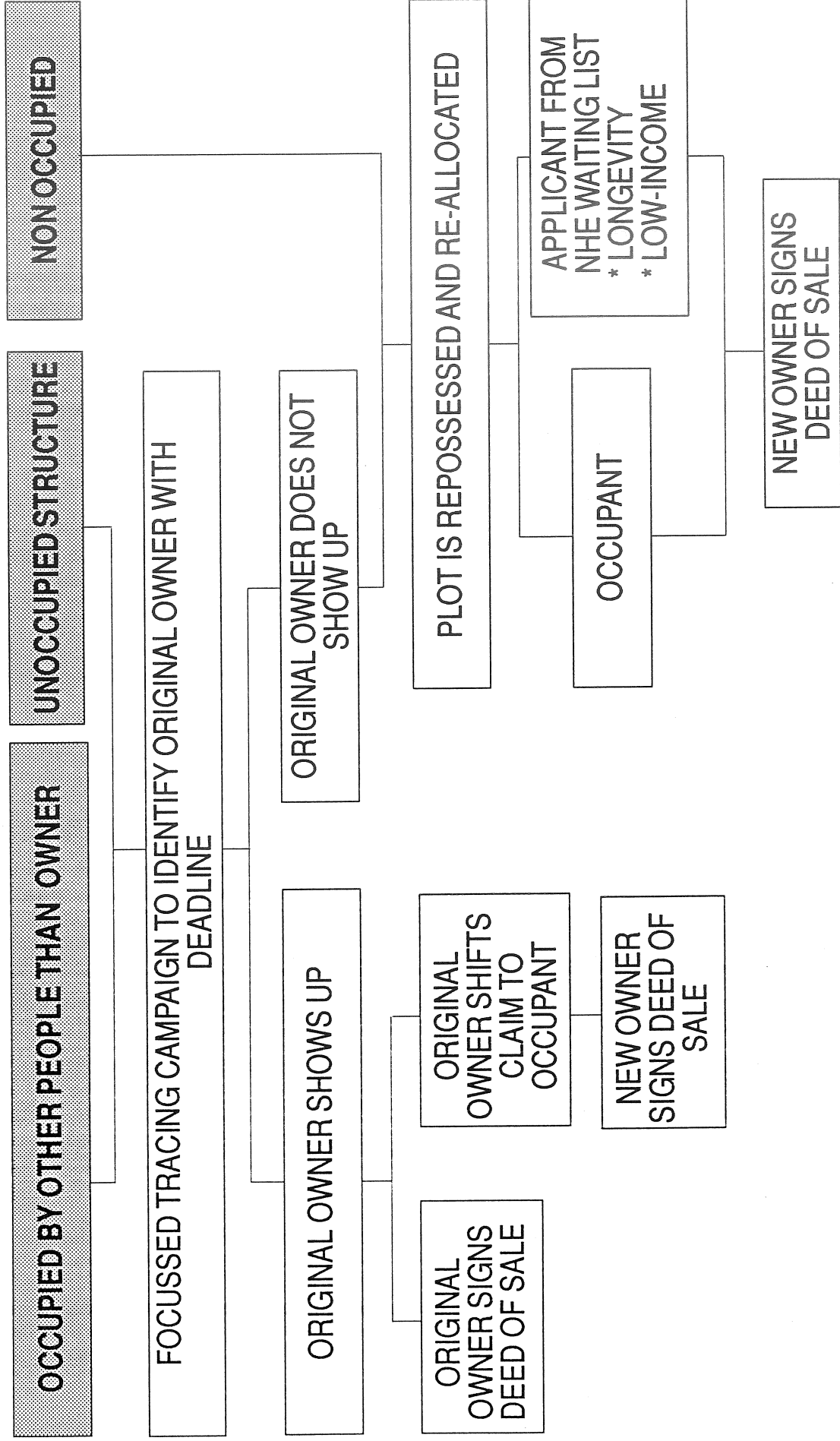
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PROCEDURES TO ATTEND OWNER OCCUPANTS



PROCEDURES TO LEGALIZE PLOTS THAT ARE NOT OWNER OCCUPIED



OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93-CHP.2

additional loan application, for organizing and monitoring construction were developed (see OM).

- A price competition among building-materials suppliers was organized by the Programme Coordinator, prices evaluated by the SCAs, and decisions made on which supplier would provide which materials. Basic procedures for requesting, delivering on site and paying for materials were established and agreed with the suppliers.

- NHE invited builders that could be interested in the work to submit prices for construction of the different solutions. Although only three applied initially, it was possible to establish a cost for families wanting builders assistance. Within this cost range, the families will have the opportunity of appointing a builder of their choice or selecting one from the NHE list of builders. CRIAA trained builders will be offered the participation in the Project in this fashion.

- The question of how to distribute water costs between builders and non-builders was discussed with the communities. As construction starts, water consumption by some families will increase significantly, a potential source of conflict as water is obtained from communal taps and paid by all community members in equal shares. The communities suggested to reserve some of the existing water taps for construction purposes; water bills for these taps will be paid by households using water for construction (see also 2.5)

- In many places survey pegs were missing; NHE personnel and the SCAs have spent time relocating them as plot boundaries need to be clearly identified in order to place the new construction;

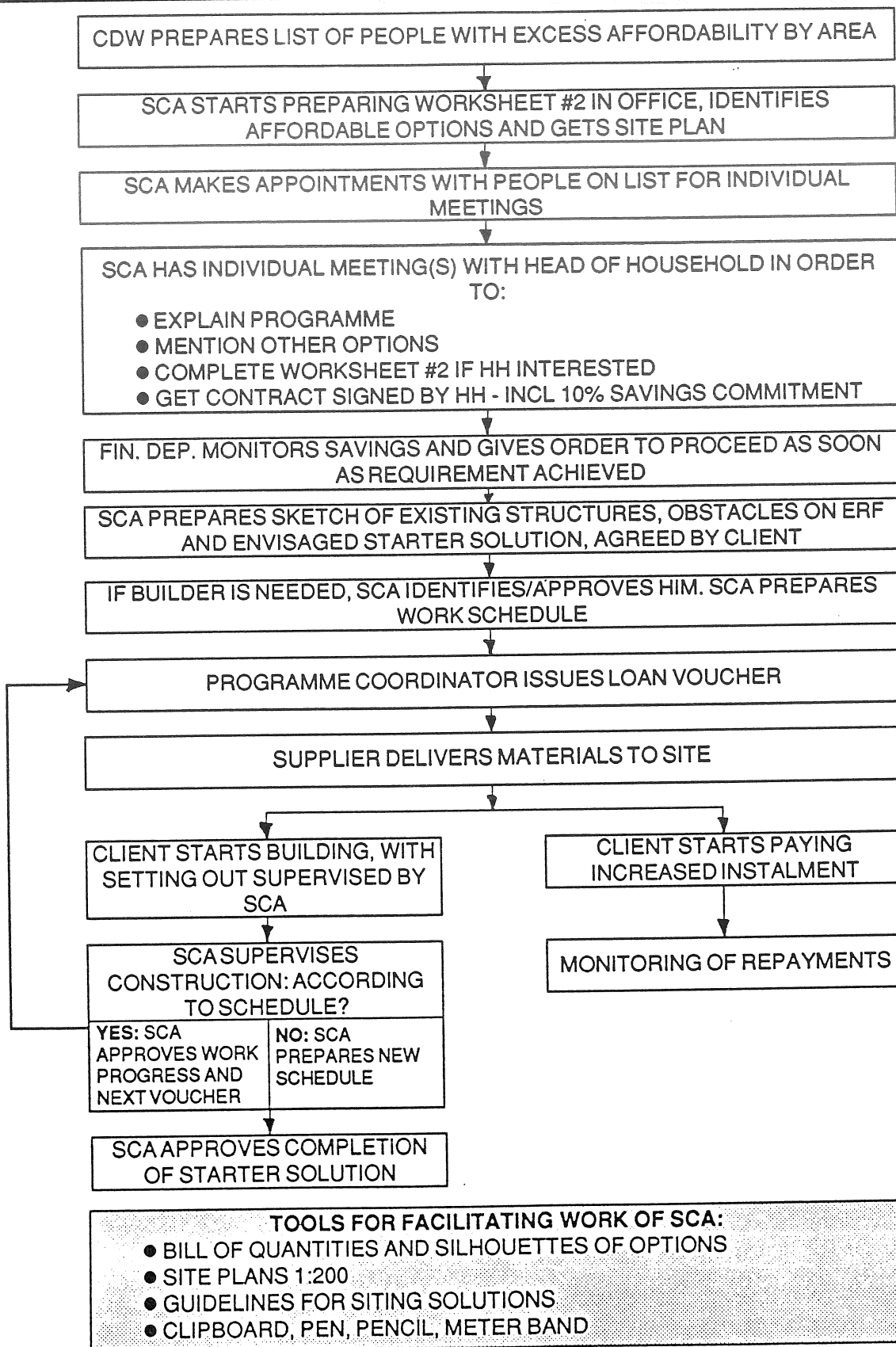
The pilot experience proposed for Onguwo Ye Pongo could not be developed as it was found that most households that purchased the land last year were in arrears with their loan repayments. Regular repayment of loans already granted would be a strict requirement to extend a new loan for the starter solution. The first starter solutions are now being defined in the Freedom Land area, it is expected that construction can start by early August.

The process of implementing the starter solutions will follow the selling of the plots. At the time of re-assessing affordability, the CDWs will identify households that can also afford a starter solution and pass the information to the SCAs who will be the promoters of this process. The chart in page 17 summarizes the procedures.

Reassessment of potential for starter solutions

The information on household income collected in Freedom Land is analyzed below. When provisions for the most vulnerable group are made (those who have a monthly income below R 415), this data may be extrapolated to encompass all households in the upgrading project,

PROCEDURES FOR STARTER SOLUTIONS



OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93-CHP.2

permitting a more accurate estimate of repayment capacities and potential demand in number and cost of starter solutions.

HOUSEHOLD INCOME IN FREEDOM LAND

The following table represents the income distribution of the 54 cases in Freedom Land whose worksheets # 1 were completed in the first round, expressed in fractions of 1 PHSL (= R 830):

Monthly house- hold income	No. of cases	%
R 0 - 415	7	13,0
416 - 498	2	3,7
499 - 581	7	13,0
582 - 664	8	14,8
665 - 747	7	13,0
748 - 830	7	13,0
831 - 913	4	7,4
914 - 996	-	-
997 - 1.079	3	5,6
1.080 - 1.162	5	9,3
1.163 - 1.245	2	3,7
1.246 - 1.328	1	1,9
1.329 - 1.411	-	-
1.412 - 1.494	-	-
1.495 - 1.577	1	1,9
1.578 - 1.660	-	-
Total	54	100,3

The smallest monthly income was R 250, the biggest Rs 1.500; the median income was Rs 700, the average Rs 738 which shows a slight upward bias. 70 % of the households have a monthly income up to 1 PHSL, 30 % between 1 and 2 PHSL.

These incomes are higher than the ones analyzed in Annexure 2.1/c of Quarterly Progress Report 1 on the basis of the information given in the application forms last year. One reason may be that Freedom Land residents are a little better off than the households of the other upgrading areas. It is also likely that the covered group has consolidated more in one year than many of the above mentioned special cases. The recent income data of Freedom Land confirm the analysis included in Annexure 3/A of the Inception Report.

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POTENTIAL NUMBER OF STARTER SOLUTIONS

"Excess payment capacity" is defined as the amount of household income available for repaying a starter solutions loan after deducting the monthly payment obligations for the erf loan and municipal charges.

The following table analyzes the estimated payment capacity and prospects for starter solutions on the basis of information collected in Freedom Land. It is based in the following assumptions:

- A basic erf cost of R 80 per month (repayment of NHE loan plus municipal charges), independently of individual subsidy amounts;
- No more than 20 % of HH income is spent on housing;
- 50 % of those with payment capacity will apply for a NHE loan to finance a starter solution;
- A maximum loan amount of Rs 16000 for starter solutions.

Monthly HH income R	<u>Excess payment</u> Range		Avrg.	Av. loan amount (Rx1000)	Inc. dis. %	Est. no. appl.	Total loan Amount
0- 415	0		0	0	20	0	0
416- 498	3 -	20	12	791	6	30	23.730
499- 581	20 -	36	28	1.845	10	50	92.250
582- 664	36 -	53	45	2.965	13	65	192.725
665- 747	53 -	69	61	4.020	12	60	241.200
748- 830	69 -	86	78	5.140	11	55	282.700
-(1 PHSL)							
831- 913	86 -	103	95	6.260	9	45	281.700
914- 996	103 -	119	111	7.315	6	30	219.450
997-1079	119 -	136	128	8.435	4	20	168.700
1080-1162	136 -	152	144	9.489	2	10	94.890
1163-1245	152 -	169	161	10.610	1	5	53.050
1246-1328	169 -	186	178	11.730	1	5	58.650
1329-1411	186 -	202	194	12.784	1	5	63.920
1412-1494	202 -	219	211	13.904	1	5	69.520
1495-1577	219 -	235	227	14.959	1	5	74.795
1578-1660	235 -	252	244	16.000 +	1	5	80.000
-(2 PHSL)							
Over 1660			300	16.000 +	1	5	80.000

Total					100	400	2077280

The analysis suggests the need to revise both the number of starter solutions and the average loan amount to be taken into consideration in the budget revision. The estimated number of starter solutions should be reduced from 600 to 400, the average loan amount should be increased from R 3.000 to R 5.000. Accordingly, the total amount in the corresponding budget item should be increased from Rs 1.800.000 to Rs 2.000.000.

Infrastructure improvement

At the end of April VWL Namibia Inc. Consulting Engineers was appointed by NHE to deal with infrastructure upgrading in Sectors I, II and III. (Except Shipena Eimbeck Sectors IV and V are already serviced areas). NHE instructed VWL to develop the engineering designs considering future tarring of roads and full water and sewerage reticulation. Also at the end of April the Municipality formally confirmed to NHE that roads in Okuryangava need not be tarred.

VWL submitted a preliminary work programme aiming at completing the technical work and starting construction in Sector I in early September, gradually extending engineering design and construction to other sectors. However, by simplifying the tender procedures nearly a month could be saved: there is a limited number of contractors in Windhoek handling the kind of work involved in infrastructure development; with KfW's approval NHE decided to assign the job through a price competition at which all potential contractors will be invited.

Invitation to potential contractors began at the end of June; price quotations are expected by July 28 and works are now programmed to begin in early August. Installation of lights in internal streets is being coordinated with the City Electrical Engineer and will proceed once the roads are built. Annex 2.1/c gives details of the proposed designs for roads, water and sewerage networks and other relevant information regarding infrastructure upgrading.

WATER AND SEWERAGE

The Programme envisaged the extension of communal services: additional stand pipes and communal toilets, requiring additional water and sewerage lines. In early June, in response to a request by the Programme Team, the Municipality informed NHE that it has decided to cooperate in the upgrading of infrastructures by financing the costs of materials for the water and sewerage reticulation. This cooperation opened the possibility of achieving full water and sewerage reticulation instead of partial upgrading.

The matter was thoroughly discussed within the Project Team. As the resolution of this issue was deemed to have consequences for other NHE programmes, it was submitted to NHE Management Committee for final decision. After evaluating the pros and cons a paper recommending full reticulation was prepared and presented to the Management Committee (Copy attached as Annex 2.1/d). NHE's management decided to implement full reticulation. As all erven will now have a similar level of services, NHE established the same selling price for all (Rs. 6.100).

OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93-CHP.2

Besides the contribution from the Municipality estimated at Rs 363.000, this option will require additional Rs.579.000, to be financed from KfW funds through budget adjustments.

STANDARDS FOR INTERNAL STREETS

The road work will entail earth works to form the road reserve to suit the cross section of a future upgraded surface, and a 10 cmt. thick gravel wearing course.

Community centers

The shade structure for the Community Center in Sector I was erected and completed by mid-April as scheduled. A formal opening was held on the 13th of May, attended by the Major of Windhoek, representatives from the German Embassy, NHE, project personnel and over 200 community members. It combined the announcement of the change in name from WLIHP to "Oshatotwa Programme" that resulted from the name competition (see 2.5).

An area committee has been elected to manage the use of the structure, that up to now is used for meetings once or twice a week. However, the use at night or in cold winter days is limited; after evaluating the first two months of operation the Programme Team has decided to upgrade the structure by adding a closed room, toilet, water and electricity.

NHE's application to lease land for a Community Center in Plot No.1739 in Okuryangawa was finally approved by the Municipal Council in its end of May meeting. There are several formalities to comply before the lease may actually be formalized (publications, Government approval etc), that could delay several months the beginning of construction. The Municipality has agreed to permit NHE to start construction "at risk", after NHE submitted a letter assuming responsibility for dismantling the structures in the (unlikely) case of the Government not approving the proposed use of the plot.

The originally selected location for the Greenwell Matongo Community Center was not accepted, an alternative site was identified and formal application submitted to the Municipality. Council's decision is expected at the end of July meeting.

B. Work Programme and targets for next quarter

Operational targets for the third quarter were established by the Project Team through a participatory planning workshop. Conclusions are summarized in the following tables:

UPGRADING PROGRAMME SALE OF ERVEN

ACTIVITIES	OUTCOME	ASSUMPTIONS	RESPONSIBLE
Re-assess affordability	By end of August Worksheet 1 compltd for approx.600 HH occupying erfs	60% of the erven are owner-occupied	CDWs
Inform clients about contracts, sign them issue cards	600 contracts signed by Sept.10	Every one offered an erf will sign the contract	Inform: PA Prep: NHE Sign: J.Short
Hand over cards to clients	600 cards delivrd. by end of Sept.		CDWs
Monitor repayments	Monthly reports pro- duced & evaluated on repyt.on contracts		PC + NHE Loan administration team
Follow-up arrears, particularly of "conditional" group	Computer identifica- tion of conditional sa- les; 1st.report on arrears by end of Sept. Field visit to those in arrears		Computer and report: PC Site visits: CDWs
Identify unoccupied erven	Procedure established by July 7 to identify and deal with U.E. List of U.E. for all areas by end of July		Procedures: PC,RZ,JAC List: PA + CDWs
Select & inform poten- tial new owners	Criteria to select new benefic. defined by end of July 100 new potential owners informed by end of September		Define criteria PC,JAC Inform potential candidates: CDWs
Sale of unoccupied and repossessed erven	100 contracts signed by end of October	At least 100 people on waiting list respond positively	CDWs,NHE Team, PA, J.Short
Follow-up Shipena- Einbeck land regula- rization situation	3 meetings with Muni- cipality, reassessmt. report by end Sept.		PC,JAC,AW

PC: Project Coordinator, Wilfred Schulte
 PA: Office Administrator, Pietrus Asino
 CDWs: Comm.Dev.Workers: A.Tjirare, S.Shaningwa
 SCAs: Self-help Constr.Adv., B Greig,E Mathias
 DS:NHE Drawing Section

JAC: J.Crispo
 RZ: Roland Ziss
 DK: Don Kurtz
 KMN: K.McNamara
 AW: A. Walton

OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93-CHP.2

UPGRADING PROGRAMME STARTER SOLUTIONS

ACTIVITIES	OUTCOME	ASSUMPTIONS	RESPONSIBLE
Identify potential clients per area	Lists of potential clients are handed over to SCAs by end of August		CDWs
Contact client	200 potential clients contacted by mid-Sept.	A third of clients who purchased even can afford Str.Sol.	SCAs
Define solutions for interested clients	50 solutions defined by end of Sept.	SHCAs dedicate most of their time to def. of Str.Sol.	SCAs
Sign contracts	50 contracts signed by mid-October		PA + Team SCAs
Monitor savings Inform when savings completed	25 clients informed that their savings requirements are fulfilled by end Oct.	50% of Str.Sol. clients have savings completed	PC SCAs
Locate starter solut. on site; issue voucher; supervise and advise construction	20 Str.Sol.on constr. by end of October; 10 completed	Third SCA hired by Sept. 1st. Not many clients change mind after signing contracts	Locate:SCAs+AW Vouchers:PC Superv: SCAs+AW
Prepare site plans Submit to Mplty.	20 site plans submitted by end of Oct.		NHE-DS PC
Review progress, revise programme	Performance evaluation report by end of Sept.		Project Team PC;AW
Develop new options including wet core	Plans and cost estimates		AW NHE-DS
Prepare guidelines for individual connections	Booklet to distribute ready end of Sept.		PC-AW-JAC

OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93-CHP.2

UPGRADING PROGRAMME INFRASTRUCTURE DEVELOPMENT

ACTIVITIES	OUTCOME	ASSUMPTIONS	RESPONSIBLE
Clarify system for reimbursement of materials with Municipality	Procedures agreed with Mpty. included in tender documents if necessary		PC
Brief consultants on level of services, agree on tender conditions in particular relations with Mplty.	Written confirmation Complete by 12/07		PC, AW
Check and approve tender documents for Area 1	Complete by 15/07		PC, NHE-DS, SUM-McNamara
Evaluate offers Sign contract	Contract signed by July 30	At least 3 offers received	Eval: VWL-NHETS Sign: J.Lehnert
Inform commun.in Area 1 that work will start; get sites cleared if required	Community meeting on/ around July 28; explain cost implication	At least 50% of city. agrees with full reticulation	CDWs, PA PC-brief
Inform KfW on tender procedures and result	Fax 15/07 enquiring if tender docs. must be sent-Fax 30/07 on results (monthly report)		AW, PC
Monitor constr., approve payments	Monthly reports on progress & expenditure Contract for Area 1 completed by end of Oct		NHE-DS SUM-McNamara
End Aug/mid Sept: evaluate with VWL if more convenient new tender or contract extension	Contract for next area signed by end of September		AW, PC
Coordinate with Municipality street light constr.	Work programme for installation of street lights agreed end of August		AW

COMMUNITY CENTERS

ACTIVITIES	OUTCOME	ASSUMPTIONS	RESPONSIBLE
Complete construction drawings,tender, supervise construction			PC+AW
Extend Cty.Center 1 (Onguo Yepongo); supply services	Works completed by end of August		PC+AW
Build Cty.Center 2 (next to Mpl.Offices in Okuryangava)	Oshatotwa field teams move base of operation to Center by end of October		PC+AW
Sign lease for Cty. Ctr. in Greenwell Matongo; build and service	Completion by end of October		PC+AW

PC: Project Coordinator, W. Schulte

AW: Andrew Walton, Field Coordinator

2.2 CORE-HOUSE PROJECTS

A Evaluation of progress

TARGETS FOR QUARTER

Land acquisition

Approval of Municipal Council for selling the three block plots identified for the Project was expected by end of March.

Identification of the location and purchase of land to develop a fourth core-house project was scheduled to proceed during the second quarter.

Approval of land subdivision plans

Final decision by MRLGH on the minimum plot size to be used for the Project was expected by mid-April;

Approval of layout plans by Municipal Council was expected by end of April; NAMPAB's approval for need and desirability during May, Township Board and MRLGH's official approval by the end of June.

Land development

Municipal decision on cooperation in development costs expected by mid April;

An engineering consultant was to be selected and appointed by mid-April; engineering plans and tender documents scheduled to be prepared by the end of May

A land surveyor was to be selected and appointed during May; preliminary survey work for the three sites completed by early July;

Tenders for construction and contract award were to be completed by end of June, and construction work for basic earthworks and water and sewerage reticulation to start in July.

Selection of beneficiaries

The selection process was scheduled to begin in mid-April and completed by the end of June; with beneficiaries opening accounts at NHE and starting saving the required 10% of their loans.

Approval of site plans

Preparation of preliminary alternative core-house designs was scheduled during April, and municipal approval obtained by end of May.

Adjustment of designs to individual needs of potential beneficiaries was scheduled to begin in June, and site plans submitted for Municipal approval afterwards.

REALIZATIONS, PROBLEMS ENCOUNTERED

Land acquisition

In its meeting of March 31, 1993, the Municipal Council approved the sale of the three plots that NHE

OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93-CHP.2

applied for the development of the core-house Project (see Annex 2.2/a). Costs of land according to the Municipal Council's resolution of 033193 are as follows:

Erf No.	Area/m2	Unit Cost Rs/m2	Total cost Rs
41 Ok.	25.794	11,37	293.277,78
1373/74Kh.	25.692	18,71	480.697,32
1430 Kh.	39.627	18,71	741.421,17
TOTALS	91.113	(average) 16,63	1.515.396,10

In the first quarterly report it was assumed that "selling prices for land to be purchased by NHE for the project will remain within the amounts estimated during the Inception Phase". The average cost per m2 of block land was then estimated at Rs 15, giving a total cost of Rs. 1.366.695 for the 91.113 m2 in the 3 locations. There is an increase of Rs. 148.701 or 10,8% over preliminary estimates. Although the price may be considered within the estimated amounts, this increase will obviously add to the selling price of the core-houses.

Potential locations to develop a fourth core-house Project were discussed with municipal planners, that signaled three possibilities. The Project Coordinator and the consultants inspected and evaluated the sites:

- GOREANGAB: It was discarded by the Team as it presents problems to connect to the sewerage treatment plant and is considered too far away.
- ROCKY CREST: An important piece of well-located, block, undeveloped land will be transferred to the MRLGH for housing programmes. The MRLGH intends to incorporate private and public actors in a long-term phased development, in a unique opportunity for inter-institutional cooperation. NHE could probably reach an agreement with the MRLGH to obtain land in Rocky Crest for the fourth core-house project. The main inconvenience seems to be the timing with regard to the Oshatotwa Programme implementation schedule. Coordination between MRLGH and other parties, planning and development works required will most probably demand more than one year before house construction could start.
- OTJOMUISE: Both the municipal planners and NHE suggested the possibility of using some of the already developed land at Otjomuise for the fourth core-house project. NHE has applied to the Municipality for the purchase of some 450 plots for future housing programmes in Otjomuise. Several reasons, discussed below, led the Project Team to select Otjomuise as best option available to continue developing the core-house Project.

OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93-CHP.2

During the Inception Phase, the Otjomuise location was not considered suitable for low-income housing, among other reasons due to its distance to existing services and job opportunities. The possibility of attracting higher income households to Otjomuise was suggested in SUM's Technical Proposal as a way to speed-up the development of services, attain an improved urban environment and obtain a better social mix.

At present NHE is preparing a tender for the development of 103 middle-income houses, with prices ranging from Rs 40 to 70.000, in some of the 193 Otjomuise plots purchased last year. Further NHE housing programmes will certainly be envisaged in the short term, and a private developer already intends to build there another 60 middle-income houses. An urban environment is being developed into which the core-house beneficiaries will find easier to integrate.

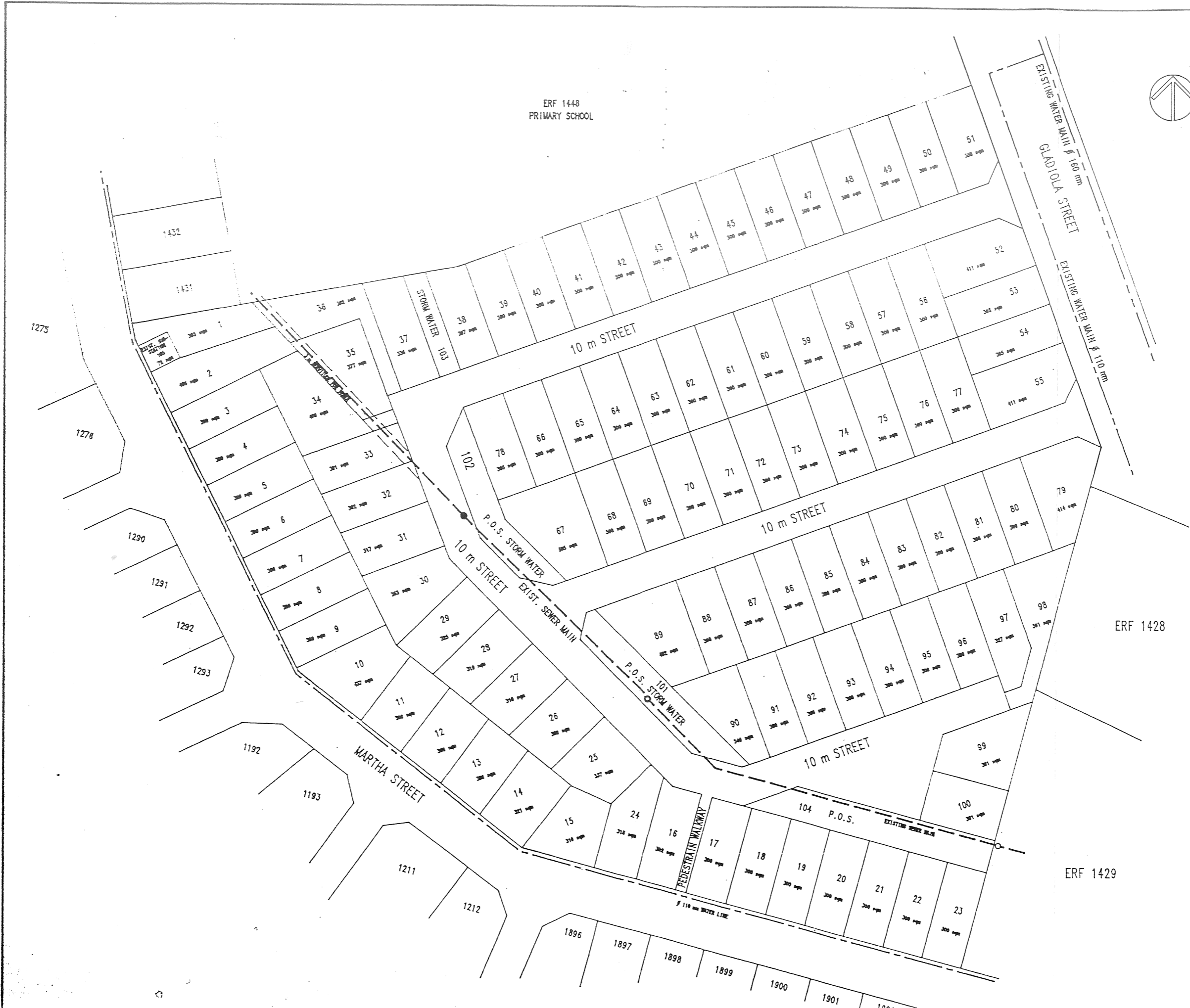
The plots are fully developed, so no time will be required for approval of lay-out plans and core-house construction may start as soon as the land is available and the site plan is prepared. NHE is prepared to supply the plots assuming all the costs of land and land development (that will be recovered directly from the beneficiaries). In the fourth core-house project, KfW's grant money will be used only for construction of houses and related costs; an increased number of solutions will then result.

Approval of land subdivision plans

This question has been delayed for one month with regard to last quarter's planning. NHE's request to be authorized to develop land with 200 and 250 m² plots was negatively answered by the MRLGH in mid-April; a minimum size of 300 m² is to be used for the Oshatotwa Programme. Besides other, more far-reaching adverse consequences, this resulted in the need to withdraw plans already presented to the Municipality for approval starting the whole process again.

Revised layout plans were submitted at on April 26. They were approved by the Municipal Council at its meeting of June 30, 1993 (see Annex 2.2/b). The approval conditions are different for the Okuryangava and Khomasdal locations.

- For erf 41 in Okuryangava the Council accepts gravel roads and assumes the costs of electrical reticulation;
- For the Khomasdal locations the Council requires tarred roads (thus increasing development costs), and does not offer cooperation for electrical reticulation. Discussions with the City Engineer Dpt. to lower standards for internal streets are still ongoing.



REVISIONS

NO.	DATE	BY	DESCRIPTION

NOTES

ERF SIZE = 39 620 sqm
 TOTAL No OF RESIDENTIAL ERVEN PERMISSIBLE
 $(39\ 620 \times 0,8) / 300 = 105$
 (AREA x 0,8) / (SIZE OF ERF CONSENTED BY URGH)
 No OF RESIDENTIAL ERVEN: 100

TOTAL ERF SIZE 39 620 sqm
 ROAD RESERVE 6 296 sqm
 P.O.S. /STORM WATER ±2 350 sqm
 ERF FOR ELEC. SUB 73 sqm
 ERVEN FOR PEDESTRIAN WALKS 140 sqm
 RESIDENTIAL ERVEN 31 020 sqm
 AVERAGE ERF SIZE 317 sqm



NATIONAL HOUSING ENTERPRISE
 7 Cornhill Road, Suite 2A, Brixton, 7992, Windhoek
 Telephone (067) 27224 • Fax (067) 221 301



SUM - Mchamara Consultants

OSHATOTWA HOUSING PROGRAMME

PROPOSED SUBDIVISION OF ERF 1430 KHOMASDAL EXT. 15

LAYOUT AND AREAS

NO FILE	NO	DATE	BY	DATE

SCALE 1:1000
 DRAWING NO. 53931 - 006 REVISION NO. -



REVISIONS			
NO.	DATE	BY	DESCRIPTION

NOTES

NO. DESCRIPTION

ERF SIZE : 25 794 sqm
 ROAD RESERVE : 5 450 sqm
 ERF FOR ELEC. SUB : 92 sqm
 RESIDENTIAL ERFEN : 20 344 sqm
 AVERAGE ERF SIZE : 323 sqm



NATIONAL HOUSING ENTERPRISE
 7 Oorlogsmoed Road, Eric 4 Park, 2012, Midrand
 Telephone: (011) 5726 4 Fax: (011) 222 391

KIW Kreditanstalt für Wiederaufbau

SUM - McNamara Consultants

OSHATOTWA HOUSING PROJECT

PROPOSED SUBDIVISION OF ERF 41 OKURYANGAVA PROPER.

LAYOUT AND AREAS

DIVISION : TECHNICAL SERVICES

CDR FILE	DATE	BY	DATE	BY

DRAWING NO. **56931 - 007** REVISION NO. **-**

1371
 UNDETERMINED P.O.S.



1375

1448

1496

1470

REVISIONS			
NO.	DATE	BY	DESCRIPTION

NOTES

ERF SIZES :

1373 15 419 sqm
 1374 10 273 sqm

TOTAL No OF RESIDENTIAL ERVEN PERMISSABLE

$(25\ 692 \times 0.8) / 300 = 68$

TOTAL ERF SIZE 25 692 sqm
 ROAD RESERVE 4 690 sqm
 ERVEN 21 002 sqm
 AVERAGE ERF SIZE 318 sqm
 TOTAL No OF RES. ERVEN 66



SUM - McNamara Consultants

PROJECT
 OSHATOTWA HOUSING PROGRAMME

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

DESCRIPTION
 LAYOUT AND AREAS

DATE	SCALE	BY	SCALE

DRAWING NO. 153931 - 005
 REVISION NO. -

OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93-CHP.2

The Project Team has managed to speed-up NAMPAB's approval for need and desirability, the lay-outs are already submitted for consideration of the Township Board and approval is expected by the end of July.

Land development

- Messrs. C.de Wet, Baard & van Niekerk were appointed by NHE as land surveyors for the Programme. Their initial schedule envisaged to plot all roads center-lines on the three sites, in order to allow the consulting engineers to survey road levels for the design of roads, sewerage and water lines. Survey and pegging of plot boundaries is now scheduled to be performed after basic roadworks are completed, tentatively in November.

NHE requested CVs from 8 consulting engineer firms in Windhoek in order to select one for the design works required for the core-house Project. Lund Consulting Engineers were selected and appointed in June. They have prepared a work plan that envisages survey and design work during July and August, tender in September and construction beginning in early October. Efforts to re-schedule the work programme in order to start construction by mid-September are under way in order to complete the works before the builder's holiday which start in mid-December. (Preliminary work programme attached as Annex 2.2/c; construction time estimated at three months).

Selection of beneficiaries

This process has not yet started. It was not feasible to establish accurate cost estimates, as some issues like the size of the plots, municipal development standards etc. were not solved. The project team then decided to suspend this activity till the time that total cost, a basic information to provide to potential candidates, was on hand.

Approval of site plans

Preliminary core-house designs were prepared in the first quarter. However, delays in the approval of lay-out plans and in the selection of beneficiaries hampered this task. Adjustment of solutions to individual needs and presentation of site plans will now pass to the next quarter.

Zoning regulations for Khomasdal impose the condition that structures should have a minimum value of four times the cost of the developed plots. This condition is in total contradiction with and could have wrecked the core-house concept for these locations. The Programme Team applied for relaxation of this condition, obtaining a favorable answer (related correspondence attached as Annex 2.2/d).

OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93-CHP.2

Revision of the core-house Project's budget

The budget for this component was revised in the light of developments during the second quarter. Several issues with direct incidence in costs, number and affordability of solutions are now better known:

- * The minimum size of plots that the MRLHG will accept for the Project will be 300 m²;
- * Actual purchase cost of block land increased nearly 11% over initial estimates;
- * The Municipality has informed NHE that they will not provide materials or participate in defraying water or sewerage development costs for the core-house project;
- * The Municipal Council's decision impose the condition that roads need some kind of tarring in the Khomasdal developments;
- * Escalation in building material costs may be estimated at 7% since the Inception Phase. In addition, an increase in taxes will bring GST from the present 11% to over 13% from the beginning of September.

BASIC ASSUMPTIONS OF INCEPTION REPORT BUDGET

- i) The total amount of the KfW's grant to Namibia is fixed; any increase in costs would mean a reduction in the number of solutions financed by KfW;
- ii) NHE would assume the costs of purchasing the land, KfW's funds would be used for the development of land, the construction of the core-houses and of the community centers.
- iii) As per the signed agreement, GST costs would be financed by NHE.
- iv) Through the 10% deposit, beneficiaries would participate in financing the cost of the programme.

ORIGINAL PROJECT BUDGET

Component	Nr	Unt.cost	Total	SOURCE OF FINANCING		
				KfW	NHE	Benef.
Land purchase	400	3,7	1480	0	1332	148
Land devlpt.	400	2,8	1120	953	55	112
CorHs.constr.	400	11,5	4600	3912	228	460
Commty.centrs.	2	150,0	300	265	15	20
TOTALS			7500	5130	1630	740

Notes:Rs x 1000, rounded

With an exchange rate of 1DM=R 1,8, KfW's contribution was equivalent to DM 2.850.000. Average unit cost was Rs.18.000.

OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93-CHP.2

Budget estimates were prepared on the basis of 400 housing solutions on 200 m2 plots. Gross land requirement per plot was estimated to be 245 m2, for a total need of 98.000 m2. An average municipal selling price of Rs.15/m2 for block land was assumed, bringing the total cost for at Rs. 1.470.000, a figure that was rounded for budget purposes in Rs. 1.480.000. Direct land development costs were estimated at Rs.2.800 per plot assuming 200 m2/plot and that the Municipality will accept lower service standards. Cost of core-house construction was estimated at Rs 11.500/unit.

REVISED COST ESTIMATE FOR THE THREE ONGOING PROJECTS

A total of 229 plots of at least 300 m2 will be developed in the Okuryangava and Khomasdal locations. Land development costs are adjusted to the required development standards on the basis of estimates provided by the consulting engineer. Core-house construction costs have been escalated till June by 10%, to Rs.12.650 each; total cost of this component 229 x Rs.12.650=Rs 2.896.850

Land and development cost in the ongoing core-house projects

ERF Nr.	Land Costs	Developpt Costs	Total Cost	Nr.of plots	Avg.cost/plot
41 Ok	293	349 ⁵⁵⁴⁰	542	63	8,6
1373/74 Kh.	481	364 ⁵⁵¹⁵	845	66	12,8
1430 Kh.	741	558 ⁵⁵⁸⁰	1.299	100	13,0
TOTALS	1.515	1.271	2.686	229	11,7

(Rs x 1000, rounded)

Adjusted budget for first three core-house projects

Component	Nr	Unt.cost	Total	SOURCE OF FINANCING		
				KfW	NHE	Benef.
Land purchase	229	6,6	1515	0	1364	151
Land devlpt.	229	5,6	1271	1081	63	127
CorHs.constr.	229	12,6	2897	2466	143	288
Cty.centrs.	2	150,0	300	265	15	20
TOTALS			5983	3812	1585	586

Notes:Rs x 1000, rounded

Multiplications may not be exact as unit costs are rounded

With an exchange rate of 1DM=R 1,9, KfW's contribution will be roughly equivalent to DM 2.000.000.

(Average unit cost has increased to Rs 24.800).

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REVISED CORE-HOUSE PROJECT BUDGET

The following considerations are included in the budget revision:

- a) NHE feels that the core-house is an adequate approach to affordable housing and would like to develop as many as possible;
- b) NHE will supply developed plots in Otjomuise, at an estimated cost of R 9.000 each;
- c) It is assumed that by the time of construction core-house price will have escalated another 7%, bringing the unit cost at Rs 13.500;
- d) The amount for building material loans appear to be over-estimated. A reduction in this budget post would permit the transfer of some additional funds to the core-house Project.

A fourth core-house Project of 201 units is proposed at the Otjomuise site. The budget for this development would be:

Component	Nr	Unt.cost	Total	SOURCE OF FINANCING		
				KfW	NHE	Benef.
Lnd.purch/dvt.	201	9,0	1809	0	1629	180
CorHs.constr.	201	13,5	2713	2308	134	271
Cty.centrs.	1	150,0	150	132	8	10
TOTALS			4672	2440	1771	461

Notes:Rs x 1000, rounded. Average cost of solution is Rs 23.200.

B. Work Programme and targets for next quarter

Operational targets for the third quarter were established by the Project Team through a participatory planning workshop. Conclusions are summarized in the following tables:

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CORE-HOUSE PROGRAMME- LAND DEVELOPMENT FOR THREE INITIAL SITES

ACTIVITIES	OUTCOME	ASSUMPTIONS	RESPONSIBLE
Follow-up Township Board approval	Plans approved by end of July		PC-AW
Discussions with City Electr.Eng.on design electr.lines	Agreement on design criteria and execution of works		PC-AW
Decision on phasing of works	Memo by end July		PC-AW K.Lund;
Monitor completion of eng.design/tender doc.	Report to NHE, KfW		PC-AW
Approve tender docum. call for tender	Report to NHE, KfW end of August		PC-AW
Evaluate tender, sign contracts	Mid-September		PC-AW Lund;Lehnert
Monitor construction, approve payments	Construction period: mid-Sept/mid-Dec.		PC-AW
Coordinate survey of land, pegging of plots	Start: mid-Nov.		PC-AW
SELECTION OF BENEFICIARIES			
Develop system that combines need for individual choice and phasing of construct.	Documents with guidelines by 16/07		PC-AW-JAC KMcN
Identify and contact potential beneficiar.	Project's list by 9/07		PC-PA
Conduct information meetings, preliminary selection	8 meetings with 200 participants each, from mid to end August		PC-CDWs
Complete core-house designs and cost estimates	Final designs, bills of Qty, options, finance, by mid Sept		PC-AW
Submit designs for municipal approval	End Sept		PC-AW
Monitor savings	Monthly report		PC-NHE Fin.Dep
Final selection, signature of contracts.	First batch defined by end of October	50 benef.complete savings by end Oct.	PA J.Short

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CORE-HOUSE PROGRAMME- CONSTRUCTION OF CORE-HOUSES

ACTIVITIES	OUTCOME	ASSUMPTIONS	RESPONSIBLE
Prepare site-plans for submission to Municipality	Mid-November		PC-NHE DS
Complete technical drawings Tender documents	Mid-November		PC-NHE DS
Tender for constr. Sign contract	Mid-Nov Mid-Dec		PC-NHE DS
Monitor construction approve paymts.	Jan-April 94		PC-NHE DS SUM-McN Cons.

FOURTH LOCATION

Select Otjomuise plots to be used for project	Memo Plan indicating plots allocated-Mid August	Municipal Council approves sale of land to NHE	PC-AW NHE Management
Review municipal layout, adjust if required	Mid-Sept		AW-NHE DS

PC: Project Coordinator, Wilfred Schulte JAC: Juan Crispo
 PA: Office Administrator, Pietrus Asino RZ: Roland Ziss
 CDWs: Cty.Devlt.Wrks:A.Tjirare, S.Shaningwa DK: Don Kurtz
 SCAs: Self-help constr.advisors, BG,EM AW: Andrew Walton
 DS:NHE Drawing Section NHE-TS: Technical services

2.3 LOAN GUARANTEE FUND

A. Evaluation of progress

TARGETS FOR QUARTER

Work programme for the second quarter aimed at:

- Reaching agreement among participating institutions on rules and procedures;
- Having the LGF operational at the latest by the beginning of July 1993

The schedule was based in the following assumptions:

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

REALIZATIONS, PROBLEMS ENCOUNTERED

With minor delays, the objectives for the quarter have been achieved, and the LGF is ready to begin operation. On the basis of a draft prepared during the first quarter, a final agreement on the rules of operation was evolved incorporating comments received from interested financial institutions. (Attached as Annex 2.3/a)

- a) **Participants:** Of the Financial Institutions invited to join the LGF, only the two Building Societies, SWABOU and NAMIB have confirmed their interest. The Banks have opted for waiting and see how it works, some of them might join at a later stage.
- b) **NHE's Subsidiary:** Further legal advise requested by NHE informed that there was no need to create a separate entity to run the LGF. It will now be run directly by NHE, keeping LGF's accounts separate.
- c) **Deposit of funds:** Although theoretically the LGF could be deposited in any financial institution in Windhoek, it was decided to place them with one of the participating Building Societies, provided they offer normal market interest rates.
- d) **Transfer of funds:** In order to speed up procedures and make better use of funds already in Windhoek, KfW has agreed to substitute the procedure originally envisaged (direct disbursement from KfW to a local financial institution), and create the Fund by transferring money from the Programme's Disposition Fund at the Commercial Bank. According to the Inception Report, an amount in rands equivalent to DM 1.000.000 from KfW's grant was to be deposited for this purpose. To calculate the amount in rands it was decided to use the same rate of exchange being used to actualize the Programme's budget (1 DM=1,9 Rs).

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The first agreement to participate in the Loan Guarantee Fund was signed at the end of June with SWABOU. NHE is opening a separate account in SWABOU to keep the money in trust as established, fixed investment for 12 months at an interest rate of 14,4% per annum, with the provision that interest earned shall be capitalized into the Fund.

B. Work Programme and targets for next quarter

Information campaign: SWABOU will request its advertising agency to develop a publicity campaign to "sell" this new product, expected to start implementing it by the end of July. It will concentrate on Press ads, pamphlets and radio communication. It was agreed to include NHE's name in the ads as the guarantor of the Fund, and to mention the support from the German Government and KfW, subject to approval before the campaign starts.

Market for guaranteed loans: SWABOU's perception is that there is a market for guaranteed loans, although difficult to assess as no previous experience exists. They believe however that from now till the end of the year some 60-80 loans may be granted. Their main reserve is with regard to the required 10% initial savings, a percentage that they feel might be too high. They have however agreed to test the system in the established conditions, and evaluate it after a few months of operation.

Marketing strategy: Loans will be granted either for construction of new houses or for the purchase or improvement of existing ones. The marketing campaign will have two levels. General communication will be targeted to the market sector that might be interested in such kind of loans. On the other hand, SWABOU is going to inform developers who may use this instrument to finance houses for clients without enough security.

By securing finance for the end users, SWABOU expect to motivate the developers to produce and offer housing solutions within the range of loans available (up to Rs.42.000). In fact, there is already a development company that is offering core-house type of solutions, although not yet in Windhoek. This is exactly the kind of market reaction envisaged in the Inception Report: creating an effective demand will result in the private sector responding with adequate offers to it.

SWABOU believes that most of the loan takers will apply for the maximum amount of Rs 42.000; smaller loans could not require the guarantee presently covered with the LGF. The budget revision takes this hypothesis into account, reducing the number of estimated loans and increasing the amount of each loan.

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Operational targets for the third quarter are summarized in the following table.

ACTIVITIES	OUTCOME	ASSUMPTIONS	RESPONSIBLE
Monitor SWABOU's publicity campaign	NHE and KFW are adequately mentioned		PC Louis Fick
Promote other financial instit. to join LGF	NAMIB Blg.Soc. signs contract by end of July	They maintain expressed interest	PC Louis Fick
Monitor LGF operation	Report by end of Sept.		Louis Fick

2.4 BUILDING MATERIAL LOANS

Revision of component

With the upgrading and core house components now better defined, it is possible to review the building material loans component. It will benefit both owners of core houses and of erven in the upgrading areas to a different degree:

- In the core house projects they will be offered to complement the initial cores from the earliest possible moment on. The beneficiaries may select from a limited range of 3/5 contractor-built core houses, which they can extend even before they move in, depending on their payment capacity and priorities. They also can take the loan when they are already living in the new core house or at a later stage.

- The building material loans are introduced into the upgrading areas to complement a starter solution or even substitute it when a client does not find the option he wants and is ready to pay back the loan earlier. The starter solutions will usually include a standard package of materials, whereas building material loans allow for more flexibility of use (like for municipal connections, electrical installation etc).

The potential number of building material loans depends on two factors:

- the savings and payment capacity of the individual household, and
- the variety of options available.

If all households could afford a 100 percent "tailor made" starter solution or core-house, there would be no need for a building material loan as each housing solution

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would fit perfectly to individual preferences and financial possibilities. This is not possible in the Oshatotwa Programme because of the unstable economic and social situation of most households; through small, short-term building material loans they may reduce the risk of not being able to pay back bigger, long-term loans and getting evicted.

2.5 COMMUNITY DEVELOPMENT AND TRAINING

A. Evaluation of progress

The main activities during the second quarter were:

Renaming the Programme

The original project name and acronym, the Windhoek Low-Income Housing Programme (WLIHP), while appropriately descriptive of the programme, were difficult to pronounce and were not being used as "handles" by the community in their discussions. After some internal team efforts during the first quarter to come up with a name in Oshiwambo, the Programme Team decided to invite the people of the upgrading areas to participate in the name selection process.

The name selection process was explained in all the areas of the upgrading project, and suggestion forms were widely distributed. To be considered, the suggestion had to come from someone living on one of the erven in the upgrading area. 150 suggestions were submitted, and a committee composed of the leaders of the nine communities and the CDWs selected "Oshatotwa," which means, "A foundation has been laid."

The Mayor of Windhoek, The Honorable Matheus Shikongo, was the guest of honor and main speaker at a special ceremony held on 13 May to dedicate the name of the programme officially as "The Oshatotwa Housing Programme." The ceremony took place at the project's new community centre facility in Onghuwo ye Pongo. Local political leaders, government officials, a representative of the German Embassy, and NGO representatives attended as invited guests. Over one hundred community members also attended. Prizes of four plastic chairs were given to the two people who submitted the name suggestion of "Oshatotwa."

Information campaign

A new brochure, "Oshatotwa Housing Programme - The Upgrading Project," was printed and distributed to coincide with the dedication of the new programme name.

The first information video has diminished in value as changes in requirements and processes have evolved (removal of the 10% deposit requirement on the purchase of plots,



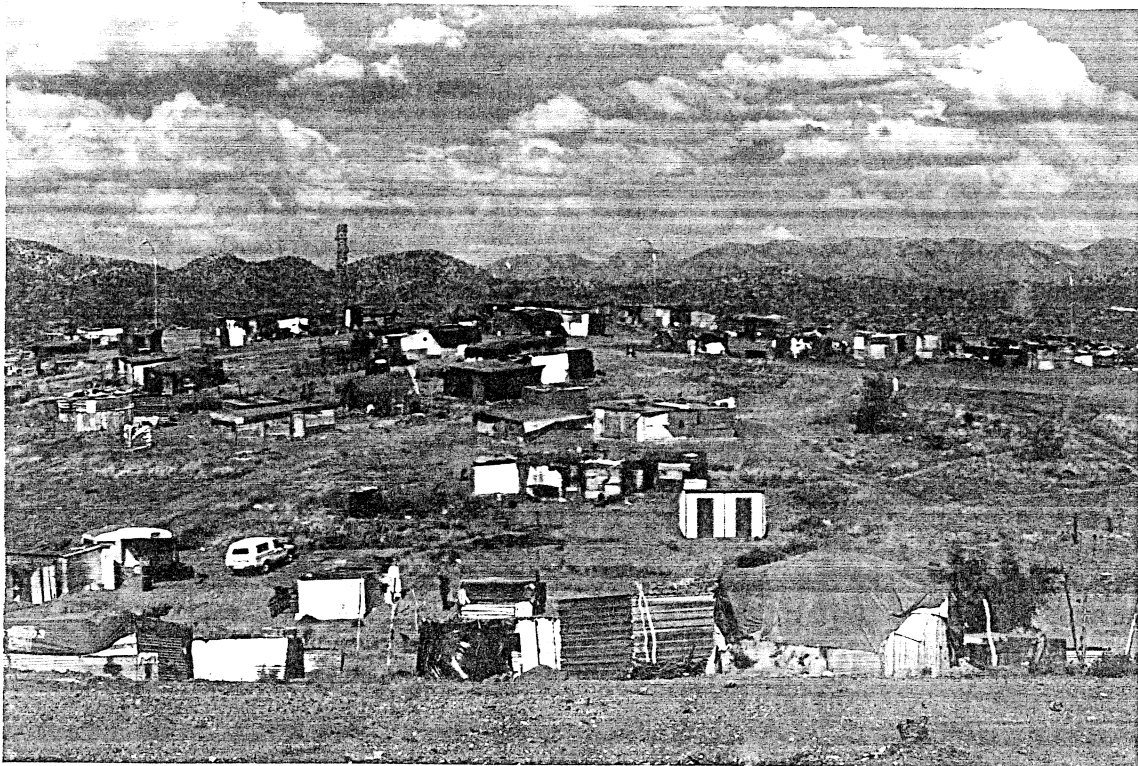
Community Development Worker, Ms. Sophy Shaningwa, discusses the process of securing tenure in Freedom Land, one of the upgrading areas, with Martin Lukas, one of the heads of household resettled from the Katatura Single Quarters. The team found the late afternoon and evening hours as the most effective time to meet with the residents wishing to buy their erven and to build on it.



Mrs. Aune Tjirare, a Community Development Worker, and Jeremia Gideon, another Freedom Land resident use the back of the project vehicle as an office to discuss the details of his erf purchase. The launching of the campaign to sell the erven to as many residents as possible was met by enthusiastic response and cooperation in the community.



Mr. Jochen Kenneweg, of the German Embassy in Windhoek, was an invited guest at the Oshatotwa dedication ceremony, and responded to the speeches of the Mayor and other local leaders, saying he was impressed with the spirit of the people. He encouraged them to continue their good work and cooperation with the project and its goal of providing them with better living conditions.



Communities continue to grow in the Nandolo - Onyeka area. Both communal and private facilities are seen in this view. The small building with double red doors is a communal toilet; an adjacent communal water tap is to the left of the toilet, in the center of the photo. The black plastic enclosures, such as the one in the left foreground, are private bath areas which are found on many of the individual erven.

changes in qualifications and application of affordability requirements, etc.) and is no longer in use. A concept paper was prepared to produce a second video explaining the responsibilities involved in home ownership in urban society. The former NASBOUKOR used to provide all purchasers with a booklet on home ownership in English, that NHE is now revising to be more positive and promotive in tone. The second video will be coordinated with the information in the booklet to ensure that they are reinforcing one another and do not present situations in different lights.

Maria Dax, NHE's Public Affairs Manager, is again serving as the liaison with video producers. Several producers are being requested to prepare a script and cost estimates based on the concept paper and the NHE booklet. The Project Team will then review the proposals, add any emergent issues and recommend which producer to follow up with.

Management of communal water taps

The management of the communal water taps, and the paying of the bills on a communal basis, has been a chronic problem early in this project. By the end of May most communities had their water bills under control, with community committees collecting payments from residents on a pro-rated basis according to the bill for the tap to which they were assigned, and promptly paying the municipality. Some communities agreed to occasionally pay the committee for this work out of the extra funds raised by round the household bill up (say, from R 2.75 per household, to R 3.00 per household); other committees decided to pay themselves in this fashion, and set off loud protests from their communities. While two communities were still experiencing problems with arrears, most communities now want individual water taps and sewage connections.

In some very animated group meetings in mid June held in the Women's Centre, which were attended by four committee and community members from each community, OHP staff, municipal water officials, Directorate of Community Development staff, and the two Regional Councillors, issues of understanding and fairness of municipal water billing processes and the demand for individual water connections surfaced as major concerns. Explanations of the billing systems and rationale for communal services were presented, and specific problems were invited to be discussed later on with the Community Development Team.

In preparation for those meetings, the CDWs found that water usage in all the areas has gone down over the months, indicating more controlled use of the water. This of course resulted in lowering monthly municipal water bills.

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All communities decided to continue use of the committee-administered water fees collection system. The issue of use of large volumes of water during housing construction was resolved along the lines of the system developed in Onheleiwa: specific water taps were designated for use by those people constructing houses, and everyone else was assigned to the other taps; the monthly bills were to be allocated according to who was using the specific taps during the month. Thus those using a greater volume of water for construction purposes would pay according to the amount of water used by all those building in that month.

The Operations Manual

The Operations Manual continued to evolve, all the information in the first edition was reviewed, edited and revised during this quarter. A copy of the OM is circulated with this Report as a separate document. Sections on processes and procedures for negotiation with residents, on securing tenure and selecting starter solutions were refined, some supporting tables were developed. Three worksheets were evolved, instead of the original, more complicated one:

- #1 is for sale of erven only;
- #2 is for selection of the starter solution house option;
- #3 is for the sale of the erf and starter solution house option at the same time.

The SCAs and the NHE management team have begun developing the voucher and the controls system to manage the implementation of the loans and the actual delivery of building materials according to phases of construction. The first draft of this system will be added to the Operations Manual soon.

Some households in the Upgrading areas have relatively high incomes or are entitled to housing subsidies from their employers; they can afford and might want more than what is offered by the Programme as starter solutions. While describing the housing options available in the upgrading program, the field personnel may inform these households that they can obtain a bigger loan with Programme's guarantee from the Building Societies participating in the Loan Guarantee Fund. An explanation of the Loan Guarantee Fund for information purposes for the field staff will soon be attached to the OM.

Training

Although neither the CDWs nor Self-help Construction Advisors (SCA) contingents were yet not at full staffing complement (only two of each), the training programme was instituted on schedule (a copy of the Training Outline, as well as the daily and later weekly training schedules is attached as Annex 2.5/b). The concept is to use a

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continuing training process. Emphasis was first on background and approaches to the programme work; then on the processes and procedures for securing tenure of the resettled population by assuring their purchase of the erven and finally in the selection and implementation of starter solutions.

In addition to the two CDWs and the two SCAs, the Project Administrative Officer also participated full time in the training. The Community Development Advisor organized the training programme, and ran many of the sessions. Other Team members, including the Programme Coordinator, Field Supervisor and Field Coordinator participated in some aspects of the training programme, and ran some of the training sessions.

A detailed analysis of the training and implementation process is in the "Lessons Learned: Erven Sales Exercise in Freedom Land" paper I distributed June 23rd, attached as Annex 2.1/b. The Community Development Advisor will continue training sessions in September-October for the entire team in community development promotion activities and upgrading planning, activities and support, including basic training for the new SCA and CDW. These sessions are likely to follow the previous pattern of half-day sessions during the first week, and shorter review and planning sessions in the subsequent weeks.

Training Trip

A training trip to visit a low-income housing project in an adjacent country is incorporated into the budget and planning of the Oshatotwa programme was envisaged for October 1993.

The purpose, planning and scheduling of this trip have been discussed among the Team members. As the purpose of the trip is to build on the field team's experience and to help them in continuing operations, it was felt that October would be too early for the trip. At that point the team will have only recently completed the tenure security phase (selling erven) and will be at the first lessons learned stage of starter solutions. Many of the issues at these early stages are unique to the resettlement aspect of the upgrading project. The field team members will just be moving into the questions and issues of maintenance, of repayments, concentration on community development (as opposed to individual security), and emphasis on step-by-step upgrading and control and promotion of those building operations and financing. Consequently, the trip seems to be better timed in 1994, once experiences on the full Project's cycle have been made, including the difficult tasks of enforcement and eviction.

Meanwhile, the SCAs and CDWs have the running assignment in mind that, prior to the trip, the group will

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establish specific goals of information and experiences they wish to obtain from the training trip. Additionally, each team member will have personal assignments, pertinent to their specific work and interests, on which they will collect information and materials, and prepare a report that will be supportive of the work in the Oshatotwa Housing Programme, and might be disseminated to other NHE departments.

Two documents on the Self-Help Housing Agency (SHHA) in Gabarone, Botswana, have been distributed to the CDWs, for information and as a preview of a potential site for the training trip. These include the manual in cartoon format called "Family Molefi's Housing Problems and How They Were Solved" (produced by the SHHA), and "Mansion in the Sky: A Lesson in Self-Help Housing from Gabarone, Botswana" (produced by the Cooperative Housing Foundation).

Proposals on the site to visit and a tentative schedule will be set in the September-October period. Contacts with potential hosts can then be made.

B. Work Programme and targets for next quarter

Operational targets for the third quarter were established by the Project Team through a participatory planning workshop. Conclusions are summarized in the following table:

ACTIVITIES	OUTCOME	ASSUMPTIONS	RESPONSIBLE
Assist in reorganizing communities	Workshop held with 2 communities to discuss methods of organization by-laws and objectives	Agreement with MLGH	CDWs+DK
Coordinate efforts with MRLGH activators in particular re leadership elections	Meetings with MRLGH activators, report with results and conclusions		CDWs + DK
Support efforts to develop Cty.Ctres. and get them operated by Cty., eventually with NGO cooperation	2 Cty.Ctres. managment. cttees. established and rules for operatn. constituted One support organizat. identified per Center	Communities and NGOs cooperate	CDWs+DK
Assist communities in organizing the management of water taps and public toilets	Report on situation of water taps and public toilets with recommendations for action	Municipality cooperates	CDWs+DK

2.6 INSTITUTIONAL DEVELOPMENT

A. Evaluation of progress

TARGETS FOR QUARTER

In order to strengthen NHE's implementation capacity and improve cooperation with the Ministry of Regional and Local Government and Housing, the Municipality and NGOs the following activities had been envisaged for the last quarter:

- Review and update the Operational Manual
- Organize a first training workshop for Community Development Workers and Self-help Construction Advisors
- Evaluate role and future potential of the MRLGH community activators and of NGOs
- Improve monitoring and evaluation system
- Promote inter-institutional dialogue on housing issues.

REALIZATIONS, PROBLEMS ENCOUNTERED

The Operational Manual has been considerably improved. Some procedures have been detailed and specified, others have newly been introduced. A new layout makes the Manual user-friendlier. The Manual is considered a working tool which has to be adjusted as work goes on. It will still take a long time to get all relevant procedures and mechanisms sufficiently defined. As the Manual is part of the Programme process, there will actually never be a final version.

The Community Development Advisor was in charge for reviewing and complementing the Manual. Important modifications were introduced during the training workshop. Some inputs were produced by the Institutional Advisor. The Manual has already been requested by NHE staff from other departments. The idea of having complete documentation of how the Programme works is in accordance with NHE's strategic objectives of improving effectiveness and operational autonomy.

The Community Development Advisor also organized the first training workshop for Community Development Workers and Self-help Construction Advisors in which the Programme Coordinator, NHE personnel, the Field Supervisor and the Field Coordinator participated as resource personnel for special sessions. As in the case of the Manual the training effort will have to continue and cover new issues as the Programme develops.

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Possibilities of cooperation with the MRLGH community activators and NGOs in the upgrading areas have been evaluated, but not yet been put into joint action. As the Community Development Workers need support for attending requests which are not directly linked to the Programme, the issue will be taken up again in the next quarter.

Regular progress evaluation meetings have been held to specify and adjust the work programme according to necessities. As the main policy decisions of the Programme have been taken, a monitoring and evaluation system with quantitative targets could be introduced (e.g. "600 deeds of sale signed by Sept. 10" and "50 starter solutions defined by end of Sept."), in a participatory planning workshop using visualization techniques, moderated by the Institutional Advisor. Both the progress evaluation meetings and the quarterly planning workshop are considered effective management instruments and will be regularly used in the future.

The inter-institutional dialogue on housing issues was mainly promoted by the Field Supervisor and the Programme Coordinator. In the following issues some progress was achieved:

- The Municipality recognizes more and more NHE's competence in the field of low-cost housing and is ready to discuss the delegation of certain approval functions to NHE.
- The Municipality also demonstrates openness in discussing the reduction of layout and infrastructure standards in order to make housing solutions more affordable; the Municipality has e.g. proposed a reduction of minimum plot sizes to the Ministry of Regional and Local Government and Housing.
- The Municipality and the Ministry are increasingly aware of the necessity of a reception area where immigrants and those who cannot afford other housing solutions can settle informally.

There is still little coordination between the main actors of the housing process going on. For the next quarter the establishment of a National Housing Committee should be promoted to facilitate communication and the implementation of the National Housing Policy.

B. Work Programme and targets for next quarter

Operational targets for the third quarter are summarized in the following tables:

INSTITUTIONAL DEVELOPMENT

ACTIVITIES	OUTCOME	ASSUMPTIONS	RESPONSIBLE
Prepare German Minister's visit	Positive media coverage of Visit 1.09		Maria Dax; AT PC-Mr.Kenneweg
Hire and train one SCA + one CDW	Both operative by mid September		Hire:NHE,Conslt Train: DK
Prepare proposal for training trip	Proposal and contacts made by end October		PC-DK
Disseminate Operation Manual within NHE	Meeting presenting manual to NHE's personnel		PC-DK
Promote inter instit. housing committee	Hsng.ctee.meets once before end of Oct.	MLGH,Mplty. and other institutions willing to particip.	PC, KMcN
Prepare proposal for second KfW sponsored project	Research report and proposal submitted by end of Sept.		PC + (?)
Organize quarterly evaluation and planning workshop	Workshop held with 10 Oct. with Pr.Team, Documentn.ready 15/10		CTA, PC Programme Team

REPORTING

Prepare and submit monthly reports	Reports ready, sent to NHE, KfW and SUM one: 06/08, one 03/09		AW, PC, KMcN
Third quarterly report	Draft ready 01/10 Edited, sent: 15/10		AW, DK JAC

AT: NHE's CEO, Axaro Tsowaseb
PC: Programme Coordinator, W.Schulte
DK: Don Kurtz, Cty.Dev. Advisor

AW: Field Coord. Andrew Walton
KMcN: Field Supervisor, K.McNamara
JAC: Chief Techn.Adv.,J.Crispo

2.7 NHE'S RESOURCE CENTER

The re-organization of NHE's library is now completed and ready for use by outside organizations. The library is organized according to the Dewey Classification System, and is divided into General, Reference and Periodical sections. It was decided to rename it as NHE's Information Center.

The initial project proposal envisaged to employ a librarian and an assistant. However, it was felt that the amount of work to be done does not justify two people to be employed. The assistant was asked to leave at the end of May. To date, an amount of Rs. 10.705 was been paid out in salaries for the personnel of the Resource Center.

On June 24 the Information Center was officially opened to the public. Eighteen outside organizations were invited to the opening ceremony, as well as representatives from the German Embassy and KfW. NHE's Chief Operational Executive urged non-governmental organizations to make use of the Information Center and offered them the use of NHE's Auditorium, as part of a policy of working together with NGOs to alleviate the housing problems of the lowest-income sectors. They were also requested to submit suggestions for the purchase of additional material.

Representatives of various NGOs expressed their willingness to use the facilities offered and initiate a process of exchanging books and information between different centers in Windhoek. Since then, many NGOs have formalized their membership in the Center and started using the facility as well.

3. EXECUTING AGENCY AND ORGANIZATION OF PROGRAMME

3.1 RECENT DEVELOPMENTS AT NHE

In April 93 Mr Alpheus Gaweseb was appointed Chief Operating Executive of NHE. Other major changes of personnel have not taken place in the last quarter.

In April 93 the Parliament passed the NHE Act by which the transition from former pre-independence National Building and Investment Corporation of Namibia to post-independence National Housing Enterprise is legally concluded. The parliamentary Act demonstrates the increased political recognition and public credibility which NHE has meanwhile achieved.

A crucial event for NHE's internal development was a strategic planning workshop held also in April 93. NHE's broad mission was defined "to facilitate affordable housing opportunities." The following corporate objectives have been specified:

- Reorganize operational infrastructure to facilitate people-centered, process-orientated housing delivery emphasis
- Change the public image of the Corporation to reflect a people-centered, process-oriented organization whose operations focus on community participation
- Improve NHE's efficiency, autonomy and financial self-sufficiency
- Build a team of motivated and resourced personnel.

These objectives are intended to change NHE's housing delivery system entirely: The share of completed housing units for sale will be reduced, the share of self-build and self-help projects will increase. In many respects the Oshatotwa Programme is the first test case of the new strategy:

- with its clear-cut community development orientation,
- going to the clients instead of waiting for them to come,
- attempting tailor made settlement upgrading and housing solutions on a large scale,
- introducing up-front subsidies in line with the National Housing Policy,
- developing bulk land to cut down the costs of core house services and make them more affordable,
- mobilizing private sector capital through the Loan Guarantee Fund,

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- emphasizing training, participatory planning and evaluation as major tools of institutional development.

Though the long-term strategy definitely points towards the type of projects which are pioneered within the Oshatotwa Programme, NHE will still for some time depend on the execution of conventional housing projects for middle income families. It will not be easy to make the funds available for self-help support and community participation activities. There are clear signals that the Government subsidies will be withdrawn completely for the financial year 1993/94. The challenge is to find a balance between the commercially oriented conventional projects on one hand and the community participation and self-help oriented projects on the other.

3.2 ORGANIZATION OF THE PROGRAMME

Due to its innovative and strategic character the Oshatotwa Programme is organized as a special task group whose coordinator reports directly to the Chief Executive Officer. The advantages are short decision lines and direct communication to the top management, most important for the initial phase of implementation.

There are seven permanent members of the Programme Team: the Programme Coordinator, the Office Administrator, two Self-help Construction Advisors, all paid by NHE, and under the Consultant Contract the Field Coordinator and two Community Development Workers. Non-permanent Team members are the Field Supervisor, the Community Development Advisor, the Institutional Advisor and the Chief Technical Advisor, all under the Consultant Contract.

The particular arrangement of the Field Teams (with Self-help Construction Advisors hired by NHE and Community Development Workers hired by the Consultant) has so far worked quite well, due to a particular training and team building effort organized by the Community Development Advisor and strict supervision by the Programme Coordinator.

In the future more attention should be paid to the diffusion of information on the Programme. Other departments, particularly the task groups of the Technical and Social Services Section, should benefit from the experience gained, both in the field working with the clients and administratively by developing new procedures.

3.3 PERSONNEL

During the last quarter two of the three envisaged Self-help Construction Advisors have been hired by NHE. Both gentlemen, Mr Ernst Mathias and Mr Brian Graig, worked as quantity surveyor and clerk of work in various construction firms; they have good communication skills to do their job in the field. They have been trained, together with the two Community Development Workers, by NHE personnel and the Consultant under the guidance of the Community Development Advisor.

When the process of selling the erven started in June, the SCA helped the CDWs in completing the worksheets and preparing the deeds of sale. Though there is a certain pressure to get the deeds of sale signed as soon as possible and the workload of the two Community Development Workers is tremendous, it is recommended that the SCAs should focus on the definition of starter solutions in the next quarter. Contacting the potential clients, explaining them the Programme, developing the starter solutions with those interested, preparing the individual work schedules and supervising construction is a time consuming process. The third CDW has been hired and will join the Team at the beginning of September, and a third SCA is going to be hired by the end of August.

The present Programme Coordinator, Mr Chris Steenkamp, will probably leave NHE very soon. The Chief Executive Officer has promised to do everything in order to fill the gap as soon as possible and keep the Programme going. When this Report was written a new Programme Coordinator was not yet appointed.

Given the size and complexity of the Programme and the need to deal directly with nearly 1500 beneficiaries, it is suggested that instead of one coordinator, NHE consider the convenience and feasibility of appointing two persons: one to coordinate the Upgrading Project and the other the for the Core-House Projects. Each sub-Project requires different kind of management and communications skills. The model already on use for the Loan Guarantee Fund, independently coordinated by NHE's Senior Manager of Finance, Planning and Control, could thus be extended for the other two main components.

3.4 COORDINATION MECHANISMS

Memos and the weekly team meetings each Tuesday continue to be the most important internal coordination mechanism. Regular evaluation meetings helped to adjust the work programme regularly; a computer programme is being introduced to facilitate a quick printout of these updates. Participatory planning workshops were introduced

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as a tool for revising the work programme with the entire team, agree on realistic targets and assign responsibilities. An increased team spirit and identification of team members with the Programme's objectives was also a side effect of this experience.

From April till the beginning of June the Field Supervisor produced weekly reports on the progress of the Programme. The short reports, countersigned by the Programme Coordinator turned into an effective instrument of keeping NHE, SUM Consult and KfW informed. As the Programme is now more and more defined the frequency of these reports can be reduced in the next quarter; short monthly reports are suggested to inform about progress in July and August, before the next Quarterly Progress Report due by the end of September.

3.5 LOGISTICS

As explained in 2.1 (Community Centers), construction of the Site Office is delayed. The original idea of having one site office has slightly changed: the Field Teams realized besides that it would be convenient to use all envisaged community centres as temporary site offices.

The first community centre at Onghuwo ye Pongo, until now a simple shade structure, will be extended and receive an additional room which can be used as a site office; expected completion date: end of August. A similar community centre will be constructed in Greenwell Matongo; completion date: end of October. The community centre next to municipal offices of Okuryangava, envisaged as the main temporary Site Office will also probably be ready by the end of October.

Meanwhile the CDWs use a caravan as a mobile office in the upgrading areas. NHE is providing it, recognizing the hardship of field work, especially during the cold evening hours of the last month, with temperatures close to 0°.

As far as office equipment is concerned the Team has recently bought a computer and a printer, and some office furniture.

4. COOPERATION WITH OTHER PARTIES

4.1 MINISTRY OF REGIONAL AND LOCAL GOVERNMENT AND HOUSING

The Ministry has recently incorporated the Directorate of Regional Government, in addition to the three existing ones of Local Government, Housing and Community Development. NHE is politically accountable to the Ministry; the Permanent Secretary and the Director of Housing are on NHE's Board of Directors. NHE is, on the other hand, an autonomous institution and does not depend financially on the Ministry.

Being a programme of cooperation between two governments the Ministry is automatically involved in the Oshatotwa Programme. Direct support was given during the inception phase and to the Steering Committee which met when implementation started. The Ministry also participates when decisions with consequences for the National Housing Policy are taken: the Ministry approved e.g. the introduction of the innovative up-front subsidy scheme, but refused a reduction of minimum plot sizes in order to make solutions more affordable.

On a nationwide scale the Ministry is implementing the Build Together Programme. This Programme is also targeted to the same low-income groups as the Oshatotwa Programme, but follows other principles and has more favorable financial conditions, like e.g. relatively high interest rate subsidies and no initial savings requirements. The focus of the Build Together Programme is on the smaller towns of Namibia. However three projects are envisaged in Windhoek which may affect repayment behavior towards the NHE Programme, particularly a project which aims at resettling the Ombili squatters to Rocky Crest, an area at the Western periphery of Windhoek (approx. 350 households).

In a recent internal analysis NHE considers the Build Together Programme both as a threat and an opportunity. So far the flow of information on the Build Together Programme is rather sketchy. It is strongly recommended that the flow of information should be improved and formalized. As the Ministry receives regularly the Quarterly Progress Report on the Oshatotwa Programme, NHE could request the Ministry to provide progress reports on the Build Together Programme. The next step would be to have joint meetings to share the experience with both programmes and discuss common problems.

Another area of common interest is related with the community development activities in the upgrading areas where an interesting division of labour could develop: The Community Development Team of the Oshatotwa Programme concentrates on the preparation of loan contracts, infrastructure improvement and community centres, whereas

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the Community Activators of the Ministry's Directorate promote representative leadership, community organization and communal action. The problem is that the Ministry's Community Activators are not often seen in the field though they are usually invited to the meetings. As a result the community leaders approach our CDWs who are busy with their tasks, but cannot always refuse support. For the next quarter another attempt is scheduled to improve cooperation between the two teams.

4.2 MUNICIPALITY OF WINDHOEK

Cooperation with the Municipality of Windhoek has improved considerably, not only in the day to day working relations, but also on conceptual matters.

In the last quarter the Municipality has approved the layouts for the first three core house projects, accepting a certain reduction of standards, particularly related with building value and electricity reticulation. The Municipality keeps insisting however on having tarred roads at the two core house sites of Khomasdal.

The Municipality has declared the readiness to cover the costs of materials required for infrastructure improvements in the upgrading areas, with an estimated cost of materials of R 360.000, the Municipality will make an important financial contribution to the upgrading component.

How seriously the Municipality takes up issues raised by the Programme, is evidenced by a paper on minimum plot sizes submitted to the Ministry of Regional and Local Government and Housing. With reference to a recent reduction of minimum plot sizes in Zimbabwe the Municipality suggests a reduction from 300 m² to 200 m² in Windhoek in order to obtain more affordable housing solutions.

4.3 COOPERATION WITH NGOS

The NHE is making an effort to involve relevant NGOs in their activities. For the opening of the Programme sponsored Information Centre 18 NGOs were invited which are active in the fields of housing and community development. All of them showed up and most of them have filled the registration form which allow them to make use of the Information Centre. Meanwhile some of them have come again and consulted the literature available.

A direct cooperation within the Programme has not come into existence yet. For the next quarter it is envisaged to

identify one or two NGOs interested in developing their activities in the upgrading areas and making use of the Community Centres.

4.4 PRIVATE SECTOR

The private sector is already participating in the Programme in different ways:

- On one hand, contractors, building material suppliers, surveyors and engineering consultants are providing different kinds of services;
- The SWABOU Building Society has joined the Loan Guarantee Fund and will commit its own resources to develop it. The SWABOU will also be instrumental in mobilizing private builders and developers to offer low-cost housing units within the range of loans supported by the LGF. It is expected that NAMIB, the other building society, will soon join the Loan Guarantee Fund.

4.5 STEERING COMMITTEE

The Steering Committee did not meet again in the last quarter. Both the Chief Executive Officer and the Programme Coordinator think that, after having agreed on the Programme concept, it is not necessary to call for Steering Committee's meetings during implementation.

When evaluating the experience, NHE members of the Steering Committee feel that the expected inter-institutional coordination has not been achieved though a lot of time was spent. All the difficult issues had to be dealt with and sorted out traditionally through individual meetings with the responsible specialists, like the plot size and up-front subsidy issues with the Ministry and the land and infrastructure related issues with the Municipality. Other complaints refer to a certain bias of hierarchy and lack of continuity: NHE was represented by high rank officials, but not all the other institutions; it was not always the same people who attended the meetings.

Another reason pointed out is that there are just too many meetings taking place on different issues of housing and urban development. Activities of committees that have worked well for a short period of time, like the one which formulated the National Housing Policy or the Squatter Steering Committee, were unfortunately discontinued without completing the processes initiated.

The establishment of a permanent National Housing Committee to discuss the urgent housing issues of Windhoek and Namibia could go a long way to adjust the National Housing Policy and to develop a more coordinated inter-

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institutional response to housing problems. It should be composed of high rank officials of the main institutions involved in housing (MRLGH, NHE, Municipality of Windhoek), representatives of NGOs and the private sector, and meet regularly. The idea of a Housing Committee has already been promoted by the Field Supervisor (who was previously involved in the preparation of the National Housing Policy), and by the Programme Coordinator. Areas to be tackled include:

- Flow of information and exchange of experience from Oshatotwa and Build Together Programmes
- Appropriate plot sizes and infrastructure standards
- Affordability, subsidies and loan recovery
- Reception areas
- Revision of the National Housing Policy.

In the next quarter readiness to establish the National Housing Committee should be tested. If a basic agreement among the main actors is reached, the Committee could take over the role of the originally envisaged Steering Committee. The inter-institutional approach should also guide the intermediate Programme evaluation and planning workshop, tentatively scheduled for February 1994.

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5. FINANCE

5.1 STATE OF ACCOUNTS

KfW Grant

The only disbursement of grant's funds during the second quarter was a payment of DM 50.000 towards the first quarterly installment to the consultants. The total amount disbursed from the grant stands now at DM 2.588.785; the balance to disburse at 7.011.215.

Disposition Fund

Three disbursements from the Disposition Fund have been authorized by the Chief Technical Advisor since his arrival in June, totalling Rs. 1.912.263,50. Out of this, Rs 1.900.000 were used for opening a fixed investment account in SWABOU for the creation of the Loan Guarantee Fund. KfW agreed to substitute the procedure originally envisaged (direct disbursement from KfW to a local financial institution), and create the Fund by transferring money from the Programme's Disposition Fund at the Commercial Bank.

A total of Rs 3.862.045,79 (including R 80 in Bank charges) has been disbursed since beginning of implementation, and an amount of Rs 253.567.82 remains in the Disposition Fund. The following table details account movements since establishment of the Fund.

Call Account - KfW Project

Date	Description	Debit	Credit	Balance
22/07/1992	Foreign Exchange		(3,727,678.52)	(3,727,678.52)
31/07/1992	Interest		(12,868.15)	(3,740,546.67)
31/08/1992	Interest		(44,476.64)	(3,785,023.31)
30/09/1992	Interest		(42,775.95)	(3,827,799.26)
31/10/1992	Interest		(44,701.35)	(3,872,500.61)
30/11/1992	Interest		(41,430.46)	(3,913,931.07)
31/12/1992	Interest		(40,720.97)	(3,954,652.04)
31/01/1993	Interest		(40,413.30)	(3,995,065.34)
28/02/1993	Interest		(33,536.66)	(4,028,602.00)
12/03/1993	Withdrawal 1&2	27,000.00		(4,001,602.00)
12/03/1993	Bank Charges	20.00		(4,001,582.00)
26/03/1993	Withdrawal 3&4	1,923,495.00		(2,078,087.00)
26/03/1993	Bank Charges	20.00		(2,078,067.00)
31/03/1993	Interest		(32,383.12)	(2,110,450.12)
30/04/1993	Interest		(17,866.55)	(2,128,316.67)
31/05/1993	Interest		(18,618.40)	(2,146,935.07)
11/06/1993	Withdrawal 5&6	11,470.79		(2,135,464.28)
11/06/1993	Bank Charges	20.00		(2,135,444.28)
30/06/1993	Interest		(18,123.54)	(2,153,567.82)
05/07/1993	Withdrawal 7	1,900,000.00		(253,567.82)
05/07/93	Bank Charges	20.00		(253,547.82)

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From the initial transfer of DM 2.000.000, an amount of Rs 3.727.678,52 was credited into the account, an exchange rate of at a rate of Rs 1,8638 (instead of the Rs 1,8=1 DM assumed for budget purposes). Interest earned by the Disposition Fund since its creation amount to Rs 387.915,09. If the same rate of exchange is used to estimate the DM equivalent, grant funds are increased by DM 208.108,95, for a total (rounded) of DM 9.808.000.

As well over 75% of the initial deposit has been spent, the Disposition Fund should now be replenished. According to the envisaged disbursement schedule, an amount of DM 325.000 would be required for the next quarter. In the last quarter expenditures are expected to increase substantially as infrastructure upgrading and land development works proceed. As interests earned in Windhoek add substantially the amount in rands available for the Programme, it is suggested that a KfW transfer a minimum amount of DM 1.000.000

As agreed, Programme's expenditures will be financed by NHE and reimbursements from the Disposition Fund approved by the Chief Technical Advisor during his missions to Windhoek.

5.2 REVISION OF PROGRAMME BUDGET

An important revision of the Programme Budget was made during June to adjust it to recent developments, to updated information on households income and affordability and other considerations. Details of reasons for changes are included in the relevant sections of the report. The main changes involve:

UPGRADING PROJECT:

- A slight increase in the number of beneficiaries;
- NHE waived the proposed requirement of 10% initial saving on land purchase;
- The Municipality is cooperating with funds for water and sewerage lines;
- NHE decided to implement full water and sewerage reticulation instead of the originally proposed infrastructure upgrading;
- The number of potential starter solutions have been reduced from 600 to 400, the average cost increased to Rs 5.000.

CORE-HOUSES:

- Block land costs established by the Municipality were over 10% higher than expected;
- MRLGH's decision increasing the minimum size of plots from the envisaged 200m² to a minimum of 300 m² resulted in big cost-increases;
- Land development costs augmented due to imposed higher standards than originally proposed;

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- NHE will supply fully developed plots at Otjomuise to develop a fourth core-house project.

BUILDING MATERIAL LOANS:

- Reassessment of affordability in the upgrading areas and other considerations lead to sharply reduce the estimated potential number of loans.

The revised budget consolidates two elements: payments made and expected payments. The budget is shown in two currencies with varying exchange rates. For payments already made, the real exchange rate at the time of conversion of disbursements in DM from KfW is now used. For future payments, an exchange rate of 1 DM = 1,9 Rs. is adopted. (Both in the Inception Report and Quarterly Report N.1 an average exchange rate of Rs 1,8=1DM was used for budget purposes).

The table in page 58 resumes the updated budget; charts in p. 59/60 visualize and compare it with the original budget in the Inception Report. Except for the LGF, funds already disbursed (posts 1.1, 5.1, 7.1 8) were converted at the rate of Rs 1,8/DM; other budget posts were converted at the actual rate of Rs 1,9/DM.

5.3 ADHERENCE TO DISBURSEMENT SCHEDULE; ESTIMATED DISBURSEMENTS FOR THIRD QUARTER

The following table indicates projected and actual disbursements for the second quarter, total disbursements by component till end of June and projected disbursements for the third quarter according to revised work programme:

COMPONENTS	PROJCTD.DISB.	ACTUAL DISB.	TOTAL DISB.	PROJCTD.DISB.
	2nd.QUARTER	2nd.QUARTER	TILL 06/93	3rd.QUARTER
1. UPGRADING AREAS	80,0	6,8	1.073,4	160,0
1.1 Land & basic infrastr.	0,0	0,0	1.066,6	0,0
1.2 Infrastr.improvent.	30,0	0,0	0,0	65,0
1.3 Starter solutions	30,0	0,0	0,0	30,0
1.4 Community centers	20,0	6,8	6,8	65,0
2. CORE-HOUSES	75,0	0,0	0,0	35,0
2.2 Land development	75,0	0,0	0,0	35,0
2.3 Core-house construct.	0,0	0,0	0,0	0,0
2.4 Community centers	0,0	0,0	0,0	0,0
3. LOAN GUARANTEE FUND	1.000,0	1.000,0	1.000,0	0,0
4. BLDG.MATERIAL LOANS	0,0	0,0	0,0	0,0
5. CTY. DEVELOPMENT FUND	15,0	0,0	5,9	10,0
7. CONSULTANTS	120,0	120,0	588,8	120,0
8. RESOURCE CENTER	0,0	0,0	10,6	0,0
9. CONTINGENCIES	50,0	0,0	0,0	0,0
10. TOTALS	1.340,0	1.126,8	* 2678,7	325,0

* Includes payments made out of interests earned in Windhoek

DM x 1000

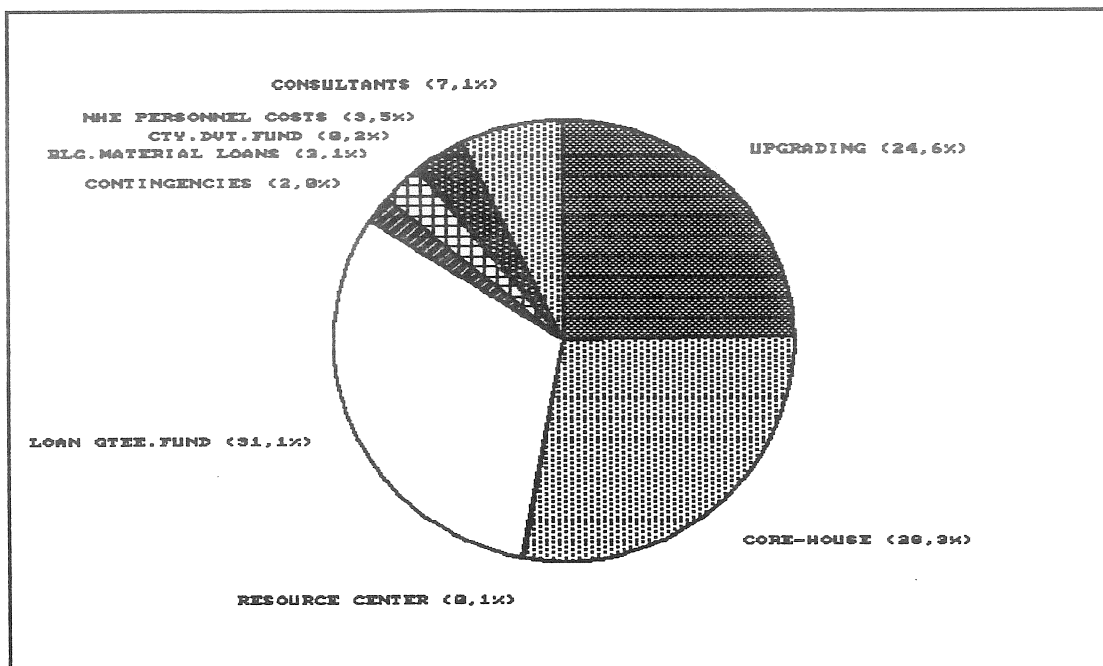
OSMARTON PROGRAMME - GENERAL BUDGET

REVISED JUNE 1993

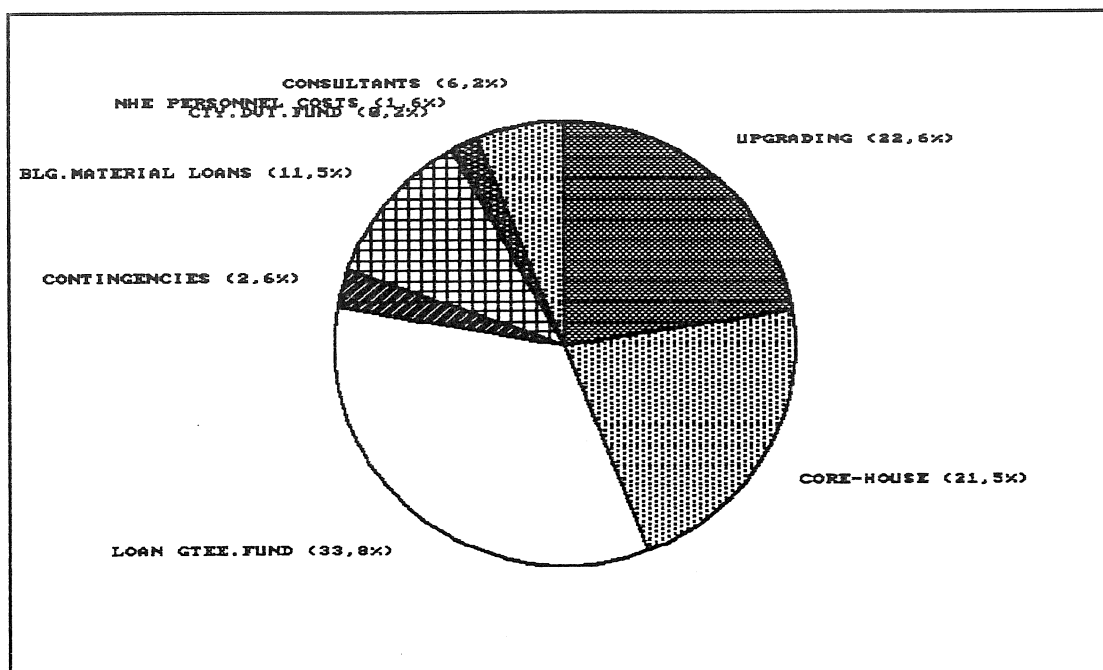
COMPONENTS	NUMBER OF SOLUTIONS	UPRG. COSTS RS	UNIT.	TOTAL COSTS RS	DH	KFH-DH	KFH-RS	SOURCE OF FINANCING		PR. SECT.	NUM.
								NHE-RS	BENEF-RS		
1. UPGRAIDING AREAS	1000	9.4		9,426	5,012	2,960	5,586	3,235	242	0	363
1.1 Land & basic infrast	1000	5.0		4,983	2,674	1,030	1,920	3,063	0	0	0
1.2 Infrast. improvement.				1,993	1,049	825	1,568	50	12	0	363
1.3 Starter solutions	400	5.0		2,000	1,053	895	1,701	99	200	0	0
1.4 Community centers	3	150.0		450	237	209	397	23	30	0	0
2. CORE-HOUSES	430	25.2		10,850	5,710	3,388	6,415	3,365	1,070	0	0
2.1 Land & basic infrast	430	7.7		3,324	1,749	0	0	2,992	332	0	0
2.2 Land development	229	5.6		1,271	669	569	1,081	63	127	0	0
2.3 Core-house construct	430	13.5		5,805	3,055	2,599	4,937	287	581	0	0
2.4 Community centers	3	150.0		450	237	221	397	23	30	0	0
3. LOAN GUARANTEE FUND				11,900	6,283	1,000	1,900	0	1,000	9,000	0
3.1 Loan Guarantee Fund				1,900	1,019	1,000	1,900	0	0	0	0
3.2 Private sector loans	250	40.0		10,000	5,263	0	0	0	1,000	9,000	0
4. BLDG. MATERIAL LOANS	300	4.0		1,200	632	512	973	107	120	0	0
5. CTY. DEVELOPMENT FUND				80	44	40	72	8	0	0	0
5.1 Production of 2 videos				20	11	10	18	2	0	0	0
5.2 Unassigned				60	32	30	54	6	0	0	0
6. NHE PERSONNEL COSTS				1,343	707	0	0	1,343	0	0	0
6.1 Personnel				1,013	533	0	0	1,013	0	0	0
6.2 Land survey/engineering fees				330	174	0	0	330	0	0	0
7. CONSULTANTS				2,722	1,448	1,448	2,722	0	0	0	0
7.1 Inception phase				520	289	289	520	0	0	0	0
7.2 Implementation phase				2,202	1,159	1,159	2,202	0	0	0	0
8. RESOURCE CENTER				38	21	21	38	0	0	0	0
9. CONTINGENCIES				834	439	439	834	0	0	0	0
10. TOTALS				38,393	20,295	9,608	18,540	8,058	2,432	9,000	363

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OSHATOTWA PROGRAMME-% OF COMPONENTS
June 1993 revision

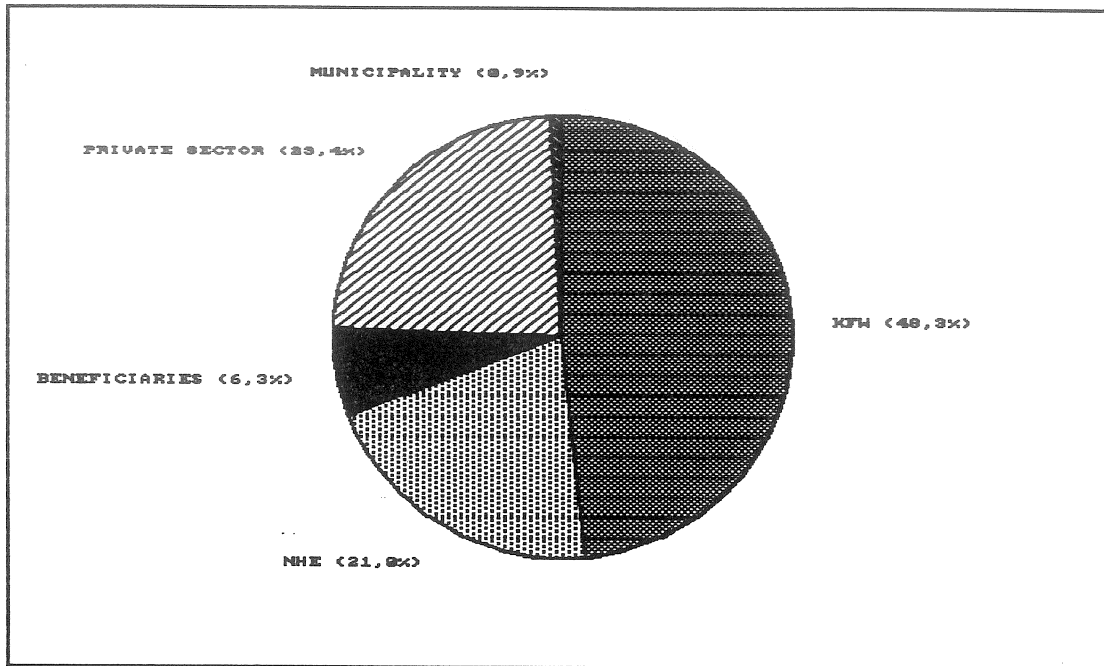


WLIHP-% OF COMPONENTS
Inception Report Budget

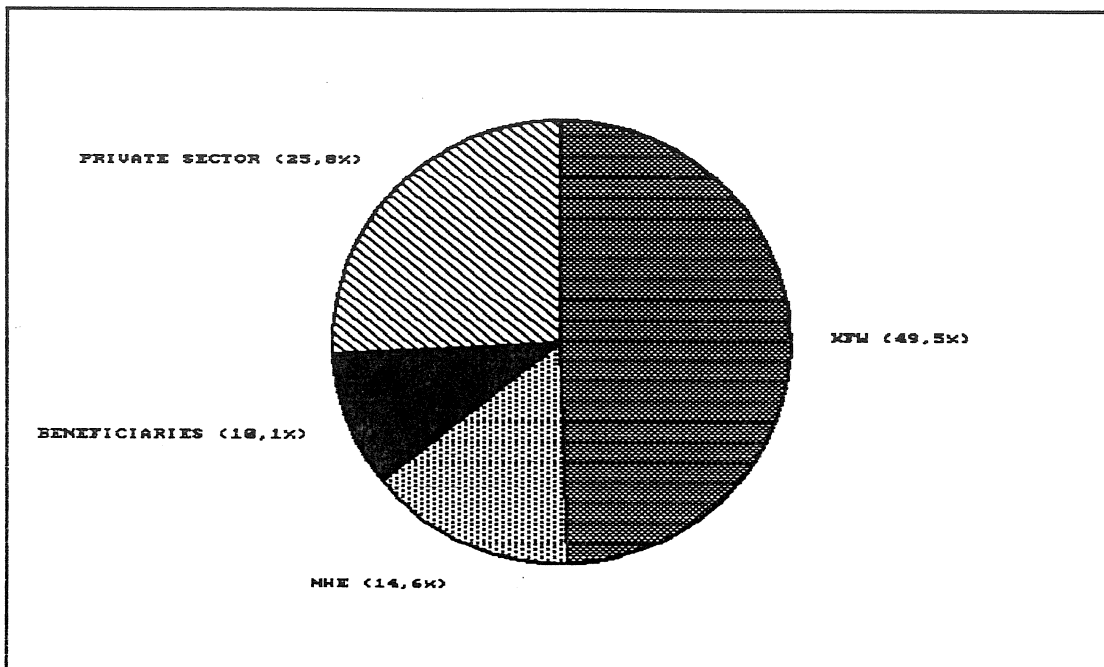


OSHATOTWA PROGRAMME-QUARTERLY PROGRESS REPORT 2-06/93-CHP.5

SOURCES OF FINANCE
June 1993 Budget



SOURCES OF FINANCE
Inception Report Budget



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- * Helped identify a fourth location for the core-house project at Otjomuise, arranged with NHE the supply of developed land and the increase in the total number of units in this project;
- * Worked with the Municipality and the engineering consultants appointed for the Upgrading and Core-House Projects to define standards, adjust work programs and contractual procedures;
- * Was involved in the final negotiations to launch and get operative the Loan Guarantee Fund;
- * Assisted the Programme Team in developing operating procedures for the different components;
- * Re-assessed budget assumptions and proposed a revised budget in line with developments since the beginning of implementation and household income data recently collected in the field;
- * Certified disbursements in second quarter;
- * Participated in some field community meetings;
- * Prepared and edited the final version of the Quarterly Progress Report N.2;

The Institutional Advisor's mission lasted for a month, since mid June to mid-July. During his mission the Institutional Advisor:

- * Assisted in the evaluation of information collected from the field, elaborated policies to deal with special situations encountered and re-assessed affordability of households with a view of revising the Programme Budget;
- * Reassessed potential for starter solutions and building material loans;
- * Organized and moderated planning workshop with all team members to establish work targets and assign responsibilities for next quarter. This method is to be incorporated as a quarterly feature of Programme Planning.
- * Helped prepare the visit to the Programme of the German Minister for Economic Cooperation;
- * Worked on improved coordination between the Programme and the Directorate of Housing in the Ministry of R and LG &H.
- * Assisted in the preparation of the Quarterly Progress Report N 2;

The Community Development Advisor's mission lasted for two months, from early May to end of June. During his mission, the CDA:

- * Reviewed and adjusted preliminary operating procedures outlined during the first quarter;
- * Updated the Operations Manual, adding new procedures when required;

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- * Was instrumental in coordinating Programme work with other NHE services, particularly the Loan Administration Dpt.;
- * Assisted in the preparation of community meetings, attended the meetings, evaluated the results and performance of CDWs and suggested changes when required;
- * Identified and hired two Community Development Workers;
- * Developed a training schedule and conducted training for the Project personnel;
- * Monitored development of working relations with MRLGH community activators;
- * Participated in the preparation of the Quarterly Progress Report N.2;

The Field Supervisor was involved on a part-time basis along the whole period. His main activities were:

- * Advise and monitor work programming and progress;
- * Advise on policy and procedural matters, assistance in solving pending issues that were delaying Programme implementation;
- * Preparation of weekly Progress Reports and participation in Team meetings;
- * Institutional development, specially regarding coordination with the Municipality and MRLGH; promoting the creation of a Housing Committee and Reception Areas;
- * General backstopping to the Programme Coordinator and the Field Coordinator.

The Field Coordinator was involved on a permanent basis during the period. His main activities were:

- * Revising lay-out plans for core-house projects after MRLGH decision on plot size, presenting them to the Municipality and giving follow-up to the matter till obtaining Council's approval;
- * Submitting plans to NAMPAB and obtaining approval; preparation of documentation and submission to Township Board;
- * Negotiating with Municipality reduction of planning standards and infrastructure development;
- * Supervision of elaboration of CAD technical drawings for core-house and upgrading projects;
- * Assistance in appointing engineering consultants and land surveyors, briefing them, coordinating and monitoring of their work;
- * Design of two community centers, supervision of preparation of technical drawings, of construction, control of payments to contractors;
- * Cooperation with the Project Coordinator in the preparation of work schedules and monitor of work progress;

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The involvement and tasks performed by the Community Development workers are described elsewhere in this report.

6.3 CONSULTANT'S SCHEDULE FOR THIRD QUARTER

The following table indicates scheduled assignment of consultant personnel for the third quarter of implementation:

PLANNED ASSIGNMENT OF CONSULTANT PERSONNEL
THIRD QUARTER 1993

PERSONNEL		JULY	AUGUST	SEPTEMBER	MONTHS
Chief Technical Advisor	JAC	xxxxxx			0,7
Institutional Advisor	RZ	xxxx			0,5
Community Development Advisor	DK			xxxxxxxxxxxx	1,0
Field Supervisor	KMN	x x	x x	x x	1,0
Field Coordinator	AW	xx			3,0
Community Development Worker 1	SS	xx			3,0
Community Development Worker 2	AT	xx			3,0
Community Development Worker 3	PT			xxxxxxxxxxxx	1,0

- | | |
|----------------------|---------------------|
| JC: Juan Crispo | RZ: Roland Ziss |
| DK: Don Kurtz | KN: Kerry McNamara |
| AW: Andrew Walton | SS: Sophy Shaningwa |
| SK: Salmi Kaulinge | AT: Aune Tjirare |
| PT: Petronella Taaru | |

7. STATE OF FULFILLMENT OF CONDITIONS

With the exception of para 3.4 of Separate Agreement, 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 house projects (Financing Agreement, Article 6.1 i).
 - The financial burden of the household cannot be assessed yet empirically, as only some loan contracts have been signed in the upgrading areas. With the basic concepts of affordability and sustainability it will be unavoidable that the poorest households will have to leave the Programme. However, up-front subsidies will provide poorer household access to the Programme and every effort is made to maintain the number of leavers as small as possible. When assessing the payment capacity for starter solution loans, a maximum financial burden of only 20 % of the household income for housing is assumed (Financing Agreement, Article 6.1 j).
 - Selection procedures have been largely determined for the core house beneficiaries. In the resettlement areas all households automatically are Programme beneficiaries. Gender specific selection criteria do not seem to be relevant in the urban context of Windhoek (Separate Agreement, para 3.3).
 - Because of inefficiencies the Steering Committee did not meet again (see chapter 4.5). It is suggested to establish a high rank National Housing Committee, but the readiness for commitment of the other institutions has still to be tested (Separate Agreement, para 3.4).
 - Community Development Workers and Self-help Construction Advisors promote actively the participation of beneficiaries in the Programme (Separate Agreement, paras 3.5 + 3.6).
 - For all contract construction work and the purchase of building materials in bulk tendering is envisaged (Separate Agreement, para 3.7).
 - NHE will not use any asbestos cement product in the Programme (Separate Agreement, para 3.8).
 - NHE is addressing NGOs not only to invite for participation in the Programme, but also as beneficiaries of the Resource Centre (Separate Agreement, para 3.9).
-

OSHATOTWA PROGRAMME - QUARTERLY PROGRESS REPORT 2 -JUNE/93

ANNEX 2.1/a

**MUNICIPAL COUNCIL'S
RESOLUTION
ON INTERIM RATES AND TAXES**

6. That the Municipal Council delegate its authority, conferred on it in terms of section 50 of the Local Authorities Act No. 23 of 1992, to approve the temporary use of a public open space for the purpose of palm reading and other uses as it may deem fit, to the Management Committee with the unconditional authority for further delegation to the City Engineer, the Director Properties and Protective Services and the City Health Officer, provided that such uses fall within the parameters described in paragraphs 1 to 5 above.

 [Municipal Council Agenda: 1993-04-28]

3.3.2.4 F.3 NATIONAL HOUSING ENTERPRISE -
 EXEMPTION FROM PAYMENT OF ASSESSMENT
 RATES
 (5/3/1/1)

On 22 February 1993 a letter was received from the National Housing Enterprise stating that they had recently applied to the Municipality for exemption from payment of rates and taxes on certain erven owned by National Housing Enterprise.

The erven in question were those used to resettle about 960 households who had previously squatted on municipal land adjacent to the Katutura Single Quarters. The relocation operation was a joint venture involving the Ministry of Local Government and Housing, National Housing Enterprise and the Municipality as the main players on the Resettlement Committee.

They, however, were informed on 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.

National Housing Enterprise once again appealed to the Municipality to reconsider its decision on the grounds stipulated on pages 35 - 36 attached to the agenda.

The financial implications of their request for exemption of payment for assessment rates only are as follows:

	R
Goreangab Extension 1	5 725,76
Erven 2096 and 2098, Okuryangava Ext. 3	11 828,52
Erven 2311 and 2312, Okuryangava Ext. 5	4 627,48
Erf 2313, Okuryangava Ext. 5	23 983,37
Erf 2320, Okuryangava Ext. 5	15 968,51
Erf 2324, Okuryangava Ext. 5	1 486,28
Erf 2326, Okuryangava Ext. 5	9 588,03
Erf 2329, Okuryangava Ext. 5	7 678,14
Erf 2332, Okuryangava Ext. 5	<u>1 875,58</u>
	<u>82 761,67</u>

The National Housing Enterprise requested exemption from payment and the Managing Director argued that the squatters of the single quarters actually squatted for "free" at the single quarters using municipal services without payment and also not paying assessment rates. Once the National Housing Enterprise moved the squatters, the National Housing Enterprise suddenly became liable for squatters' financial liabilities towards the Municipality. This did not seem to be fair practice.

The Local Authorities Act, 1992 (Act Number 23 of 1992) does not provide that the National Housing Enterprise may be exempted from the payment of assessment rates and it does not provide that the assessment rates may be reduced. Section 30(1)(z)(ii) of the Local Authorities Act provides that the Local Authority Council shall have the power with the prior approval in writing of the Minister in every particular case and subject to the conditions as he/she may determine, to make grants or donations.

After consideration, the Management Committee

RECOMMENDED

That, subject to Ministerial approval in terms of Section 30 (1) (z) (ii) of the Local Authorities Act 23 of 1992, the National Housing Enterprise be exempted from payment of assessment rates for the period up to 31 January 1993 as follows:

	R
Goreangab Extension 1	5 725,76
Erven 2096 and 2098, Okuryangava Ext. 3	11 828,52
Erven 2311 and 2312, Okuryangava Ext. 5	4 627,48
Erf 2313, Okuryangava Ext. 5	23 983,37
Erf 2320, Okuryangava Ext. 5	15 968,51
Erf 2324, Okuryangava Ext. 5	1 486,28
Erf 2326, Okuryangava Ext. 5	9 588,03
Erf 2329, Okuryangava Ext. 5	7 678,14
Erf 2332, Okuryangava Ext. 5	<u>1 875,58</u>
	<u>82 761,67</u>

Financial implications

R82 761,67 Vote 10/1/...

[Municipal Council Agenda: 1993-04-28]

8.3.2.5

**J.3 44TH ANNUAL CONGRESS -
ASSOCIATION FOR LOCAL AUTHORITIES
IN NAMIBIA
(13/4/10)**

Notice was received that the forty-fourth annual congress of the Association for Local Authorities in Namibia will be held on 16 and 17 June 1993 in the Safari Hotel, Windhoek.

The Secretary of the said association requested motivated subjects for discussion for inclusion on the agenda on or before 11 May 1993.

In view of the urgency of the situation and to expedite future procedure, the Management Committee

RECOMMENDED

That the Management Committee be authorised to consider and approve items for discussion to be included in agendas of congresses of the Association for Local Authorities in Namibia as well as finalise all matters relating thereto.

=====

OSHATOTWA PROGRAMME - QUARTERLY PROGRESS REPORT 2 -JUNE/93

ANNEX 2.1/b

DESCRIPTION OF FREEDOM LAND
EXPERIENCE

22 June 1993

TO: C STEENKAMP
K McNAMARA
P CRISPO
R ZISS
A WALTON
S SHANINGWA
A TJIRARE
B GRAIG
E MATHIAS

FROM: D KURTZ *D Kurtz*

SUBJECT: LESSONS LEARNED PAPER ON FREEDOM LAND ERVEN SALES

Following is a copy of the paper I've thrown together (and some places it may actually have that appearance of not exactly fitting) in which I try to cover the experience of the first intensive sale of erven exercise which we undertook in Freedom Land.

The paper tries to incorporate both training and field experience, and the supporting discussions and processes that went on within the team and with NHE.

It should be considered a working paper, not a polished and definitive analysis.

OSHATOTWA HOUSING PROGRAMME
National Housing Enterprise
Windhoek, Namibia

LESSONS LEARNED:
Erven Sales Exercise in Freedom Land

Background:

At the end of May 1993, final basic policy and price decisions were completed by the National Housing Enterprise (NHE) and relevant minister and municipal authorities, concerning sale costs for erven in the Oshatotwa Housing Programme (OHP). NHE chose to concentrate on selling the erven (and starter solutions later), beginning in the Freedom Land settlement, because of the longevity of those residents on those erven (second longest to Onghuuo ye Pongo).

The project team decided to begin the training session on 1st June 1993, Community Development Worker (CDW) and the second Self-help Construction Advisor (SCA) were to begin work on that date. Plans were to emphasize, after general introduction of NHE and OHP, first the process, policies and procedures of selling the erven, and then the processes, policies and procedures involved in deciding on the starter solutions, including the options available and selection of affordable solutions.

Preparation and Training: Worksheets and Tables

In February and March, and in May, a worksheet evolved to make the transition between the application (made some six months or more before the erven could actually be sold), to adjust to changes in status, and to calculate the exact monthly repayment rate on loans to cover the purchase of erven and starter solutions. At first, a single worksheet was tried, to cover all variations; however, that became almost as complicated than an income tax report form. Consequently, three worksheets were developed. The first (Worksheet # 1) is for use for sale of the erf only. The second (Worksheet # 2) is for selection of a starter solution. The third (Worksheet # 3) is for sale of both the erf and the starter solution at the same time.

A variety of calculations were provided in table form, so that figures could be entered from reference sources rather than from on-the-spot calculations, in the hopes of increasing accuracy. A separate section was set up in the Operations Manual for forms, tables and information specifically needed for working with in the field to prepare the three Worksheets. This section is called the Field Manual, and can be easily extracted and carried around to various sites in a smaller notebook or binder.

The tables developed for the Worksheet effort originally were three. The first was the Subsidy Rates Table, which presents the Up-Front Subsidy Rates for Erven by PHSL and income range levels.

The second table is the Erven Prices and Fees Table. This identifies the two groups of resettlement communities, and the prices of the erven for each of those two groups. It also shows the monthly amount of transfer fees and bond registration fees that will be charged on that erf's sale.

The third table is the Starter Solution Options Table. This shows, for each starter solution type house, the options available within that type, so that when a person decides on a Type A 4 house, for example, within the category, he or she also selects the basic solution, or one of three other options.

The Field Manual also includes diagrams of each of the 10 Type A and six Type D solutions, 14 of which include four options within each type (Type D 1 and Type D 2 include only two options each).

[In mid June another option was discussed (the walls of the bathroom), as so many people seemed to want them right away. These could be built within any option except Type D 1 and Type D 2. That option had not yet been decided upon nor fully developed and costed as of this writing.]

During the training exercises, an additional table was added to allow field workers to calculate the exact costs of a loan. That is the Erf Amortization Table, which shows the monthly repayment amounts for the various erf prices and up-front subsidy rates combinations.

Preparation and Training: Staff Training

On 1st June, training sessions for the Community Development Workers (CDW's) and the Self-help Construction Advisors (SCA's) were begun. A copy of the CDW & SCA Training Outline, as prepared before the session, is attached. The intention was to spend the first week with morning training sessions in the office, and afternoon sessions doing field work. That plan was interrupted the first day when it became clear that NHE expected the OHP staff to do the entire worksheet and deed of sales operations for selling the erven, and later, for selling the starter solutions. This led to the revising of the Worksheet # 1 to enable the field staff to calculate the exact monthly repayment costs, and to the preparation of the Erf Amortization Table (mentioned above).

It also required additional training time to learn the revised Worksheet # 1, so that two full days were held in the office in training, and on the second evening a mass meeting was held in Freedom Land to introduce the concentrated process of first selling the erven (which is to be followed shortly by a concerted effort to process starter solutions for all eligible and interested erven owners).

The original training plan had been to begin processing starter solutions in Onghuuo ye Pongo during the same week, but that plan was delayed after the first introductory sessions on starter solutions produced some confusion in the field work processing the erven sales (some personnel confused the use of Worksheet # 1 - Erf Sales, and Worksheet # 2 - Starter Solutions).

The conversations following these sessions led to revisions of the work load. It also

became important to NHE to process the sales of as many of the erven as possible before the end of July, so that the prices would not have to be increased to account for the additional municipal rates and fees that would accrue to the agency after that date. NHE staff were allocated to process the Deeds of Sale, so that the OHP personnel could concentrate on the preparatory field work required prior to the signing of the Deeds of Sale.

Except for the glitch of some confusion between use of Worksheets #s 1 and 2, the staff quickly became competent at completing the Worksheet # 1 during the field sessions in Freedom Land. It quickly became evident that the slowdown in processing the applications was the many exceptions to the rule.

In addition, the high proportion of the residents, especially those in the informal sector, who did not meet the formal affordability standards of the NHE, greatly added to the time required to process worksheets. Income was hard to identify, even though the shanty facilities and furnishings indicated a source of support above and beyond what formally identifiable sources documented.

In response to this situation, and in light of the fact that Deeds of Sale for Onghuuo ye Pongo had been signed by NHE with many residents there who were unable to document affordability, the NHE decided to proceed with Deeds of Sale for the rest of the resettled population who may not be able to show formal affordability at the present time on a conditional basis. Under this decision, all those who cannot show formal affordability may proceed with signing the Deeds of Sale, along with a "Declaration of Understanding" (copy attached). This allows for a period to prove ability to pay over the first six months following the sale (instead of requiring the meeting of an affordability formula).

This evolving process works to secure tenure of the people settled in the upgrading project sites. It responds to the concerns expressed in the first quarterly report about the high number of occupants not able to show formal affordability (who were threatened with removal from the site before and without a chance to show if they had the ability to meet the minimum repayment amounts, i.e., for the erven). It also provides an alternative to the suggestion of consideration of temporary leasing or renting the land to those not meeting the formal affordability requirements.

Through this "conditional" mechanism, residents are given the chance to show their repayment abilities even though they cannot currently prove formal income sufficient to meet NHE affordability standards. In cases where repayment is done in a satisfactory manner over the first six months after signing of the deed of sale, the resident will be considered to have shown affordability through informal structures; study of those informal financing structures may prove useful in re-evaluating NHE's formula for determining affordability to take into consideration such informal networking among lower income housing applicants.

A negative repayment performance during this "conditional" period will require a response of either change of ownership, with the agreement of the resident, to someone able to prove affordability; or eviction from the erf by NHE.

Files and Records:

In addition to the standard green Loan File that NHE establishes for erven/house sales,

the OHP uses a field file, called the Individual Household File and kept in a plain blue folder. The purpose of this file is to provide a working, portable file that can be carried to the field. It does not include originals of primary documents, such as Application Forms and Deeds of Sale, and thus does not require as secure a handling and storage procedure as is rightly required for the Loan File.

The blue Individual Household Files include a map of the community, with the specific erf highlighted; a photocopy of the Application Form; a worksheet (loose); and a registry of meetings, notes, etc., sheet attached to the inside left cover. New documentation, such as copies of current payslips, will be inserted into this file, along with any other appropriate updating data.

The Freedom Land exercise is a practical run to prepare for intense and shorter-term efforts in the other areas to process erven sales for the entire resettled population. A variety of glitches were identified, ranging from such things as 17 names on the computer printout lists not having green Loan Files, to about a dozen unoccupied erven not listed on the printouts (they were simply omitted, not identified as "unoccupied").

These lapses in the system are generally attributed to the new and relatively complicated conditions of the resettlement/upgrading component of the OHP, such as the large number of people involved, and their resettlement onto the erven long before their ownership of the erven could be arranged. In some cases, files were found once occupants were identified; in some other cases, duplicate names confused the issues; and similar names (such as Saltiel Philpus and Philpus Saltiel) delayed organization of files and documentation. All this requires additional attention from the field team, and raises a number of special cases that cannot be routinely and promptly handled.

In preparation for field work (first house to house visitations were held; later specific heads of household were invited to a central meeting point -- which greatly accelerated the processing procedures), the first two parts of the Worksheet # 1 were prepared in the office. Names, ID N^os, erven numbers and the location (community name) were entered from the computer printouts; income and affordability data were entered from the "waiting list" printout for that area.

Field Work Experience:

The field work began with a mass meeting of Freedom Land residents on Tuesday night (2nd June). At that meeting, the process of completing worksheets as an intermediate step to the signing of Deeds of Sale was explained. Various questions were raised, mostly concerning ownership and repayment responsibilities (including bond insurance). Later we realized that people from the WASP project in Freedom Land also attended that meeting, and asked questions pertinent to that project that were not relevant to the Oshatotwa program, thus confusing the issues.

The outcome of that problem is the realization that, where there are non-Oshatotwa residents mixed into the community, it be made clear that this process is relevant only to Oshatotwa project participants. For example, in Area 1, the squatters resettled to Nangolo in March 1993, are not part of the project, and will be dealt with separately by NHE. Further, those people living in Onghuuo ye Pongo have already signed their Deeds of Sale, so

participation by them in the current round of erven sales discussions and interviews would be redundant, not to say confusing.

In the following days, the teams began door-to-door visits to the plots, interviewing those who happened to be available. In a two hour span, we found, we were doing only two or three worksheets per team. The team decided to concentrate on evening sessions at a central point, identifying specified households in advance and requesting them to come on scheduled evenings. The community committee became more involved in contacting these people, and in identifying times when those missed by the system could be contacted. This included a scheduling a few interviews in the mornings and at lunchtime, as well as one or two on the weekends.

We found that more than half of the occupants had regular work (in both formal and informal sectors), and were not available in the daytime (a few had afternoon and night jobs), so interview times had to be scheduled to meet their availability. Working evenings increased the interview rate from a couple an hour (as most of the time was spent looking for official owners) to about a dozen an hour.

In analysing the worksheet process and the resulting information on affordability, we found that only about 50% of the residents were meeting the documentable affordability standards of NHE, which in turn led to the decision of NHE to introduce conditional sales (as explained above). Many people falling into this conditional category have informal sources of income, including from such sources as day labour, shops in their homes, and family networks. Additionally, many of these people are single women with dependents. The conditional sale mechanism gives all of these people a chance to prove their ability to make repayments on schedule, and thus to establish their ownership and to secure tenure of the erven. Even if they cannot afford to build on the erven immediately, owning the land will make a dramatic improvement in their personal status, and in many cases may decrease their dependence on uncertain, temporary and shifting support mechanisms.

Securing documentation, especially of the source and amount of income, proved to be the greatest slowdown in the preparation of the worksheets, once the proper resident is found. Again, as the community's experience with the process grew, more and more people brought the appropriate documentation with them. However, there still were a few (those needing police certification of informal income, and those working for small businesses) who required extra efforts to obtain the required documentation. The CDW's actually ended up telephoning a couple employers to confirm income and to request that information in writing.

We also noted that, in the beginning, those with informal income were reluctant to go to the police to get certification of their statements of income. However, as a few began to go through the process and report back how routine it was, the other residents became less inhibited about undertaking this effort.

Unoccupied and Unlisted Erven:

At all sites, we know that there are a few of the project erven that are "unoccupied." This designation was given, on the computer, to all lots for which no one completed application form. In Freedom Land, our first round observations were that the six listed as "unoccupied" there were indeed physically unoccupied.

Cross-referencing with the original purchase list of erven, we also found that an additional 8 NHE-owned erven were physically unoccupied (not even squatters) and were not listed in any way on the two computer printouts (the Occupant/Erf number/Size printout, and the "Waiting List/Affordability" printout). Those are Erven N^os 1349, 1364, 1365, 1344, 1370, 1382, 1390, and 1391. The first three of those were designated as part of NHE's WASP project, but were not used in that project.

Another three unlisted but NHE-owned erven (N^os 1403, 1442 and 1449) may have squatters on them, probably straddling their boundaries. This may be confirmed more formally, possibly as part of the peg-checking exercise.

The occupant of Erf N^o 1465, which is not owned by NHE, has applied to NHE to buy the project. He has been informed that NHE does not own that land, and cannot sell nor assist him in buying the lot, or to build on it, under the OHP.

There may be other such irregularities; at first glance they may seem to be enough to cause concern. However, in reflecting on the unique circumstances of the resettlement process and the limited controls that were in effect, temporarily losing track of about a dozen erven (or, to put it another way, losing track of the status of their occupancy), is not alarming. However, it does indicate the need for careful follow up in Freedom Land, and to consider such exceptions when planning and working in other areas.

Worksheet Processing:

The CDW's discuss, in private interviews, any pertinent changes in the erf occupant's status since completing the application, and identify any documentation that may be required (that includes checking their ID cards against the one on the original application). Sometimes that documentation requires follow-up action by the applicant. Basic information is taken, and questions answered. Sometimes small group discussions with the CDW's take place to answer new or recurring issues.

Following that session (the next morning, in the case of late afternoon and evening sessions), the CDW's review each file and complete documentation. Those with completed worksheets are immediately ready for processing the Deeds of Sale.

Exceptional cases were identified. A number of occupants of Freedom Land are municipal employees, eligible for housing allowance subsidy from the municipality. They are required to produce documentation on the amount of subsidy they will receive from the municipality before NHE can process any sale (erf and/or starter solution) for them; ideally, both the erf sale and starter solution will be processed at the same time. As municipal employees have a housing subsidy, they are not eligible for the up-front subsidy on the erven.

A few cases raise confusion within the system. Applications of some are difficult to find; irregularities in names, ID's and the numbers of applications certain individuals have made have to be checked out in a number of cases.

Some of these exceptional cases and irregularities cannot be processed in a timely fashion, and a system of routine follow up needs to be observed.

...///...

ANNEX 2.1/c

**COMPLEMENTARY INFORMATION ON
INFRASTRUCTURE UPGRADING**

- * Standards for infrastructure upgrading
 - * Work programme
- * Road cross section, details on construction
 - * Water & sewerage layout plans, details
- * Press ads inviting contractors for price Competition



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:

30409

8 July 1993

OSHATOTWA

DESIGN STANDARDS AND PRINCIPLES

A. PRINCIPLES

The design of the infrastructure to service the 616 erven in the area known as Oshatotwa departed from the principle that the detail design would be done to include full services to all the erven involved and all the roads would be of an all weather surface standard. From here a scaling down process would take place to accommodate the availability of funds after which the final construction drawings would be prepared.

Construction drawings for the minimum standard of gravel road acceptable to the Municipality of Windhoek with sewer and water reticulation serving all the erven in Oshatotwa, will be produced for tender and construction purposes.

In this regard the Municipality of Windhoek further relaxed their minimum standards on the road cross-section, as well as certain requirements on the sewer standards.

B. DESIGN STANDARDS

1. Roads

1.1 Design speed:

Where possible a 60 km/h design speed was used with a general minimum of 40 km/h, but where it was unavoidable the standard was lowered further.

1.2 Maximum grades:

A maximum grade of 12% over distances longer than 20 m has been achieved, but where unavoidable the grade has been increased to a maximum of 15% over very short distances.

1.3 Vertical curves:

A minimum length of vertical curve of 20 m has been achieved for the most part, but in isolated cases a smaller length has been used close to intersections were unavoidable.

1.4 K-values:

The minimum K-values achieved are as follows:

DESIGN SPEED	K-VALUE
60 km/h	10
40 km/h	5
30 km/h	1

1.5 Road cross-section:

The typical cross-section used is a 3% cross-fall over the road and sidewalk cross-section with no kerbs and a maximum cut slope of 5% up or down to the erf boundary for cut and fill respectively. All cut and fill beyond the maximum cut slope of 5% must take place outside of the road reserve and will be 1:1.5 for cut and 1:2 for fill.

1.6 Horizontal alignment:

Although restricted by existing cadastral reserves a minimum radius on centre line of 17 m was aimed for. However, this was reduced where the cadastral layout was such that 17 m did not allow sufficient clearance for services between the edge of the road and the cadastral boundary on the inside of bends.

1.7 Stormwater:

In order that stormwater run-off be accommodated with the minimum of subsurface drainage the cross-section was reduced from the Municipal requirement to allow the flow of water across the road with the minimum of longitudinal flow.

A certain amount of stormwater culvert provision is unavoidable, however, no provision is made for catch pits or subsurface drainage.

1.8 Pavement specification:

The pavement will consist of a 100 mm imported gravel wearing course to selected layer specifications and will extend under the side walks.

CBR: not less than 15
PI: less than 10
Compaction: not less than 93% of modified AASHTO density

2. Sewer reticulation:

Some relaxation on design standards was agreed to by the Municipality of Windhoek primarily where the use of rodding eyes in place of manholes was concerned. However, manholes were still necessary at changes of grade and direction.

2.1 Gradients:

Minimum: 1:75 but in isolated cases 1:100 can be used
Maximum: Where the gradient exceeds 1:7 the use of anchor blocks as specified in SABS 1200 must be complied with.

2.2 Rodding eyes:

Rodding eyes can be used in place of manholes on long straight sections and at the beginning of a line and must be placed at a maximum spacing of 50 m apart.

2.3 Sewer positions:

1 500 mm from cadastral boundary within road reserve and 1 000 mm from common erf boundary within erven

2.4 Minimum covers:

Within erven: 1 000 mm
In road reserves: 1 000 mm

2.5 Junctions:

All junctions with existing sewers will be at 45°.

2.6 House connections:

Where the slope of the erven permits one house connection for every two erven has been allowed for.

2.7 Pipe diameters:

All pipes used are 100 mm diameter "Mainlight".

3. Water

3.1 Water demand:

The demands were based on the "Blue Book" (Guidelines for the provision of engineering services in residential townships" Dept of Comm. Development RSA, Pretoria 1983) and apart from dwellings, the demands from schools and businesses were also included. A peak factor of 4,0 as recommended by the Windhoek Municipality was used. The minimum demand was taken as 1 000l/day.

3.2 Fire protection:

For purposes of fire-fighting, the area was assumed to be a low-risk category with 350l/min discharge per hydrant with a hydrant spacing of 240 m measured along streets.

3.3 Minimum pressure requirements:

With fire, flow pressures can drop as low as 12 m. The problem with this area is that it is at present supplied from the Abattoir Reservoir some 6 km away, and will only at a later stage be connected to a high-laying reservoir. Pressure readings were taken at points along the existing main lines and readings of 30 m were obtained. As the suburb develops, this pressure may decrease, so that low pressures may be experienced in the network initially.

3.4 Pipe sizing and valve spacing:

Computer runs, using the "Wadiso SA Version 3" programme, were done using various assumed pressures on the existing main lines. The pipe sizes were, however, determined mostly by the requirement that hydrants may only be placed on 90 mm diameter pipes. Some short lengths of 63 mm diameter pipes were specified on cul-de-sacs. The pipe type to be used is uPVC class 9 with integral push-in-type fittings. The valve spacing was determined to cause the least discomfort to inhabitants during maintenance. As the valves are expensive, the number may be reduced to keep to the budget. The valve type specified is a resilient seal type gate valves.

4. Contract document

The Project Document for this contract is based on the General Conditions of Contract 1990 approved by the South African Institute of Civil Engineers and The Standardized Specifications for Civil Engineering Construction (SABS 1200) issued by the South African Bureau of Standards.

The above documents are generally used and approved in Namibia for the construction of township services.

5. Contract Phases

In order to have serviced stands available in the shortest possible time, it was decided to put the total work out in two contracts of some 300 erven per contract. A contract of this magnitude has further proved to attract the widest range of possible tenderers.

Each contract has again been divided into two design phases. The first being completed before tenders are called, while the second design phase is during the tender process.

The above construction procedure is best explained in the attached programme.

6. Tender

The normal tender procedure was followed, however the advertisement was placed early, giving the tenderers a preliminary period in which to gather information before the actual tender date and the tender period has been shortened from the normal period allowed to hasten construction.

Advertisements were placed in two newspapers, namely The Advertiser and Republikein on 7 and 9 July 1993, as well as the Namibian Tender Bulletin on 9 July 1993 and copies of the advertisements are attached.

All specifications will be in accordance with the standards laid down by SABS 1200.

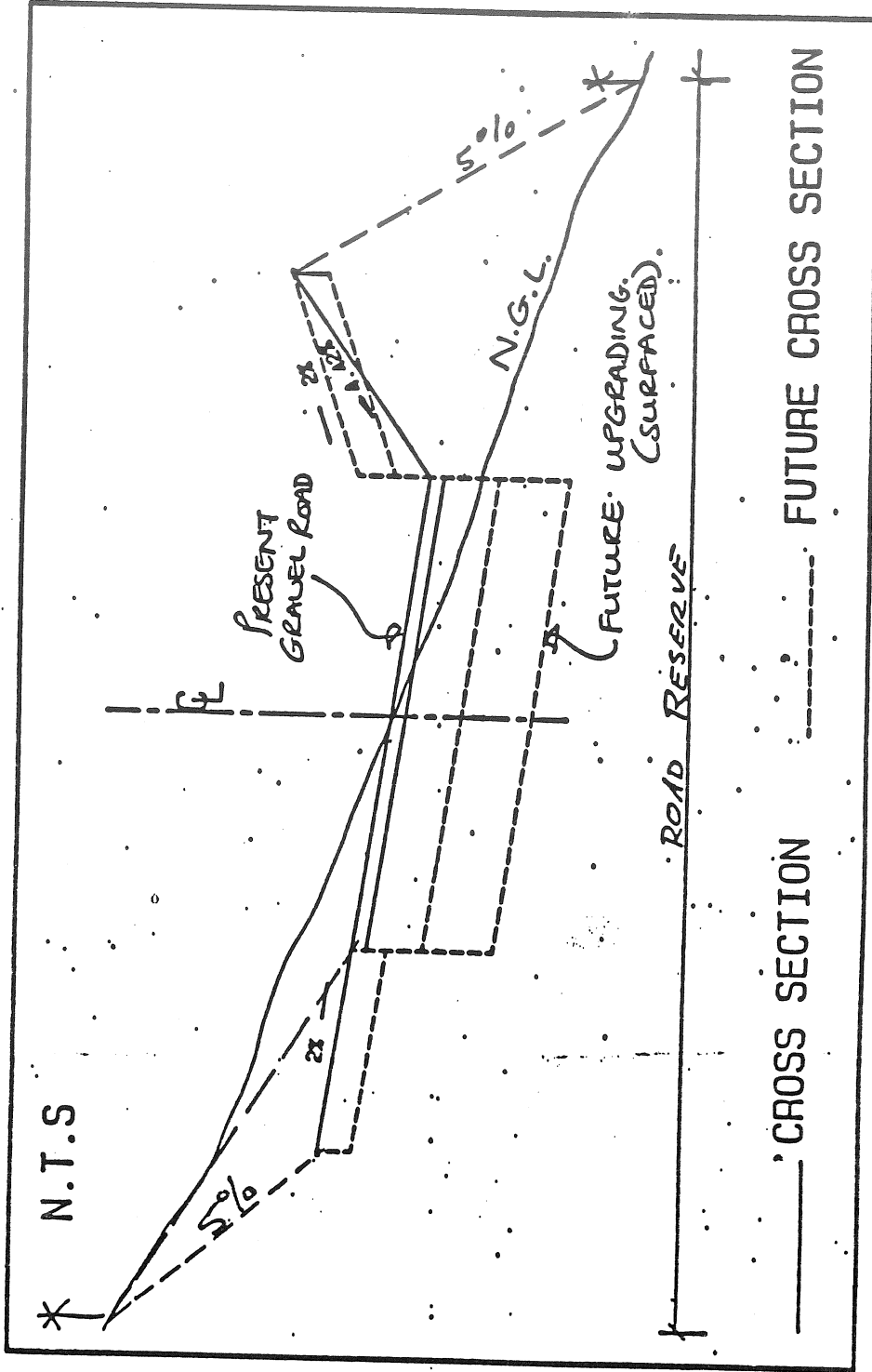
PROGRAMME - OSHATOTWA

CONTRACT 2 (238 ERYEN)
 PHASE 1: ERF BLOCKS 2313, 2840
 PHASE 2: ERF BLOCKS 2557, 2098, 2098

CONTRACT 1 (278 ERYEN)
 PHASE 1: ERF BLOCKS 2329, 2331, 2332, 2324
 PHASE 2: ERF BLOCK 2320

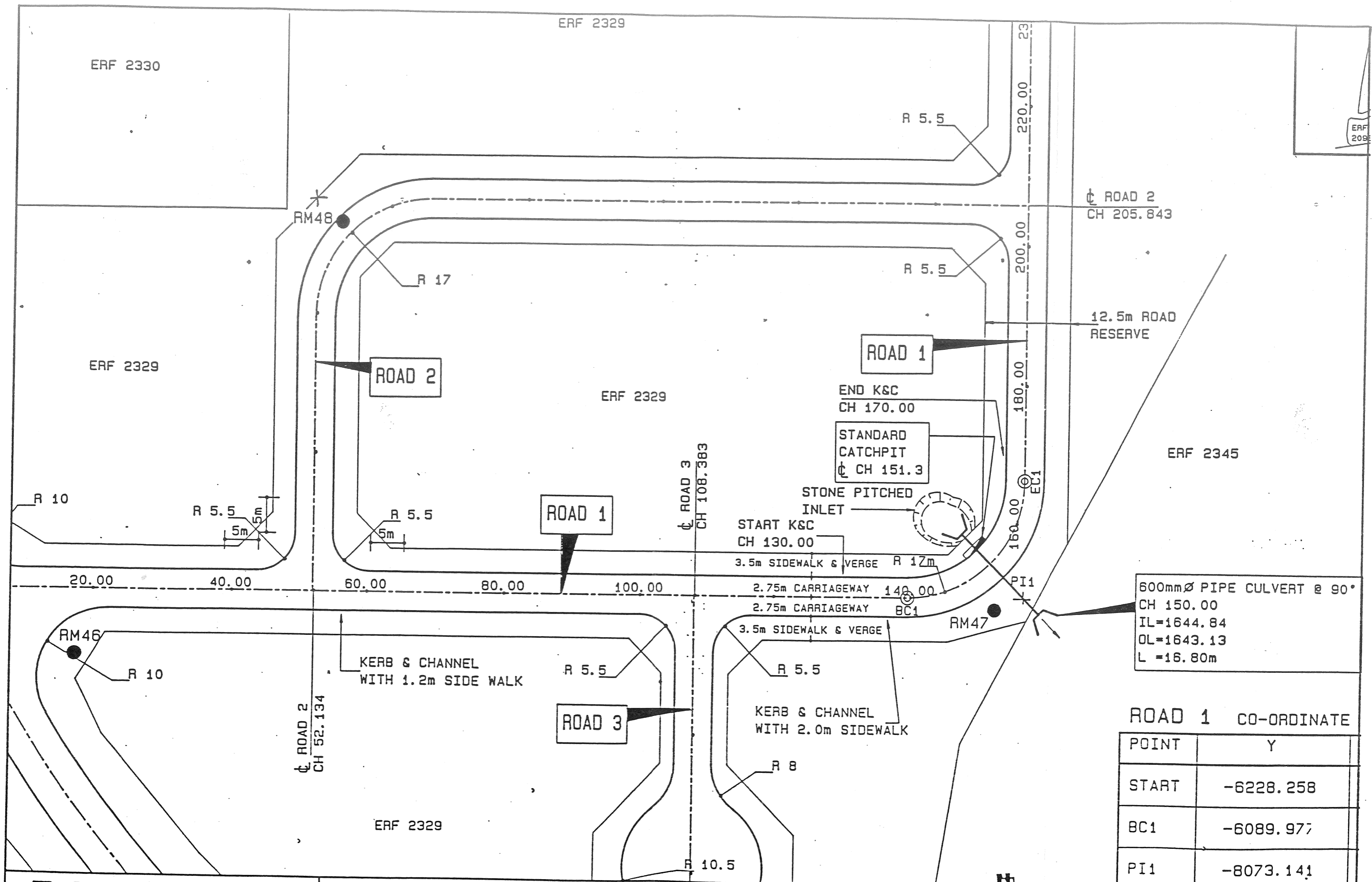
TASK DESCRIPTION	PROGRAMME - OSHATOTWA												
	JUN 93	JUL 93	AUG 93	SEPT 93	OCT 93	NOV 93	DEC 93	JAN 94	FEB 94	MAR 94	APR 94	MAY 94	
SURVEY	■	■											
DESIGN DRAWINGS			■	■	■	■	■	■	■	■	■	■	■
DOCUMENTATION		■		■									
TENDER		■	■										
CONSTRUCTION			■	■	■	■	■	■	■	■	■	■	■

LEGEND
 ■ PHASE 1
 ■ PHASE 2



Notes.

FOR THE PRESENT GRAVEL ROAD THE ROAD FORMATION SHALL BE FORMED AND A WEARING COARSE CONSTRUCTED TO THE FINAL UPGRADED ROAD LEVEL. DRAINAGE REQUIREMENTS SHALL BE INSTALLED FOR THE GRAVEL ROAD TO COMPLY WITH THE FINAL REQUIREMENTS FOR A SURFACED ROAD I.C. CULVERTS AND SIDE INLETS/CATCHPITS, ALTHOUGH THE LATTER SHALL BE KEPT TO A MINIMUM.



600mmØ PIPE CULVERT @ 90°
 CH 150.00
 IL=1644.84
 OL=1643.13
 L =16.80m

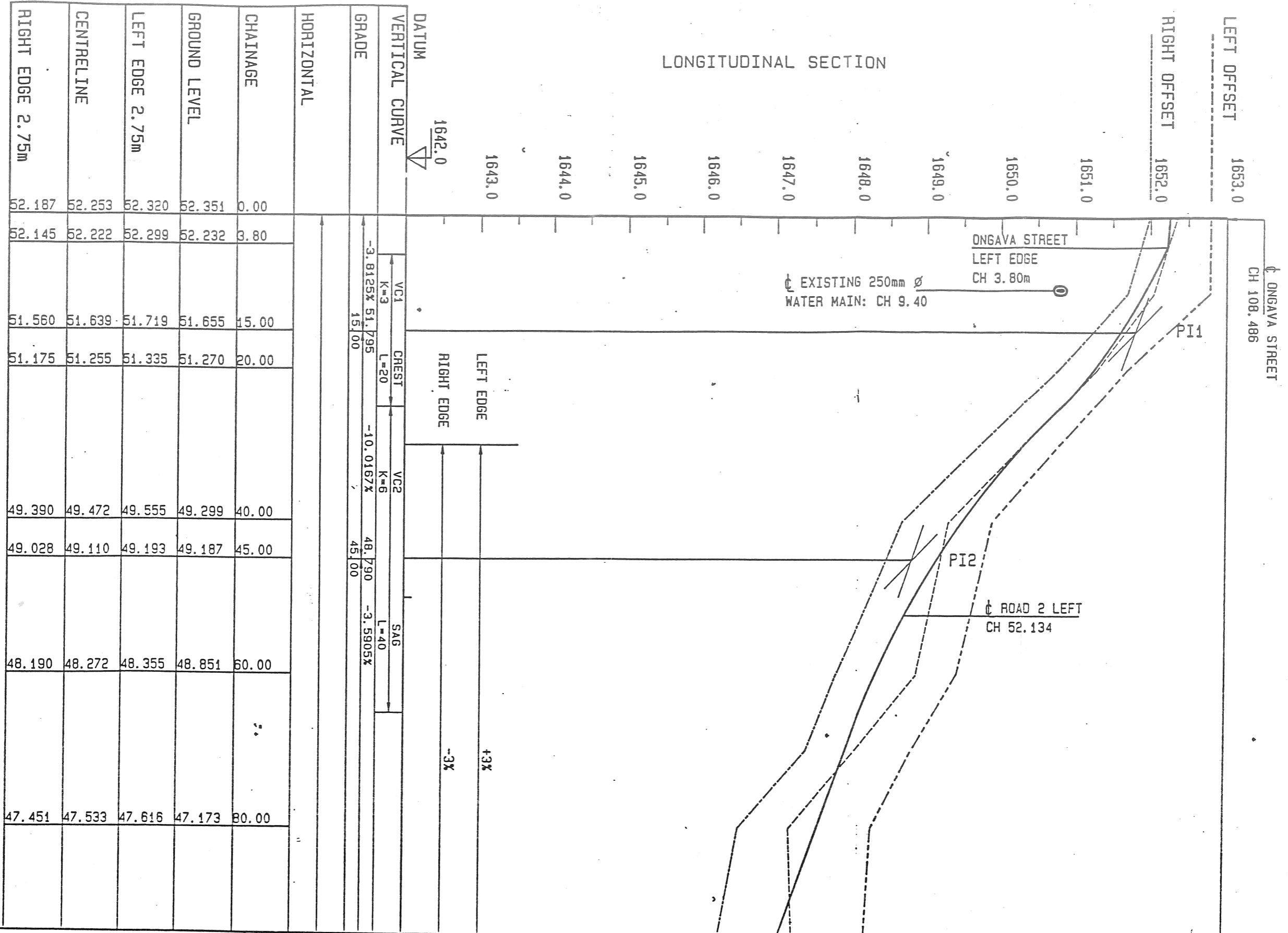
ROAD 1 CO-ORDINATE	
POINT	Y
START	-6228.258
BC1	-6089.977
PI1	-8073.141

VWL NAMIBIA INC.
 P.O. BOX 22600
 WINDHOEK
 9000
 Tel. (061) 37704
 Fax. (061) 33595

TOWNSHIP DEVELOPMENT: OKURYANGAVA EXT. 5
 OSHATOTWA: PHASE I: GENERAL LAYOUT PLAN: ROADS

EXTRACT FROM PLAN
 156926 / RD / 01

LONGITUDINAL SECTION



RIGHT EDGE 2.75m	CENTRELINE	LEFT EDGE 2.75m	GROUND LEVEL	CHAINAGE
52.187	52.253	52.320	52.351	0.00
52.145	52.222	52.299	52.232	3.80
51.560	51.639	51.719	51.655	15.00
51.175	51.255	51.335	51.270	20.00
49.390	49.472	49.555	49.299	40.00
49.028	49.110	49.193	49.187	45.00
48.190	48.272	48.355	48.851	60.00
47.451	47.533	47.616	47.173	80.00

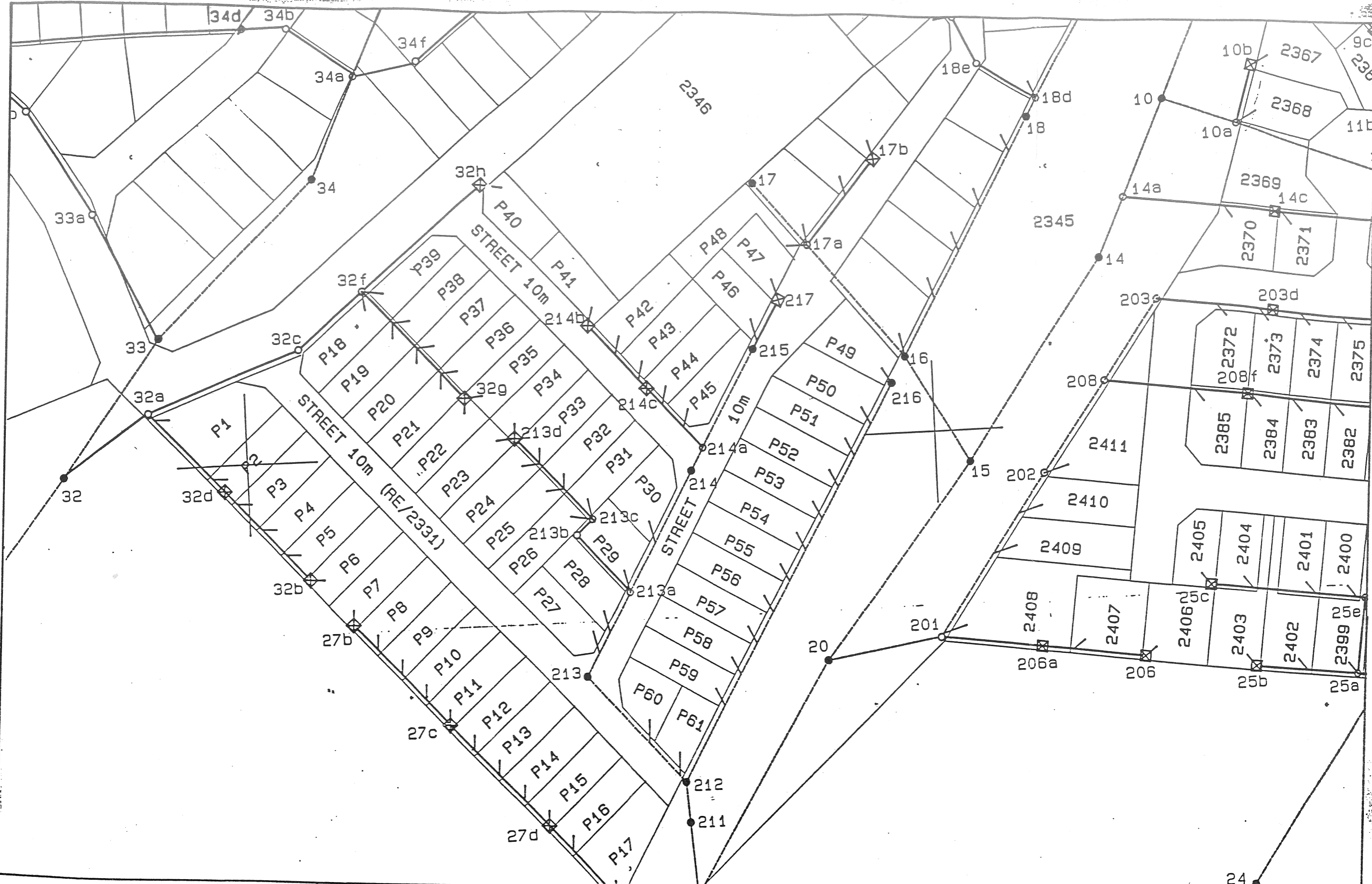
DATUM	VERTICAL CURVE	GRADE	HORIZONTAL
1642.0	VVC1 K=3 L=20	-3.8125% 51.795	15.00
1643.0	CREST	-10.0167%	45.00
1644.0	VVC2 K=6	48.790 -3.5905%	151.00
1645.0	SAG L=40		
1646.0			
1647.0			
1648.0			
1649.0			
1650.0			
1651.0			
1652.0			
1653.0			



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TOWNSHIP DEVELOPMENT: OKURYANGAVA EXT. 5
 OSHATOTWA: PHASE I: LAYOUT AND LONGSECTION PLAN

EXTRACT FROM PLAN
 156926 / .RD / 02

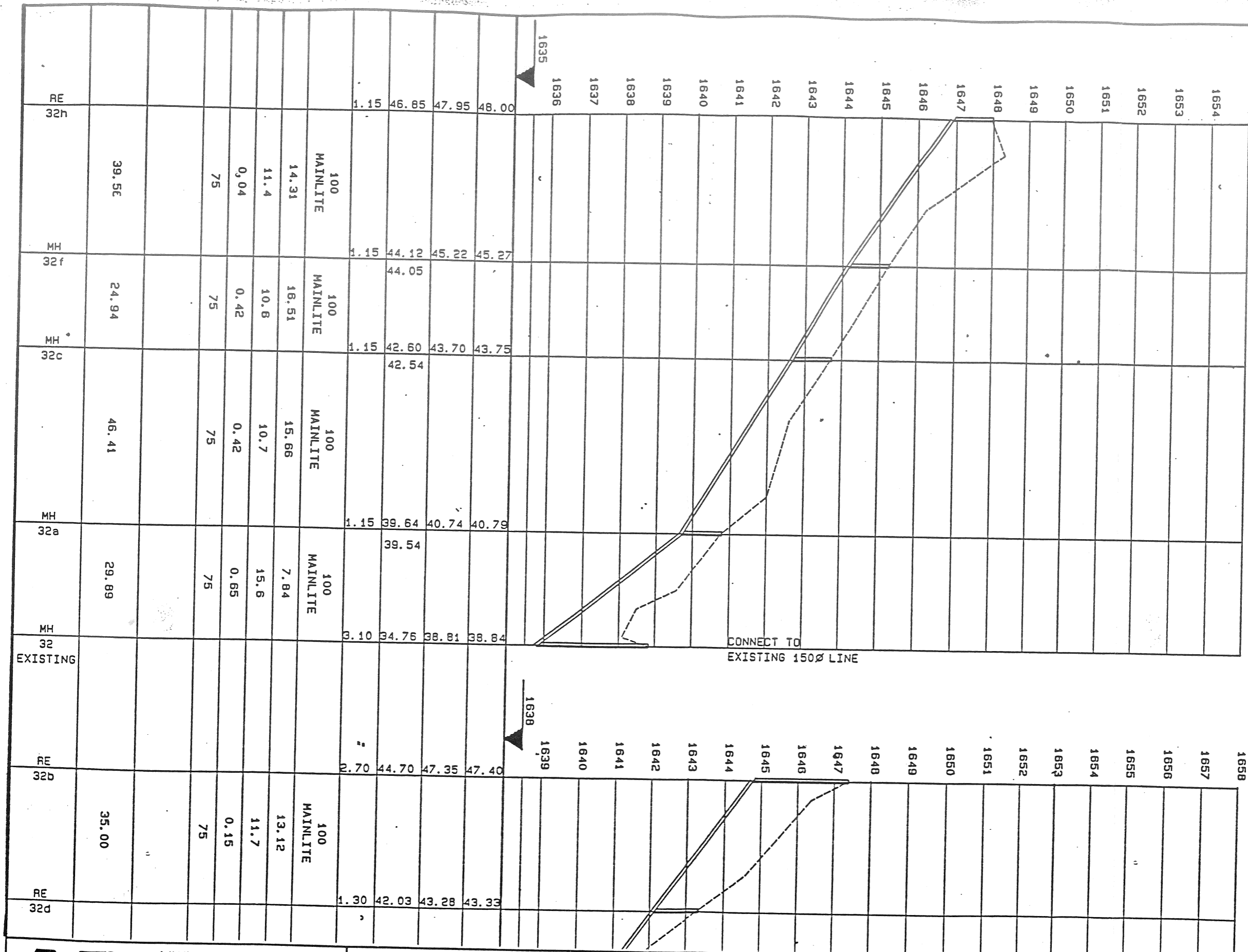


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TOWNSHIP DEVELOPMENT: OKURYANGAVA EXT. 5

OSHATOTWA: PHASE I: GENERAL LAYOUT PLAN: SEWER

EXTRACT FROM PLAN
 I56926 / SD / 01



CONNECT TO EXISTING 150Ø LINE

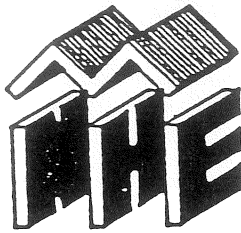


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 Tel. (061) 37704
 Fax. (061) 33595

TOWNSHIP DEVELOPMENT: OKURYANGAVA EXT. 5

OSHATOTWA: PHASE I: SEWER RETICULATION LONGSECTION

EXTRACT FROM PLAN
 156926 / SD / 02



TENDER NOTICE

NATIONAL BUILDING AND INVESTMENT
CORPORATION OF NAMIBIA
TRADING AS NATIONAL HOUSING
ENTERPRISE (NHE)

Construction of Gravel Roads, Stormwater
Structures, Water Network and Sewer
Reticulation in Oshatoto Phase 1
Okuryangava Ext. 5

Project Code: 156926

Tenders are herewith invited from qualified contractors for the construction of civil services in Okuryangava, Windhoek.

Tender documents are available at the offices of VWL Namibia Inc. 8, Curt von Francois Street, Windhoek from 16 July 1993 and only against payment of a non-refundable deposit of R200,00. Sealed tenders with the Tenderers name and address and the endorsement Project Code 156926 must reach the offices of VWL Namibia Inc. not later than 12h00 on Wednesday 28 July 1993. A meeting with the tenderers will be held on Thursday, 22 July 1993 at 10h00 at the offices of VWL Namibia Inc., to discuss the tender documents and visit the site.

Since the tender period is limited, tenderers are welcome to contact VWL Namibia Inc. as from this date, to collect information regarding material to be used, road cross section, construction area, etc.

The lowest or any tender may not necessarily be accepted and the Corporation reserves the right to accept any tender.

PREPARED BY:
VWL Namibia Inc.
P O Box 22600
Windhoek
Namibia
Tel. (061) 37704

rep3/7/7

"REPUBLIKEN": 7 & 9 JULY 1993

TENDER NOTICE

NATIONAL BUILDING AND INVESTMENT CORPORATION OF NAMIBIA
TRADING AS NATIONAL HOUSING ENTERPRISE (NHE)

CONSTRUCTION OF GRAVEL ROADS, STORMWATER STRUCTURES,
WATER NETWORK AND SEWER RETICULATION IN OSHATOTWO
PHASE 1, OKURYANGAVA EXT 5

PROJECT CODE : 156926

Tenders are herewith invited from qualified contractors for the construction of civil services in Okuryangava, Windhoek.

Tender documents are available at the offices of VWL Namibia Inc. 8 Curt von Francois Street, Windhoek from 16 July 1993 and only against payment of a non-refundable deposit of R200.00.

Sealed tenders with the Tenderers name and address and the endorsement Project Code 156926 must reach the offices of VWL Namibia Inc. not later than 12h00 on Wednesday, 28 July 1993.

A meeting with the tenderers will be held on Thursday, 22 July 1993 at 10h00 at the offices of VWL Namibia Inc., to discuss the tender documents and visit the site.

Since the tender period is limited, tenderers are welcome to contact VWL Namibia Inc. as from this date, to collect information regarding material to be used, road cross section, construction area, etc.

The lowest or any tender may not necessarily be accepted and the Corporation reserves the right to accept any tender.

PREPARED BY :

VWL NAMIBIA INC.
P O Box 22600
WINDHOEK
NAMIBIA

TEL : 061) 37704



"THE ADVERTISER" : 7 & 9 JULY 1993

ANNEX 2.1/d

**SUBMISSION TO NHE'S
MANAGEMENT COMMITTEE ON LEVEL
OF INFRASTRUCTURE UPGRADING**

- * Proposed level of infrastructure upgrading in Inception Report
- * Letter from Municipality on financing materials for sewerage and water lines in upgrading areas.
- * VWL cost estimates for improvement of infrastructures

SUBMISSION TO MANAGEMENT

FROM: Oshatotwa Project Coordinator; SUM-McNamara Cons.
DATE: July 5, 1993
SUBJECT: Definition of level of infrastructure extension
for the Upgrading Areas (Okuryangava)

INTRODUCTION:

01 Discussion has been ongoing within the Project Team regarding the level of water and sewerage services to be provided for the upgrading areas. Alternatives under consideration are:

- a) Increasing the present level of communal services, or
- b) Providing full water and sewerage reticulation for the areas.

02 When all aspects of the question are considered, there are pros and cons to any of them. It is a difficult decision that has policy consequences for other NHE's programmes, and the Project Team deemed it important to submit the matter to NHE's Management Committee for a final resolution. This memo attempts to provide some background information and to evaluate implications of the alternative options under consideration.

PROPOSAL

AFTER CONSIDERING ALL POSSIBILITIES AND FINANCIAL IMPLICATIONS FOR NHE AND THE CLIENTS, THE PROJECT TEAM HEREBY PROPOSES THAT THE MANAGEMENT COMMITTEE CONSIDER ADOPTING ALTERNATIVE B) AS THE BEST OPTION BOTH FOR THE CORPORATION AND THE BENEFICIARIES OF THE PROJECT

BACKGROUND:

Land purchased for the Project

04 For the purpose of relocating the Single Quarters Squatters, NHE bought 388.733 m² of land from the Municipality in the Okuryangava and Goreangab areas; total amount paid was Rs 4.982.935.04. In total, some 1009 plots resulted, with an average land cost per erf of Rs.4.940. Land cost for the Goreangab and Freedom Land areas (367 plots) included development by Municipality; the rest (642 plots) was purchased as Block land to be developed at NHE's cost.

05 The 61 erven in the Onguo Ye Pongo area were sold last year by NHE at the price of Rs.3000. For the remaining plots, NHE established a selling price of Rs. 6100 in the serviced areas and of Rs.5650 for all other. Besides cost of land, this price includes Rs 550.948 spent by NHE for

interim rates and taxes accrued from 01/02 to 31/07/93, community facilities provided and some Rs.300/plot towards repayment of future infrastructure upgrading. The process of selling the erven to the settlers is now well under way.

Inception Report proposal

06 In the socio-economic survey undertaken during the Inception Phase, improvement of water supply, sanitation and the provision of street lights were among the highest priorities mentioned by the settlers. In response to these needs, the Program presented last December by NHE to KfW proposed an increase in the level of services by adding communal toilets, stand pipes and street lights. An amount of Rs. 832.000 was budgeted for this purpose, out of which 422.000 was for improvement of water supply and communal toilets. Annex 1 gives some details of the proposal.

Developments during first months of implementation

07 During the first quarter of implementation the budget for this component was adjusted, bringing it to Rs. 1.057.000 as a result of:

- Savings of some Rs.175.000 compared with the estimated cost of street lights;
- Additional costs of some Rs.400.000 to comply with the Municipality's request to develop internal streets in several areas.

08 The lay-outs of the areas are not designed for communal services. Existing communal services are located in individual plots. As there is little if any communal space available for the additional toilet facilities required, the Project Team discussed with the communities the possibility of building a combination of toilet and shower/washing facilities on private erven. The owners would be responsible for maintenance and water/sewerage rates; they could collect usage fees to cover their costs. This appeared to be a novel approach in Windhoek, and the communities received the idea cautiously. The possibility of a joint NHE/Municipality effort to develop complete reticulation networks in the areas was also raised at this time.

10 At the end of April, NHE appointed VWL Namibia Inc. as consulting engineers for the design of infrastructure upgrading in the resettlement areas. Although minimum development standards were envisaged for the initial phase, NHE instructed the engineers to design the roads and the water and sewerage networks for final development standards used in Windhoek: tarred roads and full water and sewerage reticulation.

New element:

11 At the end of May, in response to a request from NHE, the Municipal Council decided to reimburse NHE the costs of materials required for the extension and upgrading of the water and sewer reticulations. In a letter dated June 3,

the City Engineer informed NHE about the Council's resolution. Copies of these Municipal resolutions are attached as Annex 2.

12 This new element opened the discussion within the Project Team on the feasibility and convenience of developing full water and sewerage reticulation instead of the limited upgrading initially envisaged. The consulting engineers were then requested to prepare cost estimates for this infrastructures and of materials to be reimbursed on the basis of the more accurate engineering designs already prepared for some of the areas. VWL estimates are attached as Annex 3.

EVALUATION OF ALTERNATIVES

Costs, funding and cost recovery

13 As mentioned, cost for alternative a) was estimated at Rs. 422.000 at the time of the Inception Report. No recent revision of the original estimate is available; an 8% escalation increase may be assumed, total costs would then be some Rs. 456.000. Along with other community oriented expenditures (street lights, community centers etc) this cost was envisaged as a subsidy to be financed out of KfW grant (except for GST to be paid by NHE).

14 According to the attached VWL estimates, cost of full water and sewerage reticulation would be in the order of Rs. 1.358.000. The Municipality would reimburse NHE an estimated Rs 363.000, leaving Rs. 995.000 to be financed by the Programme, or an additional Rs.573.000 over funds already committed.

15 This amount would also be funded out of KfW funds through budget adjustments. As the Municipality is reimbursing the costs of materials, the amount of GST to be financed by NHE is likely to be reduced. Possible budget transfer to upgrade infrastructures might come from:

- Interest earned in the past quarter by the Programme's Disposition Fund deposited in the Commercial Bank, an amount of approximately Rs 50.000 could be applied for this purpose.
- KfW's contribution to this budget post will be increased by some Rs.55.000 as the exchange rate has gone from Rs 1,8 to Rs 1,9/DM;
- The amount budgeted for building material loans (1000 at Rs.4000 each) was over estimated at the Inception Phase and will have to be reduced. Part of these funds could be applied to finance this component.

BUDGET FOR EXTENSION OF INFRASTRUCTURES

As adjusted April 93-(Rs x 1000)

	TOTAL COST	KfW	NHE	MPLTY.	BENEF.
Total for Infr.Ext.	1057	988	57	0	12
Corresponding to Water&Sewerage	422	399	23	0	-

FINANCIAL IMPLICATIONS (Rs x 1000)

	ALT. A AGAINST BGT.	ALT. B AGAINST BDGT.
COST ESTIMATE Rs	456 +34	1.358 + 936
FINANCING KfW	328 - 70	978 + 579
MPLTY.	122 +122	363 + 363
NHE	6 - 18	17 - 6

16 Execution of alternative b) could require a revision of the established land selling prices, a decision that could create inconveniences because they have already been announced and the first deeds of sale have been signed. If the additional cost of Rs.840 would have to be fully recovered from land selling price, monthly installments would increase by Rs.13 and affordability would slightly diminish.

17 Alternatively, the additional expenditures could be considered as an increased subsidy to the settlers, using the criteria proposed in the Inception Report.

18 Costs could also be recovered in a long term basis through the usual system used by the Municipality. To recover capital investment in new townships, the Municipality divides the costs in "non-remunerative services" (storm-water, roads, survey etc.) and "remunerative services" (water, sewerage, electricity etc). In the case of remunerative services, the Council provides the network and the overhead bulk facilities at no direct cost to a purchaser. The financing is recovered out of a basic charge added to the consumer's account.

19 Implementing this system for recovering capital costs of infrastructures would require to reach an agreement between NHE and the Municipality to share revenues from the basic charge. This question need to be addressed with a broader perspective, as similar problems will arise for the core-house component of the programme and for any future programmes where land development is executed and financed by NHE, a scenario proposed in NHE's Strategic Plan of May 1993 (point 3.2.2).

20 It is to be pointed out that even if such an arrangement is concluded with the Municipality, a certain amount of subsidy will be included, as the percentage of households taking up individual connections will likely remain below 50% during the first years. Basic charges could possibly not be levied from most other households without increasing their affordability problem.

Opportunity

21 When purchasing the land NHE assumed the responsibility for its development, but the Municipality has decided to participate in the cost and has assigned funds for the purpose. Alternative b) will benefit more than alternative a) from the offer, as it is not clear if in future fiscal years the Municipality will be prepared to maintain it.

22 As stated, the area was planned for full reticulation. If the work is not done now with available KfW and Municipal funds, NHE will face in the future prohibitive costs and probably cause lots of disruption to existing structures.

Equity considerations

23 If implemented, alternative a) will create "de facto" inequities. As some water and sewerage lines will need to be extended to serve the new communal facilities, some families will have the possibility of individual water and sewerage connections, while some other will only have the option of communal facilities, regardless of individual priorities and possibilities. With alternative b) all families will be in the same situation.

24 On the other hand, alternative b) might increase the burden of poorer families not able to pay connection fees. If basic charges are levied from everybody, they will in fact be subsidizing those using the services.

Implementation problems and staff workload

25 Additional communal facilities envisaged in alternative a) will be located on technical criteria in order to distribute evenly the possibility of access to them. Once potential locations are defined, agreement to build facility will have to be negotiated with a plot owner in the area (see 08 above). This is feasible but a lengthy task that will place an additional burden in the shoulders of CDWs and will delay execution considerably.

26 Alternative b), by opening up the option of individual hook-ups to water and sewerage, will increase the number of starter solutions options, like the possibility of developing bathrooms or kitchens, not available at present. This will increase the SHCA's task. The following table summarizes the evaluation:

CRITERIA	ALTERNATIVE A	ALTERNATIVE B
FINANCIAL		
Need for budget revision	+	-
Maximum use of Munic.cooperation	-	+
Total cost	+	-
PLANNING/IMPLEMENTATION		
Adjustment to existing layout	-	+
Space requirements	-	+
Staff work load	-	+
Timely implementation	-	+
Usage of scarce water	+	-
SOCIO-ECONOMIC		
Response to identified priorities	-	+
User satisfaction now	-	+
Options for future developpt.	-	+
Comm.facility as private business	+	-
Affordability	+	-
Equity	-	+
Conflicts within community	-	+
	-5	+5

Chris Steenkamp
Oshatotwa Programme Coordinator

Annexures: Mentioned

Annex 1

EXTENSION OF INFRASTRUCTURES IN RESETTLEMENT AREAS Standards and cost estimates proposed in the Inception Report; December 1992

Assumptions

- * One stand-pipe every 25 plots
- * Communal toilet block no more than 100 mts away from every plot; maximum of 100 families using block.
- * Sewers extended for new toilets only;
- * Water lines extended to serve public standpipes only;
- * Street lights every 40 meters on wooden poles.

SETTLEMENT	Comunal Toilet	Stand Pipe	63 mm water	100mm sewer	Streetlights ml	number
Onheleiwa	2	2	50 m	210 m	1300	33
Onyeka	1	1	30 m	10 m	500	13
Nangolo	3	5	400 m	200 m	820	21
Ondunduluka	-	1	15 m	-	40	2
Joseph Nepando	2	5	240 m	230 m	1070	27
Ebandulu	1	1	15 m	30 m	250	7
Freedom Land	-	-	-	-	1410	36
Onghuuo Yepongo	-	3	200 m	-	410	11
Shipena	2	2	50 m	130 m	440	11
Grwell. Matongo	9	-	-	-	1730	44
Unit total	20	20	1000 m	810 m	7970	205
Unit price Rs	7000	1000	100	200	-	2000
TOTAL COST Rs	140000	20000	100000	162000	-	410000

Total costs of improvements: Rs. 832.000

City Engineer's Department



CITY OF WINDHOEK

Enq: H I Peters
Tel: 391-2345

Ref: L/Okuryangava/Ext. 4&5

File:

1993 -03- 11

1993 6. 3.

National Housing Enterprise
PO Box 20192
WINDHOEK

FOR
ATTN:
ANSWERED

J. LEHMANN
→ C. Steenkamp

Sir

OKURYANGAVA EXTENSIONS 4 AND 5: UPGRADING OF INFRASTRUCTURE

I refer to your letter dated 24 March 1993.

At its meeting held on 1992-05-03 the Management Committee of my Council passed the following resolution:

- "1. That the City Engineer be authorized to reimburse the developer (NHE) for the materials required for the extension and upgrading of the water and sewer reticulations, subject to the conditions as laid down by the KfW.
2. That the developer provide the City Engineer with three quotations for the materials required.
3. That the City Engineer be authorized to pay the developer the funds for the chosen quotation plus 10 % for escalation to prevent higher than expected costs in the event that the project take much longer than anticipated.
4. That the developer bear the remaining network costs of services, water and sewerage, which will include all planning, design, construction and supervision costs.
5. That the planning and design of the water and sewerage reticulation networks be done by professional engineers, according to municipal specifications.
6. That the design of the water and sewerage reticulation networks be done on a CAD system adaptable to the system used by the Municipality and that the information be made available to the City Engineer.
7. That the plans for the networks be submitted to the City Engineer for approval.
8. That the construction of the reticulation networks be supervised by a professional engineer to the satisfaction of the City Engineer.

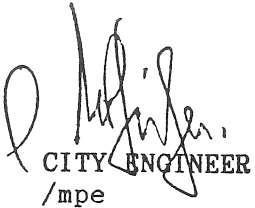
2.

9. That the people participating in the project be informed that construction and individual water connection costs will be lower if the community does the required excavations.
10. That trench excavations and initial backfill be inspected by the City Engineer before the backfilling of trenches can commence."

Please be informed that structured wall uPVC sewer pipes must be used i.e. "Mainlite" or equivalent.

I trust that you would find the above to be in order.

Yours faithfully


CITY ENGINEER
/mpe



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:

30409/JK/ms

24 June 1993

National Housing Enterprise (N.H.E.) Ltd
P O Box 20192
WINDHOEK
NAMIBIA

FAX	TO: <u>NHE.</u>
FAX NO: <u>222301</u>	PAGE: _____ OF: _____
ATTENTION OF: <u>MESSRS WALTON & CRISPO</u>	
FROM: <u>JOHAN KABER</u>	DATE: <u>24/6/93</u>
COMPANY: <u>VWL NAMIBIA INC</u>	
FAX NO: <u>33595</u>	Post-It Notes from 3M

ATTENTION : MESSRS WALTON AND CRISPO

Sir

OSHATOTWA : CIVIL SERVICES : COST ESTIMATE

Our letter dated 21 June 1993 and subsequent discussions at our offices on 21/06/93, refers.

We have now completed the analyses and design for the water network, serving each stand with domestic water. The existing pipe network to which the new network is connected, has ample capacity, with the result that smaller diameter water pipes are now required than initially anticipated. The subsequent saving is indicated below.

Mainline sewer pipes is a new product entering the market with very competitive prices. These prices can not be guaranteed for longer periods and we have taken this into account in the initial sewer estimate. Since the Municipality stands in for the material bill, the sewer cost estimate is revised to include the very competitive prices.

1.	<u>REVISED COST ESTIMATE</u>		
1.1	Gravel Roads	R 360 000-00	
1.2	Water network	R 470 000-00	
1.3	Sewer reticulation	R 780 000-00	
1.4	Establishment	<u>R 140 000-00</u>	
	TOTAL COST ESTIMATE	R1 750 000-00	<u>R1 750 000-00</u>

An estimate for material cost, to be reimbursed by the Municipality, is given below. These costs are based on the purchase price over the counter and do not include transport, storage, handling and installation costs which are normally included in tendered rates for material. The counter purchase price is approximately half of the tendered price.

2. MATERIAL COST TO BE REIMBURSED

2.1 Gravel Roads

According to the letter from the Municipality dated 3/6/93 - none

R 0-00

2.2 Domestic water

Includes uPVC pressure pipes, valves, hydrants and appurtenant fittings and materials:

R 120 000-00

2.3 Sewer reticulation

Includes mainline pipes, cleaning eyes in mid block, manhole covers and frames and appurtenant fittings and materials

R 210 000-00

SUBTOTAL

R 330 000-00

PLUS 10 % according to Municipal letter for escalation

R 33 000-00

TOTAL COST OF REIMBURSABLE MATERIAL

R 363 000-00

R 363 000-00

BALANCE

R1 387 000-00

In your letter dated 21 June 1993 it is stated that R797 000-00 is available for this project which leaves a short fall of R590 000-00.

We trust that you find above information in order.

Yours faithfully


J M KABER Pr Eng
VWL NAMIBIA INC.

OSHATOTWA PROGRAMME - QUARTERLY PROGRESS REPORT 2 -JUNE/93

ANNEX 2.2/a

**MUNICIPAL COUNCIL'S MARCH
RESOLUTION ON SALE OF LAND
FOR CORE-HOUSE PROJECTS**

DEPARTMENT OF
PROPERTIES AND
PROTECTIVE SERVICES



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

ENQUIRIES: MR D L JOUBERT

REFERENCE: L/41/OKU

CITY OF WINDHOEK

7 April 1993

The Managing Director
National Housing Enterprise
P O Box 20192
WINDHOEK
NAMIBIA

RECEIVED	
1993 -04- 11	
MANAGED	C. STEENKAMP

ATTENTION : MR C J STEENKAMP
SPECIAL PROJECTS

Dear Sir

SALE OF ERF 41, OKURYANGAVA PROPER : LOW-INCOME HOUSING
PROJECT K F W

I refer to your application under reference 159921 dated 11 December 1992 regarding the above. The City Council of Windhoek on its meeting held on 31 March 1993 considered your application and it was resolved :

- "1. That Erf 41, Okuryangava Proper, in extent 25 794/m² be sold to the National Housing Enterprise or their nominee at an upset price of R11,37/m² subject to the following conditions :
 - 1.1 That Erf 41, Okuryangava Proper be rezoned from "undetermined" to "residential".
 - 1.2 That consent be granted to use Erf 41, Okuryangava Proper for residential purposes until the rezoning is approved by Cabinet.
 - 1.3 That consent be granted to erect more than one dwelling on Erf 41, Okuryangava Proper which number of dwelling units or houses will be determined by the proposed density zoning of the erf.

2/....

- 1.4 That the proposed use of Erf 41, Okuryangava Proper for residential purposes be advertised in terms of Clause 20 of the Town Planning Scheme, at the costs of National Housing Enterprise.
- 1.5 That the National Housing Enterprise consult personally with the City Electrical Engineer to discuss the necessary electricity supply alternatives for the development and the costs involved.
- 1.6 That the National Housing Enterprise submit electrical plans of the development for the planning of telephone services and lines to TELECOM Namibia.
- 1.7 That no access may be taken from Ekundi Street.
- 1.8 That all the costs for the provision of roads and stormwater and internal water and service network be borne by the National Housing Enterprise.
- 1.9 That the National Housing Enterprise familiarise themselves with the stormwater on the erf as well as the portion at the north eastern corner of Erf 41, Okuryangava Proper which cannot be connected to the existing sewer line.
- 1.10 That, should the National Housing Enterprise wish to subdivide the erf, the subdivision application be referred to Town Planning for more detail comments and conditions in respect of services and Town Planning aspects and in particular:
 - 1.10.1 That the detail design of the surfacing on the streets and the detail of the stormwater drainage systems be done according to the City Engineer's requirements and approved before any work is started.
 - 1.10.2 That the design and construction of all civil work be done under the supervision of a professional engineer to the satisfaction of the City Engineer.
 - 1.10.3 That the tarring and surfacing of the roads only be done once 75 % of the erven have been developed and the written approval of the City Engineer has been obtained.

- 1.10.4 That the design of the roads and stormwater systems be done on a CAD system adaptable to the system used by the Municipality and the information be made available to the Municipality.
- 1.10.5 That the streets be constructed and stormwater drainage system be installed at the cost of the National Housing Enterprise to the satisfaction of the City Engineer.
- 1.10.6 That the National Housing Enterprise be responsible for the maintenance on the street and stormwater systems for a period of twelve months after completion and take-over of the works by the Municipality. [A deposit of 5 % of the value of the works must be paid to the Municipality.]
- 1.10.7 That street lights be installed at the National Housing Enterprise's costs and to the satisfaction of the City Engineer.
- 1.10.8 That the National Housing Enterprise take note that, should they continue with the subdivision of Erf 41, Okuryangava Proper, municipal approval first be obtained and, in the event of any of the new erven being alienated, except for streets or public places reserved for municipal purposes which shall be transferred free of compensation, subdivisional costs and transfer fees to the Municipality, an endowment, calculated as a percentage, 7.5 %, of the land value of the first 10 erven and 1 % of the value of additional erven created by the subdivision, being alienated, excluding a remainder, be paid to the Municipality in accordance with the stipulations of section 19 of the Township and Division of Land Ordinance Number 11 of 1963.
- 1.10.9 That the National Housing Enterprise take note that the new erven may only be sold after confirmation that the conditions as stipulated in paragraphs 1.10.1 to 1.10.7, have been met.
- 1.11 That approval in terms of section 30(1)(t) of Act 23 of 1992 be obtained from the Ministry of Local Government and Housing.

- 1.12 That the purchase price of R293 277,78 be paid in cash and the Deed of Sale be signed within thirty (30) days after being requested to do so by the Property Manager (Northern Areas).
- 1.13 That Council Resolution Number 597/11/89 be rescinded.

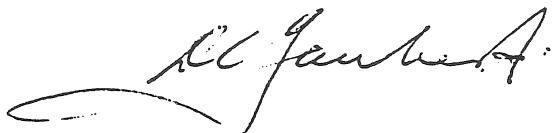
Council Resolution Number 89/03/93."

You are kindly requested to indicate in writing if the conditions as set out in Council's Resolution Number 89/03/93 are acceptable to National Housing Enterprise in order to enable me to apply for Governmental approval in terms of 1.11 of the said Resolution.

You are further requested to advertise the proposed use of Erf 41, Okuryangava in terms of Clause 20 of the Town Planning Scheme of Windhoek, a copy of which is attached hereto for your information, whereafter proof must be given to this office that no objections have been received before the Deed of Sale may be finalised.

Your co-operation will be appreciated.

Yours faithfully



PROPERTY MANAGER : NORTHERN AREAS
DEPARTMENT OF PROPERTIES AND PROTECTIVE SERVICES

DLJ/gdg

OKU41.DLJ

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, withing 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.

DEPARTMENT OF PROPERTIES AND PROTECTIVE SERVICES



CITY OF WINDHOEK

Enquiries: Mr C T Swanepoel
Reference: L/Ext15/KD

14 April. 1993

National Housing Enterprise
P.O. Box 20192
WINDHOEK

Mr A Botes

APPLICATION TO PURCHASE RESIDENTIAL BLOCKS : ERVEN 1373, 1374
AND 1430 EXTENSION 15, KHOMASDAL.


Your application with reference 159921, dated 11 December 1992,
refers.

Recommendations for the sale of Residential Blocks. Erven 1373,
1374 and 1430 Khomasdal. Extension 15 to your Company or its
nominee, have been adopted by the Municipal Council on 31 March
1993. Resolution no. 89/03/93. refers.

Your Company is herewith kindly called upon to arrange with our
Khomasdal Offices for the signing of the Deed of Sale. Please
note that signature is subject to payment of the purchase
price, namely R1 221 987.52 (R18.71/m²). presentation of a
Power of Attorney and appropriate identification in respect of
the signatory together with proof of registration as a Namibian
company.

*** Attached please find a copy of the resolution for information.

Yours faithfully


PROPERTY MANAGER : WESTERN AREAS

[Municipal Council Minutes: 1993-03-31]

.3 4
F.1 SALE OF ERF 41, OKURYANGAVA PROPER AND
ERVEN 1373, 1374 AND 1430, KHOMASDAL
FOR RESIDENTIAL PURPOSES
(L/41/OKU) (L/1373/KD) (L/1374/KD) (L/1430/KD)

On a proposal by Councillor I Ngatjizeko it was

RESOLVED

1. The Erf 41, Okuryangava Proper, in extent 25 794/m² be sold to the National Housing Enterprise or their nominee at an upset price of R11,37/m² subject to the following conditions:
 - 1.1 That Erf 41, Okuryangava Proper be rezoned from "undetermined" to "residential".
 - 1.2 That consent be granted to use Erf 41, Okuryangava Proper for residential purposes until the rezoning is approved by Cabinet.

- 1.10.3 That the tarring and surfacing of the roads only be done once 75 % of the erven have been developed and the written approval of the City Engineer has been obtained.
- 1.10.4 That the design of the roads and stormwater systems be done on a CAD system adaptable to the system used by the Municipality and the information be made available to the Municipality.
- 1.10.5 That the streets be constructed and stormwater drainage system be installed at the cost of the National Housing Enterprise to the satisfaction of the City Engineer.
- 1.10.6 That the National Housing Enterprise be responsible for the maintenance on the street and stormwater systems for a period of twelve months after completion and take-over of the works by the Municipality. [A deposit of 5 % of the value of the works must be paid to the Municipality.]
- 1.10.7 That street lights be installed at the National Housing Enterprise's costs and to the satisfaction of the City Engineer.
- 1.10.8 That the National Housing Enterprise take note that, should they continue with the subdivision of Erf 41, Okuryangava Proper, municipal approval first be obtained and, in the event of any of the new erven being alienated, except for streets or public places reserved for municipal purposes which shall be transferred free of compensation, subdivisional costs and transfer fees to the Municipality, an endowment, calculated as a percentage, 7,5 %, of the land value of the first 10 erven and 1 % of the value of additional erven created by the subdivision, being alienated, excluding a remainder, be paid to the Municipality in accordance with the stipulations of section 19 of the Township and Division of Land Ordonnance No. 11 of 1963.
- 1.10.9 That the National Housing Enterprise take note that the new erven may only be sold after confirmation that the conditions as stipulated in paragraphs 1.10.1 to 1.10.7, have been met.

1.11 That approval in terms of section 30(1)(t) of Act 23 of 1992 be obtained from the Ministry of Local Government and Housing.

1.12 That the purchase price of R293 277,78 be paid in cash and the Deed of Sale be signed within thirty (30) days after being requested to do so by the Property Manager (Northern Areas).

1.13 That Council Resolution 597/11/89 attached as page 28 to the agenda be rescinded.

2. That Erven 1373 and 1374 (in extent \pm 25 692 m²) and Erf 1430 (in extent \pm 39 627 m²), Extension 14, Khomasdal be sold to the National Housing Enterprise or their nominee by way of private negotiations at an upset price of R18,71/m² subject to the following conditions:

2.1 That consent be granted to erect more than one dwelling, up to the following maximums on the erven:

		Dwelling unit
Erf 1373	: 1,5419 ha \div 250 m ² =	61
Erf 1374	: 1,0273 ha \div 250 m ² =	41
Erf 1430	: 3,9620 ha \div 250 m ² =	<u>158</u>

Total potential 270

2.2 That the National Housing Enterprise be responsible to bear the costs of the internal water and sewer network.

2.3 That the National Housing Enterprise consult personally with the City Electrical Engineer to discuss the necessary electricity supply alternatives for the development and the costs involved.

2.4 That the National Housing Enterprise submit electrical plans of the development for the planning of telephone services and lines to Telecom Namibia.

2.5 That the National Housing Enterprise take note that the erven can be developed in two ways:

2.5.1 Residential development without subdivision:

If a development takes place without subdivision, the potential number of units which could be erected is determined as follows:

$$\text{ERF AREA} \div \text{DENSITY}$$

Use can be made of the full potential of the erf in all the various density cases.

2.5.2 Residential development with subdivision.

If National Housing Enterprise wish to subdivide the erf, the potential number of erven which could be created is determined as follows:

$$\text{ERF AREA} \times 0,8 \div \text{DENSITY}$$

(Approximately 20 % of a development is usually needed for use as streets and public open spaces which must be provided with subdivisions. Thus the factor of 0,8 used.)

In cases where the density is higher than 1/500 (for example 1/250, 1/167, 1/150 and 1/100), the erf area x 0,8 is divided by the minimum erf area acceptable to the Minister of Local Government and Housing at the time of the subdivision.

- 2.6 That, should the National Housing Enterprise wish to subdivide the erf, the subdivision application be referred to Town Planning for more detail comments and conditions in respect of services and Town Planning aspects.
- 2.7 That National Housing Enterprise take note of the sewer lines on Erf 1430 as per Plan P/3028/A attached as page 29 to the agenda.
- 2.8 That National Housing Enterprise at their cost register servitudes in favour of the Municipality to protect the services.
- 2.9 That National Housing Enterprise take note that a part of Erf 1430 lies on fill material and that they will have to do an investigation at their own cost to determine a suitable foundation.

- 2.10 That National Housing Enterprise take note of the conditions for the construction of road services if the erven are to be subdivided.
- 2.10.1 The detail design of roads and streets: The detail design of the surfacing on the streets and the detail of the stormwater drainage systems must be done according to the City Engineer's requirements and approved before any work is started.
- 2.10.2 Design and construction of all civil work must be done under the supervision of a professional engineer to the satisfaction of the City Engineer.
- 2.10.3 The tarring and surfacing of the roads can only be done once 75 % of the erven have been developed and the written approval of the City Engineer has been obtained.
- 2.10.4 That the design of the roads and stormwater systems be done on a CAD system adaptable to the system used by the Municipality and the information be made available to the Municipality.
- 2.10.5 That streets lights be installed at the developer's cost to the satisfaction of the City Engineer.
- 2.10.6 That the streets be constructed and stormwater drainage system be installed at the cost of the developer to the satisfaction of the City Engineer.
- 2.10.7 That the National Housing Enterprise be responsible for a maintenance period on the street and stormwater systems for a period of twelve months after completion and take-over of the works by the Municipality. [A deposit of 5 % of the value of the works must be paid to the Municipality.]
- 2.10.8 That the National Housing Enterprise take note that the new erven may only be sold after confirmation that the conditions as stipulated above, have been met.
- 2.11 That the National Housing Enterprise familiarise themselves with the stormwater on all the erven.

- 2.12 That the National Housing Enterprise take note that, should they continue with the subdivision of Erven 1373, 1374 and 1430, Khomasdal, municipal approval must first be obtained and, in the event of any of the new erven being alienated, except for streets or public places reserved for municipal purposes which shall be transferred free of compensation, subdivisional costs and transfer fees to the Municipality, an endowment, calculated as a percentage, 7,5 %, of the land value of the first 10 erven and 1 % of the value of additional erven created by the subdivision, being alienated, excluding a remainder, be paid to the Municipality in accordance with the stipulations of section 19 of the Township and Division of Land Ordinance Number 11 of 1963.
- 2.13 That Council Resolution 120/4/92 attached as pages 30 - 31 to the agenda be rescinded.
- 2.14 That Governmental approval for the sale be obtained in terms of section 30(1)(t) of the Local Authorities Act 23 of 1992.
- 2.15 That the purchase prices be paid in cash and the Deed of Sale be signed within thirty (30) days after being requested by the Property Manager (Western Areas) to do so.

RESOLUTION NO. 89/03/93

ANNEX 2.2/b

LAYOUT APPROVAL

- * Letter to Municipality requesting approval of lay-outs
- * Municipal Council's June resolution approving lay-out plans for core-house projects

Our ref: 715/4652/AW/en
Date : 17 May 1993

Town Planning Department
City of Windhoek
P O Box 59
WINDHOEK

Attention: Mr N. van der Westhuizen

Dear Sir

LOCAL AUTHORITY APPROVAL FOR TOWNSHIP LAYOUTS, KHOMASDAL; EXT. 15,
OKURYANGAVA PROPER:

Further to our discussions on Monday 26 April 1993 I am writing to confirm the above.

I would like to confirm that I handed, on behalf of NHE, to you three copies of each township layout for the following erven.

Extension 15, Khomasdal: 1430
1373 and 1374 (one drawing)

Okuryangava Proper : 41

We note the following.

1. Erven 1373 and 1374:

Submitted for comment from all relevant departments and approval of the Municipality. We understand that this could take three months but would really appreciate it being done as soon as possible.

2. Erf 1430 and Erf 41:

These layouts have been amended in response to comments from the Municipality received earlier this year. We understand that it is possible that this matter may be discussed at the Municipality's Management Committee meeting on 3/5/93, to be put to Council at the end of May. Once again we would be very grateful if this could be expedited as a matter of urgency.

We trust that you are in agreement with the above and would like to thank you for your co-operation and assistance this far.

Yours faithfully



Andrew Walton
SUM-McNAMARA CONSULTANTS

City Engineer's Department



CITY OF WINDHOEK

Enq: N H v/d Westhuizen
Tel: 391-2377

Ref: L/Ext.15/KD

SUM - McNamara Consultants
PO Box 20192
WINDHOEK

1993 7. 05.

Sir

MINOR CHANGES ON LAYOUT PLANS

Your verbal request and submission of amended plans on 01 July 1993, refers.

The layout on Erf 41, Okuryangava Proper and Erven 1430 and the consolidated Erven 1373 and 1374, Khomasdal Extension 15 were approved by Council on 30 June 1993 by virtue of Council Resolutions 203/06/93, 241/06/93 and 202/06/93 respectively.

The proposed changes on the layouts are not of major extent and therefore need not be re-submitted to Council. The mentioned Council resolutions authorized the City Engineer to approve minor changes to the proposed layouts.

Consolidated Erven 1373 and 1374, Khomasdal Extension 15

As agreed upon with the City Electrical Engineer no additional substation site is needed in this area which resulted in the creation of an additional residential erf. The removal of the substation erf resulted in many small boundary changes but the street layout remains the same. For your submission to Townships Board the approved layout plan No 1373/4/KD-15 must be replaced by your plan No 153931-005.

It should be noted that, due to the removal of the substation erf, paragraphs 2 to 2.2 of Council Resolution 202/06/93 must be adjusted to fit the amended plan. The mentioned Council Resolution will remain the same except for paragraphs 2 to 2.2 which will read as follows:

- "1. That ...
2. That the consolidated erf (1373 and 1374) Khomasdal Extension 15 be subdivided into 66 portions and Remainder (street) as indicated on the applicant's plan 153931-005 subject to the following conditions:
 - 2.2 That the Remainder of the consolidated erf be reserved as street with no conditions registered against it.
 - 2.2 That the standard conditions be registered against all the newly created residential erven (Portions 1 to 66).

2.3 That, in the event ..."

Erf 41, Okuryangava Proper

As with the consolidated Erven 1373 and 1374 it has been arranged with the City Electrical Engineer that no additional substation site is needed in this area which resulted in the creation of an additional residential erf. As you are aware Portion 43, as indicated on your newly submitted plan No 156931-007, is created as an additional residential erf and can only be connected to the existing sewer line at great expense to the developer.

The removal of the substation erf resulted in many small boundary changes but the street layout remains the same. For your submission to Townships Board the approved layout plan No 41-OKU-93 must be replaced by your plan No 153931-007.

It should be noted that, due to the removal of the substation erf, paragraphs 1 to 1.2, 1.4 and 1.6 of Councils Resolution 203/06/93 must be adjusted to fit the amended plan. The mentioned Council Resolution will remain the same except for the abovementioned which will read as follows:

1. That Erf 41, Okuryangava be subdivided into 63 portions and Remainder (street) as indicated on the applicant's plan No 156931-007, subject to the following conditions:
 - 1.1 That the Remainder be reserved as street with no conditions registered against it.
 - 1.2 That the zoning of residential, as determined per Council Resolution 89/03/93, with a density of one dwelling per 250 m², be applicable on Portions 1 to 63.
 - 1.3 That consent be granted ...
 - 1.4 That the standard conditions be registered against all the newly created residential erven (Portions 1 to 63).
 - 1.5 That, in the event ...
 - 1.6 That a 3 metre wide stormwater servitude be registered in favour of the Municipality of Windhoek, on Portion 41, as indicated on the applicant's plan No 156931-007.
 - 1.7 That the Municipality ...

Erf 1430, Khomasdal Extension 15

The relocation of the substation site to the most western corner of Erf 1430, as arranged with the City Electrical Engineer, is confirmed. The location of the existing substation will thus be accommodated in your newly submitted layout No 153931-006.

The re-arrangement of the erven and the more exact location of boundaries, as determined on the Computer Aided Drafting program, resulted in the creation of 2 more residential erven. The average residential erf size remains 317 m².

Due to the re-arrangement of the erven and the more exact location of boundaries, as determined on the Computer Aided Drafting program, paragraphs 1 to 1.2, 1.24 and 5 of Council Resolution 241/06/93 must be adjusted to fit the amended plan. The mentioned Council Resolution will remain the same except for the abovementioned paragraphs which will read as follows:

1. That Erf 1430, Khomasdal Extension 15, be subdivided into 105 portions and Remainder (street) as indicated on the applicant's plan No 156931-006, subject to the following conditions:
 - 1.1 That portion 105 be rezoned to "municipal", Portions 101 to 104 be reserved as "public open spaces" and the Remainder of Erf 1430 be reserved as street with no conditions registered against it.
 - 1.2 That the standard conditions be registered against all the newly created residential erven (Portions 1 to 100).
 - 1.3 That, in the event ...
 - 1.24 That a 3 metre wide servitude, in favour of the Municipality of Windhoek, be registered on Portions 33 to 36, to protect the main sewer line as indicated on the applicant's plan No 153931-006.
 - 1.25 That 3 metre wide ...
5. That the applicant take note that electricity will be provided from the existing substation located on the proposed Portion 105 as indicated on the applicant's plan No 153931-006.
6. That the applicant ...

This letter must be submitted with all the relevant Council Resolutions to Townships Board for approval of the layout plans.



CITY ENGINEER

/mpe

[Municipal Council Minutes: 1993-06-30]

H.11 APPROVAL OF LAYOUT - ERVEN
1373 AND 1374 KHOMASDAL EXT 15 -
RESIDENTIAL DEVELOPMENT
(L/EXT. 15/KD)

On a proposal by Councillor I Ngatjizeko it was

RESOLVED

1. That Erven 1373 and 1374, Khomasdal, Extension 15 be consolidated into one erf.
2. That the consolidated erf (1373 and 1374) Khomasdal Extension 15 be subdivided into 65 portions and Remainder (street) as indicated on the applicants plan 1373/4/KD-15 subject to the following conditions:
 - 2.1 That portion 65 be rezoned to "municipal" and the Remainder of the consolidated erf be reserved as street with no conditions registered against it.
 - 2.2 That the standard conditions, attached as page 25 to the agenda, be registered against all the newly created residential erven (portions 1 to 64).
 - 2.3 That, in the event of any of the new erven being alienated, except for streets or public places reserved for municipal purposes and municipal zoned erf, which shall be transferred free of compensation, subdivisional costs and transfer fees to the Municipality, an endowment, calculated as a percentage (7,5 %) of the land value of the first 10 erven and 1 % of the value of additional erven created by the subdivision, being alienated, excluding a remainder, be paid to the Municipality in accordance with the stipulations of section 19 of the Township and Division of Land Ordinance No. 11 of 1963.
 - 2.4 That for the payment of the endowment the Municipality may accept serviced erven in place of cash.
 - 2.5 That the prospective developers consult personally with the City Electrical Engineer to discuss the necessary electricity supply alternatives for the development and the costs involved.

- 2.6 That the developer submit electrical plans of the development for the planning of telephone services and lines to TELECOM Namibia.
- 2.7 That no access be taken from Gladiola Street.
- 2.8 That the provision of all services (internal water and sewerage network included), streets, stormwater drainage systems, street lights, traffic signs, street names and road markings be for the account of the developer, including all professional fees.
- 2.9 That the detail geometric and pavement design of roads and streets, the stormwater drainage systems and the internal water and sewerage design be done according to the City Engineer's requirements and approved before any work is started.
- 2.10 That the design and construction of all civil work (including the internal water and sewerage networks) be done under the supervision of a professional engineer to the satisfaction of the City Engineer.
- 2.11 That the tarring and surfacing of the streets is a requisite and can only be done once the written approval of the City Engineer has been obtained and that all other services be installed before approval be granted.
- 2.12 That the design of the roads, stormwater systems and the internal water and sewerage networks be done on a CAD system adaptable to the system used by the Municipality and the information be made available to the Municipality.

[A complete set of as-built drawings must be submitted to the City Engineer once the project is completed.]
- 2.13 That the streets be constructed and stormwater drainage systems be installed at the cost of the developer to the satisfaction of the City Engineer.
- 2.14 That all the work as determined in paragraphs 2.5 to 2.13 be completed before any registration of subdivisions be allowed; if not a deposit be paid to Council equivalent to the value of the outstanding work, which is refundable when the work is satisfactorily completed.

- 2.15 That the developer be responsible for a retention period of 12 months on the street and stormwater systems and the internal water and sewerage networks after completion and take-over of the works by the Municipality.

[A retention amount of 5 % of the value of the works must be paid to the Municipality, which will be used if the developer fails to do any maintenance repairs.]

- 2.16 That street lights be installed at the developers costs and to the satisfaction of the City Engineer and that the street name posts, road signs and road markings be done to the satisfaction of the City Traffic Department.
- 2.17 That the developer bear the full network costs of services, water and sewer, including the planning, design, supervision and construction costs.
- 2.18 That the planning and design of the water and sewerage reticulation networks be done by professional engineers, according to municipal standards and specifications for the developers account.
- 2.19 That the design of the water and sewerage reticulation networks be done on a CAD system adaptable to the system used by the Municipality and that the information be made available to the City Engineer.
- 2.20 That the plans of the proposed water and sewerage reticulation be drafted by the professional engineer, employed by the developer for the design and be submitted to Council and approved by the City Engineer.
- 2.21 That the construction of water and sewer reticulation networks be supervised by a professional engineer to the satisfaction of the City Engineer.
- 2.22 That all reticulation networks connect to the main services provided by the Municipality and all connection points be approved by the City Engineer.

3. That the applicant take note that main services are provided by the Municipality to the area and the location of these services be clarified with the City Engineer before the planning or construction is started.
4. That the contours on erf plans available from the City Engineer's office cannot be guaranteed due to gravel mined on erven and due to accuracy tolerances in assembling these plans.
5. That the applicant take note that no Telecom services are available in this area and the developer supply Telecom with a site plan of this project as soon as it is available to arrange for the supply of telephone services.
6. That the applicant take note that electricity to this erven be provided from an existing substation on Erf 1372 Gladiola Street.
7. That the applicant be requested to submit names for the new streets to be created and that the names be in the same context as the other street names in the area.
8. That the Registrar of Deeds be requested not to register the transfer of any portion before confirmation has been received from the Municipality, under the hand of the Town Clerk, that the endowment as stipulated above has been paid.
9. That the prospective developers take note that the new erven may only be registered after confirmation that the conditions as stipulated in paragraphs 2.5 to 2.22, have been met.
10. That the City Engineer approve minor changes to the layout plan.
11. That the Land Surveyor, responsible for the survey of the area, not submit his survey records to the Surveyor General unless accompanied by a certificate of approval from the Municipality of Windhoek that all the relevant conditions have been met.

Financial implications: None

RESOLUTION 202/06/93

[Municipal Council Minutes: 1993-06-30]

8.1.15 H.12 APPROVAL OF LAYOUT - ERF 41
OKURYANGAVA PROPER - RESIDENTIAL
DEVELOPMENT
(L/Okuryangava)

On a proposal by Councillor I Ngatjizeko it was

RESOLVED

1. That Erf 41 Okuryangava be subdivided into 63 portions and Remainder (street) as indicated on the applicants plan No. 41-OKU-93, subject to the following conditions:
 - 1.1 That Portion 63 be rezoned to "municipal" and the Remainder of Erf 41 be reserved as street with no conditions registered against it.
 - 1.2 That the zoning of residential, as determined per Council Resolution 89/03/93, with a density of one dwelling per 250 m², be applicable on portions 1 to 62.
 - 1.3 That consent be granted to use the new erven for the purposes as mentioned in paragraphs 1.1 and 1.2 while the rezoning is still in process.
 - 1.4 That the standard conditions, including the standard stormwater clause be registered against all the newly created residential erven (portions 1 to 62) as per page 29, attached to the agenda.
 - 1.5 That, in the event of any of the new erven being alienated, except for streets or public places reserved for municipal purposes and the municipal zoned erf, which shall be transferred free of compensation, subdivisional costs and transfer fees to the Municipality, an endowment, calculated as a percentage (7,5 %) of the land value of the first 10 erven and 1 % of the value of additional erven created by the subdivision, being alienated, excluding a remainder, be paid to the Municipality in accordance with the stipulations of section 19 of the Township and Division of Land Ordinance No. 11 of 1963.

- 1.6 That a 3 metre and 4 metre wide stormwater servitude be registered in favour of the Municipality of Windhoek, on portions 42 and 44 respectively, as indicated on plan No. 41-OKU-93 of the applicant.
- 1.7 That the Municipality supply and install electrical services to this development at Council's expense excluding house service connections which will be for the developers account.
- 1.8 That should the developer insist on underground services the difference in costs be at his own expense.
- 1.9 That the developer arrange a meeting with the City Electrical Engineer to discuss the provision of street lighting and clear design considerations to accept Airdac service connections and prepayment metering.
- 1.10 That the provision of street lights be done by the City Electrical Engineer or to his satisfaction and at the developer's expense.
- 1.11 That the developer submit electrical plans of the development for the planning of telephone services and lines to Telecom Namibia.
- 1.12 That no access be taken from Ekundi Street.
- 1.13 That the provision of all services, streets, stormwater drainage systems, street lights, traffic signs, street names and road markings be for the account of the developer, including all professional fees.
- 1.14 That the prospective developers familiarise themselves with the stormwater on the erf as well as the portion at the north eastern corner of Erf 41 which cannot be connected to the existing sewer line.
- 1.15 That the detail geometric and pavement design of roads and streets, the stormwater drainage systems and the internal water and sewerage design be done according to the City Engineer's requirements and approval before any work is started.

1.16 That the design and construction of all civil work (including the internal water and sewerage networks) be done under the supervision of a professional engineer to the satisfaction of the City Engineer.

1.17 That only the bellmouths where the internal streets connect to the existing tarred roads be paved to the satisfaction of the City Engineer should the developer decide not to tar the internal streets.

1.18 That the design of the roads, stormwater systems and the internal water and sewerage networks be done on a CAD system adaptable to the system used by the Municipality and the information be made available to the Municipality.

[A complete set of as built drawings must be submitted to the City Engineer once the project is completed.]

1.19 That the streets be constructed and stormwater drainage system be installed at the cost of the developer to the satisfaction of the City Engineer.

1.20 That the stormwater trenches or outlets, as indicated on the applicants plan, be protected against erosion or alternatively be piped.

1.21 That the pedestrian walkway to Ekundi Street be blocked off to motorised vehicles in an effective manner or alternatively not be wider than 1,5 metres.

1.22 That all the work as determined in paragraphs 1.15 to 1.21 be completed before any subdivisions be allowed; if not, a deposit amount be paid to Council equivalent to the value of the outstanding work, which is refundable when the work is satisfactorily completed.

1.23 That the developer be responsible for a retention period of 12 months on the street and stormwater systems and the internal water and sewerage networks after completion and take-over of the works by the Municipality.

[A retention amount of 5 % of the value of the works must be paid to the Municipality, which will be used if the developer fails to do any maintenance repairs.]

- 1.24 That street lights be installed at the developer's costs and to the satisfaction of the City Engineer.
- 1.25 That the developer bear the full network costs of services, water and sewer, including the planning, design, supervision and construction costs.
- 1.26 That the planning and design of the water and sewerage reticulation networks be done by professional engineers, according to municipal standards as specifications for the developers account.
- 1.27 That the design of the water and sewerage reticulation networks be done on a CAD system adaptable to the system used by the Municipality and that the information be made available to the City Engineer.
- 1.28 That the plans of the proposed water and sewerage reticulation be drafted by the professional Engineer, employed by the developer for the design, and be submitted to Council and approved by the City Engineer.
- 1.29 That the construction of water and sewer reticulation networks be supervised by a professional engineer to the satisfaction of the City Engineer.
- 1.30 That all reticulation networks connect to the main services provided by the Municipality and all connection points be approved by the City Engineer.
2. That the contours on erf plans available from the City Engineer's office cannot be guaranteed due to gravel mined on erven and due to accuracy tolerances specified in assembling these plans.
3. That the applicant take note that in order to facilitate a remunerative service it is envisaged that low voltage distribution and house service connections be done utilizing Aerial Bundled Conductor and Airdac service cable respectively.
4. That the developer take note that Erf 41 has a sewer line on the south boundary from which a sewer connection could be arranged and that water for the development of Erf 41 can be provided from Ongava Street.

- 5. That the applicant take note that no Telecom services are available in this area and the developer supply Telecom with a site plan of this project as soon as it is available to arrange for the supply of telephone services.
- 6. That the Registrar of Deeds be requested not to register the transfer of any portion before confirmation has been received from the Municipality, under the hand of the Town Clerk, that the endowment as stipulated above has been paid.
- 7. That the prospective developers take note that the new erven may only be registered after confirmation that the conditions as stipulated in paragraphs 1.6 to 1.30 have been met.
- 8. That the Land Surveyor responsible for the survey of the area, not submit his survey records to the Surveyor General unless accompanied by a certificate of approval from the Municipality of Windhoek, that all the relevant conditions have been met.

Financial implications: None

RESOLUTION 203/06/93

[Municipal Council Minutes: 1993-06-30]

8.1.16 K.1 VANDALISM AT KEY POINTS
 AND THE PROTECTION THEREOF
 (6/2/2/2/1)

On a proposal by Councillor I Ngatjizeko it was

RESOLVED

That an overexpenditure of R2 500,00 on Vote 16/02/161 be approved and be financed from a transfer from Vote 16/02/00232.

RESOLUTION 204/06/93

=====

ANNEX 2.2/c

**CORE-HOUSE PROJECTS LAND
DEVELOPMENT**

- * Standards and cost estimates
- * Preliminary work programme



LUND CONSULTING ENGINEERS

CONSULTING CIVIL STRUCTURAL AND HYDRAULIC ENGINEERS

P.O. BOX 3106 9 LOVE STREET WINDHOEK, NAMIBIA TEL. (061) 34081 FAX (061) 32478

111A/3512

30 June 1993

ATTENTION MR A WALTON

National Housing Enterprise
P O Box 20192
WINDHOEK

Dear Sir

OSHATOTWA HOUSING PROGRAMME : CORE HOUSE PROJECT : ALTERNATIVE ROAD SURFACINGS

Further to our verbal communication on Friday 25 June 1993, we wish to submit to you details of the estimates prepared for alternative road surfacings. :

The following four different alternatives were investigated :

- Alternative 1 :**
- 5.5m road width
 - Subgrade preparation
 - 100mm Subbase
 - 100mm Base course
- Alternative 2**
- 5.5m road width
 - Subgrade preparation
 - 100mm Subbase
 - 100mm Base course
 - Single seal chip and spray (9.5mm stone) followed by fogspray.
Surfacing applied to full 5.5m width
 - Kerbing and channelling on one side of road
 - Concrete edging on other side of road

- Alternative 3
- 5.5m road width
 - Subgrade preparation
 - 100mm Subbase
 - 100mm Base course
 - Single seal bituminous surfacing as for alternative 2 but applied to a width of only 3 metres
 - Concrete edging on both edges of surfacing

- Alternative 4
- 5.5 m road width
 - Subgrade preparation
 - 100mm Subbase
 - 100mm Base course
 - Single seal bituminous surfacing as for alternative 2 applied to full 5.5m road width

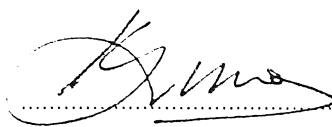
The following cost estimates do not include any cut and fill operations required to bring the subgrade to the required levels as these works would be common to all alternatives. The estimates are only intended to indicate the variation in costs for the different surface finishes.

Estimates are based on unit rates obtained from various contractors involved on similar works in Windhoek. The validity of these rates was checked with the Municipality.

	ALTERNATIVE - Cost in Rand			
	1	2	3	4
Erf 1430, Khomasdal	42 618	118 674	80 024	67 574
Erf 1373,1374 - Khomasdal	31 329	90 285	59 445	49 685
Erf 41, Okuryangava	37 875	107 668	71 538	60 068

We trust that the above information will be of value to you.

Yours faithfully,



K A H LUND Pr Eng

LUND CONSULTING ENGINEERS



LUND CONSULTING ENGINEERS

CONSULTING CIVIL STRUCTURAL AND HYDRAULIC ENGINEERS

P.O. BOX 3106 9 LOVE STREET WINDHOEK, NAMIBIA TEL. (061) 34081 FAX (061) 32478

111A/3515

08 July 1993

ATTENTION MR A WALTON

National Housing Enterprise
P O Box 20192
WINDHOEK

Dear Sir

OSHATOTWA HOUSING PROGRAMME : CORE HOUSE PROJECT : REVISED COST ESTIMATES

In accordance with your request, we have prepared a revised cost estimate for the provision of services (water and sewage reticulation, roads and storm water drainage) in Khomasdal Extension 15, erven 1373, 1374 and 1430 and Okuryangara Proper, erf 41.

The estimates have been based on layouts provided by yourselves and contours indicated on the layouts. Cost estimates for road works are based on details submitted to you under cover of our letter ref. 111A/3512 dated 30/6/93 for bituminous surfaced roads in the Khomasdal erven (5.5 m road width, 100mm sub-base, 100mm base course, edging and kerbing and channelling were required) and gravel surfaced roads in the case of Okuryangara Proper (100mm sub-base and 100mm base course only).

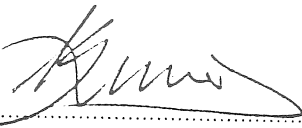
The estimates must be considered as appropriate only as no detailed quantities for earthworks were extracted. Average depths of trench excavation were used throughout and cut and fill quantities for road works were based on a rough approximation of road gradients.

The estimates for the provision of the required services are as follows :

Khomasdal Ext. 15, Erf 1430	R 437 000
Khomasdal Erf 15, Erven 1373 & 1374	R 398 000
Okuryangara Project, Erf 41	<u>R 333 000</u>
TOTAL	R1 168 000

We trust that this information meets with your approval.

Yours faithfully,



.....
K A H LUND Pr Eng
LUND CONSULTING ENGINEERS

257 2003 incl 400000; - distb w 15 175 000

ANNEX 2.2/d

**CORE-HOUSE PROJECT:
CORRESPONDENCE RELATED TO
VALUE OF CONSTRUCTION IN
KHOMASDAL LOCATIONS**

BLDG&VLU-WR1.

11-6-93.

Department of Properties and Protective Services
City of Windhoek
P. O. Box 2085
Windhoek
9000

Attention: Mrs. J De Kock

Dear Madam

WINDHOEK LOW INCOME HOUSING PROGRAMME. BUILDING VALUES. KHOMASDAL EXT. 15

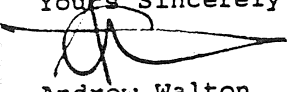
We are writing on behalf of the National Housing Enterprise to confirm the agreement reached in discussion with Mr. N. van der Westhuizen regarding the building value required for erven in Khomasdal ext.15 purchased by the NHE for the development of the core house project within the above mentioned programme.

Mr. van der Westhuizen informs us that although the erven in question (namely 1373, 1374, 1430) have no building value stipulated in the Governmental approval for the development of these townships, the Department of Properties and Protective Services have requested a final building value of twice the Municipal evaluation of the erf. These erven were purchased for the development of a core house project (kindly see the attached motivation Appendix A), thus to have to comply with this requirement in the first phase would defeat the objective of the core house project, namely to provide an affordable starting point for first time homebuyers. However with the assistance available from the NHE as an integral component of the housing programme, in the form of technical advice for the design and construction of improvements, and financial assistance in the form of short term loans, the houses will be developed to a standard and value compatible with the neighbourhood. We understand that this is acceptable to the Town Planners of the City of Windhoek, and are seeking confirmation from yourself that this is acceptable to the Department of Properties and Protective Services.

We are busy with our application to the Townships Board for the approval of the proposed township layouts, which we intend to submit at the end of June for consideration at their meeting at the end of July. In order to complete the application we need confirmation of the building value for these erven. Your prompt response to this matter would be greatly appreciated.

We look forward to hearing from you at your earliest convenience. Thank you in anticipation of your co-operation.

Yours Sincerely


Andrew Walton
SUM-McNamara Consultants

enc. Appendix A.

cc. Mr. B Watson
Mr. N van der Westhuizen
Mr. C Steenkamp

Town Planning Dept. City of Windhoek.
Town Planning Dept. City of Windhoek.
Special Projects Officer. NHE.

Namibia:

104 Lautwein St, P O Box 3682, Windhoek
Tel 264-61-35065 Fax 32969

APPENDIX A

WINDHOEK LOW INCOME HOUSING PROGRAMME: CORE HOUSE PROJECT

BUILDING VALUES FOR THE FOLLOWING ERVEN:

Ext. 15 KHOMASDAL ERF 1430
 ERF 1373
 ERF 1374

BACKGROUND TO THE WINDHOEK LOW INCOME HOUSING PROGRAMME

The Government of the Republic of Namibia and the Kreditanstalt fur Wiederaufbau (KfW), a German implementation agency for capital aid projects, have signed a financial agreement for the execution of a low income housing project in Windhoek, addressed to households with incomes of less than 3x P.H.S.L.(in Oct. 1992 approx. R 2 490.00). The Government of the Federal Republic of Germany has granted an amount of DM 9 600 000.00 to the National Housing Enterprise for this purpose.

During the inception phase (Sept.92 to Nov.1992) various project components were identified with the participation of the Ministry of Regional, Local Government and Housing, and the Municipality, and proposed in a report submitted to the KfW and circulated to all concerned parties in Namibia in December 1992. The proposals outlined in the inception report were accepted by the KfW, and at the beginning of 1993 the N.H.E. with assistance from consultants began work on the implementation of the programme.

One of the main programme components is the development of new core houses. During the inception phase, suitable erven for this were identified and applications to purchase from the Municipality of the City of Windhoek were made and approved on 31.03.1993 at the Council meeting (Council resolution 89/03/93). The NHE has noted the conditions of sale and will shortly approach the Municipality for the signing of the Deeds of Sale.

RATIONALE BEHIND CORE HOUSE PROJECT

The prime objective of the project is to improve the housing conditions of the low-income group. The participants in the scheme will be selected from the NHE waiting lists and will have household incomes of less than 3 x phsl.

During the inception phase it became apparent that one of the reasons for the shortage of housing in Windhoek is the high cost of housing available on the market for first-time homebuyers. It is a factor which contributes to the overcrowding prevalent in many households in Windhoek, for although people may want to move into homes of their own they are unable to afford the expense of purchasing a completed home. These factors led to the formulation of the core house project as one of the components of the programme.

The core house concept is not unfamiliar to Windhoek where other projects of this type have been executed previously, and is common practice in many countries. During interviews with households involved in these core house projects, and from the research carried out by the NHE into the post-occupancy satisfaction of the homeowners of the NHE houses, it is apparent that there exists a willingness and a capability of these households to further improve their housing through a mobilization of their own resources. Many households interviewed were of the opinion that the process of improving their homes would have been facilitated by financial assistance, technical advice regarding the design of the improvements, and advice and supervision for the construction. This would have made the incremental growth of the homes an easier task and would have resulted in a better quality home.

PROJECT SITES

The project is sited on three erven in Khomasdal ext.15 (1373, 1374, 1430) All the erven are within existing proclaimed townships.

The upliftment of low income households can be hindered or assisted by the proximity of their homes to the opportunities and facilities of the city on which they are dependent for their survival. Hence the correct location of a project such as this is vital to the success or failure of the scheme. When considering sites for the project, priority was given to finding sites which are integrated into the city fabric, within a developed or developing neighbourhood. After due consideration and consultation with the town planning officials of the Municipality, it was decided that the above mentioned erven are suitable and available for a project of this nature.

COMPONENTS

The project will consist of 162 core houses which the participants will select from a range of options, currently being designed by the NHE, according to their needs and affordability. The starter option will probably consist of a 24 sq. metre core including a bathroom and toilet. This can then be upgraded incrementally to a 2 or 3 bedroom house. This upgrading and extending will be encouraged and facilitated by social, technical and financial assistance from the project team within the NHE and the consultants engaged in this programme.

Although the value of the initial core house will probably be only equal to the cost of the erf, the final value if the houses would be at least double. All the initial construction will be supervised by the NHE, so quality and standards of buildings will be controlled.

SUMMARY

The need for affordable housing for the low income groups of Windhoek is unquestionable. This programme is specifically designed to enable access to quality, affordable homes that they can improve in time to achieve homes which really suit their needs. The locations selected for the core house project are suitable for development of this nature, being reasonably well integrated into the city fabric and within existing residential areas. The proposed densities comply with the Government and Local Authority requirements, and the proposed erf sizes are within the Ministry of Regional and Local Government and Housings demands.

This project should be seen as an attempt to at least partially address one of most pressing needs in Windhoek today, that of providing housing for the low income groups, and it is hoped that the Municipality will consider this application for approval or recommendation of these layouts favourably.

WLIHP\MEMO\03-06-MM.WR1
A. WALTON
SUM-McNAMARA CONSULTANTS.
04.06.93.

DEPARTMENT OF PROPERTIES AND PROTECTIVE SERVICES



ENQUIRIES: Mrs J S de Kock
TELEPHONE: 391-2702
REFERENCE: 16/9/2/2/1

THIS DOCUMENT WAS RECEIVED

28-06-1993

25 June 1993

SUM-McNamara Consultants
P O Box 3682
WINDHOEK

Attention: Mr Andrew Walton

Sir

WINDHOEK LOW-INCOME HOUSING PROGRAMME
BUILDING VALUES -KHOMASDAL, EXTENSION 15
ERVEN 1373, 1374 AND 1430

Your application dated 11 June 1993 has reference.

As the Conditions of the Proclamation of Establishment of Khomasdal, Extension 15 does not preclude a building value of twice the municipal valuation of the erven, the Property Division has no objection to provide as such in the proposed Deed of Sale.

Yours faithfully

J. de Kock
THE ASSISTANT DIRECTOR
DEPARTMENT OF PROPERTIES AND PROTECTIVE SERVICES

JSDK/wvw
LOW-INC.KHD

OSHATOTWA PROGRAMME - QUARTERLY PROGRESS REPORT 2 -JUNE/93

ANNEX 2.3/a

CONTRACT FOR LOAN
GUARANTEE FUND

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 Louis Jacobus Fick in his capacity as Fund Administrator having been duly authorized thereto and hereinafter referred to as "LGF")

and

SWA BUILDING SOCIETY

of;

P.O. BOX 2150

WINDHOEK

Telephone number (061) - 225911

(Herein represented by DONALD JOHN RUSSELL in his capacity as Managing Director and ANDRIES JOHANNES BORNMAN in his capacity as Assistant General Manager, having been duly authorized thereto and hereinafter 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 (German 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 "Guarantee Certificate" addendum E 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 July 1993, and in the case of every succeeding year of business, from the first day following the day upon which the immediately preceding year terminated for a period of twelve months;

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 first mortgage bond registered 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 "Primary Household Subsistence Level" means a statistical calculation of the poverty data line according to the data base researched by the University of Port Elizabeth for Namibia as determined from time to time. This information will be available from the LGF.

1.11 "Fee's" means a fee charged for the issue of a guarantee which shall be used to cover part of the costs of re-insurance. This fee shall be included in the loan provided by the FI to the

individual and paid over to the LGF, on registration of a first bond in respect of the property.

1.12 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 (which may include all legal costs and transfer duties relating to the transfer and bond registration). In return for the payment of the fee's 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 and provide for all costs regarding the transfer of the property and bond registration, 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 five years from the date of the issue of the relevant guarantee

certificate and payment of the relevant fee's. A valuation shall be made after the period of five years and if the valuation is at least 20% more than the loan balance, the guarantee shall be cancelled. The valuation shall, on request, be made available by the FI to the LGF.

2.4 Fees.

During the first year of operation the FI shall pay no fee's to the LGF. After the expiry of the first year a fee shall be negotiated between the FI and the LGF.

2.5 Transfer of rights.

The FI undertakes, if requested to transfer all rights of recovery, on the net loss realised, which was claimed against the LGF, to the LGF, as to enable the LGF to recover the net loss from the individual.

2.6 Subsequent loans.

The FI may -

2.6.1 grant a second bond under an existing guaranteed loan; provided that, in such event, the loan balance after the grant of such second bond may not exceed the maximum allowed under the scheme at the time;

2.6.2 a re-valuation of the property shall be made before the granting of the second bond;

2.6.3 not any time grant a loan, which includes the purchase price plus all legal fee's, under this scheme which exceeds (R42 000,00 (FORTY TWO THOUSAND RAND) or such higher amount as may from time to time be determined by the LGF.

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 a sale in execution, whether at the instance of the FI or of any other person; or a sale by way of a public auction pursuant to the insolvency of the borrower; was held in respect of the relevant property where the property was purchased by the FI or by any person other than the FI for an amount which is insufficient to cover the full amount of -

3.1.1. the loan balance (as defined in clause 1.6) or,

3.1.2. the unpaid balance of the judgement debt (which includes interest and legal costs),

in which event the total loss to the FI shall be deemed to be an amount equal to the difference between such purchase price and the loan balance, or an amount equal to the difference between such purchase price and the unpaid balance of the judgement debt, as the case may be.

4. PROCEDURES

4.1 For taking a guarantee from the LGF.

4.1.1 Application for coverage.

4.1.1.1 The FI shall apply to the LGF, on the prescribed form as in annexure E, to include the loan under the scheme once the application for such a loan has been approved by the FI. The LGF shall inform the FI of the approval of participation once it has ensured that the application complies to the conditions

contained herein. The approved annexure E shall thereafter be returned to the FI.

4.1.1.2. Individual guarantees shall come into effect as from the date of registration of transfer and bond.

4.1.2 Monthly Report.

A guarantee advice recording all individual guarantees 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 come into effect upon 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 a 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. However shall preclude nothing herein contained shall preclude the FI from itself completing such dwelling house before instituting a claim.

4.1.3 Payment of fee's.

4.1.3.1 Once fees are established according to 2.4, they shall be paid to the LGF by the FI, on date of registration of transfer and bond in respect of the property which was included under the guarantee fund.

4.1.3.2 Once paid, no fee's referred to in 4.1.3.1 or any part thereof shall be refunded to the FI, save for the purpose of correcting errors of calculation or payment, notwithstanding that

any guaranteed loan to which any individual guarantee relates may during the relevant period referred to in 2.3 be cancelled or discharged.

4.1.3.3 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 as from date of approval of the loan by the FI.

4.1.4 Variation of fee rate.

Any variation of the rate at which fees are calculated shall be mutually agreed upon between the FI and the LGF.

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 the sale.

4.2.1.2³ The FI shall deliver to the LGF a notice of sale of property in the form of Annexure C -

↓ 4.2.1.2.1³ 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

↓ 4.2.1.2.2³ 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 period of 30 (THIRTY) DAYS after proper submission of a claim. Interest at the rate applicable on new mortgage bonds for housing shall be claimable by the FI from the LGF if the claim was not settled within 30 days after submission, unless the LGF can prove reasonable justification for not settling the claim in time.

4.2.3 Reservation of rights for the LGF to bid at an 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 be appointed and authorized by the FI to bid at the sale in execution or public auction referred to in 4.2.1.2 for and on

behalf of the FI, to acquire the relevant property at such price as may be determined by the FI.

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 LGF 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 five years after the commencement of the guarantee subject to the conditions of clause 2.3.

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 The LGF shall provide a 6 monthly statement of affairs to each of the participating FI of

5.7.1 Income and Expenditure

5.7.2 Guarantees issued

5.7.3 Claims paid

5.7.4 Claims pending

5.7.5 Total commitment on guarantee versus total assets of the fund.

5.8 The LGF shall consider and finalise any claim within 30 days of submission, according to the rules contained herein.

5.9 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 of19..... in the presence of the undermentioned witnesses.

As Witnesses.

1.

2.
L.J. Fick
for: Loan Guarantee Fund

Thus done and signed at on this
day of19..... in the
presence of the undermentioned witnesses.

As Witnesses.

1.

2.
D.J. Russell
.....
A.J. Bornman
for: SWA Building Society

MONTHLY REPORT

NAME OF FINANCIAL INSTITUTION _____ DATE OF SCHEDULE: _____
 ADDRESS OF FINANCIAL INSTITUTION _____ SCHEDULE FOR MONTH: _____

1 Lenders Loan Account Number	2 Surname of Borrower	3 Ini- tials	4 Erf No.	5 Township	6 Initial Value of Property	7 Purchase Price + Legal Costs	8 Deposit Paid	9 Loan Amount	10 Guaran- tee Amount	11 Amount Fees Paid	12 Date Bond Regi- stered	13 Buil- ding Loan Yes/No	14 Date of Guarantee

(Complete only in respect of guarantees requested and approved for that month)

ANNEXURE "B"

JUDGEMENT/INSOLVENCY ADVICE

NAME OF LENDER :

ADDRESS OF LENDER :

CONTACT PERSON AND TEL NO. :Tel

DATE OF THIS NOTICE :/...../19.....

NAME OF BORROWER :

LENDER'S ACCOUNT NUMBER :

GUARANTEE CERTIFICATE DATE :/...../19.....

CURRENT LOAN BALANCE : R

If Judgement -

1. NAME OF JUDGEMENT CREDITOR :
2. DATE OF JUDGEMENT :/...../19.....
(Attach copy of notice/
judgement)

If Insolvency -

1. Date
2. Name of Trustee.....

Prepared by: Date:19.....

Authorized by: Date:19.....

ANNEXURE C

NOTICE OF SALE OF PROPERTY.

NAME OF LENDER :.....

ADDRESS OF LENDER :.....
:.....

CONTACT PERSON AND TEL NO. :.....Tel

DATE OF THIS NOTICE :...../...../19.....

NAME OF BORROWER :.....

LENDER'S ACCOUNT NUMBER :.....

GUARANTEE CERTIFICATE Date :...../...../19.....

JUDGEMENT/INSOLVENCY ADVICE DATE :...../...../19.....

CURRENT LOAN BALANCE :R.....

(Complete only if different from particulars in Annexure "B")

If Judgement -

1. NAME OF JUDGEMENT CREDITOR :.....
2. DATE OF JUDGEMENT :...../...../19.....
(attach copy of notice/judgement)

If Insolvency -

1. DATE :...../...../19.....
2. NAME OF TRUSTEE/LIQUIDATOR :.....
3. ADDRESS :.....
:.....

TYPE OF SALE :In execution at instance of FI*
In execution at instance
third party*
Public auction after insolvency*

DATE OF SALE :...../...../19.....

PLACE OF SALE :.....

TIME OF SALE :.....H.....

(Note: Conditions of Sale to be attached)

* Delete that which is not applicable.

Prepared by: Date:19.....

Authorized by: Date:19.....

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? YES/NO
- 1.5 Date of sale in execution/public auction
:...../.....19.....
- 1.6 Guarantee Certificate Date:/...../19.....
- 1.7 Date of Judgement/Insolvency advice ("B"):
.../.../19...
- 1.8 Date of Notice of Sale of Property ("C"):
.../.../19...
- 1.9 Amount of any collateral security:
R.....

Section 2: Initial Value of Property

2.1 As set out in 7 of Annexure "E" R.....

Section 3: Maximum cover: Guarantee Amount (where applicable) R.....

3.1 As set out in B1 of Annexure "E" 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): R.....

4.4 Total cover R.....

4.5 TOTAL CLAIM (Lesser of 4.3 and 4.4)R.....

.....
Prepared by

.....
Date

.....
Authorized by

.....
Date

LOAN GUARANTEE FUND
GUARANTEE CERTIFICATE

Annexure E

ISSUED TO:
(Name of FI)

In respect of

1. Borrowers surname :.....

2. Borrowers first names :.....
:.....

3. Identity Number :.....

4. Erf number :.....

5. Township :.....

6. Monthly Income:

6.1 Borrower R.....

6.2 Spouse R.....

6.3 Housing Allowances R.....

Total Income R.....

7. Property Valuation R.....

8. Purchase Price R.....

9. Legal Costs R.....

10. Deposit Paid R.....

11. Loan Required R..... (8+9-10)

12. Guarantee Required R.....
(20% of 11.)

13. Date of approval of loan:/...../19.....

14. Fee R.....
(Payment on registration)

Prepared by: Date: .../.../19....

Approved by: Date .../.../19....

Completed by Loan Guarantee Fund

1. Participation Approved YES
NO

2. Amount Guaranteed R.....

.....
APPROVED BY DATE

(Original returned to FI, LGF retain copy).