

Project 613-HG-001

Zimbabwe Shelter Project

Interim Evaluation

Agency for International Development

13.2 Summary.

Zimbabwe's first Housing Guaranty Loan has been developed during a period of deep change in that country's political, social, and economic conditions. As a result, the history of the effort has been understandably uneven at times, as Zimbabwe's evolving administrative and policy environments took shape. USAID attention, through RHUDO/E&SA, has kept the program alive under difficult circumstances, and thanks to early involvement, USAID has been able to contribute to policy development in the housing sector.

Although the application of sound shelter sector policy norms has not always been sure or apparent, the trend, as illustrated in the most recent PDP, shows general success. Key issues to be proven in actual implementation are whether affordability will reach significant numbers in the lower percentiles of the eligible below-median target population, and the extent to which self-help and informal contracting arrangements will be actively encouraged at various government levels.

Certain secondary purposes and outputs have lost ground since original project conception, such as positive support of small-scale enterprise. In addition timely integration of the delivery of social infrastructure with that of housing solutions has suffered. This appears to be due primarily to shifting responsibilities between participating GOZ agencies, and should be fairly easily remedied.

Although apparently undergoing consolidation, Zimbabwe's policy environment and policy formulation process is still somewhat fluid. It is therefore not possible to predict with certainty the extent to which HG-001 principles will be replicated in non-HG funded GOZ projects in the future. It can be expected, however, that the current HG projects will have demonstrated sound approaches, and that need and pragmatism will encourage the continued application of such approaches.

14. Evaluation Methodology

14.1 Purpose

This evaluation constitutes the second interim review of Zimbabwe's First Housing Guaranty Loan, HG-001. The first review was made in August 1982, by RHUDO/E&SA. The August 1982 evaluation found progress on Phase I very satisfactory, and recommended authorization of Phase II. In addition, design and implementation parameters for Phase II were established.

The purpose of the current evaluation is to examine the implementation progress of HG-001 Phases I and II.

In addition, since changes in the policy and institutional frameworks in Zimbabwe had been taking place during the period.

since the original project design and negotiations and were continuing into early, RHUDO requested this evaluation to address issues concerning the housing policy and institutional environments in which HG-001 is operating, and their influence on the potential effectiveness of future USAID involvement in the shelter sector.

Therefore, in addition to focussing on progress towards attainment of project goals, this evaluation includes discussion of the dynamics of the policy dialogues within the GOZ and its local authorities (L.A.s) and between the GOZ and USAID.

14.2 GOZ Participation

An effort was made wherever possible to elicit GOZ participation in the evaluation, by inviting comment from Ministry and L.A. officials and participants. Where available, Ministry of National Construction and Housing (MNCH) documentation and statements were used. In addition, MNCH personnel were included in virtually all meetings, trips, and discussions of the evaluation team.

Timely and well-organized assistance from the Director of Technical Services Department of the MNCH made it possible for the team to make all necessary trips and contracts during its limited stay.

At the time of the evaluation, the Project Delivery Plan (PDP) for Phase I had just been "negotiated," and the Phase II PDP was under final draft. In addition, the team perceived that project principles, when under discussion between the GOZ and AID, were customarily approached with great delicacy. Thus the team did not press the GOZ in discussions regarding the "fit" of GOZ and AID principles, but accepted the PDP's as the GOZ's definitive statement. While at the start the GOZ participation was limited, a more lively and candid dialogue between the team and the MNCH began to develop towards the end of the team's visit.

14.3 Sources of Information

In addition to meetings and discussions with people involved with the program in which data and documents were collected, the following sources of information were used:

- PRE/H files, including available project documentation;
- GOZ circulars, statements, etc., as provided by the GOZ, L.A.s and AID/Harare;
- files selected by RHUDO containing meeting minutes, consultants' reports, etc.;
- contractor quarterly reports (Beardmore and Wegge).

Documentation regarding GOZ policy evolution and USAID's responses thereto appeared to the team to lack continuity,

apparently because of the changing nature of the GOZ's institutions and unclear method of policy formulation and pronouncement, resulting in limited correspondence.

15. External Factors Affecting Project Implementation

15.1 GOZ Priorities and Policies

The GOZ policy and institutional environment has undergone considerable change since 1980, when design for HG-001 began, and since 1982, when the Implementation Agreements (I.A.) for Phases I and II were signed. Since housing policy prior to 1980 was largely aimed at controlling movement of the black population, the search for deep policy and institutional change during HG-001 design were understandable and inevitable. AID's willingness to begin development of this program during a time of transition is commendable. Although some risk is taken under such conditions, the potential for constructive impact on policy and institutional development is high. An outline of the project history since 1982 follows:

The August 1982 interim review noted that the project had, between 1980 and 1982, already gone through a series of "ups and downs" which had resulted in delayed signing of the I.A. The primary reasons for this were reported to be lack of agreement on "key policy issues, especially affordable building standards and cost recovery, and . . . GOZ resistance to I.A. conditions and reporting requirements." In addition, it was noted the GOZ had hopes of receiving concessional loans or grants from other donors.

By means of negotiations during the latter half of 1981, RHUDO and the GOZ reached an understanding on the following issues:

- 1) Full recovery of capital and recurrent costs of the project. The costs for on-site expenditures including land, infrastructure and building materials loans would be recovered directly from the project beneficiaries and the costs for trunk infrastructure, community facilities and services would be recovered through the city-wide tax system;
- 2) The government would provide serviced plots and building materials loans, based on people's ability to pay. The payments would be calculated based upon economic cost of money to the GOZ Treasury;
- 3) Eligibility criteria for housing loans would be changed to make it more equitable and fair; and for the first time include the concept of median income in the eligibility criteria;
- 4) Housing Guaranty Implementation Agreement conditions are reasonable and reporting requirements of AID are consistent with good management practices.

An Implementation Agreement was signed in January 1982, and the aforementioned understanding was reflected in the approved Project Delivery Plan submitted in April. A Loan Agreement was signed in May 1982. (A revised PDP was submitted in October 1982, but approval by AID was withheld. A final revised PDP was submitted and approved in early 1984.)

The April 1982 PDP outlined a program to provide about 4,500 households divided roughly into three equal parts of (a) contractor-built houses on serviced plots, (b) contractor-built "toilets" on serviced plots, and (c) serviced plots with building materials loans of \$1,000-2,000. The Chitungwiza sub-project was not mentioned in the April 1982 PDP as an element of Phase I.

At about the same time, an autonomous Ministry of Housing was formed (MOH), with the inevitable shake-up of staff and a search for new policy expressions. This soon began to make itself felt in HG program development. While USAID concepts appeared to be accepted, and infrastructure work at Parkridge/Fontainbleau began in July 1982, along with plans for tendering for schools, community facilities and demonstration houses, the MOH had by September withdrawn the wet-core option of P/F, and established a four-room minimum standard. In addition, the concept of "brigade" construction at P/F was introduced by the MOH.

At this point debate regarding program criteria ensued and the course of the program was not clear. A revised PDP, submitted in October 1982, was not approved by USAID, apparently because of confusion over implementing agency identification which came about as MOH began to "hand over" to the City of Harare.

A crisis in MOH and City of Harare (COH) relations took place about this time: it would appear that the new MOH leadership, understandably finding its way with caution in the area of policy development, feared that ministry and municipal technicians were in a position to make de facto policy by virtue of their implementation responsibilities. To be understood, this feeling should be viewed in light of the fact that professional staff tended to be viewed as representative of the earlier regime. The MOH issued a directive in November 1982 effectively interdicting communications between Ministry and City staff, causing difficulties in relations between the MOH political leadership on the one hand and the technical staff on which the leadership must rely for assistance in developing sound policy on the other.

The period from spring to fall in 1983 was characterized by general inaction on the establishment of house standards as the MOH defended a new interest in higher standards against pressure to hold to the program's original aims of unsubsidized affordability to low-income families. A working group led by the Permanent Secretary of Housing met in August 1983 and

reached consensus on principles generally confirming aims of affordability and self-help. The Minister reportedly approved the recommendations of the working group for application to donor-funded projects, but with certain unwritten qualifications which weaken affordability aims.

Although appearing to prevent active project implementation, this debate constitutes an important step in project development, as the MOH and local authorities began dealing with the realities of project aims. While apparently not moving forward on the definition of home standards, however, activity on infrastructure contracting was proceeding, so that lots were to be available and ready in early 1984, when allocation began.

During this period, the Technical Services Department (TSD) functioned without a Permanent Director, until one was appointed in the fall of 1983. Prior to this appointment, effectiveness of the TSD had been limited and it had begun to lose professional staff. The new Director has considerable experience at the local government level, both as an engineer and manager. He is also Project Manager for HG programs. While at the time of the team's visit the TSD continued to lose needed staff, it appears that the TSD is now in a position to provide positive management. (USAID Resident Advisors have been available to assist the TSD, and have provided considerable help in drafting the PDPs, as well as providing technical input on other matters. At times, this assistance has been provided at the expense of principal responsibilities.)

By the end of 1983, continuing GOZ agreement on key policy issues concerning the HG program remained unconfirmed, in spite of the 1982 understanding. With the MOH resisting a true core-house concept, AID could not be assured that basic HG principles would hold out. In addition, interest in government-sponsored Building Brigades continued to take precedence over self-help methods, and generation of employment opportunities as well as small-scale enterprise were apparently no longer in the picture.

The MOH had, however, reduced the requirement for a four-room house to one for a four-room foundation slab. The latter requirement, felt by MOH technical staff and advisors to make participation impossible for families near the bottom of the targeted income distribution (\$50-80 per month), was dropped prior to the evaluation team's arrival. However, a requirement to complete a four-room "core" in 18 months was established, although it is felt to be unenforceable. The rule perhaps reveals lingering doubts about beneficiary ability or motivation to consolidate housing within a progressive development framework.

The relaxation of standards permitted final drafting of the Phase I PDP (January 1984) and its approval by AID (February 1984).

To summarize, a necessary and understandable re-examination and re-structuring of GOZ priorities by the GOZ itself has caused delay in some aspects of project development and implementation since inception. For more discussion on the effects of this process, see below section 23.3: Special Comments, Miscellaneous Observations.

15.2 Socio-economic Conditions

Although inflation and unemployment continue to be a problem in Zimbabwe, they have not reached a point where HG based conditions have changed.

16. Inputs

16.1 External Inputs

16.1.1 USAID Housing Guaranty Loan

For a summary of external inputs, see Table 1.

The HG Loan of \$25 million was provided by Morgan Guaranty in May 1982, representing the first phase of a \$50 million HG program. \$13 million of this first phase provided retroactive financing for HG-eligible elements of the Chitungwiza subproject, covering 6,748 low-cost shelter solutions and infrastructure. By July 1982, units were occupied. Cost recovery continues to be good.

The second component of Phase I is the construction of 4,104 shelter solutions in Parkridge/Fontainebleau. Approximately US\$7mm was provided for infrastructure, land surveys, and community facilities. Another \$2 million (US) will be drawn down in the next quarter for house construction loans. Three million dollars remain in escrow.

16.1.2 USAID Technical Assistance

\$750,000 has been granted for technical assistance. Of this, about \$192,000 has been spent as follows:

Two resident technical advisors have been delegated to assist the Ministry of National Construction and Housing on project planning and development and for supervising large scale self-help programs. The Project Agreement (Africa Bureau, July 1982) provides \$750,000 in grant funds for 48 person-months of long-term technical assistance, 12 person-months of short-term assistance, and overseas training and commodities to support aided self-help programs. A balance of approximately \$557,000 remains, with \$266,000 yet to be earmarked for the project. Approximately 16 person-months remains as Phase I implementation is beginning. It may be necessary to extend these contracts until the aided

self-help program is fully developed, and project delivery plans for the secondary cities are completed and approved by the Ministry.

The MNCH and the City of Harare are fully aware of the availability of the remaining \$266,000, for training or short-term technical assistance to local personnel in the areas of community development, accounting, self-help and other subjects which relate to projects in both Harare and the secondary sites.

A 2 week management training workshop was conducted by COH and MNCH with the assistance of USAID consultants. This workshop was timed to occur just before the start of beneficiary selection, screening and orientation and lot allocation for Parkridge/Fontainbleau. The objective of this workshop was to develop an overall understanding of the Parkridge Fontainbleau project. The workshop specifically addressed:

- individual staff roles and responsibilities
- project planning and procedures
- the building of effective project implementation teams.

Twenty-seven persons participated in this workshop, including people from the Harare City Council, the Ministry of Housing, and from the secondary towns of Kadoma, Chinhoyi, Maronderas and MNCH/UNDP. The program was considered to be a success by the MNCH, USAID and the local authorities. During this evaluation visit, there was indication from local officials that a follow-up session would be highly productive and welcome.

In addition to the above, about \$17,500 has been spent on commodities.

16.1.3 Other External Inputs

A USAID-funded project being implemented with UNCHS assistance is underway (Annex VII). Other donor inputs anticipated in the 1980 PP have not been forthcoming. These include employment studies and demonstration project (\$60,000 and \$200,000), manpower training (\$504,000), and studies on women's participation (\$20,000).

16.2 Internal Inputs

16.2.1 Phase I

The 1980 Project Paper Logical Framework anticipated Phase I Internal inputs as follows:

GOZ:	\$23.2m	shelter solutions
	6.7m	primary and secondary schools
	.56m	clinics
	.24m	shopping centers
	1.12m	land
	.3m	staff salaries and support
	<u>\$32.12</u>	total
Local Authorities:	\$.08m	shopping centers
	.08m	offices
	.32m	sports club
	<u>\$ 1.2m</u>	total

With the exchange rate changing over time in favor of the US dollar, it is difficult to track these anticipated inputs. Roughly, the total of US\$33m anticipated in 1980 at the rate of Z\$1=\$1.60 would equal US\$19m in 1984 at Z\$1=\$0.91 (about Z\$20 million).

In August 1982, the interim review of Phase I listed local contributions as totalling \$10 million split into \$8 million for P/F and \$2 million for Chitungwiza. At the time, this totalled about Z\$13.2 million.

The 1984 PDP projects a combined contribution from the GOZ and the City of Harare of Z\$18.7 million (\$17 million) of which Z\$10.6 million is to be allocated for house construction loans and construction of rental units, and Z\$8.1 million for land, infrastructure, community facilities, and technical assistance (see table 3).

To date, the Government of Zimbabwe has committed Z\$1,937,274 = US\$1,782,292 in primary infrastructure, site preparation and servicing, i.e. tower/street lights, street/plot numbers, shopping areas service and the fencing of a park. It is anticipated that approximately \$2.8 million of the house construction funds will be advanced in the 83/84 - 4th quarter, in conjunction with the USAID contribution of \$3.6 million for the same purpose.

The local contribution for primary and secondary school construction is delayed and is not anticipated until the first quarter of 84/85. (The fiscal year begins in July). It is untimely, but whether the delay will discourage rapid settlement remains to be seen.

The City of Harare has purchased the land for the entire site (Z\$201,335) and has contributed Z\$494,005 to date for the construction of rental units.

Effective December 1983, the Department of Community Services (DCS) became responsible for building materials procurement and administration of store facilities in Parkridge/

Fontainbleau for self-help construction. However, lack of manpower with good materials store experience, and delay in building the store itself (not completed during lot allocation) may inhibit timely delivery of this input. Once construction of houses commences, building liaison officers will supervise construction, and additional staffing may be needed to accommodate the volume of expected construction. This may be exacerbated by existing staffing problems within the Department of Public Works.

Table 1 - Summary of Inputs (External)

a. HG Funds Phase I

Chitungwiza subproject		\$13m
Parkridge/Fontainbleau subproject		
draw downs (incl. 2/27/84 request)	\$9m	
escrow (after 2/27/84 request approved)	<u>3m</u>	<u>12m</u>
		\$25m

b. Africa Bureau Technical Assistance Phase I & Phase II

	<u>Total Available</u>	<u>Spent to Date</u>
2 Resident Advisors	406,000	174,959
Overseas Training	266,000	0
Commodities	<u>78,000</u>	<u>17,469</u>
	750,000	192,428
	Balance	557,572
	Not earmarked	266,000

Table 2 - Parkridge/Fontainbleau Phase I Cash Flow

<u>USAID HG Program</u>	<u>Total est</u>	<u>Exp to Date (1/84)</u>	<u>Balance (000s)</u>
Land Survey	127,000	105,208	22
Site Prep. & Servicing			
Roads & Drains	3,031,416	2,553,447	478
Water & Sewers	2,475,056	2,070,774	404
House Construction	3,625,342	0	3,625
Community Facilities			
Primary Schools	700,000	0	700
Admin. Complex	778,969	154,089	625
Subtotal	\$10,737,783	\$4,883,518	\$5,854

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Table 3 - GOZ Inputs (Internal) Phase I
(in Zimbabwe \$)

1. Government of Zimbabwe	<u>Total</u>	<u>Exp to Date</u>	<u>Balance (000s)</u>
Primary Infrastructure	241,500	230,000	12
Site Prep. & Servicing			
Tower/Street Lights	454,750	292,000	163
Electricity	1,709,400	674,805	1,035
Landscaping & Parks	0	0	0
Street/Plot Numbers	12,250	0	0
Shopping Areas Service	635,500	0	0
House Construction			
Capital for house loan	7,826,058	170,675	7,655
Construction of rental	2,311,236	0	2,311
Community facilities			
Primary Schools	700,000	0	700
Secondary School	875,000	0	875
Health Center	550,000	0	550
Market/Toilets	172,290	0	172
Fencing of Park	49,482	49,482	0
Other Works	0	0	0
Technical Assistance			
Professional Fees	566,000	520,312	46
Contingencies	1,544,681	0	1,555
Subtotal	17,658,137	1,937,274	15,721
Cumulative Project Expenditure			
2. City of Harare			
Land Acquisition	201,335	201,335	0
House Construction			
Construct. Rental	512,745	474,805	33
Technical Assistance			
Project Admin.	393,000	0	390
Subtotal	1,104,080	676,140	428
Cumulative Project Expenditure			
Total	18,762,217	2,613,414	16,149

Z\$1=US\$0.92

Source: PDP 1/4/84 draft, Annex B3

16.2.2 Phase II

The second US\$25 million HG loan tranche will be contracted upon approval of the Phase II Project Delivery Plan. This will provide an additional 3,264 units (US\$13 million) at Parkridge/Fontainbleau, and 2,500 units (US\$12 million) in Kadoma, Chinhoyi, and Maronderas.

17. Outputs

The following narrative follows the logical framework outline. See Annex I for specific physical outputs.

17.1 New Low-Cost Shelter Solutions

17.1.1 New Low-Cost Shelter Solutions With Improved House Designs and Site Planning

Phase I - Chitungwiza subproject 6748 housing solutions, completed.

- P/F: Infrastructure has been provided to 4,104 plots (sewers, electricity, water, roads) as follows:

<u>Lot Size</u>	200 m ²	300 m ²	500 m ²
<u>No.</u>	3,178	908	18

Allocation to beneficiaries began in the beginning of February.

- Under directives given by MNCH a variety of house designs are being drawn up by the architect of COH for beneficiary selection. A basic 4-room house will contain 50 m², including shower/toilet, kitchen, living room and bedroom.

(Note: Not a part of the USAID contribution are 18 demonstration houses originally constructed to enable the beneficiaries to view and comment, and to test the building brigade concept. These houses range from 3 room units which cost approximately \$3,500 to 7 room units costing about \$17,000, as built by the building brigades. None is affordable to the target group, and will be included in a goal of 440 rental units for civil servants, representing about 10% of the project. 68 have been built as of March, 1984, on sites for which infrastructure has been provided under the HG program.)

Phase II - Installation of infrastructure within the secondary cities has not begun, but sites have been selected and upon approval of PDP II, funds will be advanced and this work will commence.

Comment: House designs are low-cost and technically sound, but not necessarily "new" or "innovative." Site planning is somewhat static and regimented, with house locations requiring relatively large lots to meet private yard and privacy expectations. More innovative site layouts might permit use of smaller lots, with equal or greater potential for private uses, if culturally acceptable, and if MNCH can change its current desire for a 300 m² minimum.

Recommendations:

- Examination of site planning, house design and construction methods with an eye to reducing costs. Although potential economies are more likely to be found in site planning and house design, construction methods should also undergo scrutiny, if acceptable to the GOZ. Even a purely academic inquiry might prove useful to the MNCH.

17.1.2 "Material Loans for Home Extension" (see Annex II and III for affordability schedule)

- Affordable loans will range from Z\$347 to Z\$3,388 for 200 m² plots and \$119-3,160 for 300 m² plots.
- Maximum loan has been set at Z\$3,100.
- Total loan must be obtained in cash or kind in maximum \$500 tranches within a six month period.
- Repayment on loans for house purchase or construction is on a 30 year fixed annuity basis. The interest rate is compounded monthly and is tied to the municipality Consolidated Loan Funds (CLF) estimated rate (rounded to the nearest .25% above CLF), which in February 1984 would put the home purchase loan rate at 9.75% p.a. (according to the PDP, COH may offer 25 year loans with a 6 month grace period).
- The cash/material loans are intended to allow for progressive development in construction. However, a 4 room house must be completed within 18 months.

Comment: The 18-month limit on completion would appear to be too short, and thus could have the effect of delaying the concept of progressive development.

17.1.3 "Increased Employment Through Labor-Intensive Construction"

Ministry of National Construction and Housing policy encourages creation of Building Brigades for production of materials and construction of housing in the HG program. The hiring of small independent contractors is an option and may or may not be encouraged.

Comment: The shift in employment from the informal sector to the public sector through Building Brigades is apparent, but cannot be quantified. However, whether public, private, or cooperative, construction methods will be labor-intensive.

17.1.4 "New Community Facilities"

It is customary for community facilities to be provided for any development in Zimbabwe. Some community facilities are under construction but the construction of schools and clinics is behind schedule. It is likely that the first group of beneficiaries will not have adequate public transportation or a school system in place.

Comment: The Project Oversight Committee has been established to coordinate policy and implementation. This should in the future help to establish procedures for timely coordination between appropriate ministries in the planning of schools and public transport to employment centers.

17.2 "Improved Capacity of GOZ and Local Authorities to Design, Implement and Finance Comprehensive Low-Cost shelter Programs, Including Self-Help Components"

As of the time of evaluation, the Phase II delivery plans submitted by Maronderas, Kadoma and Harare were comprehensive, and showed an experienced grasp of planning procedures. The Chinhoyi PDP, however, had not been received by MNCH and outside assistance was required. L.A.s follow their existing experience on physical planning and design, some showing greater experience than others. COH program orientators demonstrated lively interest, knowledge, and creativity as stand allocation began. It would seem that an effective cadre was being developed.

The effectiveness of the MNCH review process was not yet demonstrable as of this evaluation.

Comment: Self-help may be discouraged by emphasis on building brigades, but options remain. House construction is just starting in Phase I, and L.A.s are submitting plans for Phase II, it is hoped that an effective internal review and amendment process will emerge to improve capacity. Recent appointment of a qualified project manager and Chief of the Technical Services Department has begun to show results.

The PDP development process has been thorough, and although it may not be well-understood by a broad section of the MNCH and L.A.s at this time, it is expected to have a positive effect in its role as a necessary planning tool.

Recommendations -

- Develop self-help program through preparation of more rigorous methods and aids, and staff training, to assist beneficiaries in understanding building techniques and in estimating material costs and financial requirements in relation to shelter designs. Orientation has begun, but greater and more timely focus is needed.
- Computerize credit system for cash and material loans, capital budgets, financial plans, and beneficiary data to permit sorting for statistical purposes, and project planning.
- Conduct follow-up training, possibly on a regular basis, to further sharpen skills of program orientators, and to effectively resolve new issues raised by beneficiaries as implementation proceeds.
- Establish systematic review procedures to oversee L.A. planning, design and implementation proposals in order to permit timely amendment.
- Establish feedback system to encourage mutual assistance and communication between L.A.s on planning and design.

18. Purpose

The 1980 Project Paper defines the program purpose as follows:

- a. To increase the production of low-cost shelter in Harare and other cities of Zimbabwe.
- b. To initiate the process of strengthening the capacity of national and local urban authorities to administer large low-cost housing programs, some with a self-help component.
- c. To pursue a range of design and policy improvements for consideration during both phases of the project. This will cover:
 - improvements in house designs;
 - more economical land use standards;
 - more economical service standards;
 - improved contracting techniques to include small builders;
 - more economical building design for community facilities;
 - support for small scale enterprises;
 - improved institutional and financial mechanisms.

The current progress towards achieving the above purposes is as follows:

18.1 "Increase Production of Low-Cost Shelter"

The USAID program is the largest low-cost shelter program to be attempted in Zimbabwe, with a production target of approximately 10,000 units, plus the Phase I subproject in Chitungwiza, Zimbabwe's third largest city, where HG-001 financed the provision of 6,748 units which had been planned and built without USAID intervention. Thus the total impact of the HG program is on the order of nearly 17,000 housing solutions. Phase I will increase the amount of low-income housing in Harare by 7% according to COH statistics on existing stock (see Annex VIII).

Phase II is expected to contribute to the low-cost shelter needs of secondary cities as follows:

	<u>Backlog</u>	<u>USAID</u>	<u>Contribution toward need</u>
Maranderas	1,000	1,000 units	100%
Kadoma	3,098	1,000 units	32%
Chinhoyi	400	500 units	125%

Construction is expected to begin in early 1985 on Phase II.

18.2 "Initiate Process of Strengthening Institutional Capacity"

Phase I - "(a) Expansion of the advisory services and planning capacity of the Housing Services Development Branch* to assist local government planning capacity in shelter schemes."

It is too early to point to concrete improvements in institution-building due exclusively to this program. Some advance has been made in refining the capabilities of the MNCH, COH and local municipalities in establishing procedures for the development of project planning packages.

The MNCH technical advisor, Richard Beardmore, has worked closely with the GOZ in developing an awareness of the elements necessary to the success of large-scale housing schemes.

Most interesting, however, is the deep change in the large institutional and policy environments, and how the HG program has participated, as described elsewhere in this report.

- "(b) Establishment of an aided self-help program in the Housing Services Development Branch (MNCH) to be administered in Salisbury (Harare) through the Department of Community Services and Public Works Department of the Salisbury City Council."

The plot allocation process has begun using the procedures already in place with the City of Harare. This is moving well.

*Forerunner of MNCH at time of Project design.

The aided self-help program, as outlined in the PDP, is not sufficiently in place, as of February 1984, to provide for smooth implementation of this element of the USAID program. One reason for this is an undeveloped working relationship between the self-help advisor and counterpart staff within DCS and DPW.

The establishment of the aided self-help concept with practical experience in the GOZ and COH is essential.

- "(c) Establishment of a training program for architects, planners, engineers and quantity surveyors to augment the staff of the HSDB."

No training programs have been offered in the area of innovative low-cost community design and construction. Delay is perhaps due to the impasses in policy development, as well as the loss of experienced professionals.

- "(d) Completion of short-term training for technical support workers in community development administration and estate management as part of the aided self-help program."

The 2-week management training program offered in November was a success the benefits of which are demonstrated in the beneficiary selection and lot allocation processes. The technical support workers are well equipped to deliver information to the beneficiaries on program attributes and constraints. A training program has not been formed to coordinate community development and estate management, but should be considered for the near future.

- "(e) Establishment of project evaluation capability in the HSDB and/or the Harare City Council."

Formulation of an evaluation methodology by the COH is underway.

- "(f) Initiation and completion of a household savings mobilization and loan study."

Study has not been initiated.

Phase II - (a) Improve delivery of shelter assistance to local urban authorities.

- (b) Continuation of the long-term training program of architects, planners, engineers, and quantity surveyors.

- (c) Short-term training of project evaluators and project implementors from secondary cities.

The March 1984 draft PDP indicates plans to pursue items (a) and (c). Item (b), long-term professional training, is a stated objective of the Transitional National Development Plan for 82/83-84/85 (see Annex VI).

18.3 "To pursue a range of design and policy improvements for consideration during both phases of the project. This will cover:

- improvements in house designs.
- more economical land use standards.
- more economical service standards.
- improved contracting techniques to include smaller builders.
- more economical building design for community facilities.

- support for small scale enterprises.
- improved institutional and financial mechanisms."

As indicated elsewhere in this paper, the MNCH has been actively pursuing and debating policy options over the life of this project. The pressures of policy formulation, however, among other factors, has prevented the development of a systematic approach aiming at improvements in design. An objective analysis of potential areas of improvement in design, land use, service standards, contracting techniques, etc., is first required.

Support for small-scale enterprise may appear to be set back by GOZ emphasis on Building Brigades, but the real effect remains to be seen.

Progress has been made in achieving improved institutional and financial mechanisms.

19. Goals/Subgoals

The project goal is "to assist the GOZ to develop the technological, institutional and financial capacity to provide low-cost shelter and related services for the urban poor.

At the time of this evaluation, progress towards attaining the project goal can be described as positive but slow. Resources for low-cost housing have increased to some extent. General output of low-cost shelter units, after dropping seriously in 1982-1983, are expected to increase in 1984.

Information on the general expansion of community facilities was not sufficient for evaluation.

The GOZ's general policy statements, which place emphasis on the need to provide low-cost housing, stand as a major indicator of positive movement. However, it is not possible to determine the extent to which this can be attributed to achievement of project purposes.

Since the original statement of the project goal, GOZ policy determinants and aims have gone through stages of increasing awareness from (a) remnants of white Rhodesian attitudes towards

the poor, with racial foundations, to (b) acceptance of AID low-cost shelter principles in an environment of scarcity, to (c) the challenging of AID influence and the voicing of more generally felt, if less rational, self-generated principles. This process has affected the speed of progress towards the project goal, but may prove to ensure its genuine achievement in the long run, since it represents the true local initiative necessary to long-term success.

There is a good chance that economic realities will tend to push future policy towards greater rationalization. To the extent that project purposes have been, and will be achieved, a contribution will be made towards attaining the project goal. It is therefore important to ensure that the project's third stated purpose, "to pursue a range of design and policy improvements for consideration during (the) project," not be weakened during implementation.

20. Beneficiaries

The beneficiaries in this project are the low-income families of Harare and secondary cities. The eligibility criteria for Phase I require that beneficiaries:

- have a median household income of \$175/month or less as of 8/82,
- be a first-time buyer (own no other property),
- be employed or self-employed within the City of Harare with dependents,
- be listed on the official Harare housing "waiting list,"
- comply with project procedures and agreements.

The waiting list consists of 35,000 persons, of whom approximately one quarter appear to be eligible for this program.

The income distribution of the beneficiaries who have been allocated plots as of February is as follows:

<u>Income</u>	<u>Number of Persons</u>
\$ 76	1
80-90	8
90-100	3
100-110	3
110-120	10
120-130	20
130-140	52
140-150	67
150-160	53
160-170	19
170-175	16
	Total 252 Allocations February

This distribution indicates that about 15% (those who fall in the income categories below \$110 per month - see Materials Affordable Guide Annex IV) - cannot afford more than a plot and

the construction of a wet core. For these, mobilization of other resources will be needed to build a 4 room house within the required 18 months. It may, therefore, be difficult for this group to participate, considering construction time parameters.

The original intention of the program as is stated in the Project Paper was to draw from the 30th percentile (US\$ 84.9/month) to 38th percentile (US\$ 104.5/month) along with loans in the range of \$1,200 US (Z\$75) to \$2,400 US (Z\$1,500) to complete or extend core unit on a 200 m² plot with no time constraints. Currently, the range of loans which can be obtained is \$119 to \$3,100 for a 300 m² plot. These loans are affordable to those persons whose incomes range from \$80 to \$175. It would appear that those individuals within the 40 to 50 percentile will be able to afford housing without excessive mobilization of other resources provided they utilize the self-help option. (See Annex V - Materials Affordable by Participating Income Group.) If the options of brigade-built or any combination of self-help/brigade construction is selected, costs are higher. See Annex VI - Estimated Cost of House Construction by Mode.

It is recommended that consideration be given to increasing the participation of families closer to the minimum wage.

21. Unplanned Effects

At this time, the project has engendered no unplanned changes in the country's or community's social structures, environment, health, technology, or economic situation.

22. Lessons Learned

At this stage of project implementation, the evaluation cannot point to lessons learned, except for obvious minor points in the area of implementation management. However, the following can be stated:

- a. **Development Strategy:** this project displays and confirms the value of the classic two-pronged HG approach, which ties shelter provision closely to institution building. As much as recipient countries might object to HG procedures and demands, the necessary long-term interaction - in a negotiating atmosphere between a self-confident host government Ministry on the one hand and advocates of specialized sound shelter strategies on the other, along with the application of systematic project management procedures, inevitably encourages a more rational focus.
- b. **HG-001 and RHUDO/E&SA:** this project also displays certain unusual and creative project development and management approaches, characterized by fluid but constant monitoring and dialogue, with well-timed T.A. along with a more

accommodating handling of recipients' obligations on the other. It is very possible that this approach, by staying adaptable to the changing environment, has ensured the continuation of this project. At the least, it might well have ensured AID's being the first major outside participant in the housing sector in Zimbabwe.

This approach should itself be carefully monitored, however, to ensure that underlying HG principles govern project outcome. Further, this approach should not be allowed to obscure the project development process for the outside observer. More careful documentation of the process in joint GOZ-AID memoranda would ease this problem.

- c. Suggestions for Evaluation Methodology - Future reviews and evaluations should be scheduled early and Terms of Reference prepared with GOZ participation. TOR should include agreement on a list of issues to be examined, as well as routine data collection and analysis. The GOZ might be encouraged to appoint a counterpart team to work closely with the AID team, with both teams, prior to start of field-work and to the extent possible, having general agreement on a scope of work.

Complete project documentation should, if possible, be assembled by AID prior to the start of the fieldwork (Agreements, PILs, all required submissions) and the GOZ (policy statements, internal administrative decrees affecting project implementation, official submissions, etc.).

23. Special Comments

23.1 Technical Assistance Discussion

23.1.1 General

Current Technical Assistance is on the whole running well. While the Resident Advisors have been through a waiting period during which they have, perhaps at times, questioned their usefulness, their presence has without question been constructive.

Commodities provided to date are limited to vehicles. (A microcomputer was obtained under the Project Planning Advisor's contract, and has already had a significant impact on project planning, notably in developing the PDP, but also in costing shelter and materials production.) According to GOZ procedures, the vehicles are under control of a central motor vehicle pool. Since vehicles are at a premium in Zimbabwe, this system can put the project for which they are intended at a disadvantage. At the time of the field visit, the vehicles were not marked or otherwise easily identifiable, and discussion about their use was becoming a source of unease

among project participants. The evaluation team notes that the project is in increasing need of project vehicles, and suggests that their use for project needs be assured.

Concerning how best to use the remaining +\$300,000 in T.A. funds, the Permanent Secretary has indicated a strong interest in the study of appropriate, locally developed materials. The GOZ did not suggest other possibilities. The evaluation team notes concern on the part of GOZ officials that T.A. can bring interference as well as assistance, and opinion in the GOZ that Zimbabwe is not generally in need of T.A. from foreign countries.

The GOZ Transition Plan (Annex VI) envisages the need for a Faculty of Environmental Sciences at the university level (8.15) and an institute for "research for materials and techniques" (8.21). Assistance which helps to bring the experience of other countries to bear on this issue would be useful.

- 23.1.3 Follow-up on management training: the Project Management seminar was very constructive, and follow-up would be useful now that practical work is underway.
- 23.1.4 House and site design: improvement could be made in this area, from both the economic and social points of view. User attitudes are perceived and assumed, but not verified. User acceptance analysis is virtually absent from the planning process. In addition, a Bertaud or Citrud analysis could be interesting and revealing to the MNCH. T.A. could provide an introduction in these areas.
- 23.1.5 Data collection and analysis. The GOZ and L.A.s have a positive attitude towards statistics, with a fairly good data base, and data collection procedures. With the GOZ's administrative staff, there is good potential for a thorough case studies development. T.A. could help set up a framework for systematic case study execution.
- 23.1.6 Communications Unit: A USAID consultant in the summer of 1982 recommended improvement of public education on housing matters through a Communications Unit. This idea is still relevant, and T.A. might assist in this regard.
- 23.1.7 Continuation of existing Resident Advisory services: Since the project has been delayed, it is recommended that Resident Advisory services be ensured for the year beyond current contract expiration dates, with the usual review of contracts and personnel, preferably with GOZ participation.
- 23.2 Discussion of Specific and General Implementation Recommendations

If acceptable to the GOZ, the following recommendations are made concerning implementation, for immediate application:

- 23.2.1 Design review, particularly of proposed site designs in secondary cities, in a framework which will involve the TSD in social and economic factors on a limited scale, with an eye to fine tuning rather than wholesale revision. For Phase I, where infrastructure is installed, variation in house location on the lot should be examined for immediate application.
- 23.2.2 Establish complete and clear beneficiary orientation and lot allocation procedures, including assistance to beneficiary in making affordability judgements, resource mobilization, etc., and establishing responsibility for determining answers to unanticipated questions and problems; devise modus operandi for dealing with absence of building materials on site, if this problem surfaces.
- 23.2.3 Clarify detailed scope of work and scheduled work plan for Self-Help Advisor for work starting on site.
- 23.2.4 Ensure continuous monitoring of affordability and beneficiary income levels during lot allocation and construction phases.
- 23.2.5 Monitor coordination between provision of social infrastructure (community facilities, schools, transport, etc.). Recommend remedies where untimely delivery endangers project success.
- 23.2.6 Implementation letters and memoranda: a greater use of written communications should be encouraged in order to differentiate between formal and informal submissions and responses (e.g. October 1982 PDP). This should be done to the extent judged useful by RHUDO, which should continue to take into account the special needs of the MNCH/AID relations without permitting project implementation history to be unclear. To start, Project Description should be written to conform to PDP (see 13.1.1).
- 23.2.7 Amend current Phase I PDP to include Chitungwiza subproject.
- 23.2.8 GOZ should appoint permanent counterpart staff to work with Resident Advisors. Role of advisors as technical resources to the MNCH, not as AID personnel should be clarified.
- 23.2.9 Review potential for development of cooperative institutions. Since marketing coops exist, building coops or materials purchase coops might be attractive once construction starts.

23.3 Miscellaneous Observations

23.3.1 Comment on GOZ's policy re-examination

It would appear that the period between the 1982 interim review and the end of 1983 was a time of entrenchment for the new MOH, and that the lack of apparent movement towards clear policy development to support the HG program was inevitable.

It must be acknowledged, nonetheless, as a period during which the MOH assumed real control over policy, and determined its own needs and priorities without giving over fully to AID leadership. It was thus a positive phase, clearly necessary to institutional development.

The ultimate outcome, in terms of shelter production and beneficiary economic status cannot be estimated at this time. It could be argued on the one hand that the MOH has allowed total choice to the beneficiaries in the HG projects, as to the method of construction. This would be the ultimate self-help approach. It has also been argued that the 18-month four-room deadline virtually eliminates the low-income households who would otherwise qualify and is a factor inhibiting fair beneficiary selection (many might conscientiously although perhaps unwisely eliminate themselves).

Also unclear at this time is whether the principles agreed upon, which are now applicable only to donor-funded programs, might eventually be applied to programs funded directly by the GOZ.

An important victim of the movement of the past 16 months has been the concept of comprehensive human settlements planning, but it may not be too late to resuscitate this essential concept. Unfortunately, the P/F Phase I effort is sure to be inhibited by the indecisive shifting of responsibilities between the MOH and the COH: school construction had not begun when lots were being assigned. Given the importance attached to education in Zimbabwe, the absence of schools could inhibit a quick start of housing construction.

This is particularly regrettable since school designs were ready for tender in the Summer of 1982, but were withdrawn by the MOH as construction responsibilities were undecided, and the role of building brigades was pushed forward.

Another important question is the MOH's awaited reaction to the construction process about to begin at P/F. The MOH appears to be willing to focus on an uninformed perception of what the settlement should be, at the expense of an objective interest in assuring effective, habitable shelter. Whether this continues will depend largely on the degree of pragmatism the MOH can muster and apply to its basic goals. It would appear, from the process undergone by the HG program from late 1982 to the end of 1983, that pragmatism will prevail, as beneficiaries show the way.

To the outsider, the GOZ's policy analysis and formulation methods appear at best unclear. It is therefore difficult to predict with any degree of certainty what direction GOZ housing policy might take once the HG-001 experience is known. A more structured and documented GOZ - RHUDO dialogue

based on monitoring of the on-going programs, if acceptable to the GOZ, might be of assistance to both parties, and particularly to the GOZ. It is recommended that the burden of carrying and documenting such a dialogue rest less on the Resident Advisors, to enable them to deal with technical matters relating more directly with program implementation.

In any case, the continuing expression and advocacy of sound housing principles during this period, through dialogue with all parties involved, is finding expression to some extent at Parkridge/Fontainbleau and must be rigorously pursued.

Finally, the MOH's willingness to struggle to put forth its principles and continue the dialogue with AID's representatives is applauded. There can be little doubt that both parties benefitted from this period of adjustment, and although the delay in housing a large number of families is regrettable, it would be wrong to conclude that the period was one of inaction.

23.4 Potential for Second HG Loan

The evaluation team received a brief introduction to the proposed Epworth upgrading project outside of Harare. Details of USAID's plans were not known at the time.

This project proposes the upgrading of the physical, and to some extent social, infrastructure of an existing community. Epworth is an old low density settlement with a recent population influx. The low density and difficult terrain will make it costly.

The administration and implementation of the project will be by the Ministry of Local Government and Town Planning, which is understaffed but has good potential for success and can be brought into a relevant process of devising solutions to human settlements problems.

The team feels that this project can play an important role in strengthening Zimbabwe's abilities to deal with its shelter problems, and, on the basis of general knowledge of the situation, recommends that it be further pursued. Special attention should be paid to obtaining realistic costing and an analysis of its bearing on affordability, innovative and appropriate technological solutions, integration with other sectors (e.g. food production), and continuity of implementing responsibilities in a single agency. If possible, such continuity should be ensured at the outset.

23.5 Annexes

- I.A Original Logical Framework (1980 PP).
- I.B Logical Framework, Outputs section with evaluation findings.
- II Illustrative Affordability Guide, 300 m² plot.
- III Illustrative Affordability Guide, 200 m² plot.
- IV Materials Cost Affordability (Harare).
- V Estimated Cost of House Construction.
- VI GOZ Transition Policy: Housing
- VII Review of UNCHS projects at Kwe-Kwe and Gutu.
- VIII Existing Harare low-income housing stock.

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**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

(INSTRUCTIONS: THIS IS AN OPTIONAL FORM WHICH CAN BE USED AS AN AID TO ORGANIZING DATA FOR THE PAC REPORT. IT NEED NOT BE RETAINED OR SUBMITTED.)

Life of Project: From FY 1980 to FY 1984
Total U.S. Funding: 550 million
Date Prepared: August 26, 1980

Project Title & Number: ZIMBABWE SHELTER PROJ. # (613-IIG-001)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes: (A-1)</p> <p>To assist the Government of Zimbabwe to develop the institutional, technological and financial capacity to provide shelter and related services for the urban poor.</p>	<p>Measures of Goal Achievement: (A-2)</p> <p>Increased resources allocated for low cost housing.</p> <p>Increased output of low cost shelter units.</p> <p>Expansion in numbers of community facilities operating for target population.</p>	<p>(A-3)</p> <p>Ministry of Local Government and Housing records. C S O official statistics. Independent reports. Monitoring. Evaluation.</p>	<p>Assumptions for achieving goal targets: (A-4)</p> <p>Government of Zimbabwe continues in the direction of its present policy adopting more affordable standards, and increasing production of shelter improvement for households below the median income.</p> <p>IG loan is approved.</p>

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: 1980 to FY 1984
From FY 1980 to FY 1984
Total U.S. Funding: \$50 million
Date Prepared: August 26, 1980

Project Title & Number: ZIMBABWE SHELTER PROJECT (613-HG-001)

PAGE 2

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Purpose: (B-1)	Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2)	(B-3)	Assumptions for achieving purpose: (B-4)
1. To increase the production of low cost shelter in Salisbury and other cities of Zimbabwe. (First and Second Phase)	1. Production of up to 14,000 low cost shelter units. A majority of the units will be outside Salisbury in second phase.	1. Ministry of Local Government records, progress reports, and monitoring.	1. Government of Zimbabwe will continue to carry out host country financial and implementation obligations.
2. To strengthen the capacity of national and local urban authorities to administer large low cost housing programs, some with a self-help component.	2. HDSB and local authorities in selected cities have sufficient staff to provide self help community administration, credit and technical assistance with home extension.	2. Same as above, " " " " " "	2. Salisbury City Council meets obligation of providing sufficient staff for community administration, etc. Salisbury City Council, Ministry of Education, Ministry of Health provide facilities and staff as planned.
3. To pursue a range of design and policy improvements for consideration during both phases of the project. This to cover: Improvements in house designs, more economical land use standards, more economical service standards, improved contracting techniques to include smaller builders, more economical building design for community facilities, support for small scale enterprises, and	3. Policy documents proposed/reviewed. New policies initiated. Design standards proposed/reviewed.	3. Same as above. " " " " " "	3. Government of Zimbabwe continues willingness to discuss and consider policy improvements in these areas.

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 1980 to FY 1983
Total U.S. Funding \$50 million
Date Prepared August 26, 1980

Project Title & Number: ZIMBABWE SHELTER PROJECT (613-HG-001)

PAGE 3

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Outputs: (C-1)	Magnitude of Outputs: (C-2)	(C-3)	Assumptions for achieving outputs: (C-4)
<p>1. New low-cost shelter solutions.</p> <p>a. New low cost shelter solutions with improved house designs and site planning.</p> <p>b. Material loans for home extension.</p> <p>c. Increased employment through labor intensive construction.</p> <p>d. New community facilities.</p> <p>2. Improved capacity of GOZ and local authorities to design, implement, and finance comprehensive low cost shelter programs, including self-help housing components.</p>	<p>1. <u>Phase I</u></p> <p>a. 8000 dwelling units completed in Salisbury, some with aided self help.</p> <p>b. 16 primary schools funded under Phase II plus some community facilities.</p> <p><u>Phase II</u></p> <p>a. Up to 6000 dwelling units completed, some with aided self help.</p> <p>b. Community facilities as yet to be determined.</p> <p>c. Several projects in secondary towns.</p> <p>2. Land use, servicing and construction standards reviewed and amended as required.</p> <p>Institutional and financial mechanisms for low cost shelter reviewed and necessary changes undertaken.</p> <p>Support for S S E's and small contractors integrated into AID financed projects.</p> <p>Medium scale contractors participating in housing construction.</p> <p>An aided self-help housing program.</p>	<p>Ministry of Local Government and Housing statistics.</p> <p>AID consultant and TA reports.</p> <p>AID project monitoring reports.</p> <p>Same as above</p>	<p>Government of Zimbabwe has capacity to implement proposed program.</p> <p>Government of Zimbabwe is able to acquire the required land in a timely fashion.</p> <p>Government of Zimbabwe willing to undertake necessary changes in standards and institutions.</p>

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: From FY 1980 to FY 1984
Total U.S. Funding: \$50 million
Date Prepared: August 26, 1980

Project Title & Number: ZIMBABWE SHELTER PROJECT (613-IIG-001)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Inputs: (D-1)	Implementation Target (Type and Quantity) (D-2)	(D-3)	Assumptions for providing inputs: (D-4)
Phase II			
3. HG Loan	3. HG loan \$25m as part of total \$50m HG program finances approximately: a. up to 6,000 shelter solutions (\$15m). b. \$6m of building material loans. c. \$2.75m of community facilities.	Same as above.	
4. Local contributions	4. Estimated local contribution of approximately: a. GOZ - \$14m for up to 4,000 shelter solutions. - \$4.5m for community facilities. - \$1.0m for land. - \$.35m for staff salaries and support.	Same as above.	
b. Local Authorities	b. \$1m for community facilities.		
Phase I and Phase II			
5. Technical Assistance	5. a. Resident technical assistance program of 2 resident advisors, 2 years each, \$240,000 per person plus \$170,000 short term TA support. (Total \$650,000, FY81)	Same as above.	
a. Africa Bureau ESP			

410 1000-20 (1-79)
SUPPLEMENT 1

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: From FY 1980 to FY 1984
Total U.S. Funding \$50 million
Date Prepared: August 26, 1980
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Project Title & Number: ZIMBABWE SHELTER PROJECT (613-IG-001)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Inputs: (D-1)	Implementation Target (Type and Quantity) (D-2)	(D-3)	Assumptions for providing inputs: (D-4)
b. Africa Bureau and DS/II	b. Evaluation and monitoring effort in cooperation with HDSB. Women's studies.		
c. DS/II and Africa Bureau	c. Employment studies and project studies, DS/II, FY 81 \$60,000. Project, ESF, FY 82/83, \$200,000.		
d. UNCHS and DS/II	d. Finance study, FY 81-82. UNCHS, \$40,000 and DS/II \$35,000.		
6. Training/AMDP	6. Approximately \$500,000, FY 81-85 used for participant training 6 architects and Physical Planners in U.S. or third country.		

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Annex IB

Narrative Summary

Project Outputs: (C-1)

- 1. New low-cost shelter
 - a. New low-cost shelter solutions with improved house designs and site planning.
 - b. Material loans for home extension.
 - c. Increased employment through labor intensive construction.
 - d. New community facilities

Objectively Verifiable Indicators

Magnitude of Outputs: (C-2)

- 1. Phase I
 - a. 8000 dwelling units completed in Harare, some with aided self help.
 - b. 16 primary schools funded under Phase II plus some community facilities.

Phase II

- a. Up to 600 dwelling units completed, some with aided self help.
- b. Community facilities as yet to be determined.
- c. Several projects in Secondary towns

Evaluation Observations

Phase I

- a. 6748 units Chitungwiza completed
4104 units Harare to be constructed in Parkridge-Fountainbleau 266 plots have been allocated o/a 3/2/84. Approxima
5,764 un
- b. 4 primary schools
1 secondary school
Health Clinic (to be constructed)
Market toilets
Administrative complex

Phase II

- To be constructed
 - a. 3,264 units Parkridge East Harare
1,000 Maronderas
1,000 Kadoma
500 Chinhoyi
 - b. Provision in site plans includes health clinic, post office, super-market, cinema, police station, fire and ambulance facilities, gas station etc. for P/F. Secondary towns will have constructed
 - 1 primary school
 - 1 secondary school (except Chinhoyi)
 - market/toilet

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2. Improved capacity of GOZ and local authorities to design, implement, and finance comprehensive low-cost shelter programs, including self-help housing components.

2. Land use, servicing and construction standards reviewed and amended as required.

Institutional and financial mechanisms for low cost shelter reviewed and necessary changes undertaken

Support for SSE's and small contractors integrated into AID finance projects.

Medium scale contractors participating in housing construction.

An aided self-help housing program.

2. High standards have been created by MOH - 4 room house, fully serviced on 300m² minimum plot. An Examination of low-cost designs, using low-cost materials for building and infrastructure should be investigated, also economical land use studies undertaken.

The MOH policy allows for employment of building brigades eliminating the need for contracting techniques. The brigades are employed by the Department of Public Works.

Here it is noted that some small contractors have closed shop and joined the brigades for gainful employment.

Existing financial and institutional mechanisms are being utilized to implement project. Computerization of manual processes would be beneficial to the beneficiary plot allocation/loan processes.

AN

ILLUSTRATIVE AFFORDABILITY GUIDE: building on 300 square meter plots

Monthly Household income	Percent on hsg	Maximum Affordable	Monthly Services	Monthly Plot charge	Balance for loan	Maximum loan
80	27.5	22.00	14.12	6.06	1.02	119
90	27.5	24.75	14.12	6.86	3.77	439
100	27.5	27.50	14.12	6.86	6.52	759
110	27.5	30.25	14.12	6.86	9.27	1079
120	27.5	33.00	14.12	6.86	12.02	1400
130	27.5	35.75	14.12	6.86	14.77	1720
140	27.5	38.50	14.12	6.86	17.52	2040
150	27.5	41.25	14.12	6.86	20.27	2360
160	27.5	44.00	14.12	6.86	23.02	2680
170	27.5	46.75	14.12	6.86	25.77	3000
175	27.5	48.13	14.12	6.86	27.15	3160

Notes: Column 3 based on a maximum of 27.5% spent on housing for all income groups.

Monthly service charges include water, sewerage, refuse removal, supplementary and loan administration charges.

Plot development charge is based on allocable capital cost of \$840 for a 300 square metre stand and a deposit of \$42.

Repayments on loan capital calculated on a fixed annuity basis at 9.75% per annum over thirty (30) years compounded monthly.

ILLUSTRATIVE A

Building on 200 square metres.

Monthly Household income	Percent on hsg	Maximum Affordable	Monthly Services	Monthly Plot charge	Balance for loan	Maximum loan
80	27.5	22.00	14.12	4.90	2.98	347
90	27.5	24.75	14.12	4.90	5.73	667
100	27.5	27.50	14.12	4.90	8.48	987
110	27.5	30.25	14.12	4.90	11.23	1307
120	27.5	33.00	14.12	4.90	13.98	1620
130	27.5	35.75	14.12	4.90	16.73	1948
140	27.5	38.50	14.12	4.90	19.48	2260
150	27.5	41.25	14.12	4.90	22.23	2500
160	27.5	44.00	14.12	4.90	24.98	2900
170	27.5	46.75	14.12	4.90	27.73	3220
175	27.5	48.13	14.12	4.90	29.11	3388

Notes: Column 3 based on a maximum of 27.5% spent on housing for all income groups.

Monthly service charges include water, sewerage, refuse removal, supplementary and loan administration charges.

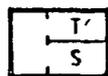
Plot development charge is based on allocable capital cost of \$600 for a 200 square metre stand and a deposit of \$30.

Repayments on loan capital calculated on a fixed annuity basis at 9.75% per annum over thirty (30) years compounded monthly.

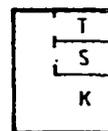
Annex IV Materials affordable by participating income groups (Harare Only)

Monthly HH income	Capital for House	No materials i.e. plot only	A Toilet and shower	B.A plus kitchen	C.B plus living/dining	b.C plus bedroom	E.D plus bedroom	F.E plus electricity
80	-	○	-	-	-	-	-	-
90	535	○	-	-	-	-	-	-
105	1 040	○	○	-	-	-	-	-
110	1 205	○	○	-	-	-	-	-
120	1 540	○	○	○	-	-	-	-
130	1 880	○	○	○	-	-	-	-
140	2 210	○	○	○	○	-	-	-
156	2 750	○	○	○	○	○	-	-
175	3 390	○	○	○	○	○	○	○

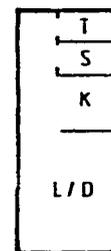
○ affordable
 - not affordable



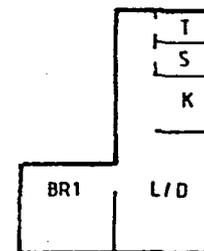
A



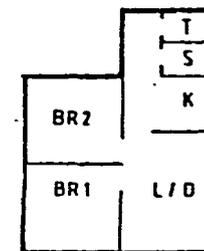
B



C



D



E

MODE / MASE

A. Toilet and shower (7.9m)	B. A/ plus kitchen (14.6m)	C. D plus L/D (29.2m)	D. C plus bedroom (39.9m)	E. D plus bedroom (50.2m)	F. E plus electrics (50.2m)
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PURE/SELF-HELP

Materials	970	1400	2272	2775	3199	3420
Labour (all by allottee)	0	0	0	0	0	0
Total	970	1400	2272	2775	3199	3420

ALLOTTEE HIRES ALL LABOUR DIRECT

Materials	970	1400	2272	2775	3199	3420
Labour	226	296	630	806	1005	1065
Total	1196	1704	2902	3581	4204	4493

ALLOTTEE HIRES BRIGADE

Materials	970	1400	2272	2775	3199	3420
Labour	339	444	945	1209	1500	1590
Total	1309	1852	3217	3984	4707	5026

2/6

CHAPTER VIII.

HOUSING AND CONSTRUCTION

A. HOUSING

8.1 The provision of adequate and decent housing and housing conditions is a basic need and an essential element in improving social welfare. Over the years, increasing population, rural-urban migration, the escalation of building materials and construction cost and limited socio-economic resources, have produced a huge housing backlog in urban areas. In rural areas the problem has been largely one of neglect of infrastructural development and lack of investment in construction of adequate houses. Elimination of the housing backlog in urban areas and introduction of new and better types of houses in rural areas call for imaginative financing schemes and self-help programmes.

Objectives and strategy

- 8.2 During the plan period Government will seek to attain the following objectives in housing:
- (i) reduce and eventually eliminate the housing backlog in municipal and rural council centres;
 - (ii) improve the quality and number of houses in communal, resettlement, mining and commercial farming areas; and
 - (iii) reduce building materials and construction costs so as to bring adequate housing within the reach of ordinary urban and rural people.
- 8.3 The strategies will comprise the following:
- (i) provision of serviced sites on an aided self-help basis;
 - (ii) setting up of brigades to undertake construction of houses;
 - (iii) provision of appropriate level and form of financial and technical assistance to house owners both in urban and rural areas.
 - (iv) mobilization of people in solving the housing problem; and
 - (v) setting up and strictly enforcing housing standards in both urban and rural areas.
- 8.4 In financing the housing programme, the strategy will be to:
- (i) transform the present National Housing Fund into a financially self-sustaining institution;
 - (ii) encourage employers to assist their employees in acquiring houses through loans; and
 - (iii) arrange for building societies to extend loans to low income workers;
- 8.5 The strategies for reducing costs will include:
- (i) direct involvement by Government in production of building materials and the construction of houses through building brigades and with an essential participatory component from the people themselves; and
 - (ii) carrying out research into and developing cheaper building materials, methods and techniques as a means of inducing further savings in the long run.
- 8.6 The strategies for reducing costs of housing aim at bringing reasonable quality houses within the reach of ordinary people. In addition, the following measures will also be considered to ease the burden on house owners:
- (i) arranging that housing loans be extended to a wider number of people;
 - (ii) investigating the possibility of introducing a grace period on loan repayments to ease the financial burden for both the serviced lots and dwelling units; and
 - (iii) investigating the possibility of relating household market rates to some suitable measure(s) of ability to pay.

Programmes

- 8.7 A programme of recruitment and training of skilled personnel will be undertaken jointly with Manpower Planning and Development. Among other elements the programme will include:
- (i) registration of all people who have, either through training or work experience, acquired useful construction skills;
 - (ii) carrying out trade tests to upgrade those who have acquired skills through work experience; and
 - (iii) organising on-the-job training programmes for participants in the housing training programme.
- 8.8 Government will ensure that rents charged are fair to both landlords and tenants. In the long

ing 115 000 housing units over the plan period. The respective costs are expected to be \$138 511 million; \$152 646 million; \$201 498 million and \$492 655 million respectively.

8.10 The overall PSIP for housing is provided in the table below.

P.S.I.P. for 1982-83 to 1984-85

**HOUSING
(\$'000)**

1982/83		1983/84		1984/85	
Allocation	% of total allocation (\$1 018m = 100%)	Planned allocation	% of total planned (\$1 162m = 100%)	Planned allocation	% of total planned (\$1 441m = 100%)
86 423	8.5	125 664	10.8	158 011	10.9

B. CONSTRUCTION

8.11 The construction sector is in the forefront of the economy's infrastructural development. For this reason Government will play an important role in the transformation of the economy, in particular in rural areas, where the activities are closely related to those of Housing, Lands and Rural Development and Local Government and Town Planning. This will necessitate mobilization and increasing the capacity of existing skills and organizational structures.

Objectives and strategy

8.12 While maintenance of government buildings has traditionally been undertaken by the Government's own organisations and staff (and will continue to be handled in this manner), the construction of new buildings was, in the past, largely undertaken through contracts with the private sector. Government will now handle an increasing share of new construction, and to this end, a new organisation has been set up within the existing structure. There will be greater emphasis on use of local labour and local materials. Initial emphasis will be on smaller projects in rural areas which are less attractive to private contractors. There will, however, be an eventual movement into larger projects and other areas.

8.13 Additional impetus to the development of rural areas will be provided by the formation of construction co-operatives, comprising groups of smaller contractors and builders from these areas who will pull their resources together to enable them to tender for both Government and private work.

8.14 Shortages of skilled manpower in Government continues to be a major constraint. In the short term Government will bridge the skilled manpower gap through "in house" training, technical assistance from other countries and the use of expatriate personnel. Continued use will also be made of the University of Zimbabwe for training of engineers, while technical colleges expand training of technicians and artisans.

8.15 In the long term the establishment of a Faculty of Environmental Studies at the University of Zimbabwe will assist in the training of architects and quantity surveyors needed by the industry.

Programmes

8.16 The demand for new housing for staff is well in excess of supply. Simplified standards of construction have been introduced and cost saving techniques are being examined so that more housing can be supplied with limited available resources.

8.17 The demand for additional office accommodation in both urban and rural areas is large. All Government office space and available leased accommodation in the main towns are full.

- 3 The capital development plans for construction are modest, and provide for the improvement and upgrading of existing maintenance depots throughout the country and for the provision of new depots in growth centres.
- 8.19 Improvement of civil, electrical and mechanical engineering services to government buildings and institutions is a continuous exercise, and sufficient provisions have been made for this purpose. Provision has also been made for security works and for miscellaneous minor alterations and additions valued at less than \$5,000 each, for which individual allocations are not made in the programme. Requests from all ministries are handled under this heading and are dealt with on an overall priority basis.
- 8.20 Investigations are under way to determine the best way for Government to increase its participation in the construction industry, and efforts are being made to increase construction activity in the private sector. All aspects of the industry will be studied, from the production of primary materials, through processing and manufacture, to marketing and actual construction.
- 8.21 Government plans to establish a research institute designed to collect, collate and disseminate information on local materials, building techniques, etc., and later, to engage in primary and applied research into problem areas in the industry. The form and funding requirements of the institute will be studied during the plan period.
- 8.22 The total PSIP for construction over the plan period is shown in the table below.

P.S.I.P. for 1982-83 to 1984-85

CONSTRUCTION
(\$'000)

1982/83		1983/84		1984/85	
Allocation	% of total allocation (\$1 018m = 100%)	Planned allocation	% of total planned (\$1 162m = 100%)	Planned allocation	% of total planned (\$1 441m = 100%)
21 595	2.1	26 467	2.3	21 206	1.4

Review of USAID/UNCHS Projects

The USAID/UN HABITAT project is a pilot project being conducted in two secondary towns, Kwekwe and Gutu. The purpose is to stimulate interest among the domestic lending institutions (building societies) in financing low-income housing.

The program was conceived in 1980 with the Ministry of Local Government and Housing, requesting assistance from the UN for low-cost housing development policy options. The UN, subsequent to the GOZ request, undertook studies on planning and design concepts and selected two towns after consideration of several others. Kwekwe and Gutu were selected. Kwekwe is a secondary city, rather urban in nature, with the mining industries being the mainstay of the town; whereas Gutu is considered to be an expanding rural growth center.

In May 1982, the sources of funds were identified. This project is being financed with USAID/Commodity Import Program (CIP) funds US\$2.5m and UN/HABITAT grant funds in the amount of \$960,000 for technical assistance. At the time of the evaluation, a third source of funds has been identified. After negotiations ensued with the three major building societies, Central Africa B.S., Founders B.S. and the Beverly Building Society, BBS came forth with the most enthusiasm and committed \$2.5 million. This is a first for any domestic lending institution in Zimbabwe.

A parallel objective of the pilot project, in addition to inducing the building societies' involvement, is to test and monitor innovative concepts in planning, design and construction to meet the functional requirements of lower-income beneficiaries, with emphasis on mobilization of resources and savings, and labor.

As in the USAID/Low-Cost Shelter Project, three options are presented for the construction of housing:

- aided self-help
- Building Brigades
- Cooperative/Communal efforts.

The UN project underwent a series of changes from the initial concept of the program. Initially, the project was to provide shelter with minimum standard communal service areas, but this was found to be unacceptable to the local authorities. In light of the changes within the Ministry and the introduction of new policy initiatives, which affected all donor funded projects, the project took on a new face. Building standards* were raised and water supply and sewerage to individual stands in Kwekwe were called for. In Gutu, the same standards applied with the exception of sewerage, which is connected to communal septic tanks; all roads are to be unsurfaced. In Gutu, the original plan provided for individual improved pit latrines and communal water point.

*completion of 4 room house (50m²) in 18 months.

The site plan for Kwekwe calls for 1,045 serviced stands of 300 m² and 200 serviced stands of 400 m² in Gutu.

The infrastructure for both sites was completed in December 1983 and plots were ready for plot allocation in January 1984.

The beneficiary selection process was designed to select from Local Authority waiting lists those individuals who earned less than \$150/m, owned no other residential property, resided in the center for at least one year, was employed within the center, a head of household, and was on the updated waiting list.

The process used in Gutu and Kwekwe is the same as in the USAID program, and is effective in both the UN and USAID projects. Once the beneficiaries were selected and plots allocated, two one-day workshops were held in both Kwekwe and Gutu. One workshop was held to give a comprehensive overview of the project and the role of community participation. The presentations were made by MNCH/UN/Local Authorities with the use of audio-visual aids and house models to illustrate the various stages of the project. A second one-day workshop was held to demonstrate house construction methods, and the role of the building promoters (technicians who will oversee the various stages of construction). An introduction to the procedures for using the building material stores and financing arrangements was provided on a written Information Sheet and explained through oral presentations in Shona, the local language. These sessions were considered to be successful, enthusiasm was evident as of early March when approximately 100 of the beneficiaries out of 120 in Kwekwe had selected the self-help construction method; in Gutu, 70 of 130 had opted for aided self-help, 50 for building brigades and 10 for the cooperative method.

It is difficult to determine at this time whether the loan program which enables a beneficiary to borrow for building material loans only and not for labor will discourage the participation of small-scale enterprise. At this junction, there appears to be a preference to "build your own."

The building material loans will range from Z\$1,000 to Z\$3,000 based on affordability. All loan applications will be screened by site people and forwarded to the building society who will do a recredit check before advancing the loan.

The government, by law, guarantees all loans which represent over 75% of the value of the property. (It is unclear as to whether the BBS will be able to advance over \$100,000 per month over a 26 month period of time).

The building loans will be for a 25 year period at 12.5% per annum through a Graduated Payment Mortgage (GPM) increasing 5% annually. The capital costs of the fully serviced stand will be recovered over a 25 year period at 9.75% per year on a GPM basis increasing 5% annually. The monthly repayments and affordability will be based upon the

assumption that a beneficiary can afford to spend 27.5% of income on housing. (See Tables A and B - affordability chart for Kwekwe and Gutu.)

While lowering the affordability threshold and enabling lower-income families to gain access to the market, a primary concern about the GPM is the extent to which negative amortization occurs, and to what extent beneficiaries understand this. The private lender has the advantage of the GPM plus a government guarantee. The president of the BBS expressed enthusiasm for the project and the expectation that the private sector would ultimately participate significantly in low-income housing finance.

Separate case study monitoring of this project with an eye to the effect of the GPM is recommended. Also interesting will be the extent to which the projects thrive when the currently heavy UNCHS technical assistance and project management ends.

Affordability Chart

(All figures in Z\$ and for each stand)

	Income (Z\$ Per Month)									
	60	70	80	90	100	110	120	130	140	150
1. Total Monthly amount affordable for Housing(a).	16.50	19.25	22.00	24.75	27.50	30.25	33.00	35.75	38.50	41.25
2. Total Land, Roads and storm-water Capital Cost.	454	454	454	454	454	454	454	454	454	454
3. Monthly Repayment on Capital Cost.	2.69	2.69	2.69	2.69	2.69	2.69	2.69	2.69	2.69	2.69
4. Monthly Minimum Service Charges(b).										
- Water	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
- Sewerage	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
- Refuse Collection	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
5. Monthly Minimum Supplementary charges(c)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
6. Monthly Repayment on Building Loan.	1.31	4.06	6.81	9.56	12.31	15.06	17.81	20.56	23.31	26.06
7. Total Monthly Repayments.	16.50	19.25	22.00	24.75	27.50	30.25	33.00	35.75	38.50	41.25
8. Total Affordable Building town.	172	534	895	1,256	1,618	1,979(d)	2,340	2,702	3,063	3,424

5.

Loan Affordability Chart

(All figures in Z\$ and for each stand)

	Income (Z\$ per month)									
	60	70	80	90	100	110	120	130	140	150
1. Total Monthly Amount (a) affordable for Housing	16.50	19.25	22.00	24.75	27.50	30.25	33.00	35.75	38.50	41.25
2. Total Land, Roads, Storm-water, Capital Cost.	392	392	392	392	392	392	392	392	392	392
3. Monthly Repayment on Capital Cost.	2.32	2.32	2.32	2.32	2.32	2.32	2.32	2.32	2.32	2.32
4. Monthly Minimum Service Charges. (b)										
- Water	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
- Sewerage	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
- Refuse Collection	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
5. Monthly Minimum Supplementary Charges (c). 4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
6. Monthly Repayment in Building Loan.	3.68	6.43	9.18	11.93	14.68	17.43	20.18	22.93	25.68	28.43
7. Total Monthly Repayments.	16.50	19.25	22.00	24.73	27.50	30.25	33.00	35.75	38.50	41.25
8. Total Affordable Building Loan.	484	845	1,206	1,568	(d) 1,929	2,290	2,852	3,013	3,374	3,756

Handwritten initials

Kwekwe

Notes

- a. Total monthly amount affordable = 27.5% of monthly income
- b. The monthly minimum service charges include \$2.00 for $10M^3$ for water consumption (\$0.08 for M^3 for additional water; \$3.50 as a flat rate for sewerage; \$1.00 is a flat rate for refuse collection.
- c. The monthly minimum supplementary charges are based upon a rate of \$0.12 per M^2 of plinth area for an average four-roomed core house of $50M^2$ ($50 \times 80.12 = \$6.0$) to cover the charges for tower lighting electricity, administrative costs of Kwekwe, maintenance of roads and drains.
- d. \$1,979 = construction of a 32.98 square meter house containing
 - 2 bedrooms - 9.61 square meters each
 - 1 kitchen - 6.82 square meters
 - 1 wet core - 6.82 square meters
(toilet, shower)

Qutu

Notes

- a. total monthly amount affordable = 27.5% monthly income.
- b. The monthly minimum service charges include \$2.00 on a flat rate for water consumption per month: \$3.50 to recover capital cost of on-site and off-site sewerage: \$1.00 as a flat rate for refuse collection.
- c. The monthly minimum supplementary charges include \$2.62 to recover capital cost of on-site water reticulation; \$0.75 to recover capital cost for electricity and tower lights reticulation; \$0.63 for tower lights electricity and general administration costs.
- d. \$1,924 = construction of 32.15 square meters house containing
 - 2 bedroom - 9.61 square meters each
 - 1 kitchen - 6.82 square meters
 - 1 wet core - 6.82 square meters.
(toilet, shower)

Annex VIII

According to the City of Harare, there are 59,000 existing low-income housing units. The definition of "low-income" is not clear, however, but is not closely tied to median income. The City of Harare has two projects in progress for a target population with incomes between \$40 and \$200 per month:

Glenview which started in 3/79 provides approximately 7,600 shelter solutions. Glenview is an aided self help program which provides on 200m² water and toilets for beneficiary and beneficiary is allowed to live in temporary shelter during his construction. The majority of stands 7,347 are 200m² in size and said to be affordable to the \$40 - \$140 month income group. The remainder of stands are 400m² affordable to \$400 - 700/m income group. This project is still in progress with 177 stands undeveloped.

In this project, cash loans are being provided up to \$1000 at 9.25%. Beneficiaries are allowed to construct a complete house according to plans in 10 years and one habitable room in 3 years.

The other project, Warren Park also sponsored by the City of Harare began in October 1980 and provides 3500 shelter solutions via aided self help and building material cash loans of up to \$1000. The Project allows construction over 5 years on 200m² stands. This project provides one room-Cores and 2 room-cores for beneficiaries to complete according to their plans. The income range is \$150/month to \$325/month, project is still in progress.