



# 2019

## ZAMBIA - NAMIBIA EXCHANGE REPORT



NATIONAL HOUSING AUTHORITY



Shack Dwellers Federation of Namibia  
and Namibia Housing Action Group

## Contents

1.0 Acknowledgements .....	2
2.0 Introduction .....	2
3.0 Day 1 .....	3
3.1 Presentation by Slum Dwellers Federation of Namibia .....	3
3.2 Presentation by Zambia Homeless and Poor People's Federation .....	4
3.3 Presentation by Ministry of Rural and Urban Development.....	6
4.0 Day 2 .....	8
4.1 National Housing Enterprise (NHE) meeting .....	8
4.2 Okahandja Park site visit .....	9
4.3 Courtesy Call on Ambassador .....	12
5.0 Day 3 .....	13
5.1 Meeting with Gobabis Municipality .....	13
5.2 Freedom Square site visit .....	14
6.0 Lessons Learnt and Next Steps for Zambia .....	15
7.0 Appendix.....	16
7.1 List of Participants.....	16

## 1.0 Acknowledgements

The participating partners namely the Ministry of Housing and Infrastructure Development, the National Housing Authority, People's Process on Housing on Housing and Poverty in Zambia and the Zambia Homeless and Poor People's Federation would like to acknowledge the unwavering technical and financial support rendered by Slum Dwellers International (SDI) to undertake the learning exchange to Namibia which will go a long way in reshaping the low cost housing delivery in Zambia.

The participating partners would also like to thank the Namibia Housing Action Group (NHAG) and the Shack Dwellers Federation of Namibia for hosting the high level delegating as well the warm Namibian hospitality.

## 2.0 Introduction

Zambia is a fast developing lower middle-income country with an estimated population of 16.9 million people and a growth rate of 3 per cent per annum. Historically, Zambia's major nodes of urban development are located along the line of rail stretching from the Southern to the Northern parts of the country where the major industrial activities of agriculture and mining take place. As a result of the lucrative economic opportunities being located along the line of rail, there has been massive rural to urban migration over the past decades which has seen Zambians from all walks of life flocking to the towns and cities for the proverbial "greener pastures". It is estimated that close to 40 per cent of the Zambian population reside in urban areas with an annual growth rate of 4.37 per cent.

As a result of the rapid urbanization the country is currently experiencing, there has been an unprecedented demand for adequate housing for the growing population that local authorities are unable to meet owing to limited financial and human resource constraints. According to UN-Habitat projections, Zambia faces a housing backlog of 1.3 million housing units, and because conventional housing is beyond the reach of the vast majority, it is estimated that close to 70% per cent of Zambia's urban population resides in informal settlements that are characterized by appalling conditions such as poor/dilapidated housing, inadequate water and sanitation, lack of security of tenure, and other basic services.

Against this grim background, Peoples Process on Housing and Poverty in Zambia (PPHPZ) and its grassroots partner Zambia Homeless and Poor People's Federation (ZHPPF) with over 10 years experience in providing micro-finance to poor urban slum dwellers to construct low income housing strategically entered into a partnership with the National Housing Authority (NHA) that saw a Memorandum of Understanding being signed in May 2016 aimed at providing sustainable and affordable housing deliberately to low income earners and the urban poor in Zambia.

Despite the MOU being signed in 2016 and ring fenced government funding for the project to the tune of \$600,000.00 per annum, the initiative succumbed to government bureaucracy with regards to the disbursement of funds. However, in January 2019, the government through the Ministry of Housing and

Infrastructure Development (MHID) has established a steering committee that seeks to oversee the fruition of the low cost housing initiative between PPHPZ/ZHPPF and NHA.

Following the establishment of this steering committee, there have been subsequent meetings and field visits between MHID, NHA and PPHPZ/ZHPPA. In readiness for the implementation of the initiative that will be a first of its kind in Zambia, the partners undertook a learning exchange to Namibia under the auspices of SDI from the 25<sup>th</sup> of February to the 1<sup>st</sup> of March 2019. In the SDI network, Namibia has become a learning hub for affiliates owing to the significant strides they have made in harnessing government and private sector resources for low cost housing construction as well as incremental participatory upgrading.

## 3.0 Day 1

### 3.1 Presentation by Slum Dwellers Federation of Namibia

The Slum Dwellers Federation of Namibia (SDFN) is a grassroots movement that was established in 1998 and has over the years managed to mobilize 24,638 households in 787 community saving groups that have saved over N\$29.1 million.

The lifeblood of the Federation movement is the community savings that are agglomerated into the Twahangana Fund, a community managed revolving fund that provides micro loans to the urban poor for land acquisition, servicing of the land and the subsequent construction of incremental housing.

Due to the transparent management of the Twahangana Fund by the community themselves and the corresponding impact they have been making on the ground, the SDFN has managed to lure the First Lady of Namibia, Madame Monica Geingos, to be their patron since 2005. Despite the SDFN being an apolitical movement, having the First Lady as their patron has enabled them to maneuver government bureaucracy in unlocking financial resources to improve the lives of the urban poor. The First Lady has also used her influential position to engage the private sector to channel financial resources to the SDFN such as the Standard Bank Buy a Brick Campaign that raised N\$6,8 million for the construction of 191 housing units.

Some of the key achievements of the Twahangana Fund include:

- The fund channelled N\$175.3 million to the housing groups for members to build over 2,000 houses, install services and improve income
- 33.4% (N\$58.9 million) of the funds is from member repayments
- 33.4% (N\$58.9.1 million) of the funds came from the Ministry of Urban and Rural Development (Government of Namibia) and is also revolving, N\$2.4 million used for capacity building and technical support
- 8.3% (14.1 million) Build Together channelled through Twahangana
- 2% (N\$3.7 million) of the funds are the PPF contributions from the members
- 10.2% (N\$16.7 million) of the funds came from the Private Sector donation
- 12% (N\$21.7 million) is from Donations and external funders like UPFI

- 0.7% (1.3 million is the interest)

### 3.2 Presentation by Zambia Homeless and Poor People's Federation

The Zambia Homeless and Poor People's Federation (ZHPPF) is a grassroots movement that was established in 2001 and has over the years managed to mobilize 49,810 households in 619 community saving groups that have saved approximately \$490,000.00.

The Zambia Federation gave an overall presentation of their pro-poor participatory initiatives to build inclusive cities in the wake of the huge urban informality challenge where approximately 70 per cent of urbanites reside in slums.

The initiatives are multifaceted exploring slum upgrading from a holistic vantage point. The initiatives include:

- a) **Security of tenure** – slum dwellers in Zambia are often susceptible to forced evictions and the Federation uses enumerations and GIS mapping to engage government to safeguard the rights of the urban and rural poor. In Chamuka chiefdom, the Federation has successfully piloted the Social Tenure Domain Model (STDM) where they have issued 530 customary land certificates.
- b) **Housing** – the Federation use low cost materials such as soil stabilized blocks for housing construction. They also build incrementally, i.e., the build an initial core house and with time a beneficiary can extend their housing unit. Over 500 low cost units have been built to date. The Federation, National Housing Authority (NHA) and the Ministry of Housing and Infrastructure Development (MHID) have a pipeline low cost housing project that is set to commence this year. The government through MHID & NHA is injecting \$600,000 for the project and the Zambia Federation secured 4.74 hectares of land for the project.
- c) **Water and sanitation** – the federation have constructed 2 community managed water kiosks. In green field housing sites, the Federation has provided sweat equity to dig trenches for water connections and this reduces the overall costs of service provision. In terms of sanitation, the Federation often provides micro loans in the form of construction materials. They have been experimenting with ecological sanitation toilets, and they have managed to construct 781 waterborne toilets with support from Millennium Challenge Account. They are also experimenting with public sanitation in Old Soweto Lusaka and Masala Ndola to provide decent sanitation to the vast majority of the urban poor who often trade in these markets.
- d) **Community resource centres** – the Federation has constructed 4 community managed resource centres that provide a safe space for both Federation and non-Federation members to collectively discuss their developmental issues.
- e) **Green initiatives** – the Federation have been encouraging communities to undertake sack gardening that promote recycling and urban agriculture. They have also experimented with solar powered greenhouses to empower the communities not only with food but to earn a living.
- f) **Community managed drainages** – the Federation mobilizes communities to undertake risk mapping to unblock drainages and construct new drainages with assistance from local authorities.
- g) **Solid waste management** - experimented with tariff bundling and direct payments in partnership with CARE Zambia. Solid waste collection in selected slums increased from 5% to 77% Monthly revenue for CBEs increased by over 500%.

- h) **Renewable energy** – the Federation have been providing solar units on a loan basis since most of the slum dwellers do not have electricity. Some members have been trained in solar panel assembly in partnership with ILO Green Jobs Program.
- i) **Clean cooking** - raising awareness on the dangers of cooking indoors using fossil fuels e.g. charcoal. Usage of Mimi Moto Stoves that use wood pellets in a very clean and efficient manner.



Pic. 1 Zambia National Facilitator presenting



### 3.3 Presentation by Ministry of Rural and Urban Development

Despite having a relatively lower population of 2,5 million people as compared to Zambia, Namibia is still facing a huge housing deficit estimated to be around 300,000 housing units. According to a research by NUST (2017), 30,864 housing units need to be constructed per annum in order to meet the ever-growing housing demand.

Due to rapid urbanization and the challenges of providing serviced land especially to the urban poor, Namibia is faced with proliferation of informal settlements where two thirds of the urban population resides. From the presentation made, it was made clear that the housing units in the informal settlements are not fit for human habitation because the slum dwellers use makeshift materials for fear of being evicted.

As a government ministry, they are awake to the fact that they cannot go it alone in terms of housing delivery and as such they are open to partnering with organized community movements such as the SDFN who they directly fund for low cost housing delivery and participatory slum upgrading. They endorse the Federation concept because they reach out to the average person owing to the fact that the vast majority are low income dwellers earning less than N\$5,000.00/\$365.00 and approximately 89% of the population do not have access to credit facilities because they do not have collateral and due to their low incomes, they cannot afford interest rates charged by the market.

Regardless of the challenges, the Ministry remains resolute to provide an enabling policy and regulatory environment that accommodate the poorest of the poor. The Ministry is spearheading the following initiatives in order to narrow the housing deficit:

#### **a) Build Together Program**

The program was initiated to address housing shortages amongst low-income citizens who earn below N\$5,000.00/\$365.00. Beneficiaries are put on a waiting list and are selected by the Decentralized Build Together Housing Committee on a first come first serve basis. The beneficiaries sign loan agreements with the local authorities and are given a 20-year period to service the loan. To date, the program has managed to construct over 30,400 housing units.

#### **b) Participatory Slum Upgrading Program**

This involves a partnership between UN Habitat, the Namibian Government and the SDFN/Namibia Housing Action Group (NHAG), which is being piloted in the local authorities of Walvis Bay, Opuwo and Aroab.

### c) Mass Housing Development Program (MHDP)

The program aims to accelerate housing delivery, particularly amongst the low and middle income groups, especially the 89% of the population that do not have access to credit facilities. It aims to reduce the percentage of citizens residing in informal settlements to 12 per cent by 2022. The program is overseen by Committee of Ministers assisted by a committee of senior officials.

There are 7 sub programs to the MHDP which include:

- Land use planning, design and infrastructure development
- Credit-linked housing development
- Social/subsidy housing development
- Informal settlement upgrading
- People's processes/community-based housing development
- Rural housing and sanitation
- Legislative, regulatory and policy environment and capacity building
- 

The funding modality for the program includes government grants and subsidies that are channeled through the National Housing Enterprise (NHE) and the local authorities. Since government cannot go it alone, they are also open to Public Private Partnerships (PPPs) that sees a developer designing, constructing the housing units and facilitating mortgage financing to the prospective home owner.

At grassroots level, the MHDP rides on the Federation concept of community groups savings schemes where the government raises funds from its own coffers as well as from other cooperating partners and issues grants through the SDFN Twahangana Fund, which they have capitalized N\$54,7 million since 2002. Members usually build two room houses, comprising of 34 square meters at a cost of between N\$735- N\$882 / US\$ 54 –US\$ 64 per square meter and they also install their own water and sewer services when they receive blocks of land.



Pic 2. MURD official presenting



## 4.0 Day 2

### 4.1 National Housing Enterprise (NHE) meeting

A breakfast meeting was held with a team from NHE comprised of the Chief Executive Officer, Senior Manager, Projects Manager and Corporate Communications Manager. It was learnt that the NHE was established through the NHE Act No 5 of 1993 and it has a mandate of constructing housing for low to middle income earners which they either sell or mortgage to would be home seekers.

The NHE offers the following products:

- a) **Home financing loans** – they are given to clients for a private re-sale. A private re-sale is when an NHE client decides to sell his/her NHE property to someone. If this person wishes his/her property to be financed by NHE, then the loan to be given is called NHE Home Financing loan. The selling price for the property must be determined and agreed by the NHE valuator.
- b) **Home improvement loans** - This is a loan given to existing clients of NHE who now want to extend their houses. Clients can go to the nearest Regional Office of NHE to apply for NHE Home Improvement Loan.
- c) **Rental housing** - NHE offers rental accommodation units in the form of town houses and flats. The units range from bachelor flats to two-bedroom flats.
- d) **Excess loans** – these are loans given to existing clients of NHE who have owned the NHE properties for a certain period of time. The client can borrow money from NHE up to the maximum of N\$20,000. This money can be used to pay for school fees, municipal services such as rates & taxes, water & electricity, tuition fees, minor renovations to a property such as tiling, painting etc. The excess loan amount to be paid is the difference between the financed amount and the outstanding balance. No second bond registration is needed for the excess loan application.

Due to limited government funding, the NHE self-fundraises their resources and engage in Private Public Partnerships (PPPs). Currently they have 5 PPP projects that involve the construction of 422 housing units and to date, 232 units have been completed and ready for occupation. The NHE team indicated that their housing units are 20 to 30 per cent cheaper than the market thus giving them a competitive advantage.

The NHE currently has a loan book of approximately N\$933 million and they are constructing close to 500 housing units per annum but they have a goal to increase the delivery to 1,000 units per annum. In order to reduce the housing costs to the end users, they engage small-scale contractors to undertake the actual construction who are supervised by a full time site manager to ensure quality control. The NHE purchases the bulk of the construction materials and negotiates for discounts with suppliers. Additionally, the NHE dictates the final landing cost for the housing units in instances where they have PPPs so as to cushion the end beneficiaries from exorbitant purchase or rental price.

Despite having in excess of 4,000 plots, the NHE faces a major challenge in terms of servicing the plots. As per government regulation in Namibia, plots need to be firstly serviced with basic amenities such as roads, water, sewer and street lighting. They however engage the local municipalities to assist them with the servicing of the plots.



Pic. 3 Breakfast meeting with NHE

## 4.2 Okahandja Park site visit

Okahandja Park is one of the 53 slums in Windhoek resident to 16,480 slum dwellers. It is one of the slum settlements that finds its roots in racial segregation during the apartheid era and was home to the black labor force.



Pic. 4 Shacks in Okahandja Park

In 2005, the SDFN mobilized savings schemes in Okahandja Park for the communities to come together for the common good of addressing their housing needs. As a first step to addressing their housing needs and the realization that they should be the drivers of the change they wanted to see in their community, they federation members commenced a land savings and they eventually managed to purchase the land for their housing construction at a negotiated fee with the local municipality.



Pic. 5 Namibia Federation explaining the housing development process

The savings subsequently applied for micro loans from the Twahangana Fund and paid an initial 10 per cent down payment and were given loans in the form of construction materials to build their core housing units measuring 32m<sup>2</sup>. In order to reduce the overall landing cost of the houses, the federation members were trained and made their own blocks. The federation members employed a collective building process that entails every housing beneficiary participating in the brick making and housing construction process of every scheme member. This process enhances social cohesion amongst the beneficiaries and quickens the housing construction process.



Pic. 6 Core Housing Unit

In terms of water and sewer provision, the federation members purchased the plumbing materials with support from the Twahangana Fund and provided sweat equity by digging the trenches that connected from the mains to the individual plots. To date, they have built over 100 housing units at an average cost of approximately N\$20,000.00/\$1,540.00.

When it comes to loan repayments, the beneficiaries were already trading in various businesses. However, they obtained additional income generating loans from the Twahangana Fund, and these loans boosted their businesses thus they were in a position to pay off their loans.



Pic. 7 Extended Core House with 5 bedrooms



### 4.3 Courtesy Call on Ambassador

A courtesy call was made to the Zambian Ambassador to Namibia, H.E. Stella Libongani where the Zambian delegation led by the Director of Housing and Infrastructure Development explained the purpose of the learning exchange.

The Director emphatically explained that the government is keen on ameliorating the housing deficit in Zambia that disproportionately affects the urban poor who are in the vast majority. He explained that the Ministry, NHA, PPHPZ and the Zambia Federation had a pipeline project that should commence this year that would see close to 100 poor families being empowered with decent low cost housing. He indicated that the government was not going to engage a contractor because the costs are often borne by the end users and as such, the government is going to explore the SDI Federation concept of training ordinary community members who will take centre stage in constructing their own housing units.

The Ambassador commended the Ministry for engaging with civil society and most importantly, grassroots movements because government cannot go it alone in terms of housing delivery and the upgrading of slums. She also recommended the Ministry to engage with the private sector through lucrative PPPs to accelerate infrastructure development in Zambia. Her office subsequently arranged for some meetings with some investors that had been engaging the Embassy to pursue infrastructure development in Zambia.



Pic. 8 Group photo with Zambian Consulate

## 5.0 Day 3

### 5.1 Meeting with Gobabis Municipality

A meeting was held with the Gobabis Municipality officials that include the Community Development Officer and the Community Development Clerk. They indicated that other senior management officials were looking forward to receive the Zambian delegation but unfortunately they had to attend a strategic meeting.

Regardless, the two officials explained the lustrous relationship they have enjoyed with NHAG and SDFN that was formalized through the signing of a MoU in 2014, together with the Namibia University of Science and Technology (NUST).

As a first step to understanding the magnitude of the challenges that beset Freedom Park, one of the oldest and biggest slums in Gobabis, NHAG, SDFN and NUST undertook a settlement wide enumeration and mapping exercise and it is from this exercise that enabled the re-planning of the settlement.

It was interesting to note that after the re-planning of Freedom Square, every inhabitant in the settlement (tenants and landlord) was given a 300m<sup>2</sup> plot in line with the municipal by-laws and there was even some “left over” land that remained.

The municipality spearheaded the training of community para surveyors who surveyed the plots in an attempt to reduce the costs as compared to engaging a private surveyor. Additionally, the municipality spearheaded the training of the community in basic plumbing so that they could make a saving by doing the water connections themselves. It is worth noting that the municipality seconds technical officers to supervise the community works so as to ensure quality control.

Lastly, it was interesting to note that for the participatory slum-upgrading programme in Freedom Square, the government through the Ministry of Urban and Rural Development has disbursed N\$8 million for the programme. However, the funds are being prudently administered by NHAG who have a reputable history of managing donor funds. The Gobabis Municipality officials also indicated that it was in the best interest of the programme for the funds to be administered by NHAG owing to the bureaucratic challenges that beset the municipality that may potentially delay works.

In terms of financial reporting, NHAG reports to a Technical Committee on a quarterly basis so as to give the ministry and the municipality a level of confidence in the prudent utilization of the funds.





Pic. 9 Group photo with Gobabis Municipality

## 5.2 Freedom Square site visit

The site visit was mainly bent on having an appreciation of the physical products of the partnership on the ground. The community explained that they managed to survey 1,030 plots under the guidance of the municipality. They also reminisced on the learning exchange they took to Cape Town with their ward councilor and the municipality officials and it was from this learning exchange that catalyzed the execution of participatory slum upgrading programme.

It is worth noting that in Namibia, slum dwellers are allowed to move in to their new plots with their shacks. They can only commence the housing construction once the bulk services such as water and sewer have been installed.



Pic 10. On going service provision

## 6.0 Lessons Learnt and Next Steps for Zambia

Stemming from the learning exchange, it was clear that the challenges of urban informality are similar in kind but vary in magnitude in both Zambia and Namibia. The two countries are still grappling with addressing the prevention and upgrading of slums, whilst on the other hand grappling with providing decent and affordable housing to the vast majority.

A major hindrance for the urban poor and governments to invest in improved housing and upgrading often borders on the unavailability of financial resources. However, it is indisputable from the Namibian experiences that the concept of community-managed revolving funds is a tried and tested concept that can have a huge impact in transforming the lives of the urban poor. Community managed revolving funds prove to the government, private sector and other likeminded stakeholders that the urban poor are not “beggars” and mere recipients of development, but instead, they are the key drivers to their own development by contributing their own meager resources and sweat equity to the development process.

It was learnt that community based housing approaches significantly reduce the overall landing costs of the housing units as compared to using private contractors who are profit driven and this escalates the housing costs to be borne by the end users. Community based housing approaches reduce the landing costs by using economies of scale through bulk purchasing of negotiated construction materials, and these cost savings trickle down to the beneficiaries. Additionally, the costs are reduced through the sweat equity provided by beneficiaries in aspects such as making their own bricks, surveying their own land and digging trenches for laying water and sewer pipes.

It was clear from the case of Namibia that NGOs and Federations have demonstrated capacity to manage donor and government funds that may be attributed to their years of experience and robust management systems. The housing projects being funded by the government through the Ministry of Urban and Rural Development as well as private sector funds from banks such as FNB and Standard Bank are being channeled directly to the Twahangana Fund and disbursements are made in a timely because NGOs have less bureaucracy for procurement as compared to government process which often delays the implementation of projects.

All the above lessons are replicable in the Zambian context, and the proposed tripartite housing project in Zambia between NHA, MHID, PPHPZ and the Zambia Federation will continue being given technical support from the SDI network.

The key action points for the Zambia delegation will include but not limited to:

- Debrief meeting of the learning exchange with the Minister of Housing and Infrastructure Development and the Permanent Secretary.
- Formally establish Steering Committee and draw up TORs.
- Finalize layout plans and housing designs.
- Finalize the revision of the MoU and sign off by end of March 2019.
- Arrange a field visit to selected Zambia Federation housing project sites.

## 7.0 Appendix

### 7.1 List of Participants

S/N	NAME	ORGANIZATION	DESIGNATION
1.	Mabuchi Chilembo	Ministry of Housing and Infrastructure Development	Director Housing Development
2.	Bernard Mumba	Ministry of Housing and Infrastructure Development	Chief Planner
3.	Waicha Ndlovhu	National Housing Authority	Chief Executive Officer
4.	Veronica Katulushi	Zambia Federation	National Facilitator
5.	Joyce Lungu	Zambia Federation	National Facilitator
6.	Farai Shumba	PPHPZ	Program Officer
7.	Nelson Ncube	PPHPZ	Country Coordinator