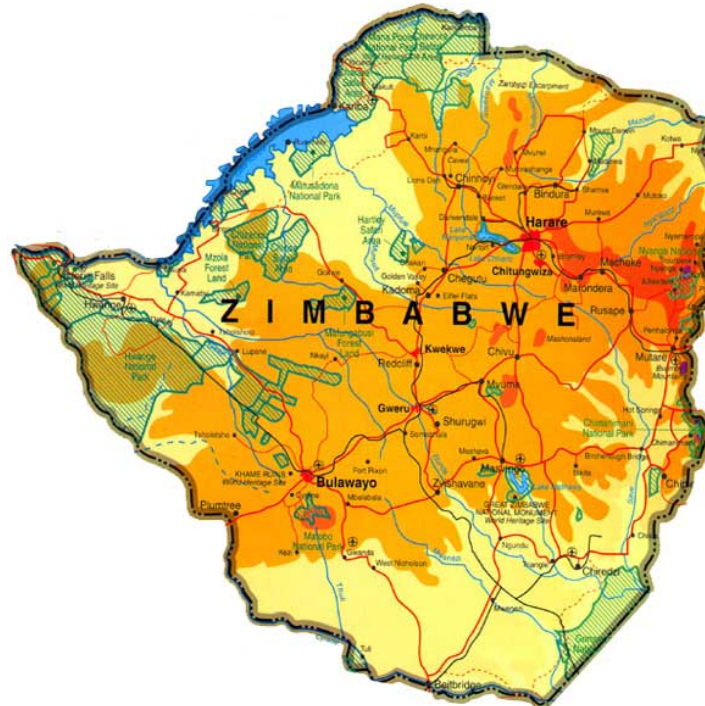


Why

Perceived housing problem(s) that the project addresses

Rapid Urbanization creates a need for housing.

However, it is not an *immediate* crisis ; therefore, the housing program is a rational and long term structural adjustment to the system.



How

Corresponding
strategy/goals of
project

Stabilization of the *new* government and market

Clear goals:

- To improve living conditions of the urban poor
- To strengthen the Government's and local authorities', institutional, technological, and financial capacity to administer large low-cost shelter programs.

Reasonable goals:

- Implementation is at a workable scale
- Self –help approach
- Affordable loan limits.

Affordability, Cost Recovery, and Sustainability:

- Beneficiaries entitled to loans in the form of building materials at the rate of 9.75% for 30 years.
- Loans are allocated on the basis of beneficiary's ability to repay. (27.5% of their income should be allocated to repaying the loan.)

Whose goals:

- The goals represent the funders' perspective and their goals of stabilization in the region.

What

Corresponding
features of project

Physical:

- Loans for specified building materials
- Rules regulating construction

Non-Physical:

- Technical assistance
- Rules regulating construction

Capacities:

Capacities of the beneficiaries are reflected in the construction options (municipal building brigades, cooperative mode, and aided self-help.)

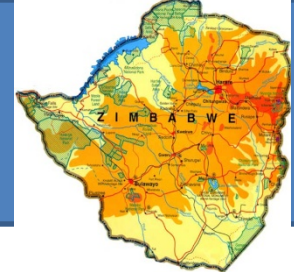
Summary

Overall, the project is viewed as a success from the perspective of the RHUDO and USAID interaction with the Government of Zimbabwe. Both the policy and dialogue achievements in project implementation have influenced the evolution of housing policy in Zimbabwe. Government officials now understand the willingness and ability of urban low-income households to contribute to the resolution of their own shelter problems, given suitable assistance in the form of credit, technical assistance and, perhaps most importantly, access to serviceable land.

~page 43



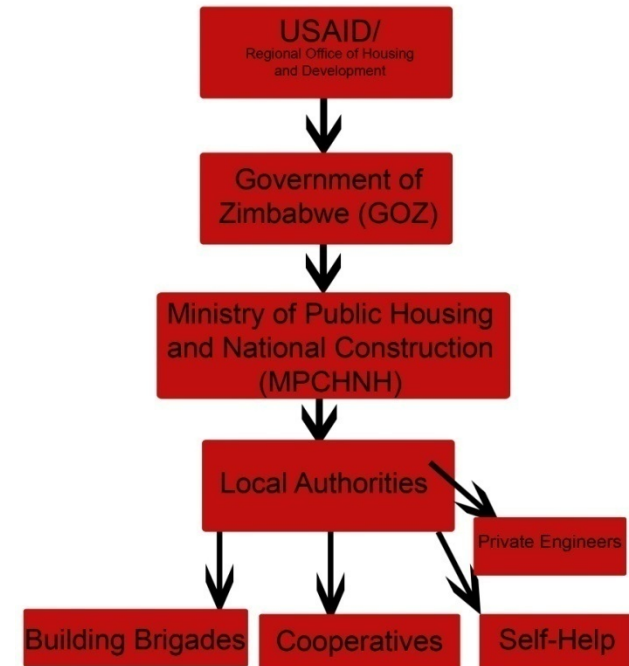
Organization



Policy Implementation

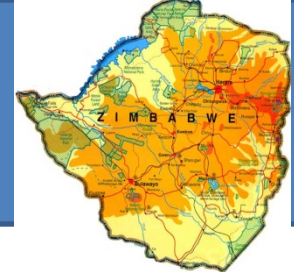


Management



- 100% of funds were used during implementation. (Total of \$74 million)
- USAID \$50 million in construction loans
 - USAID \$750,000 in technical assistance
 - GOZ \$23 million

Organization



Agencies:

International

- USAID/Regional Office of Housing and Development—Financial, Administrative

National Government

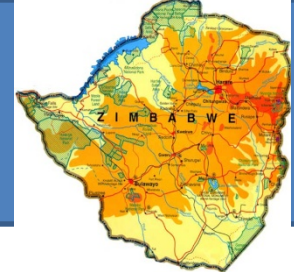
- MPCNH—Financial, Administrative, Technical

Local Government

- Local Authorities—Administrative
- Cooperatives (New)—Technical
- Building Brigades (New)—Technical
- Beneficiary Self-Help (New)—Technical

All agencies were necessary in order to implement the program.

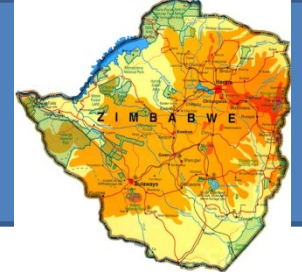
Power Grid



<p>Strong Influence/Strong Interest</p> <p>USAID 2</p> <p>GOZ</p>	<p>Weak Influence/Strong Interest</p> <p>Urban Poor 3</p> <p>Local Authorities (initially)</p>
<p>Strong Influence/Weak Interest</p> <p>N/A</p>	<p>Weak Influence/Weak Interest</p> <p>Urban Poor who do not qualify for loans. 1</p>

The power grid would shift if the unqualified urban poor protest. At that point the Government of Zimbabwe (GOZ) will be the most important actor.

Efficiency

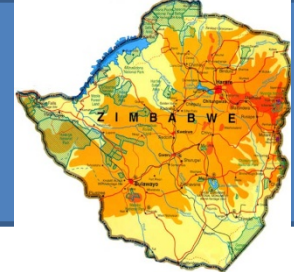


Total lots: 19,359

Total cost: \$75,891,500

Cost/lot: **\$3,920.22**

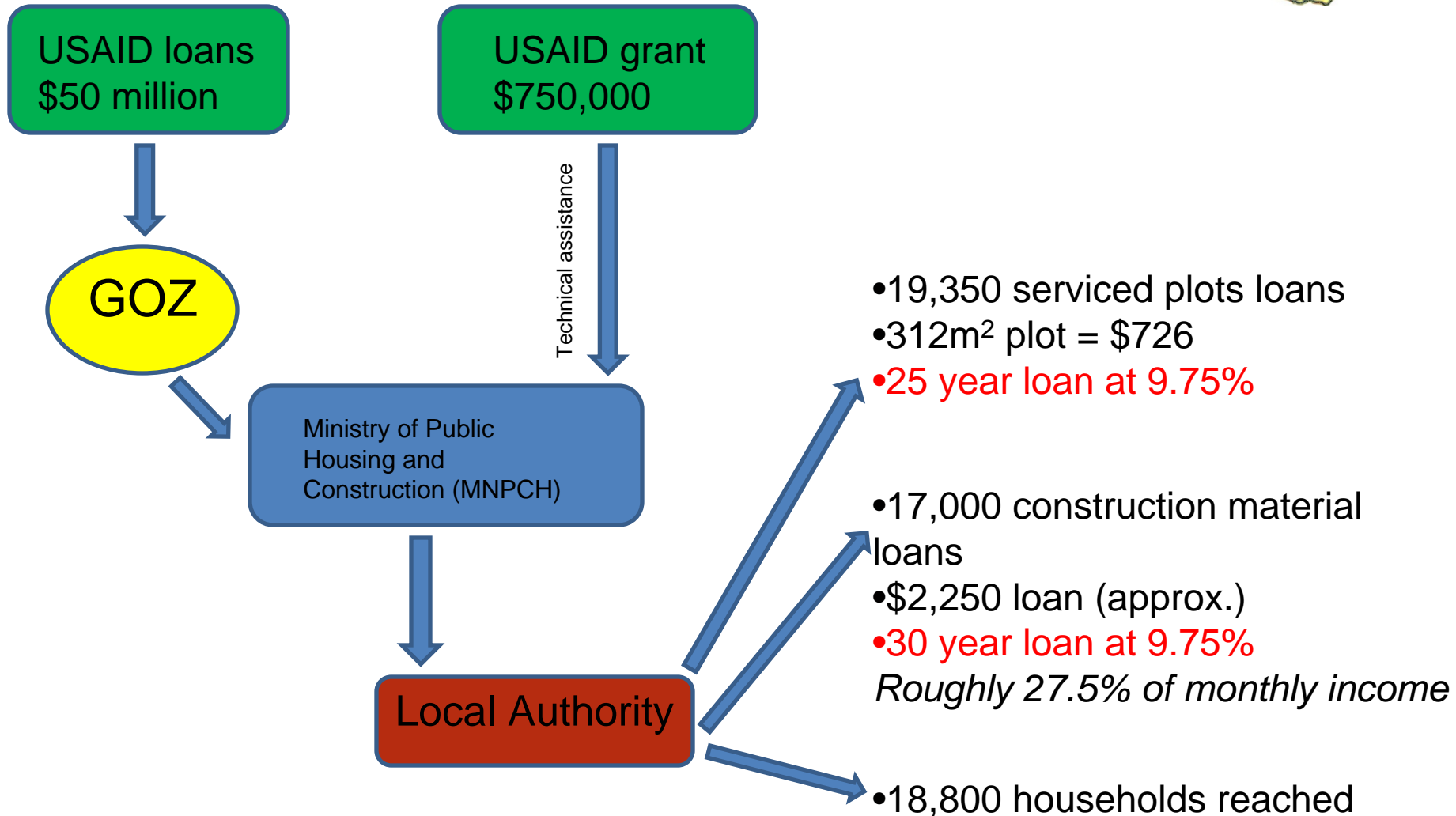
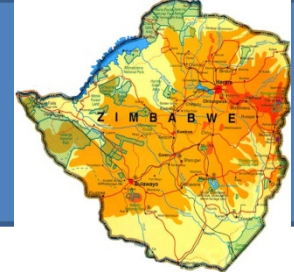
Basic Cost Data



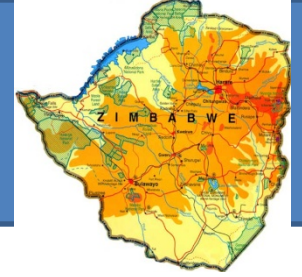
•Outside Loan or Grant	•Local Contributions	•TOTAL •FUNDING	•Cost per Unit
USAID loan \$50million USAID grant \$750,000	Government of Zimbabwe \$23 million	\$74 million	\$4,510 (57% or \$2,592 covered by loans)
68% of total 1% of total	31% of total	100%	

- USAID loans **tied** to building materials
- UDAID grant **loosely tied** to US products, i.e. IBM computers.

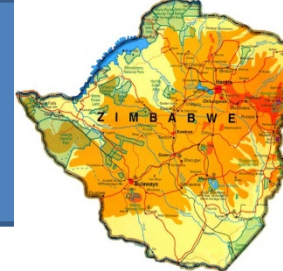
Fund Flow



Project Costs

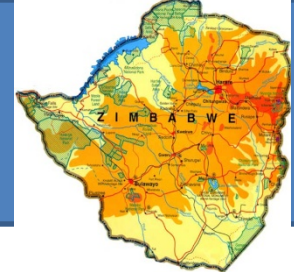


Beneficiary Selection



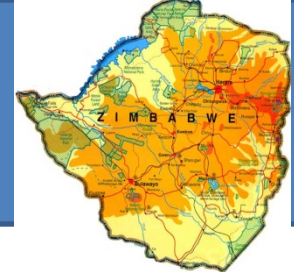
How are beneficiaries FOUND?	They are chosen from a listing of 2500 names , maintained by the local authorities.
How are they SELECTED?	Households are selected which earn no more than \$218 per month as of July 1986. Additionally they cannot own a house.
How are the lots ALLOCATED?	The beneficiaries choose the plot. (However some thought the selection was not equal.)
EQUITABLE?	It is a relatively low threshold, and appears fairly inclusive.
THEORY behind selection process	The belief that assisted self-help can be a springboard for a free market real estate system.

Affordability



How was INCOME DETERMINED?	They beneficiaries were surveyed. However, the report states that the limits were not enforced.	
How was AFFORDABILITY DETERMINED?	No loan administered that was greater than the beneficiary can repay at 9.75% for 30 years .	
MONTHLY PAYMENTS	Plot: Z\$6.47/ month for 25 years at 9.75%	Construction Material: Z\$2,592(average) at 9.75% for 25 years

Loan Collection

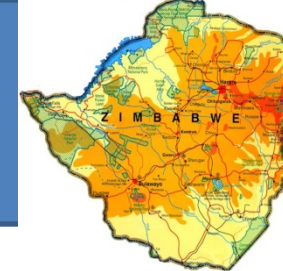


<p>How are the funds ADMINISTERED?</p>	<p>Local authorities allocate plots after they are fully paid off. This titled allocation eliminates duplication.</p>	
<p>How are the funds COLLECTED?</p>	<p>Collection is enforced by threat... turning off water service or initiation of foreclosure procedures.</p>	
<p>PAYMENT TERMS</p>	<p>Zimbabwe Project</p>	<p>United States</p>
<p>Interest Rate Down payment Deferred payments Payment cycle Mortgage window</p>	<p>9.75% NO down payment No deference Monthly 30 year</p>	<p>5.91% (30 yr mortgage) 10% Down payment No deference Monthly 30 year</p>

Default process unclear; however, local authorities made handsome profits off repossessed homes at auction.

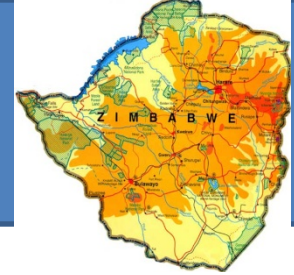
Specifics of Cost Recovery

*The project strives for **full** cost recovery and replicability.*



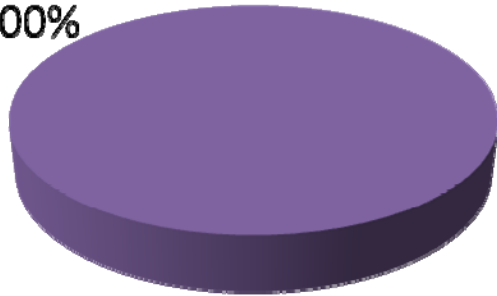
User Mortgage	<ul style="list-style-type: none">•Serviceable land (public/private)—Loans•Home construction material—Loans
User Fees	<ul style="list-style-type: none">•Secondary Schools –User Fee•Primary Infrastructure—User Fee & Supplementary Charge•Clinics—User Fee
Other Fees or Payments	<ul style="list-style-type: none">•Primary Schools –Local Revenues•Markets & Public Toilets—Rental Payments•Demonstration Houses—Rental Payments•Administrative Offices—Supplementary Charge
Items NOT COVERED (Subsidized)	<ul style="list-style-type: none">•Technical Assistance—USAID Grant•“Contingencies”

Specifics of Cost Recovery



Land

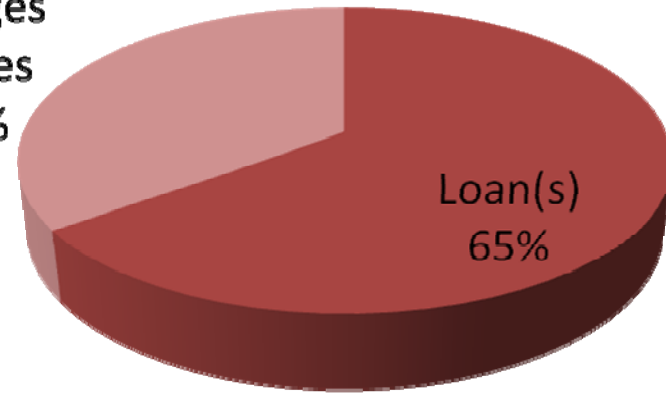
Loans
100%



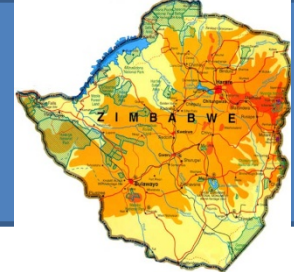
Supplem
entary
Charges
& Fees
35%

Infrastructure

Loan(s)
65%



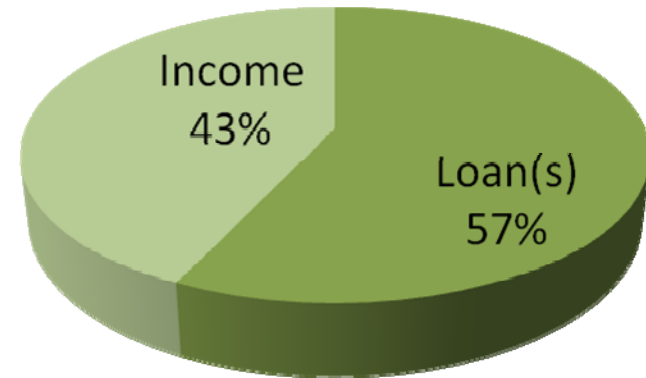
Specifics of Cost Recovery



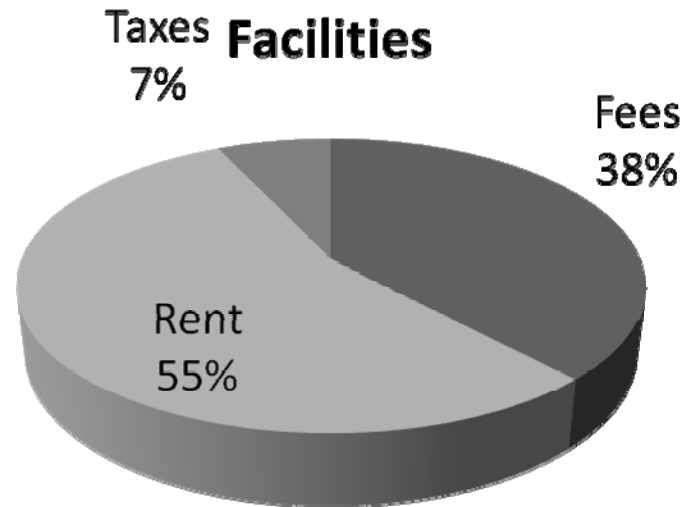
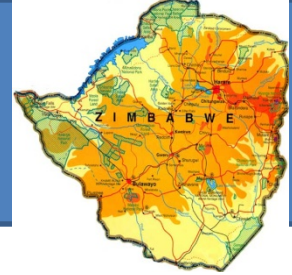
Technical Assistance



Dwellings



Specifics of Cost Recovery



Overall Cost Recovery

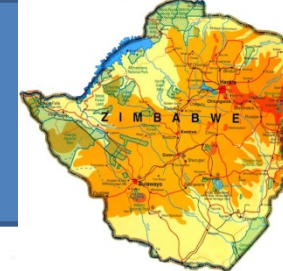


Table III.E.1. Summary Cost Recovery Plan (Excluding Contingencies)

COMPONENT	COST (000)	METHOD OF RECOVERY
A. Land Acquisition & Surveying		
Private Land	Z\$637	Plot Charges
Public Land	Z\$159	Supplementary Charges
B. Primary Infrastructure	Z\$2,758	Supplementary and Utility Charges
C. Site Preparation & Servicing		
Private Land	Z\$9,927	Plot, Utility and Supplementary Charges
Public Land	Z\$2,481	
D. House Construction	Z\$25,800	Material Loan Repayments
E. Community Facilities		
Primary Schools	Z\$4,871	Local Authority Revenue
Secondary Schools	Z\$2,692	School Fees
Health Centers	Z\$635	User Fees
Administrative Offices	Z\$120	Supplementary Charges
Markets and public toilets	Z\$410	Rental Income
Demonstration Houses	Z\$68	Rental Income
F. Technical Assistance	Z\$1,530	Plot and Supplementary Charges
TOTAL COST RECOVERY	Z\$52,088	

Source: Project Delivery Plan






More policy orientation ← **STAGES** → More technical orientation

FRAMEWORK OF PARTICIPATION AND STAGES OF PROJECTS

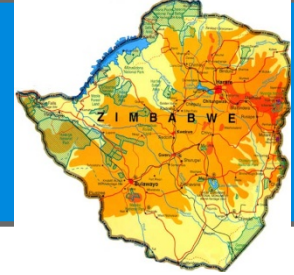
Faster and simpler, but increasingly less community input

↑
LEVELS
↓

Slower and more complex, but increasingly more community input

LEVELS OF PARTICIPATION	STAGES OF PROJECTS AND PROGRAMS				
	Initiate	Plan	Design	Implement	Maintain
NONE 	★	★	★		
INDIRECT 					
CONSULTATIVE 				★	
SHARED CONTROL 					★
FULL CONTROL 					

Element



Attitude towards PARTICIPATION	<ul style="list-style-type: none">•NO mention of participation in entire document!•Belief in a compliant and appreciative beneficiary from conception to maintenance of project.
PARTICIPATION Useful?	<ul style="list-style-type: none">•The meager amounts of participation were useful.•Large amounts of participation were not needed.

Adding participation would have improved the project.