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to the  
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Zimbabwe

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I. Introduction

The report covers the activities of the Project Planning Advisor during the fourth full quarter of the implementation of the Limited Scope Grant Agreement for Technical Assistance to the Ministry of Housing, Zimbabwe.

It also serves as the Advisor's Annual Report for 1985 in that it summarizes the activities and accomplishments of the year, the major problems and issues arising and the corrective action taken by all parties concerned.

## II. Modus Operandi

The Technical Services Department lost two architects and gained an engineer during the quarter. In view of the deteriorating manpower situation in respect of professional cadres, the Director, TSD took the step of appointing me as "Co-ordinator" of all Ministry of Housing activities concerning the USAID HG Program. This step, made without consulting the Secretary or myself, formalized my involvement in the schemes on behalf of Ministry officials. It essentially requested me to take action on a routine basis/mandated under the M.O. laid down by the Secretary in January 1983. This appointment however did not extend to giving me any authority to act officially on behalf of the Ministry. The net result is, in the words of the Director, "not to make me an Assistant Director but rather an Assistant to the Director". In as much as the Director is himself a recently appointed expatriate on contract, this development does not further my role as an Advisor nor as an "Institution Builder". However there is still some room to pursue these roles in my contact with other Government and Local Authority Officials.

A further outcome of this development has been the establishment of a working party for USAID - related project. All departments of the Ministry are represented in this group which meets more or less weekly. Minutes are taken and physical and financial progress is monitored.

*/rather than on an "as needs" basis as*

### III. Work Accomplished

The following description of work accomplished follows the terms of reference of my contract. Reference should be made to the Work Programme contained in last quarter's report.

1. Assist MCH to establish systems for project identification, feasibility analysis, and selection

The project plan ("Blue Book") describing the proposed use of the second EC Loan of \$ 25 Million was submitted to MCH officials early in the quarter. See Annex A of QR 3. It was reviewed in detail with the Director, PSD in December and relatively minor amendments were proposed to make it into a PDP.

Further comments are expected in January from the Policy and Finance Departments but all indications are that these too will be minor. It is anticipated that the recently established interdepartmental working party for USAID-funded projects will be responsible for revising it with a view to producing a Master PDP. The finished document is expected in mid-February 1984, exactly one year later than originally scheduled.

The Apple IIe micro-computer was received by MCH on 25 October 1983. After completion of the Project Management Training Programme on 11 November 1983, we had time to install the system and begin using it for two major tasks. Cde Wegge is revising the Phase I PDP using Word Star as a text editor. Refer to his quarterly report on the matter and see annex A.

My task has been to adapt the project financial planning system shown in the "Blue Book" to the computer using Multiplan. The result has been the development of a set of linked tables which give a complete financial analysis of Phase I at Parkridge/Fontainebleau. See Annex B for samples of each table in the Project Finance Planning System (PFPS).

The foundation of the system is a Financial Control Chart (FCC) which records components of the project at their greatest level of detail. Each component is given a verbal description, a current estimated cost in Z\$, a total expenditure to the end of the previous FY, an allocation for the current FY, fields for monthly expenditure in the current FY, and a total expenditure to date. The elements are classified by category and a number of sub-totals and a grand total are defined. See Annex B1.

The following three tables are all linked to the FCC using a special feature of Multiplan called "Cross copying" using named variables. Any change to a variable in the FCC will automatically lead to a change in the same variable on the three related tables.

A Capital Budget summarizes the current estimated total cost of each element, compares each estimate with the original estimate, computes a variance, and indicates which agency is responsible for execution and funding. See Annex B2.

A Financing Plan Shown in Annex B3 indicates which components are funded by the various sources of funding. The Z\$ contribution by the USAID HG programme is a function of the Z\$ exchange rate. The table is programmed to first allocate the required funds to all eligible items other than "D. House Construction." Then the balance of the available HG money is put against D. and the remainder required to fund house construction charged to GOZ.

A cash flow table in Annex B4 follows the format of the financing plan and projects the pattern of expenditure of the unspent balance by component on a quarterly basis.

The task of putting Parkridge phase II and the Secondary towns on the system is in progress.

2. Co-ordinate with other donors to ensure rational use of scarce resources

As of 31 December 1983 no US - source and origin commodities had been ordered. However the necessary PIC/C's were prepared and approved by the Ministry. It is fervently hoped that purchase orders for these items will be issued by USAID/ Harare early in the new year. The Toyota Hiace bus was received from COMED.

The bulk of UNCHS commodities has already been received including 3 sets of video recording equipment, 35 mm cameras and various projection stuff and part of their order for 3 micro-computers. Two of the micro-computers have been procured with a view to recording the disbursement and repayment of house construction loans on site at Kwe Kwe and Gutu. The third one will be based at the Ministry.

3. Provide recommendations to MCH based on analysis of critical constraints in the Low-Cost Shelter delivery system

No specific recommendations made this quarter.

4. Assist with developing monitoring and evaluation system

The Financial Control Chart developed as part of the Project Financial Planning System (FFPS) is the basis for monitoring financial progress. This tool is a response to a need expressed in my various memos on project cost control. See QR3 / annex H.

5. Assist with project implementation

A. Parkridge/Font-bleau Phase I

As the "official" Co-ordinator of all MCH activities related to the USAID HG Project, I continued to carry out tasks which were normally the responsibility of MCH officials. These included :

- i) Revision of budget using FFPS. See annex C.
- ii) Recommend reinvestment of US \$5 million in escrow until 1 February 1984.

- iii) Co-ordinate review of house design and costs with CCH. See Annex D.
- iv) Co-ordinate finalization of survey work in Phase I. See Annex E.
- v) Identify outstanding issues for resolution by appropriate MOH officials. See annex F.
- vi) Summarize history of events concerning construction of "demonstration" houses by CCH building brigade.
- vii) Assist with review of draft revised FDP for Phase I. See annex A.

B. Parkridge/Fontairbleau Phase II

The following activities were pursued :

- i) Submission of request to Government Tender Board for authority to increase value of contracts for infrastructure works owing to cost increases.
- ii) Co-ordination with COH on detail design of shopping centre in Unit 6.

C. Secondary Towns

Marondera's draft FDP was submitted to the Ministry in September. Kadoma's was received on 30 November. Information from both submissions were used in the production of my "Blue Book" submitted to MOH last quarter. Chinhoyi has not yet submitted any information concerning its 500 plot scheme. See Section IV para. D.

D. Other Projects / Activities

The long awaited P/F Project Management Training Program was implemented during the quarter. By all accounts it was a resounding success. Contributions by Messrs Fisher and Fritchard were uniformly excellent and well received by the course participants. Their ability to respond very quickly to the emerging needs of the group was a key factor in insuring the success of the endeavour. See annex G for a report on the program prepared by MOH's participant observer.

6. Assist MOH to determine need for short term FA.

No action this quarter.

7. Prepare draft TOR's for short term FA

See para. 6 above.

8. Participate in forward planning

MFSPD has called for Ministries to submit their bids for the 1984/85 Public Sector Investment Programme (PSIP) by mid January 1984. I prepared the submission for the USAID funded projects for incorporation in MOH's proposal.

IV) Issues Requiring Resolutions

- (a) Standards versus affordability remains an issue although it is generally agreed that the "18 months" building clause will be virtually impossible to enforce. It should therefore be treated as a non-issue. Its impact may be however to dissuade applicants from joining the scheme in the belief that failing to meet the condition will result in their eviction. The initial four room slab remains an issue for resolution by RHUDO on their next visit to Harare.
- (b) USAID / Harare should expedite orders for USA source/origin commodities. It should also resolve the issue of payment of short term TA on the Training Program with RHUDO.
- (c) Apparent lack of interest by MCH in spending grant money on short term TA is a concern. RHUDO and USAID / Harare should stimulate interest on the part of the Ministry by suggesting possible uses for the funds.
- (d) There is an evident lack of capacity by Chinhoyi to plan and implement their USAID - Funded Scheme. The Town Engineer's Department is barely coping with its current programme of 200 brigade built houses and the upgrading of services in the existing housing areas. Progress to date on these efforts gives cause for concern about the possibility of successfully implementing an aided self-help housing scheme. The level of institution building required is more than can be achieved by periodic visits of MCH officials and advisors to the Town. It would appear that there is a need for one motivated person to be given day-to-day responsibility for putting the project together under the supervision of the Town Clerk.

v) Proposed Work Programme : Fifth Quarter

1. Assist with finalization of Master FDP for Second Loan.
2. Document Project Finance Planning System.
3. Prepare for forthcoming 9th Housing in Africa Conference to be held in Senegal in April 1984.

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## VI. 1983 in Retrospect

The past twelve months have been turbulent ones for the newly created Ministry of Housing. In November of 1982 no more than 15 of the 55 posts above the level of executive officer were filled. This large number of vacancies was created both by the loss of many technical officers and by the creation of many new posts in the administrative and policy departments. Many of the officers in post including the senior most official were new to the field of low-income housing if not to Government itself. It was not altogether clear what functions MOH would have and what ones would remain with MLGTP. It was evident however that the policies to be pursued by MOH were to be radically different from those of its predecessor, MLGH and those held by its new Sister Ministry, MLGTP. In the midst of this situation MOH received five experienced housing advisors from UNCHS and USAID who were attached to externally-funded projects conceived prior to the creation of the new MOH. In retrospect it is not surprising that these projects, and Parkridge/Fontainbleau (P/F) in particular, were not implemented in the expeditious manner for which the external funding agencies had hoped.

During 1983 the following developments took place and these have had a cumulative and delaying effect on implementation of the USAID HG program.

Firstly MOH ruled that implementation of housing projects was to be the responsibility of the local authority concerned. This policy required the handover of P/F from MOH to the City of Harare except for certain infrastructure components already in progress under the direction of the Ministry. The loss of many technical people associated with the planning of P/F and the hesitancy of the City to take over a large project at short notice created a very protracted and messy handing over process which is only now coming to completion.

Secondly the Ministry has filled virtually all vacancies except for several significant ones in the Technical Services Department. In a desire to familiarize new officers with all projects and to avoid overspecialization of officers in any one area, tasks relating to P/F were carried out by different people at different times. Rarely were meetings on specific topics attended by the same officers twice in a row. To compensate for the lack of technical personnel, administrative officers were appointed to carry out technical duties on an acting basis, duties for which they were unqualified and inexperienced. Only in July 1983 was an experienced engineer appointed as Project Manager of the HG Programme.

Thirdly the Ministry kept technical advisors at arms length from the projects to which they were assigned. All executive authority was retained by MOH personnel (rightly so) and advisors only spoke when spoken to (not so rightly so!), so to speak. Only in December 1983 were advisors given a stronger although still consultative role in the day-to-day running of the project.

Finally the Ministry declared a policy calling for all houses to be a minimum of 50m<sup>2</sup> and for the construction of these units to be by building brigades. This decision, given in a circular of Feb 1983, confused local authorities engaged in planning the USAID-funded self-help schemes. When the relatively high cost of brigade built houses conflicted with the affordability criteria of the externally funded schemes, an impasse was reached. This was only resolved in September 1983 by a Ministerial decision to allow families to start with any size house they could afford as long as they had four rooms built at the end of 18 months from the date of allocation. Since that time the Ministry has embraced self-help as a viable housing strategy and are encouraging local authorities to plan projects using this approach.

The net effect of the delay in implementing P/F was not to give the project a different physical or financial profile. Rather it allowed a period of time for the new Ministry to come to terms with the principles governing its design and to reconcile these principles with those of the new housing policies. The project continues to embody the principles of progressive development, affordable housing and owner-managed construction. This is in contrast to the original MOH policy of instant building, to a minimum but high standard managed by the public sector.

A major change in the policy concerning brigades at P/F has occurred which represents a considerable victory for consumer sovereignty as far as labour inputs are concerned: brigades will only build homeownership houses or parts thereof for allottees who specifically request brigade services. There will no longer be a group of brigade-built houses for sale to eligible allottees. In addition the co-operative house construction mode has been clarified to mean that method by which allottees join forces on an informal basis to assist each other to build their own dwellings. These shifts in policy combine to make P/F more of a self help project than even USAID envisaged! Rather than there being three mutually exclusive building modes; brigades, self-help and co-ops, there is now one umbrella approach of self-help which allows all of the three original modes to be combined to meet the needs of each allottee. It is now theoretically possible for an allottee to have a brigade-built slab, and a self-help superstructure with a co-operatively built roof. The umbrella approach puts the building brigade and private contractor services on an equal footing in the eyes of the owner-manager. The choice is ultimately the allottee's and can be made on the basis of value for money. The umbrella approach retains a diversity of modes which are accessible to all allottees. The temporary lack of delivery of one alternative need not stop development of those dwellings affected. For instance a decision by the local authority to temporarily deploy their entire brigade on the construction of rental housing need not stop the development of those units with some brigade-built element because the allottee is free to switch to another mode. Similarly the failure of the emergence of a dynamic co-operative movement, while unfortunate in a community development sense, need not forestall the consolidation of houses for the same reason.

A shift in favour of consumer sovereignty in respect of material inputs has also occurred. Whereas it was MOH's original intention to require all building material loans to be drawn down in kind from the municipal store, allottees are now free to choose whether they want cash or materials. Moreover cash loans can also be used to hire labour from either the public sector (brigades) or private sector (contractor).

The process of achieving these shifts in policy has been one of step-by-step accommodation to the vagaries of the real world. In a perfectly equitable and efficient universe perhaps public sector brigade efforts would be an ideal mode of shelter delivery. It would provide the best value for money because of the absence of the profit element. In practice however MOH has learned that the imperfections of the world dictate a need for among other things incentive systems which go beyond the moral. It has remembered the importance of giving the maximum range of choices to those in need of housing.

In a sense the most important achievement of 1983 was the learning process which occurred within the Ministry. To the outside observer it may appear as if the HG Program has been marking time. In fact we have come full circle. Tasks are about to begin which were programmed to commence in early 1983. The difference is that now all parties are agreed on the things that need to be done and, just as importantly, the reasons for doing them. Of course they still are some technical issues not resolved to everyone's satisfaction and there remains an element of tension between MOH and CoH at the political level.

Nevertheless out of this year of turbulence there has developed a new synthesis of housing strategies with distinct benefits for all concerned: the recipient country, the aid agency and the low-income households. 1984 will see the fruits of this synthesis in the form of more houses and stronger shelter institutions.

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