

PD-AAU-475

613-0205

Project Planning Assistance  
to the  
Ministry of Construction & National Housing

QUARTERLY REPORT NO 7

1 JULY 1984 - 30 SEPTEMBER 1984

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## **INTRODUCTION**

This report covers the activities of the Project Planning Advisor during the seventh full quarter of the implementation of the Limited Scope Grant Agreement for Technical Assistance to the Ministry of Construction & National Housing. Note that during this quarter I was on leave from 9 August to 9 September 1984.

## **MODUS OPERANDI**

The structure of the combined MCNH has now been revealed. The former director of the Technical Services Department of the old Ministry of Housing has been appointed Deputy Secretary, Operations. Many of the ambiguities plaguing the Ministry have been resolved and new directives and procedures are being implemented. The role of the Project Planning Advisor is well understood. While the future of the Second USAID HG Loan remains uncertain, much of my work revolves around tangential issues such as short-term studies and staff training.

## **WORK ACCOMPLISHED**

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

### **1. Assist MCNH to establish systems for project identification, feasibility analysis, and selection.**

On 9 August 1984 the Ministry of Local Government and Town Planning distributed Circular No. 74 to all local authorities calling for the submission of applications for borrowing power approvals according to a new format. The format now required is based on the financial tables developed for the Project Delivery Plan. MLGTP sent a draft of the circular to MCNH for review and comment in June. Our comments focussed on the need to display financial information in a clear, complete, and concise way with reference to the PDP. MLGTP adopted these suggestions and amended their circular accordingly. It can thus be fairly said that our efforts here have resulted in both MCNH and MLGTP establishing a system for project identification and feasibility. See Annex A for a copy of the circular.

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

A computer expert is being sent to Zimbabwe on a TDY under the terms of the CNH/UNDP Pilot Project to assist with the setting up of Morrow microcomputers at Kwekwe, Gutu, and at the Ministry. It is intended to liaise with him/her to pool resources to come up with a workable system for administering building plans on site. The visit is expected in October 1984.

**3. Provide recommendations to MCNH based on analysis of critical constraints in the low-cost shelter delivery system.**

The most critical constraint facing GOZ's housing programme at present is scarcity of capital and the high cost of borrowing it on world capital markets, especially in the USA. As mentioned in QR3, a suggestion was made to reduce the scope of the Second Project without affecting the IA signed with USAID in November 1982. This suggestion was reiterated by RHUDD in September and was received with greater interest than heretofore acknowledged. I followed up on this burst of enthusiasm and repeated the exercise to determine the amount by which the total project cost measured in Zimbabwe dollars could be reduced if one took into account the continuing devaluation of the local currency, the exclusion of some or all of the rental component, and the reduction of capital budgeted for loans to plot developers to a level commensurate with that actually being drawn down at P/F. The results are at Annex B. They demonstrate that no less than Z\$12.7 million out of a total of Z\$15.4 million of GOZ's contribution could be eliminated. This analysis assumes that components that were to be strictly funded by GOZ could now be treated as eligible expenditure under the HG. RHUDD concurred with this assumption. MFEPD will be contacted to see if the delay in negotiating the second USAID loan is because of the large GOZ contribution required or whether it is because of the cost of American money. If the problem is the former, a solution is at hand. If the problem is the latter, US interest rates will have to fall before MFEPD can be expected to borrow. Of course the problem could be neither of these two. The problem could be the generally high debt burden currently facing GOZ. It also could have ideological origins.

Financial constraints affect not only central government. They are also a concern of the local authorities who in turn borrow funds from the NMF. Annex C contains a report on the situation in Kadoma, one of the three secondary towns included in the Second USAID HG Loan. MLGTP has not yet approved Kadoma's application for borrowing powers.

Recommendations on two other constraints on the housing system were made as follows. Firstly, I recommended that MCNH abandon its earlier policy of shielding the Parkridge/Fontainebleau project with a belt of large middle-income plots on the Bulawayo road in an attempt to hide the project from the public eye. The reasons are contained in Annex D and included the obvious one of more efficient use of land. The recommendation was accepted. Secondly, on the question of constructing schools, I supported a request by the City of Harare to allow them to build the facilities using private contractors on the grounds that their building brigade was fully occupied building houses in Warren Park. This request was not approved; rather MCNH said it would build all the schools on behalf of the City using its direct labour team under the Provincial Maintenance Officer. This at first appears to be a curious decision in view of the efforts the Ministry has taken to get the City to assume responsibility for implementing the project. However the decision was made to keep MCNH maintenance workers productively engaged in the absence of recurrent funds for building repairs, etc. It is also an opportunity for the Ministry to demonstrate the advantages of public-sector construction efforts to a Council which has appeared to resist this mode of construction.

#### 4. Assist with developing monitoring and evaluation systems.

Financial monitoring of MCNH expenditure and disbursements on P/F is continuing with the use of the PFPS, although no report was prepared while I was on leave.

During the quarter the following officers were trained in the use of the micro-computer, with an emphasis on using Multiplan:

|                     |  |
|---------------------|--|
| Mr H. Magdon-Ismail | Deputy Secretary, Operations             |
| Mr J. Knott         | Under Secretary, Estates                 |
| Mr N. Bhargava      | Civil Engineer                           |
| Mr N. Wild          | Assistant Secretary (Strategic Planning) |
| Mr M. Musarurwa     | Admin Officer (Strategic Planning)       |
| Mr J. Mberengwa     | Admin Officer (Rural Housing)            |
| Ms J. Letriet       | Senior Word Processor                    |
| Mr V. Chigutsa      | Computer Programmer, trainee             |

Some of the applications of Multiplan included the preparation of building material delivery schedules for the rural housing programme, detailed reports used for monitoring recurrent expenditure, and population and housing need projections.

In September a RHUDD evaluation consultant, Ms Mary Joel Holin, made the first of a planned series of visits to Harare to assist with the establishment of intensified M&E efforts at Parkridge. Her task was to develop terms of reference for herself which fitted in with the needs of both MCNH and the City of Harare. It was agreed that MCNH would prepare a list of research questions of interest and relevance to policy-making which could become the subject of specific evaluation studies.

MCNH still awaits the receipt of the report on the external evaluation undertaken by USAID in March 1984.

#### 5. Assist with project implementation.

I continued to co-ordinate all technical activities within the Ministry. A summary progress report on all components of the HG program as of 30 September 1984 is presented below.

##### 5.1. Parkridge / Fontainbleau Phase I

###### A. Project Delivery Plan

No action or amendments during the month of September.

###### B. Infrastructure

All work is complete except for final touches to the roundabout and the High Glen Road, and the completion of servicing the four shopping centres. The last retention sum, owed to Construction Associates, was due to be released on 15 September 1984.

### C. Plot Allocations

As at 17 September 1984 a total of 2,847 plots had been allocated in Phase I. Allocations have picked up speed since the word has spread that Phase I is just about completely sold out. A total of 8,388 applicants have been invited for interview. Letters of invitation to be interviewed have been discontinued as there are now sufficient households in the pipeline to fill the scheme. The average income of all allottees is Z\$155 per month.

### D. Construction Loan Programme

As of 17 September 1984, a total of 1,641 loans had been signed up for a commitment of Z\$4,225,285. The average value of a loan is therefore Z\$2574. This implies a requirement for loan capital of \$10,567,000 for all 4104 developers. All disbursements have so far been in cash. Material loans in kind have not yet started to be disbursed owing to a lack of staff. The recently-hired Stores Manager has reported for duty and others are expected to report before the end of October.

### E. House Construction

Over 2,269 model plans have been sold to allottees. Actual physical progress of house construction is as follows:

|                   |     |
|-------------------|-----|
| Trenches complete | 610 |
| Slabs complete    | na  |
| Window level      | na  |
| Roof              | 71  |
| Toilets complete  | 15  |

These figures are felt to be somewhat inaccurate as they are not cumulative. CoH is looking into improving this aspect of project monitoring. Close monitoring of the rate of completion of houses should now be started. It is possible that a trend of quick starts leading to prolonged construction periods has begun. Possible reasons for this trend should be identified. It has been decided that the site team should encourage people to complete at least one room and a toilet and take occupancy of their plot before completing the remaining rooms. This will save them paying "double rent" and make them easier to track down in the case of arrears.

### F. Admin Complex

John Sisk, the building contractor for the Complex, has completed all works and is due to leave the site in early October. Supply of shelving for the materials depot, also provided for in Sisk's contract, is to be arranged and the contract is to be finalized. MCNH's PMO is installing a fence around the complex. This work is temporarily delayed pending transmission of the works order number from Accounts to the PMO to permit the purchase of the necessary materials.

### G. Community facilities

MCNH has agreed to undertake the construction of the four primary schools on behalf of the City. They will also undertake the building of the secondary school as per normal GOZ policy. The construction of the health clinic remains

the responsibility of the City. The City Architect is to transmit the working drawings of the primary schools to MCNH for costing and eventual handing-over to the PMO under whose direction the building will be done.

#### H. Funding

No funds were disbursed to the City of Harare in September.

#### I. Project Oversight Committee

The eleventh meeting of this committee was held on 27 September 1984. See minutes attached at Annex F.

#### J. Official Inauguration

A ministerial inauguration of the whole of Parkridge/Fontainbleau was held on 22 July 1984. The occasion was attended by the Minister of Construction and National Housing, the Minister of Finance, Economic Planning and Development, the US Ambassador, the Mayor of Harare, and other invited guests. About 400 allottees and their families also attended. See Annex G for a copy of the Minister's speech.

### 5.2. Parkridge / Fontainbleau Phase II

#### A. Project Delivery Plan

The USAID Mission in Harare has formally advised MFEED and MCNH that the project delivery plan for the second USAID HG Loan has been approved. MCNH awaits advice from MFEED that they will seek loan funds in the United States and that funds in the 1984/85 Vote of credit will be released to allow P/F Phase II to continue. The RHUDO representative in Nairobi, Mr Fred Hansen, advised the Ministry that USAID would have no objection to GOZ reducing its local dollar contribution to the project (on account of the devaluation of the Z\$) if it would expedite MFEED approval to borrow in the US capital markets. The text of the PDP has been put on MCNH's Word Processor to facilitate the major revision of the document should this be required.

#### B. Infrastructure

Installation of roads, drains, water, and sewers valued at Z\$6.48 million is complete and all services have been handed over to the City. Negotiations with one of the Phase II contractors are going on to allow for the 166 plots without vehicular access to be connected to full standard roads. The servicing of the shopping centre in Unit 6 is underway but will be delayed while Bitcon concentrates on finishing the four centres in Phase I.

#### C. Funding

It has been decided that no funds for Phase II will be issued to Harare until MFEED confirms that funds will be made available in 1984/85. See A. above.

### 5.3. Secondary Towns

#### A. Project Delivery Plan

See 5.2.A above.

#### B. Project planning

No action this month.

#### C. Funding

The Ministry of Local Government and Town Planning has granted Borrowing Power Approval to Marondera for the Nyameni Scheme. Their minute reference X/21/74 of 2 July 1984 authorized loans of \$4,7 million. MCNH officials met with the Town Clerk of Kadoma to assist with the completion of a new form required by MLGTP as part of the Borrowing Powers Approval process. Kadoma to submit necessary details direct to MLGTP, copy to MCNH.

### 5.4. Technical Assistance

In a letter dated 18 September 1984 USAID has responded positively to MCNH's request for further technical assistance under the Grant 613-0205 as follows:

#### A. Commodities

Two Cabstar lorries, three electronic accounting machines, memory expansion for the Apple IIe, and three additional sound/slide projectors were approved. Approval of the additional pick-up truck was delayed pending verification that planned site activities will warrant it. The request for an addressograph machine was denied on the grounds that the proposed micro-computer could handle this job.

#### B. Short-term Technical Assistance

Studies on rural housing, monitoring and evaluation, low-income house design, and national housing needs were approved. A follow-up training session with Dr Fred Fisher was also approved. Approval in principle to co-finance research with the BRE was given.

#### C. Long-term Technical Assistance

Contract extensions for the Project Planning Advisor and the Self-Help Housing Advisor are in the process of being finalized as requested by MCNH. I have handed over some of the more routine administrative duties to MCNH personnel as outlined in Annex H.

### 6. Assist MCNH to determine need for short-term TA

During the course of preparing requests for additional technical assistance under the Grant Agreement 613-0205, several tasks suitable for short-term consultancies were identified. Refer to para 5.4.B above.

MCNH is interested in undertaking a study to determine the feasibility of

establishing a National Housing Corporation. It has been proposed that perhaps UNCHS and USAID could co-finance a team of consultants to undertake the study. Draft terms of reference were developed by a committee of which I was a member. See Annex I. MCNH will probably approach USAID/Harare about including this study in the Grant 613-0205.

#### **7. Prepare draft TORs for short-term TA**

Terms of reference for the low-income house design study were drafted for review by the Ministry. See Annex J.

Terms of reference for the national housing needs assessment study were developed based on a pro-forma used by RHUDD for other countries in the region. See Annex K.

#### **8. Participate in forward planning**

During the month of September I assisted the Strategic Planning Unit to prepare projections of population growth and national housing need for the three plan periods ending in the year 2000. The tables reproduced in Annex L are based on the formats used by Robert Nathan & Associates in their needs assessment methodology. The exercise was done on the Apple IIe computer and was a useful way of introducing MCNH personnel to the approach which will be used in carrying out the full-blown study requested by the Ministry. In particular it highlighted the need to clearly state the assumptions under which alternative housing need scenarios are developed. The exercise followed on the heels of a workshop on long-term planning in the Construction and Housing sectors of the economy held by MCNH on 1 August 1984.

#### **9. Other Duties**

I attended the inauguration of two housing projects at the invitation of the Ministry. The UNDP/UNCHS/USAID project at Gutu/Mupandawana was officially opened by the Minister on 27 Jul, 1984. He also inaugurated the first rural housing scheme, located in the Sengezi resettlement area, on August 4 1984.

## ISSUES REQUIRING RESOLUTION

The major issue requiring resolution is whether or not the Government of Zimbabwe will actually go ahead and borrow the second US\$25 million thus allowing the implementation of P/F II and the secondary towns projects. All significant project planning activities are at a stand still until this is resolved. This is as reported in last quarter's report.

## PROPOSED WORK PROGRAM

1. Assist the Ministry to identify the research questions which should be examined as part of a monitoring and evaluation programme for P/F.
2. Continue to train selected Ministry officials in the use of the Apple IIe.
3. Work with the consultants appointed to undertake the house design and needs assessment studies.
4. Work with MONH/UNCHS team and consultant on the development of a computer-based loan administration system.
5. Begin detailed project planning in secondary towns if MFEPD decides to proceed with borrowing for these schemes.

REFERENCE : C/111/1

Ministry of Local Government and Town  
 Planning  
 Private Bag 7706  
Causeway

9th August 1984

Local Authority Circular No. 74

To The Town Clerks and Secretaries of  
 All Urban and Rural Councils

Dear Sir/Madam

NEW APPLICATION FOR BORROWING POWERS FORM :

The attached form dealing with applications for borrowing power approval is to be introduced with immediate effect please.

The form covers applications for borrowing power approval in respect of  
 - General Development loans from this Ministry and  
 - Loans from the National Housing Fund

and it has been approved by the Ministry of Construction and National Housing.

Careful completion of the form will minimise delays in your Council obtaining borrowing power approval.

M. Nzuwah  
 SECRETARY FOR LOCAL GOVERNMENT AND TOWN PLANNING

MN/TM

|   |
|---|
| TOWN CLERK'S DEPARTMENT<br>MUNICIPALITY OF KADUNA |
| RECEIVED  |
| ACK 16/08/84                                      |
| ACTION  |

APPLICATION SEEKING BORROWING POWERS

(This application should be submitted in duplicate)

1. Applicant .....Urban Council  
Rural Council  
(delete inappli-  
cable)

2. Purpose for which loan is required .....  
.....  
.....

If for low cost housing please specify number of units.

Where the application is in respect of -

- A. Buildings other than low cost housing; plans and specifications must accompany this form;
- B. Services other than those in support of low cost housing, this form must be accompanied by either -
  - (i) a consultants report; or
  - (ii) plans, specifications and full details of the work to be carried out;
- C. low cost housing and related infrastructural services, this form together with all plans, specifications and reports required by the Ministry of Construction and National Housing shall be forwarded direct to that Ministry in the first instance. The Ministry of Construction and National Housing, where it is satisfied with the borrowing power application, will then forward this form together with its recommendations to the Ministry of Local Government and Town Planning for final approval. Section 12 will have to be completed in detail, or following consultation with the Ministry of Construction and National Housing, in order that that Ministry is able to submit detailed recommendations relating to purchase prices or rentals for houses and instand services, and charges for other individual services to be provided by council. For low cost housing delete sections 3 to 11. Please send a copy of the original application to the Ministry of Local Govt. and Town Planning.

3. Amount to be borrowed \$ ..... If the project spans a number of years specify the amount to be drawn each year .....

4. Proposed period of repayment .....years. (see note at section 13)

5. Rate of interest ..... Where individual items bear different rates of interest within the project please specify ..  
.....(see note at section 13)

6. Method of repayment: half-yearly annuity/(specify) .....  
.....

7. Proposed source of loan .....  
.....  
.....

|  |  |             |
|--|--|-------------|
| <b>B. <u>PRIMARY INFRASTRUCTURE</u></b>        |  | <u>Est.</u> |
| 1. Access Road and related stormwater drains   |  | \$          |
| 2. Bulk water supply                           |  |             |
| 3. Trunk sewer and treatment                   |  |             |
| Sub-total                                      |  | \$ _____    |
| <b>C. <u>SITE SERVICING</u> (out of stand)</b> |  |             |
| 1. Roads and drains                            |  |             |
| 2. Bulk water supply                           |  |             |
| 3. Trunk sewer and treatment                   |  |             |
| Sub-total                                      |  | \$ _____    |
| <b>D. <u>HOUSE CONSTRUCTION</u> (in stand)</b> |  |             |
| 1. Materials                                   |  |             |
| 2. Labour                                      |  |             |
| 3. Transport                                   |  |             |
| 4. Equipment                                   |  |             |
| Sub-total                                      |  | \$ _____    |
| <b>E. <u>TECHNICAL ASSISTANCE</u></b>          |  |             |
| 1. Project administration                      |  |             |
| 2. Professional fees                           |  |             |
| Sub-total                                      |  | \$ _____    |
| Total Excluding Contingencies                  |  | \$ _____    |
| <b>F. <u>CONTINGENCIES</u></b>                 |  |             |
| 1. Physical                                    |  |             |
| 2. Price (inflation)                           |  |             |
| Sub-total                                      |  | \$ _____    |
| <u>GRAND TOTAL</u>                             |  | \$ _____    |

TABLE 2 : Project Financing Plan

| 1<br>COMPONENT            | 2<br>SOURCE OF LOAN |    |    | 3<br>RATE OF INTEREST | 4<br>PERIOD OF LOAN<br>YR. | 5<br>ANNUAL<br>1 + R |
|---------------------------|---------------------|----|----|-----------------------|----------------------------|----------------------|
|                           | \$                  | \$ | \$ |                       |                            |                      |
| 1. LAND                   |                     |    |    | %                     |                            | \$                   |
| 2. PRIMARY INFRASTRUCTURE |                     |    |    |                       |                            |                      |
| 3. SITE SERVICING         |                     |    |    |                       |                            |                      |
| 4. HOUSE CONSTRUCTION     |                     |    |    |                       |                            |                      |
| 5. TECHNICAL ASSISTANCE   |                     |    |    |                       |                            |                      |
| 6. PLANT/EQUIPMENT        |                     |    |    |                       |                            |                      |
| 7. CONTINGENCIES          |                     |    |    |                       |                            |                      |

Notes: The following is the laid down formula for calculating the above:

| COMPONENT                       | RATE OF INTEREST | PERIOD OF LOAN |
|---------------------------------|------------------|----------------|
|                                 | %                | YEARS          |
| ALL SERVICES AND INFRASTRUCTURE | 9.75             | 25             |
| HOUSE CONSTRUCTION              | 9.75             | 30             |
| PLANT/EQUIPMENT                 | 9.75             | 5              |

- The above rates are current but are subject to periodic change.
- Where in doubt or if any item is not reflected consultation with this Ministry is necessary.
- Interest rates on government loans are at the ruling rate. Interest rates on own resources are controlled either by legislation or Ministry Circular.
- The following formula can be applied to current rates to provide a rough guide for assessing interest and redemption per annum.
  - Infrastructure : for every \$'000 of loan x 8.91  
for p.m. figure and then x 12 for p.a.
  - Superstructure : for every \$'000 of loan x 8.59  
and then as above.
  - Plant/Equipment : for every \$'000 of loan x 21.45  
and then as above.
- Where the source of loan is a donor state name of donor.

TABLE 3 : Project/Unit Monthly Charge

| <u>ITEM</u>   | <u>\$p.m.</u> |
|---|---------------|
| 1. Flot   |               |
| 2. Infrastructure (Primary)   |               |
| 3. House (I and R)  |               |
| 4. Service charges<br>Min. water charge<br>sewerage treatment<br>refuse removal<br>electricity consumption<br>water and sewerage reticulation I and R |               |
| 5. Supplementary (specify)'   |               |
| 6. Insurance  |               |
| 7. Administration   |               |
| 8. Voids (specify)  |               |
| <hr/>   |               |
| Total Monthly Cost  | \$            |
| <hr/>   |               |
| 9. Minimum required income p.m. {   | \$            |

- (vi) Increases in treatment of water and sewerage \$.....
- (vii) cost of water within minimum charge \$.....
- (viii) electricity reticulation \$.....

Table 5

Annual Income from new housing based on Existing monthly tariffs

- (i) Water charge (minimum charge only) \$.....
- (ii) Sewerage treatment charge \$.....
- (iii) Rubbish removal charge \$.....
- (iv) Supplementary charge \$.....
- (v) Service or other charges \$.....
- (vi) Any profit as a result of water sales not included in the minimum charge \$.....

If expenditure in Table 4 exceeds income reflected in Table 5 supply remedy i.e. which charges must be increased throughout the whole area

.....

TABLE 6 : Project half-yearly cash flow

| COMPONENT            | COST | F.Y. 84/85 |   | F.Y. 85/86 |   | F.Y. 86/87 |   |
|----------------------|------|------------|---|------------|---|------------|---|
|                      |      | 1          | 2 | 1          | 2 | 1          | 2 |
| 1. LAND              |      |            |   |            |   |            |   |
| 2. INFRASTRUCTURE    |      |            |   |            |   |            |   |
| 3. HOUSE             |      |            |   |            |   |            |   |
| 4. TECHNICAL SERVICE |      |            |   |            |   |            |   |
| 5. CONTINGENCIES     |      |            |   |            |   |            |   |
| TOTAL                |      |            |   |            |   |            |   |

NOTE: The above Table is only applicable to draw down of funds

13. The following are laid down maximum periods of repayment for loans for -

- |                                     | <u>Years</u> |
|-------------------------------------|--------------|
| (a) houses and instand services     | 30           |
| (b) water and sewerage reticulation | 25           |
| (c) water and sewerage purification | 25           |
| (d) roads (tarred)                  | 15           |
| (e) roads (gravelled)               | 8            |
| (f) tractors                        | 5            |
| (g) graders                         | 8            |
| (h) bulldozers                      | 10           |

Where in doubt or if any item is not reflected above, consultation with the Financial Advisor's section of the Ministry is necessary.

Interest rates on Government loans are at the ruling rate. Interest rates on own resources are controlled either by legislation or Ministry circular.

CERTIFICATE

Urban Councils/Local Boards

I certify that the intention to seek borrowing powers has been passed by resolution No. ....dated ..... and that such intention has been advertised in the ..... (state relevant newspaper) and that -

- (a) No objections have been received, or
- (b) .....objection(s) has/have been received, copies of which together with council's/board's comments thereon are attached.

Date ..... Signature ..... (Secretary)

Kural Councils: I certify that my council has, in terms at section 116 (2)(a) of the Kural Councils Act, Cap. 211, resolved to apply for authority to borrow money as detailed in this application.

Date ..... Signature ..... (Secretary)

MEMORANDUM

*RMB*

To *↓* SECRETARY  
DEPUTY SECRETARY OPERATIONS  
DEPUTY SECRETARY PROFESSIONALS  
DEPUTY SECRETARY (HOUSING AND  
OFFICE ADMIN)

Ref F/3/49

From PROJECT PLANNING ADVISOR  
R. BEARDMORE

Tel.

Date 20 SEPTEMBER, 1984

SECOND USAID HG LOAN

In our meeting of 18 September, 1984 with Mr. Fred Hansen of USAID, the delay in obtaining MFEPD authority to commence operations on the Second USAID loan was discussed. It was surmised that MFEPD's reluctance to go ahead with the projects at P/F and in the three Secondary towns was caused by one or other (or possibly all three) of the following reasons :

- a) GOZ's heavy debt servicing burden on existing foreign loans, estimated to be 28% of the 1984/85 Budget.
- b) The current high interest rates (12%+) in the US capital market;
- c) The large financial contribution required from GOZ's own resources, i.e. Z\$15,4 million over two years.

There is really nothing MCNE can do if MFEPD's concerns are mainly about a) and b) above.

However if the stumbling block is c) GOZ's contribution, there is something MCNE can do. Mr Hansen suggested that the present Project Delivery Plan of 22 March 1984 could be revised to take into account the following factors :-

- i) The present exchange rate between US\$ and Z\$ is 0.72 whereas the PDP was based on a figure of 0.92.
- ii) The PDP includes components which were not included in the original project design, viz, the rental component and all loans to plot developers being budgeted for at the maximum of Z\$ 7400.

*17*

It is estimated that the effect of adopting an exchange rate of \$0.72, converting the rental units to homeownership and reducing the provision for loans to plot developers to the level actually affordable, would drastically cut the requirement for a GOZ contribution from Z\$15.4 million to Z\$2.7 million. See attached sheet.

RECOMMENDATIONS:

- a) Ascertain from MFEPD the precise nature of their concern about proceeding with the Second USAID Loan.
- b) If their concern is confined to the size of the GOZ contribution, amend the FDP along the lines of the above proposal for submission to MFEPD.

/rcm:

SECOND USAID HG LOAN : PROPOSED REDUCTION OF GOZ CONTRIBUTION

*(All figures in thousands of Z\$)*

Current estimate of project costs by source of funds:-

|       |        |     |
|-------|--------|-----|
| USAID | 27,173 | 6%  |
| GOZ   | 15,442 | 36% |
| LA    | 640    | <1% |

Z\$43,257

1) Savings created by converting rental units to homeownership

|      | No. of Units | Current Budget (rental) | Proposed as/ Home - Ownership at 2500 | Net Saving     |                |
|------|--------------|-------------------------|---------------------------------------|----------------|----------------|
| P/F  | 326          | 2 203                   | 815                                   | 1,388          |                |
| Mar  | 103          | 515                     | 257                                   | 258            |                |
| Kad  | 98           | 490                     | 245                                   | 245            |                |
| Chin | 50           | 250                     | 125                                   | 125            |                |
|      |              | <u>3 458</u>            | <u>1 442</u>                          | <u>\$2,016</u> | <u>\$2,016</u> |

2) Savings by lowering average loan to \$2500 on remaining residential plots

|      | No. of Plots | Cap at 3100   | Cap at 2500   | Net saving     |                |
|------|--------------|---------------|---------------|----------------|----------------|
| P/F  | 2 938        | 9,107         | 7,345         | 1 762          |                |
| Mar  | 932          | 2,889         | 2,330         | 559            |                |
| Kad  | 848          | 2,742         | 2,120         | 622            |                |
| Chin | 450          | 1,395         | 1,125         | 270            |                |
|      |              | <u>16,133</u> | <u>12,920</u> | <u>\$3,213</u> | <u>\$3,213</u> |

3) Savings by adopting exchange rate of \$0,72

|                         |   |                  |                 |
|-------------------------|---|------------------|-----------------|
| US\$ 25,000 000 at 0,72 | = | 34,722,222       |                 |
| US\$ 25,000,000 at 0,92 | = | 27,173,913       |                 |
| Difference              |   | <u>7,548,309</u> | <u>\$7,548</u>  |
| Total savings to GOZ    |   |                  | <u>\$12,777</u> |

Revised estimate of project costs by source of funds:

|       |        |     |
|-------|--------|-----|
| USAID | 34,722 | 9%  |
| GOZ   | 2,665  | 8%  |
| LA    | 640    | <1% |

Z\$38,027

/rcm:

17

D.S.O.

PROJECT PLANNING ADVISER  
R.M. BEARDMORE

HC/KAM

24TH JULY, 1984

KADOMA HOUSING SCHEME

The attached front-page article in Friday's Financial Gazette refers.

We may anticipate further delays in commencing the USAID-funded Waverley project, given the evidently precarious financial situation in Kadoma.

I suggest we contact Ministry of Local Government and Town Planning to ascertain i) how far Kadoma's Borrowing Power Application has gone and ii) if it is likely to be approved in the foreseeable future.

/rcm:

c.c. Cde Wild

# KADOMA IS NEAR BANKRUPTCY KIDIA TELLS COUNCILLORS

A SHOCK statement revealing that the Kadoma Municipality faces near-bankruptcy, with an accumulated deficit of \$1,285 million which could rise to a deficit of \$2,7 million if all the new 1984/85 budget proposals were adopted, was made by the chairman of the Finance Committee, Alderman C B Kidia, last week.

The municipality is facing declining revenues, increased provision for services — and is already in default on repaying a large loan for water reticulation.

According to a report published in the North Midlands Gazette dated July 13, Kadoma ratepayers now face increases in service charges, licences and assessment rates. But Ald Kidia asked the Finance Committee: "How long can we expect this community to be the highest payers of rates and taxes in Zimbabwe?"

He was also reported to have said: "To put up rates and service charges, while at the same time the residents of high density areas are being given a similar service but without a corresponding increase,

is cause for dissatisfaction to the ratepayers."

Ald Kidia said he was "concerned" at the lack of financial controls by the council and that most of the blame must be borne by the councillors.

"In trying to provide services, this council has spent more than it has been able to earn from revenue," he stated.

"Councillors have not given much thought to the financial position at Kadoma, and I am sure that they are aware of the position but just do not like to face facts in a businesslike manner."

These statements were made at the opening of the Finance Committee meeting last week in Kadoma to study the Estimates and Expenditure for the coming financial year.

According to the report, Kadoma's accumulated deficit was \$317 148 as at June 1981. It increased by \$177 785 for the 1981/82 year; by \$367 492 for 1982/83 and by \$422 584 for the 1983/84 financial year just ended, so giving a total at present of \$1 285 010.

Ald Kidia warned the meeting that should the committee adopt the proposed new 1984/85 budget, as presented, the deficit would be increased by: \$295 302 on the rate fund; \$674 770 on the housing account and on the beer hall account \$450 000 — a total of another \$1,42 million by the end of the present financial year.

Added to the existing total deficit, this could push the full accumulated deficit up to \$2,7 million by the end of June next year.

Even if developments were pruned to the minimum, Kadoma would not have enough money to maintain existing services, said the report.

The first task was to find revenue to balance the current year's budget before carrying out necessary development. The second was to find ways of raising extra revenue to meet and wipe out the accumulated deficit from the years 1981/84.

According to the draft estimates the income from the Beer Hall account would only be \$34 250, whereas all the committee's propo-

sals called for expenditure of \$484 125. Ald Kidia asked: "How is this council expected to meet this shortfall?"

He said that the health service showed a continued deficit of \$81 635 due to the Ministry of Health's refusal to meet in full the expenditure of running clinics and other health services. To further aggravate the position the problem of providing primary school education had now fallen on council's shoulders without an additional base for further income, and soon it would have to build its first primary school.

This was a serious concern as "this council does not have money to run itself, let alone to build schools," the alderman commented.

He also said that the council was already in default on the repayment of a loan for the new water reticulation plant which was nearly complete. Unless the council displayed strict controls on finances, the loan monies to complete this project could be withheld.

This would be disastrous for Kadoma as it would have to find the resources to pay the contractors and interest on existing loans on the project, without the benefit of its completion in increased water sales.

Ald Kidia also spoke about the rate fund problems and other serious difficulties, including proposed increases applicable to the rateable area, but not in the "incorporated areas" until they were approved by the Minister of Local Government and Town Planning.

Ald Kidia said various consequences would follow unless measures were taken now to control expenditure by the Kadoma municipal authorities, including the possible refusal of Government permission to raise further loans.

He then made seven recommendations which, he said, would not be "easy to swallow" but were necessary in order that the council did not bankrupt the future of the town.

Among the proposals was one saying that the 1984/85 budget should be balanced and that all developments should begin only after new sources of income started coming into the municipal treasury.

DEO

PPA

SI/827/1

31 July, 1984

PERIPHERAL STANDS AT P/F

John Burrow and Partners have submitted a planning proposal for the redesign of stands around the edge of Phase I next to the Bulawayo Road. See the recent letter ACD/jb/2/10A/5a. The proposal creates approximately 40 additional plots by virtue of using smaller ones than those originally proposed in January 1981. Yet all plots are a minimum of 300 m<sup>2</sup>. At the Project Oversight Committee meeting held on 26 July, JBP requested a MCHN decision on the proposed layout.

The decision should take into account an apparent policy of the former Ministry of Local Government and Housing, to surround high density schemes with a band of larger plots on those edges fronting on major public roads. The intention of the policy was presumably to hide the small contractor-built core houses or 200 m<sup>2</sup> stands from public view by encouraging the development of large peripheral stands with large houses developed by people with larger incomes than those allocated stands in the scheme proper.

I would argue against continuing this policy, and hence in favour of JBP proposed layout, for the following reasons :-

- a) None of the houses at P/F will be developed using the monotonous mass-production techniques of large-scale builders. There will not be the endless rows of identical core houses in identical colours which are the "eye-sore" in earlier pre-independence projects. Rather each house will be unique and built as the result of each individual allottee's decisions about plans, materials finishes, etc. Therefore there is really nothing to hide.

This is the more true since the site planning used in P/F does away with the rigid grid layout of earlier schemes. Instead it uses a combination of cul-de-sacs and P-loops to create a variety of plot layouts (perhaps too much so !).

- b) The standard of infrastructure is second to none in the whole city, with all roads paved, street lights and a network of cycle tracks which many low density areas lack. Again nothing to hide.
- c) The extra plots serviced at very little additional cost will make better use of the land and allow more beneficiaries to participate in the project.
- d) Since all allottees must have been earning less than \$175 pm as of August 1982, there really is not the option to allocate large stands to a different, higher income group in the interest of creating a facade of well-to-do homeowners.
- e) Finally, there appears to be a certain lack of integrity in trying to make a housing scheme appear outwardly as something it is not. This is perhaps a pre-Independence attitude which does not reflect the "One City" concept.

/rcm:

DEPUTY SECRETARY OPERATIONS

PROJECT PLANNING ADVISER

PMS

EI/827/11

24th SEPTEMBER, 1984

BUILDINGS WORK AT P/F

The letter 1001/2/30 of 31 August, 1984 from the Director of Works refers.

A. Core Houses

Our proposed study on low-income house design will throw more light on the whole issue of appropriate plans for P/F. The DOW's comments are what are to be expected i.e. Harare's plans are the best anywhere.

B. Primary Schools

Given the tardiness of the programme for primary schools, I recommend letting the DOW go to contract. MCHH can use its own brigade under the PMO to build the Secondary School in a kind of competition to show the City what can be accomplished by this mode of construction. I am however concerned that DOW has added 6% for professional fees to his cost estimate. Could he not reduce it to 4%, thus cutting out the profit element of 2% which is included in a normal fee of 6%?

C. Establishing of Block Manufacturing Unit

The City's detailed calculation of block manufacturing cost yields a figure of \$0.4150 which compares very well with our computer model's result of \$0.4296. The DOW has in fact adopted many of the assumptions used in our computations. The number of workers to clear the slab remains contentious and the comparison uses 6 per machine. See attached print out.

The DOW favours establishing their facility at the Crusher Station on the grounds that the savings on the purchase price of raw materials more than off-sets the extra costs of transporting blocks by trucks and trailers. They also wish to avoid "abortive" expenditure on toilets, offices, etc which would be incurred establishing a temporary facility closer to the project site. The second argument is more persuasive than the first since the price difference at issue on the transport is merely \$0.0030 per block. See table below. The price difference attributable to abortive site establishment is \$0.0096 per block.

Neither factor is significant enough to be ruled as decisive and I would suggest the City has worked very hard to "prove" that the Crusher Station is preferable to Warren "D" as the site for their block operation. Nevertheless I have no problem with their conclusions and would recommend endorsing their resolution, all the while encouraging them to cut costs by making the most efficient use of general workers possible.

Summary of Unit block costs (assuming a work force of 57 general workers):

|    |                  | <u>Manufacture</u>   | <u>Transport</u>     | <u>Total</u> |
|----|------------------|----------------------|----------------------|--------------|
| 1. | At Crusher Plant | 41.50                | 11.70 <sup>(1)</sup> | 53.20        |
|    |                  |                      | 5.98 <sup>(2)</sup>  | 47.48        |
| 2. | At Warren "D"    | 43.80 <sup>(4)</sup> | 3.98 <sup>(3)</sup>  | 47.78        |

Notes:

- (1) Using low-loader
- (2) Using trucks and trailers
- (3) Using tractors and trailers
- (4) Higher manufacturing cost attributable to higher cost of raw materials delivered to Warren "D".

/rcm:

MINISTRY OF CONSTRUCTION & NATIONAL HOUSING

NOTES ON DISCUSSIONS OF THE PARKRIDGE/FONTAINEBLEAU  
PROJECT MANAGEMENT OVERSIGHT COMMITTEE MEETING NO. 11  
HELD ON 27 SEPTEMBER 1984, AT SITE

PRESENT:CONSTRUCTION & NATIONAL HOUSING

Mr. H. Magdon-Ismaïl (Chairman)  
Mr. T. Zinyandu  
Mr. N.J. Bhargava  
Mr. N. Wild  
Mr. J. Wegge  
Mr. R. Beardmore

CITY OF HARARE

Mr. M. Beresford  
Mr. D. Tobaiva  
Mr. I. Morrison  
Mr. D. Kadzura  
Mr. R.M. Naik  
Mr. N. Nziramasanga  
Mr. G.A.R. Chiseve  
Mr. R. Davey  
Mr. K. Bailey

JOHN BURROW PARTNERS

Mr. A. Dickson  
Mr. C. Marianayagan  
Mr. E. Mtangadura

P.T.C.

Mr. S. Nkala  
Mr. P. Shekede  
Mr. B. Nyamwanza

APOLOGIES Mr. T. Lewis            City of Harare  
                  Mr. H. Maarschalk       Surveyor-General

1.0 CORRECTIONS OF THE MINUTES OF THE PREVIOUS MEETING

- 1.1 Para 2.4 should read "50 additional stands" instead of "16 additional stands".
- 1.2 Para 2.15 should read "About 12% of the potential revenue collection was not collected" instead of "About 12% of project beneficiaries are currently in arrears in payments".

2.0 MATTERS ARISING

2.1 Disbursement of Funds to CoH

Money for Phase I has been drawn down by MCNH and will be disbursed to CoH in due course. CoH to liaise with MCNH on the exact amounts required.

2.2 Review of Phase II

MCNH to meet with MFEPD in early October on the question of funding Phase II. Meanwhile CoH have stopped sending out letters of invitation to applicants because enough have already been contacted to fill Phase I. MCNH to advise CoH as to when Phase II allocations could start.

2.3 Large stands along Bulawayo Road

It was agreed by all that the strip of land along the Bulawayo Road in Unit 2 North be serviced to accommodate normal residential stands as per JBP's infill layout drawing SG07. Thereafter the City could offer these serviced plots to companies who would erect "tied housing" for their employees or develop them on their own/aided self-help. The Surveyor-General's comments on the proposed site layout are to be taken into account when JBP finalizes the design and prepares a detailed cost estimate for the servicing of the stands. JBP to proceed with this exercise.

The question of developing flats in Phase I of P/F was subject to the availability of funds and since no funds were on hand, has been postponed.

2.4 Transport

Direct contact between USAID and the Ministry of National Supplies appears to have resolved the issue of transferring the minibus BW 95 and one Cabstar G-LLM-516 to the City.

2.5 Telephones at P/F

The Chairman thanked the three representatives from PTC for attending the meeting. He outlined the current administration problems caused by lack of sufficient telephone lines. PTC's Assistant Chief Engineer, Local Networks, Cde S. Nkala, reported that a telephone exchange accommodating 14,000 lines would be commissioned at Warren Park before the end of 1985 to serve P/F, Kambuzuma, Warren and Marimba/Park. However he saw the possibility of solving CoH's short-term problem at the administration complex by providing 5 lines within the next 1 or 2 months. He advised CoH to make a formal application to the Manager, Sales and Services with a copy to him at Box 2580. It was hoped that these lines would be available by December, 1984. The chairman expressed his gratitude to PTC on behalf of the Committee. The three PTC representatives then left the meeting in the company of Cde Kadzura to inspect the office complex for location of telephone instruments, etc.

## 2.6 Electricity Installation

CoH reported that Unit 3 was now 25% complete. The Electrical Department had experienced some difficulties with the mechanized auger slipping and striking water and sewer lines. They recommended that future schemes give consideration to combining water and sewer lines in a reserve on one plot, leaving the adjoining plot free for electrical services, as has been done in previous CoH schemes.

JBP and CED were still awaiting the SG's report on beacons disturbed by the erection of electricity poles.

## 2.7 Bulawayo Road Roundabout

CoH officials reported that the erection of street lighting at the roundabout should be completed by the end of November 1984. They also stated that the Highways and Works Engineer has been requested to place rumble strips on the approaches to the roundabout as an added safety measure. It was noted that whereas the road sign indicating the presence of the roundabout on the Bulawayo side of the roundabout had been repositioned, that on the Harare side was still too close to the junction. CoH to deal.

## 2.8 High Glen Road

It was noted that there was a need to expedite the marking and signing of the High Glen road in order to open it to traffic. CoH requested that JBP submit their proposals for this exercise for prompt review and approval after which JBP to oversee the erection of signs and application of the markings. This was agreed, with MCNH assisting at the review meeting to expedite the exercise. JBP stated that there was still a need for road signs and markings within Phase I of P/F. They estimated funds amounting to \$5 000 were required. The Chairman said this should be the total responsibility of the City, including earmarking the funds. The question of the removal of stones from the edges of the road was deferred until after the meeting, when all concerned could visit the affected areas. CoH wished to raise the question of the cycle track at the bridge once again. This was also deferred to the site visit. It was suggested that the Mayor should be called upon to contact the Minister of Construction and National Housing about inaugurating the road. Nonetheless the formal inauguration should not delay the opening of the road to traffic. A target date of 31 October 1984 was set for the latter event.

## 2.9 Public Toilets

An additional two Blair pit latrines were under construction bringing the total to four, reported the District Officer.

## 2.10 Community facilities

The question of school construction in Phase I was resolved at a meeting held on 25 September 1984 at MCNH. It was agreed that MCNH would undertake the construction of four primary schools and one secondary school using its PMO workers. While this work was underway, MLGTP and local authorities were to devise a policy on cost recovery. MCNH anticipated receiving CoH's finalized design drawings for the first primary school by 25 September, 1984.

MCNH will report on the matter of whether contractors could be engaged by CoH on community facilities funded by sources other than the NHF at the next meeting.

#### 2.11 Planning and Survey

JBP reported that the SG was willing and able to produce a plan of Phase I at 1:5000. It was suggested that a revised count of stands available for allocation was needed and JBP undertook to do this. The Chairman reiterated that all cadastral surveys for commercial stands was to be undertaken by CoH on its own account.

#### 2.12 Building material stores

CoH reported that the Stores Manager had reported for duty and that additional staff could be expected in the next two weeks.

CoH also reported that the Ministry of Finance had advised them that Sales Tax on materials issued to beneficiaries must be collected from the beneficiaries themselves, i.e. charged as part of the issue price and then remitted to the Collector of Revenue. MCNH was concerned at this statement and requested copies of the correspondence between CoH and MFEPD. The Chairman said he would take the matter up with the Secretary, MCNH.

On the issue of stands for private suppliers of building materials, MCNH offered the following elaboration: where CoH wished to dispose of serviced stands in an area zoned for commercial or industrial use, they need but follow the requirements of the Urban Councils Act. MCNH, however, did not want CoH to allocate unserviced land outside of commercial or industrial zones to building materials suppliers on a temporary basis. If necessary this clarification would be put in writing with a further exchange of letters between CoH and the Ministry.

It was reported that all external works at the depot were finished except for some fencing which was being undertaken by the PMO.

#### 2.13 Servicing of Shopping Centres

CoH has passed drawings showing the proposed electrical layouts of the four shopping centres in Phase I to JBP for comment. JBP acknowledged having received them on 25 September 1984. Layout for the electrical supply for the centre in Unit 5 would await discussions between the CED and DCS.

#### 2.14 Surveyor - General's Report

The SG was absent with apologies. There appeared to be no problems of co-ordination between JBP, SG and CoH. JBP was undertaking a check on Phase II beacons and reported at least 500 stands ready for allocation.

#### 2.15 Arrears

Arrears had dropped by 1/2 % over last month. Approximately 20 agreements had been cancelled owing to non-payment, a figure which was reported to be normal for a scheme the size of P/F.

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2.16 Security at the Kopje

CoH reported that the fence was once again intact. The Town Clerk's Office mounts a mobile patrol to protect the area. The CoH stated that it is very conscious of the need to preserve the kopje area and is doing it within the constraints of limited resources.

2.17 Hand-over to Infrastructure Debt

To be discussed with City Treasurer and MCNH.

2.18 Hand-over of JBP Site Offices

DCS visited the JBP site offices with a view to taking them over as community facilities in due course.

2.19 Progress Report: Allocation and Loans

2.19.1 Screening

|                       | 29/8/84 | 17/9/84 |
|-----------------------|---------|---------|
| Recommended           | 5 761   | 6 549   |
| Not recommended       | 170     | n/a     |
| Withdrawn             | 214     | n/a     |
| Not yet reported      | 1 116   | n/a     |
| Invited for interview | 7 368   | 8 388   |

2.19.2 Allocation

|                        |       |       |
|------------------------|-------|-------|
| Allocations            | 2 426 | 2 847 |
| Declined on allocation | 18    | n/a   |
| Rejected at allocation | 2     | n/a   |
| Not yet reported       | 369   | n/a   |
| Invited to report      | 3 295 | n/a   |

2.19.3 Averages

|                              |          |        |
|------------------------------|----------|--------|
| Average income               | \$155/mo | 155/mo |
| Average age                  | 39 yrs   | 39 yrs |
| Average number of dependents | 4        | 4      |
| Average loan entitlement     | 2 358    | 2 374  |

2.19.4 Construction Loans

|                      |             |             |
|----------------------|-------------|-------------|
| Number of Loans      | 1 338       | 1 641       |
| Total value of loans | \$3 397 340 | \$4 225 285 |

2.19.5 Construction Progress

|                           |       |       |
|---------------------------|-------|-------|
| Plans sold                | 2 095 | 2 269 |
| Private plans approved    | 17    | n/a   |
| Foundation excavations    | 605   | 610   |
| Slabs completed           | 399   | n/a   |
| Walls to Window Level     | 59    | n/a   |
| Walls to Wall Plate Level | 75    | n/a   |
| Roofs complete            | 37    | 71    |
| Toilets completed         | 2     | 15    |

2.20 Loans

MCNH requested DCS to reinforce the message to beneficiaries that the Ministry did not provide construction loans direct to beneficiaries. There had been some cases of allottees appealing to MCNH for additional loans.

3.0 NEW BUSINESS

3.1 Private Sector Display Houses

DCS has reserved 12 stands for use by companies wishing to construct display houses to demonstrate their products. Marley Zimbabwe (Pvt) Ltd of Lochinvar, Harare has indicated its desire to build one such house. MCNH supports these efforts provided all houses conform to MCNH policy. DCS said all such houses would also have to meet COH requirements. These units would become part of the "rental" component which fell to the private sector to operate as "tied housing" i.e. part of the 30% of the 10% rental element. Companies would have title to the stands for which they paid cash.

4.0 NEXT MEETING

25 October 1984 at 09.00 hours at Administration Offices.

CITY OF HARARE

Department of Community Services,  
Remembrance Drive, Harare,  
HARARE.

6th July, 1984.

PROGRAMME : VISIT BY THE MINISTER OF CONSTRUCTION AND  
NATIONAL HOUSING TO PARKERIDGE/FONTAINELEDAV ON SUNDAY 22ND  
JULY, 1984

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1. 10.00 A.M. : Minister of Construction and National Housing, Minister of Local Government and Town Planning, Minister of Finance, Economic Planning and Development, Minister of National Supplies, Minister of Foreign Affairs, Provincial Governor, Mashonaland East and U.S. Ambassador to Zimbabwe, arrive at P/F Administrative Centre and are welcomed by His Worship the Mayor.
2. 10.05 A.M. : Tour of current area of building development (Unit 4) in Community Services Bus.
3. 10.45 A.M. : Return for tea at Administrative Centre.
4. 11.00 A.M. : Beneficiaries assemble in Training Centre Hall.  
Introductory speech by His Worship the Mayor.  
: Speech by Minister.  
: Speech by United States Ambassador.

*de Sandmore*

SPEECH BY MR. S. MURRAY, MINISTER OF CONSTRUCTION  
AND NATIONAL HOUSING, ON THE OCCASION OF THE OFFICIAL  
LAUNCHING OF THE FARBRIDGE/FONTAINEBLEAU (KUZAZANA) AIDED  
SELF HELP HOUSING SCHEME

---

His Worship the Mayor of Harare, Councillors, USAID Representatives,  
Distinguished Guests, Comrades and Friends.

Today we witness a very important day. Important not only to those who will have been allocated stands here at Farbridge/Fontainebleau, to be called Kuzazana from now on, but important also to the City Council and people of Harare. This is so because what is taking place here at Kuzazana is the first project of its kind to be undertaken in Harare.

Although similar aided self help schemes have been taking place in Kwekwe and Gutu, this scheme is important in that on completion, it will be of unparalleled size, and also it is taking place in Harare, and thus will act as an example to many other local authorities who use Harare as a measuring rod.

The Government's long term objective in housing is clear. It is to ensure adequate housing and related services at affordable prices for all. In our view, the housing problem is most acute among the low income masses of our population, and it is to the plight of these low-income people that the Kuzazana aided self help housing scheme is addressing itself.

Comrades and friends, we are gathered here specifically to implement increased low-income shelter production in Harare. Today, well over 35 000 people are on the waiting list for housing in Harare. In fact, Harare requires at least 6 500 new housing units annually for the purpose of not only beginning to satisfy housing need but to curtail the potential growth of squatter settlements on unserviced land in the central city zones and the urban periphery itself.

The aided self-help policy initiative has necessarily increased the level of responsibility for housing projects of the Harare City Council. It is hoped

therefore that this scheme will act as a stepping stone to more schemes of a similar nature. It should be noted however that this new national housing policy which will house more people more equitably has placed new demands on the staff of both my Ministry and local authorities.

The new policy is people oriented, encourages self-reliance and places housing in a dynamic central role in the process of improving the quality of living. Successful implementation of this policy requires that housing personnel at both the national and local levels have the capacity to work directly with the people, plan with the people and develop housing programmes and projects which produce satisfactory housing at affordable costs.

It is relevant here, Comrades and Friends, to remind ourselves that housing programmes prior to and shortly after independence in 1960 have predominantly emphasized contractor built rental housing and little consideration on specs, building materials and standards. You will no doubt, have noticed my Ministry's deviation from this emphasis. The Kawakawa housing project has the following goals in line with Government Housing Policy:

- (a) the project seeks to produce housing on a massive scale;
- (b) it is an integrated urban development project that will provide schools, shops, markets and other community facilities simultaneously with housing production;
- (c) it seeks to increase institutional, i.e. local authority capacity to plan, implement, finance and manage large urban projects;
- (d) full participation of the beneficiaries in the provision of their own housing.

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2000

In accordance with Government housing objectives, the Kwekwe project is bound by the following principles:-

- (a) Homeownership;
- (b) restriction of opportunities to the below-medium income households that is those below a salary of £175 per month;
- (c) affordability;
- (d) options in the mode of construction;
- (e) financial, material and technical assistance to beneficiaries;
- (f) full recovery of costs.

The essence of an aided self-help scheme like this one is to ensure that workers who earn the prescribed amount or less every month should utilise their own resources in terms of savings, building materials, labour, transport and equipment. The responsibility for providing shelter should not be left to the Central Government and local authorities alone. Employers too should be in a position to provide assistance in the form of loans to their employees. I might add that local authorities are requested to allocate land to employers who wish to develop housing estates for their employees.

The concept of self help in housing is not new in Zimbabwe. In the rural areas, our people have been housing themselves on a self-reliance basis going back to time immemorial. If we can do it in the rural areas, why can't we do it in the urban areas where assistance is being given to us in the form of cash loans, building materials loans and technical advice.

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Direct beneficiary involvement in the housing decision-making process and in the construction itself is being emphasized because it is the beneficiary alone who knows the type of house design, the size of the house, the colour, etc., he or she wants, not anybody else.

It is the Ministry's policy to provide security of tenure for beneficiaries and to encourage further owner-development of houses. The full recovery of costs principle is intended to ensure financial feasibility and replicability of this large housing project. It is the Ministry's intention, assisted by USAID to replicate the project in the secondary towns of Kadoma, Harare and Chikwizi.

On that note, let us thank the USAID for its unparalleled contribution towards solving the problem of low-income housing in Zimbabwe. To the Harare City Council I would like to say let your co-operation with the Ministry of Construction and National Housing consolidate to set an everlasting example to the other local authorities. As for the beneficiaries I would like to congratulate you on the fantastic work you have achieved within such a short period. However let me remind you that buying and building a home of your own is one of the most important things you will ever do in your life. You must therefore treat this project with the importance that it deserves. I urge you to work flat out and put everything you have got in terms of resources, both material and time to see your individual projects through. Use the loans awarded to you strictly for housing development purposes and not for other uses. This project was started so that you the beneficiary could benefit from it ultimately. There are a number of people who have worked day and night so that we reach the stage we are at today. These people include the USAID team, Ministry officials and Harare City Councillors and staff. So please do not disappoint all these people by adopting a relaxed attitude towards the job that is before you. *Edinofanira kudzokorora mazu aya mururini rwamai kuti, tose tinavizivane. Basa rakatarirwa nare iguru. Saka tose tinofanira kuzevanwa nesikho kuti baba iri ritadziro. Zvakanonona avakadai izwi, vanhu vashinji, kubwira kune ve USAID.*

vasevuzi waku Ministry yamun ya Construction and National Housing, na  
Louncillors na vasevuzi wa Nairobi City Council vakavutana abose kuti wina  
gwisike pasvava ikosvino. Saka iki makaraguro kuvavuna wainha kuti project  
iyi ibudirire, machungu matamwisa vanku aya vosa.

Mervita.

Thank you.

100/414

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## MEMO

To: DSO  
H. Magdon-Ismail

From: Project Planning Advisor

*RM Beardmore*

RM Beardmore

Ref: 88/3/1

Date: 23 July 1984

### Handover of Routine Duties

Further to our internal USAID Project Team meeting on 19 July 1984, herewith a detailed list of the routine duties which I presently carry out with respect to the USAID-funded housing schemes.

It was agreed in principle that these functions be handed over to relevant members of the Project Team in keeping with my role as an advisor and trainer of local personnel. Perhaps we can discuss who might do which particular tasks.

#### 1. Organize Monthly Project Meetings

a) Confirm the date of the next P/F Project Oversight Committee (POC) meeting. This is usually the last Thursday morning of each month. The date is normally set at the previous POC. Confirm the date with the DSO if in doubt.

b) Prepare minutes of previous meeting and clear through DSO (or alternate chairman) before sending for typing. This is currently done by Cde S. Sibanda.

c) Draw up agenda for the next meeting by identifying likely items from the minutes of the previous meeting. Consult USAID Project Team members and City officials for any new business. See sample agenda at Annex A.

d) Draft letter of invitation to City of Harare and other invitees from outside MCNH for signature by DSO. See attached sample at Annex B. Note all correspondence concerning POC meetings goes on file S1/827/18.

e) Check all typing. Obtain sufficient copies of items prepared in b), c), and d) above for distribution. This includes ten (10) copies of the minutes and agenda for the City of Harare. Send collated letters of invitation to DSO for signature, after which take them personally to the Registry for dispatch. This should be done by the 13th of each month.

f) Book transport to P/F through TIM for the morning of the POC meeting and indicate if you need a driver. Be prepared to drive if no driver is available.

g) Confirm time of monthly internal USAID Project team meeting

with the DSO. This is usually the Thursday afternoon one week before the next POC meeting. Book venue with TIM; usually the Indaba Room or the Conference Room in the Training Unit.

h) Prepare memo for own signature to Team Members advising them of the forthcoming internal meeting. See Annex C for the names of the members and alternates for this Team. Attach a copy of the POC minutes and agenda. Indicate what topics are to be discussed at the internal meeting. See Annex D for a sample memo.

i) After the internal meeting has been held, prepare the minutes, clear through the DSO or alternate chairman, and get them typed. Obtain sufficient copies and distribute them by hand to all members, i.e., not through the Registry. This is currently done by Cde S. Sibanda.

k) Attend the POC meeting at P/F.

l) Return to step a) above and start the monthly cycle over again.

## 2. Monitor P/F Financial Progress

a) On the first working day of each month request the PEO(Accounts) to provide you with the previous month's expenditure on all items at P/F Phases I and II executed direct by MCNH, i.e., civil works contracts, consultants fees, survey fees, admin block construction, etc. Similarly, request Strategic Planning to provide a breakdown of any funds disbursed to Harare during the previous month.

b) Update the expenditure column of the Financial Control Charts using the micro-computer. Also revise any "estimated total cost" figures which have been approved by the ZTB or the DSO. Print out the FCC for each Phase.

c) Write a report commenting on the expenditure for the month in question. Call attention to any items which appear to have been overspent or are otherwise noteworthy. Address memo to Secretary, DSO and DS(Finance). Copy report to USAID Team members. See Annex E for a sample report. Note all financial reports on P/F go to file S1/827/17.

## 3. Monitor USAID Physical Progress

a) Prepare monthly narrative report on actual progress at P/F and the secondary towns projects. Base your report on the proceedings of the POC, returns from Harare, and information from other Team members. This exercise also requires updating the bar chart showing progress on civil works at P/F using information submitted by John Burrows and Partners.

b) Distribute report to DSO and other Team Members by 5th of each month. See sample in Annex F. Currently a copy also goes to the Secretary. These reports should be filed on F/3/49.

Note: When this reporting function is taken over by a Team member, my monthly report to the DSO will confine itself to an account of my own personal activities during the month.

#### 4. Analyze P/F Monthly Returns

a) Prepare summary tabulation of income distribution of allottees according to the Return No. 2 submitted by Harare. Comment on any trends in a brief report to be circulated to Team members. Include a revised estimate of the total amount of capital required to finance construction loans based on the income distribution to date. All such reports go to file S1/827/19. See Annex G for a sample.

b) Tabulate and plot cumulative totals for selection, allocation, loans, revenue collection, and house construction according to Return No. 1 from Harare. This exercise has not yet begun but would be worthwhile as it would get MCNH personnel into monitoring activities.

cc: USAID Project Team Members

Ref. 171/1

MINUTES OF A MEETING ON THE ESTABLISHMENT OF A  
NATIONAL HOUSING CORPORATION HELD IN THE INDABA ROOM  
ON WEDNESDAY, 19th SEPTEMBER, 1984 AT 2.30 P.M

PRESENT: Cdes. G. P. MacRobert DSP/DSE (In the chair)  
M. A. Ingram COE(F)  
T. S. Chana CTS/UNCHS  
R. Beardmore ✓ USAID  
J. Wegge USAID  
G. Madzonga US(SP)  
M. B. Clark Stenographer

APOLOGIES: H. Magdon-Ismail DSO (Away in Bulawayo)

Mr. MacRobert explained that he had been asked to chair the meeting by the Secretary who had also gone to Bulawayo,

On the instructions of the Secretary the purpose of the meeting was to discuss -

'CONSULTANT TO STUDY AND RECOMMEND HOW A  
NATIONAL HOUSING CORPORATION CAN BE ESTABLISHED

in particular -

- 1) Non-government funding of the study (who can be approached to help pay consultancy fees?)
- 2) Terms of reference of the study:
  - (a) How long the study should last;
  - (b) the Corporation will have three Divisions money-lending and money-saving; building materials manufacturing and construction;
  - (c) suggested manning.
1. After an introductory discussion, Mr. Chana indicated that he had had preliminary discussions with Mr. J. Armstrong of UNCHS Headquarters in Nairobi on 9th September and it had been agreed in principle to support the request for the consultancy. However, further details would be required in respect of :-
  - (a) Terms of reference for the Study;
  - (b) Scope and nature of the Tasks;

- (c) Consultants required by Skills and Duration;
- (d) Time Schedule; and
- (e) Costs.

Mr. Ghana suggested that the possibility of the Study consultancy fees being funded by UNCHS and USAID on a fifty-fifty basis be pursued.

The USAID advisors said that any funding would be under USAID Grant 613-0205, if agreed to by that Agency, pointing out that the Ministry had recently requested funds amounting to approximately \$271 000 under this Grant. However, they did not foresee too much difficulty though a formal approach from the Ministry setting out an outline of the Study and detailed terms of reference would be necessary.

2. After a fairly lengthy general discussion, during which Mr. Ghana gave background information on the establishment and progress of the National Housing Corporation in Kenya - its successes and areas of failure - it was agreed:

That it would be necessary to have three consultants, i.e.

- (a) an Economist/Financier/Administrator
- (b) an Architect Planner
- (c) an Engineer.

It was considered that particularly initially the most important was the Economist/Administrator as it was essential to have a sound financial basis with the technical, architectural and engineering aspects to follow. It was important to have the right structure of departments and personnel.

The cost was estimated to be approximately \$17 000, rounded off to \$20 000, i.e. \$5 000 for each man month for the three consultants, plus transport and other expenses, say, \$10 000 each from UNCHS and USAID.

It was later considered that it would be useful to have a lawyer in the team for, say, 2 weeks combined with 2 weeks for the engineer or architect.

Job descriptions would need to be prepared for the consultants.

3. Terms of Reference

The following terms of reference for the consultants

were agreed:

- (a) 'To study the existing institutional framework/ system vis-a-viz the National Housing Corporation and a brief comparative review of existing Housing Corporations in other countries.'
- (b) 'To study the present situation - what housing is available and the housing demand.'

It was pointed out that the results of a study being carried out by USAID would be available in a few months' time which would be useful to the consultants.'

- (c) 'To review and study background documents, including on-going studies being carried out by the Ministry and various donor agencies.'
- (d) 'To study and recommend on alternative management and administrative structures, for the proposed National Housing Corporation and to make recommendations.'
- (e) 'To study and recommend alternate financial mechanisms and to make recommendations.'
- (f) 'To study the Building Industry in Zimbabwe, including both the construction sector and the materials production sector and to examine the feasibility of participation by the National Housing Corporation in these sectors.'
- (g) 'To recommend the proposed institutional and legal framework, including the manpower and financial requirements to establish the proposed National Housing Corporation.'

- 4. It was recommended that there be an Inter-ministerial Steering Committee to monitor and to direct the consultants, comprised of representatives from the Ministry of Local Government and Town Planning, Ministry of Finance Economic Planning and Development, the Civil Division of the State Attorney's Office and of the Ministry of Construction and National Housing.

5. Time Schedule

The following time schedule is envisaged:

First Phase:

- 1) Prepare final terms of reference for the consultants, identify sources of funding for the study and select consultants .... 8 - 12 weeks
  - ii) Carry out feasibility study ..... 4 weeks
  - iii) Submit report to Steering Committee within 2 weeks ..... 2 weeks
  - iv) Review report, amend as necessary, and submit report to Minister ..... 3 - 4 weeks
- Total time: 17 - 22 weeks

Second Phase:

If the report is approved by the Minister, it is assumed that a Cabinet Committee would be formed for consideration of the proposals in more depth followed by the preparation of a Bill. The drafting of legislation is a lengthy process, therefore, the whole process could cover a period of two or more years.

- 6. On the instructions of the Secretary, Mr. Madzonga had written to the Ministry of Foreign Affairs requesting information on National Housing Corporations from Embassies and High Commissions in Harare, whose countries have established Housing Corporations. It was understood that a circular had been sent out by Foreign Affairs.

It was suggested that we approach established National Housing Corporations in other countries direct and Mr. Madzonga was advised that a Directory was available in the Library. Depending on the response, this information could be handed over to the consultants for use in their study, in investigating alternatives and various models.

- 7. The proposals and terms of reference for the Study would need to be amplified and refined and a project document prepared which would be sent under a covering letter from the Ministry to USAID and UNCES.

The Chairman said the next step was to present the Minutes to the Secretary and await his instructions on how he wished to proceed on the matter.

The meeting closed at 4.15 p.m.

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Amey J

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B-1

PROJECT PLANNING DIVISION  
U. S. AID

20/3/1

18th SEPTEMBER, 1984

LOT-INCOME HOUSE DESIGN STUDY

Herewith a draft of terms of reference for the above for your review and comment.

This proposal is to be reviewed at the forthcoming internal USAID Project Oversight Committee on 20th September 1984. By copy of this memo all members of the Committee are requested to prepare their comments on this draft for discussion at that time.

c.c. MOHI/USAID Project Team.

RE/MH:

## DRAFT TERMS OF REFERENCE FOR LOW-INCOME HOUSE DESIGN STUDY

Note: These <sup>R</sup> TORs are subject to internal review by MCNH and approval by the Secretary 17 September, 1984

### I. BACKGROUND

The Government of Zimbabwe has embarked upon a programme of low-income community development in selected urban areas with capital assistance from the U.S. Agency for International Development. The beneficiaries of this programme are households earning below the medium income level in each urban area and who are willing to provide themselves with shelter using a variety of modes of construction including brigades, aided self-help and co-operatives. Material, financial, and technical assistance is being provided by Government through the local authorities in each area. One of the types of technical assistance includes the provision of house designs suitable for development on a progressive basis by project beneficiaries.

### II. OBJECTIVES

The intent of this study is to ensure the high quality of low-income home design and construction in MCNH - sponsored housing schemes funded by USAID's Housing Guaranty Programme. In particular the objectives of this study are:-

- a) To produce a set of architectural designs illustrative of a range of different house types suitable for construction by building brigades and self-builders earning below the median household urban income levels in Harare, Marondera, Kadoma and Chinhoi.
- b) To produce a manual of appropriate construction techniques which illustrates ways of building the houses proposed in a) above.
- c) To produce training aids other than the manual in b) above which will assist project site staff in briefing beneficiaries about the various aspects of the house designs.

### III. SCOPE OF SERVICES

The consultants shall perform all tasks and related work herein described as required for the achievement of the objectives outlined above. In the conduct of this work the consultant shall co-operate fully with the Ministry of Construction and National Housing, and the USAID Mission in Harare. The consultants shall be solely and exclusively responsible for conclusions and recommendations contained in their reports which shall be submitted in the first instance to MCNH.

The consultants shall perform the following tasks:-

- a) Attend briefing sessions with MCNH and its USAID advisors and become acquainted with all available information relative to the study, especially MCNH policies governing low-income house design and construction.
- b) Review and comment on house designs currently approved by MCNH and used by local authorities, especially those offered to beneficiaries at Parkridge/Fontainebleau.

- c) Compile a comprehensive list of criteria, which shall govern the design of a new set of house plans for MCNE approval. This list is to include reference to economic, social and physical factors affecting the design of the dwelling types.
- d) After review and approval by MCNE of the criteria in c) above, develop a set of at least 5 but not more than 8 house designs which illustrate a range of different dwelling types. The designs are to be depicted in preliminary plans, elevations, sections, and axonometric or perspective drawings of appropriate scale(s).
- e) After MCNE review of the designs in d) above prepare the following:
  - i) final design drawings;
  - ii) schedules of material descriptions, quantities and prices by room and by stage for each design in a format suitable for updating by micro-computer;
  - iii) a scale model of each design
- f) Prepare additional orientation materials in kit form which can be used by project site staff in explaining the house designs to project beneficiaries. These materials can include brief descriptions of the criteria used to design the dwelling types, the particular merits of each design, photographic slides of the models at various stages of construction, possible alternative ways of extending houses, and summary costing information.
- g) Prepare a comprehensive and illustrated self-help housing construction manual which illustrates the use of appropriate materials and methods for the building of the new house designs.

IV. TIME SCHEDULE, BUDGET AND REPORTS

The consultant's services are required in October 1984 and the exercise must be completed within 16 weeks.

Total funds available for this study do not exceed 2\$40,000

The consultant must submit reports and other products to MCNE as follows:-

| Task | Product                                   | No. of copies | Date    |
|------|---|---------------|---------|
| b.   | report                                    | 5             | week 1  |
| c.   | report                                    | 5             | week 2  |
| d.   | report and prelim.<br>drawings            | 5             | week 5  |
| e.   | schedules and final<br>drawings<br>models | 30<br>1       | week 8  |
| f.   | orientation materials                     | 7             | week 12 |
| g.   | building manual                           | 2000          | week 15 |

V. PROVISION OF DATA AND INSTRUCTIONS BY MCHH

MCHH undertakes to provide the consultant with the following materials:-

- a) A statement of MCHH policies governing the design of low-income housing.
- b) Copies of low-income house designs currently approved by MCHH and in use at Parkridge/Fontainebleau and other house designs.
- c) Factors governing the layout of material schedules to be developed in task e. ii) above.

The consultant shall take instructions from MCHH's Deputy Secretary,  
*Prifemnal Service.*

0151S

ANNEX K

## MEMORANDUM

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|                      |  |  |
|----------------------|--|--|
| To DSC<br>DS(E + OR) |  | From <i>PMMS</i><br>PROJECT PLANNING ADVISOR<br>R. BEARDMORE |
| Ref 88/3/1           |  | Tel<br>Date 25 SEPTEMBER 1984                                |

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### BASIC HOUSING NEEDS STUDY

Herewith a draft of the terms of reference for the above for your review and comment.

This work is to be financed out of the USAID Grant Agreement 613-0205 as discussed with Mr. Fred Hansen of USAID on 18 September 1984. The Regional Housing and Urban Development Office Nairobi will appoint the consultants direct upon receipt of approved terms of reference from us.

## DRAFT TERMS OF REFERENCE FOR HOUSING BASIC NEEDS STUDY

### I. BACKGROUND

Zimbabwe's Three Year National Transitional Development Plan draws to a close in June 1985. The period saw the preparation of a base from which long-term initiatives to ensure adequate housing and associated services at affordable prices for all Zimbabweans could be mounted. The Ministry of Construction and National Housing (MCNH) is presently preparing a long term plan for the Construction and Housing sectors of the national economy to cover the period from 1985 to 2000. The development of the housing component of this plan will be greatly facilitated by an analysis of the housing need, the capacity of Zimbabweans to pay for housing over the next 15 years and the capital contribution of existing housing finance systems.

### II. OBJECTIVES

The objectives of this consultancy are:

- a) To determine the capital expenditure required of the public and private sectors to meet the shelter needs of Zimbabwe over the next 15 years, and
- b) To assess the current contribution of the existing housing finance institutions and determine ways to further expand their role in meeting low-income housing needs.

### III. SCOPE OF SERVICES

The consultants will implement the assessment methodology, "Guidelines for the Preparation of a Housing Needs Assessment" to the extent possible given the availability of data. Some of the tasks necessary to complete this assessment are noted below:

- a) Gather the best available data on current and projected population, income, infrastructure and construction costs; inflation; and housing stock.
  - b) Analyze data, establishing projections over the next 15 years.
  - c) Determine the rural and urban shelter needs over the next 15 years, based on alternative "minimum standard" housing, providing various scenarios involving levels of subsidy, production, and economic climate.
  - d) Determine the necessary public and private investment to meet minimal shelter needs over the next 15 years.
  - e) Identify the current and future population group unable to afford minimum standard housing and determine the scale of subsidy necessary to make up this shortfall.
  - f) Perform "sensitivity analysis" to determine the effort of alternative data projections and government policies.
- 48

In addition to projecting capital requirements of the housing section, the consultants will examine the existing housing finance systems in Zimbabwe.

- a) Determine the current level of shelter investment provided by each public and private source.
- b) Determine the effective population served by existing systems according to geography (rural, urban, capital city) and income group.
- c) Determine the major barriers to further expansion of the existing institutions to cover a greater and more diverse population.
- d) Determine any special segments of the population by socio-economic characteristics, that are especially poorly-served by existing institutions and systems.

#### IV TIME SCHEDULE, BUDGET AND REPORTS

This work will be done during October and November 1984.

The consultants will report to a contact person or to a Reference Group per MCNH's requirements. The consultants will receive overall technical direction from RHUDO/ESA. USAID/Zimbabwe will provide necessary day to day support and supervision.

Up to 15 work days in the field for each of two consultants is authorized. One of these days may be in Kenya conferring with the AID Office of Housing and Urban Development. In addition, two travel days and three days in Washington are authorized for each consultant. One consultant shall be a senior housing finance specialist. The other could be a more junior person with experience in computer analysis and familiar with the stated methodology.

#### Illustrative Budget

|                        |                    |
|------------------------|--------------------|
| Salary and Overhead    | US \$ 16,000       |
| Per Diem               | 2,850              |
| Travel                 | 7,000              |
| Typing & Miscellaneous | 500                |
|                        | <u>US \$26,350</u> |

A draft report will be submitted before departure from Zimbabwe to MCNH, to USAID/Zimbabwe, and to RHUDO/ESA, (10 copies total). The final report will incorporate comments from these parties and will be presented to Zimbabwe and USAID (20 copies total) within 10 day after receipt of the comments.

## ZIMBABWE: BASE CASE POPULATION AND HOUSEHOLD FORMATION

|                                   | 1955     | 1990     | 1995      | 2000      |
|-----------------------------------|----------|----------|-----------|-----------|
| <b>Municipalities/Urban Areas</b> |          |          |           |           |
| Population (000's)                | 1,751.00 | 2,550.82 | 3,318.06  | 4,316.05  |
| Annual Growth Rate (Percent)      | 3.00     | 5.40     | 5.40      | 5.40      |
| Average Household Size            | 5.90     | 6.00     | 6.00      | 6.00      |
| Total Households (000's)          | 226.83   | 425.14   | 553.01    | 719.34    |
| New Households per Year (000's)   | 0.00     | 19.66    | 25.57     | 33.27     |
| <b>District Councils</b>          |          |          |           |           |
| Population (000's)                | 4,530.00 | 5,298.87 | 6,053.90  | 6,916.52  |
| Annual Growth Rate (Percent)      | 3.30     | 2.70     | 2.70      | 2.70      |
| Average Household Size            | 5.30     | 6.00     | 6.00      | 6.00      |
| Total Households (000's)          | 773.00   | 883.14   | 1,008.98  | 1,152.75  |
| New Households per Year (000's)   | 0.00     | 22.03    | 25.17     | 28.75     |
| <b>Rural Councils</b>             |          |          |           |           |
| Population (000's)                | 1,558.00 | 1,832.50 | 2,013.44  | 2,212.12  |
| Annual Growth Rate (Percent)      | 3.00     | 1.90     | 1.90      | 1.90      |
| Average Household Size            | 5.90     | 6.00     | 6.00      | 6.00      |
| Total Households (000's)          | 279.00   | 305.43   | 335.57    | 368.69    |
| New Households per Year (000's)   | 0.00     | 5.49     | 6.03      | 6.62      |
| <b>Other Areas</b>                |          |          |           |           |
| Population (000's)                | 24.00    | 30.63    | 39.09     | 49.89     |
| Annual Growth Rate (Percent)      | 0.00     | 5.00     | 5.00      | 5.00      |
| Average Household Size            | 6.00     | 6.00     | 6.00      | 6.00      |
| Total Households (000's)          | 4.00     | 5.11     | 6.52      | 8.32      |
| New Households per Year (000's)   | 0.00     | 0.22     | 0.28      | 0.36      |
| <b>Total Country</b>              |          |          |           |           |
| Population (000's)                | 8,291.00 | 9,712.72 | 11,424.48 | 13,494.58 |
| Annual Growth Rate (Percent)      | 0.00     | 3.22     | 3.30      | 3.39      |
| Average Household Size            | 6.00     | 6.00     | 6.00      | 6.00      |
| Total Households (000's)          | 1,381.83 | 1,618.82 | 1,904.08  | 2,249.10  |
| New Households per Year (000's)   | 0.00     | 47.40    | 57.05     | 69.00     |

ZIMBABWE: BASE CASE HOUSING STOCK AND REPLACEMENT

|   | 1985   | 1990   | 1995     | 2000     |
|---|--------|--------|----------|----------|
| <b>Municipalities/Urban Areas</b>               |        |        |          |          |
| Dwelling Units by Construction Standard (000's) |        |        |          |          |
| Acceptable construction                         | 180.00 | 327.25 | 504.96   | 719.34   |
| (Annual replacement)                            | 0.00   | 3.60   | 6.54     | 10.32    |
| Upgradeable construction                        | 20.00  | 13.33  | 6.67     | 0.00     |
| (Annual upgrading)                              | 0.00   | 1.33   | 1.33     | 1.33     |
| Total dwelling units                            | 200.00 | 345.52 | 518.61   | 730.76   |
| Total households                                | 326.83 | 425.14 | 553.01   | 719.34   |
| Total number overcrowded                        | 126.83 | 94.56  | 42.28    | 0.00     |
| (Annual to ease overcrowding)                   | 0.00   | 8.46   | 9.46     | 8.46     |
| New households per year                         | 0.00   | 19.66  | 25.57    | 33.27    |
| Construction of new units pa                    | 0.00   | 31.72  | 40.57    | 51.80    |
| Total construction pa                           | 0.00   | 33.05  | 41.91    | 53.14    |
| <b>Rural Councils</b>                           |        |        |          |          |
| Dwelling Units by Construction Standard (000's) |        |        |          |          |
| Acceptable construction                         | 50.30  | 153.43 | 259.57   | 368.59   |
| (Annual replacement)                            | 0.00   | 1.00   | 3.07     | 5.19     |
| Upgradeable construction                        | 202.30 | 134.57 | 67.33    | 0.30     |
| (Annual upgrading)                              | 0.00   | 13.47  | 13.47    | 13.47    |
| Total dwelling units                            | 252.30 | 302.57 | 343.44   | 387.34   |
| Total households                                | 278.00 | 305.43 | 335.57   | 368.59   |
| Total number overcrowded                        | 26.60  | 17.33  | 8.67     | 0.30     |
| (Annual to ease overcrowding)                   | 0.00   | 1.73   | 1.73     | 1.73     |
| New households per year                         | 0.30   | 5.49   | 6.03     | 6.62     |
| Construction of new units pa                    | 0.30   | 8.22   | 10.83    | 13.55    |
| Total construction pa                           | 0.30   | 21.69  | 24.30    | 27.01    |
| <b>District Councils</b>                        |        |        |          |          |
| Dwelling Units by Construction Standard (000's) |        |        |          |          |
| Acceptable construction                         | 147.00 | 445.81 | 800.32   | 1,152.75 |
| (Annual replacement)                            | 0.00   | 2.94   | 9.32     | 16.01    |
| Upgradeable construction                        | 589.00 | 392.67 | 196.33   | 0.00     |
| (Annual upgrading)                              | 0.00   | 39.27  | 39.27    | 39.27    |
| Total dwelling units                            | 736.00 | 900.68 | 1,045.23 | 1,208.03 |
| Total households                                | 773.00 | 863.14 | 1,008.98 | 1,152.75 |
| Total number overcrowded                        | 37.00  | 24.67  | 12.33    | 0.00     |
| (Annual to ease overcrowding)                   | 0.00   | 2.47   | 2.47     | 2.47     |
| New households per year                         | 0.00   | 22.03  | 25.17    | 28.75    |
| Construction of new units pa                    | 0.00   | 27.44  | 36.95    | 47.23    |
| Total construction pa                           | 0.00   | 63.70  | 76.22    | 86.47    |
| <b>Total Country</b>                            |        |        |          |          |
| New construction per year                       | 0.00   | 67.37  | 98.36    | 112.58   |
| Total construction per year                     | 0.00   | 121.44 | 142.42   | 166.64   |

ZIMBABWE: REQUIRED ANNUAL INVESTMENT TO MEET HOUSING NEED

| MUNICIPALITIES   | Unit cost<br>1985 prices | 1<br>1985 | 2<br>1990  | 3<br>1995    | 4<br>2000    | Notes        |
|--|--------------------------|-----------|------------|--------------|--------------|--------------|
| Annual replacement of units<br>investment required (\$000's)   | \$2,500.00               | 0         | 3.6        | 6.54         | 10.08        | 1. All cost  |
|  |                          | 0.00      | 18,192.21  | 109,196.57   | 191,654.92   | 2. All funds |
| Annual upgrading of units<br>investment required (\$000's)     | \$1,200.00               | 0         | 1.33       | 1.33         | 1.33         | except       |
|  |                          | 0.00      | 3,218.17   | 6,472.89     | 13,019.30    | 3. All funds |
| Annual easing of overcrowding<br>investment required (\$000's) | \$3,700.00               | 0         | 8.46       | 8.46         | 8.46         | by 5 to      |
|  |                          | 0.00      | 62,926.43  | 126,567.52   | 254,572.49   |              |
| Annual new building  |                          | 0         | 19.66      | 25.57        | 33.27        |              |
| 10% serviced stands  | \$1,200.00               | 0.00      | 4,745.39   | 12,415.51    | 32,483.05    |              |
| 10% brigade built  | \$6,000.00               | 0.00      | 20,329.53  | 45,572.71    | 102,160.31   |              |
| 80% stand & loan   | \$3,700.00               | 0.00      | 125,365.46 | 281,031.69   | 629,998.60   |              |
| Total new building   |                          | 0.00      | 150,440.39 | 339,019.91   | 764,631.97   |              |
| TOTAL MUNICIPAL INVESTMENT PA                                  |                          | 0.00      | 234,697.21 | 580,256.99   | 1,223,878.68 |              |
| RURAL COUNCILS   |                          |           |            |              |              |              |
| Annual replacement of units<br>investment required (\$000's)   | \$2,500.00               | 0.00      | 1.00       | 3.07         | 5.19         |              |
|  |                          | 0.00      | 5,028.39   | 50,728.73    | 98,694.41    |              |
| Annual upgrading of units<br>investment required (\$000's)     | \$1,200.00               | 0.00      | 13.47      | 13.47        | 13.47        |              |
|  |                          | 0.00      | 32,503.53  | 65,376.21    | 131,494.92   |              |
| Annual easing of overcrowding<br>investment required (\$000's) | \$3,700.00               | 0.00      | 1.73       | 1.73         | 1.73         |              |
|  |                          | 0.00      | 12,999.50  | 25,945.51    | 52,185.69    |              |
| Annual new building  |                          | 0.00      | 5.49       | 6.03         | 6.62         | 7            |
| 10% serviced stands  | \$1,200.00               | 0.00      | 1,224.25   | 2,926.38     | 6,466.83     |              |
| 10% brigade built  | \$6,000.00               | 0.00      | 5,673.18   | 10,741.66    | 20,338.40    |              |
| 80% stand & loan   | \$3,700.00               | 0.00      | 34,934.58  | 66,240.24    | 125,420.11   |              |
| Total new building   |                          | 0.00      | 41,982.01  | 79,908.29    | 152,225.34   |              |
| TOTAL RC INVESTMENT PA   |                          | 0.00      | 92,413.44  | 221,958.74   | 434,600.35   |              |
| DISTRICT COUNCILS  |                          |           |            |              |              |              |
| Annual replacement of units<br>investment required (\$000's)   | \$1,200.00               | 0         | 2.94       | 9.32         | 16.01        |              |
|  |                          | 0.00      | 7,095.07   | 22,485.90    | 38,633.34    |              |
| Annual upgrading of units<br>investment required (\$000's)     | \$1,200.00               | 0.00      | 39.27      | 39.27        | 39.27        |              |
|  |                          | 0.00      | 94,775.15  | 190,626.68   | 393,418.34   |              |
| Annual easing of overcrowding<br>investment required (\$000's) | \$1,200.00               | 0.00      | 2.47       | 2.47         | 2.47         |              |
|  |                          | 0.00      | 5,953.62   | 11,974.35    | 24,085.70    |              |
| Annual new building  |                          | 0.00      | 22.03      | 25.17        | 28.75        | 33           |
| 100% serviced stands   | \$1,200.00               | 0.00      | 53,169.53  | 122,191.15   | 280,766.73   |              |
| Total new building   |                          | 0.00      | 53,191.56  | 122,206.32   | 280,795.48   |              |
| TOTAL DC INVESTMENT PA   |                          | 0.00      | 161,016.39 | 347,293.75   | 726,932.87   |              |
| TOTAL ANNUAL COUNTRY INVESTMENT                                |                          | 0.00      | 488,117.04 | 1,149,509.38 | 2,385,411.90 |              |

ZIMBABWE: HOUSING NEED AS FUNCTION OF PROJECTED EMPLOYMENT GROWTH

|   | 1985    | 1990    | 1995    | 2000    |
|---|---------|---------|---------|---------|
| <b>Municipalities</b>                   |         |         |         |         |
| Employ Growth at 3% (000's jobs)        | 380.00  | 1020.16 | 1192.65 | 1371.01 |
| Jobs per household                      | 2.00    | 2.00    | 2.00    | 2.00    |
| Number of households                    | 440.00  | 510.08  | 591.32  | 685.51  |
| Existing housing stock                  | 196.00  |         |         |         |
| Number of new units needed              | 244.00  | 70.08   | 81.24   | 94.18   |
| Cumulative number of new units          | 244.00  | 314.08  | 395.32  | 469.51  |
| <b>Rural Councils</b>                   |         |         |         |         |
| Employ Growth at 1% (000's jobs)        | 288.20  | 302.90  | 318.35  | 334.59  |
| Jobs per household                      | 1.00    | 1.00    | 1.00    | 1.00    |
| Number of households                    | 288.20  | 302.90  | 318.35  | 334.59  |
| Existing housing stock                  | 262.00  |         |         |         |
| Number of new units needed              | 26.20   | 14.70   | 15.45   | 16.24   |
| Cumulative number of new units          | 26.20   | 40.90   | 56.35   | 72.59   |
| <b>Total Country excl Dist Councils</b> |         |         |         |         |
| Employ Growth (000's jobs)              | 1168.20 | 1323.06 | 1501.00 | 1705.60 |
| Jobs per household                      | 1.60    | 1.63    | 1.65    | 1.67    |
| Number of households                    | 728.20  | 812.98  | 909.68  | 1020.10 |
| Existing housing stock                  | 458.00  |         |         |         |
| Number of new units needed              | 270.20  | 84.79   | 96.69   | 110.42  |
| Cumulative number of new units          | 270.20  | 354.99  | 451.68  | 562.10  |

ZIMBABWE: EFFECTIVE HOUSING DEMAND (\$000's)

|   |                    |                |                    | 1985    | 1990    | 1995    | 2000      |
|---|--------------------|----------------|--------------------|---------|---------|---------|-----------|
| <b>MUNICIPALITIES</b>                   |                    |                |                    |         |         |         |           |
| New hh per period from TABLE 2          |                    |                |                    | 244.00  | 70.00   | 81.24   | 94.18     |
| Households by quintile                  | Monthly<br>for hsg | Monthly<br>R&I | Affordable<br>Loan |         |         |         |           |
| less than \$1000 pa                     | 5.00               | 0.00           | 0                  | 0       | 0       | 0       | 0         |
| \$1001 - \$1500                         | 25.00              | 10.00          | 1,111              | 54,222  | 15,573  | 18,054  | 20,929    |
| \$1501 - \$2000                         | 32.00              | 17.00          | 1,889              | 92,178  | 26,475  | 30,692  | 35,580    |
| \$2001 - \$3500                         | 42.00              | 27.00          | 3,000              | 146,400 | 42,048  | 48,746  | 56,509    |
| over \$3501                             | 60.00              | 45.00          | 5,000              | 244,000 | 70,081  | 81,243  | 94,182    |
| Total investment required               |                    |                |                    | 536,800 | 154,177 | 178,734 | 207,201   |
| Cumulative investment required          |                    |                |                    | 536,800 | 690,977 | 869,711 | 1,076,912 |
| <b>RURAL COUNCILS</b>                   |                    |                |                    |         |         |         |           |
| New hh per period from TABLE 2          |                    |                |                    | 26.2    | 14.70   | 15.45   | 16.24     |
| Households by quintile                  | Monthly<br>for hsg | Monthly<br>R&I | Affordable<br>Loan |         |         |         |           |
| less than \$500 pa                      | 3.00               | 0.00           | 0                  | 0       | 0       | 0       | 0         |
| \$501 - \$1000                          | 13.00              | 7.00           | 778                | 4,076   | 2,287   | 2,403   | 2,526     |
| \$1001 - \$1500                         | 16.00              | 9.00           | 1,000              | 5,240   | 2,940   | 3,070   | 3,248     |
| \$1501 - \$2000                         | 21.00              | 14.00          | 1,556              | 8,151   | 4,574   | 4,907   | 5,052     |
| over \$2001                             | 30.00              | 23.00          | 2,556              | 13,391  | 7,514   | 7,897   | 8,300     |
| Total investment required               |                    |                |                    | 30,858  | 17,315  | 18,199  | 19,126    |
| Cumulative investment required          |                    |                |                    | 30,858  | 48,172  | 66,370  | 85,496    |
| <b>TOTAL COUNTRY (excl Dist Cncils)</b> |                    |                |                    |         |         |         |           |
| Investment required                     |                    |                |                    | 567,658 | 171,492 | 196,932 | 226,328   |
| Cumulative investment required          |                    |                |                    | 567,658 | 739,150 | 936,081 | 1,162,409 |

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**MEMORANDUM**

To Cde Mataure

From Cde Beardmore

Ref HX/19/2

Date 18th March, 1983

BLANKET MINE HOUSING AT CHINEOYI

Congratulations on chairing a challenging meeting with such expertise on Tuesday 15th March.

Nevertheless let me make some observations which suggest that the Council may not have to come out of the affair as well as expected and the employees may have been made somewhat vulnerable for the following reasons :-

1. The Council now is responsible for constructing all necessary infrastructure and the houses themselves. Any delays in physical progress will be to the account of the Council to whom the Mine will refer employees who complain of lack of housing. Moreover tying up the Council brigade with work for a special constituency will cause a reduction in the number of units built for the general public. This in turn could put the Council under fire by the Public.
2. The Council now has full responsibility for financing on-site infrastructure with the possibility of recovering only the costs of those items paid for through regular service charges. (See paras 4 and 10 of the Draft agreement).
3. The Company is responsible for arranging the financing of the construction of the houses themselves. Since under the agreement the Council has no say in the rents to be charged there is the possibility of the Company charging more than affordable rents as follows. The Company may have to borrow up to \$600 000. Depending on the terms of the loan their repayments may exceed the income derived from affordable rents paid by the employees. This would drive up rents beyond the reach of the employees. Alternatively should the Company's loan repayments be relatively small, they may try to exploit the employees by charging more than they need to repay the loan. This later case is all the more likely if the Company finances the construction from its own capital and wants to earn a profit on its "investment" in housing.
4. The Company's only long term responsibility is maintaining the units in good repair. However under the agreement it can even divest itself of this responsibility by ceding or assigning its rights and obligations to anyone it wishes without Council consent. That having induced Council to finance part of the scheme and build all of it, the Company could get out of managing it and thus effectively desengaged from all responsibility for housing its employees.
5. In many respects the agreement seems to depict an old style tied housing scheme but one where the public sector does the lion's share of the work for the private sector. This is all the more true since all references to homeownership were deleted from the draft agreement at the request of the Company on the grounds that if an owner terminated his services with the Company for whatever reason, before the debt was fully repaid, there would be problems in paying out the Company. The Mine also advanced the argument that the sale of a house would deplete the pool of tied housing at its disposal.

When Chinhoyi Town Clerk sends us the final draft of the proposed agreement between themselves and Blanket Mine for Ministry ratification we should review it with the following items in mind :-

1. All capital costs of servicing the 150 stands not recovered through municipal service charges must be recovered from the Mine, e.g. \$400 per stand for roads and stormwater drainage. These costs, in turn should be recovered from the tenants as part of their rent.
2. Council must have some say over the rents to be charged to employees.
3. Council should have a right after a certain period and after due notice to terminate the agreement. Any compensation paid to the Mine Company should take into account amortization of the loan already achieved by received rents from occupants. This would suggest compensation below the cost price to the company.
4. Council should have a right to approve the cession or assignment of the Company's rights and obligations under the agreement where such approval cannot be unreasonably withheld.
5. The agreement should state that a lease be entered into by both the Council and the Company, such lease to set out in detail the terms and conditions consistent with the intent of the agreement.

I stand to be corrected on any of these observations. However please accept them in the spirit in which they have been offered.

NATIONAL HOUSING NEED AND DEMAND STUDIES

The following assumptions are relevant to each table.

Table 1

- (a) Average household size is constant 6 until 2005.
- (b) All growth rates are constant until 2005.

Table 2

- (a) Employment in municipalities and rural councils grows at 3% and 1% p.a. respectively and number of new jobs is a function of number of existing jobs.
- (b) Number of employed persons in municipal and RC households is 2 and 1 respectively.
- (c) The "backlog" in 1985 in municipalities and RC's is 244 000 and 26 200 respectively.

Table 3

- (a) Income distribution for municipalities is as per M. Hoek Smit's report of August, 1962 and is half that for rural councils.
- (b) Households assumed to spend 25% of income on housing.
- (c) Monthly service charges of \$15 per month in municipalities and \$6 in Rural Councils are a first charge to housing budget of households.
- (d) Affordable loans based on monthly repayment factor of \$9 per \$1 000 borrowed.

25th September, 1984

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