

**OSHATOTWA
HOUSING PROGRAMME**

PROGRESS REPORT N° 4

INTERMEDIATE PROGRAMME EVALUATION



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

**March 1994
Windhoek, Namibia**

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ABBREVIATIONS USED

- BML Building Material Loans
- CC Community Centre
- CDC Community Development Coordinator
- CTA Chief Technical Advisor
- GST General Sales Tax
- HH Household
- KfW Kreditanstalt für Wiederaufbau
- LGF Loan Guarantee Fund
- MM Man Month
- MRLGH Ministry of Regional and Local Government and Housing
- NGO Non Governmental Organization
- NHE National Housing Enterprise
- N\$ Namibia Dollar
- PHSL Primary Household Subsistence Level
- QPR Quarterly Progress Report
- SCA Self-Help Construction Advisor
- SHHA Self-Help Housing Agency, Gaborone, Botswana
- SMFPC Senior Manager, Finance, Planning and Control
- SMTSS Senior Manager of Technical and Social Services
- SS Starter Solution

1. INTRODUCTION

This Progress Report No. 4 is submitted by SUM-McNamara Consultants to the National Housing Enterprise, with copies to the Ministry of Regional, Local Government and Housing and to the Kreditanstalt für Wiederaufbau in accordance with Paragraph 2.2.3 of the Consulting Contract dated July 16, 1992. It covers the progress accomplished from the 1st of October 1993 through the end of March 1994.

The Report intends to provide a comprehensive view of the Oshatotwa Programme and its situation after completing the first year of implementation, focusing in the intermediate evaluation done in February. Chapters outline the Inception Phase proposals, describe achievements as of March 1994; the implementation problems encountered; progress since October 1993 and present a revised implementation schedule for each sub Project and components. A budget revision is proposed to adjust it to the major changes subsequent to the evaluation.

KfW mission

Between the 15 and the 26 of February a KfW mission headed by Dr. Johannes Bickel and including Mr. Gerd Redecker visited Windhoek to review on site Oshatotwa progress and make preparations for a second KfW financed housing Programme in Namibia. The mission detected implementation delays, particularly with regard to Starter Solutions; inconsistencies in the application of affordability criteria, difficulties with cost-recovery and implementation problems with the Loan Guarantee Fund and Building Material Loans components. The Minutes of Meeting with KfW's mission main findings are attached as Annex 1/a.

Evaluation and planning workshop

A two days evaluation workshop was held at the Training Centre of Rössing Foundation in Khomasdal on February 21 and 22, 1994. The objective was to evaluate the first year of implementation, revise the Programme if necessary and plan execution till the end. Altogether 24 persons from various institutions involved in the Programme participated, including 2 Regional Councilors and representatives of the communities, NHE, the MRLGH, the Municipality, SWABOU, KfW and the consultants.

The workshop adopted the same participatory method as the one held during Programme inception, using visualization techniques which stimulate active involvement of all assistants and allow full documentation of the results. An outline of issues discussed and major conclusions follows; a full report is attached as Annex 1/b.

- **What have been planned**

Presentation by the Chief Technical Adviser: Programme objectives and expected results as defined in the planning workshop of Nov. 1992 (see Annex 1/a of Inception Report).

- What had been achieved?
Presentation by the Programme Coordinator: Programme achievements to February 1994.
- Problems of implementation
Plenary discussion to identify the main problems of implementation. Detailed analysis of these problems in working groups. Presentation of problem analysis and discussion in plenary. The main problem identified was stated as *"the number of households having improved their housing situation is less than planned"*, pointing to implementation delays.
- Objectives
The previously established objectives were still considered valid. The superior goal was confirmed as: *"To improve the living conditions of low-income households through replicable and sustainable housing developments within the framework of the National Housing Policy"*. and the indicator of success stated as: *"By the end of 1995, the basic principles of the Oshatotwa Programme are incorporated into new projects which are planned or implemented without major financial assistance from the KfW"*.

The Programme objective *"To improve access to housing for low-income groups applying new approaches and encouraging the participation of the community and the Public and Private Sectors"*, was maintained, and the indicators adjusted as:
 - By the end of 1995, 1.500 households (clients of the Programme) with incomes up to 3 PHSL have improved their housing situation (legalization of tenure and services and/or houses).
 - Arrears for core-houses, building material loans and starter solutions is less than 20%
 - Through NHE efforts, at least 50% of the clients are paying regularly for their erven in the upgrading areas.
- Major changes
The workshop confirmed some previously proposed modifications and introduced several adjustments:
 - The implementation period was extended from 2 to 3 years, The main reason are the innovations of the Programme which take more time to be assimilated by NHE than anticipated. Another reason is that NHE in 1993 was extremely busy with other projects and did not have sufficient personnel available.
 - The total number of beneficiary households is expected to increase from 1.200 to 1.500.
 - As the Building Material Loans component did not take off yet, the original concept will be revised to include target groups not initially envisaged for this stage of execution and to modify access conditions for households in the upgrading areas. The envisaged number of average loans was reduced to 300.

- Although no Loan Guarantee Fund secured Loans have so far been issued by the building societies, the basic idea is still considered worthwhile. NHE will support an effort to get it off the ground with a deliberate promotion strategy including a pilot project, improvement of the risk cover conditions, proper marketing directed towards potential clients, developers and employers. If the results are not convincing by the end of 1994, the LGF will be discontinued and the money reallocated.
- As a Programme activity, institutional development has been significantly modified. On one hand an increased effort has to be done to facilitate the internal changes that NHE requires to run the Programme effectively. The perspective of an increased demand for this type of programmes require an increased effort regarding revision of standard procedures, work organization, monitoring, communication and human resource development. On the other hand the possibilities of effective cooperation with other institutions, overestimated in the past, have been reassessed.

- Conclusions

The workshop has provided a forum to discuss openly the problems of implementation and reorient future action with the approval of the main actors involved. NHE has used the opportunity to promote transparency and share implementation experience with the other related institutions. The Programme Coordinator and Financial Assistant who did not participate in the original planning do now identify with the Programme's objectives and basic principles.

Note 1: Rate of exchange in March 1994 was of 2 N\$ = 1 DM. At the end of 1993, NHE reduced the maximum interest rate it charges from 17 to 16%.

Note 2: Due to the timing of the consultant's mission, this report could not be prepared in Windhoek before the CTA left in mid March and the draft could not be discussed with NHE as usual.

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The first house completed as a starter solution within the Upgrading Project is this two-room unit belonging to Mr. Reinhold Amushelenga, of Freedomland. CDC Ms. P. Taaru, Oshatotwa Chief Technical Advisor, Mr. J. A. Crispo, and Mr. Kenneweg from the German Embassy are shown visiting the house in February.



Another completed Starter Solution belongs to Mr. Saltiel Philipus of Freedomland. He has already starting improving his house using his own funds, materials and builders.

2. UPGRADING PROJECT

2.1 Proposal in Inception Report

The Project is designed to improve housing conditions of some 960 families of resettled squatters living in shacks in destitute areas, gradually bringing their settlements up to urban standards of comparable areas in Windhoek. Its main components are: regularization of land tenure, offering to each family that can afford it the possibility of a basic starter solution, the extension of infrastructures and the construction of three community centers. A strong community development effort is envisaged to support implementation. The total cost of the Project was estimated at N\$ 7.882.000, with the following components: N\$ 4.800.000 for the purchase of land, N\$ 832.000 for extension of infrastructures, N\$ 450.000 for the construction of three community centers and N\$ 1.800.000 to finance 600 starter solutions. The activities identified as required for the execution of the Project are:

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

The preliminary implementation schedule envisaged to combine land regularization and the offer and construction of starter solutions in a process lasting till the first quarter of 1994; to complete the extension of infrastructures till October 1993 and to build the three community centers by September 1993. Further house improvement through building material loans was scheduled to last till the end of the Project, after an initial trial experience ending in July 1993. The supporting community development effort was conceived as a permanent activity through all the implementation period.

2.2 Overview of first year of implementation

2.2.1 Status:

- After 15 months of work,
- All project land has been acquired by NHE

- Information about the Project has been widely disseminated among the target group and the CDCs have developed a relationship of trust with beneficiaries
- Very good progress in community development has been accomplished; communities are more stabilized, leadership is more legitimate and grass root organizations are starting to appear.
- About 90% of the erven are sold to individual households, 136 pending cases are being processed
- Upgrading of infrastructures is nearly completed in the Okuryangava area
- Two community centers are built and preparatory work for the third one is well advanced,
- Only 13 starter solutions are completed or under way, the process is now picking up speed. 150 clients with employer subsidy identified and their situation is being processed, 88 HH have opened savings accounts at NHE

2.2.2 Implementation problems:

Implementation is several months behind schedule; a summary of some of the difficulties experienced (most of them already mentioned in previous reports), might be useful at this evaluation stage.

- The resettlement process

The resettlement of nearly one thousand families from Single Quarters was a massive endeavor for which little prior experience existed. The efforts made by the MLRGH through the community leaders resulted in a relative smooth and un-conflictive process. However, it appears that the difficulties were not fully evaluated beforehand. Ownership of an urban plot, a concept alien to many beneficiaries, was the sole alternative offered. Whether or not it was established at the time, scant information was disseminated among beneficiaries on ownership conditions, repayment, individual responsibilities and possible future developments. Household affordability was not evaluated before the move, and high expectations were raised. A number of people believed that the land was "given" to them by the government, an impression affirmed by the more than one year elapsed between resettlement and the beginning of land regularization by NHE.

These circumstances complicate the Project, particularly the task of the CDCs that have furnished quite an impressive work to clarify the misunderstanding. Despite their effort, many families still do not see as their obligation to repay NHE for the land received, and recovery of land cost will probably remain below standard in the Upgrading areas. The resettlement operation was poorly recorded, and as field work began, the first need was to register the households occupying erven, not knowing whether they were bona-fide families resettled from Single Quarters or somebody that had occupied an erf afterwards with questionable credentials. This became apparent when NHE started regularizing land as nearly 40% of the cases

were odd situations, as described in the QPR N°2, resulting in a big amount of extra work not initially envisaged.

- The innovative character of the project:

Adjustment to new situations for which no prior experience existed within NHE's has taken longer than envisaged. The decision in May 1993 to complete the process of land regularization (sale of erven) before offering starter solutions may illustrate the point. Both processes could have been handled simultaneously reaching from the outset a number of families that were eager and able to afford the initial solution. Instead, they had to wait for the sale of land to be completed, (delayed due to difficulties in establishing the selling price) and a further six month trial period after signature of the deed of sale before they could apply for a starter solution.

Another problem identified in the workshop was stated as " *NHE is mostly oriented towards its options*" and as " *the people do not trust NHE to provide them with what they really need, but impose on them expensive solutions*". NHE has not yet fully assumed the concept of incremental housing and there remains a tendency to build complete, traditional houses. As of March 94, the minimum starter solution built consist of two rooms, bathroom, kitchen and a terrace; most are even bigger. Although they probably respond to the wishes and financial possibilities of these particular clients, it does not seem that the simpler, less expensive solutions proposed in the Inception Report are being offered. Active promotion of self-help construction began only recently, the few starter solutions executed till the end of March have all been realized through contracted builders

2.3 Developments since October 1993

The October 1993 work programme established the following targets

COMPONENT	STATUS OCTOBER 1993	TARGETS FOR NEXT PERIOD
Land regularization	307 pending cases	Sort as many cases as possible
Starter solutions	1 SS under construction at Freedom Land	50 SS on construction by end of January 1994
Infrastructure upgrading	Construction ongoing in phase I; contract for phase II under negotiation	contract to be extended for phase II, work to start by mid-November
Community centers	Extension of CC at Onguo ye Pongo and construction of Okuryangava CC under way,	Complete both structures, establish site office at Okuryangava, remove squatters from Greenwell Matongo CC site, prepare plans and tender construction by mid-November
Community development	Onguo ye Pongo CC Mgt. Committee being organized; video "Life in the city" under production,	Assist establishment of 3 CC management committees; improve management of water taps and public toilets; seek Regional Councilors assistance; complete video

An important development regarding this component was NHE's decision, arrived at with KfW's mission agreement, to exclude from the Project the Shipena Einbeck sqatter settlement, in view of constraints concerning infrastructure standards and plot prices.

2.3.1 Land regularization

During most of the period the CDCs concentrated on resolution of pending cases reducing their number from 307 at the end of September 1993 to 136 at the end of February 1994. However, new questions appear as some owners abandon their plot even after signature of the deed of sale. This requires additional work as the situation must be legally clarified and another beneficiary identified and allocated the erf. Land management and monitor use of the erven are going to be permanent Project activities, supervised by the Office Administrator. From now onwards the CDCs will reduce the priority given to land regularization; the target established now is that *"by end of 1995, 99% of the erven have been sold to legitimate beneficiaries"*.

2.3.2 Starter Solutions:

Till end of February 1994, only 4 starter solutions were completed, and two additional loan applications were under study at NHE, a disappointing result very far off the established target. An analysis of the reasons was made by the team in mid-February, further complemented by the workshop's evaluation. The following issues were pointed out as hampering the work:

- An inappropriate "marketing" strategy, as only expensive completed houses were offered and not all potential candidates were reached;
- Confusion regarding the six month trial repayment period for the erf;
- A bad assignment of personnel. The SCAs were alone responsible for contacting clients. When construction of the initial four houses began, they were absorbed by this work and discontinued the "selling" process;
- There was confusion with the situation of governmental employees eligible for housing subsidies and therefore wanting completed houses, the way to repay their erf loan also needed clarification
- There were problems to provide water for construction, as water is coming from public taps and consumption is paid by all community members;
- In some areas, infrastructure development works prevented construction because of restricted access;
- Affordable clients contacted did not complete their initial savings;

Most of these problems can be solved internally by the Oshatotwa Team. A new "marketing" strategy is now under way. The component will be extended to all areas; information meetings are held three times a week to explain the starter solution option in relation with affordability, repayment performance etc. Since mid-February another 8 starter solutions are completed, bringing the total up to 12, and 88 households have opened savings accounts at NHE for this purpose. The following table provides a break-down of 57 of these accounts out of a computer run dated March 11:

SAVINGS RANGE N\$	Up to 120	120/600	600/1400	1400/1580	Over 1580
NUMBER OF CLIENTS	38	14	3	1	1

The pattern that seems to be developing is that the clients start with a small amount in their savings account, make a few small deposits, then save up a lump sum, sometimes over N\$ 1.000.00, and bring it to NHE to complete their deposits.

Approximately 115 participants in the Upgrading Project are government employees (11% of the total erven occupants) and as such, entitled to housing allowances. With their housing subsidy, most of them can afford complete conventional houses, (with price ranges that may go up to N\$ 50 of 60.000), and therefore are not motivated for starter solutions. However, the Oshatotwa budget is not designed to finance such expensive houses (less than 50 houses in this cost range could be built from the Starter Solutions budget post). The possibility of extending to these households conventional NHE finance and assistance from the Oshatotwa Team to manage the process is being analyzed. The loans, guaranteed by the Government, could be transferred ("sold") to one of the Building Societies after construction. It would help the improvement of the areas to have from the outset completed houses among the more modest starter solutions.

Before the government employees can be assisted by the Programme some issues need clarification. Practically none of them started repaying the erf loan, as they expect it to be included in the same package as the house construction loan, but inclusion of arrears is not acceptable in the housing allowance, designed for the purchase of a finished house and not for incremental developments. Subsidy conditions vary among different agencies. With the purpose of clarifying the issue, a series of meetings was held, from November through February, between the Oshatotwa team and Public Service Commission staff. In March, the Public Service Commission asked for NHE to prepare a written background document before it could act on the request, and suggested that NHE might just want to proceed on an "ad hoc" basis for such a small number of persons. The Oshatotwa staff is now recommending NHE to proceed on this basis, automatically combining erf price, any arrears and re capitalization, and the house cost, into a single loan package.

The average construction cost for a starter solution was estimated at N\$ 5.300 in the budget, assuming a range from N\$ 1.000 to N\$ 10.000. Selling prices for the solutions actually being offered are in the range from N\$ 6.800 for an A2 to N\$ 17.000 for an A10. Options like bath, wet core, utilities connection fees etc. can bring these costs up. Annex 2/a provides details on these prices. To reach the majority of households in the Upgrading Areas, the concept of incremental housing development should be strongly promoted by the field staff. Simpler initial structures and self-help construction will reduce costs and permit households with much lower income to improve their present situation and really begin the process of house development. In view of the increase in unit costs, and of the target established in the workshop, for budget calculation the number of SS is scaled down to 300, and their average cost is up to N\$ 7.000.

2.3.3 Infrastructure improvement

All initial problems delaying progress are overcome, and execution of this component is advancing well. Construction works in Phase I (internal streets, water and sewerage lines and storm drainage) was completed and received by NHE on February 25, 1994, with some delay with regard to the contractual schedule. A penalty of N\$ 7.500 was applied. The final contract amount was of N\$ 766.004,55, saving N\$ 77.536,45 with regard to the tender amount. The exact amount to claim from the Municipality for materials to be reimbursed as per agreement was being established by NHE.

At the end of October 1993 it was decided to extend for Phase II Herma Bros. contract, accepting some escalation increase in basic rates. The total contract amount, including contingencies, was of N\$ 1.240.268,68. Work began on November 15, 1993, and was expected to be completed by end of April 1994. Despite heavy seasonal rains and complications due to topography and soil conditions, as of mid-March 1994 the task was progressing satisfactorily, and some N\$ 460.000 in certificates had been submitted to NHE by the contractor.

To complete the envisaged improvements, street lights are to be installed. NHE has negotiated with the Municipality the execution of the work, and the City Electrical Engineer was waiting for completion of the internal streets to begin. NHE is following up, and expects that the Municipality can include the job in its work program for June/July.

The Municipality must also complete one internal street and other pending developments in the Greenwell Matongo area. As of the last discussions, they were envisaging the execution of these works during the third quarter of 1994. The Project Coordinator is following up the matter.

2.3.4 Community Centres:

- Onguo ye Pongo:

The extension works were completed in the last quarter of 1993. At each side of the original shade structure a large room was added, and toilets complement the installations. The strategy of organic growth has proved valid, and the center is gradually becoming a useful community development tool. With assistance from the area CDC, a Management Committee has been established and several permanent activities are under way:

- A community managed kindergarten operates daily from one of the rooms; the crèche committee has opened a savings account at NHE to finance a future extension
- The other room is being used as a temporary site office by the area's CDC and SCA, for community meetings, promoting starter solutions and land regularization and other project activities;
- Community meetings for a variety of purposes are held in the shade structure, that also houses choir practices and, on week-ends; church services;



Infrastructure work has been completed in the eastern areas of the Upgrading Project. Here the Onghuuo ye Pongo Oshatotwa Community Centre is shown with a completed street below it. Note the municipal equipment, just to the right of the Centre, preparing the main street for tarring



Completed infrastructure works is also seen from the Onghuuo ye Pongo Oshatotwa Community Centre, looking at the Onyeka community. Graveled community streets and a sewage pipe access manhole are seen in the centre (along with the communal water tap and toilets)

- The Center has also been used for health and immunization campaigns operated by the Ministry of Health with support from UNICEF
- The Management Committee has promoted and implemented a cleaning and grass cutting campaign to improve the Center's courtyard.

The total amount invested in construction till March 1994 is of N\$ 54.892, out of which N\$ 48.115,53 have been paid out of KfW funds, some N\$ 4.000 were retained as guarantee and the balance is GST paid by NHE. As the original budget was of N\$ 150.000, there is still scope for upgrading the center within the incremental development strategy adopted. One possibility now being explored is the cooperation with grass roots organizations willing to use the center for their activities. A group of handicapped artisans from EHAFO intends to build a small workshop in the yard; a proposal to match with project funds any funds they may raise for this purpose was made by the CTA and is being evaluated by the group.

- Okuryangava:

Construction of this Community Center next to the Municipal Offices began last September, and was practically completed in December 1993. It is a bigger and more complex structure than the CC 1, as from the beginning it was conceived as a temporary site office. In January 1994, part of the Oshatotwa Team (CDCs, SCAs, Office Administrator and the Consultant's Field Coordinator) moved there, bringing the team's activities much closer to the beneficiaries in the Upgrading Areas. A Management Committee is in the process of being organized, and the Center is starting to be used for community meetings and church activities.

A formal opening ceremony was organized by NHE's Public Relations Division on February 9, 1994. Mr. Erasmus Hendjala, Regional Councilor of the Hakahana area, Dr. G. Schumacher, Ambassador of the Federal Republic of Germany and Mr. Shitenda Petrus Imene, Chairman of the Oneleiwa Community Committee addressed the attendants, that included representatives from the Municipality, the community and NHE personnel.

The total tendered cost for construction was of N\$ 145.000, including N\$ 10.000 for contingencies. Up to March 1994, N\$ 129.476,57 were paid, including N\$ 1548,65 in miscellaneous expenditures (tender documents, rentals etc.). Part of the unused funds are now being utilized to install racks and purchase furniture that will remain in the Center once is handed over to the community.

- Greenwell Matongo:

The construction of this center was delayed due to the fact that two families were squatting on the plot assigned by the Municipality. Through the efforts of the area CDC, in February they agreed to move out. A management committee is being developed, and its members are participating in the design of the center. They have visited the two existing Oshatotwa centers and are indicating community needs and interests to the Field Coordinator, who is preparing the project and tender documents. Tender is envisaged for next May, with construction to begin in early June.

2.3.5 Community development

Community and leadership activities are now spearheaded by the two Regional Councilors in their respective constituencies. They were initially invited by the CDCs as support resources for community organization in the Project areas. As the Regional Councilors grew in understanding of this role, they took over the leadership in community organization, not only with areas of the Upgrading Project, but throughout their region. The draft community by-laws prepared by the Community Development Advisor in July 1993 has been used as an aide by both these Regional Councilors (and by at least one other Regional Councilor as well).

In October 1993 it was decided to assign specific area responsibilities to each one of the Community Development Coordinators; in February 1994 the idea to also team the SCAs with the CDCs by geographic areas was implemented. The teams and their areas of responsibility are listed below:

AREA	CDC	SCA
Nangolo (and Ehafo), Oduduluka, Onyeka and Onghuo ye Pongo	Aune Tjirare	Attie Swartz
Ebandulo, Freedomland, Joseph Nepando and Onheleiwa	Petronella Taaru	Brian Graig
Greenwell Matongo	Sofy Shaningwa	Ernst Mathias

Besides their work on land regularization and starter solutions, the CDCs continued a variety of community organizational and motivational activities.

- They have been active catalysts for the use of the community centres and assisted in the reorganization efforts of three community committees. At Onghuo ye Pongo, a new committee was elected, with some members returned to office and new members elected. In Onheleiwa the entire committee was re-elected to office. In Greenwell Matongo, elections were agreed upon, to be held after the current committee solves the arrears situation on water payments to the municipality (the community felt a newly elected committee shouldn't be burdened with this problem).
- They assist the community kindergartens operating in the Onghuo ye Pongo and Freedomland areas in liaison with the Council of Churches of Namibia, which provides training and other support to community groups setting up crèches.
- They continue to monitor and encourage municipal water fees repayments, that are now up-to-date in all areas except in Greenwell Matongo and Joseph Nepando (where the arrears amounts are at least no worse than they were at the end of September), .
- They have helped in promotion of the community clean-up campaign that is in part sponsored by the Coca Cola Co.
- They have contacted the Credit Union of Namibia, which with the building and functioning of two community centres now has physical structures within which to operate in the Okuryangava and Onghuo ye Pongo areas. Some communities are interested in savings clubs, but

lack confidence in themselves to assign "treasurers" to handle group funds, especially personal monies. Support by the CDCs for both these types of savings activities continues.

- They continue to promote understanding of urban home ownership responsibilities among the people of the Upgrading Project, some of whom seem to have a transient perception of their reasons to stay in Windhoek. A video on life in the city was produced by the Programme for this purpose. The English version is already available, and an Oshivambo translation is under way.

An interesting proposal that point to an increasing degree of community consolidation was made by the community leaders attending the workshop, that suggested that communities should be involved in the questions of non-payment and evictions. They believe that their knowledge of individual circumstances could assist NHE in dealing with the different kind of reasons for arrears. It was decided to set up a task force, involving also the Regional Councilors in order define a participatory enforcement strategy

2.3.6 Household survey in the upgrading areas

During the evaluation and planning workshop it was suggested to conduct a survey in order to update the knowledge on household composition, income and housing preferences in the upgrading areas. A better understanding of the target group will facilitate the organization of the tasks ahead, basically identifying clients for starter solutions and building material loans according to their needs and affordability.

A preliminary survey questionnaire was designed and test interviews conducted in Onyeka in early March. With an adjusted questionnaire and survey procedures, a 25% sample survey of all communities in the Upgrading Areas will be conducted by the CDCs till the end of April. Although only 13 interviews were completed and processed, the preliminary findings are interesting to mention as a reference:

- Size of households surveyed vary between 2 and 9 members, with an average size of 5,2 (against 4,1 found in the Inception Phase).
- Young adults, between 18 and 29 years of age predominate; although there are still more males than females, the gender relationship is more equilibrated than the one found in 1992 and the number of children also increased.
- Not a single case or "legal" marriage was found, only traditional couples. In seven cases it is believed that reliable income information was collected; 5 had incomes below 1 PHSL (N\$500/750), and 2 had incomes close to 2 PHSL. The per-capita income varies from N\$ 100 to 450, with a median of N\$ 187. The very high rate of savings found during the Inception Phase was confirmed in the sample. 7 families have formal savings accounts with more than N\$ 1.000 deposited.
- Except in one case, all other households interviewed expressed the intention of remaining in Windhoek.

Most of these preliminary findings point to a situation of households in the process of gradual stabilization as urban dwellers. The final survey questionnaire, a description of the test survey and its preliminary conclusions are attached as Annex 2/b

2.4 Revised work programme

An important conclusion of the workshop was the recommendation to extend one year the implementation of the programme, in view of the initial difficulties and consequent delays. It was felt that, although the Project was gaining momentum, it would be difficult to achieve all the expected objectives till the end of 1994. The Project's objective was confirmed as: *"Assist clients in building and improving homes, environment and community on an incremental basis by promoting self-help within their needs and affordability"*, and the following indicators of success, to be reached by the end of 1995, were defined:

- Sale of 99% of erven completed (total 1006);
- 300 starter solutions have been built, using second loan or BML. 30% through self-help;
- 5 building groups established and operating in the upgrading areas;
- 100 government subsidized employees have built houses;
- Well organized communal toilets and water points are available to families unable to afford private connections at a density of no more than one toilet/water point per 20 households;
- 20% of erven have gardens, 25% of the houses are painted and there are no heaps of rubbish lying around;
- At least 3 community centers are self-managed, with minimal external assistance and with on-going community activities (adult and health education, loans and saving groups etc.)

A work programme till the end of 1995 was prepared. With the aim of facilitating the appraisal of the development of the Project since the beginning of implementation, the table in next page compares:

- The original work schedule proposed in the Inception Report;
- Achievements till end of March 1994, and
- Activities programmed till the end of 1995.



Infrastructure works are well underway on two Core-House project sites, in Khomasdal and Okuryangava. Trenches for water, electricity and sewage are already dug on this site in Okuryangava.

3.CORE-HOUSE PROJECT

3.1 Proposal in Inception Report

The Project target was the development of 400 core-houses in three different locations. Over a 200 m² serviced plot, simple cores of 18/25 m² would provide appropriate initial solution where families would move and, with post-occupancy technical, financial and social support extend/improve their houses and develop their new communities. Three locations were identified, two in Khomasdal and one in Okuryangava. There, with reduced development standards, housing solutions with selling prices in the range of N\$ 20.000 would be developed and offered to beneficiaries selected from the NHE waiting list. The total cost of the Project was estimated at N\$ 7.500.000, with the following components: N\$ 1.480.000 for the purchase of block land, N\$ 1.120.000 for land development, N\$ 4.600.000 for the construction of 400 core-houses and N\$ 300.000 for the development of two community centers. The activities identified as required for the execution of the Project were:

- *Purchase of block land from Municipality at acceptable locations*
- *Introduce infrastructure and services at affordable standards*
- *Information campaign*
- *Screen and select applicants, assign individual plots*
- *Organize initial savings*
- *Tender, award of contracts, supervision of construction*
- *Organize and support relocation of beneficiaries*
- *Facilitate community development*
- *Offer building material loans for house improvement and extension*
- *Identify needs for community facilities and settlement improvement*

The preliminary implementation schedule envisaged to complete most of the land development and construction work during 1993, and dedicate the second project year to the process of community development and assisted house improvement/ extension through building material loans.

3.2 Overview of first year of implementation

3.2.1 Status

After 15 months of work:

- Land was acquired for the development of 334 cores in four locations: the three proposed in the Inception Report and an additional one at Otjomuise, (where more developed land will be made available by NHE if required);
- Lay-out plans were prepared by the Project Team for the Khomasdal and Okuryangava plots, and the required official approvals obtained;
- Engineering consultants and land surveyors were appointed, technical designs for streets, storm-water drainage, sewerage and water lines prepared, approved by the Municipality and tenders called;

- The development of land (internal streets, water and sewerage lines and storm-water drains) at Okuryangava and one of the Khomasdal sites is ongoing and expected to be completed by end of April. Pegging of individual erven at the Okuryangava site will begin immediately afterwards;
- The contract to develop the second Khomasdal site was awarded at the end of March to the same contractor; works will start in early April, and land development will be completed by end of July 1994;
- Installation of electrical reticulation has been negotiated with the Municipality that will execute the works;
- Some 500 potential beneficiaries from NHE waiting list were contacted by mail in October 1993. 212 attended information meetings and 90 registered as clients. Another 80 registered as clients out of marketing efforts outside the waiting list. All started their initial savings and over 50 had it completed by end of March;
- In December 1993 NHE developed a new registration campaign, as a result of which over 1000 new potential clients were included in the waiting list. NHE is currently processing these clients and it expects that before June would have identified a sufficient number of interested households to fill the total number of core-houses in the Project;
- 10 alternative core-house designs were prepared and submitted to the Municipality for preliminary approval;
- A tender for the construction of up to 105 core-houses at Otjomuise opened in February. Beneficiaries that had already completed their initial savings were invited by NHE to specify their final options regarding plot and finishes, and construction of a first batch of 60 houses will begin in mid-April.

3.2.2 Implementation problems

- **Delays**

The accumulated delay in implementation as compared with the preliminary work plan is in the order of 9 months. The development of land for construction of the core-houses is in the project's critical path; the time required for implementation was originally underestimated and several factors contributed to further delays. The Municipal Council approved the sale of land for the Project only in March. Lay-out plans presented to the Municipality on the assumption that the reduction of standards would be accepted had to be withdrawn, new plans designed for 300 m² plots and the approval procedures restarted. The approval procedures themselves are a complex process, involving several bodies (Municipality, NAMPAB, Township Board and the MRLGH). Approvals for land subdivision within proclaimed townships with zoning and planning criteria clearly defined, like the block land purchased for the Oshatotwa Programme, could be considerably simplified delegating approval authorization to the Municipality.

The increase in the minimum size of plots resulted in the need to identify and acquire more land than originally envisaged. NHE rapidly solved

the problem putting at the disposal of the Project some of the already developed plots that was purchasing at Otjomuise. The fact that one of the Khomasdal plots had been used to deposit fill materials by the Municipality resulted in the need to remove the fill and re-survey the plot before preparing final engineering designs, delaying its development.

- Standards

NHE could not obtain authorization to implement the reduction in development standards proposed in the Inception Report. In April 1993 the MRLGH informed that 300 m² was the minimum size of plot that could be approved for the Project. The Municipality did not accept reductions in the standards of design and construction for internal streets and, in the case of the Khomasdal plots, imposed the condition that all streets should be tarred. However, it accepted some simplified design criteria for sewerage and electrical lines, and a reduction in the initial value of the houses to be built in Khomasdal.

Despite these setbacks the efforts were not irrelevant. The accelerated growth of squatting and informal settlements in Windhoek is focusing the attention of the housing authorities in the need to explore incremental development as a less expensive alternative. It is possible that reduction of standards like the ones proposed for the Oshatotwa Programme will be considered acceptable in future projects.

- Costs

The average cost of solutions originally envisaged has increased substantially as a result of:

- An increase of nearly 11% in the cost of bulk land purchased from the Municipality;
- Higher land development standards imposed, particularly plot sizes and road finishes;
- Escalation in construction costs;
- The inclusion of bigger and more expensive options in addition of the initial 20 m² core.

The original concept of an incremental core-house has been modified in the implementation process. Some of the units offered can not longer be considered incremental cores but, for size and finishes, will look more like a conventional house. Houses being offered at Otjomuise range from a minimum size of 24,22 m² (A core) to 47,62 m² (C shell, D core). Basic construction costs range from N\$ 13.700 to N\$ 29.500, and selling prices including erf and other costs from a minimum of N\$ 26.500 for a basic A core to N\$ 48.900 for a fully furnished F shell. In Khomasdal, the higher standards and cost of land will result in even higher selling prices (See Annex 3/a). These cost increases result in the need to limit the number of solutions to the 334 already under way, as the grant funds can not be increased (see chapter 7)

The Project was initially aimed at households earning between one and two PHSL, with the increase in prices the target group had to be expanded to encompass households earning up to three PHSL. From an original idea of a simple, minimal but acceptable dwelling where a family could move immediately, and in time improve/extend it, the Core-House Project is now offering houses approaching NHE's conventional kind of solutions. Added to the steep increases in land cost, this approach puts the Project out of the financial possibilities of many potential beneficiaries. It is essential to scale the solutions back to the original idea to reach the intended target group.

3.3 Developments since October 1993

The October 1993 work programme established the following targets:

COMPONENT	STATUS OCTOBER 1993	TARGETS FOR NEXT PERIOD
Land development		
Okuryangava erf 41, Khomasdal erf 5841	Engineering designs completed, tender advertised	Tender to open in November Construction to begin mid-January 1994
Khomasdal 1430	Engineering designs under preparation	Contract to be extended by mid-December 1993, construction to start at same time as other erven Land already developed
Otjomuise	Erven evaluated and selected	
Core-house construction		
Design	Drawings completed and submitted for municipal approval	Approval expected
Tender/construction	Tender documentation under preparation	Tender to be called mid-November, awarded early December, construction to start early January 1994
Selection of beneficiaries		
Define selling conditions	Drawings, cost estimates, preliminary selling prices available	
Identify interested from NHE's waiting list	502 invited to info meetings, 212 attended	Register interested clients, start savings
Identify other clients	Potential groups being identified	Additional clients identified by end of January 1994

3.3.1 Land development

- Okuryangava erf 41, Khomasdal erf 5841

A tender for the construction of water and sewerage reticulation networks, storm water system and gravel and bitumen surfaced roads was advertised at the end of October and closed on November 12. Three quotations were submitted, and after evaluation, the job was awarded to Namib Beton (Pty) Ltd on November 26 for an amount of N\$ 990.287,16. Site works were due to begin on January 12, after the Christmas holidays, and last for three months. An evaluation of the tender offers is attached as Annex 3/b.

Construction work began on January 12 as scheduled. However, after four weeks (one third of the contractual term), at the arrival of the CTA at Windhoek on February 7, little progress had been accomplished. On February 15 NHE's SM-T&SS issued a stern warning to the contractor establishing a 4 days period to prove its willingness and capability to perform or be out of the job. The contractor reacted positively and by the end of

March it appeared that Namib Beton was going to be able make up the time lost and complete the work on schedule.

- Khomasdal erf 1430

In view of the improved performance of Namib Beton, negotiations to extend the contract to develop the remaining Khomasdal erf began in mid March. The work was eventually awarded to them by NHE for a total amount of N\$ 373.152,90, reflecting an escalation of 5,66% in basic rates due to the labor and material cost increases in January 1994. Site work will begin on April 5 with July 21 established as completion date.

3.3.2 Core-house construction

A tender for construction of up to 105 core-houses at Otjomuise was advertised in November and four offers were received, one of which proposed a technology of fiber-board panels that was not acceptable to NHE. Due to the number of alternatives requested and lack of clarity in certain aspects of the tender documents (for which SUM-McNamara Consultants assume partial responsibility), the offers were not strictly comparable. The three contractors whose offers had been accepted were invited to a price competition with clarified tender documents. The new tender opened on February 23 1994 and, after evaluation of the offers, the job was awarded to Dentlinger Builders for a total contract amount of N\$ 2.530.800,00 including N\$ 61.800,00 in contingencies. That makes an average construction cost of N\$ 24.000,00, well above the original estimates.

Given the need for the clients to complete their initial savings before actually signing their loan for a specific solution, construction work will proceed in batches (of at least 30 houses), that NHE will command to the contractor as enough clients have fulfilled the established conditions. Construction work is scheduled to begin on April 11 with a first batch of 60 houses that will be finished and handed over to their owners around September. A final completion date for the Otjomuise 105 cores has been established for January 13, 1995.

3.3.3 Selection of beneficiaries

At the end of October 1993, a series of information meetings addressed to households in NHE's waiting list was organized by the Oshatotwa Team. Over 210 families attended and received information regarding Project options. 90 expressed interest in participate, registered and began savings. At a next stage, other potential clients, public and private employees, were invited and another 80 households applied and were registered.

At the end of 1993, NHE organized a general registration campaign, receiving over 1.000 new applications. In February 1994, the SM-T&SS decided to bring the Division's resources to screen the new applicants and help the Oshatotwa Team identify among them clients for the core-house Project.

The KfW mission detected inconsistencies between the way the affordability criteria were applied and criteria established in the Separate Agreement. This problem is now being corrected by NHE for new applicants, but it would not be possible at this stage to exclude households that are already registered for the Project and have completed their savings. A check of affordability among 37 cases show that more than 80% of them comply with the right criteria (see chapter 8).

3.4 Revised work programme

The workshop confirmed the Project objective, "*Land has been developed and core-houses built at appropriate standards that are affordable and acceptable to the low-income group*". The following indicators to evaluate success were defined:

- By the end of 1995, 334 families have moved to new settlements; extensions and improvements on-going for at least 30% of the cores;
- Where community initiative, financial and operational commitments indicate demand, up to 2 community centers have been built.

A work programme till the end of 1995 was prepared. With the aim of facilitating the appraisal of the development of the Project since the beginning of implementation, the table in page 23 compares:

- The original work schedule proposed in the Inception Report;
- Achievements till end of March 1994, and
- Activities programmed till the end of 1995

CORE-HOUSE PROJECT	19 93				19 94				19 95			
	1st Qtr	2ndQtr	3rdQtr	4thQtr	1st Qtr	2ndQtr	3rdQtr	4thQtr	1st Qtr	2ndQtr	3rdQtr	4thQtr
ACTIVITY												
WORK SCHEDULE INCEPTION REPORT												
LAND ACQUISITION												
LAND DEVELOPMENT												
Design, tender												
Construction												
CORE HOUSES												
Design/tender												
Construction												
COMMUNITY CENTERS												
Design/tender												
Construction												
ACTUAL PROGRESS/PLANNED 03/ 94												
PURCHASE OF LAND		x		x								
LAND DEVELOPMENT												
Decisions on plot size/developpt.standards		x										
Approval of lay out plans				x								
Erf 41 Okuryang./erf 5841 Khomasdal					TARGET 3/94							
Engineering designs, tender					x							
Construction												
Erf 1430, Khomasdal					TARGET 3/94							
Engineering designs, tender												
Construction												
Core-house construction												
Alternative designs prepared/cost estim.					x							
Preliminary municipal approval						x						
Otjomuise					TARGET 3/94							
Tender called/adjudicated						x						
Construction												
Other sites					TARGET 3/94							
Tender called/adjudicated												
Construction												
SELECTION OF BENEFICIARIES					TARGET 3/94							
From existing NHE waiting list					90							
Other potential candidates					80							
Information/registration camapign					1000							
Screening of applicants interested in CH												
Registration/initial savings										334		
COMMUNITY CENTERS												
Assesment of need/identification of erf												
Design/tender												
Construction												
COMMUNITY DEVELOPMENT												
BUILDING MATERIAL LOANS												

stage of planning and development, agreed with the rules of operation and confirmed their interest in the scheme by signing contracts with NHE. However, nine months after establishment of the LGF, not one guaranteed loan has been issued. At the evaluation workshop the following reasons were identified as hampering progress:

- General
 - Namibia's economy has deteriorated from positive to negative growth; the risk level factor is higher today;
 - A weak financial discipline in Governmental housing subsidy schemes negatively affects the issue of housing loans by the private sector;
 - Without information and encouragement, households in low-income groups would not approach Building Societies;
- Regarding the Building Societies
 - There has been no change in the attitude of the financial institutions regarding issue of loans to low-income groups;
 - The BS lack knowledge of economic strengths and weakness of the target group;
 - The LGF is not aggressively marketed; only one press ad published, with newspaper not being the more appropriate media to reach potential customers;
 - There has been no motivation of developers to produce and put in the market solutions in the cost range guaranteed by the LGF
- Regarding conditions established
 - The change in risk assessment makes insufficient the guarantee coverage of 20 % provided by the LGF
 - Effectiveness of collateral is not acceptable

4.3 Developments since October 1993

NHE completed its internal requirements to operate the LGF and printed the necessary forms and stationery (a set of forms attached as Annex 4/a). On January 29, 1994, SWABOU published one press ad advertising the LGF (copy attached as Annex 4/b).

At mid-February, a meeting was organized by NHE with both Building Societies to review the progress and evaluate the convenience of pursuing implementation of this component. At the meeting it was suggested that one possibility of getting the scheme off the ground was through the execution a pilot programme. NHE would bring its resources and experience in dealing with low-income clients and assist the Building Societies and a private developer to implement it. A preliminary outline of roles for the different actors to implement the pilot was prepared in early March:

- National Housing Enterprise
 - Will provide 20-30 proclaimed plots at Otjomuise;
 - Will provide intermediate finance for construction if the building societies are not prepared to do so;

- Will provide on request a list of 100 potential clients for the developer to contact;
- Will control that all selected clients comply with KfW income criteria;
- Could sell, on request, prototype house plans;
- Will increase, for the pilot project, the amount guaranteed through the LGF from 20 to 30%.
- Building Societies
 - Will assist in the selection of beneficiaries, at least approving the developer's selection; both building societies are invited to provide clients, e.g. each one half of the total number;
 - If building societies prefer that NHE provide intermediate finance for the construction period, they will take over from NHE the loans after completion of houses;
 - Will evaluate experience and, no later than two months after completion of project, will make proposals for continuation of development of LGF;
- Developer
 - Will design houses according to maximum possible loan amounts (that must include purchase of erf); alternatively he may purchase NHE prototype plans;
 - Will market the project using either the list provided or any other mean, making sure that clients are within approved income ranges, document and register the sale. No governmental or other public employees can participate;
 - Will build the houses, including tender, award of construction contract, supervision of construction.

The Senior Manager FP&C is following up the issue, trying to identify an interested developer and organize the pilot scheme along these lines. After completion, the experience will be evaluated. NHE will decide before the end of 1994 on whether to proceed with the LGF or cancel it and assign the resources to other Programme components.

4.4 Revised work programme

The workshop confirmed the initial target: *"The Private Sector is actively participating in financing houses for low-income groups assisted by the LGF,"* and the indicators revised as:

- By the end of 1994, a pilot project of 20 houses has been financed by a Building Society using the LGF, plus 100 loan applications approved for households in Windhoek with incomes up to 3 PHSL; and
- By the end of 1995, approved by two Building Societies to households in Windhoek with incomes less than 3 PHSL.

The expected results assume that the Financial Institutions will accept the LGF and approve changes in their lending policies and practices towards low-income groups.

5 BUILDING MATERIAL LOANS

5.1 Proposal in the Inception Report

The Windhoek Low-Income Housing Programme includes a Building Materials Loan component (BML) to assist households in the improvement of their housing situation according to their particular needs and financial possibilities. Conceived as an instrument to support the Upgrading and Core-house projects, the aim was eventually to extend it to encompass other areas and low-income groups in Windhoek.

Relatively small loans (N\$.500-3.500) at market interest rates, with short pay-back periods (6 months to 3 years) would be offered usually in building materials, although the possibility of cash loans was also envisaged. According to the level of community organization, group loans for infrastructure improvements, production of building materials or other community priorities could also be considered. The activities identified as required for the execution of this component were:

- Prepare loan administration within NHE;
- Prepare loan contract with conditions, terms of payment, securities etc.;
- Identify and train construction advisors and community workers;
- Information campaign;
- Organize initial savings (individual or group deposits);
- Prepare flexible system of materials supply;
- Start material loans concentrating in one area;
- Evaluate experience after one month and introduce modifications if necessary;
- Start loan disbursement in other areas;
- Follow-up loan repayment;
- Evaluate performance after one year: beneficiaries, uses, arrears, assistance, etc., introduce modifications if necessary.

An amount of N\$ 4.025.000 was budgeted to issue 1000 loans. The implementation schedule envisaged a period of two months ending in March 1993 to develop procedures and train personnel; a pilot experience of four months followed by an evaluation at the end of July, after which the Building Material Loans would operate permanently even after the end of Programme implementation.

5.2 Overview of first year of implementation

5.2.1 Status

As of February 1994, implementation of this component has not started. In the First Quarterly Progress Report (p.31) it was pointed that the potential demand for building material loans in the Programme's areas was probably overestimated at the Inception stage. In July 1993 the component was reevaluated and it was decided to reduce the funds assigned in the budget for BML from the initial N\$ 4.025.000 to N\$ 1.200.000, assuming a potential market of 300 BML of an average of N\$ 4.000.

5.2.2 Implementation problems

The main question that has prevented implementation till now is the concept that building material loans should be issued as a follow-up option after the beneficiaries had completed a starter solution or moved to a core-house. With the delays in the execution of the Upgrading and Core-house projects, there has not been opportunities for issuing BML. Furthermore, the innovative character of the component creates uncertainty regarding operating procedures and guarantees. Doubts regarding whether municipal approvals are required, or whether second hand materials may be purchased out of the loan have also hindered implementation.

5.3 Developments since October 1993

At the evaluation workshop the need to adjust the concept in order to begin implementation was stressed. To do that, the idea of extending loans only after starter solutions or core houses are built must be revised. The field workers suggested that some beneficiaries in the upgrading areas might be interested in using BML as a more flexible alternative than starter solutions to for the development of their houses. On the other hand, NHE feels that there is a need for house-improvement loans among low-income groups in Windhoek currently not included in the Oshatotwa Programme. A discussion paper was prepared by the CTA and submitted to NHE for consideration (copy included as Annex 5/a). Its basic idea is to gradually establish a house improvement credit line open to any Windhoek household with income levels within the Programme's criteria. On parallel, it proposes to develop a limited pilot experience in the Upgrading areas. An outline of the proposals follows.

- **Inclusion of other target groups**

Many low-income families in Windhoek already own a house, usually a former rental house purchased from the Municipality or a house obtained through some prior NHE programme. A number of these constructions are in need of maintenance, improvements or extensions. The implementation of the BML scheme will start immediately catering for the needs of such potential beneficiaries as long as they can afford it and comply with the basic income criteria established in the Separate Agreement (total HH income <3PHSL).

NHE will develop simple and expeditious implementation procedures, to be handled mostly by Katutura's Finance Branch personnel with limited assistance from the Oshatotwa Team staff. To facilitate the process, during the first six months loans will be only offered to present NHE clients with a good repayment record. Once procedures are clearly established and known by NHE staff, the scheme will gradually be extended to other potential beneficiaries.

Improvement loans between N\$ 500 and N\$ 5000, to be reimbursed in 3 to 36 equal monthly installments will give the clients options to adjust the request to his needs and financial possibilities. Loans are granted exclusively for house improvements, any unauthorized use will result in the loan being canceled and NHE requesting payment of the outstanding balance. Amounts up to N\$ 2.000 will be disbursed in one operation; bigger loans in two, with NHE controlling the correct use of the first part prior to the second disbursement.

- Pilot scheme in upgrading areas

A secondary loan for a starter solution with 15 years repayment term is being offered to households that have purchased a plot from NHE under the Oshatotwa Programme. This loan is financially more interesting than a BML but require formal justification of family income. NHE's criteria and procedures in use are designed to deal with formal sector households; limited experience exist in handling informal income situations. A number of families would have difficulties to justify their earnings up to the required NHE standards. Some have also expressed to the CDCs their preference for smaller, shorter term loans as they feel they would give them more control over the process. To respond to this need, a small amount (N\$ 50.000) of the total funds in the budget will be assigned to the implementation of a pilot scheme addressed to very low income households working in the informal sector.

This experience appears to involve a higher risk than a normal credit; but is the only way to assess the real risk factor. If arrears remain at levels similar as in other NHE projects, the scheme will be considered successful and further extended. Close monitoring of repayments will permit early detection of deviations. If after nine months arrears are higher than 40%, the experience will be discontinued. From an institutional point of view it will permit to design and field test new approaches to deal with informal sector households, and better equip NHE to handle the increasing numbers of this kind of housing clients.

The scheme will be operated by Oshatotwa Team personnel from the site office; loans will be approved by NHE's Katutura Financial Branch Manager upon recommendation from Oshatotwa Programme coordinator. This type of clients will require a much bigger input of social and technical assistance from NHE; for the pilot stage while procedures are being established and tested it is proposed that this assistance be subsidized by the Oshatotwa Programme. At a later stage, once known the actual cost of administration and assistance, this concept might be revised and the way of financing required subsidies established.

Improvement loans between N\$ 200 and N\$ 1500 will be made available, to be reimbursed in 3 to 36 equal monthly installments. No labor will be paid out of these loans; the economic advantages of self-help construction must be explained and stressed as the appropriate instrument for house improvement.

- Implementation procedures

On the basis of the proposal, NHE's Senior Manager, FPI&C developed a comprehensive outline for the implementation of the component. It covers the administrative procedures, technical aspects, the purchase of building materials, disbursement and repayment of loans and marketing and evaluation criteria, assigning individual responsibilities for each task. It includes prototype application forms, loan agreement and an organizational chart. Copy of the proposal is attached as Annex 5/b.

5.4 Revised work programme

The objective of this component remains as: *"To provide Building Material Loans for construction, improvement and extension of houses with financial, technical and social assistance to the low-income group"*. The revised indicator established in the workshop: *"By the end of 1995, 300 BML have been used, 100 in the upgrading areas, 100 in the core-house project and 100 outside Programme areas"*.

NHE will promote a limited test experience and evaluate the results after six months. Initial amounts of N\$ 250.000 (equivalent to 50 maximum loans) for existing NHE clients and N\$ 50.000 (equivalent to 10 maximum loans) for the Upgrading areas will be assigned. The following indicators will be utilized for evaluation:

- For existing NHE clients:
 - 95% of amounts borrowed are effectively used for house improvements
 - On average, repayments are not more than 1/2 month in arrears
- Upgrading areas
 - 90% of amounts borrowed are effectively used for house improvements
 - On average, repayments are not more than 1 month in arrears



An Evaluation Workshop of the Oshatotwa Programme was held in February. Some twenty participants from government, community, private sector and NHE attended the two-day session. .



Ten members of the Oshatotwa team took a Study Trip to Botswana in early March, visiting low-income housing projects in Gaborone and Kanye. Here members of the team and hosts from the Botswana Christian Council inspect one SHHA compound where incremental building is evident. The first unit was the two-door central building, built with a loan from BCC. The additional wings were built - and expansion continues - with the owner's personal investment

6 INSTITUTIONAL DEVELOPMENT

6.1 Proposal in the Inception Report

Although not envisaged as a separate component, institutional development was included in the Inception Report as an important Programme activity. It was outlined as:

All institutions involved in the provision of low-income housing are to some degree still in a process of adjustments brought by Independence. Although there is a sound National Housing Policy, important aspects of it are not yet being implemented, and inter-institutional coordination problems persist. As a concrete application of the NHP, design and implementation of the Programme is expected to help solving some of these problems by getting all institutions involved in the day to day work. The Participatory Planning Workshops and the Programme's Steering Committee will be tools to attain this goal. The Programme should also contribute to strengthen NHE's executing capacities, allowing experiences with a variety of new instruments that could be applied in future low-income housing programmes.

6.2 Overview of first year of implementation

6.2.1 Status

Some institutional development issues are internal to NHE, other involve outside parties. Achievements after 15 month of work include:

- Up-front subsidies were experimented for the first time;
- Since end of 1993, all NHE housing loans are extended at market interest rates as proposed by the Programme;
- Community development has been incorporated as an essential component of low-income housing programmes;
- Specific personnel for the Project (CDCs and SCAs) has been identified, hired and trained;
- The Programme is strengthening NHE's capacity to deal with unconventional low-income clients assisting them to improve their housing conditions.
- Procedures to deal with new approaches and situations have been evolved, an Operations Manual produced and distributed within NHE;
- Monitoring and evaluation procedures and criteria have been established;
- Participatory operational planning is routinely used in the Programme;
- A library/resource center is established and operative;
- Inter-institutional planning is ongoing. Two workshops held (October 1992 and February 1993);
- There has been an increased cooperation from the Municipality of Windhoek: It assisted NHE in the process of lay-out plans approval, it provided land for the Community Centers for a nominal lease fee, it

assisted financially in the improvement of infrastructures in Okuryangava, has eased some design standards etc.

- An inter-institutional Steering Committee was organized and functioned during the Inception Phase and for a few months at the beginning of implementation.

6.2.2 Implementation problems

- Internal to NHE

The major internal institutional problem identified in the workshop was stated as: *"NHE's procedures were not adjusted for upgrading-type projects, resulting in implementation delays"*

NHE's main experience comes from the kind of projects that it usually handles: the production of conventional houses in developed land where carefully pre-selected beneficiaries move once all construction work is completed. The Upgrading Project presented a different challenge to NHE: dealing with households already settled on unserviced plots, living in shacks, where all the needs are urgent and pressing. New ways of operation adjusted to the situation had to be developed at the same time as implementation progressed, in a trial and error process that occasionally resulted in delays.

Major changes in Project personnel between the Inception and the Implementation Phases, and in July 1993 when the initial Project Coordinator left also resulted in internal problems. With each change, some of the experience, ideas and procedures developed till then were lost, and the new personnel needed time to absorb Project concepts. Coordination with other NHE divisions also suffered. There were also difficulties to identify and hire Self-Help construction advisors, changes of already appointed CDCs and delays in replacing them, as is not easy to find such expertise in Namibia.

An array of minor questions like poor internal communications within the team, poor coordination with other NHE sections involved in the Programme, wrong or tardy information to NHE personnel (like cashiers and the drafting or administrative sections), difficulties to adjust the computer programs to the needs of the Oshatotwa Programme and so on occasionally added unnecessary complications. It is fair to point that through a sustained effort NHE is overcoming most of these difficulties.

- Inter-institutional problems

The central problem identified was stated as: *" Other agencies (MRLGH, Private Sector etc.) have not participated as much as planned during the implementation"*. The coordination problems pointed at the Inception Phase still persist. The following problem areas were highlighted:

- The Government continues to subsidize interest rates in conflict with the NHP;

- Appropriate standards for low-income housing could not be successfully negotiated with the MRLGH (plot size) or the Municipality (street development in Khomasdal);
- The question of high cost of (developed or undeveloped) land in Windhoek will continue to negatively affect low-income housing, the MRLGH must address it jointly with the Municipality;
- The Steering Committee has discontinued its coordination meetings since early 1993;
- No involvement of the Private Sector in low-income housing finance till now despite the fact that, with the creation of the LGF, NHE has effectively reduced the risk of lending.

6.3 Developments since October 1993

- **Internal to NHE**

An important development is the growing perception among NHE personnel of the Oshatotwa Project - referred to till recently as "the KfW Project" - as an NHE effort. NHE's Senior Management is now more directly involved in the Programme follow-up and day to day operations. Many Project activities like construction supervision, contract administration, registration and selection of beneficiaries, public relations etc. are now carried on with increased assistance from the respective Divisions and Sections. The main effort to implement the revised Building Material Loan component will be assumed by the Finance, Planning and Control Division through its Katutura branch office.

Two training activities were successfully completed in the period. Ten members of the Oshatotwa team took a study trip to Botswana from February 27 to March 3. There they looked at a mature low-income housing programme implemented by the Self-Help Housing Agency in Gaborone. They met extensively with housing staff from the City Council, the Botswana Christian Council and SHHA. The team attended the monthly meeting of the Low Income Housing Committee, where there was a lively interchange of ideas and discussion of housing practices. The visit also included a day trip to Kanye to look at a private low-income housing run by Habitat for Humanity, and a tour of the Rural Industries Innovation Center's housing activities. The visit was evaluated by the participants as a very positive and motivating experience; and provided them with important insights on low-income housing programs. The concept of Self-Help and sweat equity is now better understood and the field personnel intends to begin implementing it. Experiences and information brought back were disseminated among other NHE staff in meetings organized at the request of the Management. Information regarding the trip is attached as Annex 6/a.

At the end of March a 3 days Basic Management Course to improve the effectiveness of the Oshatotwa team was successfully completed at the Institute for Management and Leadership Training by 10 staff members. Organized with assistance from NHE's Training Division the course was specifically adjusted to Project needs, and used actual Oshatotwa situations

as working examples to cover subjects such as Planning and Organization of Work; Cost Impacts; Production Control; Problem Solving and Decision Making; Motivation and Communications. Information regarding the course is attached as Annex 6/b.

In February NHE decided that, at the beginning of next fiscal year (July 1994), the Community Development Coordinators will be incorporated to the Corporation as regular staff (till now they have been operating as part of the consulting team). It is probable that the Self-Help Construction Advisors, currently on fixed term contracts, will also be appointed as permanent staff. NHE thus recognizes the true value of the concepts of community work and incremental development in relation to low-income housing programmes.

At their own initiative, each one of the CDCs prepared an evaluation paper as their contribution to the workshop. As these papers provide valuable insights on many internal and external aspects of the Oshatotwa Programme and the target group, copy is attached (as Annex 6/c) for future reference.

- Inter-institutional

An important instance of inter-institutional cooperation was the participatory evaluation and planning workshop already described. The work on Reception Areas jointly carried on by the MRLGH, the Municipality of Windhoek and NHE assisted by the Field Supervisor is bearing fruits with the development of the first such area in Northern Okuryangava. It has also brought forward the increasing squatter problem in the city and the urgent need to set up and implement clear policies regarding urbanization, standards, cost recovery and other low-income housing issues while there is still time to prevent for Windhoek undesirable developments known to other African cities.

At the field level cooperation with the Municipality's Community Liaison Officers has not been as close as anticipated. Cooperation with the Directorate of Community Development of the Ministry of Regional and Local Government has been disappointing. Despite the CDCs urging, the Training Division of this Directorate has not yet organized leadership training courses that are under its responsibility. The CDC are now assigned the responsibility of routine contact with both the Community Liaison Officers and Community Activators to review community situations and support needs, and to investigate ways of inter-agency support of those situations and needs.

6.4 Revised work programme

The target established at the workshop was stated as: "*Institutional capacity has been strengthened to implement and replicate the Programme*", and the following indicators defined to evaluate success at the end of 1995:

- NHE is preparing at least one similar programme without major KfW support;
- Loan documents and procedures have been simplified;

- Alternative land tenure options (other than the outright purchase) are in place, e.g. leaseholds, and alternative securities for granting loans are available;
- NHE has revised the loan agreement to be able to finance improvements on leased land;
- Alternative to evictions have been worked out to enforce payments;
- Evictions have taken place in cooperation with community leaders and Regional Councilors.

The following activities were identified at the workshop as required to continue institutional improvement:

- Revise and adjust Oshatotwa Operations Manual for all components;
- Improve intra-team communications and flow of information;
- Explain regular NHE procedures to new Oshatotwa staff;
- Keep NHE staff informed on progress of Oshatotwa Programme;
- Evaluate appropriateness of NHE policies and procedures for upgrading projects, identify discrepancies, prepare adjustments;
- Identify information requirements and change NHE computer programmes accordingly;
- Use final evaluation to prepare document for disseminating experience;
- Revise composition and function of Steering Committee, revitalize if possible;
- Contact National Planning Commission for coordination among housing institutions;
- Engage research group to study experiences from resettlement.

7. FINANCE

7.1 State of accounts

7.1.1 KfW Grant

No transfers to the Disposition Fund were done during the period. A payment of DM 120.000 for consulting services during the fourth quarter of 1993 was authorized by NHE. The total amount disbursed from the Grant is of DM 3.828.785; the balance to disburse of DM 5.771.215.

7.1.2 Disposition Fund

An amount of N\$ 84.608,20 - equivalent to DM 42.304,10 - was paid between October 1993 and February 1994 into the Disposition Fund account as interest earned. It has been added to the grant amount, that now stands at DM 9.862.300. The following table resume the account movements since the creation of the Disposition Fund through March 9, 1994.

DISPOSITION FUND ACCOUNT

QRTR.	DATE	DESCRIPTION	DEBIT	CREDIT	BALANCE	
1992	22/07/92	Creation of Fund		3,727,678.52	3,727,678.52	
	31/07/92	Interest		12,868.15	3,740,546.67	
	31/08/92	Interest		44,476.64	3,785,023.31	
	30/09/92	Interest		42,775.95	3,827,799.26	
	31/10/92	Interest		44,701.35	3,872,500.61	
	30/11/92	Interest		41,430.46	3,913,931.07	
	31/12/92	Interest		40,720.97	3,954,652.04	
1993	31/01/93	Interest		40,413.30	3,995,065.34	
	1st 28/02/93	Interest		33,536.66	4,028,602.00	
	12/03/93	Withdrawals 1 & 2	27,000.00		4,001,602.00	
	12/03/93	Bank charges	20.00		4,001,582.00	
	26/03/93	Withdrawals 3 & 4	1,923,495.00		2,078,087.00	
	26/03/93	Bank charges	20.00		2,078,067.00	
	31/03/93	Interest		32,383.12	2,110,450.12	
	2nd	30/04/93	Interest		17,866.55	2,128,316.67
		31/05/93	Interest		18,618.40	2,146,935.07
		11/06/93	Withdrawals 5 & 6	11,470.79		2,135,464.28
		11/06/93	Bank charges	20.00		2,135,444.28
	3rd	30/06/93	Interest		18,123.54	2,153,567.82
		05/07/93	Withdrawal 7	1,900,000.00		253,567.82
05/07/93		Bank charges	20.00		253,547.82	
31/07/93		Interest		4,898.88	258,446.70	
31/08/93		Interest		2,260.88	260,707.58	
01/09/93		Replenishment		2,000,610.30	2,261,317.88	
30/09/93		Interest		18,579.20	2,279,897.08	
4th	30/10/93	Withdrawals 8/16	335,211.13		1,944,685.95	
	31/10/93	Interest		19,242.14	1,963,928.09	
	30/11/93	Interest		16,626.13	1,980,554.22	
	31/12/93	Interest		17,325.78	1,997,880.00	
1994	31/01/94	Interest		16,945.38	2,014,825.38	
	1st 28/02/94	Interest		14,468.77	2,029,294.15	
	09/03/94	Withdrwls. 15 a -17/31	550,546.19		1,478,747.96	
TOTALS			4,747,803.11	6,226,551.07	1,478,747.96	

NHE continues to pre-finance Programme expenditures, and is reimbursed from the Disposition Fund during the CTA's periodic missions to Windhoek. 31 approvals for disbursement and two amendments to previous ones, corresponding to the fourth quarter of 1993 and the first of 1994 were authorized in the February/March mission, for a total over N\$ 1.200.000. The following table provide details of these movements.

DISBURSEMENTS FROM DISPOSITION FUND - OCTOBER 1993/MARCH 1994

Qtr.	N°	Date	Budget post/ purpose fo expense	Amount of invoice N\$	GST/amnt reim- bursed by Mply.	Amnt.reimbursa- ble from DF N\$	Total disbursed from DF N\$
				CARRIED ON FROM 3rd QUARTER 1993			3,861,965.79
1993	8	10/11/93	5.2-Cty.Dvt.Fund-Unasgn.	140.00	0.00	140.00	3,862,105.79
4th	9	10/11/93	2.2-Land development	548.00	0.00	548.00	3,862,653.79
	10	10/11/93	5.2-Cty.Dvt.Fund-Unasgn.	440.67	43.67	397.00	3,863,050.79
	11	10/11/93	1.4-Tender documents	599.40	59.40	540.00	3,863,590.79
	12	10/11/93	1.2-Phase I-Certificate 1	44,844.75	3,347.00	41,497.75	3,905,088.54
	13	10/11/93	5.1-Video production	20,709.46	2,052.29	18,657.17	3,923,745.71
	14	15/10/93	8.0-Second installement	19,000.00	0.00	19,000.00	3,942,745.71
	15	21/11/93	1.2-Phase I-Certificate 2	204,960.82	21,158.65	183,802.17	4,126,547.88
	12/a	21/11/93	1.2-Adj. to Disb.No 12	3,347.00	851.00	2,496.00	4,129,043.88
	16	22/11/93	1.4-C.Ctr.2-Certif.No1	71,685.00	3,551.96	68,133.04	4,197,176.92
1994	15/a	02/10/94	1.2-Adj. to Disb.No 15			-3,859.00	4,193,317.92
1st	17	02/10/94	1.4-C.Ctr. Misc.expend.	326.02	20.02	306.00	4,193,623.92
	18	02/10/94	1.4-C.Ctr.2-Certif.No2	35,235.00	1,745.88	33,489.12	4,227,113.04
	19	02/10/94	1.2-Phase I-Certif. 3	229,863.64	32,610.05	197,253.59	4,424,366.63
	20	02/10/94	1.4-C.Ctr. Misc.expend.	749.25	74.25	675.00	4,425,041.63
	21	02/10/94	1.4-C.Ctr.2-Certif.No3	21,007.92	1,040.94	19,966.98	4,445,008.61
	22	02/10/94	1.4-C.Ctr.1-Certif.No1	37,721.00	1,869.06	35,851.94	4,480,860.55
	23	02/10/94	1.3-Purch.mat.str.sol.	12,630.92	935.63	11,695.29	4,492,555.84
	24	02/10/94	1.3-Purch.mat.SS.	8,215.41	608.55	7,606.86	4,500,162.70
	25	02/10/94	1.2-Phase II-Certif.1	126,690.88	15,186.40	111,504.48	4,611,667.18
	26	02/10/94	1.2-Phase I-Certif. 4	119,475.64	9,109.20	110,366.44	4,722,033.62
	27	02/10/94	1.3-Builder start.sol.	375.90	0.00	375.90	4,722,409.52
	28	14/02/94	1.3-Builder start.sol.	6,313.59	0.00	6,313.59	4,728,723.11
	29	14/02/94	1.3-Builder start.sol.	7,600.00	0.00	7,600.00	4,736,323.11
	30	14/02/94	1.3-Builder start.sol.	6,400.00	0.00	6,400.00	4,742,723.11
	31	14/02/94	1.3-Builder start.sol.	5,000.00	0.00	5,000.00	4,747,723.11
	32	03/09/94	1.2-Phase II-Certif.2	162,381.83	26,260.30	136,121.53	4,883,844.64
	33	03/09/94	1.2-Phase II-Certif.3	166,829.28	21,157.65	145,671.63	5,029,516.27
	34	14/3/94	1.3-Purch.mat.str.sol.	15,514.93	1,008.07	14,506.86	5,044,023.13
	35	14/3/94	1.4-C.Ctr. Misc.expend.	200.00	0.00	200.00	5,044,223.13
	36	14/3/94	1.3-Str.Sol.Water con.	3,375.00	0.00	3,375.00	5,047,598.13
	37	14/3/94	1.3-Purch.mat.str.sol.	19,270.60	1,372.58	17,898.02	5,065,496.15
	38	14/3/94	1.3-Builder start.sol.	400.00	0.00	400.00	5,065,896.15

The Programme is entering a stage when relatively important payments are expected; at NHE's demand KfW agreed that the CTA may sanction provisional approvals by fax. Relevant documentation will be examined at the next CTA's mission and provisional approvals either confirmed as final or adjusted if necessary.

7.2 Adherence to disbursement schedule

The following table shows the disbursement schedule for KfW funds proposed at the Inception Phase (figures in DM x 1000):

ORIGINAL DISBURSEMENT SCHEDULE

PROJECT/COMPONENT	19 93				19 94				TOTAL
	1st.Qt.	2nd.Qt.	3rd.Qt.	4th.Qt.	1st.qt.	2nd.Qt.	3rd.Qt.	4th.Qt.	
UPGRADING									
Land/basic infrastructures	1066,7								1066,7
Infrastructure extension	30,5	250,0	150,0						430,5
Starter solutions	39,6	200,0	300,0	150,0	50,0				739,6
Community Centers	120,5	80,0	20,0						220,5
CORE-HOUSES									
Land development		89,2	170,0	170,0	100,0				529,2
Core-house construction		350,0	700,0	700,0	350,0	73,5			2173,5
Community Centers			40,0	33,5	40,0	33,5			147,0
CONTINGENCIES					400,0	77,0			477,0
LOAN GRNTEE. FUND	1000,0								1000,0
BLDG.MATERIAL LOANS		276,8		800,0		500,0			1576,8
COMMUNITY DEV.FUND	15,0		15,0		10,0				40,0
CONSULTANTS	488,8	100,0	100,0	100,0	100,0	100,0	100,0	110,5	1199,3
TOTALS	2761,1	1346,0	1495,0	1953,5	1050,0	783,9	100,0	110,5	9600,0

Delays in execution of the Programme resulted in corresponding retards in disbursements. At the end of 1993, DM 3.8 mi. were disbursed, roughly 50% of the envisaged amount. The next table shows actual disbursements by quarter since the Inception Phase till mid-March 1994, and projections for the second quarter 1995.

PROGRAMME DISBURSEMENTS FROM THE INCEPTION PHASE TILL MARCH 1994

COMPONENTS	BUDGET	19 93				1994		TOTALS	EST. 2nd.qtr
		1st.qtr.	2nd.qtr.	3rd.qtr.	4th.qtr.	1st.qtr.			
1. UPGRADING AREAS	9,995.0						6,469.4	965.0	
1.1 Land & basic infrastr.	5,221.0		5,221.0				5,221.0	0.0	
1.2 Infrastr.improvement.	2,220.0				249.3	805.2	1,054.5	700.0	
1.3 Starter solutions	2,104.0					85.1	85.1	200.0	
1.4 Community centers	450.0		13.0		0.6	95.2	108.8	65.0	
2. CORE-HOUSES	10,476.1						3,006.9	1,850.0	
2.1 Land & basic infrastr.	2,934.7		1,895.2		1,039.5		2,934.7	0.0	
2.2 Land development	1,363.0				0.5		0.5	1,100.0	
2.3 Core-house construct.	5,878.4						0.0	750.0	
2.4 Community centers	300.0				71.7		71.7	0.0	
3. LOAN GUARANTEE FUND	11,900.0						1,900.0	350.0	
3.1 Loan Guarantee Fund	1,900.0			1,900.0			1,900.0	0.0	
3.2 Private sector loans	10,000.0						0.0	350.0	
4. BLDG.MATERIAL LOANS	1,263.0						0.0	300.0	
5. CTY. DEVELOPMENT FUND	87.0						33.2	14.0	
5.1 Production of 2 videos	20.0	8.0			20.7		28.7	8.0	
5.2 Unassigned	67.0	3.9			0.6		4.5	6.0	
6. NHE ADM/TECH. COSTS	2,692.0						1,017.7	350.0	
6.1 Personnel*	2,201.0	250.0	60.0	95.0	135.0	190.0	730.0	200.0	
6.2 Land survey/eng. fees	491.0				202.7	85.0	287.7	150.0	
7. CONSULTANTS	3,467.8						1,720.0	240.0	
7.1 Inception phase	520.0	520.0					520.0	0.0	
7.2 Implementation phase	2,947.8	340.0	140.0	240.0	240.0	240.0	1,200.0	240.0	
8. RESOURCE CENTER	38.0	19.0				19.0	38.0	0.0	
9. CONTINGENCIES	194.9			54.5			54.5	0.0	
10. TOTALS	39,352.0	1,140.9	7,329.2	2,289.5	1,979.6	1,500.5	14,239.7	4,069.0	

* Note: NHE disbursements for personnel are estimated

Expenses incurred during the Inception Phase are included in the 1st quarter of Implementation

7.3 Update of Programme budget

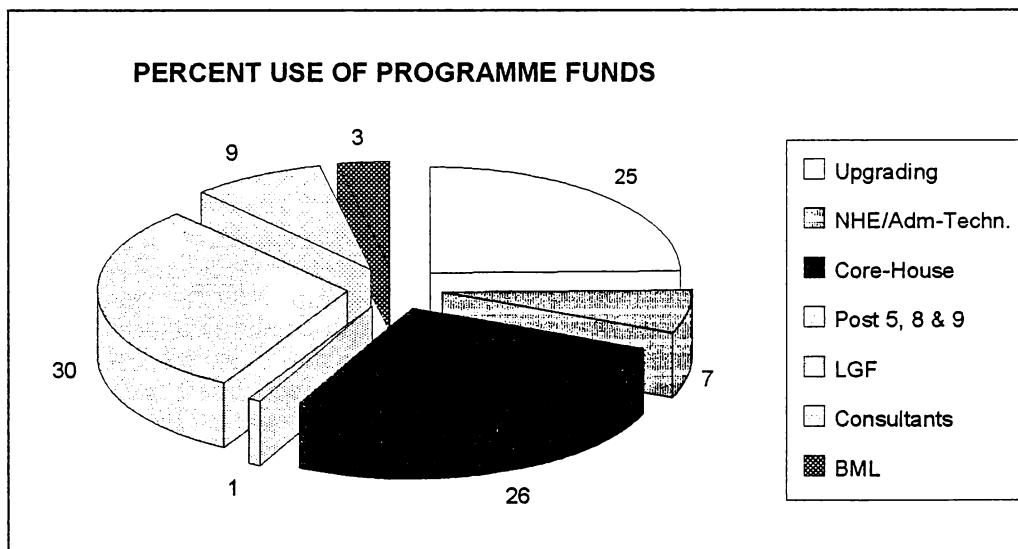
Important adjustments in the Programme's budget result from the intermediate evaluation, requiring reallocation of funds and reduction in the envisaged number of some solutions. When actual costs for goods or services are known, they have been used to replace the original estimates. A description of major budget changes follows and the revised budget is shown in page 46.

- **Upgrading Project:**
 - The total amount paid for land and basic infrastructures, including interim rates and taxes, legal fees, transfer costs etc. is of N\$ 5.221.000, out of which NHE paid N\$ 3.300.828,16 and the balance N\$ 1.920.000 was reimbursed from the Disposition Fund for up-front subsidies.
 - The upgrading of infrastructures in Phase I is completed and paid for; the tender cost for Phase II is known and the adjusted estimate for street lights, the only remaining component to develop, is of N\$ 270.000. On this basis, a total figure of N\$ 2.220.000 is used.
 - According to the workshop targets and feed-back coming from field experience, the envisaged number of starter solutions is reduced to 300 and the average unit cost increased to N\$ 7.000.
 - Costs for Community Centers have been scaled down to the initial figure of N\$ 150.000 each, that seem adequate in view of construction costs of the two already built.
- **Core-House Project**
 - The total amount paid for block land in Okuryangava and Khomasdal, including all related expenditures was N\$ 1.892.303,77. The Otjomuise plots average cost (that include development costs) is N\$ 9928; the cost of the 105 used for the Core-House Project is of N\$ 1.042.440. The total amount paid for the Project's 334 plots already purchased is of N\$ 2.934.743,70. Tender costs for development of land in Khomasdal and Okuryangava add up to N\$ 1.363.000.
 - Due to increases in several budget posts, to the more expensive type of core-houses under construction, and the fact that the amount of the KfW Grant is fixed, it has been necessary to limit the number of housing solutions to the 334 already under way. Average construction cost is up to N\$ 17.600.
 - The number of possible community centers in this Project is brought back to the original 2 proposed in the Inception Report, instead of three as included in more recent budgets.
- **Loan Guarantee Fund**
 - No modifications are introduced in this budget post. At the end of 1994 it will be evaluated; if it is not performing as anticipated, the funds

will be reassigned, possibly to increase the number of core-houses or starter solutions.

- Building Material Loans; Community Development Fund:
 - From a budget standpoint no modifications are introduced to these components.
- NHE administrative and technical costs
 - Total personnel costs till the end of 1995 have been estimated at N\$ 2.200.884 by the SM-FP&C. This amount considers costs incurred at the Inception Phase; costs for Oshatotwa Team staff involved on a full time basis, including the CDCs from July 1994, and Senior Management time.
 - Engineering consultant's fees for the Upgrading Project amount to N\$ 319.340. For the Core-House Project, they amount to N\$ 97.000. In addition, an estimate N\$ 75.000 will be spent in fees for land surveyors, adding up to a total of N\$ 491.000.
- Consultants
 - Consultants fees need to be augmented in N\$ 629.800 to cover their increased involvement resulting from the extension of the implementation period till the end of 1995.
- Contingencies
 - N\$ 714.000 have been transferred from this post to cover cost increases in other budget positions.

The following chart shows the percentual assignement of Programme funds resulting from the revised budget.



1000	10.0	9,995.0	1.9	5,287.6	3,099.4	5,984.9	3,511.9	135.2	0.0	0.0	363.0
1000	5.2	5,221.0	1.8	2,900.6	1,067.0	1,920.0	3,301.0	0.0	0.0	0.0	0.0
300	7.0	2,220.0	2.0	1,110.0	890.0	1,780.0	77.0	0.0	0.0	363.0	0.0
3	150.0	2,104.0	2.0	1,052.0	944.4	1,888.9	109.9	105.2	0.0	0.0	0.0
334	31.4	450.0	2.0	225.0	198.0	396.0	24.0	30.0	0.0	0.0	0.0
334	8.8	10,476.1	2.0	5,315.3	3,378.1	6,756.1	3,181.2	538.8	0.0	0.0	0.0
229	6.0	2,934.7	1.9	1,544.6	0.0	0.0	2,788.0	146.7	0.0	0.0	0.0
334	17.6	1,363.0	2.0	681.5	611.8	1,223.6	71.2	68.2	0.0	0.0	0.0
2	150.0	5,878.4	2.0	2,939.2	2,638.7	5,277.3	307.1	293.9	0.0	0.0	0.0
250	40.0	300.0	2.0	150.0	127.6	255.2	14.9	30.0	0.0	0.0	0.0
300	4.2	11,900.0	1.9	6,000.0	1,000.0	1,900.0	0.0	500.0	9,500.0	0.0	0.0
		1,900.0	1.9	1,000.0	1,000.0	1,900.0	0.0	0.0	0.0	0.0	0.0
		10,000.0	2.0	5,000.0	0.0	0.0	0.0	500.0	9,500.0	0.0	0.0
		1,263.0	2.0	632.0	512.0	1,024.0	113.0	126.0	0.0	0.0	0.0
		87.0		44.0	39.0	78.0	9.0	0.0	0.0	0.0	0.0
		20.0	1.8	11.0	9.0	18.0	2.0	0.0	0.0	0.0	0.0
		67.0	2.0	33.0	30.0	60.0	7.0	0.0	0.0	0.0	0.0
		2,692.0	4.0	1,346.0	0.0	0.0	2,692.0	0.0	0.0	0.0	0.0
		2,201.0	2.0	1,100.5	0.0	0.0	2,201.0	0.0	0.0	0.0	0.0
		491.0	2.0	245.5	0.0	0.0	491.0	0.0	0.0	0.0	0.0
		3,467.8		1,762.9	1,762.9	3,467.8	0.0	0.0	0.0	0.0	0.0

8. STATE OF FULFILLMENT OF CONDITIONS

The KfW mission detected that the way the affordability assessment is done for the Oshatotwa Programme is not according to the Financing Agreement (Article 6.1.i). In particular:

- Only income of the head of the household is considered, and not the total household income as agreed;
- The PHSL calculation is not adjusted to the size of the family.

In addition, the mission recommended that, as proposed in the Inception Report (p.73 and affordability chart), the maximum financial burden for the poorest beneficiaries remain below 25% of total household income; and that incomes from the informal sector should not be certified by the Police, but estimated by the CDCs.

The Oshatotwa Team is taking steps to correct these deviations that result from the use of the usual NHE criteria and computer programme to assess affordability of clients. The procedure detailed below was prepared to establish affordability assessment criteria.

Affordability assessment for the Oshatotwa Programme

According to the discussions held with the KfW mission on how to assess household income for defining the Programme's beneficiaries, the following criteria are to be used:

- Earners:

Incomes of all adult members of household shall be taken into consideration, particularly in case of couples formally or traditionally married income of husband and wife must be considered.

- Household size

Maximum income of a household must be adjusted according to household size, meaning that smaller households will have a reduced PHSL. The September 93 calculation of PHSL provided the following indicators for Windhoek:

FAMILY MEMBER	REQUIRED INCOME IN N\$
ADULT MAN	154
ADULT WOMEN	134
BOYS/GIRLS	150
CHILDREN	110
HOUSEHOLD AS A WHOLE	120

Based on these figures, the following maximum amounts of PHSL for different family sizes are proposed to be used in the Oshatotwa Programme:

HOUSEHOLD SIZE	BASIC PHSL N\$	3 PHSL N\$	PER-CAPITA INCOME N\$
1	275	825	275
2 - 3	540	1620	180-270
4 - 6	912	2736	152-228
7-10	1307	3921	130-186

These figures are basic indicators. A certain flexibility (up to 5% more) might be taken into consideration, in order not to exclude a potential beneficiary if the household income is a few dollars more than the limit established.

Other conditions

With regard to other conditions the situation remains the same as detailed in the Progress Report N° 3 (p.67), with the following comments:

- NHE intends to redefine the composition and functions Steering Committee and attempt to revitalize it (Separate Agreement 3.4)
- Current efforts to promote the concept of Self-Help may further increase the participation of beneficiaries (Separate Agreement 3.5 & 3.6)

9. CONSULTANTS

9.1 Services rendered between October 1993 and March 1994

- Chief Technical Advisor

The CTA realized two missions, one month in October 1993 and six weeks in February/March 1994. His main activities included:

- General assistance to Project Coordinator and Oshatotwa Team on programming, monitoring of execution, implementation procedures and policy issues;
- Launching of construction of first Starter Solutions in Freedom Land;
- Final edition of Quarterly Progress Report N° 3;
- Assistance in negotiations for extension of infrastructure upgrading contract to Phase II;
- General monitoring of progress, adjustment of deviations;
- Participation in Team programming workshops
- Reimbursements to NHE from Disposition Fund;
- Debriefing at KfW Headquarters
- Participation in evaluation workshop and subsequent revision of programme components, indicators, work schedule, consultants assignment etc.
- Assistance to KfW mission;
- Revised work programme;
- Organization of training course for Oshatotwa Team members;
- Draft revised concept for Building Material Loans component;
- Participation in negotiations to extend contract for land development in Core-House Project;
- Outline of Loan Guarantee Fund pilot project;
- Submission of Progress Report N° 4;

- Institutional Advisor

The Institutional Advisor realized a mission of one month in February 1994. His main activities included:

- General backstopping to Oshatotwa Team and Project coordinator;
- Organization and moderation of a participatory evaluation and planning workshop;
- Subsequent revision of programme components, indicators, work schedule, consultants assignment etc.
- Conducted short seminar on participative workshop methodology for NHE staff;
- Co-organization, design of methodology and preliminary evaluation of household survey;
- Assistance to KfW mission;
- Debriefing at KfW Headquarters

- Community Development Advisor

During this period, the CDA realized two missions, one month in October 1993 and six weeks in February/March 1994. His main activities included:

- Assistance in selection of beneficiaries for Core-House Project;
- General advise and assistance to Programme management;
- Participation in Team programming workshops;
- Preparation of draft Quarterly Progress Report N°3;
- Adjustment of procedures and update of Operations Manual;
- Organization and supervision of the CDCs work;
- Participation in the February 1994 evaluation workshop, preparation of workshop report;
- Co-organization, design of questionnaire, field work supervision of household survey;
- Organization and conduction of training trip, supervision of evaluation reports by participants;

- Field Supervisor

Continued his part-time involvement in general Programme backstopping. His main activities were:

- Advising and monitoring work programming and progress
- Advising NHE on policy issues;
- Participating in the development of reception areas;
- Participation in the February 1994 evaluation workshop;

- Field Coordinator

He continued to be involved on a full-time basis, except for the month of January 1994 while he was ill. His activities during the period include:

- Follow-up of infrastructure upgrading construction works at Okuryangava;
- Assistance in preparation and information meetings for selection of beneficiaries of core-house project;
- Follow-up of construction of community centers at Onguo ye Pongo and Okuryangava;
- Assisting in organization of site-office, its equipment and moving;
- General assistance to Project Coordinator;
- Adjustment of core-house designs;
- Collaboration in the development of tender documents for the construction of core-houses in Otjomuise;
- Preparation of monthly progress reports in November and December 1993;
- Participation in the evaluation workshop;
- Design of Greenwell Matongo Community Center;

- Community Development Coordinators

As described in Chapter 2, during the period they continued with the regularization of land tenure, development of communities and maturation of

community centers committees, coordination with other agencies and assistance in implementation of starter solutions.

9.2 Schedule adjustment

Several important adjustments to consultants involvement in the Project resulted out of the mid-term evaluation.

NHE decided that will incorporate as permanent NHE staff the three Community Development Coordinators, starting in the next fiscal year in July 1994. Although contractual details need to be adjusted, Mss. Sofy Shaningwa, Aune Tjirare and Petronella Taaru will eventually continue their valuable participation in the Oshatotwa Programme as NHE personnel instead of as members of the consulting team.

The implementation period was extended one year till the end of 1995. Regarding consultants involvement, NHE established the following criteria:

- As the experience gained by the Corporation in the first 15 months of implementation is already bearing fruits, NHE decided to start phasing out the day to day responsibility of Kerry McNamara Architects, the local partner of the consulting consortium, and conclude their participation at the end of 1994.
- To request SUM Consult, the international partner in the consortium to make available experts for an extension of their commitment through 1995 along similar lines as till now, that is, periodic visits to Windhoek to assist in different aspects of Programme implementation.

Following these criteria, a revised schedule results in:

- A reduction of 15 MM in the CDCs assignment;
- The time envisaged for the Field Supervisor and Field Coordinator remains unchanged. After July, the Field Coordinator will start reducing his day to day work to 2/3 of the working time, then to half time. NHE will re-evaluate the needs at the end of the 2nd quarter 1994;
- Regarding SUM personnel, to cover the requirements for 1995, 4 MM are added to the Chief Technical Advisor's initial schedule, 1 MM to the Institutional Advisor's and 5,5 MM to the Community Development Advisor's.

The table in page 52 compares:

- The original consultants assignment schedule proposed in the Inception Report;
- Actual consultants participation from the beginning of implementation till end of March 1994, and
- Revised assignment schedule till the end of 1995

Field Supervisor

KN

Field Coordinator

AW

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- - - - -
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ANNEX 1/a

MINUTES OF MEETING, KFW MISSION FEBRUARY 1994

MINUTES OF MEETING

A mission of Kreditanstalt für Wiederaufbau (KfW), Frankfurt, Germany, comprising Messrs Johannes Bickel and Gerhard Redecker, visited Namibia from February 15 to 26 in order to discuss with the Namibian authorities the progress of "Low-cost (Oshatotwa) Housing Project, Windhoek" and the preparation of the "Low-cost Housing Project II".

For the National Housing Enterprise (NHE), the discussions were led by Mr Tsowaseb, Chief Executive Officer, and Mr H Jurgen Lehnert, Head of the Technical and Marketing Services Department. Meetings were also held with the Ministry of Regional and Local Government and Housing (Mr K Gowaseb, Director of Housing), the Municipality of Windhoek (Mr B van der Merwe, Deputy City Engineer), the Consulting team (SUM-McNamara) and the NHE project team and field staff. The KfW mission participated in the workshop of the Oshatotwa project, and visited Swakopmund and Ondangwa and had discussions with the respective municipalities (Project II). All the meetings took place in a co-operative and friendly atmosphere. Both sides stated the achievements reached so far in the Oshatotwa project; yet, the following considerations are focussing mainly on the actual situation and actions still to be taken.

A, OSHATOTWA HOUSING PROJECT, WINDHOEK

1. Upgrading of Resettlement and Squatter Areas

KfW mission was informed that the execution of infrastructure development of the 5 resettlement areas is to be finalised by April and June 1994, respectively. At present, approximately 136 out of 1 006 plots are still awaiting legal clearance and formalisation of sale. Considerable delays are to be stated too, with regard to the construction of starter solutions (only 4 completed). The KfW mission recommends that NHE, to the extent possible, amplifies the options by including the possibility of obtaining a building materials loan instead of a pre-designed starter solution, in order to better correspond to the individual wishes of the applicants. (vide NHE Strategic Plan and the recommendations of field staff) It is also recommended to better promote and support the self-build aspects with regard to any housing option under this component. Both sides agreed that the Shipena Einbeck squatters (roughly 100 plots) may be excluded from the project due to constraints concerning infrastructure standards and plot prices.

2. Core House Component

The KfW mission was informed that the infrastructure development for 3 sites is due to be completed by

fourth site (Otjomuise) has already been developed by the Municipality. The first package of 60 out of approximately 430 core houses was tendered in December 1993 to be constructed in Otjomuise, but will be awarded only towards the end of February. This delay has resulted from the need to repeat the tender on the basis of non-comparability of offers, apparently due to confusion on the tenderers' side in view of the high number of required options. Unfortunately, it has not been possible so far to identify more than 170 families interested in the construction of core-houses. In spite of the high number of options offered (4 sites, plot, 10 house types, up to 10 finishing options) it seems to be difficult to match the individual requirements (felt needs) of the potential beneficiaries.

3. Common issues for the upgrading and core-house components

The KfW mission was informed that the affordability assessment, according to current NHE practice, is nearly always based not on the total household income, but only on the income of the household head. (Correspondingly, the Deed of Sale is signed solely by the household head). This is contrary to the Financing Agreement with KfW (vide article 6.1 i) and to the Project Inception Report and should, therefore, be changed. Income from the informal sector should not be certified by the police, but estimated by the CDCs, though this is a difficult task.

In addition, the KfW mission recommends that the maximum financial burden for the poorest beneficiaries should not be fixed at 25 percent, but be lower i e between 10 and 25 percent (vide Inception Report, chapter 7.3). The use of household head income instead of total household income of the household income (which, according to the Inception Report, is about 35 percent higher) in the case of upgrading areas (assignment of serviced plots) caused the individual and total amounts of subsidies granted to be higher than justified. It is recommended that a new affordability assessment shall be undertaken for the starter solution and core-house beneficiaries on the basis of the above mentioned statements (and apply the PHSL adjusted to the family size).

Government employees can so far not receive government housing subsidies for empty plots. On the other hand, NHE mostly requested from beneficiaries in the upgrading areas a period of 6 months orderly repayments on the loan for the developed plot, before granting an additional loan for a starter solution; as Government employees are not eligible for subsidies during this trial period (see above), many of them

have refused to pay their monthly instalments, thus causing arrears and the corresponding non-eligibility for starter solutions. NHE, therefore, should negotiate with the government a practical solution to overcome this deadlock situation. In this context, the KfW mission recommends to waive the 6 months trial period for all beneficiaries with permanent employment in the formal (ie public or private) sectors.

Repayments for developed plots in the upgrading areas as well as the necessary minimum deposits for starter solutions and core-houses seem to be very unsatisfactory. Due to lack of communication between the field staff and the accounting division, as well as procedural constraints, no final up-to-date figures on accounts, repayments, arrears and deposits are available. Both sides agreed that NHE will provide this data by early March 1994.

Solutions for families in the upgrading areas who cannot afford a loan even for the serviced plot without any housing solution, have still to be found. KfW would favour solutions which enable those poor families to stay in the area.

The Community Development Co-ordinators (CDCs) and Self Help Construction Advisors (SCAs) have made valuable suggestions for the solution of some of the above mentioned bottlenecks. Their experience and proposals should be taken into account, since they have close contacts with the target groups of the project.

4. Community Development Component

Both parties discussed the physical and organisational aspects of the 3 community centres for the upgrading areas. It is recommended to monitor the ongoing community development activities in relation to the above mentioned facilities. The social infrastructure situation and constraints have so far hardly been tackled in connection with the project, though they are vital for the beneficiaries. In order to get a clear picture of the existing facilities and bottlenecks, the KfW mission recommends that the project team including the consultants, undertake a physical and functional inventory, so that NHE can approach the responsible authorities, (Municipalities, Ministries of Works, Transport and Communications, of Education and Culture and of Health and Social Services) for necessary improvements.

5. Component "Building Material Loans"

Both sides stated that so far no conceptual design neither preparatory steps have been undertaken for

this component. As can be learned from the SCA's and CDC's opinion, there is considerable demand for building material loans in the project areas for construction, extension and improvement of houses. Therefore, the KfW mission strongly recommends to offer building material loans as an additional alternative to starter solutions and core-houses and to investigate the possibility of opening this component to target groups in adjacent areas (within the 3 PHSL and individual affordability range). Both parties agreed that NHE and the consultants shall, as soon as possible, elaborate the procedures for this component, such as the use of funds, alternative collaterals, promotion of self-help, implementation details as well as a marketing campaign. As the Build Together Programme is the only other housing project containing a building materials loan element, its experience in this respect should be studied.

6. Component "Loan Guarantee Fund"

Although NHE has signed agreements with SWABOU and Namib Building Society, this component did not come into operation so far. For this, the two building societies have indicated a variety of cost and market-related reasons. The NHE informed the KfW mission that they have undertaken concrete steps for supporting the building societies in a pilot project for 20 houses in Otjomuise. If this trial should not bring the expected results or the demand not increase considerably, the guarantee amount financed by German funds should be reduced and reallocated to other project components.

7. Time-schedule, Total Project Cost and Financing, Consultancy Services

Both parties agreed that the accumulated delays call for a substantial revision of the time-schedule of the project. NHE shall determine, together with the consultants, the need for additional or modified consultancy services and present to KfW a draft addendum to the consultancy agreement in due course. Accordingly, the general cost and financing table will be revised in March 1994 (taking into account additional NHE contributions).

In order to facilitate project monitoring by NHE management and KfW, it was agreed to improve the progress report (breakdown and status of activities related to all project components, comparison of achievements with original and quarterly targets, monitor project progress by quantified indicators).

8. Aspects Concerning NHE


From the discussions held, it became apparent that there are still severe internal communication gaps within the Oshatotowa team as well as between the team and other NHE departments and the senior management. On the other hand, NHE, so far, still uses largely its traditional criteria and procedures which partially do not cope with the requirements of this type of project and target groups in terms of simplicity, flexibility and speedy response: in this respect vide also the objectives formulated in the NHE strategic Plan. Also, often field staff was lacking and should be reinforced. Besides, it was stated that the project team still lacks in-depth information on the socio-economic situation of the target groups and that available information is scattered. It is therefore suggested to design and establish, together with the consultants, a monitoring system concerning the target groups.

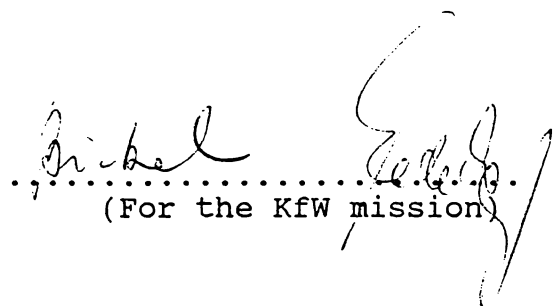
B. LOW COST HOUSING PROJECT II

Both sides agreed that the envisaged Project II would concern the following three secondary towns: Swakopmund, Ondangwa and Grootfontein or Walvis Bay. They agreed, too, that in addition to what was outlined in the NHE project proposal of December 1993, the upgrading of squatter areas will be studied. In order to expedite the preparation of the project, SUM Consult shall support NHE in the elaboration of a more detailed project proposal (feasibility study) as a basis for KfW's project appraisal; this will presumably be financed by a special fund administered by KfW on behalf of the German Government. KfW will elaborate the Terms of Reference for the above mentioned study and submit them to NHE.

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

Windhoek, February 25, 1994


.....
(For NHE)


.....
(For the KfW mission)

Copy Ministry of Regional and Local Government and Housing
 Municipality of Windhoek (Mr B van der Merwe)
 Sum-McNamara Consultants
 German Embassy

ANNEX 1/b

EVALUATION AND PLANNING WORKSHOP

Juan (Panchi) Crispo	SUM-McNamara Consultants	Chief Technical Advisor, Consulting team.
Roland Ziss	SUM-McNamara Consultants	Institutional and Policy Advisor
Wilfried Schulte	National Housing Enterprise (NHE)	Oshatotwa Project Coordinator
Diane Bester	NHE	Oshatotwa Project Co-Coordinator (Finance)
Abé Louw	SWABOU	Loan Guarantee Fund
Polla Steyn	Municipality of Windhoek	Provision of land and utility services
Kerry S. McNamara	SUM-McNamara Consultants	Field Supervisor, Oshatotwa Programme
Hilja Hipangwa	Community Representative	Greenwell Matongo Community Committee Vice-Chairperson
Shitenda Petrus Imene	Community Representative	Onheleiwa Community Committee Chairman
Sophy Shaningwa	SUM-McNamara Consultants	Community Development Coordinator
Johannes Bickel	KfW Germany	Regional Department (overseeing Oshatotwa grant)
Jurgen Lehnert	NHE	Senior Manager, Technical and Marketing Services: In charge of project on behalf of NHE
Erasmus Hendjala	National Council	Regional Councillor, Hakahana Constituency
Gerhard Redecker	KfW Germany Technical Department	Monitor technical aspects of Programme
Thomas Kaura	Municipality of Windhoek	Property Manager, Northern Areas

Continued

Andrew Walton	SUM-McNamara Consultants	Programme Field Coordinator
James Hokans	Cooperative Housing Foundation Representative	Adviser to MRLGH, Housing Directorate; National Housing Policy supporter
Maria Dax	NHE	Public Affairs and Communications Manager
Aily N. Helao	MRLGH	Project supporter
Axaro Tsowaseb	NHE	CEO; To see that the project is <u>implemented!</u>
Ernst Mathias	NHE	Self-Help Construction Advisor
Donald Kurtz	SUM-McNamara Consultants	Community Development Advisor, Oshatowa Housing Programme
Louis Fick	NHE	Senior Manager, Financial Planning & Control
Martin Kapewasha	National Council	Regional Councillor, Wanaheda Constituency

National Housing Enterprise
OSHATOTWA HOUSING PROGRAMME WORKSHOP
February 21-22, 1994
At the Rössing Foundation, Khomasdal

PROGRAMME ACHIEVEMENTS TO DATE

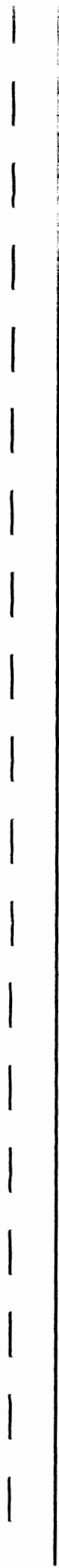
PROJECT	COMPONENT	ACHIEVEMENTS
Upgrading	Community Development	<p>Community Leadership structures strengthened: Elections for Committee held in 2 areas; Participation by Regional Councillors.</p> <p>Since implementation, community leaders have become more representative of their communities/groups.</p> <p>CDCs know all clients; have established relationship of trust.</p> <p>Management of communal water taps greatly improved; Clean-up campaign on-going.</p>
	Sale of Erven	<p>Information Campaign Developed; Beneficiaries aware of project possibilities and options.</p> <p>870 Erven sold and contracts signed.</p> <p>136 Pending cases being processed.</p>
	Infrastructure Improvement	<p>All 715 project erven in Okuryangava area: Either fully services, OR Construction underway.</p>
	Community Centres	<p>2 Community Centres built in 2 areas; 3rd in process of securing land and design.</p> <p>Uses of Community Centres: NHE/Client contract discussions; community meetings; church services; creches; choir practices; immunisation campaign; Primary Health Care.</p> <p>1 Community Centre Management Committee established; 2 others being established.</p>
	Starter Solutions	<p>150 Clients (with employer subsidies) identified (compared to other housing projects, this is small percentage of government employees).</p> <p>Worksheets for 63 potential clients completed by SCAs; others contacted and informed about houses.</p> <p>People are mobilizing their savings and depositing in NHE Building Society.</p> <p>4 houses built, 3 in process.</p> <p>75 clients up-to-date with erven loan repayments; ±50 have started savings for structures.</p>
	Building Materials Loans	<p>XXX</p>

Continued...

PROJECT	Component	Achievements
Core Houses	<p data-bbox="427 297 643 355">Land Identification and Acquisition</p> <p data-bbox="427 520 643 555">Land Development</p> <p data-bbox="427 648 715 683">Selection of Beneficiaries</p> <p data-bbox="427 966 659 1001">Sale of Core Houses</p> <p data-bbox="427 1031 663 1089">Construction of Core Houses</p> <p data-bbox="427 1222 715 1280">Community Development & Centres</p> <p data-bbox="427 1315 699 1350">Building Material Loans</p>	<p data-bbox="743 297 1361 355">Land for 334 cores acquired for project: 105 Otjomuise (serviced), 166 Khomasdal, 63 Okuryangava.</p> <p data-bbox="743 390 1233 425">±100 serviced erven identified in Otjomuise.</p> <p data-bbox="743 460 1318 555">Lay-out plans: Prepared by NHE; Approved by Authorities; Construction work contracted and on-going (Khomasdal & Okuryangava).</p> <p data-bbox="743 583 1353 618">Electrical Reticulation negotiated with the Municipality.</p> <p data-bbox="743 653 1350 748">502 Potential clients from NHE waiting list identified & contacted; 212 responded and attended information meetings; 90 registered as clients.</p> <p data-bbox="743 776 1321 811">Outside campaign: 80 registrations (for total of 170).</p> <p data-bbox="743 838 1342 934">40 have completed their deposit (minimum of 5% of N\$1,500 to N\$3,000); 30 partially completed deposit accounts.</p> <p data-bbox="743 966 807 1001">XXX</p> <p data-bbox="743 1031 1262 1101">10 Alternative designs prepared & submitted to Municipality.</p> <p data-bbox="743 1129 1233 1199">Tender for construction of 60 core houses at Otjomuise closes February 23, 1994.</p> <p data-bbox="743 1222 807 1257">XXX</p> <p data-bbox="743 1315 807 1350">XXX</p>
Loan Guarantee Fund	<p data-bbox="427 1436 691 1494">Definition of Rules and Procedures</p> <p data-bbox="427 1529 695 1564">Establishment of L.G.F.</p> <p data-bbox="427 1598 544 1633">Marketing</p> <p data-bbox="427 1691 539 1726">Operation</p>	<p data-bbox="743 1436 1342 1505">Rules established, 2 building societies signed contracts to participate by June 1993.</p> <p data-bbox="743 1529 1082 1564">Fund established in June 1993.</p> <p data-bbox="743 1598 1334 1668">SWABOU published one press ad in 2 newspapers at end of January 1994.</p> <p data-bbox="743 1691 807 1726">XXX</p>

Continued...

Project	Component	Achievements
Institutional Development	Internal Institutional Development (NHE)	<p>Programme has strengthened NHEs capacity to deal with unconventional low-income clients in improving their housing.</p> <p>Personnel hired and trained, procedures evolved to deal with new approaches and situations.</p> <p>Former Project Coordinator, Office Administrator, 3 CDCs, 2 SCAs attended Training Session which included procedures for sale of erven and sale of starter solutions.</p> <p>Monitoring and Evaluation established.</p> <p>Participatory operational planning procedures established.</p> <p>Operations Manual produced and distributed within NHE.</p>
	Inter-Institutional Development	<p>Inter-institutional planning on-going: 1 inter-institutional workshop in 1992; 1 inter-institutional workshop in progress.</p> <p>Presentations at 2 workshops given regarding community/civic body formulation & structuring.</p> <p>Established system of up-front subsidy.</p>



National Housing Enterprise
OSHATOTWA HOUSING PROGRAMME WORKSHOP
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PROBLEMS OF IMPLEMENTATION

Main Problem: Number of Households having improved housing situation is less than planned.

Project: UPGRADING

First Problem Area: Sale of land not envisaged as a component initially, complexity under-estimated; still many pending cases.

Issues: Resettlement of Singles Quarters population was not properly organized and was poorly documented.

Conditions of resettlement were not clearly established or explained to the people.

Affordability of settlers was not established before the move.

Land ownership is a concept alien to lots of resettled people.

Lack of proper information and community involvement contributed to complexity.

Rapid urbanization was a new concept to the planners.

Land prices were not available.

Communities were not stable after resettlement.

For the first time NHE had to deal with beneficiaries already selected and settled.

Problem derives out of imposing a formal ownership solution into an informal situation -- alternative arrangements could simplify process.

Lack of NHE manpower and meeting facilities.

No proper analysis of the problem was made before action taken on resettlement.

Second Problem Area: More Starter Solutions were expected in the project by now.

Issues: Confusion in team regarding the 6-months trial payment period.

Criteria to include public service employees with subsidies in programme not yet finalized with Public Service Commission.

NHE and the team are not properly "marketing" the idea -- mostly full houses are offered.

Continued...

Implementation of Starter Solutions could only begin after Deed of Sale signed.

Affordable clients who were contacted didn't start their savings.

People have problems with money during the first part of the year.

Affordable clients are not interested in self-build; they want everything built by us, which requires longer to make savings deposit.

Complexity of the use of communal water taps for construction of starter solutions (payment, metering, distance to site, etc.).

Infrastructure construction works caused delay in construction of starter solutions (restricted access).

Third Problem Area: Self-help, self-build was neither achieved nor encouraged.

Issues: Participants have not yet met basic criteria to commence building.

NHE mostly oriented towards its options and prototypes.

The people do not trust NHE to provide them with what they need, but impose on them expensive solutions.

Other activities like brick-making activities were not encouraged even though we felt like it.

Solutions, procedures & finance of starter solutions need to be adjusted to include more flexibility.

Fourth Problem Area: Communal facilities are inadequate; toilets are too few (Greenwell Matongo has only 2 communal toilets for 300 families).

Issues: Problem not previously raised, so no action was taken.

Resettlements should be accompanied by clinics, schools, open markets, etc., for residents.

Municipality says Greenwell Matongo cannot be connected to sewer, aqua privy solution was rejected.

Other Problems/Issues: Community leaders would like to be involved in repossession process.

Community would like to oversee the process of evictions.

NHE costs (design, marketing, administration) on starter solutions should be reduced to lower the prices.

3 sewerage pipes in Onheleiwa burst but Municipality does not respond to request to repair.

Find different solutions for people not permanently here.

Project: CORE HOUSES

Problem Area: Core houses were supposed to be built already.

Issues: Participation process and savings requirements result in delays in beginning construction.

Participants have not yet met basic criteria (deposit payments).

Development of land took longer than expected, not yet finished.

There were delays in securing land, in civil services design preparations, and in cost estimates.

Delays in implementation due to lengthy formal approval procedures: erf size issue, and lay-out plans approval.

Mistakes in preparation of first tender document for core house construction produced delay.

Planning of deadlines was poor; there were not enough personnel; poor delegation of tasks.

Insufficient manpower planning and provision for this and pre-existing NHE projects.

Erfen sizes versus governmental approval.

No show houses built yet.

Project: BUILDING MATERIALS LOANS

Problem Area: No building materials loans made!

Issues: BML initiation has been linked to completion of previous other components (chronological inter-relation).

No conceptual work, no implementation details worked out. Commencement prior to starter solution and core house completion thus not possible.

NHE building materials scheme experience in rural areas not being transferred to Windhoek.

High administrative costs to be recovered, and controls are required.

Uncertainty about approval (formal) requirements of municipality prevented project team from negotiating practical solutions.

Project: LOAN GUARANTEE FUND

Major Problem: Loan Guarantee Fund is lagging in implementation. Only 2 instead of 3 institutions involved; after 9 months, no loans issued by the private sector institutions in the scheme.

Issues: Higher risk levels today.

Change in risk assessment (20% provided by LGF is not enough).

Effectiveness of collateral is not acceptable.

Continued...

Deterioration of economy from positive growth to negative growth.

No change in attitude of private sector financial institutions to finance loans under LGF.

Weak financial discipline within government housing subsidised schemes.

Lack of control within government housing schemes by personnel officers.

LGF is not being aggressively marketed; should go outside Windhoek, if possible.

No appropriate marketing strategy and media used (only newspaper ads).

Poorer clients do not approach building societies.

Building societies lack knowledge of economic strengths and weaknesses of target group.

No motivation of developers to produce and put in market solutions in the cost range financed by the LGF.

Project: INTERNAL INSTITUTIONAL DEVELOPMENT

Major Problem: NHEs procedures were not adjusted for upgrading-type projects, and this causes delays in implementation.

First Problem Area: Loan recovery is going on slowly, and this will slow the progress of the programme; more clients are in arrears in making erven loan repayments than was expected.

Issues: No enforcement of payments made effective yet.

Time between resettlement and erf sale contract (1 year) was too long.

Unwilling resettlement versus affordability.

No perception of cost of services.

Erven owners could not pay without account numbers.

Willingness to pay not enough stimulated by community development people.

Payment procedures in NHE not fully coordinated nor prepared on time.

Issues, like home ownership and cost of water not explained sufficiently.

Lack of communication on procedures to target group.

Too high work load for field team to go into details.

Second Problem Area: Affordability assessment criteria not correctly applied.

Issues: Lack of communication within NHE.

Concept of "household income" not clear.

For first affordability assessment this was not important, because erf loan contracts done on trial basis.

Third Problem Area: Too few people are saving for deposits.

Issues: Other savings priorities than a house.

People need to see what they get for their savings (more starter solutions built).

Lack of a marketing/promotional strategy.

People don't trust that they will get what they want for their savings from NHE.

Technical problems for NHE in receiving small or partial amounts of monthly instalments.

Lack of integration between different Oshatotwa projects and within components.

There is a communications and attitude problem between community and NHE cashiers.

There are communications problems between NHE cashiers and headquarters.

Some NHE staff are reluctant to accept the Oshatotwa Programme as an NHE programme.

Fourth Problem Area: "Risk averse" behaviour leads to more bureaucracy that is not good for project.

Issues: No issues identified.

Project: INTER-INSTITUTIONAL DEVELOPMENT

Major Problem: Other agencies (MLRGH, private sector, etc.) have not participated as much as planned during the implementation.

First Problem Area: Government continues to subsidise interest rates, in conflict with National Housing Plan.

Issues: National Housing Plan only document, has not been implemented.

Lack of regulation and procedures to effectively implement the housing policies.

Up-front subsidy system should be implemented by Ministry of Finance, not MLRGH.

Second Problem Area: MLRGH does not understand difficulties of land-pricing in Windhoek; also does not fully understand that KfW funding to Oshatotwa programme is a grant.

Issues: No consistent land-pricing policy developed by the MLRGH in consultation with others.

Issue of erf sizes needs to be addressed by NHE, the Municipality and the MLRGH.

Encourage people to sub-let part of their plots.

Third Problem Area: Appropriate standards not successfully negotiated with Municipality and MLRGH (street standards, plot sizes).

Issues: Political problem of acceptance in period of transition.

Municipality has developed reception area with 200m² erven.

Question is not "lowering standards," but offering options.

Fourth Problem Area: Project partners have not met regularly or effectively over two years.

Issues: No formalized or mutually agreed squatter policy (transit areas).

Steering Committee on squatters was dissolved.

National Planning Commission should be contacted to take intermediary and coordinating role.

Mistrust between institutions.

Possibilities of effective cooperation overestimated.

Fifth Problem Area: No other projects so far initiated in other towns.

Issues: No issues identified.

National Housing Enterprise
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EXPECTED RESULTS AND ACTIVITIES

Expected Results	Components/ Action Areas	Activities To Be Undertaken
<p>Assist clients in building and improving homes and environment and community on an incremental basis, by promoting self-help within their needs and affordability.</p>	<p>Sale of erven</p>	<p>Solve the situation of the 136 unoccupied/vacant erven, and complete their sale. Develop alternatives for plot ownership, such as lease arrangements, for pending cases.</p> <p>Make list of pending cases available to specific head-person within time limit.</p> <p>Assess affordability and repayments situation of clients having signed contracts.</p> <p>Increase and train personnel for social work and administrative tasks.</p> <p>Encourage communities to use Community Centres; Expand use of the Centres by the Oshatotwa team.</p> <p>Property ownership in urban centres should be clearly spelled out to the people (the good and the bad, and the complications).</p> <p>Establish "new erf price" in case evictions would be realized, necessitating resale of erven.</p> <p>Formulate Terms of Reference for an institution to study aspects of resettlement (analysis/conclusions). Engage a research agency to do a historical and client survey.</p>
	<p>Starter Solutions/ Building Materials Loans</p>	<p>Identify broadest possible definition of "household income" and re-assess affordability of all clients.</p> <p>Improve marketing and encourage savings performance to expedite delivery of whatever solutions chosen. Encourage beneficiaries to speed up their savings towards their deposits.</p> <p>Investigate hooking-up of a private tap in the unserved areas for construction purposes.</p> <p>Offer cheaper designs, for instance only one room, without wet core, that is extendable.</p> <p>Sample starter solution houses should be build in all areas to better clients' perceptions.</p>

Continued...

Materials Loans (cont.)	<p>Clarify and define policy within team on "trial" payment period.</p> <p>Promote alternative solutions to starter units with the building materials loans, to better respond to felt needs of applicants.</p> <p>Conceptualize development and implementation details urgently to be worked out by building materials loans component.</p> <p>Finalize all details for employer-subsidized clients, and comprehensively implement immediately.</p> <p>Use Community Centres for extensive visual information on programme options.</p>
Self-Help	<p>Investigate self-help (own labour, owner built) and self-build (owner built with contracted builder) options.</p> <p>Develop and promote range of options from erf only to self-built to contract-built houses, all with incremental possibilities.</p> <p>Help people understand the cost impact of self-help.</p> <p>Encourage self-help (Saamstaan type) situations where community provide manpower and planning to realize the goal of individual starter solutions.</p> <p>Study the possibility of producing building materials, such as bricks, by the beneficiaries.</p> <p>Organize building groups to facilitate self-help construction.</p>
Other Activities	<p>Produce inventory of existing communal services in/around area and assess deficit and improvements required.</p> <p>Act to have additional communal facilities provided by municipality, in cooperation with community leaders, especially communal toilets in Greenwell Matongo.</p> <p>Set up task force to treat problem of non-payments and evictions, involving community leaders and Regional Councillors. Develop responsible roles for community leadership cooperation with NHE in this process.</p>

Continued...

Project	Expected Results	Components/ Action Areas	Activities To Be Undertaken
Upgrading (cont.)		Other Activities (cont.)	<p>Infrastructure for informal markets should be constructed as soon as possible to enable people to operate their local markets in organized, sanitary situations.</p> <p>Major damage to municipal facilities, such as burst pipes, should also be reported to the Technical Section of NHE for intervention at high level with municipal authorities.</p> <p>Investigate business re-establishment promises/offers made to resettled people.</p>
Core Houses	Land has been developed and core houses built at appropriate standards that are affordable and acceptable by low income groups.	Core Houses	<p>Improve work organization and personnel assignments to speed up the process.</p> <p>Build some show houses on sites; one show house on each site could be used as NHE site office.</p> <p>Provide incentives to clients that fulfil obligations in timely fashion.</p> <p>Revitalize and increase intensity of promotional campaign for core houses, including going beyond NHE waiting list. Use multiple language information.</p> <p>Expedite marketing of core houses on land immediately available, and on land soon to become available.</p> <p>Follow-up on-going land development work on core house sites to assure timely completion.</p> <p>Complement with building materials loans component in addition or instead of core houses.</p> <p>Investigate possibility of completing first 105 core houses and selling them on the open market.</p>
Building Materials Loans	Provide building materials loans for construction, improvement and extension of houses, with financial, technical and social assistance to low-income groups.	Building materials loans	<p>Evaluate previous NHE experiences with building materials loans.</p> <p>Revise and adjust the building materials loan component considering making them available to beneficiaries not having other NHE loans, and considering the difficulty of very low-income people to meet guarantee requirements.</p> <p>Establish procedures for loan conditions and approval systems, identify target groups, establish system of monitoring progress and repayment, etc., for revised concept. Allow for different (including informal) sources of materials and supplies.</p>

Continued...

			<p>Elaborate an advertising (publicity?) concept.</p> <p>Supply and train NHE personnel to handle the scheme.</p> <p>Start implementation with current NHE clients, including upgrading settlers.</p> <p>Evaluate performance and adjust as necessary every 3 months; monitor administrative costs demand and recovery.</p> <p>Use "Build-Together" concept and experience in elaborating scheme.</p> <p>Check municipal regulations (building requirements in particular) which may adversely effect B.M.L., and negotiate changes where needed.</p>
Loan Guarantee Fund	Private sector is actively participating in financing house for low-income groups assisted by NHEs Loan Guarantee Fund.	L.G.F.	<p>Implement pilot project of 20 houses secured by LGF.</p> <p>Revise risk covered conditions, increase the guarantee.</p> <p>Identify any core house beneficiaries that could be financed under the LGF.</p> <p>Design and implement appropriate marketing strategy, using experience from pilot schemes.</p> <p>Motivate private developers to use system.</p> <p>Evaluate LGF after completion of pilot scheme.</p>
Institutional Development	Institutional capacity has been strengthened to implement and replicate programme.	Institutional Development	<p>Revise and adjust Operations Manual for all components.</p> <p>Train (and retrain) staff to use the Operations Manual.</p> <p>Design control mechanism which ensures that procedures are adhered to.</p> <p>Incorporate Oshatotwa's CDC as permanent NHE staff.</p> <p>Manpower required to be planned properly and resource needs be communicated to NHE management in a timely fashion.</p> <p>Integrate Oshatotwa Programme into NHE (do not discriminate against it).</p> <p>Integrate Oshatotwa needs into NHE systems.</p>

Continued...

Institutional
Development
(cont.)

Evaluate existing NHE general policies, procedures and regulations with regard to their appropriateness to upgrading situations, and adjust if necessary.

Educate the community and clients on payments procedures.

Design enforcement strategy, involving community leaders and Regional Councillors with their political support. Inform community leaders and Regional Councillors of arrears situations.

Provide alternatives to evictions, e.g., subletting, so that eviction is a last resort.

Make careful preparations of first evictions.

Provide account numbers before Deeds of Sales are signed.

Define household and its income clearly, and apply household income to affordability assessment.

Improve relationship between cashiers and community. Improve communication of savings methods and amounts.

Inform NHE staff of progress in Oshatotwa Programme. Explain NHE systems to Oshatotwa Programme staff.

Contact National Planning Commission for support of coordination among housing institutions.

Revise structure of Steering Committee, assign clearer role than before, and revitalize it as a coordinating committee.

Do not use "lower of standards" in any documents; use "different options."

**NATIONAL HOUSING ENTERPRISE
OSHATOTWA HOUSING PROGRAMME WORKSHOP FOLLOW-UP**

REVISED MAIN ACTIVITIES - MARCH 1994

Project/ Component	Main Activities
<p>Upgrading: Community Development</p>	<p>Update household composition, income and housing preferences data. Set up Task Force (with community leaders and Regional Councillors) to treat problems of non-payment and evictions. Promote representative community leadership through elections and in cooperation with Regional Councillors. Support community initiatives, like creches, adult literacy, sports & social events, in cooperation with leaders and NGOs.</p>
<p>Sale of Erven, including Repossession and Reallocation</p>	<p>Investigate pending cases (136 in Feb. 1994), monitor turnover cases, and complete sale of erven. Establish system of fixing new erf price and special waiting list in case of evictions and resale. Design enforcement strategy which also provides alternatives to evictions, e.g., sub-letting. Implement evictions.</p>
<p>Infrastructure Improvement</p>	<p>Supervise completion of ongoing infrastructure works in Okuryangava. Follow up municipal works at Greenwell Matongo. Investigate toilet situation, e.g., at Greenwell Matongo, and take action if necessary. Follow up installation of street lights by municipality.</p>
<p>Community Centres & Other Facilities</p>	<p>Promote use and self-management of community centres by community groups, with NGO support. Build community centre in Greenwell Matongo. Prepare inventory of community facilities (public toilets, markets, schools, clinics), identify deficits, and set up work plan for improvement with community leaders, municipality and other institutions. Introduce communication system to report on damages of community and municipal facilities.</p>
<p>Starter Solutions</p>	<p>Design marketing strategy for starter solutions, and building materials loans options. Assess affordability for and interest in starter solutions or building materials loans. Encourage savings. Prepare options for government employees.</p>
<p>Self-Help</p>	<p>Develop and promote self-help/self-build options. Encourage mutual help (Samstaan type) building groups. Study possibilities of producing building materials (e.g., bricks) by beneficiaries.</p>

Continued...

Institutional Development NHE	<p>Revise and adjust Oshatotwa Programme Operations Manual for all components.</p> <p>Train personnel in social, technical and administrative tasks.</p> <p>Train cashiers how to deal with unexpected situations and to improve communications with community.</p> <p>Incorporate CDCs as permanent NHE staff.</p> <p>Improve work organisation, personnel assignments, and monitoring of progress.</p> <p>Improve intra-team communication and flow of information.</p> <p>Inform NHE staff on progress of Oshatotwa Programme.</p> <p>Explain NHE system and procedures well to Oshatotwa Programme staff.</p> <p>Evaluate appropriateness of NHE policies and procedures for upgrading; identify discrepancies, and prepare adjustments.</p> <p>Identify information requirements and change NHE computer programmes accordingly.</p> <p>Assess repayments of clients and take action according to seriousness of case.</p>
Inter- Institutional Development	<p>Use final evaluation to prepare document for disseminating experience.</p> <p>Revise composition and function of steering committee, revitalize it if possible.</p> <p>Contact National Planning Commission for coordination among housing institutions.</p> <p>Engage research group to study experiences from resettlement.</p>

<p>SUPERIOR GOAL:</p> <p>Improve the living conditions of low-income households through replicable and sustainable housing development within the framework of the National Housing Policy.</p>	<ul style="list-style-type: none"> ▶ By the end of 1995, the basic principals of the Oshatowa Programme are incorporated into new projects which are planned or implemented without major financial assistance from KfW. ▶ Basic principals of Oshatowa Programme are: 1) recovery, loans at market interest rates; 2) incremental housing options according to affordability; 3) community participation; 4) appropriate standards; 5) improvement of existing settlements; and 6) involvement of the private sector. ▶ By the end of 1995 at least 50% of the initial options have been improved. 	<ul style="list-style-type: none"> ▶ Economic situation in Namibia does not deteriorate; inflation does not dramatically increase. ▶ No substantial decrease of real income for programme participants, which would affect their ability to repay loans.
<p>PROGRAMME OBJECTIVE:</p> <p>Improve access to housing for low-income groups, applying new approaches and encouraging the participation of community, public and private sectors.</p>	<ul style="list-style-type: none"> ▶ By the end of 1995, 1,500 households (clients of the programme) with income up to 3 PHSL have improved their housing situation (legalization of tenure and services, and/or houses). ▶ Arrears for core houses, building materials loans (BML) and starter solutions is less than 20%. ▶ Through NHE efforts, by end of 1995 at least 50% of clients are paying regularly for their erven in the upgrading areas. 	<ul style="list-style-type: none"> ▶ No massive boycott of payments. ▶ Peace and democracy in Namibia will remain and no political complication to community participation will arise.
<p>UPGRADING PROJECT:</p> <p>Assist clients in building and improving homes and environment and community on incremental basis, by promoting self-help within their needs and affordability.</p>	<ul style="list-style-type: none"> ▶ By the end of 1995, 1) sale of 99% of erven completed (total 1,006); 2) 250 starter solutions have been built, using second loan or BML, 30% self-help; 3) 5 building groups established and operating in the upgrading areas; and 4) 100 government subsidized employees have built houses. ▶ Well organized communal toilets and water points are available to households unable to afford private water and toilets at a density of not more than one toilet and water point per 20 households. ▶ By end 1995, 20% of erven have gardens, 25% of houses are painted, and there are no heaps of rubbish lying around. ▶ After 2 years, at least 3 community centres are self-managed, with minimal external assistance and with community activities (adult and health education, loan and savings groups, etc.) are on-going. 	<ul style="list-style-type: none"> ▶ The government will take no action that may jeopardize the implementation of the NHP. ▶ Coherent financial/cost recovery criteria are applied for low-income housing programmes implemented in Namibia. ▶ NHE's efforts to change image will increase acceptability to low-income groups.
<p>CORE HOUSE PROJECT:</p> <p>Land has been developed and core houses built at appropriate standards that are affordable and acceptable by the low-income group.</p>	<ul style="list-style-type: none"> ▶ By the end of 1995, 430 families have moved to new settlements; extension and improvements on-going for at least 30% of the cores. ▶ Where community initiative, financial and operational commitments indicate demand, up to 3 community centres have been built. 	<ul style="list-style-type: none"> ▶ Municipality will accept lower service levels. ▶ No political interference of community leaders that would adversely affect the acceptance of the Oshatowa Housing Programme.
<p>BUILDING MATERIALS LOANS (BML):</p> <p>Provide BMLs for construction, improvement and extension of houses with financial, technical and social assistance to the low-income group.</p>	<ul style="list-style-type: none"> ▶ By the end of 1995, 300 BMLs have been used, 100 in upgrading areas, 100 in core house projects, and 100 outside programme areas, e.g., other NHE clients. 	<ul style="list-style-type: none"> ▶ Community development will keep pace with the evolution of the programme.
<p>LOAN GUARANTEE FUND (LGF):</p> <p>Private sector is actively participating in financing houses for low income groups assisted by NHE's LGF.</p>	<ul style="list-style-type: none"> ▶ By the end of 1994, pilot project of 20 houses has been finance by a building society using the LGF, plus 100 loan applications of up to 50 X PHSL approved for households in Windhoek with incomes up to 3 PHSL. ▶ By end of 1995, 300 loans (of up to 50 X PHSL) approved by 2 building societies to household in Windhoek with incomes less than 3 PHSL. 	<ul style="list-style-type: none"> ▶ Private sector financial institutions will accept LGF and approve change in lending policy and practices towards low-income groups.
<p>INSTITUTIONAL DEVELOPMENT:</p> <p>Institutional capacity has been strengthened to implement and replicate the programme.</p>	<ul style="list-style-type: none"> ▶ By the end of 1995, NHE is preparing at least one similar programme, without major KfW financial support. ▶ Loan documents and procedures have been simplified. ▶ By the end of 1995, alternative land tenure options (other than outright or long-term purchase) are in place, e.g., leasehold; and alternative securities for granting loans are available other than Deed of Sale. ▶ By 1995, NHE has revised their "loan agreement" in such a way to accommodate loans for improvements on "leased" land. ▶ Alternatives to evictions have been worked out to enforce payments. ▶ Evictions have taken place in cooperation with community leaders and Regional Councillors. 	<ul style="list-style-type: none"> ▶ NHE project coordination continues to improve; no more changes in Project Coordinator position.

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PARTICIPANTS' FINAL STATEMENTS ON WORKSHOP

The level of inputs and participation was very good and permitted the workshop to reach good conclusions in a very short time.

The way in which the workshop took place is Excellent because: 1) it promotes Participation; and 2) it results in Commitments.

Positive: Like the card system; Negative: Unhappy that NHE COE was not here; that projects manager (Uaendere) was not here. Overall, very well done!

It has been effective in identifying problem/activity areas. I hope that these activities (particularly amendments to procedures) will be implemented effectively.

The workshop was very much educative. I learnt/discovered many other things which came out of discussion by other participants. It gave us direction that we should follow in order to make the programme successful.

Community development is important and should have been a separate chapter.

The workshop was very fruitful and educative. Implementation of the programme should be put into effect.

I felt that there was a high degree of openness in the two days session.

Very happy about the two days workshop, and expect to see the transparency of our theory in practical work.

Planned objectives should be achieved.

The workshop was very fruitful and helped a lot. I think the proposed cooperation between the community, NHE, Regional Councillors and municipality is the best of all. People on the ground will now be properly addressed and made to understand the importance of Oshatotwa Project.

Very open and honest! Valuable contributions from the other institutions -- hope this continues. We now hope this all leads to "Action" & "Cooperation."

Well prepared. Very good presentation methods used. All necessary aspects of project well covered.

Productive sharing resulted in good progress and direction for continuing Oshatotwa Programme more energetically.

More field staff should have been involved (+2 CDCs, +2 SCAs); practical operational aspects were under-represented.

I have gained in-depth view/information regarding the programme. Was previously all at loose ends. Will make work more logical. Very well presented. Thanks. Could I be anything but committed?

ANNEX 2/a

COSTS OF STARTER SOLUTIONS

Oshakotwa House
 — Upgrading P.
Starter Solutions - M.
March 9.

House Type	House (Structure)	
	Material	Labour
A2	3666	1430
A5	4463	1740
A6	5938	2315
A7	7142	2783
A8	7573	2950
A9	9639	3755
A10	11188	4360
A11	9665	3765
Net Core (incl. plumbing)	2556	996

ANNEX 2/b

HOUSEHOLD SURVEY IN THE UPGRADING AREAS

COMMENTS:

If the interview fails, note the reason: _____

Is a second, follow-up visit needed? YES / NO

If you do a follow-up visit, use a different coloured ink so that the second day's answers are easily distinguished from those of the first day.

Do you have any comments or observations about this interview? _____

HOUSEHOLD SURVEY IN THE UPGRADING AREAS

During the evaluation and planning workshop it was suggested to conduct a survey in order to update the knowledge on household composition, income and housing preferences in the upgrading areas. Knowing the target group better is essential for designing in an appropriate way the tasks ahead, basically identifying clients for starter solutions and building material loans according to their needs and affordability. The following steps were undertaken to prepare the household survey:

- Preliminary design of a questionnaire
- Preliminary definition of sample size
- Test of the questionnaire in one area
- Evaluation of the test interviews
- Revision of questionnaire and final design
- Final definition of sample size and random method.

TEST INTERVIEWS IN ONYEKA

Onyeka was chosen for testing the preliminary questionnaire, because on the basis of the experience of the community development group, the residents might be considered to have average characteristics: relatively well organized, but not too consolidated yet, not too many government employees, not too many pending cases.

The area has 64 erven. The random sample was selected in the office, with the full list of the erven. Starting with the first erven (2348), every fourth one was chosen: 2352, 2356, 2360, etc., and identified on the area map. A total of 16 erven out of 64 were selected which makes a 25 % sample.

The test interviews were held by two of the Community Development Coordinators on Saturday, 5.03.1994. It took the CDCs only a short time to get used to explain the questions (in English) to the residents (in Oshivambo). On average they needed a little less than half an hour to do one interview. People were generally friendly; only one head of household refused to cooperate. In two other cases the interviews failed: In one case the house was locked, in the other the owner had left the area, leaving an empty plot behind.

PRELIMINARY FINDINGS

A total of 13 interviews were produced. Though in three cases the head of household was not available and not all the questions could be answered, the 13 interviews provide enough information for some preliminary findings on household characteristics, income and savings and housing preferences and shed light on interesting recent developments in the area.

Head of household

Head of household is a concept which is generally well understood by the residents. It is the person who is in charge of organizing life on the erf. Of the 13 households interviewed 6 were male and 7 female headed. The male heads are usually the main bread earners who live together with their customary spouse, with

or without children. In some cases their brothers are sharing the erf. Female heads use to live with their children, particularly in school age, sometimes with a temporary husband, brothers and sisters. In all cases heads of household make income; though there are many jobless adults without own income, there is not a single head of household without income of his own.

The head of household is not always the person who signed the deed of sale, an aspect which has to be carefully monitored by the Programme team. In our small sample in two cases erf owner and head of household were not the same persons: In one case a young lady happened to be the erf owner and her older brother was the head of household. The other case was a household of five children headed by their mother; the eldest son had signed the deed of sale. There was no case of absentee ownership, an issue which is particularly relevant to be followed up in order to avoid misuse and speculation in the Programme.

Household size

The size of the households is evenly distributed between 2 and 9 members. Average household size is 5,2 members, against 4,1 during the inception phase. It is logical that after resettlement the households are now in a process of consolidation and growth. The sample is too small to allow a correlation between household size and gender of head.

Age groups

The strongest age group is the one of young adults, between 18 and 29 years. Old people are rare; only one man of the sample is over 50 years old. The group of minors is growing, mainly children in school age or recently born; in the age group from 0 - 5 years the oldest child is 2 years old.

Age groups	0-5	6-12	13-17	18-29	30-39	40-49	50+
No. of persons	5	6	8	24	18	6	1

Within the group of the minors (0 - 17 years)gender is evenly distributed (10 males, 9 females). In the adult group there are still more males (29) than females (20).

Relationship of household members and types of households

One of the most interesting questions is related to what relationship the members have among each other. Are they people from the same village sharing an erf and working in Windhoek mainly to support their families back home (single quarter type of household) or do they consider themselves as independent families with Windhoek as their new home? The situation of each household might be different and eventually it is still too early for many to make a final decision. The extended family type of household is prevailing. But there is certain evidence that the independent family type of household is increasing.

Of all 68 persons surveyed 13 are heads of household, 6 are spouses of the head of household, 25 are children, 18 bothers or sisters and only 6 are not directly related family members.

How little legal marriages with community of property counts for the target group is highlighted by the fact that in the sample not a single case was detected. In six cases the head of household live together with a partner: 4 males with a

customary spouse and 2 females with a temporary husband. In the other 7 cases the head of household was a single: 5 females and 2 men. Children living with the household may be considered as a desire of integration into urban life: 7 households are reported to have children, 6 are household of adults without minors.

The following table shows how many couple and single households are living with and without minors. As a couple with minors is much more likely to stay than a single headed household without any minor, this four field matrix may be used as an indicator of stability and integration into urban life.

	Couple households	Single headed HH
With minors	4	3
Without minors	2	4

Only 2 out of the 13 households interviewed, male headed and without minors, can be considered of the traditional single quarter type: Adults who earn income in Windhoek for their families who live in the rural areas in Northern Namibia.

Household income and types of employment

Income data are always sensitive; people are reluctant to provide exact information for various reasons. Sometimes they cannot give exact information even if they would like to, due to the fluctuations of the informal job opportunities. In our sample 7 cases, more than 50 %, may be considered reliable, 5 households obviously understated their income, 1 household did not give any information on income. This result is not bad and definitely due to the relationship of trust the CDCs meanwhile have established with the residents of the upgrading areas. It may still improved if the interviews with the heads of household would be done in more privacy which eventually would require an additional appointment and is not always possible.

Of the 7 reliable cases 5 stated a total household income below 1 PHSL, between \$ 500 and \$ 750. The other 2 households have an income which is close to 2 PHSL. The household income per capita varies from \$ 100 to \$ 450, with the median of \$ 187. In only 2 cases the household income was produced by one person, in 4 cases by two persons and in 2 cases by three persons. In these two cases total household income was more than double the amount of the main bread earner's income. This shows clearly that a household income concept has to be used for assessing affordability instead of taking only the main bread earner's income, once the household has decided to stay in Windhoek and invest into the improvement of the housing situation.

Typical jobs are laborers on a construction site for men and domestic workers for women, the classic domains of first generation urban immigrants in many countries. Three persons work with a Government agency, some men are laborers or security officers in a factory, there are a some self-employed trades-women, a hairdresser and a taxi driver. After evaluating the answers on work it was felt that in the survey a classification of formal and informal employment was not sufficient. Instead it should be asked what and where the adults are working.

Savings

One of the outstanding findings of the study during the inception phase had been that 59 % of the resettled households had a savings account with a bank. This

was confirmed by our test survey. Out of the total of 13 households 7 have a savings account, three of them with deposits of more than \$ 1.000. Although these savings are not necessarily made for housing but to cover emergencies, it is important that the Programme develops a strategy to encourage savings for housing. NHE has to prove that saving with NHE pays back in house improvement soon.

Construction experience

Of the 13 households surveyed 7 had at least one member with construction experience. This finding confirms the expected potential for self-help construction. It will depend on the Programme team, particularly on the Self-help Construction Advisers, to what extent it will be tapped.

Permanency of residence and desire for house improvement

Except for one head of household all others want to stay permanently in Windhoek. The exception wants to go back to his home place in Northern Namibia one day. This is another evidence of the strong desire to become urban dwellers.

Consequently they want to improve their housing situation. Almost all would like to add another room, only one respondent prefers to improve the quality of the materials used for walling and roofing. Another one thinks to build a full house. Obviously there is more need for additional space than for improving the quality of the present structures. Not a single household showed a preference for improving the sanitary conditions (bath or toilet). The Programme has to take these preferences into account. Imposing housing solutions that do not cater for the felt needs has to be avoided.

RECOMMENDATIONS

From the test survey the following conclusions were drawn, to be kept in mind to carry out the general survey:

1. The sample size should be 25 % of total households in the Okuryangava areas. In Greenwell Matongo (291 erven) a 20 % sample seems to be sufficient.
2. The interviews should be done exclusively by the CDCs. If possible they should work as a team sharing the interviews in one area. They will have to go in the evening hours and on weekends to meet the head of household. They should agree on an oral translation of the questionnaire into Oshivambo which all three would use when putting the questions. They also should ask for as much privacy as possible, especially when talking to the head of household and asking for income data.
3. The CDCs should conduct the interviews with calm and patience. After finishing they should make sure that all questions are answered. In case they do not get answers for all questions or if the head of household is not available, they should make an appointment to finish the interview. They should leave the house friendly and never forget that they represent NHE, helping people to house themselves.
4. A question of particular interest refers to the relationship of each person to the head of household. The CDCs have to ascertain that family relations are

blood relatives, e.g. the children are really the children of the head of household with whomsoever.

5. Some persons are a kind of tenants, paying rent on a regular basis in cash or kind. The interviewers have to find out if they really belong to the household. Our understanding of a household is a socio-economic one: Adult members of the same household share the costs of running the place, particularly the costs of food and water, and feel a joint responsibility towards the children and the sick. Our first question on how many people normally take their evening meal together, is just an indicator of who may be considered members of the household. If a tenant does not assume other obligations towards the household than paying rent, he should not be considered a household member, even if he normally joins supper. This means also that not his total income, but only the portion he pays as rent is considered part of the household income.
6. Sometimes the person who signed the deed of sale is not the head of household. It is very important to note what his relation to the head of household is. If he lives on the erf, this relationship will be easily identified. If he does not live on the erf, four questions have to be carefully asked: What is his relationship to the head of household? Where is he living now? When did he come the last time? Does head of household pay him for using the erf?

ANNEX 3/a

SELLING PRICES OF OTJOMUISE CORE-HOUSES

17A	BUDGET	16. ELECTRICAL CONNECTION COST (PER HOUSE)	0.00	BENTLINGER BUILDERS: PART 1
	FINAL PART 1	19. PROFESSIONAL COST NHE-PROPORTION PAYABLE	100.00 X	
1. DATE OF RUN	3/18/94	20. OTHER PROF COST	0.00	
2. LOCAL AUTHORITY	WINDHOLM	21. OTHER NHE TECHN FEES	2250.00	
3. PROJECT DESCRIPTION	60 HOUSES - NHE	22. PLAN APPROVAL FEES (PER HOUSE)	60.00	
PROJECT ID CODE	-	23. OTHER ERF COSTS (PER ERF) (Consolidation/Subdivision)	0.00	
4. DATE OF COMMENCEMENT OF CONSTR.	3/14/94	24. TOTAL OTHER TECHNICAL FEES (CLERK OF WORKS)	29000.00	
5. DATE OF SIGNATURE BY NHE	3/14/94	25. TOTAL CONTRACT INSURANCE	2342.42	
6. DATE OF COMPLETION	8/13/94	26. ARCHITECTURAL FEES NHE PROPORTION PAYABLE	100.00 X	
7. NAME OF CONTRACTOR	BENTLINGER BUILDERS	27. COST BEFORE PROJECT (TRANSFERED TO ERF COST) PER ERF	447.67	
NAME OF SUB-CONTRACTORS	N/A	27.1 TOTAL RATES AND TAXES	7725.00	
8. CONSTRUCTION PERIOD IN WEEKS	22	27.2 TOTAL INTERIM INTEREST	12420.00	
PERIOD OF WEEKS TO FIRST HANDOVER	10	27.3 TOTAL OTHER (.....)	0.00	
9. PERCENT OF CONSTRUCTION COSTS EXPENDED AT FIRST HANDOVER	65X	28. DOCUMENTATION FEES	0.75 X	
10. TOTAL KILOMETERS TRAVELLED IN SUPERVISION (KMS PER WEEK)	100	29. PROJECT TEAM FEES	2.00 X	
11. TOTAL CONTINGENCIES	25000.00	30. PROMOTION COSTS	0.00	
12. TOTAL SITE WORKS	0.00	31. ARCHITECTURAL FEES		
13. ERF TRANSFER COST (15.1 Legal Cost)	30.00	- FIRST HOUSE	0.00 X	
(15.2 NHE Cost)	115.00	- REPETITION (FIXED FEE PLUS X)	R 2,174.00	
14. SEWERAGE CONNECTION COST (PER HOUSE)	0.00	- SERVICES	3.00 X	CHECKED BY:
15. WATER CONNECTION COST (PER HOUSE)	450.00	32. FUTURE ADMIN FEES	2.00 X	TASK GROUP LEADER:
		33. ADDITIONAL KILOMETERS PER WEEK (PROJECT TEAM)	0.00 KM/WEEK	MANAGER: TECHNICAL SERVICES:
		34. INTERIM INTEREST (YES/ NO)	0.10	SKR MANAGER: FINANCE:
				SKR MANAGER: MARK & TECHN SERVICES:.....
				TENDER COMMITTEE APPROVAL, DATE:.....

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	TOTALS	
NO OF HOUSES	3	4	5	1	1	1	1	1	1	4	2	1	2	3	3	6	1	1	1	1	45	
NO OF HOUSES	3	4	5	1	1	1	1	1	1	4	2	1	2	3	3	6	1	1	1	1	45	
NO. SIZE	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22
CONSTR COST	19250.00	17550.00	15100.00	18300.00	13700.00	15050.00	16900.00	21650.00	21450.00	20700.00	30000.00	30150.00	25900.00	30700.00	28250.00	25450.00	26800.00	25350.00	28037.00	28950.00	1028737.00	
TOTAL CONSTR COST (NET)	19250.00	17550.00	15100.00	18300.00	13700.00	15050.00	16900.00	21650.00	21450.00	20700.00	30000.00	30150.00	25900.00	30700.00	28250.00	25450.00	26800.00	25350.00	28037.00	28950.00	1028737.00	
TECH. COST (NET)	563.41	563.41	563.41	563.41	563.41	563.41	563.41	563.41	563.41	563.41	563.41	563.41	563.41	563.41	563.41	563.41	563.41	563.41	563.41	563.41	563.41	25192.42
PROF FEES (NET)	853.97	853.97	853.97	853.97	853.97	853.97	853.97	853.97	853.97	853.97	853.97	853.97	853.97	853.97	853.97	853.97	853.97	853.97	853.97	853.97	853.97	35680.12
ERF COST (NET)	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	10588.67	475490.00
MARKETING (NET)	542.53	497.52	425.54	515.55	385.16	452.42	475.35	510.28	604.64	583.50	845.65	849.85	730.06	851.38	795.32	745.58	755.45	841.42	790.32	516.05	29260.27	
SELLING PRICE	32000.00	31300.00	28500.00	32000.00	27900.00	29500.00	30500.00	35000.00	35000.00	35000.00	35000.00	45400.00	45200.00	41000.00	41200.00	41800.00	42000.00	45300.00	43200.00	44300.00	1551700.00	

PROJECT CODE
159933
D

OSHATOTWA HOUSING PROGRAMME
- CORE HOUSE PROJECT -
60 (105) HOUSES OTJOMUISE

7 March 1994

HOUSE TYPE	Price fully finished N\$	LESS OPTIONS						Basic Minimum Price N\$
		Ceilings (painted)	Internal paint	Bath	Hot Water (Geyser)	Internal Walls	Electrical Connection	
A-Core 24, 22m ²	32 500	750	950	650	1 800	-	1 400	26 950
A1-Core 24, 22m ² +23, 4m ²	39 200	750	950	950	1 800	-	1 400	33 350
B-Shell 47, 62m ²	45 500	900	850	700	1 800	550	1 400	39 300
C-Shell 47, 62m ²	47 200	800	1 100	750	1 800	900	1 400	40 450
E-Core 25, 0m ²	33 400	750	950	650	1 800	-	1 400	27 850
E1-Core 24, 22m ² +24, 4m ²	40 400	800	1 100	750	1 800	-	1 400	34 550
F-Shell 44, 1m ²	48 900	950	1 250	750	1 800	800	1 400 6 950	41 950
Mopani-C 28, 04m ² +9, 64m ²	41 300	800	1 100	750	1 800	-	1 400	35 450
D Core 24, 22m ² +23, 41m ²	47 900	850	1 100	750	1 800	-	1 400	42 000

ANNEX 3/b

EVALUATION OF TENDER FOR LAND DEVELOPMENT

ANNEX 4/a

NHE OPERATIONAL FORMS FOR LOAN GUARANTEE FUND

ANNEX 4/b

SWABOU's LGF PRESS AD

Aidid in Ugandan talks

NAIROBI: Somali warlord Mohamed Farah Aidid left the Kenyan capital Nairobi yesterday for talks with Ugandan President Yoweri Museveni in Entebbe, officials said.

Aidid had been in Nairobi since United Nations-sponsored peace talks in Addis Ababa collapsed last month.

Efforts to open Kenyan-brokered negotiations in Nairobi between Aidid's Somali National Alliance (SNA) and the Group of 12 factions led by his enemy self-styled interim president Ali Mahdi Mohamed met with little success, according to Somali sources.

Aidid, who caught a scheduled Uganda Airlines flight to Entebbe, was expected to spend a few days in Uganda before returning to Mogadishu via Nairobi, officials said here.

Aidid had planned to

return to the Somali capital this weekend, but changed his plans when Museveni agreed to receive him in Entebbe, a source close to the warlord said. - Sapa-AFP

Mandela in Angola talks

LISBON: Angolan President Jose Eduardo dos Santos will host Nelson Mandela and Mozambique President Joaquim Chissano for talks he called crucial to peace in southern Africa, an aide announced yesterday.

The meeting, scheduled for Feb 2-3 in Luanda, Angola, will focus on ways to avoid an eruption of mass violence

after elections are held this year in Mozambique and South Africa.

"South Africa's elections will be, without doubt, the most important event on the African continent," an aide to dos Santos told the Portuguese news agency LUSA.

Dos Santos hopes trade alliances and accelerated economic development will end the

regions' history of poverty and civil strife, the aide said.

The three leaders were united for years by Marxist ideology, and by their mutual struggle against the South African government, which supported rebel movements in Angola and Mozambique and attempted to wipe out Mandela's African National Congress. All three have since

come out in favor of free market systems.

Mandela and Chissano, like dos Santos last year, are leading candidates in elections aimed at ending years of violent internal strife in their countries.

Mandela is almost assured the presidency when South Africa's black majority goes to the polls for the time in the country's history in

April. But he must find a way to conciliate both rival black militants and the white minority.

A date has not yet been set for Mozambique's elections.

UN election monitors are proceeding cautiously, hoping to avoid the return to fighting that tarnished Angola's first democratic elections in Sept 1992.

- Sapa-AP

Action against animal trade

HONG KONG: The British government announced tougher measures yesterday to combat illegal trade in animals, and said it was adding the American black bear to its list of protected species.

Starting Friday, tigers and all join rhinoceroses on the list of animal parts whose import and export for medicine is forbidden.

Frank Lau, an Agriculture Department official, told a news conference. The ban also covers those purporting to be parts of those animals, he said, and the government may increase the penalty, now 25 000 Hong Kong dollars (US \$ 3 200) fine for a first offense and up to six months' imprisonment for repeat offenders.

Lau said Hong Kong aims to comply with the Convention on International Trade in Endangered Species. Countries that violate the 120-nation CITES pact risk trade sanctions under US law.

"Populations of tiger are at critically low levels due to poaching and smuggling of tiger parts and derivatives for the traditional medicine market," he said. - Sapa-AP



Don't despair if this is your fate. We can change it. It is possible for you to own a home...

House...Egumbo... Home... Huis... Oms.. Onganda...Joint... Kepen...Kaya... all these words have something in common: a place of your own; a place where you can raise your family; where you can have peaceful nights and wake up fresh in the morning, ready to earn your daily bread.

How many of us can claim to have a place of our own?

Not many of us. In fact, if you don't enjoy the benefits of a housing subsidy from your employer, your chances of owning your own home are very slim.

SWABOU has put more people into their own homes than any other financial institution in Namibia. We always strive to give you a house which you can turn into a home - to give your family that extra assurance of a place of their own.

Swabou can make it possible for you to obtain home finance assistance, supported by a GUARANTEE FUND.

Requirements to participate in the scheme are...

- ... to earn a joint maximum monthly salary of N\$2 400
- ... to provide a 10% deposit (negotiable)
- ... to provide the Bond and Transfer fees, and
- ... to occupy the house yourself.

You can qualify for a maximum loan of N\$42 000 if you meet these requirements. The Guarantee Fund will provide a 20% surety for you, enabling SWABOU to grant you a 90% bond for your own home. With this assistance, we will still give you the opportunity to choose between building your own home, according to your needs, or buying an existing house.

Owning a home was never this easy. Another step in the right direction.

Speak to SWABOU today or contact your nearest NHE office for more information.



ANNEX 5/a

DRAFT PROPOSAL

REVISED CONCEPT FOR BUILDING MATERIAL LOAN COMPONENT

THE BUILDING MATERIALS REVOLVING FUND

(first draft)

A. PROPOSAL IN THE INCEPTION REPORT (DEC.92)

The Oshatotwa Housing Programme includes a Building Materials Loan (BML) scheme to assist households in the improvement of their housing situation according to their particular needs and financial possibilities. Conceived as an instrument to support initially only the Upgrading and Core-house projects, the aim was eventually to extend it to encompass other areas and low-income groups in Windhoek (up to 3 PHSL).

Relatively small loans (N\$.500-3.500) at market interest rates, with short pay-back periods (6 months to 3 years) would be offered, usually in building materials (although the possibility of cash loans was also considered). According to the level of community organization, group loans for infrastructure improvements, production of building materials or other community priorities could also be approved. Criteria for repayment, extension of second loans, operating procedures and required activities to implement the schemes were proposed.

B. NEED FOR ADJUSTMENT IN CONCEPT

A re-evaluation of the component made in July 1993 reached the conclusion that the potential demand for building material loans in the Programme's areas was overestimated at the Inception stage. Consequently the funds assigned for BML were reduced from the initial N\$ 4.025.000 to N\$ 1.263.000.

As of February 1994, implementation of this component has not begun, mainly due to the concept that loans should be issued as a follow-up option after the beneficiaries had completed a starter solution or moved to a core-house and the delays in the execution of the Upgrading and Core-house projects. However, the Programme's field workers suggested that some beneficiaries in the upgrading areas might be interested in using BML as a more flexible alternative than a starter solutions to house development. On the other hand, NHE feels that there is a need for house-improvement loans among other low-income groups in Windhoek. At the Programme's evaluation workshop it was decided to adjust the original concept in order to start issuing house improvement loans along two lines: a) initiate implementation by extending loan facilities to groups not originally considered and b) offer on an experimental basis BML as an alternative option to starter solutions in the upgrading areas.

C. BASIC PRINCIPLES AND ASSUMPTIONS

As other components of the Oshatotwa Programme, the Building Material Loan scheme is based on the National Housing Policy. Particularly relevant are the following principles:

D.1 (b) The Government will assume a role of facilitator rather than a direct provider and administrator of housing..., and

D.2 (a)...The primary responsibility for providing family housing rests clearly with the head of each household, using resources at his or her disposal...

The BML clients will be expected to manage most of the improvement process with limited assistance from NHE: define the needs, obtain cost estimates, purchase materials, hire labor when required and so on. NHE will assess affordability, evaluate the loan guaranty, disburse money, monitor its use and recover the loan. Given the relative small amount of the envisaged loans, it is important to keep administrative and related costs to a minimum if the system is to be effective and self-sustainable.

The crucial assumption is that the client is capable and willing manage his house improvement process. The validity of this assumption needs to be verified, as it seems to run against some local traditions.

- Under the former regime the norm was to provide houses to low-income families once they were allowed to stay in the city. This has created dependency and raised the expectation that housing is something to be provided by the Government;
- Though there is a widely spread tradition of self-help construction in rural areas, many immigrants seem to believe that in an urban environment a house has to be constructed by a builder. Rather than building their own house, first generation immigrants prefer to live in temporary shacks till they can get a formally built one;
- The concept of incremental housing development for low-income groups is relatively new in Namibian urban areas. Migrants are not used to purchase building materials; the few self-employed builders and masons do not know how to estimate the value of their work.

On the other hand, since Independence, indications that households are capable of improving and extending their dwellings are evident in areas like Katutura, Okuriangava or Wanaheda. In this context, the Building Material Loan component of the Oshatotwa Programme will support these embryonic tendencies of self-managed housing improvement process, and counteract the strong tradition of expecting houses from the Government.

D. FIRST LINE OF ACTION: INCLUSION OF OTHER TARGET GROUPS

Justification: Many low-income families in Windhoek already own a house, usually a former rental house purchased from the Municipality or a house obtained through some prior NHE programme. A large number of these constructions are in need of maintenance, improvements or extensions. The implementation of the BML scheme will start immediately catering for the needs of such potential beneficiaries as long as they can afford it and comply with the basic income criteria established in the Separate Agreement (total HH income <3PHSL).

Operation: It is proposed to establish very simple and expeditious implementation procedures, to be handled mostly by Katutura's Finance Branch personnel with limited assistance from the Oshatotwa Team staff. To facilitate the process, it is suggested to limit eligible beneficiaries during the first six months of implementation only to present NHE clients with a good repayment record. Once procedures clearly established and known by NHE staff, the scheme will gradually be extended to other type of potential beneficiaries.

Loans: Improvement loans between N\$ 500 and N\$ 5000 will be made available, generally in cash, to be reimbursed in 3 to 36 equal monthly installments, giving the client the option of choosing the repayment period according to his needs and affordability. Clients will be informed that loans are granted exclusively for house improvements, any unauthorized use will result in the loan being canceled and the outstanding balance to be reimbursed upon request by NHE. Amounts up to N\$ 2.000 will be disbursed in one operation; bigger loans will be divided in two payments. Prior to the second disbursement, NHE will check on the correct use of the first one. A simple table will be prepared spelling loan details, like the one proposed below showing monthly installments for different loan amount and repayment periods:

LOAN AMNT. N\$	3	6	9	12	18	24	36
500	172	87	60	45	31	25	18
1000	345	175	119	91	63	49	35
1500	517	262	179	136	94	74	53
2000	689	349	238	181	126	99	70
3000	1.034	524	357	272	189	148	106
4000	1.378	698	476	363	252	198	141
5000	1.723	873	595	454	315	247	176

Collateral: Alternative ways for securing the loans should be explored. It is suggested to operate the scheme on the model of consumer credits rather than in traditional long-term housing finance, secured through property mortgages. Loans secured through the signature of promissory notes, vouched for by a third party or other appropriate credit instruments could provide enough guaranty and permit approval procedures requiring only one or two days.

Marketing: It is very important that knowledge about the BML scheme reaches all potential beneficiaries. At the initial stage, targeted to actual NHE clients, information could be conveyed either through NHE's News, a monthly newsletter distributed among NHE home-owners or through individual letters to previously selected potential clients. At the extension stage, radio and press publicity would reach a wider market. Before starting the marketing campaign, all NHE staff involved in implementation must be properly briefed and trained.

Technical assistance: Will be provided by NHE as an option. Actual costs will be charged as a fee and will be included in the loan amount. Technical assistance may range from the provision of type plans with bills of quantities to advise given by the SCAs in site visits at the preparatory stage and/or during actual construction. Monitoring visits by NHE personnel to assess the good use of the loan are not considered technical assistance; their cost will be recovered through a nominal fee included in the loan.

Monitoring of scheme: Every three months NHE will evaluate the progress of implementation and introduce adjustments in procedures, marketing strategy or any other aspect that might require them. It will be necessary to adjust NHE's computer programmes in order to deal with this kind of loan and facilitate monitoring and evaluation of progress.

Procedures: A loan will usually involve the following steps:

1. After learning about the scheme, households come to NHE to get more information. A one page guideline with details on requirements and conditions should be handed over.
2. The household applies for a building material loan at NH's Katutura Office, giving details of needs, works envisaged and cost estimates;
3. NHE staff assesses the household income and current financial obligations to estimate if the household can afford the amount requested; if required, cross-checks the information with applicants employer or through field visits by CDCs;
4. NHE staff discuss the kind of loan security best adjusted to the particular client, and prepares the required paperwork.
5. If the household can afford the amount it requires and provide acceptable guaranty, all forms are completed and the application submitted to the head of Katutura's Financial branch, whom shall be entitled to approve it;
6. If the applicant cannot afford the amount he is asking for, a two-steps loan will be proposed; after repayment of 75% of the first part, a second loan to complete the amount may be granted;
7. After a loan is approved, a check for amount will be issued. The client will may choose to organize himself the purchase of building materials or request NHE to do so for a small fee.
8. NHE staff will monitor the actual execution of works on site;
9. The first installment must be repaid on the month following the approval and disbursement of the loan.

Activities required for implementation:

- Decision approving new concept
- Establish operating procedures, design and print forms
- Adjust computer program to deal with system
- Select and train personnel for implementation
- Marketing campaign. Initial phase addressed only at known NHE clients with good repayment record
- Approval of loans
- Monitoring use of funds, repayments
- After 3 months, evaluate progress and adjust procedures if required
- Extend to other type of beneficiaries, marketing campaign, adjust collateral options to deal with unknown clients.

E. SECOND LINE OF ACTION: PILOT SCHEME ADDRESSED TO CLIENTS IN UPGRADING AREA

Justification: A secondary loan for a starter solution with 15 years repayment term is being offered to households living in a temporary shack on a plot purchased from NHE under the Oshatotwa Programme. Although this option is financially more interesting than a BML, a number of families earning their income in the informal sector would have difficulties to justify it up to the required NHE standard. NHE's programmes have been usually geared to households with formal jobs, and the criteria and procedures in use are designed to deal with these situations. Limited experience exist in handling families whose income derives from the informal sector and cannot formally justify family income or provide the kind of collateral usually required by NHE for granting loans. Some families have also expressed to the CDCs their preference for smaller, shorter term loans as they feel they would give them more control over the process. To respond to this need, a small amount (N\$ 50.000) of the total funds in the budget will be assigned to the implementation of a pilot scheme addressed to very low income households in the upgrading area.

At the outset, this experience appears to involve a higher risk than a normal NHE credit; one important objective will be to ascertain in the practice the real risk incurred. If arrears can be kept at similar levels as in other NHE projects, the scheme could be considered successful and further extended. Close monitoring of the evolution of the experience, particularly with regard to loan repayment will permit an early detection of deviations. If after nine months of extending credits arrears are higher than 40%, the experience should be discontinued. From an institutional point of view the experience will permit to design and field test innovative approaches to deal with informal sector households, with the aim of better equip NHE to handle the increasing numbers of this kind of urban clients.

Operation: The scheme will be basically operated by Oshatotwa Team personnel from the site office; loans will be approved by NHE's Katutura Financial Branch manager upon recommendation from Oshatotwa Programme coordinator. This type of clients will require a much bigger input of social and technical assistance from NHE; for the pilot stage while procedures are being established and tested it is proposed that this assistance be subsidized by the Oshatotwa Programme. At a later stage, once the actual cost of administration and assistance is determined, this concept might be revised and the way of financing required subsidies be established.

Loans: Improvement loans between N\$ 200 and N\$ 1500 will be made available, generally in cash, to be reimbursed in 3 to 36 equal monthly installments, giving the client the option of choosing the repayment period according to his needs and affordability. Clients will be informed that loans are granted exclusively for house improvements, any unauthorized use will result in the loan being canceled and the outstanding balance to be reimbursed upon request by NHE. In principle, no labor should be paid out of these loans, and the economic advantages of self-help construction will be explained and stressed as the appropriate instrument for house improvement. A simple table

will be prepared spelling loan details, like the one proposed below showing monthly installments for different loan amount and repayment periods:

LOAN AMNT. N\$	3	6	9	12	18	24	36
200	69	35	24	18	13	10	7
400	138	70	48	36	25	20	14
600	207	105	71	54	38	30	21
800	276	140	95	72	50	40	28
1000	345	175	119	90	63	50	35
1500	517	262	179	136	94	74	53

Collateral: A good assessment of the client's credit-worthiness must be at the basis of approval of credits. A solid loan repayment record on the purchase of the plot, socio-economic evaluation by CDCs of family circumstances, verification of sources and amount of informal income through visits would all be taken into consideration while assessing the convenience of granting a loan. Group loans, third party guarantees, and a personal knowledge of each client should permit to keep the recovery up to standard. The purchase of second hand construction materials should be permitted in principle, however, they cannot be considered as security.

Marketing: This concept will be heavily mingled with that of social assistance, with the purpose not only of helping improve housing conditions but also helping the households to improve their relations to society and their skills to manage their affairs in an urban environment. Oshatotwa field personnel will be in charge of informing potential candidates about the scheme and of providing assistance through the whole process.

Technical assistance: Most of the potential clients are currently living in temporary shacks; the range of possible improvements is very large and it is difficult for them to establish priorities among competing needs. Assistance from the SCAs will be required in determining and organizing stages of house development and for the self-help construction .

Procedures: A loan will usually involve the following steps:

1. The CDCs contact selected households and explain the scheme; SCAs discuss with interested households possible affordable improvements; households apply for a building material loan at the site office.
2. CDCs assess household income and its sources, cross-checking the information through visits to business site and family dwelling.
3. CDCs discuss with client the kind of loan security best adjusted to his/her possibilities, and prepare the required documents.
4. If the household can afford the amount it requires and provide acceptable guaranty, CDCs will submit the application to the Programme's Coordinator, whom will recommend (or not) approval to the head of Katutura's Financial branch.
5. After a loan is approved, a check for amount will be issued. The client will purchase the required materials or, optionally, he may request NHE to organize the provision of building materials directly from a supplier:

6. CDCs and SCAs will monitor and assist in the actual execution of works on site;
7. The first installment must be repaid on the month following the approval and disbursement of the loan.

Activities required for implementation:

- Decision approving new concept
- Establish operating procedures, design and print forms
- Adjust computer program to deal with system
- Train personnel for implementation
- Approval of loans
- Monitoring use of funds, repayments
- Weekly evaluation of progress and adjust procedures if required
- After 6 months of operation, general evaluation and decision on convenience of extending the scheme to more clients.

JACrispo040394

ANNEX 5/b

DRAFT PROPOSAL

OPERATING PROCEDURES FOR BUILDING MATERIAL LOAN COMPONENT

BUILDING MATERIAL LOANS

ACTION : A ADMINISTRATIVE PROCEDURE

<u>(1)</u> <u>Application</u>	<u>Person Responsible</u>
1.1 Complete application and prepare for approval	R Majiedt (FB)
1.2 Check application and submit to Manager: Finance Branch for approval	T Thomasse (FB)
1.3 Approve/Reject Application	J de Klerk (FB)
<u>(2)</u> <u>Payment</u>	
2.1 Submit loan approval form to Finance Systems Department for issue of cheque	T Thomasse (FB)
2.2 Issue cheque and arrange for client to receive	C Wicomb (FS)
2.3 Client to sign for receipt of cheque	C Wicomb (FS)
2.4 Cheque to be issued to building material supplier	F Heyman (FS)
<u>(3)</u> <u>Computerization of Loan</u>	
3.1 Prepare personal details immediately when client applies for loan	R Majiedt
3.2 Upon approval of the application	
3.2.1 Issue account number	R Majiedt
3.2.2 Open Account	P Wilson
3.2.3 Enter Start Repayment Date	W Muukua
<u>(4)</u> <u>Loan Documentation</u>	
4.1 Prepare loan file and client card	R Majiedt
4.2 Check documentation	T Thomasse
4.3 After approval - Notify client to sign documents and handover client card	R Majiedt
4.4 Submit to Manager for signature of agreement	R Majiedt
4.5 Post copy of agreement to client	
4.6 Transfer completed file to safe custody	R Majiedt
<u>(5)</u> <u>Safe Custody</u>	
5.1 Register file as received on computer	A de Waal
5.2 Place in safe custody	A de Waal

B. TECHNICAL INSPECTION

(1) Existing NHE clients

- | | | |
|-----|---|------------------------------------|
| 1.1 | Inspect work completed/in progress as it fits in with visits to other sites | Valuator
(FB) |
| 1.2 | Submit inspection report to Manager: Finance Branch | Valuator
(FB) |
| 1.3 | Check work done versus purpose applied for and report deviations | Supervisor:
Loans
T Thomasse |
| 1.4 | Follow-up on deviations and report if corrected/or action required | Supervisor:
Loans
T Thomasse |

(2) Other Clients

- | | | |
|-----|---|--|
| 2.1 | Send copy of approval of loan to the Oshatotwa Project Co-ordinator | Loan Clerk
R Majiedt |
| 2.2 | SCA's to inspect work completed on a regular basis | SCA's |
| 2.3 | Report work completed to Finance Branch Manager | Project
Co-ordinator
(W Schulte) |

C. PURCHASE OF BUILDING MATERIALS

- | | | | |
|-----|-----|---|-----------|
| (1) | 1.1 | Discuss system of purchase with Building Suppliers in order to negotiate a discount for all clients with - BML Account Card (white) | W Schulte |
| | 1.2 | Draw up procedures to ensure payments directly to suppliers | L Fick |
| | 1.3 | Allow for purchase of second hand materials | |

D. PAYMENT METHOD

(1) Stoporders

- | | | |
|-----|---|----------------------|
| 1.1 | When client applies all effort should be made to ensure that payment takes place by stoporder | Fin. Branch
Staff |
|-----|---|----------------------|

(2) Cash

- | | | |
|-----|--|--------|
| 2.1 | Adjust cashier system to allow for cash payments on BML. | L Fick |
|-----|--|--------|

(1) Personal Details

- 1.1 Surname
- 1.2 First Names
- 1.3 Address
- 1.4 Telephone Number

(2) Loan Details

- 2.1 Loan Amount
- 2.2 Interest Rate
- 2.3 Repayment Period
- 2.4 Monthly Repayment

(3) Interest Calculation

- 3.1 Daily outstanding balance
- 3.2 Capital Redemption

(4) Arrears

- 4.1 Arrears = Theoretical Balance - Loan Balance
- | | | | | |
|----|---|----|---|---------|
| TB | > | LB | - | Credit |
| TB | < | LB | - | Arrears |

(5) Transactions

- 5.1 Journals debit x credit
- 5.2 Cheques as Loan Paid Out
- 5.3 Receipts as Payment

(6) Letter to new borrower - stating (1) and (2)

(7) Monthly Reports on

- 7.1 No. Receipts vs No. of Payments due
- 7.2 Amount Paid vs Amount Payable
- 7.3 Distribution of Arrears
 - 0 - 1 month
 - 1,1 - 2 months
 - 2,1 - 3 months
 - 3+ months

(8) Security Provided

- 8.1 Policy No.
- 8.2 Surrender Value N\$.....
- 8.3 Property - Erf No. Township
- 8.4 Security Value available N\$.....

E. PAYMENT TO CLIENT/SUPPLIER

- (1) 1.1 The maximum loan amount is N\$5 000,00
- 1.2 If the client requires more than N\$2 000,00 the payment will be split in two payments
- 1.3 Payments directly to the client can only be done on submission of invoices and receipts that the materials has already been purchased and paid for

F. DISBURSEMENT

(1) Payment Performance

Payment performance will be monitored by Collections and a computer. monthly report will include

- 1.1 Months in arrears
- 1.2 % payment performance (a) On Value
(b) On Number of Receipts
- 1.3 Total Arrears
- 1.4 Distribution of Arrears in Months

MARKETING

(1) Oshatotwa Project

- 1.1 The CDC's and SCA's to select 10 (ten) participants who are willing to participate
- 1.2 No further loans will be granted until the evaluation of these participants had been completed six months after the start of the project
- 1.3 Success will be indicated by
 - 1.3.1 The amounts borrowed were spent on improving housing - 90%
 - 1.3.2 Repayments on average net more than 1 month in arrears

(2) Existing NHE Clients

- 2.1 50 Loans will be granted to existing NHE clients
- 2.2 The clients will be selected on the following basis
 - 2.2.1 Payment up to date
 - 2.2.2 Houseowner for at least one year
 - 2.2.3 Have not made use of NHE's existing upgrading loan facilities
- 2.3 Success will be indicated after six months by
 - 2.3.1 Amounts borrowed spent on house improvements - 95%
 - 2.3.2 Repayments on average not more than ½ month in arrears

APPLICATION FORM

BUILDING MATERIALS LOAN

1. Surname: _____
2. First Names: _____
3. Identity Number: _____
4. Address: _____

5. Tel No.: () _____
6. Employer: _____
7. Address: _____

8. Tel No.: () _____
- 9.1 Monthly Salary: N\$ _____
- 9.2 Allowances: N\$ _____
- 9.3 Spouses Income: N\$ _____
- 9.4 Other: N\$ _____
- 9.5 Total N\$ _____
=====
10. Credit References:
 - 10.1 _____
Tel. _____ Account No. _____
 - 10.2 _____
Tel. _____ Account No. _____
11. Security Available:
 - 11.1 Fixed Property: Erf No: _____
Township: _____
Account No: _____
Institution: _____
Monthly Instalment: N\$ _____
Arrears: _____
 - 11.2 Insurance Policies:
 - (a) Policy Number: _____
Insurer: _____
Monthly Instalment: N\$ _____
Age of Policy: _____

(b) Policy Number: _____
 Insurer: _____
 Monthly Instalment: N\$ _____
 Age of Policy: _____

(c) Policy Number: _____
 Insurer: _____
 Monthly Instalment: N\$ _____
 Age of Policy: _____

11.3 Other Security

(a) Name: _____
 Address: _____
 Tel No.: _____

(b) Name: _____
 Address: _____
 Tel No.: _____

12. Monthly Expenditure

12.1 House Repayment: N\$ _____
 12.2 Groceries: N\$ _____
 12.3 Insurance: N\$ _____
 12.4 Municipal Accounts: N\$ _____
 12.5 _____ N\$ _____
 12.6 _____ N\$ _____
 12.7 _____ N\$ _____
 12.8 _____ N\$ _____ N\$ _____

Total Expenditure N\$ _____
 Total Income N\$ (_____)
 (Surplus)/Shortfall N\$ _____

13. Loan Amount Applied For N\$ _____

14. Description of Use:

14.1 Item to be constructed: _____

14.2 Material Costs N\$ _____
 14.3 _____ N\$ _____
 14.4 _____ N\$ _____
 14.5 _____ N\$ _____

Total Cost N\$ _____

APPROVAL OF ADDITIONAL LOAN

- (1) Amount Approved: N\$ _____
- (2) Repayment: N\$ _____
- (3) Repayment Period: _____
- (4) Affordability:
 - Total Income: N\$ _____
 - Less: Existing Expenditure: N\$ _____
 - Surplus Available: N\$ _____
- (5) Usage: _____

- (6) Value of Security offered: N\$ _____
- (7) Recommended by: _____
- (8) Date: _____
- (9) Approved by: _____
- (10) Date: _____

Disbursements

Issue cheques to:

- (a) Name: _____
Amount: N\$ _____
- (b) Name: _____
Amount: N\$ _____
- (c) Name: _____
Amount: N\$ _____

Notification of Loan Approved

* Copy of Approval Form to Project Co-ordinator

LOAN AGREEMENT

Revenue
Stamp

ENTERED INTO BY AND BETWEEN

the NATIONAL HOUSING ENTERPRISE

of P O Box 20192
WINDHOEK
Tel. 061-37224

herein represented by in his capacity as
..... duly authorized thereto
(hereinafter referred to as NHE)

AND

.....

Identity Number:

of P O Box Residential Address:

.....

Tel.

(hereinafter referred to as the BORROWER)

WHEREAS it is agreed to

(1) LOAN AMOUNT

The loan amount shall be N\$..... (.....
.....)

(2) INTEREST RATE

The interest rate shall be% (..... percent) and can
be changed with one months written notice to the Borrower. This rate
shall be linked to the maximum lending rate of NHE for housing loans.

(3) REPAYMENT PERIOD

The repayment period shall be (.....) months
commencing on 19.....

(4) MONTHLY INSTALMENT

The monthly instalment shall be N\$..... (.....
.....)

(5) PAYMENT METHOD

Payment shall be the place through a salary deduction hereby
authorised by the Borrower.

- (6) NOTWITHSTANDING delivery, ownership in the goods shall not pass to the Borrower unless and until the purchase price shall have been paid in full. The risk in the goods shall pass to the Borrower upon delivery.
 - (7) (a) The Borrower shall
 - (i) Keep the goods in good repair and upon demand allow the NHE, its agents and/or servants to inspect them.
 - (ii) Keep the goods free of lien and hypothec, and shall not sell or alienate it.
 - (iii) Insure and keep the goods insured against loss or damage by accident, theft or fire and against third party claims and produce proof thereof and cede the Policy/Policies to the NHE when required. Insure with a Company which may be nominated from time to time by the NHE at the NHE's sole discretion.
 - (iv) Not use the goods or permit them to be used for hire or any purpose other than that for which they were constructed, licensed or insured, nor do any act which may invalidate any insurance in respect thereof.
 - (v) Pay interest on arrear instalments reckoned from the due date thereof at a rate not exceeding the Interest Rate stated in Clause 2.
 - (vi) Pay on demand all collection commission and tracing fees and all legal expenses, including attorney and client costs, whether or not legal proceedings have been instituted, incurred by the NHE either during the currency of this agreement or after termination thereof.
 - (b) A breach by the Borrower of any one or other or more of the afore-mentioned obligations shall be deemed to be a material breach of this agreement entitling the NHE to the remedies set out in Clause 7 hereof.
 - (c) Should the Borrower fail to keep the goods in what the NHE considers to be good repair and/or insured and/or licensed and/or free of lien or hypothec, then, without prejudice to its rights in terms of Clause 11 hereof, the NHE shall have the right in its own name and/or in the name of the Borrower to do all such acts and pay all such amounts as it may deem fit to repair and/or insure and/or to free them of lien or hypothec, and the Borrower shall where necessary for these purposes deliver the goods to the NHE and on demand pay to the NHE any amount/s paid by the NHE.
- (8) No relaxation or indulgence by the NHE shall constitute a waiver of any of its rights or a novation of this agreement. No agreement purporting to vary this agreement shall be valid unless in writing and signed by the NHE and the Borrower.
 - (9) The NHE may appropriate any money received from the Borrower either to any liability under this agreement or to any other liability owing by the Borrower to the NHE at the time of such payment.
 - (10) Should the value of the goods at any time have to be ascertained the Borrower hereby authorises the NHE on its own behalf and on behalf of

the Borrower to nominate any Sworn Appraiser it may deem fit for such purpose and the Borrower agrees to accept the value determined by such Appraiser.

- (11) If the Borrower (a) fails to pay any instalment of the purchase price on due date; or (b) fails to pay any other sum payable under this Agreement on due date; or (c) commits any other breach of this Agreement; or (d) assigns or attempts to assign his estate; or (e) compromises or attempts to compromise with his creditors; or (f) commits any act of insolvency; or (g) is sequestered or surrenders or applies to surrender his estate; or (h) being a company, commits any act that could result in a winding up of the Company for inability to pay its debts, or is or applies to be wound up or placed under judicial management; or (i) allows any judgement against him to remain unsatisfied for seven days; or (j) does or allows to be done any act or thing which may prejudice the rights of the NHE to the goods or under this agreement; or (k) dies; or (l) ceases to be in the employment of the NHE for any reason whatsoever; then in any of these instances, the NHE without prejudice to any other right or claim, including a claim to damages which it may have against the Borrower, shall have the right to recover payment forthwith of the full unpaid balance of all sums payable under this agreement, or, alternatively, forthwith to terminate this agreement; and upon such termination the Seller, without prejudice to any other right or claim, including a claim to damages which it may have against the Borrower, shall have the right to (i) recover possession of the goods, the costs and expenses of such recovery to be paid by the Borrower; and/or (ii) retain as forfeited all instalments paid under this agreement; and/or (iii) retain as forfeited all other sums paid under this agreement; and/or (iv) retain as forfeited any goods which formed the deposit or part of the deposit under this agreement; and/or (v) recover all instalments in arrear; and/or (vi) recover all other amounts of money in arrear; and/or (vii) repossess the goods and on such repossession to obtain a sworn appraisal of the goods and thereafter to apply the amount of the sworn valuation, after deduction of all reasonable expenses and other reasonable expenditure incurred in relation to the goods, howsoever arising, in reduction of the Borrower's obligation to the NHE under the agreement, the Borrower remaining liable for any balance remaining owing and being entitled to any surplus.
- (12) In terms of Section 21 of Act 75 of 1980, the parties consent that any Magistrate's Court having territorial jurisdiction over them within the Republic of Namibia shall have jurisdiction in respect of all proceedings under this agreement although the subject matter or cause of action would otherwise be beyond such Court's jurisdiction; and in all cases where the Magistrate's Court having territorial jurisdiction in respect of any such proceedings is situate within Namibia, the parties consent to the jurisdiction of such Court on terms of Section 42 of Proclamation 31 of 1935. The NHE may, at its option, institute any such proceedings in the Supreme Court.
- (13) The NHE shall have the right to cede or transfer its rights under this agreement and its ownership in the goods, and the word "NHE" wherever it appears in this agreement shall be deemed to include any cessionary of the NHE. The Borrower agrees, upon such cession or

transfer, to hold the goods on the basis that the ownership therein has passed to the cessionary or transferee.

(14) The Borrower chooses domicilium citandi et executandi at his address given in the agreement and any notice required shall be deemed sufficiently given if addressed to him as such address.

(15) SECURITY

The security provided by the borrower to NHE shall be the cession of all rights on;

- 1.1 Policy Number:
- 1.2 Issued by:
- 1.3 Guarantee:
- 1.4 Issued by:
- 1.5 Erf Number:
Value: N\$.....
Outstanding Balance: N\$.....

The borrower agrees thereto that the NHE shall be entitled to cash in the security after giving the borrower 30 days written notice; and redeem the outstanding amount if the borrower does not comply to the repayments required in this agreement.

Thus done and signed at on this day of 19...

WITNESSES

1.
.....
BORROWER

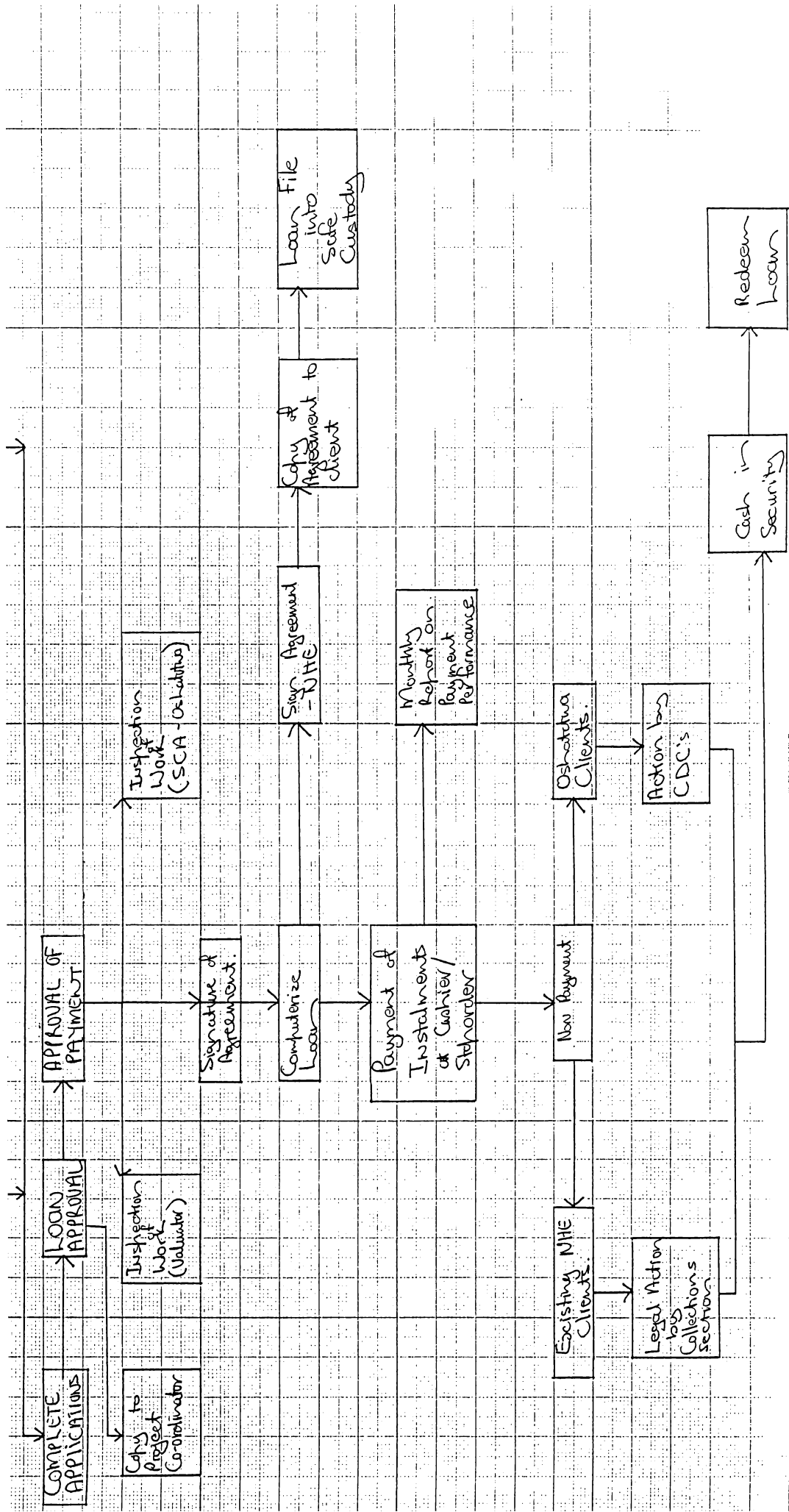
2.

Thus done and signed at on this day of 19...

WITNESSES

1.
.....
NHE

2.



Facsimile Cover Sheet

To: Louis Fick
Company: National Housing Enterprise
Phone:
Fax: 0026461222301

From: Panchi Crispo
Company: SUM Consult
Phone: (5982) 780180
Fax: (5982) 773061

Date: March 29, 1994

Pages including this 2
cover page:

Comments:

Dear Luis:

Sorry for the delay in commenting your proposal for the BML; I was very busy the first week at home. Generally I find it very good and I expect it will serve our purpose; my comments regard the following details.

CLIENTS: As discussed, we will start only with existing NHE clients and some households in the Upgrading areas. I suppose that in E (2) you refer to these as potential "other clients". After evaluation we might extend the program to a different kind of people.

MARKETING: I like your cautious approach. However, I would suggest that instead of limiting the number of potential **clients**, we limit the **money** at risk. For instance, for the Upgrading areas we assign a total of N\$ 50.000; if some clients request less than the maximum N\$ 5.000 we may grant additional loans above the envisaged 10. The same for NHE clients, lets assign N\$ 250.000. Your indicators of success seem OK, although I believe that **100%** of the loan should be spent in house improvements.

The simple tables I suggested indicating loan amounts and (rounded) repayments for different loan periods could be a simple and useful marketing tool. They need to be checked.

LOAN DISBURSEMENT: If our evaluation of the client is properly done, I still think that we could trust him. He should have the possibility of receiving cash

and purchase directly his own building materials. Your clauses A 2.4 and E 1.3 seem to contradict (or complicate) this possibility. Perhaps a percentage of the loan could be issued in cash upon request from the client if he indicates that he can get a better deal than what NHE offers.

Bigger loans (more than N\$ 2.000) will be disbursed in two stages. The technical inspections envisaged in B should play a role in this procedure. The inspector must check that the first disbursement is properly used and recommend (or not) the second disbursement according of work progress on site.

CONTRACT: I wonder if it cannot be simplified. I understand NHE need to secure the loan and cover possible problems. Paragraphs 6 to 11 and 13 cover a lot of details that might not be strictly necessary for these very short term loans. What we want basically is that the borrower **a)** uses the loan for house improvements and, **b)** pays back regularly. If he does not comply, NHE shall be entitled to immediately claim repayment. I strongly believe that a simpler, two pages contract establishing the basic obligations of both parties would be a better marketing tool. It would certainly go in the direction of adjusting NHE's procedures to better deal with very low-income people. See if there is something you can do on that issue.

I am now preparing the draft of the 4th Quarterly Report for KfW; please let me know of any recent development that we want to include (specially with regard to the LGF), and ask Wilfried and Andrew Walton about that. Best regards to you and everybody at NHE

Panchi

ANNEX 6/a

TRAINING TRIP TO BOTSWANA

|
|
|
|
|
|
|

OHSATOTWA HOUSING PROGRAMME

BOTSWANA STUDY TRIP

Task Groups and Assignments

The study trip group divided its work among three task groups of three members each. Each task group is cross-sectoral in composition, and multi-sectoral in assignments. It is felt that these divisions will promote the communications within the task groups, and will also require communications across the task group lines within the team.

Task Group # 1 is composed of Aune Tjirare, Bryon Graig and Wilfried Schulte. Their areas of assignment include:

- Community leadership;
- Exaggerated or false expectations;
- Loans: kinds available, terms, who provides them; repayment performance, and repayment enhancement;
- How are development costs recovered;
- How is "field budgeting of quantities" done;
- Building Materials Loans (including collateral).

Task Group # 2 is composed of Attie Swartz, Diane Bester and Sophie Shaningwa. Their areas of assignment include:

- Resettlement issues;
- Government relations;
- Exaggerated or false hopes;
- Eviction process;
- Construction (contracted builders and self-help): loan procedures, and supervision;
- Household income and affordability determination;
- PHSL.

Task Group # 3 is composed of Andrew Walton, Petronella Taaru and Willamenia van Wyk. Their areas of assignment include:

- Squatter issues;
- Exaggerated or false expectations;
- Communal facilities and services;
- Role of community development and self-help construction personnel;
- Certificate of Rights (and alternatives to outright deeds of sale).

These areas of assignment are for reporting purposes. Issues and questions may be initiated and followed-up by any member of the full team, and useful findings should be passed to the responsible task group for synthesis into their report.

The eventual reports are to be in issue and findings summary format, clearly stating findings and suggesting applications to the OHP. Details should be added in annexes, including the task groups expositions on the issues, and documents provided by the host agencies.

3

BOTSWANA STUDY TRIP
CHRONOLOGICAL REPORT

Sunday, February 27, 1994:

Departure from Windhoek and arrival in Gaborone more or less on schedule.

At 18:00 held a Team Meeting. Added several topics to list of focus issues for the trip. Decided on three task groups of inter-sectoral composition, with cross sectoral assignments.

Monday, February 28, 1994:

Avis delivered mini-bus about 08:15.

Botswana Christian Council switched site meeting till afternoon. City Clerk graciously agreed to have headquarters review meeting that morning (and site visit Tuesday morning).

09:40. Municipal Principal Housing Officer (Mrs. Constance Mmtali) hosted meeting (City Clerk stopped by for about 10 minutes). Also attended by two Technical Assistants and the Administrative Officer. Very useful insights, will show up in each Task Group's reports. Meeting over at 12:30.

14:30. Went to BCC self-help project office in Old Naledi. Met with Miriam Kobo, Social Worker and project coordinator. This project supports SHHA participants too poor to meet standard SHHA income/affordability requirements. Again, a variety of useful insights that will show up in the Task Groups' reports. Meeting (and walk through project area) completed at 16:40.

Drove through Old Naledi, with Ms. Kobo, observing growth, cleanliness, community centre, regular (private mini-bus) public transportation system, etc.

18:00. Team review meeting. Issues for exposition were the specifics that team members learned (and their implications for the Oshatotwa team). Tuesday's schedule was previewed.

Tuesday, March 1, 1994:

07:30. Went to City offices, collected documents from Mrs. Mmtali, including a full copy of the SHHA Operational Manual. Mrs. Mmtali and staff accompanied us to the Old Naledi SHHA office, where we talked with the social, finance and technical staff. Followed with tour through Old Naledi, including areas where squatters refused to conform to resettlement schemes and still live in densely packed groups; the communal water taps; block making on site; disintegrating buildings made of blocks using coal cinders instead of sand; and the resettlement area at the south of Old Naledi.

We then visited the SHHA office in Gaborone West.

Back to the City Offices at noon.

At 14:00, went to the Botswana Technology Centre (BTC), for the meeting with the Low-Income Housing Committee. Participants included representatives from the Lobaise Town Council, Habitat for Humanity, the Ministry of Commerce and Industry, the Rural Industries Innovation Centre, Danbo Consult, Matheo (Pty) Ltd., and BTC. Exchange was free and lively. Meeting closed at 4:30.

Following the meeting, Graham Hunt gave the Oshatotwa Team a tour of the BTC's housing enterprises.

18:00. Daily review meeting. Topics of exposition were issues raised in Tuesday's sessions that changed team members' perceptions of what they had learned Monday. Wednesday's schedule was previewed.

Wednesday, March 2, 1994:

Left for Kanye at 08:00. Met the Habitat for Humanity team at 09:00 at their site office on the grounds of the Catholic Church. Visited the traditional village chief official courtyard, then some Habitat project sites. Returned to site office for demonstrations in Cinva Ram Block machine block making, and cement roofing tile making, and for discussions.

At 12:00 went to the RIIC (Rural Industries Innovation Centre) site, where staff discussed their housing programs, and show us some of their demonstration and testing work.

Lunch at 13:00 at a local restaurant (delicious food, terrific site, memorable ambience).

Stopped at Gabone on the way back to visit village industries site, and to buy some crafts.

Met with Matheo (Pty) Ltd personnel at 18:00, to share prospectives on low-income housing innovations and directions. Meeting lasted till about 19:30, with a shifting group of participants from the team (SS, WS & AW were the "core" Oshatotwa participants, with others coming and going).

Review meeting postponed till Johannesburg, Thursday morning.

Thursday, March 3, 1994:

Flights almost on schedule (almost an hour's delay in Johannesburg).

Held review meeting, discussed task groups preparation of their reports. The discussion topic of the session was "What one thing did you learn on this trip?" (most of the answers related to the need and ways of getting more community involvement in the Oshatotwa programme).

Arrived Windhoek airport, and dispersed.

BOTSWANA STUDY TRIP

PUBLICATIONS COLLECTED

Administrative and Operational Procedures for Self Help Housing Agencies, Ministry of Local Government and Lands, Botswana. December 1982.

Botswana Technology Centre Experimental Staff Housing Project, Gaborone, Botswana.

Building Research Project: Experimentation and Testing of Low Cost Lime-Oxide Paints, by Greggar Petersen, Rural Industries Innovations Centre, Kanye, Botswana. March 1992.

Building Research Project: Experiments with Sample Testing Procedures for Stabilised Soil Blocks, by Joan Petersen, Rural Industries Innovations Centre, Kanye, Botswana. October 1991.

Building Research Project: Fibre Cement Roofing Tiles, by Greggar Petersen, Rural Industries Innovations Centre, Kanye, Botswana. March 1992.

Building Research Project: Low Cost Housing Designs for "Habitat for Humanity/Botswana, by Joan Petersen, Rural Industries Innovations Centre, Kanye, Botswana. February 1992.

Building Research Project: Material Options & Cost Computations for Building Elements in Botswana, by Joan Petersen, Rural Industries Innovations Centre, Kanye, Botswana. February 1992.

Building Research Project: Proposed Modifications to the Standard Botswana Christian Council House Plan, by Joan Petersen, Rural Industries Innovations Centre, Kanye, Botswana. January 1992.

Building Research Project: Report on The Use of Quarry Crusher Dust for Brick and Block Production at the Kang Brigades. Rural Industries Innovations Centre, Kanye, Botswana. November 1991.

Building Research Project: Survey of Current Concrete Brick & Block Sizes Produced in Eastern Botswana, by Joan Petersen, Rural Industries Innovations Centre, Kanye, Botswana. August 1990.

Building Research Project: The Masonite Hardboard Dry-Fill Building System, by Greggar Petersen, Rural Industries Innovations Centre, Kanye, Botswana. March 1992.

Building Research Project: The Relationship Between Walling Components in Botswana and Recommendations for Change to a Co-ordinated Walling System, by Joan Petersen, Rural Industries Innovations Centre, Kanye, Botswana. December 1991.

Catalogue of Goods and Services 2nd. Edition, Rural Industries Innovations Centre, Rural Industries Promotions (Botswana), January 30, 1992.

The Cinva Ram Press and Lifter (Rural Industries Innovation Centre), Kanye, Botswana.

Habitat for Humanity - Botswana: Information Brochures.

Information Booklet (Rural Industries Innovation Centre), Kanye, Botswana.

Lime Oxide Paints (Rural Industries Innovations Centre), Kanye, Botswana.

Operator's Manual: Cinva-Ram Block Press, Rural Industries Innovations Centre, Kanye, Botswana.

Rural Industries Promotions Company (Botswana) 1992 Annual Report.

SHHA Documents:

Briefing Notes for the Visiting Oshatotwa Housing Team.

Verification of Self-Employment

Verification of Employment

Application for a Self-Help Housing Agency Plot in an Urban Area

Building Permit for Standard SHHA House Plans on Undeveloped SHHA Plot

Site Plans

Application for Plot

Building Permit - SHHA / Gaborone Town Council

Certificate of Rights

House Plans (7)

Building Material Loan Application

SHHA Building Materials Invoice

Transfer of Building Materials Loan Agreement, Etc.

Annuity Tables for Repayment of Building Materials Loan (Pula 100, 200, 300, 400, 500, 600)

Income Ranges for Serviced Plot Allocation

Accelerated Land Servicing Programme



ANNEX 6/b

BASIC MANAGEMENT TRAINING COURSE

Mr. Jurgen Lehnert
Senior Manager
Technical and Social Services
NHE

March 14, 1994

Dear Mr. Lehnert:

During the evaluation workshop held last month some internal communication and management problems were identified as hampering the work of the Oshatotwa Team. The possibility of improving the effectiveness of the team through training in management techniques was then considered.

With assistance from NHE's training division, a course imparted by the Institute for Management and Leadership Training was identified as appropriate for the needs. At NHE's suggestion the IMLT agreed to some programme adjustments to better fit NHE's requirements. A course outline is attached.

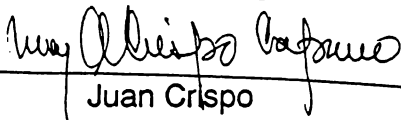
The **Basic Management Course** would be imparted exclusively to NHE personnel, and the usual 3 full-day duration would be adjusted in order not to disrupt normal working duties of the attendants. A tentative schedule for Monday 28 March in the morning, the afternoons of 29 and 30 of March and a full day on Thursday 31 has been proposed by IMLT. It is suggested that the following persons be invited to attend the course:

1. Mr. Wilfried Schulte
2. Ms. Dianne Bester
3. Mr. Pietrus Asino
4. Mr. Ernst Mathias
5. Mr. Brion Greig
6. Ms. Petronella Taaru
7. Ms. Sophy Shaningwa
8. Ms. Aune Tjirare
9. Ms. Willemine van Wyk
10. Mr. W. Mawisa

If more than 6 people attend, a group rate of N\$ 250,00 per person will be charged, the total cost for ten participants will be N\$ 2.500,00. I have discussed the issue with the KfW mission and obtained approval to charge the cost (except GST) to the Programme budget.

I believe that attending the course could result in an improved performance for the team and in personal development for the individuals involved. If you share this opinion, you could recommend to the Management Committee the approval of the idea and make the necessary arrangements with the training division.

With best regards



Juan Crispo
CTA

Germany:
Dambachtal 9, 65193, Wiesbaden
Tel 49-611-522225 Fax 59211

Namibia:
104 Robert Mugabe Avenue, P.O. Box 3682, Windhoek
Tel 264-61-35065 Fax 32992

To: [REDACTED]
FROM: JACKSON MWALUNDANGE
IMLT
DATE: 11 March 1994

Jackson Mwalundange

RE: BASIC MANAGEMENT COURSE FOR NHE

Dates: 28 March morning, 29 & 30 March afternoons and 31 March full day.

Course outline: See the attached

Cost: Individual rate - **NS300-00** per person
Group rate, 7-10 people - **NS250-00** per person.

BASIC MANAGEMENT

Course outline

1. PLANNING AND ORGANIZING OF WORK

- How to identify and describe objectives
- How to select the best methods to achieve selected objectives
- How to list all the needed resources
- How best to put the resources (manpower, materials and equipment) into action

2. COST IMPACTS

- What are the cost factors
- How to control variable costs

3. PRODUCTION CONTROL

- Where and how best to control work activities
- When and how to follow-up on results and problems

4. PROBLEM SOLVING AND DECISION MAKING

- How to handle and solve problem situations
- How to make sound decisions
- How to prevent problem situations

5. MOTIVATION

- What makes people work
- How to motivate employees

6. EFFECTIVE COMMUNICATION

- Causes of ineffective communication
- How to improve communication

ANNEX 6/c

**EVALUATION PAPERS PREPARED BY THE
COMMUNITY DEVELOPMENT COORDINATORS**

- a) Paper by Sofy Shaningwa
- b) Paper by Aune Tjirare
- c) Paper by Petronella Taaru

OSHATOTWA HOUSING PROGRAMME

Upgrading Project:

Evaluation by Sophy Shaningwa

COMMUNITY DEVELOPMENT

Community Development Coordinators were incorporated into full-time NHE task group staff, carrying out routine tasks of the NHE for this project.

COMMUNITY DEVELOPMENT EXPERIENCE DURING THE SOCIO-ECONOMIC SURVEY:

Lessons Learnt:

- Project was defined for the urban low-income people. In reality, it was found that all the participants are not that poor, as many are government and parastatal employees.
- People's incomes were understated as they had heard about the subsidies.
- Not all the people came to Windhoek for the purpose of becoming urban residents. They came to earn an income and go back after a few years because they could earn a lot in Windhoek and that was their only aim.
- "Okuongula" - not interested in having a permanent house in urban area, only to live there several months or a year, so therefore their earnings were not given accurately.
- Welfare cases - women who also came for the same purpose or followed temporary boyfriends and husbands, were considered to be heads of household with no formal incomes. They were given a plot on the basis of head of household.
- The socio-economic survey revealed that $\pm 26\%$ of households cannot afford the basic right, which is right to tenure.
- Promises had been made during election campaigns which led to promote a high degree of dependency on the government and hopes for favours.

COMMUNITY DEVELOPMENT EXPERIENCE DURING THE EARLY IMPLEMENTATION STAGES REVEALED MORE LESSONS:

Constitutional Rights:

- Everybody has the right to housing, but details were not made clear, thus illegal squatting has taken place.
- On the other hand, some people have been forced to take tenure while they have their own ideas and they were not expecting to become urban residents. Relocation was not because of the people's demand, but was imposed on them through reasons of health hazards, financial exploitation by residents, etc.

Lessons Learnt, Problems Encountered:

- Though people were consulted during the move, still false expectations arose.
- CD Coordinators had time and they received a positive response from community leaders, who gave full cooperation most of the time. Implementors thought that the implementation would be done quickly and simply, but due to the hindrances in the operational system, stagnation was experienced.
- Implementation required administrative mechanisms which were not in place at the time of resettlement.
- Implementation phase could not get everything into place because even the implementing agency (NHE) had no project experience of this nature in the past. (NHE had a programme of that nature but in a very small scale.)

Reasons for delays:

- The team experimented with information campaign systems, holding mass meetings in each of the 5 areas.
- The next step in the information campaign was 20-households meetings.
- Next was supposed to be worksheets and contracts for sale of erven and houses, but NHE systems were not yet in place.
- It came to seem as if all these preparatory steps were designed to keep the people on hold while NHE got its systems organized.
- Issuing of loan repayment and deposit cards, and their distribution to each individual head of household.
- Explanation of the two cards and the consequences if repayment failure arose.

- Leaflet was produced, but video cassette explaining life in the urban areas still not available.
- Explaining communal management facilities like water and sanitation.
- Unserviced land prevented people from building.
- Inadequate personnel which lead to Community Coordinators working long hours.
- Project Coordinators of the executing agency kept on resigning, whereby their successors had to always start from scratch and adapt the system.
- Lack of cooperation with other community development personnel in other institutions.
- Since NHE is the executing agency, Community Development Activators of the Ministry of Regional and Local Government and Housing did not really see the need to step in and to campaign for community oriented activities. We worked in isolation, and competition could be noticed.
- Late last year the municipality introduced a community liaison department, which is not yet well established and not much was done, although two meetings were held with the Oshatotwa team.
- Local Authority election for Regional Council and the Municipality was only held at the end of 1992. The new representatives are still in their learning process, but here we had their cooperation.
- Community Development Coordinators acted sometimes on behalf of municipal officials, other NGO representatives and Government promoters in answering various queries.

Foreign Consultants:

- They sometimes sounded very optimistic, but that's no fault. The culture of the Namibian society is completely difference from some other countries, as a result of its historical background.
- They sometimes thought things are easy but the previous bureaucracy in various institutions has not changed.
- Foreign consultants could not sometimes understand why NHE, the executing agency, is failing to let the ball roll. They failed to understand that NHE's approach to low-income housing was different than this project's approach. NHE cannot work according to people's decisions, but want the people to adapt to NHE's system.

NHE is a Parastatal:

- NHE had no experience in this approach of people deciding for their own housing options, but vice versa.
- The operation system from the day people were resettled until now is not flexible.
- Government-subsidised clients question has still not been resolved. An agreement has not been reached how to allocate and how to define low income for public servants.
- There is a feeling in the NHE that people are irresponsible, however people will be irresponsible only when they are not recognized and respected. This attitude in NHE needs to be changed. People should be recognized and trusted.
- NHE is being advised by consultants on many things, including institutional strengthening, but action on recommendations are not forthcoming still.

NGO'S ARE NOT VERY INTERESTED TO GET INTO THE RESETTLEMENT PROGRAMME OR TO PROMOTE THEM FULLY BECAUSE OF VARIOUS REASONS:

- Credit Unions are awaiting for at least establishment of facilities within the communities.
- Community savings clubs: there is a lack of confidence on who could keep the funds, as resettled people have bad experience in some leaders who sometimes misused their money which were commonly pooled.
- Welfare organisations, Churches - not fully in business in the area.

THE PROJECT TEAM;

- Developed a culture of sharing, which enabled them to be at this stage.
- CDC - Have a common understanding of the work, and willingly take responsibility for the same.

COMMUNITY THOUGHTS BASED ON BY OBSERVATIONS:

- They consider us good talkers, but slow in implementing our practical work.

RECOMMENDATIONS:

- NHE procedures should be made simple and flexible; in other words, we should not impose decisions made by NHE on the people, rather adapt NHE

procedures to accommodate people's decisions and needs.

- People must have more freedom to do things the way they want, for example they should be given the opportunity to design their own houses and build the house according to their own capacity.
- Recognize that the resettled people are resourceful, that they can do things by themselves. They should not be considered as helpless urban poor, who have to be told what to do all the time.
- The approach to the project is too professional, a more simple, people friendly approach is needed.
- Within the framework of the project, people should be given more choices; for example, they should be allowed to find material from whatever source that they wish, then people will be able to get materials even second hand at much cheaper prices and also encourage labour from family and friends, and in the end getting more value for their money.

January 1994

OSHATOTWA HOUSING PROJECT APPRAISAL

PHASE I

REVIEW MAY 1993 TO JANUARY 1994

COMMUNITY DEVELOPMENT COORDINATOR
AUNE NDEYAPO TJIRARE

WINDHOEK, 16 FEBRUARY 1994

INTRODUCTION

The arrival of independence and the abolition of draconian laws which used to restrict the movement of nationals from either visiting or settling in urban centres came not only as a relief but also as an opportunity for the masses of the people to flock to places which were considered to offer green pastures. The situation was not helped by the arrival of thousands of refugees from neighbouring states.

The massive numbers overstretched the limited resources at the disposal of local authorities and also posed a major challenge to the new political leadership, who had expected these people to stay in the rural areas to engage in several self help projects or extensive plowing to bring about self sufficiency in food and thereby eliminate hunger and poverty.

Accordingly, the area of housing became a major priority and in addressing this topical issue, first and foremost, one must have sufficient land with all the infrastructure. It is in this spirit that some donor agencies and NGO's came forward to offer financial, consultancy and technical assistance. A lot has been done to address the lot of the people, but as our leaders have said, the ultimate success in development lies in the determination of the patient to heal himself or herself.

1. PROJECT BENEFICIARIES

In accordance with National Housing Policy, beneficiaries were to be drawn from already displaced communities especially the single quarter squatters community.

Criteria for housing loan eligibility was to be taken into consideration, the need and the household income. However, in practice this criteria was not fully adhered to, such as in the following areas:-

- 1.1 Problems arose out of poor selection of eligible beneficiaries due, for example, to ignorance of policy guidelines in the selection of target groups.
- 1.2 Some of the beneficiaries especially those from the S.Q. are families with established homes in the Northern region who do not view themselves as permanent residents in the cities. The move interrupted people's businesses.
- 1.3 Many erven are occupied by extended family members because of acceptable cultural practises among many Namibian communities whilst the registered owner lives elsewhere.
- 1.4 Prospective owners do not avail themselves for the processing and registering of erven because of prevailing ignorance regarding home ownership and title deed registration created by the exclusion from land and home ownership in the past.
- 1.5 Lack of awareness on the part of the community in terms of home ownership accountability and responsibilities, e.g. resettled families furnished names and particulars but failed to report back for further negotiations towards completion of the agreement (pending cases). Home-ownership is not a solution for some people; a shelter is not the priority but access to secure land is.
- 1.6 Unauthorised exchanges in the form of swapping of erven and transfer of legitimate ownership create administration backlogs, thus slowing down the finalisation of agreements, hence this results in evictions of present clients. The end result is that this situation causes alienation between clients and NHE.
- 1.7 All squatters were resettled, rather than those who wanted to be permanent residents and had an ability to pay.

2. PROJECT PLANNING AND MANAGEMENT

This is a critical area in the design and implementation of any given project. The success of any management lies in good planning.

Project planning in my view should be preceded by thorough situation analysis which serve as a guideline to all project team members.

The following constraints are being experienced during the implementation process.

- 2.1 Lack of commitment and conflicting interpretation among team members towards the defined goals.
- 2.2 The situation on the ground is not being addressed because team meetings revolve rather around processing of documentation than looking at the work done in the field or sharing views on problems encountered.
- 2.3 Liaison among team members is poor, lacks advance planning and communication.
- 2.4 Individual responsibilities and roles are underplayed, resulting in lack of motivation among participants.
- 2.5 Differences in prioritising issues is a major source of concern when planning - e.g. the priority of building houses for potential clients vis a vis eviction of illegal squatters.
- 2.6 Some team members are out of touch with the grassroots thus limiting their understanding of the communities concerned; community development coordinators are ill-informed about the criteria for judging potential beneficiaries.
- 2.7 Administrative strategies must be updated in order to provide as much as information as possible in relation to reliability of clients. This calls for a new approach (data base).
- 2.8 Community participation in essence is not practised according to stipulated policy statements, in part communities are not defined yet.
- 2.9 Room should be left for adaptations to be made in the planning. "Programmes must be flexible and capable of adapting to the changing need of Namibia's urban poor in the development priorities of the Government" as stated in the National Housing Policy goalsⁿ.

4. FOREIGN CONSULTANCY

- 4.1 Whilst the role of foreign consultants is appreciated, not all consultants necessarily serve the purpose of the project at hand in terms of imported expertise. Therefore the knowledge brought with¹ is not always compatible with local trends. 3.
- 4.2 Socio-economic and cultural background of target communities must be taken into account at the planning stage in order to eliminate stumbling blocks during the implementation phase.
- 4.3 It is my considered opinion that foreign experts of whatever background should adapt a patient/doctor approach. Consultants to NHE are not running the Oshatotwa Programme and that is, in my view, a positive approach.
- They are providing their expertise to address the situation which is new to the country.
 - They contribute methodological support particularly in terms of participatory planning and evaluation.
 - They assist in streamline procedures that have been developed over the years and which may not suit the new order.

5. CIVIL LAWS INCOMPATIBILITY WITH HOUSING POLICIES

- 5.1 Women married in community of property forfeit their right to housing ownership - as the erven / house cannot be registered in her name.
- 5.2 To qualify for a loan husband has to give consent and co-sign all documents.
- 5.3 Housing policies need to remain consistent and to serve as a guideline to planning and implementation.
- 5.4 Common law marriages have to be included when considering ownership.

6. COMMUNITY PARTICIPATION AND COMMUNITY CENTRES

- 6.1 Despite the day to day bottle-necks experienced in the communities e.g. lack of repayment of water and erven (amenities), different interest groups in communities are well organised.
- 6.2 Election of community leaders is done with full participation by the communities themselves, but leaders are not always faithful.
- 6.3 Literacy programmes are well organised and attended.
- 6.4 Church services are held regularly.
- 6.5 Crime combating discussions are held at the community centre and meetings on the housing programme.
- 6.6 The community centre serves as a meeting point for discussions with various people and institutions or organisations.

7. OWN EVALUATION / RECOMMENDATIONS

- It would be my opinion that the Oshatotwa housing project's first phase implementation is behind schedule as a result of all the points highlighted in this report. However, acceleration of the project can be achieved through improvement made on all the discussed points in this report.
- It is significant for all players including donor agents to take into account the points highlighted in order to put the process back on track, thus paving way for the implementation of the second phase.
- Renewed commitment on the part of all participants in this project and seeking to motivate beneficiaries will determine the success of this project.

The definition of a community as such amongst many Namibians is not in line with recognised definitions in other societies due to the strong colonial tribal divisions created by apartheid.

In my opinion, it is going to be a slow process of change which, however, is achievable with a concerted effort by all players involved.

- Consultation with other agencies and team members is crucial for the project to flourish through brainstorming sessions and workshops.

With respect to the housing development situation in Namibia there is a need to further the development of skills as below.

(a) Conceptual skills

- exposure to information on housing matters/issues.
- better understanding of socio-economic concepts.
- exposure to methods of data collection and analysis and project planning and evaluation.

(b) Communication Skills

- Development of skills and facilitation of workshops and seminars and presentation skills.

(c) Technical Skills

- Office Administration
- Computer usage
- Financial concepts
- Affirmative action processes.

While some of these areas are identified above can be improved by on-the-job training, others are in need of training outside the project.

In addition to this immediate training needs, visits to other housing projects in Namibia and the region should be made possible in order to gain practical experience into the implementation and establishment of housing projects.

Last but not the least it is recognised that solutions are often not easily transferrable from one context to another, nevertheless, there are important lessons to highlight so that the mistakes of other countries are not repeated.

EVALUATION AND RECOMMENDATION FOR THE OSHATOTWA HOUSING PROGRAMME

BY: PETRONELLA TAARU
COMMUNITY DEVELOPMENT CO-ORDINATOR

1. INTRODUCTION AND BRIEF SUMMARY

Oshatotwa Housing Programme was ~~indicated~~^{initiated} to help the homeless and mostly the unemployed with acquiring land of their own and eventually, when possible, to build\buy houses for themselves.

This initiative came from the Government, and with the NHE as an executing body, people were then resettled at various erven, bought from the Municipality by NHE. The target group was former Katutura Single Quarters residents. These people, at this point already, were subjected to the fact that, since they are occupying these erven, they have to pay back NHE what has been incurred. The involved people must pay back the costs of land, on which they were resettled.

Furthermore, should any occupants of such erven wish to build themselves a house with a loan from NHE, (which is an executing body in house building as well), these monies lent should be recovered over a period of time.

The money used to be lent\used came originally from the German Government, in co-operation with the Namibian Government ^{to} "house the homeless" as one of the major aim or objective.

The assumption was that, after 2 years after this move, there will be people fully (legally) resettled on this land, people building themselves houses, and an organized community development network.

At present, the ~~the~~ longterm goal has not been achieved, which can be manifested\observed in the following phenomena:

- Physically completed structures are limited to the existent number of houses built so far.
- Poor payment performance from some of the candidates regarding paying off their loans on erven.
- Demoralized clients who has lost faith in the Oshatotwa Programme since they do not see any visual progress.
- Infrastructure still lacking in some resettlement areas e.g. Greenwell Matongo.
- Lack of information from the Housing Programme to the clients what the Programme entails.

2. POSSIBLE OBSTACLES IN THE IMPLEMENTATION OF THE PROGRAMMEa) UNPLANNED\UNPREPARED MOVE OF PEOPLE

It is true that the resettled people were consulted before their move, however, it is questionable to which extent they were prepared and ready to move to the other sites from the Single Quarters.

The decision (the main decision) was merely taken by the Government. It is also questionable what the real goal for the Government was with moving the people.

The community development co-ordinator feels that this move has also created false hopes among the people since it was initiated by the Government. Maybe some people felt that the propagating of "free housing" as made during the past election campaign has come as a reality at last.

This, contributing to the fact that the majority of the masses are unemployed and saw the Single Quarters as an ideal market place for their goods, has borne a feeling of non-commitment from some resettled people.

b) THE HOUSING NEED - A PRIORITY FOR THE MASSES?

Most of the people who were registered with the Oshatotwa Housing Programme are from outside Windhoek. These people mostly exist of those coming to urban areas for employment.

Their real needs are two-folds -
 - accommodation
 - employment

These needs should be fulfilled, mostly on a temporary base until their "contracts" for employment are finished and for them to return to their permanent residential areas (rural areas most of the time) in order for them to continue their lives there.

It should also be noted that most of these people do not have a permanent work.

This results in people not feeling committed to fulfil their housing obligations, either in the form of doing their monthly loan payments or by simply ignoring these obligations.

For example, some of these people do not feel it is priority for them to pay for land since they are already having their communal lands in the rural areas.

c) WESTERN CIVILIZATION VERSUS TRADITIONAL LIFESTYLE

For most of the people the idea to pay for land is new, since they were living on communal land in the rural areas. Landownership for an individual is a new concept among these people.

Adding the fact that the majority of the people are illiterate, the financial management is a difficult task to deal with.

d) FALSE EXPECTATIONS

From contacts with the clients it is felt that the majority of the resettled people are expecting too much from the Programme. It is not fully understood that their contribution towards the Programme is vital. The ~~original~~ move from the Single Quarters by the Government together with the Oshatotwa Housing Programme ^{has created a feeling that they} owe it to the people to give them free housing without their contribution.

e) THE EXECUTING BODY IN HOUSE BUILDING - NHE

I feel the NHE agency is not putting enough efforts into the Programme since it is also involved in building houses in other housing schemes. The question is also whether personnel made available to deal with the programme (Oshatotwa) are not already overloaded by other commitments.

If so, it cannot be expected that their personnel involvement will be of the maximum capacity. This will also act as a delaying tactic for the Programme.

NHE's housing policy, which is at present applicable to candidates of the Oshatotwa Housing Programme is sometimes non-persistent, i.e. changing from time to time, creating confusion among the people. Most cases one would find changing of guidelines (operating guidelines) or unrecorded changing guidelines.

f) BUREAUCRACY

This Programme is dealing with the illiterate, poor, unemployed people.

I feel some obstacles are put in the implementation of the Programme. Too much emphasis and time is put on paper work, documentation, signing of documents etc.

For some clients\procedures e.g. writing or signing is already an uneasy procedure to go through.

It would be ideal if some paper work for example could be simplified to fit the types of clients who are being dealt with.

g) CONSULTANTS - THE TIME SPAN SPENT ON THE PROJECT\HOUSING PROGRAMME

The international consultants who are expected to be advisors to the Programme are not spending enough time on the programme since they are occasionally departing for other places. This leaves a wide gap to the operations of the programmes since their continuous participation is vital.

RECOMMENDATION

1. In order to create a trustful relationship between the Project (Oshatotwa) and the people who are participating in it, more information (continuously) should be fed to the masses, especially that regarding the Programme (Oshatotwa) itself, and the housing obligations connected to it.

This will hopefully eliminate all false hopes and misunderstandings.

2. Felt needs of the community should be adhered to first - this means, we should get a clear picture of what the people really want to benefit from the Oshatotwa Housing Programme.
3. The implementing body, NHE, should put up clear and consistent operation guidelines for the Programme. Furthermore, more commitment is required from NHE to act as a catalyst towards the smooth flowing of the Programme.
4. It should be understood that this Programme cannot be completed or finalized overnight, since it is one of the few new projects yet established in Namibia.
5. Regarding international consultants, emphasis should be put on the fact that this programme should be treated in a way that the theoretical knowledge and experience gained somewhere else does not necessarily mean that it is applicable to the Namibian situation.
6. The whole implementing of the Programme will be easier if the executing body in house building i.e. NHE can simplify the procedures through which the people have to go. It is felt that too much bureaucracy is being applied before a client has finalized his\her application for acquiring an erf or house.

P. Taaru (Community Development Co-ordinator)

P TAARU
17 FEBRUARY 1994