

**THE OPEN UNIVERSITY OF TANZANIA  
&  
SOUTHERN NEW HAMPSHIRE UNIVERSITY**

**MASTER OF SCIENCE IN COMMUNITY ECONOMIC DEVELOPMENT  
(2005)**

**HOUSING FINANCE: THE CASE OF KAWE WOMEN  
DEVELOPMENT TRUST -NYUMBA NI MAMA  
SELF-HELP HOUSING GROUP**

**KENNETH RUWAICHI SINARE**

**SOUTHERN NEW HAMPSHIRE UNIVERSITY  
AT  
THE OPEN UNIVERSITY OF TANZANIA**

**HOUSING FINANCE: THE CASE OF KAWE WOMEN DEVELOPMENT  
TRUST -NYUMBA NI MAMA SELF-HELP HOUSING GROUP**

**BY**

**KENNETH RUWAICH SINARE**

**A PROJECT PROPOSAL SUBMITTED IN PARTIAL FULFILLMENT  
FOR THE REQUIREMENTS FOR THE DEGREE OF MASTER OF  
SCIENCE IN COMMUNITY ECONOMIC DEVELOPMENT IN  
THE SOUTHERN NEW HAMPSHIRE UNIVERSITY AT  
THE OPEN UNIVERSITY OF TANZANIA**

**AUGUST 2005**

**CERTIFICATION**

The undersigned certifies that he has read and hereby recommended for acceptance by the Southern New Hampshire University at the Open University Of Tanzania a dissertation titled: "Housing Finance: The Case of Kawe Women Development Trust Nyumba ni Mama Self-help housing group of Kawe Mzimuni and Ukwamani area in Dar Es Salaam Region", submitted in partial fulfilment for the requirements for the degree of Master of Science in Community Economic Development.



**Maria Saguti Marealle**

**(SUPERVISOR)**

**Date:** 20/09/2005

**DECLARATION AND COPYRIGHT**

I, Kenneth Ruwaichi Sinare, declare that this work on Housing Finance Project for KAWEDET - Nyumba Ni Mama Self Help Housing Group is my own work and that it has not been presented and will not be presented to any other University for a similar or any other degree award.

Signature: K. Ruwaichi Sinare

Date: 20/09/05

This project is copyright material protected under the Berne Convention, the copyright Act 1999 and other international and national enactments, in that behalf, on intellectual property. It may not be reproduced by any means, in full or in part, except for short extract in fair dealing, for research or private study, critical scholarly review or discourse with an acknowledgement, without written permission of the Director of Postgraduate Studies, on behalf of both the author and the New Southern Hampshire University.

## **DEDICATION**

This work is dedicated to my daughter Kisha and my son Kevin, and to all those whom simple, basic and decent housing is a distant dream for lack of reliable financing mechanism.

## ABSTRACT

This project arises from need for housing finance among low-income earners. 'Nyumba ni Mama' self-help housing group that is part of Kawe Community Development Trust initiatives in Kawe Ward, Kinondoni district, Dar es Salaam is chosen to explore how can such groups access viable housing finance. A review of policies and existing literature relating to housing financing, community housing schemes and low-cost housing financing mechanism is dealt with in chapter two. Government and other actors' roles, initiatives and efforts to house low-income earner in Tanzania are also reviewed.

'Nyumba ni Mama' members housing needs, characteristics, ability to pay a housing loan, and contribution towards house construction are determined by research as shown in chapter three. The findings indicate that Kawe members are poor and constrained to improve their housing by lack of plots house construction and viable financing mechanism for their housing. 'Nyumba ni Mama' members are willing to contribute unskilled labour and some of building materials. Several members have already bought plots or have stock of various building materials. No response was received from possible partners to the project, financial institutions and municipal; thus recommendation regarding possible partnerships is based on literature reviewed.

It is recommended that effective way of assisting low income earners is to build on their efforts by incorporating financing means that are attuned to their ways of doing things when constructing houses, a room at a time. These recommendations are incorporated in the project implementation- the Project Proposal in chapter five.

## ACKNOWLEDGEMENT

The making of this work has been a collective endeavour involving many individuals.

First and foremost, I must express my deepest gratitude to my supervisor, Maria Saguti Marialle for her countless hours of valuable discussions, constructive criticism and suggestions. Her guidance, encouragement and co-operation during the entire period made my work possible and successful.

The contribution of my family cannot be ignored. They were always there for me, all the busy time I was tied up working on this project. Many thanks to my wife Veni Swai Sinare who has never complained about the numerous family responsibilities she had to carry out on her own in my absence. My daughter Kisha and son Kevin Sinare were also supportive and showed understanding on my academic busy life though they needed maximum attention from me as a father.

I must express my grateful thanks to the Habitat for Humanity Tanzania National Director, Mr. Sheppard Owen who supported me since initial stage of starting the Community Economic Development (CED) course and working on this project. His constructive ideas were very useful in shaping my work, not forgetting the material support and time are well appreciated, as it would have been difficult without that through the whole time of my study.

I am also must express my gratitude to Mr. Michel Adjibodou, CED Programme Director and his entire teaching and support staff of the CED programme in the Open University of Tanzania/Southern New Hampshire University for their constructive critics, ideas, guidance and the moral support that they provided during the course. and the development of this project paper. Their in puts can not be ignored. I am especially grateful to the support, direction and encouragement provided by Mr. Felician Mutasa, Academic Coordinator, during the last days of finalising the project paper

Finally yet importantly, I am also grateful to the editorial efforts of Dr. E. Mwageni and Ms. Florence Swai who went through the final draft paper chapters.



## TABLE OF CONTENTS

<b>DEDICATION</b>	<b>III</b>
<b>ABSTRACT</b>	<b>IV</b>
<b>ACKNOWLEDGEMENT</b>	<b>V</b>
<b>TABLE OF CONTENTS</b>	<b>VII</b>
<b>LIST OF FIGURES</b>	<b>XIII</b>
<b>ACRONYMS</b>	<b>XIV</b>
<b>CHAPTER 1</b>	<b>1</b>
<b>1.0 COMMUNITY BASED ORGANISATION BACKGROUND</b>	<b>1</b>
1.1 NAME AND ADDRESS OF THE ORGANISATION:	1
1.2 MISSION	1
1.3 OBJECTIVES	2
1.4 ACTIVITIES/PROGRAMMES	2
1.5 ORGANS	3
1.6 ASSIGNMENT	4
1.6.1 Title	5
1.6.2 The Community Need	6
1.6.3 Project Area	7
<b>CHAPTER 2:</b>	<b>9</b>
<b>2.0 LITERATURE REVIEW</b>	<b>9</b>
2.1 THEORETICAL FRAMEWORK	9

2.1.1	Housing -----	9
2.1.2	Community Financing and Housing Finance -----	12
2.1.3	Housing Microfinancing -----	16
2.2	EMPIRICAL -----	19
2.2.1	Initiative to Housing Delivery -----	20
2.2.2	Community/Self Help Groups Initiatives -----	20
2.2.3	Land and Housing initiatives to low income earners-----	21
2.2.4	Housing Microfinancing -----	25
2.2.5	Housing finance - Financial Institution -----	28
2.2.6	Housing Programme -----	31
2.3	POLICY -----	38
2.3.1	National Human Settlements Development Policy-----	39
2.3.2	Land Policy-----	46
2.3.3	Community Development Policy -----	49
2.3.4	National Micro Finance Policy-----	50
2.3.5	Cooperative Development Policy-----	51
<b>CHAPTER 3:</b>	<b>-----</b>	<b>52</b>
<b>3.0</b>	<b>RESEARCH METHODOLOGY-----</b>	<b>52</b>
3.1	RESEARCH DESIGN -----	52
3.2	RESEARCH APPROACH AND STRATEGY -----	54
3.2.1	Research Objective-----	55
3.2.3	Research Questions -----	56
3.3	JUSTIFICATION FOR THE STUDY -----	56

3.4	SAMPLING TECHNIQUES-----	57
3.5	DATA COLLECTION -----	58
3.5.1	Primary Data -----	58
3.5.2	Secondary Data -----	61
3.5.3	Problems during Data Collection -----	61
3.6	DATA ANALYSIS -----	62
3.6.1	Primary Data -----	62
3.6.2	Secondary Data -----	63
<b>CHAPTER 4:</b>	-----	<b>64</b>
<b>4.0</b>	<b>FINDINGS AND RECOMMENDATIONS-----</b>	<b>64</b>
4.1	FINDINGS-PRIMARY DATA-----	64
4.1.1	Characteristics of the Respondents -----	65
4.1.2	Housing Condition And Housing Need -----	66
4.1.3	The Group Income and Livelihoods-----	71
4.1.4	Cost Of House Construction-----	76
4.2.	FINDINGS-SECONDARY DATA -----	77
4.2.1	Housing Finance and Microfinance Principles-----	77
4.2.2	Land for Construction -----	79
4.2.3	Policy-----	80
4.3	CONCLUDING REMARKS-FINDINGS -----	82
4.4	RECOMMENDATIONS -----	83
4.4.1	Introductory Remarks-----	84
4.4.2	Recommendations-----	87

4.5	CONCLUDING REMARKS -----	90
<b>CHAPTER 5: -----</b>		<b>92</b>
<b>5.0</b>	<b>IMPLEMENTATION OF RECOMMENDATIONS: PROPOSAL ----</b>	<b>92</b>
5.1	TITLE -----	92
5.2	PROJECT OVERVIEW -----	92
5.3	BACKGROUND AND STATEMENT OF THE PROBLEM -----	94
5.4	PROJECT DETAILS: NYUMBA NI MAMA SELF HELP COMMUNITY BASED HOUSING FINANCE SCHEME -----	98
5.4.1	CBO INFORMATION -----	98
5.4.2	PURPOSE OF GRANT. -----	100
5.4.3	EVALUATION -----	105
5.4.4	PROJECT MANAGEMENT AND COORDINATION -----	108
5.4.5	BUDGET -----	109
5.4.6	ATTACHMENTS -----	110
<b>REFERENCES -----</b>		<b>124</b>
<b>APPENDICES -----</b>		<b>126</b>
<b>A)</b>	<b>APPENDIX I: LETTER OF INTRODUCTION AND WORK PLAN. --</b>	<b>126</b>
1)	LETTER OF INTRODUCTION -----	126
2)	WORK PLAN -----	127
<b>APPENDIX II- BACK GROUND INFORMATION ABOUT THE CBO-----</b>		<b>128</b>
1.0	OVERVIEW OF THE COMMUNITY BASED ORGANISATION-----	128
1.1	Name and Address of the Organisation: -----	128

1.2	Mission Statement:-----	128
1.3	Objectives as Stated in their Constitution:-----	129
1.4	Programmes/Projects -----	129
1.5	Organs-----	130
2.0	COMMUNITY PROFILE -----	131
2.1	General Features-----	131
2.2	Community Education Level -----	133
2.3	Water and Sanitary System: -----	133
2.4	Available Public Services -----	134
<b>APPENDIX III: SURVEY QUESTIONER AND SURVEY RESULTS-----</b>		<b>135</b>
<b>A) SURVEY QUESTIONER-----</b>		<b>135</b>
1)	GENERAL COMMUNITY QUESTIONER -----	135
<b>B) SURVEY RESULTS -----</b>		<b>143</b>
1)	GENERAL INTERVIEWS AND FOCUS GROUP DISCUSSION -----	143
2)	PARTNERS INSTITUTIONS INTERVIEWS -----	145
3)	TRANSACT WALKS RESULTS -----	146
4)	HOUSE OBSERVATION -----	147
5)	TST A RESULTS -----	150
6)	TST B RESULTS: DECENT HOUSE AND COSTS ESTIMATES-----	151
A)	PARTICIPATORY ACTIVITY “B” ONE: DECENT HOUSING-----	151
7)	SITE PHOTOGRAPHS -----	152

## LIST OF TABLES

Table 1: Microenterprise Lending & Housing Microfinance: A Comparison.....	19
Table 2: MFIs Involved in Housing Microfinance .....	26
Table 3: Key Features of Housing Finance.....	27
Table 4: Cross Tabulation Age and Marital Status of Respondent.....	65
Table 5: Education level (N = 60).....	66
Table 6: Current house condition * Meeting current housing need * Identity of respondents- Cross tabulation Count (N=60) .....	68
Table 7: TST”B”1-1: Major poverty housing problems in the community .....	69
Table 8: House Size to meet current needs * Identity of respondents Cross tabulation Count (N=60) .....	71
Table 9: Monthly income * Identity of respondents Cross tabulation .....	72
Table 10: TST-A-1 Distribution of Food Security Status-Kawe .....	72
Table 11: Repayment rate * Identity of respondents Cross tabulation .....	75
Table 12: TST”B”1-2: House sizes, House Cost- materials and accessories .....	76
Table 13: Classification of occupation of heads of household .....	132
Table 14: Level of Education.....	133
Table 15: Sanitation .....	134
Table 16: Public services .....	134
Table 17: House condition * Identity of respondents Cross tabulation .....	143
Table 18: Repayment rate * Identity of respondents Cross tabulation .....	143
Table 19: Efforts in solving housing problems Cross tabulation.....	144
Table 20: What will Loan be used for? . Cross tabulation.....	144
Table 21: The Transact walk Results.....	146
Table 22: Transect Walk Analysis .....	146
Table 23: House Observations: Household Survey Results.....	147
Table 23: TST-A -2 Distribution of four groups that are food insecure-Kawe .....	150
Table 24: Livelihood and Income distribution-Kawe .....	150

**LIST OF FIGURES**

Figure 1: Housing situation in Kawe .....	152
Figure 2: a and b Common examples of houses and latrines in Kawe .....	153
Figure 3: Latrine in One of the Kawe Houses.....	153
Figure 4: Building in Stages in Kawe while living in the House.....	154

## ACRONYMS

<b>CBO</b>	Community Based Organisation
<b>FGD</b>	Focus Group Discussion
<b>HFH</b>	Habitat for Humanity
<b>HFHI</b>	Habitat for Humanity International
<b>HFHT</b>	Habitat for Humanity Tanzania
<b>KAWEDET</b>	Kawe Women Development Trust Fund
<b>KADET</b>	Kawe Community Development Trust
<b>MLHSD</b>	Ministry of Lands and Human Settlement Development
<b>MDGs</b>	Millennium Development Goals
<b>NBS</b>	National Bureau of Statistics
<b>NHBRA</b>	National Housing Building Research Agency (Formally Know as BRU-Building Research Unit.)
<b>NGO</b>	Non Governmental Organisation
<b>NHC</b>	National Housing Cooperation
<b>NSSF</b>	National Social Security Fund
<b>REPOA</b>	Research on Poverty Alleviation
<b>THB</b>	Tanzania Housing Bank
<b>TST</b>	Ten Seed Technique
<b>TSED</b>	Tanzania Social-Economic Database
<b>SAHF</b>	Shelter Advocacy to Housing Finance
<b>WAT</b>	Women Advancement Trust
<b>WVI</b>	World Vision International



## **CHAPTER 1**

### **1.0 COMMUNITY BASED ORGANISATION BACKGROUND**

Kawe Community Development Trust is people's initiative in using their own resources for their own development. The goal of this development organisation is to have long-term programmes to strengthen and improve the social services in the two hamlets Mzimuni and Ukwamani. According to the available statistics from the Trust office the area is unplanned and also its people are living in deep misery and high level of poverty.

#### **1.1 Name and Address of the Organisation:**

- **Name:** The Registered Trustees of Kawe Community Development Trust.
- **Status:** A CBO: Non-governmental, non-religious, apolitical and non-profit making organisation.
- **Office:** Plot No.973 KAWEDET House, Old Bagamoyo Rd, and Kawe, P. O. Box 2522, Dar Es Salaam Tanzania

#### **1.2 Mission**

The Mission has been derived from the organization documents as it has nowhere specifically stated.

- Create a dynamic community that cherishes fraternity and ethics, and frowns at evil and laziness.
- Create a community that has a voice over its resources and development.
- Development that is inclusive of all members of the community, from the youngest to the oldest.

### **1.3 Objectives**

Objectives as stated in their constitution:

- Promote solidarity and cooperation among Kawe residents for community development.
- To initiate and implement community development projects relating to land, housing, health, education, food, clothing the environment and culture.
- Cooperate with government and its agencies in promoting community development in Kawe.
- To involve other institutions and individuals, both national and foreign, who are willing to cooperate with Kawe residents in implementing their development projects.

### **1.4 Activities/Programmes**

Current projects includes, community banking, a Waldoff kindergarten, therapies for needy members, mushroom growing by members, low cost food distribution to members, weaving by women members and centre for creative education. Of these

projects some are active, some took off but failed to continue and some are yet to take off. The most popular activity is the community banking, the kindergarten, low cost food distribution and weaving by women group. Out of these they have developed new programmes like the youth self-employment and environmental group, which is involved in garbage collection, storm water drainage cleaning, selling magazines.

## 1.5 Organs

To facilitate the set goals and objectives, the Kawe Community Development Trust has the following organs that will undertake and oversee that Kawe Community achieves the desired development:

- **The Elder Council:** The Council comprises of all Kawe community leaders and development activists. The status of this body is conscious of the community. It will be charged with the role of overseeing the plans and ethics, mobilize support for the plans and ensure accountability.
- **Development Trustees:** Comprised of four church leaders, four mosque leaders, two local government leaders, and eight Kawe development activists. This is a registered body charged with the role of formulating and coordinating development plans, and oversees other relevant organs.
- **Kawe Community Bank:** Kawe residents own this bank and minimum share holding is 10,000/-. The bank is current been operated through Akiba Commercial Bank. To be duly registered latter. Its role is to provide short-term micro loans to Kaya (10 cell households) to provide economic ability to the

people. It reaches and services the residents through the Kaya. (Here Kaya refers to what used to be ten cell unit structure).

- **Kaya Committees:** Each of this comprises of five persons - a chairman, secretary, treasurer, and two members. The Kaya (residents of ten cell units) is the community power base for the entire plan, and the bank. The role of this body is to meet weekly, implements Kaya decisions, coordinate with trustees and operate the Kaya Banks.
- **Development Organs:** These are professionally managed institutions accountable to trustees. They are legally registered with the role of providing social and economical services to the community. Nyumba Ni Mama is one of the development organs that were started in the year 2004 to address the issue of housing. The objective was to form a separate entity that will tackle housing issues separately from the exiting women micro-credit organ at Kawe, the Kawe Women Development Trust Fund (KAWEDET). KAWEDET was established way back in 1994, focusing on micro-credit lending to women groups around Kawe. Majority of the members of Nyumba Ni Mama Self-Help Housing group are also members of KAWEDET.

## 1.6 Assignment

The general living condition of the people of Kawe is poor. Historically the development of Kawe settlement was due to the meat-processing factory- Tanganyika Meat Packers Ltd., that brought in a lot of people from the mainland Tanzania when they were bringing cows for slaughtering to the factory. Workers

who could not get residence within the factory housing estate sought alternative place to stay in make shifts accommodation across the road developing in unorganised manner as there was no other housing options within the vicinity. Lack of vision to foresee the growth around the meat factory lead to development of Kawe unplanned settlement. The collapse of the state owned factory in the 1990s lead to the fall of the livelihoods of the people of Kawe, majority of whom depended on the functioning of the meat factory for their livelihood, be it businesses, rental houses, food vending etc.

Confronted with this situation, women in Kawe through their Community Development Trust took the initiative to develop a housing project for construction of simple, low cost housing to alleviate the plight for decent housing that confronts Kawe community at present. The women seized the opportunity of having a Community Economic Development (CED) participant (also referred as facilitator) seeking field attachment with Kawe Community Development Trust, to assist them in developing a housing project for construction of simple, low cost housing to alleviate the plight for decent housing that confronts Kawe community at present.

### **1.6.1 Title**

Housing Finance: The Case of Kawe Women Development Trust Fund - Nyumba Ni Mama Self-help Housing Group of Kawe Mzimuni and Ukwamani area, Kinondoni Municipality, Dar Es Salaam region.

### **1.6.2 The Community Need**

Kawe Community Development Trust realised that for any of its initiative to have effect and also to prioritise what they need to achieve, there was a need to seek professional help to document the existing situation so as to have reference to any initiative to be taken by the community in addressing the development issues. According REPOA (2003), base line survey done in Kawe it was noted that there is great need for housing in the area. The report shows that Kawe housing development has been of unplanned manner that has lead to congestion, poor sewerage system and poor road network etc., making Kawe a squatter settlement.

Poor housing conditions and inadequate infrastructures characterized the unplanned settlement of Kawe Mzimuni and Ukwamani. The area has no defined roads, storm water channels, nor solid waste management systems. Storm water drainage was, and still is, a crucial environmental problem in the area. Inadequate drainage causes flooding during the rainy season, where overflowed sewer from pit-latrines mixed with solid wastes and rainwater lead to both environmental and health problems. Long after the rains there are problems such as pollution, soil erosion and outbreaks of diseases such as cholera, typhoid and malaria.

Housing need was a problem identified by KAWEDET by/for the community at the very early stage of the development of the CBO. The baseline report by REPOA (2003) confirmed the need and provided more reliable statistics towards problems that need to be addressed in the area. During initial discussions with Kawe

development activists and at the first meetings held with the community members, it was clear that the following were the critical needs that set the ball rolling for the housing project:

- To acquire land for house construction for the housing project.
- Development of the project proposal so that the women could access funding from different developing agencies, Government and any other interested partners to support this local initiative and fund the project.

Subsequent to the meeting it was agreed that based on the needs identified, the facilitator (CED participant) should help to draft a concept paper that would go with the letter of application to request for a plot of land for the project. The concept paper was done in Kiswahili and was reviewed by the Kawe Community Development Trustees and Nyumba ni Mama members before going forward to officially apply for a piece of land from the defunct meat-processing factory. Apart from that a housing need assessment and a research on housing finance and Micro Finance Institutions (MFIs) was proposed to be done to look into how MFIs principles may be incorporated in developing a viable housing finance project for the self-help housing group.

### **1.6.3 Project Area**

The group has high hopes of acquiring some piece of land at the old meat factory premises. Thus project area is at Kawe ward, Kinondoni Municipality, Dar es Salaam region. The area is accessible from the Old Bagamoyo road and is passable

throughout the year. It is an ideal place for low-income earners as it will provide them with housing near to the main town centre on which majority depend for their livelihood. It is not certain yet what will be the size of the area but it is hoped to be about ten hectares, which will be able to cater for the number of the group members who are about 160. They are requesting for bare land, which has some services such as water and electricity.



## **CHAPTER 2:**

### **2.0 LITERATURE REVIEW**

#### **2.1 Theoretical Framework**

##### **2.1.1 Housing**

Housing (Shelter) is one of the three human basic needs, others being food and clothing. Access to safe and healthy shelter is essential to a person's physical, psychological, social and economic well being and should be a fundamental part of national and international action. The right to adequate housing as a basic human right is enshrined in the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights. Despite this, it is estimated that at the present time, at least 1 billion people do not have access to safe and healthy shelter and that if appropriate action is not taken, this number will increase dramatically by the end of the century and beyond. (Earth Summit report-Agenda 21: 1992) There have been several efforts and ways of addressing the housing problems world wide and Tanzania in particular to ensure everyone particularly the low income earners, has access to decent and adequate housing.

Availability of land and financing mechanism is said to be an impediment to both formal and informal housing delivery and development among low income earners especially in urban areas. This has lead to most houses for low income earners being built without reference to planning authority even in the planned areas resulting to poor and/or substandard houses.(URT: 2000) Poor infrastructure is another

impediment to the proper housing development. The proportion of urban population living in the unplanned is higher compared to those in planned areas. It is estimated that 40% to 70% of the urban population live in unplanned area. In Tanzania the population in the unplanned areas varies from 40% to 75% and only 35% of total housing stocks in urban area are in compliance with existing regulations. Lack of availability of surveyed plots and the growing number of urban population lead to housing developments in unplanned areas. Dar es Salaam has the highest with 75% of its residence in the unplanned settlement. Houses constructed in unplanned settlements account for 60% of all urban housing developments. Developers in such areas can not invest much to ensure they build standard houses as they know one day they may be evicted and their houses demolished. With the Tanzania government efforts to formalise the unplanned areas this may now change for the better (URT: 2000).

Household housing's investment decision is largely affected by their perception of housing. Most people consider housing from three perspectives (Serageldin, 1993: pp.4-9). Housing as shelter, housing as commodity and housing as investment:

- **Housing as Shelter:** Housing is a basic need that ensures decency and privacy. Households are said to allocate 10 percent to 15 percent of their earnings to shelter and inhabit whatever product this amount will buy (tent, hut, shack, or discarded automobile body). They locate where they can (pavement, cliff side, ravine, garbage dump, drainage channel) as long as the site is marginal enough to deter displacement and close enough to transportation so as to permit access to employment opportunities. Even when income rises, households will not spend

more than 15 percent on shelter without some assurance regarding security of occupancy as owners or renters.

- **Housing as a Commodity:** Housing too may offer financial security and social status. It accounts for over 60% of the total assets owned by limited income families. As renters, families rarely allocate more than 20% of their income to expenditures on housing, despite assurances regarding long-term tenancy rights. However, as property owners, they are willing to invest over 30% of their income to acquire land and build and improve their houses.
  
- **Housing as an Investment:** Housing offers prospects of lucrative returns. The property is used to generate revenues while it appreciates in value over time. Two income-generating potentials are frequently observed. The first is housing as a setting for income-generating activities. Land and buildings account for 25% to 45% of the investment required for setting up a micro-enterprise. As limited income households cannot afford to buy or rent space in designated commercial zones to them, income generation is an integral part of their housing development. This allows them to start an activity with minimum inputs and expand operations as their situation permits. The second potential observed is land and housing as income-producing assets. Households generate additional income by renting out part of space in their building for residential accommodations and commercial microenterprises. As land prices continue to soar, a growing number of households are unable to develop their parcels on their own. A need of alternative financing mechanism is needed to facilitate the poor

achieve their distant dream to have a house to meet both the need for shelter and hosting of their microenterprises business thus the development of housing microfinance.

### **2.1.2 Community Financing and Housing Finance**

Community finance at its most basic is the finance that is created when individuals group together to create a capital base that they cannot generate as individuals. A good example is the Rotating saving and loan groups (ROSCOs), the Merry-go-rounds of Kenya, Sou-Sous of West Africa, Partners and boxes of the Caribbean. While ROSCOs lies behind many of incremental improvements that families make in their individual shelter conditions, the capital formation that they represent is insufficient to fund planned, capital – intensive developments such as the installation of area infrastructure facilities (water, sewerage road and electrical services) slum rehabilitation and slum resettlement. Also their capacity to leverage in additional capital from external sources has also proved limited (McLeod, R 2001).

Community finance relate to investment in poverty focused housing and settlement development. Despite limitation cited above 'informal' finance, including the capital saved as a result of ROSCOs, has funded the vast majority of housing in the World's urban centres. Its financing lies behind the daily creation and maintenance of informal settlements- the slums, shanties, squatters camps and pavement dwellings that provided homes for between 50% - 70% of the population in urban centres in developing world. And the value of the real estate that has been created as a result is

impressive Hernando de Soto estimates that, the total value of the real estate held but not legally owned by the poor of the Third World and former communist nations is at least \$US9.3 trillion – wealth that also constitutes by far the largest source of potential capital for development. These assets not only far exceed the holdings of the government, the local stock exchanges and foreign direct investment; they are many times greater than all the aid from advanced nations and all the loans extended by the World Bank' De Soto, (2001).

The creativity of the poor in financing and creating their own shelter survival strategies has become well recognized. However attempts to link their resourcefulness to the financial resources managed by the formal banking sector has proved relatively unsuccessful. However a small numbers of NGOs have sought to create financing structures that provided an institutional alternative to banks. They have established Revolving Loan funds, sometimes known as Urban Poor Funds, extending loans to organizations and groups of the urban poor specifically for housing and infrastructure investment. They see their main role as being to assist organizations of the urban poor to strengthen their ability to negotiate with the state and the banking system in order to ensure that available local resources are more equitable distributed, and effectively used. They have begun to develop into a force that deserve of serious attention because it represents the leading edge of developments aimed at leveraging the resources of the poor for planned infrastructure and housing development, particularly in high density areas.

Housing finance sources in developing countries generally fall into three categories or tiers (Renaud: 1984). The first tier is comprised of private commercial institutions providing credit for upper-income groups at market interest rates upon the certification of income and provision of collateral. This category of financial institutions has consistently avoided involvement in provision of housing finance for the poor due to their lack of collateral and steady income, the perceived high default risk, and the high transaction costs. The second source is the public sector, which usually provides subsidized funds for middle-income groups and civil servants by way of specialized or non-specialized housing finance intermediaries.

Public programs in many developing countries have failed to reach the poor. Their eligible beneficiaries typically operate within the formal economy, possess basic home ownership capacities, and have at least some access to capital, if only a small amount. Public programs are also attempting to target lower income groups but have been hampered by lack of political will, leakage of funds to non-eligible groups due to corruption or a failure to take into account the socio-economic and political dynamics of the situation within which the poor operate. In most cases when the poor are the targeted, programs end up being hijacked by the middle-income and even high-income earners due to lack of information. Relevant examples in Tanzania include Mwenge village and Sinza housing scheme in Dar es Salaam, Nkuhungu low cost housing scheme in Dodoma where projects that were meant for low income earners ended up with majority of beneficiaries being middle and high income earners.

In Tanzania most of the housing development has been and still is, through private funding. Since the collapse of the THB no meaningful housing finance system has been established especially for the low-income earners; no efforts are being made to go down to reach out for low-income earners. Financial institutions have proven unwilling to invest in community-based initiatives such as housing (long term finance) because local financial markets are relatively undeveloped. Medium and long term financing require very stable micro-economic environment otherwise the loan management becomes unbearable because of inflation and unpredictability of the economy. Even if the existing markets were to be developed to the required level, the demand from the commercial sector and from higher income consumers may monopolise the interest of local banks. Furthermore, the existing high demand for short term financing makes financial institution to see no reasons for venture into risky business of long term financing. Banks consider the margins to be made by lending to such initiatives are non-competitive particularly as investment requires developing a new mechanisms and system for credit delivery which is costly while there is still a high demand and a ready market the short term loans.

Situation such as this has led to financing of housing development be in the hands of individuals, making housing delivery to develop at a very slow pace as it happens when one gets money. Most of individuals, especially permanent employees do invest in housing once they are paid their terminal benefits or get a lump sum payment. One immediately purchases a piece of land and erects at least one or two rooms, a place to start with that one could move in at once as he/she does not have a steady income to afford renting a house anymore. Most of such individuals build

incremental houses depending on the money available. One can later build extra rooms for renting so that s/he may get some income from the house.

### **2.1.3 Housing Microfinancing**

As indicated on previous text above, lack of formal credit to finance housing construction is one of the major impediments of private housing supply. Housing microfinance programs are now attaining a prominent position among organizations addressing shelter needs of the urban and rural poor in many regions around the world (The Centre for Urban Development Studies Harvard University Graduate School of Design: May 2000). This is now viewed by many as a future for providing majority of the urban low-income earners the needed finance to their housing and attained decent shelter through affordable means. Housing Microfinancing may be defined as combination of housing financing and microfinancing concepts hence Housing Microfinancing (Daphnis: 2004). The report by the Centre for Urban Development Studies Harvard University Graduate School of Design on Housing Microfinance Initiatives Systems and Regional Summaries, which assessed the linkage of microfinance, practices and housing finance, had interesting findings that provided theory behind Housing Microfinance. Among the key findings of the report were two approaches to housing finance through the Microfinance practises which are Microcredit to Housing Finance and Shelter Advocacy to Housing Microfinance.

Microcredit to Housing Finance (MCHF) is the first approach to housing microfinancing. It was initially begun with the microcredit initiatives for small and



micro-enterprises, aiming at expanding the economic development opportunities for socio-economically and politically marginalized groups. MFIs observing that their clients who were borrowing for income-generation purposes and yet channelling some of the funds into housing improvements, had to come up with a new product- the Housing Microfinancing. Therefore, overtime, the MFIs draw on their experience in microcredit and broadened their lending portfolio to offer a range of housing finance products for new housing construction and home improvement projects. The study shows that there is a strong connection between a home as both shelter and a place to house or support income-generating activities, thus making this a logical evolution and eased the transition to a new financial products, structures, and loan terms. (The Centre for Urban Development Studies Harvard University Graduate School of Design: May 2000).

The second approach housing microfinance is, Shelter Advocacy to Housing Finance (SAHF) programs. This arose out of an original advocacy agenda defending the right of the poor to equitable access to resources, particularly land and shelter, as well as adequate infrastructure and services. Their overarching vision is the empowerment of disenfranchised community members, particularly squatters and the homeless. In addition to community organizing and political lobbying, several advocacy groups have gone on to develop microcredit programs that will enable the poor to access serviced land and acquire shelter.

The decision of shelter advocacy groups to expand into micro-lending for housing was inspired by the flourishing of microcredit, pioneered by Grameen Bank -

Bangladesh and emulated by hundreds others in microfinance initiatives. Most SAHF initiatives operate on a small scale within limited local boundaries, although some have begun to scale up and have joined regional or national federations of community-based organizations to further communication and the exchange of information and, more importantly, to gain political visibility in lobbying government to redistribute services or effect policy changes.

A major difference between the microfinancing for microenterprises and housing is the length and the size of the loans involved. Microenterprises financing are short-term loans, which are paid on regular basis usually weekly or bi-weekly and in some cases monthly. Most organisations utilises solidarity group lending model having the borrowers organised in small groups of five or six who take collective responsibility of loans taken by the members of the group. On the contrary housing finance is capital intensive and hence housing microfinancing is being impacted by different implications of financing, in particular the larger credit amount needed, especially for the land acquisition component and the house construction (if doing a new construction). Second, the loans have longer amortization schedules, with terms ranging from one to five years as opposed to one year or less in SME lending. This makes housing loans to be individualistic in nature and not a group venture.

Housing Finance is categorized as long-term financing which is not common among the poor who are more used to short-term financing through SME. That is why many housing microfinance programs opt for incremental house or home improvement (the MCHF), as such loans bear similarity to their original mission i.e. microenterprise

development, and their modus operandi is more pro-poor regarding the financial transactions than in the case of SAHF which deals with complete house construction loans as the case of mortgage financing. This concurs to Delpheis (2004) presentation on comparison of microenterprises lending and Housing Microfinancing (See Table 1 below).

**Table 1: Microenterprises Lending & Housing Microfinance: A Comparison**

<b>Typical Microenterprises Loans</b>	<b>Housing Microfinance</b>
Impacts borrower's income	Impacts borrower's assets base and may impact income
Offer very small loan amounts	Relatively larger incremental loan
May or may not be "fungible"	May or may not be fungible. Is not in the case of commercial Housing finance
Individual or group loans	Usually individual loans
Repayment capacity based on generation of future income	Repayment capacity based on borrower's current income

**Source: Daphnis and Ferguson (2004): Housing Microfinance: An Overview  
AMAP**

## **2.2 Empirical**

This section looks at different studies regarding housing, giving some practical examples existing regarding housing financing and house delivery issues relating to low income earners mainly land, housing finance and housing schemes targeting low income earners. It looks into studies done on a new product emerging among MFIs - housing microfinance.

### **2.2.1 Initiative to Housing Delivery**

There are two main housing production sector in Tanzania the private and public, with the private sector accounting to between 75% to 95 % of the total housing stocks in urban area while in rural area it is the exclusive production. Production of housing is mainly through formal or informal supply. Formal supply means access of land through government allocation, while informal house supply is mostly by private sector which is in unplanned and un-surveyed areas. Jorgensen (1977) defines the informal housing sector as that area of housing construction activities which does not have access to formal financial institutions in public or private sector. This sector is the producer of the large volume of housing units. It is credited to be increasingly the largest supplier of housing stocks with over 70% of urban residence.

### **2.2.2 Community/Self Help Groups Initiatives**

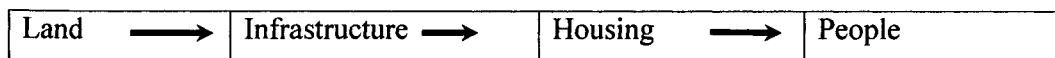
Provision of financial services for micro-enterprise, housing construction, or housing improvement projects constitutes a relatively straightforward, manageable undertaking. On the other hand the participation in the process of acquiring land and delivering infrastructure is legally, financially, and politically complex, requiring extensive institutional and financial capacities and legal powers, typically available only to national and municipal government agencies. (The Centre for Urban Development Studies Harvard University Graduate School of Design: June 2000). It is for that reasons that most MCHF programs have intentionally avoided directly addressing land and infrastructure needs, for several reasons. Few microfinance

programs have ventured into this arena. The report gives the account of collaboration between SEWA Bank and Ahmedabad Municipal Corporation, India, working on slum upgrading called Parivartan scheme as an example. The scheme brought together municipal authorities, private sector industries, and NGOs in a partnership, sharing roles, responsibilities, and financial commitments to finance citywide upgrading of slums by means of an extensive infrastructure package. This kind of broad-based collaboration can provide a foundation for comprehensively addressing issues of land and infrastructure in urban areas in a cost effective and politically tenable manner. However, the institutional policies and strategies that have been developed to date by the vast majority of MCHF programs do not readily lend themselves to this kind of process.

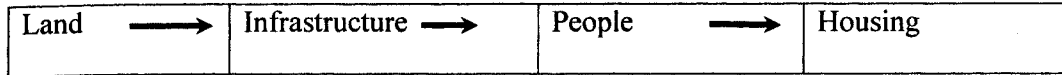
### **2.2.3 Land and Housing initiatives to low income earners**

Land is the key to addressing housing crisis especially among the low income earners. If land issues could be address then the development of squatter area will be a desistance dream. Two interesting programmes have helped the poor to access land and which have proven to be replicable. These are Incremental Land development, Khuda-ki-Basti, Hyderabad Pakistan and Community Mortgage Programme, Philippines.

There are three approaches to housing projects. The first approach is refereed as the conventional Housing Project Sequence.

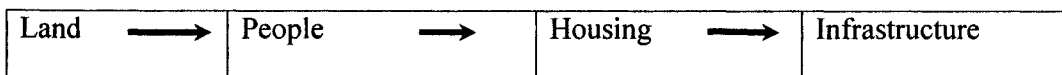


The second is called the Site and Service approach where the land is first demarcated and surveyed, then followed by provision of Infrastructures before it is allocated to people to start building their houses.



The above two approaches have been to a large extent discriminating the most needy urban dwellers as such projects have been injected by middle income and speculators, making such schemes expensive for low income earners.

The third approach is the Incremental Land Development. In this case the plots are allocated to people (The neediest at a price they can afford). The development of the scheme is incremental. At the initial stage the site is provided with the basic infrastructure i.e. communal water and transportation. The people pay entry fee that covers the plot cost and the infrastructure. Then the house and infrastructure develops at a speed and standard that is determined by the group of residence. The organisation of development service is on cooperative basis.



A successful example of this is the Incremental land development is the case of Khuda-ki-Basit, Hyderabad, Pakistan. According to a report by Siddiq, A.T and Khan, M.A (1994) the ideal is build on the general practice of the way illegal land subdivision occur in urban centres. These areas are usually in the peripheral of the

city. Through this project more than 3,000 plots were allocated. The size of the plots is 80 square yards at about 66 m<sup>2</sup>. More than 35% of those who benefited from the project are the poor with an average income of less than \$ 33.00 (by then 1986) and 76% of them never owned a house before. Among the shortcomings of the project was that the project was located far from the city, community participation was problematic in the start of the project. Also there was problem on how to deal with absenteeism. But the key success of the project was that the project was self financing, they managed to reach the target group of the landless and poor, and there was efficient management by a public agency.

The study indicates that that the Hyderabad Development Authority has managed to adopt the methodology used by the private illegal land developers to provide a viable housing to the urban low income earners. Through this incremental housing development scheme the HAD has convincingly shown that there is an alternative means of providing housing to the city renters and fresh migrants. The report clearly points out that the Incremental land development approach is without hunch. But the benefits to be reaped far exceed the short fall if and only if there is commitment from the highest level of bureaucratic or political hierarchy. It is only then can its wider replicability be ensured.

On the other hand Community Mortgage Programme (CMP) is unique to Philippines and has gained international recognition regarding innovation. According to a report by Lee, M (1995), the programme is about helping the landless urban poor-mainly squatter communities to purchase land they have been living and thus legitimise their

status. The project was intended to be self sustaining, national, affordable and to maximise community involvement. The CMP differs from the conventional upgrading programme as the projects are initiated by the communities themselves and the role of the government is simply to finance and regulate. The programme on the principle of incremental: beneficiaries family start with repayment at a relative low level in return for minimum degree of shelter improvement (tenure right) and when they can afford it incrementally adds benefits (communal services and/or individual home improvement and extension). It is also notable, though not unique, as a large-scale programme which gives the poor formal access to credit. The CMP is successful so far as by early 1994, 37,000 families (say 210,000 people) had already benefited from the programme. Its detractors see it as trivial, problematic or both: Major problems sited are that the demands for participation in the programme exceed the capacity of both funding and staff resources. On top of that administrative delays due to lack of funds and inflation has brought mistrust to the programme. Delays of up to 18 months were common. Another problem was the community organisers themselves were internally divided as unable to fulfil their part of social contract.

Replication of CMP will very much depend on the system of land ownership in place, attitude of the government and the degree of community involvement from the squatter settlements. This is the key to the success of CMP, as one of the failures that are attributed to this scheme was that the community association had not existed for a period of time to enable it take up the role and responsibilities that were vested on them such as creating peer pressure and following up on defaulters. That is why the statistics on repayments of this programme are said to be dismal (Lee: 1995).



#### **2.2.4 Housing Microfinancing**

Inadequate sanitation and housing threaten the lives and health of some 600 million urban dwellers world-wide. Traditional housing finance has not offered products adapted to low-income people, but new providers are developing creative approaches to the problem. A range of financial institutions are applying good micro-finance practice to housing finance, and are successfully delivering much-needed services to poor customers. This is referred to as Housing Microfinancing.

But what is housing microfinance? Housing microfinance consists mainly of loans to low-income people for renovation or expansion of an existing home, construction of a new home, land acquisition, and basic infrastructure (e.g. hooking up to city sewage lines). To date, most of the successes in this new field have been with home improvement loans. Land acquisition and new housing construction are still dominated by subsidies, rather than financial services (Brusky, B. & CGAP: 2004).

The importance of housing microfinance is due to the demand for housing microfinance being high. Indeed, microfinance institutions (MFIs) say that clients already channel a good portion of micro enterprise loans to home improvement. This is due to the fact that:

- Shelter is a basic human need that helps ensure personal safety and health.

Housing microfinance offers small, incremental loans that fit with the way poor people build: progressively and over time.

- The home is a personal asset that usually appreciates in value over time. Thus, home improvement not only enhances living conditions, it is an investment.
- Micro entrepreneurs often use their homes as productive assets in generating income. The home can be a place to produce goods, store inventory, and conduct business.

According to Brusky, B. & CGAP (2004), Housing microfinance comes in many forms and brings together a variety of actors, including urban developers, regulated financial institutions, government agencies, credit cooperatives, NGOs with an urban poverty focus, and MFIs (see the table below). Traditionally, housing finance for low income people has been part of a slum upgrade or urban development strategy, with the financial service accompanied by construction assistance or land rights advocacy. Increasingly, housing microfinance is a loan product offered by an established MFI. Some MFIs offer construction advice or supervision, but many more do not. Construction assistance in the context of housing microfinance does not appear to be a predictor of financial performance.

**Table 2: MFIs Involved in Housing Microfinance**

<b>MFIs Involved in Housing Microfinance</b>	
<b>Type of Institution</b>	<b>Examples</b>
Large scale MFIs	Grameen Bank, SEWA Bank, BRAC, BRI
Mid scale MFIs	CALPIA, BancoSol, ADEMI, MiBanco, CARD Rural Bank
North American / European NGOs	Accion, CHF International, Habitat for Humanity, FINCA, Plan International, Homeless International
Cooperatives, Municipals	Jesus Nazareno, Mutual La Primera, Mutual Imbabura, Caja Arequipa
Government Housing Programs	HUDCO and HDFC, MiVivienda, ex-FONVIS, Uganda National Housing Finance Co., FONAVIPO
Commercial Banks	Banco de Desarrollo, Banco de Pichincha, Banco Caja Social, CashBank/BoE, African Bank
Local NGOs	Life in Africa/UMU, SPARC, SPDB, FUNDAP, People's Dialogue / SAHFP

**Source: Housing Microfinance: A Guide to Practice, Daphnis, Franck and Bruce Ferguson, Eds. (Bloomfield, CT: Kumarian Press, Inc., 2004), 37.**

**Table 3: Key Features of Housing Finance**

Size	Varies, but generally 2-4 times larger than average working capital loans
Term	Usually 2-24 months for home improvements, and 2-5 years for land purchase or construction
Interest	Same as standard working capital loans or slightly lower
Delivery Method	Almost always provided to individuals, rather than to groups
Collateral	Mostly unsecured; co-signers often used; real guarantees may be used; formal ownership of dwelling or land may be required; savings sometimes used as guarantee (may be compulsory)
Target Clientele	Low-income salaried workers; microentrepreneurs primarily in urban areas; poor people
Other Services	Sometimes accompanied by land acquisition, land registration, and construction (including self-help building techniques)

**Source:**[www.Microfinancegateway.org/Buildingfromthegroundup/Housingmicrofinance.htm](http://www.Microfinancegateway.org/Buildingfromthegroundup/Housingmicrofinance.htm)

Housing Microfinance is not without challenges. There are several challenges for expanding housing microfinance. Among them are:

- Limited access to medium- and long-term capital. Housing loans should be funded with capital that matches their longer term structure. Yet much MFI funding tend to be short-term, a year or less. And while some housing microfinance providers capture savings, they rarely collect enough to cover the demand for housing loans. Adequate funding instruments would allow institutions to expand their portfolios and avoid a mismatch between the source and use of funds.
- Insufficient understanding of the appropriate relationship between subsidies and financial services. There are good reasons for governments to subsidize low-income housing. Housing microfinance can complement subsidies, but financial services should be kept distinct from the subsidy element. For

example, in a slum improvement program, loans to individual slum-dwellers should be managed separately from state subsidies for infrastructure and sanitation. Most MFIs' comparative advantage lies in providing financial services, not administering subsidies. MFIs usually weaken themselves when they try to do both.

- **Insecure land tenure.** In most developing countries, poor families do not possess formal proof of land ownership. While formal land titles are not necessary in housing microfinance, land security is essential. Households are more likely to invest in their homes when they know they will not be evicted. This security is also important for financial institutions' risk management.

#### **2.2.5 Housing finance - Financial Institution**

Housing finance is near complete lacking (URT: 2000), it is only recently that we are seeing the banks introducing formal mortgage housing finance facilities as a new product. These include Azania Bankcop (Kironde: 2002) and the International Bank of Malaysia. For a long time before the collapse of the Tanzania Housing Bank (THB) housing was financed from personal and family savings over a long period of time and this curtails the supply of housing.

There is no other financial institution that is offering specifically housing loans though Barclays and Standard Chartered banks through their salary loan schemes offers loans that one may use to finance house construction. The interest rate levelled

on these loans is around 23%. On top of that they charge a processing fee of 2% of the loans and an insurance cover. These types of loans have only benefited those who have permanent employment and holding bank accounts with such institutions. If one is an entrepreneur and has an account with such banks, a proven track record in terms of operating the account, could be considered for a loan based on past performance of six months or more.

Currently the Standard Chattered Bank and Barclays Bank are now offering loans to microenterprises development and small business as is the MFIs, CRDB Bank and National Microfinance Bank Ltd. It is said that some of the small entrepreneurs who access such loans do use part of the money for home improvement, as housing is part and parcel of their business.

So little has been done by the formal financial sector to invest in housing and settlement development for low income earners in a way that is poverty focused. Reasons why financial institutions have proved unwilling or unable to invest in large scale community - driven initiatives is in some cases the local financial markets are relatively undeveloped and medium and long term financing is not yet being offered at all by banks. Existing demand from the commercial sector and from higher income consumers are monopolising the interest of local banks. Investing in pro-poor initiatives where the margins to be made is considered to be not competitive particularly where significant investment is required in developing new mechanisms and system for credit delivery. In Many cases banks have never been asked to deliver

this form of financing either to local government or to NGOs and have therefore not considered the option of exploring how viable such lending might be.

In yet other cases banks have been ostensibly willing to enter into medium and long term lending to poor people but their internal systems have not been structured to deliver the necessary financial services. Headquarters may have agreed in principle but local offices prove unable to deliver in practice. In other cases the security requirements of banks have proved prohibitive.

On the other hand MFIs can build on community finance systems. The growth of MFIs (effectively a parallel system to conventional banking has led to a significant scaling up of accessible financial services for people who had previously been considered non-bankable. However the general trend has been for MFIs to focus on short term (1-12 month) retail lending to individuals rather than medium and long term wholesale lending to organization of the urban poor and medium enterprises (SMEs), there is increasing evidence that a considerable proportion of MFI loans are, in fact, being used for individual housing improvements and extensions within informal settlements, not generally designed or structures to support larger scale community-driven infrastructure and housing initiatives.

### **2.2.6 Housing Programme**

Housing programme is understood as a set of project or interventions meant to facilitate accessed or to make direct provision of all or a set of inputs necessary in producing shelter and its associated infrastructure services and utilities (Nkya and Lerise: 2002). Inputs considered include land for housing, financial support, technical services in construction, building material supply and handling, labour, provision of services and utilities, management and maintenance skills and the question of affordability. In this sense housing programme is an intervention; by public, private or civil society organisations to provided all or some inputs. Thus according to this, a housing project that is dealing with say provision of housing mortgage of urban plots only is not considered as a housing programme.

By the above definition housing programmes that have been undertaken in Tanzania include; the National Housing and Register of Buildings, the National Site and Service Programme, National Housing Cooperatives, Habitat For Humanity Tanzania, Peramiho Home Makers Programme, Mwanza Rural Housing Programme and Women Advancement Trust.

The following is some insight in some of the housing programmes:

### ▪ **The National Housing and Register of Buildings**

In Tanzania the problem of providing shelter and land to the growing urban population was realized in the 1960s. First the government had attempted to solve the housing problem through the provision of competed housing through NHC. The result of NHC is still on minuscule and the total housing stock is continuing to fall.

The National Housing Cooperation (NHC) was established immediately after independence with the purpose of solving housing problems for Tanzanians who were the low income earners. However, this organization is currently operating as a commercial entity. No prospect for low-income earners. Most of the commercial banks do not lend money to low-income earners for lack of collateral.

Following the Arusha Declaration in Tanzania in 1967 where the government of Tanzania introduced the policy of Nationalisation, many private owned storey building were nationalised and were put under the custody of a state owned company called Register of Building (ROB). This was established by the government in 1971 to managed the buildings that were acquired by the government under the acquisition of Building acts of 1971. Later on the act was repealed in 1990s when the NHC was merged with ROB and assets turned over to National Housing Cooperation.(URT: 2000) National Housing Cooperation forms one of the biggest providers of rental houses in urban centre.



▪ **The National Site and Service programme**

The government started to implement the National Site and service and squatter upgrading programme in 1972. The government policy entailed recognition of squatter settlements as part and parcel of urban fabric; legislating landholding by titling; providing a minimum level of social infrastructure and services to squatter settlements. Despite having considerable positive impact on housing provision and improvement in the towns that were covered it had some drawbacks. This included the fact that to a great extent it benefited the middle income earners; it was difficult to administer cost recovery and cost shearing scheme; it was over dependency on donor finance and technical support rendering the project unsustainable; and had a top-down planning principle resulting from non-existence of local authority then at inception and implementation stage. Among the government efforts in starting housing schemes for the poor such as the Mwenje village scheme at the 1970s was the setting aside the housing development plots in Sinza, a project that was made futile, because the middle and high income earners seized the projects over the intended beneficiaries since they had financial power, access to information and lack of mechanism to determine the target group. Lack of community participation was another shortfall associated with those projects. Sinza was one of the sites and services programmes that had been implemented in Tanzania.

### ▪ **National Housing Cooperatives**

Tanzania was one of the first countries to introduce housing cooperatives. The first housing co-operative in Tanzania known as Mwenge Housing Co-operative was formed in 1971, and since then many housing co-operatives have been started all over the country. Mwenge Housing Cooperative was donor-driven joint initiative by the International Cooperative Housing movement and United Nations with a goal of developing government capacity to deliver shelter and to create a cooperative housing movement in Tanzania (Marealle: undated)

The second initiative housing cooperative was connected to the relocation of national administrative capital from Dar es Salaam to Dodoma. This also had a heavy government involvement and donor support principally the UNDP (Ndatulu and Makileo: 1989). This initiative had high expectation among its members and was followed by rapid increase of housing cooperative in the early years of independence in Tanzania. But the housing co-operatives had not been very successful in the country because of the following reasons:-

- Lack of a clear government policy on how housing co-operatives should operate.
- Institutional constraints especially when it comes to allocation of scarce surveyed plots and building materials.
- Inadequate assistance from the government.
- Poor administration.
- Lack of competent and honest leadership.
- The first initiatives were heavily donor driven and dependent and had never been

driven from the grassroots.

▪ **Habitat For Humanity Tanzania**

Habitat for Humanity Tanzania (HFHT) has been working in Tanzania since 1986. Currently it has 16 affiliates (Projects) mainly in rural parts of Tanzania. HFHT is a non- profit ecumenical Christian housing ministry, which is affiliated to Habitat for Humanity International (HFHI) that based in Americus, Georgia - USA. HFHI vision seeks to eliminate poor housing from face of the world, and to make decent shelter a matter of conscience and action. HFHI works with people from all works of life regardless of religious beliefs, and political ideological background, sex, race, etc. to work together in partnership and help build houses with families in need (Fuller: 2000). To date, the organisation has built over 175,000 houses in more than 100 countries, with over 2,000 houses in Tanzania (HFHT Statistics Jan 2005).

Habitat for Humanity carries out its mission at the community level by organised groups that are called affiliates (Projects). To keep the house cost low, affordable for low-income families, house size is kept between 21m<sup>2</sup> - 36m<sup>2</sup> for new houses and up to 54m<sup>2</sup> for renovated houses, excluding ventilated pit latrine. HFH target those with income range between 45,000 and 120,000 per month and are food secure, and one is required to repay 5% - 20 % of his income monthly towards servicing of his loan (HFHT website: [www.hfhtanzania.org](http://www.hfhtanzania.org)).

It is only recently that HFHT has started to move into urban areas especially since the plight of housing in urban is also acute given the problem of rapid urbanisation. This is in recognition that as population in urban areas grows, poor housing is an issue that needs to be addressed. Working in urban context such as Dar es Salaam is a challenge, thus HFHT seeks to work in partnership with other actors, such as in the case CHAWATA - a Teachers Saving and Credit Societies in Temeke municipality, in order to address the plight of housing for urban low income earners in urban centres as an entry point to providing shelter to the low income earners. Teachers, especially the primary school teachers are considered to be among the groups that constitutes the urban low income earners.

HFHT helps communities/groups to organize themselves into self-help housing project by setting up a revolving fund called the Affiliate Fund for Humanity. The source of funding for this revolving fund is local fundraising and transfers from HFHI headquarters. Through local fund raising, volunteer labour, and donation of money and materials HFH houses are sold to partner families at no profit affordable loans. The homeowner loan payments goes back into a revolving fund for humanity, and are used to build more houses in the same community until all poor houses have been eliminated in the community.

HFHT affiliates are required to have 80% or more in repayment levels, and spend more than 90% of their funds on construction to continue receiving HFH funding. HFH will continue providing funding for house construction to supplement local efforts of fund raising to a certain level say up to when the community has built over

100 houses at which time it is estimated the money coming in to the revolving fund through repayment and local fund raising will be sufficient to continue the house construction programme in the community. This is done to ensure sustainability and creating ownership of the housing projects. With the stop of providing funds for house construction HFH continues to provide support in terms of leadership, training, management, moral and technical support to the community to ensure continuity of the housing project.

Failing to meet the performance criteria above, an affiliate is suspended. It has one year to rectify the situation and if within that time the community does not come around and start performing, the community is disaffiliated from HFH and a loan collector/liquidator is employed. The money collected from thereon will be transferred to other communities that are performing.

▪ **Women Advancement Trust**

WAT-Women Advancement Trust Fund is a Non Governmental Organisation (NGO) that is dealing with community housing development for low income earners. Its main focus is advocacy and setting up structure that can assist the community to position itself well and to address their plight for decent house and access funding for construction. It is also working on issues related to land rights and secure tenure (especially women land rights) and on mobilisation of groups, assisting them to form groups using Housing Cooperative Model. WAT sees housing cooperative model as

the best structured to address housing finance and other issues that are involved in the whole process of housing delivery in Tanzania.

WAT believes in Housing Cooperatives Model as means to provide housing to the majority of urban low income earners, with the help of Roof Top Canada, a help which has set a number of housing cooperative in Dar es Salaam, Mbeya and Dodoma. Currently it is working with 6 housing groups with 192 members (WAT: 2004). They provide training and facilitate the group through their own efforts into securing lands for house construction, how to run and manage the housing cooperatives, technical support in terms of house designs, construction methods. WAT does not provide housing finance but build institutional capacity for the self-help housing groups to provide themselves with housing and also position themselves well to access housing finance from other financing institutions as a group rather than individual. WAT as part of its advocacy work was very instrumental in ensuring that issues of shelter are taken aboard as part of the cross cutting issues in the new National Strategy for Growth and Reduction of Poverty (NSGPR: 2004).

### **2.3 Policy**

For the purpose of this project it was important to review some of the country policy that we relevant to the project. The polices reviewed were National Human Development Policy, Community Development Policy, National Microfinance

Policy and Cooperative Development Policy especially as they relate in the whole issue of housing finance.

### **2.3.1 National Human Settlements Development Policy**

#### **2.3.1.1. Housing situation in Tanzania**

According to the National Human Settlements Development Policy (URT: 2000), housing problems in Tanzania are two folds:

- a) Inadequate housing stock in most urban areas
- b) Poor housing conditions in rural and urban areas

Tanzania has a GDP per capita of approximately US\$ 253 with 60% of its population living below the poverty line and most of these living in poor/substandard housing. Seventy five percent of Tanzania's population lives in rural communities where the majority of substandard housing exists. 25% live in urban areas, growing at a rate of 6% per annum, about twice the national rate of population growth. (URT: 2001).

There are ten major towns with populations of over 150,000 with the major city and port, Dar es Salaam, having a population of over three million. Tanzania's rural-to-urban migration is a result of the decline of international primary commodity prices (mainly from coffee and sisal) in the 1970s and 1980s and other disincentives to national farmers that helped push rural producers to towns in search of employment. Dar es Salaam is seven times the size of the next largest city, Mwanza, and is growing at 8% per annum. It is estimated that about 70% of Dar es Salaam's

population live in poor, unplanned settlements, characterized by lack of basic infrastructure and ever-increasing poverty. It has been estimated that 50% of the informal settlement population lives on an average income of about US\$1 per day.

#### **2.3.1.2 Development of National Human Settlements Development Policy**

The 1981 Housing Policy had a number of weaknesses in terms of conception and implementation. The policy document was never followed up with the preparation of an implementation strategy and a realistic programme and plans for action at national and local levels. The institutional arrangements were not clearly defined and the policy was narrow in that it did not consider housing within the wider context of human settlements. That is why after the restructuring of the former ministry of Land and Housing to Ministry of Lands and Human Settlement a new policy National Human Settlement Development Policy (NHSDP) was developed in the year 2000 with the following goal and objectives:

- **Goal:**

- a) To promote development of human settlements that are sustainable
- b) To facilitate the provisions of adequate and affordable shelter to all income groups in Tanzania

- **Objectives:**

- a) To make serviced land available for shelter and human settlements development in general to all sections of the community including women,



youth, the elderly, disabled and disadvantaged

- b) To improve the level of the provision of infrastructure and social services for sustainable human settlements development
- c) To promote the use of and production of local building materials that are affordable
- d) To assist the poor acquire decent shelter
- e) To encourage development of housing areas that are functional, healthy, aesthetically pleasant and environmentally friendly

#### **2.3.1.3 Policy Statement: Land Issues**

The NHSDP statement indicates that the government shall do the following:

- a) Ensure that land is available to all income groups including estate developers.  
Such land shall be offered on the principle of cost recovery.
- b) Streamline procedure for getting legal rights of occupancy with the aim of shortening it.
- c) Pay promptly adequate, and fair compensation to holders of land required for expansion

This has been demonstrated with the 20,000 plot project where we have seen the ministry land expediting compensation

### **2.3.1.4 Policy Statement: House Development and Financing**

The first Tanzania five-year development plan (1964-1969) identified a shortage of 21,000 houses in urban areas. The shortage grew to 25,000 at the beginning of 2nd five year development plan (1969-1974) and shoot-up to 30,000 by 1982. This is confirmed by the overcrowding in most urban dwelling especially in the informal unplanned areas. According to the National Human Settlement Development Policy (URT: 2000), occupancy rate of more than two persons per room constitutes overcrowding. The 2001 National Statistic indicates that percentage of families in overcrowded homes are 34.4 % in Dar es Salaam city, 34% in Mwanza city and 37.4% in Arusha (NBS 2001) with the national average being 2.56 people per room (TSED). The demand for units of conventional housing in urban areas in 1998 was estimated to be more than 1,500,000 units and it is currently estimated to be over 2,200,000 units (Nkya and Lerise: 2002).

To cushion the impact of shortage of housing for its civil servants, the Government through staff circulars No. 8 of 1962 and No. 4 of 1965 established a Revolving Housing Loan Fund to finance renovation, construction or purchase of house for its employees. In 1972, when the Tanzanian Housing Bank was started, the fund was abolished and all borrowers were transferred to the newly established bank. By 1989, it was observed that the bank was undergoing fundamental constraints and was failing to serve civil servants as earlier envisaged (URT: 2000).

The Government reintroduced the Revolving Housing Loan Fund for civil servants in 1990 to carry out almost similar functions. The problem with the fund is that the Government has until 1998, released only 300 million shillings to the fund since it was started in 1992. The Fund has been able to serve 160 civil servants and presently there is a backlog of 611 applications (URT: 2000)

NHSDP statement regarding house development and financing indicates that the government commits to revise all the building and construction standards so that they become functional and performance based rather than prescriptive. The government want them to be flexible and affordable. Development of substandard housing is attributed by the existing prohibitive standards. This step will help address the issues of house development in unplanned areas so that houses are build with acceptable standards as about 60% of housing in urban areas are in unplanned, un-serviced and/or hazardous areas, such as a steep slopes, valleys and creeks.

By the NHSDP, the government commits to develop strategies for providing enough funds for planning and surveying of urban plots. Among them will be:-

- a) Plot Development Revolving Fund.
- b) Cost recovery and cost sharing methods, and
- c) Self-financing for planning and surveying.

### **2.3.1.5 Policy Statement: Private Housing Delivery**

With the exception of very few houses for community activities, all rural housing is built, owned, and occupied by individual families and clans. In urban areas more than 90% of urban residents live in privately financed, constructed and owned housing either as owner-occupiers or tenants. But due to the economic situation and capital intensive required for housing financing the government recognizes the role of NGO's and Community Based Organizations (CBO's) as key to support government initiative toward housing delivery. The following is stated in the NHSDP:

- a) Acquire common land and prepare project design briefs for member's housing development.
- b) Assist members to acquire land for settlements development.
- c) To start small-scale building materials industries.
- d) To mobilize resources for community development projects.
- e) To organize seminars/workshops on human settlements development issues.
- f) To organize training for artisans in the human settlements development sector.
- g) Establish proper book keeping and accounting systems.

Apart from the government efforts in assisting the community based initiative it is good to underscore the government efforts to liberalise the financial sector which has led to new entry of the financial institution which now are a eyeing at housing

financing as a lucrative market to invest. This will help speed up the development of housing sector and add to the current deficiency of the housing stocks. But also this will be good to the economy as the circulation of money will increase as a result of the booming construction sector. This will have a trickle down effect to low income earners as they will also get jobs that will guarantee them income of which some may also be invested in the construction of their own houses.

#### **2.3.1.6 Housing Finance**

According to the NHSDP (URT: 2000) House construction is one of the big investment in ones life time for majority of population, but it is so capital intensive that not many individuals or families can afford to augured through their own savings. Housing finance as a mechanism provides borrowing opportunities for the less capable house builders through housing loans and mortgage facilities. The government allocation on the national budget for housing has been low. It is said that the government allocated 6.01% of its budget to housing in 1971 an amount that has gone down to 2% on the time of preparing the National Human Settlements development policy. Also the policy acknowledges the limited housing mortgage facilities in the country. Say that most people are gradual using their merge resources to provide themselves with housing and this has slowed down their housing construction process leading to low delivery of houses to the market.

The government in recognition of the above issue indicated that it will continue to implement progressive macro-economic policies which can lead, other things being

equal, to economic growth, job creation and greater affordability for rental housing and housing purchases; put housing in central position in National policies alongside health and education; institute mechanism that will allow for mobilisation of housing finance from public sector, local communities and from international agencies; give incentives to individuals and institutions invest in actual housing development or through housing finance system, develop mechanism to assist vulnerable groups; encourage individual homeownership etc.

Among other things the government shall develop secondary mortgage market; encourage and support the establishments and findings of specialised housing finance institution (Building societies); promoting the establishments of savings co-operatives from households groups to create loan funds for home ownership; establish a mechanism for regulating and supervising housing finance institution to ensure adherence to exiting law; and strengthen the existing revolving Housing Loan Fund.

### **2.3.2 Land Policy**

The land policy acknowledges the weakness of the customary law regarding women access to land. Under customary land law, women generally have inferior land rights compared to men, and their access to land is indirect and insecure. Traditional provisions which used to protect women's land use rights have been eroded. In allocating land village councils have been guided by custom and have continued to discriminate against women by allocating land to heads of household who are usually

men. Though there was some kind of system nothing before the policy was mentioned regarding women in the formal land allocation in planned settlement.

The policy statement regarding women access indicates how boldly the government is willing to correct the weakness of customary law as shown below. The statement says:

- i. In order to enhance and guarantee women's access to land and security of tenure, women will be entitled to acquire land in their own right not only through purchase but also through allocations. However, inheritance of clan land will continue to be governed by custom and tradition provided such custom and tradition is not contrary to the constitution and is not repugnant to principles of natural justice.
- ii. Ownership of land between husband and wife shall not be the subject of legislation.

Clearly this is not strong enough as the issue regarding ownership of land between husband and wife is still left out as it is clearly stated, that is not a matter of legislation.

Regarding the unplanned urban settlements, the land policy indicates that more than 50% of urban residents in Tanzania live in poor conditions in unplanned settlements. They have no access to sanitary and other basic services. They also have no security

of tenure. Existing unplanned settlements contain a considerable stock of houses and other buildings which must be preserved. It is said that 60% of housing stocks in Dar es Salaam are in unplanned area. The aim of the Government is to ensure that all urban residents are provided with basic services that are essential to human health.

The policy statements regarding the above situation is that Government efforts will be directed towards arresting the growth of unplanned settlements by:-

- i. Timely planning all the potential areas for urban development in the periphery of all towns.
- ii. Designating special areas for low income housing with simplified building regulations and affordable level of services.
- iii. Existing areas will not be cleared but will be upgraded and provided with facilities for adequate sanitation and other basic services except for unplanned housing in hazardous area; and
- iv. Upgrading plans will be prepared and implemented by local authorities with the participation of residents and their local community organizations. Local resources will be mobilized to finance the plans through appropriate cost recovery systems.

Though the land policy is clear on addressing the issue of unplanned settlement by showing willingness on allocating special areas for low income earner, there is no clear linkage with National Human Settlement and Development policy. No known areas to date have been clearly demarcated and set aside for this purposes.



### 2.3.3 Community Development Policy

Community Development Policy recognises housing as increase of social service and is an indicator that is used to measure progress of developments in a community. Though the Ministry of Community Development, Gender and Children has a Community Development Training Institute such as Misungwi in Mwanza that is dedicated to producing technical staff for community development and appropriate technology specifically in housing, the policy does not talk much about housing. Lack of weight given to housing in the policy may be the reasons to why that housing development is missing the drive and will to see community housing initiative among low income earners taking shape.

On the other had the policy is very clear on providing frame work for the success for housing groups. The policy is based on a quote by the former president of Tanzania Mwalimu Nyerere that "True development is the development of people and not things (Community Development Policy: 1997). The Policy define communities as people of the same origin, or people living in the same area people of similar occupations, people who are join by some or all of this things. And this lead to the definition of community development to mean those measure that enable people to recognised their own ability to identify their own problem and use available resources to earn and increase their income and build a better life for themselves.

Thus the policy helps people realise that aptitude to achieving community development is vested on the people themselves rather than government, donors or

others actors. Once they take the first step the rest will follow as they have first to show the initiative. The era where the government was doing everything for its people is over; now the government and its people need to come together, sit and plan for the development of the community the people in the community taking the lead. The policy also recognises that for development to happen there are different actors; at the very top is the people themselves -the family and the households, then the local government, the central government, politicians and the donors agency. The policy goes on to define the role that each has to play for development which may also be applicable in the case housing delivery among the low income earners.

#### **2.3.4 National Micro Finance Policy**

The National Microfinance policy (2000) was prepared to provide framework for regulating and monitoring the finance and activities of MFIs. Among the needs for the policy that was the identification of credits, as the case of savings, offers opportunities to low income earners for short-term and long-term investment such as housing investment.

Although development of new MFIs products such as housing microfinancing are gaining pace in the development world specifically Asia and Latin America, nothing is mentioned in the policy about these important products. Even apart from recognising that the main beneficiaries of the Microenterprises whose majority are low income earners are using part of the money they borrow for home improving no linkages made between NMF Policy and HHSD Policy (2000), which also is silent, though

there are some sections which elaborate on taking advantage of MFIs as a source of funding for housing delivery to low income earners. This is an area that needs further scrutiny, to see how such products could be established as MFIs offer a potential funding source that is sustainable for most of the low income earners.

### **2.3.5 Cooperative Development Policy**

Tanzania is one of the countries which had developed housing cooperative that did gain a lot of donor supports in the 1970s. Examples include the Mwenge village Housing cooperative in Dar es Salaam and Nkuhungu housing cooperative in Dodoma during the early days of relocate the Tanzania national Capital City to Dodoma. Even with such great initiative, the Policy just has a small section dedicated to housing cooperatives.

No strategy has been defined by this policy rather than the Ministry of Land and Housing will continue to provide technical assistances to Housing cooperative in collaboration with the ministry of agriculture and co-operatives. The Policy of Housing and Human settlement development like wise is very salient on the issues of Housing cooperatives. It is no wonder that there is only on NGO-WAT that is advocating for cooperative as a right way for housing delivery to the low income earners.

## **CHAPTER 3:**

### **3.0 RESEARCH METHODOLOGY**

#### **3.1 Research Design**

Housing finance has been a burning issue to the majority of low-income earner in urban centres especially after the collapse of the Tanzania Housing Bank in the early 1990's. As a result most of the housing development has been from individual savings. Since majority of the low-income earners have meagre salaries or income, this has led to development of substandard housings such as those in the Kawe Ukwamani and Mzimuni area.

Inadequate plots to cater for housing had worsened the problem. Number of surveyed plots is less than the demand. This has made the price of plots to be too high to be affordable for the majority of the low-income earner. Even the recent Dar es Salaam 20,000 plot project initiated to address the issue of availability of land for house construction is beyond reach to many. The short coming of the project is that the plots are unnecessarily big which increases the cost per plot and hence making them very expensive. Also the distance from the city centre makes them inaccessible to most of low-income earners. This together with the demand for high urban building codes, regulations and standards, let alone the issues of urbanisation led to development of squatter settlement in Cities such as Kawe area, Dar es Salaam.

Amidst all these needs and challenges, sustainable housing financing mechanism for the low-income earner is currently missing. There may be a number of reasons for this but it is good to note that housing financing is a big investment and is classified as a long term financing which is not popular with most financing institution. For most of the financing institutions the uncertainty of past Tanzania's economy made such investment unattractive as they could still venture in other type of financing and make good profit without much risk as the case of housing finance for the low-income earner.

More than 50% of Tanzania's 34,000,000 people are women and the recent census reports a considerable increase in female-headed households, now nearly 30% of all families. It is estimated more than 60% of women in Tanzania live in extreme poverty. Three primary problems face the women in Tanzania: limited opportunities to own property, difficulty obtaining credit, and lack of access to training programs. The microfinance has done a lot to restore hopes women through micro credit lending and there is now a need to take it a step further and open up the opportunity for women to own property. The best property (asset) that will have impact to all in the household is house. That is why Tanzanians have a say 'Nyumba Ni Mama' roughly translated to mean a home is nothing without a woman or a house is synonyms to a mother. Thus with the credits from the MFIs providing an opportunity to women to invest in housing will bring hope to many of Tanzanian's women who are struggling to brake out of the cycle of poverty and do not have hope of investing the little they earn to something meaningful such as a house.

### 3.2 Research Approach and Strategy

This study was conducted in Mzimuni and Ukwamani, Kawe ward, Kinondoni District in Dar es Salaam region. The ward has different ethnic groups from all over Tanzania. Akiba Commercial bank, Dar es Salaam Community bank, FINCA Tanzania and Pride Tanzania were purposively selected as MFIs case study due to their work with communities' especially women in the issues of Microfinancing and which have activities/client in the area. The "Mitaa" Kawe Ukwamani and Mzimuni were selected because most of the women in the group live in the area. These "Mitaa" has a total population of 83,963 people on 2 square km (REPOA July 2003). The members interested in forming this housing group are from about 160 households.

For the housing financing, a thorough need assessment was conducted through interviews and focus group discussions (FGD) to validate the initial needs identified. A research on Microfinancing is done too, to document on the best practice on providing loans to low-income earner. Also to see how MFI principles and method of delivery may be incorporated in the housing finance projects. This was to assess whether the low-income earner could form a good clientele for housing investment despite proper support mechanism such as of lack of collateral.

The case study approach and needs assessment survey was used with the aim of analysing the conditions that loans can be offered to the low-income earners especially women and the housing needs that will be addressed. Kothari (1992),

views a case study as a method of intensively exploring and analysing the life of a single social unit be it that of a person, family, institution, cultured group or even an entire community. Yin (1989) defines a case study as an in-depth analysis of a contemporary event or of a contemporary phenomenon or process. Through thorough investigation, case studies have often provided understanding of areas that are not well documented (Bryman, 1992) such as the study at hand.

Based on the large population of women in need of housing the study took women housing needs of Kawe Mzimuni and Ukwamani, as the case study and in-depth study of 60 respondents was done. As for the conditions of loans to the Low-income earners four Microfinance Institutions (MFIs) were to be interviewed two from banking institution, on the other two from non-banking NGOs sector. The purpose is to gather relevant information to this housing project specifically regarding the MFI practice and how they operate. Data collected included background information, economic occupation, needs for housing, what led them to seek housing finance and how are they going to pay back the loans and possibility of MFI to finance housing for the Low-income earners.

### **3.2.1 Research Objective**

The objective of this study is to make a contribution to the efforts of dealing with the housing problem which the majority of the low-income earners are facing by:-

- 1      Examining/analyzing the contribution of the low-income earners towards accessing housing.

- 2 Analyzing the problems faced by women when accessing land and credit housing.
- 3 Making recommendation for solutions.

### **3.2.3 Research Questions**

1. What is the nature of housing assistance needed by the Kawe Nyumba ni Mama women group?
2. In what way can the target group contribute towards the construction of their houses?
3. What are the best principles that may be used to finance housing for the low-income earner?
4. What role should the government play?

### **3.3 Justification for the Study**

This study is of tremendous social, political and economic importance as it focuses on how we can solve the problem of housing financing for the Low-income earners in the squatter areas especially women. In addition it will help to understand the general problems that may be encountered when MFIs venture to long term financing for asset buildings such as housing.

There seems to be a problem of determining what is adequate in terms of housing especially in urban housing context. This study finds it very necessary to uncover



what the majority of urban low-income earners especially the women (as they spend most of their time at home) say regarding this issue. It is wished that the outcome will help policy makers in revisiting policy and programme concerning provision of shelter to the majority of Tanzania low-income earners.

The project will also be of interest to urban planners, policy makers as they try to answers some of the weary facing them regarding to finding a sustainable mechanisms for housing delivery in this country. Incorporating housing among the cross cutting issues in the National Strategy for Growth and Reduction of Poverty (NSGRP: Jan 2005) increases the significance of this project. Formerly housing was just a proxy indicator to the poverty reduction strategy paper (PSRP) and also a measure of development (URT: 1996) but now it is recognised as a cross cutting issue. The project is also in line with The Millennium Development Goals (MDGs) especially the goal number three of promoting gender equality and empowerment of women. The NSGRP is rooted in the MDG and provide the frame work of funding the development initiatives in Tanzania stating with the 2005/2006 budget. (Budget Speech 2005/2006).

### **3.4 Sampling Techniques**

The target population consisted of all women in the Kawedet group living in the Kawe Mzimuni and Ukwamani area. The study included those women engaged in small businesses, employed, housewives for those who are married and others who are engaged in other economical activities.

The sample of the study will consist of 50 members of from the women group. The sample was chosen purposely to include the following: single mothers' heads of households and those women from the traditional families (married with husbands) taking into consideration their occupations whether they are housewives or those who are married, employed, engaged in small businesses or other activities. As for the MFIs the sample of four was purposeful from those with commercial banking setting and those of NGOs setting but all having clients or activities in the Kawe Mzimuni Ukwamani area.

### **3.5 Data Collection**

#### **3.5.1 Primary Data**

Primary data was obtained through in-depth unstructured interviews conducted face to face. Direct observations were also employed in getting information about the type of houses respondents need, health status and how they appeared. The method as well assisted in confirming and validating some of the answers that were given by the respondents. Furthermore it was useful in complementing the information obtained through interviews whereby some information was obtained through gestures or by the way some of the questions were avoided. Interviews were conducted to gather information from different actors about the situations of housing needs in Kawe and possibility of housing finances, governments efforts/or assistance in providing decent shelter and steps that are been taken by other institutions in addressing the problem housing.

Participatory method of Focus Group Discussion (FGD) was employed in primary data collation. FGDs are meetings that involve a large number of people or a small number that are focused on specific group of people e.g. leaders only, women only or people with disability only (Dr. Teresa Kakooza: 2002). Major benefits of FGDs included:

- The fact that large number of people can be reached within a short time.
- One can get a variety of opinion
- FDG bring together those who have a common problem or interest
- Those who are shy to speak in general meeting find it easier in these groups
- And regular smaller meeting can foster cohesion and co-operation.

Transact walk around the community was also done. The aim was to assess the housing need in the area and document the current housing development in the community. After every 20th house the facilitator stopped and 'interviewed the house' i.e. document the observation done on the house (See the tool used in Appendix III). This was aimed at acquainting the facilitator with the housing situation and the general habitat of Kawe. Together with the facilitator was some of the Kawe members also making an assessment and comment on the decency of the houses in the area (see the transact walk results appendix III).

Apart from the above methodology, Ten Seed Techniques (TST) was used to engaging the community in analysing their community and at the same time help the facilitator at gathering useful information about the community. TST was first used

in Latin America. The ten seed technique is a modified Participatory Learning and Action (PLA) tool. It is useful in gathering qualitative information on various issues, especially regarding perception and the way people see themselves in relation to others. And also in gathering information regarding their incomes, livelihoods, assets health status to even the housing conditions of the community without much resistance. Participants are given ten seeds. These seeds represent the entire village. In response to a question from the researcher, participants use the seeds to show how much of a village falls into a certain category. For example, if researchers are studying the food security status in a village, they might ask participants to distribute their seeds into categories determined by them:

- Those who have enough and can lend
- Those who face food shortage for one to two months a year
- Those who face food shortages for three to five months a year
- Those who face food shortage from six month to twelve months in a year.

The way the seeds are allocated will tell the researcher how the community views itself in terms of food security. Dr. Ravi Jayakaran, a PLA specialist from World Vision International, Cambodia, developed the Ten Seed Technique. He has been using the method since 1995, but has developed and refined it much more since 1997, (WVI: 2001).

### **3.5.2 Secondary Data**

Secondary data was collected from relevant literature found at Open University of Tanzania main library, NGOs offices, University Collage of Land and Architectural Studies, Ministries responsible for Land and Human Settlement Development and the Internet.

### **3.5.3 Problems during Data Collection**

Setting the best time to fit the timetable of the study and the daily activity/demands for life in the city especially the combination of studies and work on the side of the researcher and the demand to making a living on the side of the respondent in the community was a challenge. Therefore, the researcher had to ask for days/time that the targeted population will be available in order to enable the researcher adjusts his time table to conduct the interview.

For the FDGs the researcher agreed with the community on the days/time of the week that was more convenient to them and the researcher attuned himself accordingly. We had to schedule the FDGs according to different groups, as they would be agreed upon.

The problem that was anticipated to be encountered with married women needing to seek permission for interviews from their spouses to avoid family conflicts did not occur. There was good cooperation and tolerance even when sessions had to go over

the planned time. The researcher's identity card and the letter of permission to conduct the study were used to assure the respondents and or partners that what was going on was a genuine activity.

Inaccurate information was another problem anticipated. Some respondent out of ignorance rather than fear and thinking that they will benefit more by giving inaccurate information or to protect their privacy gave distorted information. Issues of family or personal incomes was avoided when the situation was sensed to be tense and at times did not come out clearly and in detail as some of the respondent avoided such issues. The use of Ten Seed Techniques (TST) helped the groups to relax and found themselves giving out the information with easy. Moreover the use of unstructured interview helped as it allowed for flexibility and therefore through them it was easy to probe for more information. The researcher had to create rapport with the respondent before the starting of interview in order to make them relax.

### **3.6 Data Analysis**

#### **3.6.1 Primary Data**

The data that was gathered through interviews and observations was presented in tabular form. Frequencies and percentage were calculated to facilitate drawing up inferences related to the study. This technique was used to analyse communication in a systematic, objective and quantitative manner in order to measure variables (Prewitt, 1975). In addition content analysis of the qualitative data was done. Use of computer software packages such as SPSS and Excel was used in calculations and

analysis of data, such as calculating the frequencies, the percentages and cross tabulation. Qualitative data was used to present convincing arguments along with quantitative data analysis.

### **3.6.2 Secondary Data**

Qualitative data, obtained through the literature review, is used to present convincing arguments along with quantitative data analysed. The data collected is analysed qualitatively based on its content Comparison between different literature on the subject under the study is done. The findings are presented on chapter 4.

## **CHAPTER 4:**

### **4.0 FINDINGS AND RECOMMENDATIONS**

This chapter is divided into three main sections. The first one gives the findings from the study. It is followed by the recommendation and lastly is the concluding remarks. The recommendation is based on conclusions drawn from the findings of the study done. The recommendations forms and shape implementation of the proposed project- that is the Project Proposal as presented in Chapter five.

#### **4.1 Findings-Primary Data**

The findings in this chapter are based on a sample of 60 (27 individual and 3 Focus groups each having an average of 11 members) who were members and/or aspiring members of the Nyumba Ni Mama self-help housing group, which was formed as development organ of Kawe Community Development Trust, residing in the Kawe Mzimuni and Ukwamani area. The aim of the study was to find out what is the nature of housing assistance needed by the women group and what can the target group do by themselves (community contributions towards their house construction) at Kawe. Also it was meant to explore the current situation and be able to relate to the possible available resources and support that will be included in the production of the project proposal that is in line with the existing situation within the community and beyond. See appendix III on page 157-166 for some of survey result tables referred in the finding section.



#### 4.1.1 Characteristics of the Respondents

##### 4.1.1.1 Ages of Respondents

Out of 27 respondents, 11 (41%) were aged between 18 and 20 years, 13 (48%) of the respondents were aged between 31 and 50 years, 3 (11%) were aged between 51 and 70 years. No one was above 70 years. Also 11 out of 27 individual respondent (41%) were single mothers while 16 out of 27 (59%) were married (see Table 4).

**Table 4: Cross Tabulation Age and Marital Status of Respondent**

Numbers and Percentages (N= 27)

		Marital status		Total In Number %	
		Single mothers	Married		
<b>Age of respondent in group</b>	<b>18-30 yrs</b>	3	8	11	41%
	<b>31- 50 yrs</b>	6	7	13	48%
	<b>51-70 yrs</b>	2	1	3	11%
<b>Total</b>		11	16	27	100%
		<b>41%</b>	<b>59%</b>		<b>100%</b>

Source: Fieldwork data, 2004

##### 4.1.1.2 Education Attainment

Analysis of the respondent education attainment revealed that out of the 27 individual respondents, 12 (44%) had completed primary school and 15 (55%) have gone up to secondary school (see Table 5). The group interview indicated that the

majority of the self help group members have gone up to primary school. There were a total 33 women in the FDGs.

**Table 5: Education level (N = 60)**

		Education level		Total
		Primary	Secondary	
Identity of respondents	1-25 Individual	12	15	27
	26-30 FGD answer	3		3
Total		15	15	30

Source: Fieldwork data, 2004

#### 4.1.2 Housing Condition And Housing Need

Questions were asked to find out the current housing situation. Apart from questionnaires and FDGs, transact walk was done to observe and assess the situation at Kawe. The findings from the interview and transact walks are summarized below.

##### 4.1.2.1 Current Housing Situation

The housing situation in Kawe is very pathetic. This was observed through transact walks that were done across the Kawe community (see figure 1 in page 166). A tally sheet was used to record the findings. Out of the total 429 houses that were tallied, a total of 256 houses (59.67%) were found to be indecent, and 173 (40.33%) were decent. A total of 104 houses (24.24%) were constructed of mud and wattle. Of this

104, only 4 (2.31%) were found to be decent. Of the 429 houses, 325 houses (75.76%) were built of sand cement block walls. 156 houses (48%) out of the 325 house built of sand cement were found to be indecent. The material used for walls construction was mainly mud and wattle or sand cement blocks (see Table 22 in page 160).

In the individual interview questions were asked about the situation of housing in Kawe. The women were asked to describe their current housing their living in using a scale of one to four, 1 being poor, 2 average, 3 fair or 4 good. Good meant the house was in good condition such that it had solid walls, electricity and good floor. While poor meant that the house with poor cracking walls, bad roof that needed major repair or replacement, and do not have proper latrines. Out of the 27 respondents majority (12 of the 27 respondents) said they were living in houses that were average. These houses are houses that are in need of repair, have no proper ventilation, latrine is poor and the roof is leaking and needs major repair or replacement. More that 50% i.e. 15 of the 27 individual respondent and all the FDGs indicated that the members of the Nyumba ni Mama group were living in either poor or houses that were average (Table 6).

**Table 6: Current house condition \* Meeting current housing need \* Identity of respondents- Cross tabulation Count (N=60)**

Identity of respondents	Housing Condition	Meeting current Housing need		Total	
		Yes	No		
1-27 Individuals	Average	4	8	12	44%
	Fair	1	7	8	30%
	Good	3	1	4	15%
	Poor		3	3	11%
	Total	8	19	27	100%
28-30 group answer of the majority KAWE	Average				
	Fair		3	3	N/a
	Good				
	Poor				
	Total		3	3	

**Source: Field data 2004**

The TST-B exercise identified that the major problem that faces the Kawe community was housing development being in unplanned and congestion environment (see TST-B Result on Table 7 below). This confirms what REPOA had documented when doing the base line survey in 2003.

**Table 7: TST”B”1-1: Major poverty housing problems in the community**

1.	Unplanned and congested housing development (poor sewerage and storm water drainage, poor ventilation leading to disease out brake	= 6/10
2.	Toilets/latrines	= 1/10
3.	Leaking roofs houses	= 1/10
4.	Lack of privacy	= 0
5.	Poor quality of building material used	= 0
6.	Tough and inhuman condition posed by land lord	= 2/10
7.	Lack of amenity such as water electricity	= 0
Total		10/10

**Source: Fieldwork data, 2004**

#### **4.1.2.2 The sizes of the Households**

According the individual interviews the household size in Kawe is 5.7 people with the maximum number being 11 and minimum being three (3). The FGDs responded by saying that the household size is 7.33 with maximum of 8 people and minimum of 7 people. This number is bigger compared to the mean household size for Dar es Salaam which is 4.3 (Household budget survey 2000/01) indicating that the area is highly populated. According to REPOA the area is only 2km<sup>2</sup> with a population of about 86,000 people, giving a population density of 40,000 people per square kilometre.

The house conditions were classified into four main groups which are good, fair or average, and poor. Good referred to houses that had ceiling, good windows, latrine, electricity and probably flowing water. Fair, referred to houses that walls were built

with durable material but maybe not plastered or painted. It may not necessarily have ceiling boards, running water or electricity. The houses have durable floor and there is no need for major repairs.

Average houses were those houses which were just below standards. Built of durable material but were missing things such as window screens, not plastered. Have no sufficient windows for ventilation and had no electricity. These houses are in need of some kind of repairs but not necessarily to be replaced. Poor, refers to houses built of no permanent material such as mud and wattle structures or sun dry bricks. They are in need of major repairs such as replacement of the roof, new floor or walls. They don't have good ventilation or screens in the windows. Latrines are in a very poor state. The house may have been built of permanent building material such as sand cement house and yet be poor if the latrine is not sanitary and in the state as the one b in figure 4 (page 168) .

#### **4.1.2.3            Housing Needs of the Members of the Nyumba Ni Mama Group**

A question was asked to explore the housing need of members of the self help Kawe. The responses were analysed in the cross tabulation table 6 and 8 on page 83 and 86 respectively. Out of 27 individuals 19 (70%) said that their current house was not meeting their needs for housing. The FGD indicated that majority of the members of the Nyumba Ni Mama Self-help housing group had houses that were not meeting their needs for housing. Of the 27 respondents, 20 (74%) were either living in a fair or in an average house (see Table 6 page 81).

**Table 8: House Size to meet current needs \* Identity of respondents Cross tabulation Count (N=60)**

House Size to meet current needs	Identity of respondents		Total
	Individuals Interview	Group answer of the majority KAWE	
4room with kitchen, toilet and bath	20	3	23
5 rooms, kitchen, toilet & bath	2		2
6 room, kitchen, toilet & bath	3		3
over 5 bedrooms hse with sitting, kitchen, toilet & bath	2		2
<b>Total</b>	<b>27</b>	<b>3</b>	<b>30</b>

**Source Field Data 2004**

Majority indicated that a house with four rooms a kitchen, shower and a toilet will sufficiently meet their housing needs. This was a response from 20 out of 27 individual respondents and all the three FGDs groups (see Table 8 above). This was also confirmed through the TST-B, when exploring the definition of what constitute a decent house (see Table 12 page 90).

#### **4.1.3 The Group Income and Livelihoods**

Two methods were used to determine the income of the members. The first was the general interview and the second was the TST methodology. From the FGD group responses and majority of the individual said the income of the women in the self

help group ranged from 30,000 to 90000/= this constituted 55.5% of the individual respondent which was 63% of all the responses received ( see Table 9 below). This is confirmed by the TST-A exercise that was done to determine the incomes of the group.

**Table 9: Monthly income \* Identity of respondents Cross tabulation**

Monthly income	Identity of respondents		Total
	1-25 Individual	26-30 FGD group	
30,000-60,000	7	1	8
60001-90000	9	2	11
90001-120000	4		4
over 120000	7		7
<b>Total</b>	<b>27</b>	<b>3</b>	<b>30</b>

**Source: Fieldwork data, 2004**

According to the TST-A, majority of the group members in Kawe are either engaged in petty business and food vending (Mamalishe) with average income ranging from 1,500 to 3,000/- a day. These are in the group that form 50% of those who struggle for food which is 38% of the whole of Kawe population. The TST-A exercise indicates that 25% of the population of Kawe was food secure and 75% struggle for food (see Table 10 below).

**Table 10: TST-A-1 Distribution of Food Security Status-Kawe**

Status	Percentage-%
Food insecure households	75
Food secure house holds	25

**Source: Fieldwork data, 2004**



The 75 % who are food insecure were further categorised into four different levels of struggles. The participants identified that the level of struggle for food is in terms of the number of meals a household is able to take in a day. This levels of food insecurity in the community was defined as follows by the members: - 15% are struggling but are able to obtain at least three (3) meals a day; 55% of them are able to obtain at least two (2) meals a day; 20% are able to obtain at least one (1) meals per day; and 10% are not certain of getting even a meal a day.

It was noted that as a general practice, majority of people two meals a day due to the nature of activities. One meal in the morning before they set off to work mainly in their daily wage work, business, farms or fishing and the other in the evening after day's work, very rare do they take anything during the day apart from water.

#### **4.1.3.1 Incomes and Livelihoods:**

Through TST-A exercises the group identified different livelihoods in their community with their respective incomes. These include peasants, big businessmen, petty traders, government and private sector employees, fishermen, casual labours, and those who are engaged in urban agriculture. These were all summarized as follow on table 16 in appendix III. The group that is able to take three meals was mostly of businessmen and women, government employees and large-scale farmers both urban and normal agriculture. Their incomes ranged from an average of T Sh.. 100,000/= to 3,000,000/= per month. (Note TST -A and B were looking at the whole of Kawe community).

The group that is able to obtain two (2) meals per day, most of them are middle to lower government employees who are teachers, nurses and small-scale farmers. Their incomes ranged from T Sh.. 48,000/= to 70,000/= per month. These have small plots around their houses for green vegetables mainly for daily consumption.

Those in the group that is able to obtain one (1) meal a day are mostly fishermen and casual labours. The incomes of this group range from T Sh. 15,000/= to 45,000/= per month. Their houses are in very poor condition. The percentage that is able to obtain one meal per day comprises of those casual labourers, beggars orphans widows old and ageing people. The group disclosed the months which the Kawe people have more money than other were the months of July and August. January to March were the most difficult months in terms of availability of money.

The interview revealed that majority of the members are engaged in the small businesses such as food vending (Mamalishe) and selling food staff at food stalls along the roads and market places (Magenge). Their income ranges from 30,000 to over 120,000/- per month, with majority of the members earning between 60,000-90,000/-. Nine out of the 27 individual responded by saying that they earn between 60,000 and 90,000/- while eight out of 27 said that their earnings ranged between 30,000 and 60,000/- per month. The FDG revealed that their members earn between 60,000 and 90,000/- (two out of the three groups), while the third group said that their members earnings were between 30,000 and 60,000/-. From this it is clear that the income range of most of the members is between 30,000 and 90,000/- with majority earning between 60,000 and 90,000/- (individual response and FGD in Table 9 page 85)

#### 4.1.3.2 Ability to Pay a Housing Loan

When asked on how much money each member will be able to set aside to service a loan for finance their house construction on monthly basis, majority (14 out of 27 or 52% individual respondents) responded by saying that they will be able to pay over 30,000/-. Of the three FGD, two said that they will be able to pay 20,000-30,000 while the third group admitted that they will be able to pay only 5000-10,000/- per month (See Table 11 below). The payment of over 30,000/- seem to be on the higher side given the average income of the members of the group. Paying over 30,000/- will live most of the members with nothing to take care of other family needs. This is suggesting that they may be earning more than what they are ready to reveal.

**Table 11: Repayment rate \* Identity of respondents Cross tabulation**

Count (N=60)

Repayment rate	Identity of respondents		Total
	1-27 Individual	26-30 FGD group answers	
5000-10000	3	1	4
10001-20000	7		7
20001-30000	3	2	5
over 30000	14		14
Total	27	3	30

**Source: Fieldwork data 2004**

#### 4.1.4 Cost Of House Construction

The TST-B exercise was used to determine the cost of houses expected to be constructed by the community in Kawe. The group estimates through the exercise determined the cost of constructing the house preferred by many which is the four roomed house with a kitchen, toilet and shower will cost approximately 4,300,000/- (See table 12 below).

**Table 12: TST”B”1-2: House sizes, House Cost- materials and accessories**

Size		Roof	Cost
A house with 3-4 bedrooms		CIS	≈800,000
A room that one can have at least 2 beds		Tile	
		Thatch - grass	
<b>Walls</b>	<b>Cost</b>	<b>Latrine</b>	<b>Cost</b>
Sand cement block	500,000	Good latrine with a shower room, a kitchen and store .	≈1,000,000
Strong foundations	≈2,500,000	Big windows with screen	

**Source: Fieldwork data, 2004**

Further discussion involving artisan within the community came up with tentative house cost. The artisans gave their cost taking into consideration the house described above as having 51.1 m<sup>2</sup> for the main house and the latrine, shower and kitchen to have about 4.9m<sup>2</sup>. If one builds such a house using a local artisans and purchase the

material by the owner himself/her self, then the house may cost about 5,000,000 at a cost of about 90,000/- per square meter.

Cost of construction was also inquired from registered building contractors who also gave them a quote of what they will charge if commissioned to do the work. The cost varies depending on the status of the contractor registration. If one decides to use a contractor to construct a house similar to the one described earlier, the cost shoots up to between 8,400,000/- to 10,000,000/- depending on contractor's registration class i.e. class seven being the lowest is bound to give better price than a higher class say class one contractor. The same house could cost up to T Sh. 15,000,000 if built by class one contractor, while class seven contractor charges about T Sh. 8,000,000/- almost half the price.

## **4.2. Findings-Secondary Data**

### **4.2.1 Housing Finance and Microfinance Principles**

Housing financing is normally long-term and big size loan which all works unfavourably for the low income earners. Innovations may be adopted to make housing finance a product that is user friendly to low income earners if done in stages i.e. house construction is done incrementally, a stage at time. Once one part of house is complete the family moves in and continues with construction while living in the house. Building in stages starts by identifying an incremental house design that could be built in stages starting with the core house which could be one to two rooms, a

corridor and latrine. This core house will be the basic unit that could address to a greater extent the current needs of housing given the financial position of the person.

Community Self-help housing group will require plans to be put in place in such a way that a person may qualify for a second loan after successfully completing paying the first loan. This will be compatible with the ways of housing development among the poor especially in the slum/squatter such as Kawe. (See the Photo on Figure 4 on page 168). Houses are built a portion at a time; thus it is only logical that the housing microfinancing should adopt the incremental loan financing in housing. If that is the way of the low income earners constructing/finance their houses then financing such housing development for the low income earners should follow suit.

The Shelter Advocacy to Housing Finance (SAHF) programs approach to housing microfinance is similar to the model approach taken by WAT here in Tanzania. Apart from advocacy, WAT sees Housing Co-operative model as the best structure in addressing housing finance and other issues that are involved in the whole process of housing delivery in Tanzania. HFHT is also operating in similar model to the SAHF as it has a dual mission one is advocacy, to make substandard housing and homelessness something un-acceptable; and the other is elimination of poor housing by constructing simple, decent and affordable housing together with those in need of shelter (Fuller: 1995).

#### **4.2.2 Land for Construction**

The incremental land development, as the case of Khuda-ki-Basit, Hyderabad, Pakistan, as identified in the literature review above is very much in line with how squatter areas develop. Normally the people will move in an area and start developing their housing and afterwards they will start working on the infrastructure. The provision of infrastructure from the very beginning makes the land for housing become beyond reach to the majority of the low income earners. This is evident on the initial report that was given on the 20,000 plot in the parliament that by the first year the project had issued less than 50%. The minimum price of the high-density plots was almost over T Sh.. 600,000/- .High density plots are usually meant for low-income earners.

But From the perception of what people consider when investing on housing land for housing must be accessible and close to where the low income-earners earn their living. If it is far from their areas of employment or gainful undertaking, no reliable transport, then they will disaste such areas and rather continue to squatter. The above explains why till now government efforts to remove the people who reside in the Misimabzi creek has been futile despite the area been prone to floods and other natural disaster. With the Tanzania government efforts to formalise the unplanned areas (Ministry of Lands and Human Settlement Development: 2005/2006 Budget) this may now change for the better to allow the low income earners to be in a formal recognised land. This in turn will be for the mutual benefit of the government, as it can start getting income from land rant and other infrastructure services that it may

provide; and the low income for they may have confidence to improve their houses and access loan from formal financial institution to improve on their life. It was noted from the literature review that 60% of houses in urban areas are in the informal settlement (URT: 2000).

#### **4.2.3 Policy**

Even though, the NHSDP policy is very elaborate in the issue that the government and the community will do to address the housing issue among the low-income earners the supporting policies that are referred to in the document such as Cooperative policy and MFI policy, very little is inferred in the same policy to indicate the linkages. This signifies lack of emphasis to housing in the supporting policy compared to other issues such as agriculture, saving and credit society and social services delivery mechanism as explained in the policies.

Land policy is very clear on provision of land for house construction. It plainly indicated as a strategy of curbing uncontrolled development and spring up of squatter areas, it will provide land that will specifically be targeted to low income earners. The land will have also special building codes and regulation that are not very high but do not compromise standard of living and safety of the people residing in such area. To date there is no evidence that this has been done.

On the positive note is currently we are seeing the implementation of some of the issues that the government had indicated on the NHSDP. This includes the



formalisation of the unplanned settlement lands under the Desoto project and rolling out of the Dar es Salaam 20,000 plots projects. By this project we are seeing Tanzanian government making a bold statement towards addressing this issue. Those who applied to get plots and paid the required fees were immediately issued with the title deeds without bureaucracy as was the case in old times. This made the current ministry of land receive numerous praises during the 2004/2005 budget session.

But the sad thing is, the land is still beyond reach for the majority of the low-income earners in urban areas due to the cost of acquiring those plots and the locations of the plots are far from where the majority of these people work to be able to afford transport costs to get to and back from work. Together with the 20,000 plots project the government is taking step towards regularising the informal and unplanned housing settlements. Of late the Tanzania Government, through the Hernando De Soto<sup>1</sup> initiative has started a programme to formalise the land in unplanned settlement (squatter) as way of improving livelihood and give confidence to owners to start improving their houses. Hernando De Soto estimates that the total value of the real estate held but not legally owned by the poor of the Third World and former communist nations is at least US\$ 9.3 trillion – wealth that also constitutes by far the largest source of potential capital for development. These assets not only far exceed the holdings of the government, the local stock exchanges and foreign direct investment; they are many times greater than all the aid from advanced nations and

---

<sup>1</sup> The Norwegian Embassy is funding the Hernando De Soto's consulting Institute for Liberty and Democracy (ILD) on a project which aims at unlocking the capital of the poor and lift Tanzanians out of poverty. The programme seeks to create legal framework to formalise the informal sector, thereby transforming the assets of poor into liquid capital.

all the loans extended by the World Bank (De Soto, 2001). It is estimated that more than 60% of all the housing stocks in Dar es Salaam are in unplanned areas (URT: 2000).

### **4.3 Concluding Remarks-Findings**

The study has found out that the housing condition at Kawe was not good in terms of planning, sewerage disposal, and quality of shelter and availability of land for house construction. According to findings, this situation came about by the fact that the area is an informal and unplanned settlement with most parts of settlement having no access to basic services such as clean water, sanitation, waste disposal system and access to roads. This coupled by poor economical growth, lack of land for construction and accesses to credit for house construction and home improvement has hindered the development of quality shelter delivery system among the low income earners specifically in Kawe.

This study also found out that, the respondents who are members of the self-help housing group had great aspiration for better life in the future, given the opportunity. The taking of proactive action, by getting organised is a step towards positioning themselves well in preparation of mobilising required resources to address their housing needs rather than being on-lookers and wait for the government to help them out of their situation.

Regarding the policies in place there is no linkage between key policies that are meant to guide the whole issue of housing. The NHSDP provide guideline to how the issues that are affecting the community can be tackled. This indicate lack of seriousness in tackling the plight of housing among the low income earners even though housing is recognised as a key indicator for development among communities.

Some of the key issue of the policy have already started to be implemented such as provision of services land for construction. The 20,000 plots project in Dar es Salaam is an example. Though the project has a lot of positive things such as speed in ensuring that any one who paid the required fee gets the associated land documents- the tile deed within weeks compared to months in the former days, the land is still beyond the reach of majority of low-income earners. No land has been set aside in Dar es Salaam as stated in the land policy, for low-income earner where the building standards and regulation have been relaxed to accommodate the needs of this group.

#### **4.4 Recommendations**

This section gives recommendation based on the drawn conclusion from the study. These recommendations are incorporated into the project implementations-The proposal in Chapter five. The section also, gives areas for further research.

#### **4.4.1 Introductory Remarks**

The aim of this study was to investigate and document the existing housing delivery systems and the supporting policies for self-help groups. This was to guide the development of Kawe housing project proposal that will be submitted to potential partners that may be able to support the Kawe Community Development Trust especially the women of the self-help housing group-Nyumba ni Mama in addressing housing need on their own. The study made a wide and extensive research of related literature on housing delivery and development among the low income earners in Tanzania, the emergence of informal and unplanned settlements, then housing financing among the urban low income earners while paying special attention to Microfinancing as it relates to housing Microfinancing. A needs assessment for the group was done to determine what could the community do by themselves (community contribution) and what sort of external assistance will be sought in order to meet the housing needs of the Kawe women members.

The study found out that chances for members of low-income earners to improve their built environment are extremely slim because the procedures of accruing land are very long, cumbersome and bureaucratic. Also there is lack of formal institution dealing with housing financing. But despite of this constraints there is good policy environment that supports sustainable shelter delivery if grassroots organisation become pro-active in the whole issue of shelter delivery system as it is the members who know best what services will be useful for them. Hence being organised as in the case Kawe women self-help housing group-Nyumba Ni Mama is an example of

people who share the same aim in improving their housing and living condition through self-help initiatives.

A new product is developing among the MFIs that offer an opportunity for housing financing mechanism to low income earner using MFIs lending principles. Evidence has shown that people use part of the micro credit loans to improve on their housing conditions. This is challenging to MFI sector to venture into a new territory of housing finance by developing new product-housing microfinancing. Housing microfinancing is in line with the way of house delivery in the informal and unplanned settlement. The MFIs in Tanzania are yet to venture into this product as their counter parts in Asia and Latin America.

Incremental or progressive loans towards housing, which majority of the beneficiaries of MFIs are used to, will be manageable when doing housing finance targeting the poor as they will be able to see how funds are utilized for the intended purposes. At the same time, this will also assist in building confidence among borrowers and lenders alike. The process of using different initiative fitting to the way of doing thing of the low-income household has been power base of the success of many of the MFIs, and that is why it is only rational to develop a new product such as housing microfinance. If adopted by MFIs in Tanzania, as in other countries where they have succeeded, will fill the gap left behind by the formal banks in financing the pro-poor initiatives of asset creation such as house construction.

The members income and housing needs were explored as they have a bearing on determining the size of the loans, the house size in-terms of space needed and functional size as it relates to amount of money of rate of loan repayment and actual amount that they will be able to pay to construct such houses. It was evident that majority of the group (individuals and two of the three FGD) indicated that they earn monthly income of between 60,000 to 90,000. Also most of the members indicated that they could set aside over 30,000/- for paying a house loan even though many of the members had indicated an income range of between 30,000-90,000/- (an average of 60,000/-). Most of those who gave this response were married implying the spouses may be able to assist in financing the repayment, if not then the members were not revealing their true income.

Construction using registered contractor is expensive and will not be afforded by the group. The proposed house of four rooms, a kitchen, toilet and shower was found to be around T Sh.. 4,500,000/= using local artisans which will cost about 8-15 million shillings if using a registered contractor. As members indicated willingness to participate in the construction providing unskilled labour, supervising the construction and providing some of the building materials such as, part of roof, windows depending on ones ability, that is something which will tremendously reduce the cost of house construction and ensure good quality houses is achieved, make the houses affordable to many.

Land for house construction is an issue that will need to be addressed as majority of the respondents of the individual interview (21 out of the 27) indicated that the loans

will be used for house construction, though there was no evidence that they had land for construction of the houses. Only four out of the 27 individuals indicated that they have already bought plots while nine out of the 27 (33.3%) were currently looking for plots. The rest of the members expect the project to deal also with land issues. Six out of the 27 (22.2%) had plots and have started constructing their houses (See table 19 and 20 page 158).

#### **4.4.2 Recommendations**

The following recommendations are made based on the cases of the findings of the research.

“Adequate shelter means more than a roof over ones head. It mean adequate privacy, adequate space, physical accessibility, adequate security of tenure, structural stability and durability, adequate lighting, heating and ventilation, adequate basic infrastructure such as water, sanitation and waster management facilities, suitable environmental quality and health related factors and adequate and accessible location with regard to work and basic facilities, all of which should be available at an affordable cost" (Habitat Agenda).

The researcher believes that the most effective way to provide housing finance for low-income earners is through organised self-help groups incorporating the Microfinancing principals. Housing financing is capital intensive and may be termed as sunken cost. Documentation on the manner in which house development takes

place in the informal and unplanned settlements provides clue on how best to offer housing finance to low income earners. Houses in such area are built in stages starting with foundation, walling and then roofing. The next thing you find is owner starting to live in the houses while progressing with construction. Providing progressive loans a stage at time starting with the core house is more fitting with the technique adopted by the low-income earners in constructing their houses. The building in stage or incremental house or as WAT puts it - building a 'house that grows' is a sustainable approach of building with those who cannot afford a full house at a time. This methodology will give borrowers confidence and motivates them to pay the first loans faster so that they can access a second loan to add on their houses. This is fitting to the microfinancing lending for microenterprises purposes. something that most members of Kawe Self help group are used to as they have been involved in such lending through the KAWEDET.

Provision of land for construction purposes should follow the Incremental land development as is the case of Khuda-ki-Basit, Hyderabad, Pakistan. Even if the government will not manage to give Kawe people the land they are current applying, on the defunct meat factory the government should search within other possible areas. These may have been earmarked for housing in the future and may be able to offer plots to these individuals at affordable rates that the group can manage to pay. The site must also have the basic infrastructure such as water and accesses road possibly reliable transport to urban centre where majority of them work.



Since no response from the financing institution was obtained, it is recommended to further explore the issue of housing financing that the finance institution especially those, which are engaged in financing the pro poor programs as to what type of assistance can such organisations, provide. For that reasons, it is suggested that instead of developing a project proposal at this time it is better to just develop a concept paper to be presented to different financial and development agencies soliciting their interest to financing such venture based on the findings of the review and research done.

Government and the other key stakeholders need to articulate the need of linkage between policies that will ensure that housing delivery among the poor is well addressed. There is a need of joint meeting between the Cooperative department , the financial sector, the community development and, other actors in the land and housing sector to have a joint consultative meeting to ensure that the policies are clear on what should be done to ensure that housing low income earners is achieved. The National Settlements Development Policy provide the framework of how that can be achieved while the MFI, Cooperative and Community Development Policies provide the means to achieve the goal. If this was to happen housing cooperatives will gain ground and recognised as a force to be reckoned with in addressing the plight for housing among the low income earners had it been given same emphasis as well as being well defined ways of achieving as the case of agriculture cooperatives.

#### 4.5 Concluding Remarks

Providing decent affordable housing for the poor is a global challenge. The factors that inhibit efficient provision of housing for the poor include high cost of land and building materials, inefficient land markets, prohibitive building codes and regulations, and poor access to finance from the formal finance systems in many countries. The World Bank has noted that 'the absence of formal financial arrangements is acknowledged to be a major constraint to the development of efficient housing markets' (World Bank, 1993). At present, the development of MFIs has seen the emergence of new product, the Housing Microfinance, growing out of need as people taking the microcredit loans are using part of the funds to finance their housing improvements.

Although barely in existence two decades ago, housing microfinance programs have come a long way, successfully addressing the shelter needs of the urban and rural poor in many regions around the world. At present, housing microfinance constitutes an important component of housing and poverty alleviation strategies in numerous urban and rural areas in developing countries. With the recent adoption of housing as one of the cross cutting issues into NSGRP, if initiative such Housing Microfinancing could be adopted by Tanzania, it could provide funding in achieving the NSGRP goals regarding housing in the effort of reduction of poverty in Tanzania.

The taking on housing in NSGRP is a big step forward in setting up favourable enabling environment for housing microfinancing to grow and deliver for this noble

course sustainable housing finance for low-income earners. Looking ahead to its future, housing microfinance industry faces two primary challenges. First, some socio-economic groups are still by and large not well served. Second, although new housing construction and home improvement loan programs are widespread and successful, strategies for financing land acquisition and infrastructure provision targeting the low income earners remain inadequately developed in relation to need. These are areas of further study if there is going to be seriousness in achieving quality shelter provision to low income earners.

## **CHAPTER 5:**

### **5.0 IMPLEMENTATION OF RECOMMENDATIONS: PROPOSAL**

This chapter is the final product of the assignment with Kawe Community Development Trust, which incorporates findings, conclusion and recommendations from the study done at Kawe community. This is a proposal to help the community implement self -help housing group and secure funding to establish a community based housing finance schemes to address the plight for housing finance for the women living in Kawe (specifically Mzimuni and Ukwamani). The first part of the assignment was the concept paper for accessing land from the defunct meat factory Tanganyika Packers Limited. The document is submitted as an attachment to the project proposal.

#### **5.1 TITLE**

Community Based Housing Finance: The Case of KAWEDET Self-help Housing Group-Nyumba Ni Mama Ltd of Kawe Mzimuni and Ukwamani area, Kinondoni Municipality, Dar es Salaam region.

#### **5.2 PROJECT OVERVIEW**

Kawe Community Development Trust realised that for any of its development initiative to have effect and also to prioritise on what they needed to do, there was a

need to seek professional help to document the existing situation so as to have reference point for any initiative that will be taken by the community in addressing the development issue. According REPOA, base line survey report (2003) done at Kawe, it was noted that there is a great need for housing in the area. The report showed that Kawe housing development has been of unplanned manner that has lead to congestion, poor sewerage system, poor road network etc., making Kawe a squatter settlement of the Dar es Salaam city.

Housing need was an issue identified by KAWEDET (now a development organ of Kawe Community Development Trust) for the community at the very early stage of the development of the CBO 1994. The baseline report (REPOA: 2003) confirmed the need and provided more reliable statistics towards problems that need to be addressed in the area. Also during the discussions with some of the Kawe Community Development Trust activists and at early meetings held with Kawe community members, it was clear that the following were the critical needs that will set the ball rolling for a housing project:

- To acquire land for the project - plots for house construction.
- Developing of a funding proposal so that women could access funding from different developing and financing agency, government and any other interested party to support this local initiative of Community Based Housing Finance.

Subsequent to the meetings it was agreed that based on the needs identified, the CED student on field attachment with Kawe Community Development Trust should help

to draft a concept paper that together with community covering latter requesting for a portion of land for the project would go with relevant authority as a formal application. The concept paper was done in Kiswahili and reviewed by the Trustees who then went ahead to officially apply for the land from the defunct meat-processing factory (See Attachment C of this project proposal on page 129). Apart from that, a housing needs assessment and a research on housing finance and Microfinance institution was proposed to be done to see how those principles may be incorporated in developing a viable community based housing financing for the group. Almost all members of the Nyumba ni Mama Housing Group are from low income bracket in the community.

### **5.3 BACKGROUND AND STATEMENT OF THE PROBLEM**

The need for housing finance is evident amongst the majority of low-income earner in urban centres especially after the collapse of the Tanzania Housing Bank (THB) in the early 1990's. Lack of viable housing finance mechanism for low income earners has resulted to most housing developments to be done from individual savings. Since majority of the low-income earner have meagre salaries or income, this has led to development of substandard housings such as those in the Kawe Ukwamani and Mzimuni area. Even if they wanted to have land with secure tenure that will not be possible because even when land is available it is very expensive. A good example is the Dar es Salaam housing plot project which had been initiated to address the issue of availability of land for house construction. The project plots are in Mbweni and Boko in Kinondoni district; and Twangoma and Mji-mwema in Temeke district the

pilot areas are very big unnecessarily which increases the cost per plot and hence becoming expensive for low income earners. Also the distance from the city centre makes them inaccessible to most of them.

By low income earners living in unplanned and un-surveyed areas makes them unable to access finances because of the general lack of acceptable collateral or formal titles for the land they occupy. Thus the inadequate plots to cater for housing development had worsened the problem as the number of plots surveyed are less than the demand, making the price of plots, too high to be affordable to the majority of the low-income earners. This coupled with the demand for high urban building regulations and standards let alone the issues of urbanisation have led to development of squatter settlement such as Kawe in the City of Dar es Salaam.

Government efforts in starting housing schemes for the poor such as the Mwenge village scheme in the 1970s and the setting aside the housing development plots in Sinza have been made futile. This is because the middle and high income earners took over the project from the intended beneficiaries due to lack of mechanism to determine the target group. Lack of community participation was another shortfall in the problems associated with that project. National Housing Corporation (NHC) on the other hand was established immediately after independence with the purpose of solving housing problems for the Tanzanians who were low income earners. However, this organization is currently operating as a commercial entity. No chance for low-income earners to acquire houses because they are expensive. Most of the

commercial banks do not lend money to low-income earners adults for lack of collateral.

With all these needs and challenges, sustainable housing financing mechanism for the low-income earner is currently missing. Housing construction requires financial investment and poor people living in squatter settlements are usually unlikely to access the kind of investment fund required. Housing finance is classified as long term financing which with the past unstable Tanzania's economy had made such investment unattractive especially when targeting groups of low income brackets as they can still venture in other type of financing (which are also in great demand for finance) and make good profit without much risk as the case of housing finance for the low-income earner. This has restricted most of the financial institutions to lend to borrowers with properties on clear land titles or other collateral and certifiable, income a condition met only in subsidised public-sponsored low income projects.

A thorough needs assessment was done to determine the housing needs of the Nyumba Ni Mama members indicated that a house of four rooms, a toilet, shower and a kitchen was preferred by many. But comparison of cost to construct such house in relation to the income meant only a few of the members could afford such house. The proposed house cost between 4,000,000 and 15,000,000 depending whether one is using a local artisans or a registered contractor. For example assuming a house cost 3,000,000 including a low interest levied in the loans and if the members will be require to pay the house in five years, then they will have to pay about 50,000/- each month which is above the income bracket of many in the community. Most financial



institutions recommend a payment back rate of 35-40 % of ones income. In assuming an average income of 60,000/- per month and taking 40% of that, will mean the house will be paid in 125 month or after 10 years which will require a high interest be levied to protect the revolving fund from inflation.

Given the above findings it is proposed to build the house in phases i.e. two rooms a toilet and a shower first to cater for the immediate housing need of the group. Upon successful finishing paying off the first loan a person may be allowed to take a second loan to finance the second phase of her house. This will encourage faster repayment and will ensure that the revolving funds are not tied to just a few people who prefer building bigger houses. Hence if given the grant or secure credits from funding organisation or MFIs will provide opportunity to these women to invest in housing and bring hope to many of Tanzanian women who are struggling to brake out of the cycle of poverty and do not have hope of investing even the little they earn to something meaningful such as a house.

## **5.4 PROJECT DETAILS: Nyumba Ni Mama Self Help Community Based Housing Finance Scheme**

### **Narrative Description**

#### **5.4.1 CBO INFORMATION**

##### **5.4.1.1. Mission Statement, Organisation's Goals/Objectives**

Nyumba Ni Mama Self-help Housing group started in 2004 as a development initiative from Kawe Community Development Trust. The Nyumba Ni Mama group seeks to construct houses in partnership with its low-income women members through voluntary-labour and low interests loans. Most of its members are from traditional families but some are from disadvantaged groups such as women-headed households brought about by the impact of HIV/AIDS. For the past ten years, Kawe Women Development Trust Fund has been giving micro credit loans for the low income women groups in Kawe for microenterprises development. The women assisted by KAWEDET form the majority of the members of the Nyumba Ni Mama Self Help Housing group, currently having 160 members.

The methodology to be used by Nyumba Ni Mama is meant to engage the women in the community into taking action in solving their own problems and addressing other needs in the community through organised manners such as developing civil society at the local, grassroots through the establishment of local management committees and boards, and the development of indigenous staff.

#### **5.4.1.2 Organisation History**

Nyumba Ni Mama Limited was established as part of development initiatives of Kawe Development Trust in 2004. Kawe Community Development Trust is people's initiative in using their own resources for their own development. The goal of this trust is to have long-term programme to strengthen and improve the social services in the two hamlets, Mzimuni and Ukwamani. According to the available statistics and what was observed the area is unplanned and also its people are living in deep misery and high level of poverty. Among the results of the Trust efforts is the Nyumba Ni Mama Ltd.

#### **5.4.1.3 Current Community Programs, Activities and Accomplishments**

Kawe Development Trust has managed to steer up a number of development activities in Kawe. Current projects includes, community banking, a Waldoff kindergarten, therapies for needy members, mushroom growing by members, low cost food distribution to members, weaving by women members and centre for creative education. Of these projects some are still active such as the kindergarten, weaving and community banking. Others took off but failed to continue. Among those is the mushroom growing project. The most popular activity is the community banking, the kindergarten, and low cost food distribution and weaving by women group. Out of these, they have developed new programmes like the youth self-employment and environmental group, which is involved in garbage collection, storm water drainage cleaning and selling magazines.

## **5.4.2 PURPOSE OF GRANT.**

### **5.4.2.1 Statement of Development Needs/Issues**

Three primary problems face women in Tanzania: limited opportunities to own property, difficulties in obtaining credit, and lack of access to training programs. Microfinance initiative has done a lot to restore hopes of the women through micro credit lending and now there is a need to take these efforts a step further and open up opportunity for women to own property. The best asset that will have an impact to all in the household is a home. That is why the Kawe Community Development Trust having recognised this fact, now through its development organs KAWEDET - a micro credit organisation, initiated the formation of Nyumba Ni Mama Ltd, a self-help housing group as a separate entity to embark into a programme of community based housing finance for addressing the plight of poverty housing in Kawe Ukwamani and Mzimuni Area.

The group's goal is to build a minimum of 160 houses for its current members in the coming five years, targeting 40% of those houses to single mothers and female-headed households. In addition, there will be a training component for female community leaders on leadership, community activism, project and household management, and construction so as to enable the group manage the programme well. The group is requesting funding to construct 120 (40 houses per year) out of 160 houses expected to be built in a period of three years upon which the fund invested in the project will be sufficient to rotate in the community through a

revolving fund, to carry on with the construction of the remaining 40 houses and meet the project target of 160 houses in five years.

Majority of the members of Kawe communities have a monthly income, but are unable to afford the interest from a bank loan and therefore are unable to build a permanent, decent house. The average Kawe household income of 30,000 to 90,000/- a month will enable one to pay between 10,000- 30,000 assuming that the repayment does not exceed 40% of ones income taking an average of what is recommended by most commercial financial institution of their borrowers to pay per monthly in servicing a loan.

When a family's basic need of permanent, decent shelter is met then they are able to overcome the other layers of poverty. Providing simple, decent houses has many positive effects on the community. With a decent, durable house the overall health of the family improves. Mosquitoes are kept at bay, as windows are equipped with mosquito netting and shutters – cutting down on the incidences of malaria. Rain no longer leaks through rust iron sheets or thatch roofs, a major contributor to sickness and diseases. Vermin and insects no longer have easy access to the house. Mud floors are replaced with permanent, easily cleaned cement. With each house built there will be decent latrine, which will greatly reduce the incidences of cholera, dysentery, and parasitic health problems in the community.

Owning a home adds to a family's financial stability. Often a house is the first asset a family owns, and can be used as collateral on bank or cooperative loans for

agricultural inputs or other microenterprise needs. A good repayment record with the programme may be used as a testimony of faithfulness in repaying loans. In addition, many beneficiaries are moving out of rented shacks in squatter settlements, freeing up a large portion of their income.

The women will gain great confidence simply by obtaining a house - their sense of worth will be heightened and their interest in the livelihood of the community increases. It is envisioned that an increase in community development projects will spring up in Kawe communities. People start shedding their passivity in wake of proof that their efforts to improve the community are rewarded. Thus project will not build houses but also help build the Kawe communities.

#### **5.4.2.2 How will Nyumba Ni Mama Address the Development Needs/Issues**

Houses loans will be given to partner families at no profit and financed through affordable, low interest loans that will be paid within five years paid monthly. The group management committee will select beneficiaries on their need, income, and willingness to contribute towards their home building. Costs will be contained through a basic but adequate house design, use of appropriate technology, locally available material, and voluntary labour. . Once a house is complete, the cost of materials and skilled labour is combined with a nominal 10% administrative fee.

The group will have an established revolving fund, where by the loan repayments by homeowner families will provide construction financing for future homes. As the

number of home owners grows, so does the revolving fund and thus more houses can be built during each subsequent year to ensure all members get houses and the programme may be rolled out to other members of the community as long as they meet the requirements for the loans.

Kawe families are living in sub-standard structures made of temporary materials with mud walls, thatched or rusted liking roofs, and dirt floors with no proper latrine. In contrast, all new houses are built with cement floors, roofing corrugated iron sheets, and stabilized soil or cement blocks. Each house will have proper latrine such as a ventilated pit latrine. To keep the construction costs low and thereby affordable to low income families, the house size is kept to the minimum acceptable standards and will start with core house of between 21-35 square meters for new houses.

#### **5.4.2.3 Overall Goal**

To contribute towards the development of 'appropriate' housing finance for low Income earners by establishing a community base housing finance arrangement for Nyumba ni Mama Ltd in Kawe and build 160 housing units to benefit 800 people through training, community mobilization, improved general health and the empowerment of women within a timeframe of five years

OBJECTIVES	DETAIL ACTIVITIES	EXPECTED OUTPUT	ACHIVEMENT INDICATOR	SOURCE OF VERIFICATION
1. Construct 160 houses thus improving the living conditions and overall general health of targeted families.	1.1 Family Selection	160 families who meet the community selection requirements	Completion of 160 approved loan forms	Minutes from the meetings with applicants and the family selection committee
	1.2 Training to new applicants	Ensure house completion and fulfilment of housing partnership obligations	Timely house construction and loan payments	Progress reports provided by Management committee
	1.3 Construction of new houses	House that meets minimum acceptable building standards	Occupied habitable houses	Progress reports provided by the management committee
	1.4 Signing of new loan agreement forms	House repayment	Over 90% repayment rates achieved	Loan Tracking report Signed Loan agreement forms
2. Increase capacity and organisational skills of community to manage the housing project and address other issues affecting community members	2.1 Provide community education in the form of leadership, construction and financial management skills to all members	Community ownership of the housing project thus creating sustainability	Functional managed committee with the ability to effectively manage the project	Minutes from committee meetings Organisation meeting its goals
	2.2 Initiation of projects that address other needs of community members such as water and sanitation income generation	Locally initiated structures to address supplementary concerns/problems/needs	Tangible progress being made to tackle identified other community concerns/problems/needs	Minutes from committee meetings Concrete plan of action to address other needs
3. Empowerment and involvement of women by addressing barriers prohibiting them from access to land and property and increase full participation of women in community activities	3.1 Training of a minimum of all 160 women to assume an active role within the community	80 trained women capable of assuming active leadership roles in community organisations	75% of the trained women who are able to assume leadership roles within the community	Minutes from meetings indicating an increase of female participation at the leadership level
	3.2 Utilise the trained women to promote women's involvement in KACODET programs and community organisations in general	Increased participation of women in KACODET affiliates and other local community activities	Increased co-operation between men and women to solve community concerns/problems/needs	Minutes from community meetings Attendance records from local activities/meetings
	3.3 Create a task-force to encourage women to apply for micro-enterprises and housing loans to reflect the growing number of female-headed households	Increased self-esteem and confidence amongst females heads of households empowering them to apply for housing and micro-enterprise loans	An increase in the number of women heads of households applying for micro-enterprise and housing loans	Approved loan application form Increase in micro-enterprise activities Minutes from family selection committee



#### **5.4.2.4 Long-Term Sources/Strategies for Funding At End of Grant Period**

Participants will contribute about 20 to 25% towards the construction of the houses either in cash or in kind. Nyumba Ni Mama with local fundraising efforts and the support of the revolving fund will be able to continue to build houses in the community. The revolving fund acts as an important source of ensuring the sustainability of donor money as it allows the same money to be used over and over again. Nyumba Ni Mama will continually work to form partnerships with funding organisations like corporations, foundations and international aid agencies to ensure that enough funds are sourced and all members get houses.

### **5.4.3 EVALUATION**

#### **5.4.3.1 Expected Results during the Funding Period**

Over the three-year period Nyumba Ni Mama proposes to use the grant money to build 120 houses, to set up the project, and educate more members in the community to work in improving their houses. It is the goal that through training and education they will maintain 100% repayment rate.

It is expected that 180 people will benefit from the 40 houses built each year and during the same time period more than 40 people will be trained in different skills. The training provided would serve to impart participants with valuable income-generating skills and business development, which will better equip them to raise

their income and enable them to the project requirements (making repayment) and thus ensure sustainability in the future.

#### **5.4.3.2 How Would You Define and Measure Success?**

The success of the project will be based on the families and communities that are helped. When fulfilling the goal of building 160 permanent houses for Kawe families, when they will be receiving more new applications for membership, and when families are repaying their loans at 100% then Nyumba Ni Mama will know the program is a success.

#### **5.4.3.3 How Will Nyumba Ni Mama Ensure Sustainability?**

The housing finance will run using a revolving loan system. Once a house is completed, the cost of material and skilled labour are combined with a nominal administrative cost. A low interest will be levied on the loan to protect the fund against inflation. The aim is to ensure payment from one house is able to build another house. It will be a house to a house revolving fund.

The project will also do local fundraising (diversified funding sources) and will be responsible for raising 5% of their local budgets annually. This will be accomplished through various activities such as cultural dances and performances, soliciting donations from community members and the small-scale selling of local agricultural, handcraft and manufactured products.

The project will be run solely by volunteers to maintain their operations cost with 10% to 15% of the budget while 85% to 90 % of the expenses will be towards house construction and trainings to build the capacity of the group. Thus the day-to-day operations are not contingent on outside monetary funding. (See Appendix A – Organizational Chart).

#### **5.4.3.4 How Will the Project's Results Be Used/Disseminated?**

This housing project is intended to empower the women to break the poverty cycle and live healthy and productive lives. As other communities see the success of Kawe communities they will follow their lead, by starting their own community based Housing Finance. The Government understands that it cannot eradicate poverty housing on its own but by sharing in different initiative towards sustainable housing development model with interested communities that want to solve their housing problem and by working in partnership with funding and development partners agencies, that mission will be accomplished.

Nyumba ni Mama respectfully requests that the funding agency consider its support to this community base housing finance with a grant of \$321,500.00 to build 120 houses over a three-year period. A grant of this size will help Nyumba Ni Mama Limited meet its three years' goal outlined in this proposal and improve the quality of housing in Kawe Ukwamani and Mzimuni, Kinondoni district, Dar es Salaam Tanzania.

#### **5.4.4. PROJECT MANAGEMENT AND COORDINATION**

##### **5.4.4.1 The Role of the Funding Agency**

The funding agency is the project partner (donor). The agency will provide funding, the required reporting formats and schedules to be followed. It may assign a person who will undertake monitoring visits once every year or as may seem appropriate. The agency will receive financial information and narrative reports on project progress as per schedule that will be agreed.

##### **5.4.4.2 Implementing Agency and Coordination Arrangements**

Nyumba Ni Mama through the Kawe Development Trust will implement the project as per this proposal using the guidelines of the funding agency and the principles of implementing community-based housing programmes. It will meet all set/required operational policy and procedures for an implementing agency and will demonstrate high integrity and experience in the management and accountability of funds and grants.

##### **5.4.4.3 Monitoring and Reporting Roles**

Nyumba Ni Mama Limited with guidance from the Kawe Development Community Trust will submit on monthly basis the financial and project progress reports to its members in monthly and quarterly meetings; also to Kawe Development Trust and

funding agency. On annual basis it will have to submit annual returns to the Registrar of Company as Nyumba Ni Mama is a registered entity under (CAP 212) company limited by guarantee and not having a capital divided into shares.

Lessons learnt will be shared with all stakeholders including the interested communities who want to start their housing programme. Kawe Community Development Trust as trustees to the project so is the funding agency, will conduct internal audit to ensure that the funds received have been utilised for intended purposes. Consultation meeting will be conducted as proposed by donor to review project progress and future plans. The finance and progress reports will be made available to donor when visiting the project.

#### **5.4.5 BUDGET**

*(See attachment B)*

## **5.4.6 ATTACHMENTS**

### **5.4.6.1 Attachment A: Organisational Chart**

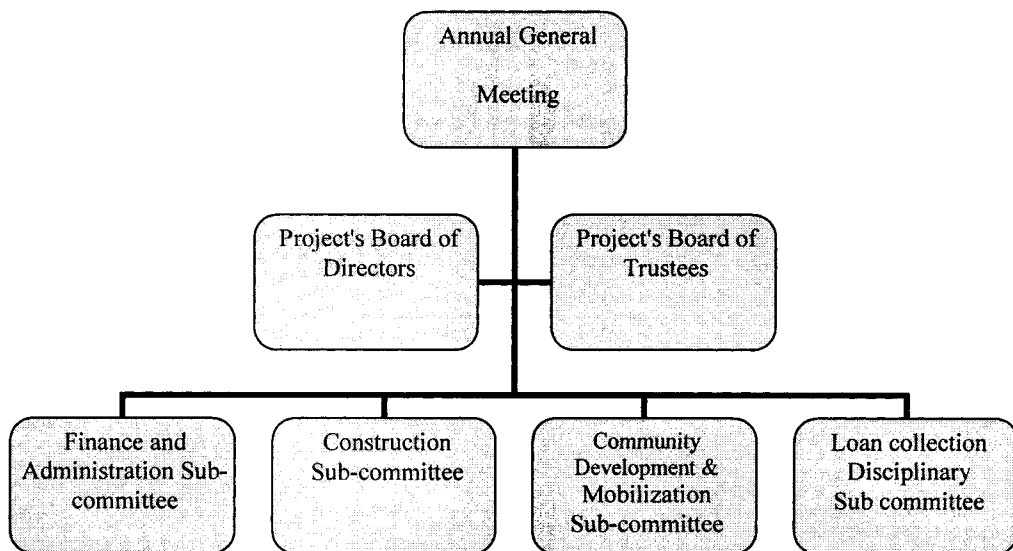
Currently the organisation is composed of the aspiring members and the founding four founding members of the organisation. After the proposal is ready and accepted by the founding members and the aspiring Kawe women, all stake holder will sit to elect a leadership and office bearers. The proposed organisation structure will be as follows.

There will be a board of trustees which will be composed of some of the founding members of Nyumba ni Mama group and some people will come from the parent organisation in charge of the development activities in Kawe, The Kawe Community Development Trust.

Then there will be a board of directors for the Nyumba ni Mama organisation. This will be a voluntary board of between seven (7) to eleven (11) members. The board will have a secretary, a vice chairman, a secretary and a trustee. They will have also a construction specialist and a community development practitioner. These five will form the executive committee. The board will be in charge of the day to day activities of the Project. These will be elected to office by the Annual General meeting (AGM). The Board will have at least three to five sub-committees to assist it on the running of the day to day activities. It was proposed that the sub-committees will have a minimum of three people and a maximum of five persons. The sub-committees proposed are Finance and Administration sub-committee, the

Construction sub-committed, Community development and mobilisation sub-committees, Loan collection and disciplinary committee. The chairpersons of these committees will be members of the Project board of director. Not all members of the sub-committees will automatically be members of the board. These will be elected to office by the Annual General meeting.(AGM) and they will hold the office for up to two terms of two year period.

The proposed organisational structure is as follows:



**5.4.6.2      Attachment B:                      Budget**

	Year 1	Year 2*	Year 3*	%	Notes
<u>Construction</u>					
Materials	\$60,400	\$64,800	\$69,300		
Labor	\$9,500	\$10,600	\$11,300		Skilled labor
Transportation	\$5,300	\$5,900	\$6,350		
Legal	\$3,200	\$3,500	\$3,750		
Construction Supplies	\$1,600	\$1,900	\$2,000		e.g. construction tools
Sub-Total	\$81,000	\$86,700	\$92,700	81.00%	
<u>Affiliate Capacity Building</u>					
Meetings	\$2,000	\$2,100	\$2,250		Community Development process & continual education & support
Salary/Fees	\$3,600	\$3,850	\$4,150		Allowances and constancy fees during program design and development
Transportation	\$1,900	\$2,050	\$2,200		Vehicle, Fuel, Public Transport
Rent	\$1,000	\$1,100	\$1,200		Project Office space
Supplies	\$750	\$800	\$850		Stationeries etc.
Communication	\$750	\$800	\$850		Telephone, Fax, Email, Postage
Sub-Total	\$10,000	\$10,700	\$11,500	10.00%	
<u>Training</u>					
Seminars/Workshops	\$1,900	\$2,100	\$2,250		On-going Training
Allowances and fees	\$3,300	\$3,500	\$3,750		Trainers:- Construction Specialist, Community workers and mobilizes
Transportation	\$1,600	\$1,650	\$1,800		Vehicle, Fuel, Public Transport
Rent	\$650	\$700	\$750		Training Halls/space
Supplies	\$850	\$900	\$950		Stationeries associated with training materials
Communication	\$700	\$750	\$800		Telephone, Fax, Email, Postage
Sub-Total	\$9,000	\$9,600	\$10,300	9.00%	
<b>TOTAL EXPENSES</b>	<b>\$100,000</b>	<b>\$107,000</b>	<b>\$114,500</b>	<b>100.00%</b>	
*Assume 7% inflation					
<i>Of these expenses, approximately 88% is for Programme expenses, 10% for Administrative costs and, 2% for Fund Raising</i>					



**5.4.6.3 ATTACHMENT C: Concept Paper for Land Application at  
Defunct Meat-Processing Factory - Kawe**

Jina la Kikundi	Kikundi cha Kina Mama Kawe- Kawe Women Economic Development Trust Fund-(KAWEDET FUND)
Anuani	C/o Kawe Community Development Trust Fund, P. O. Box 2522, Dar Es Salaam, Tanzania
Simu	255-744-785356
Fax	255-22-2780468
Jina la Mtendaji Mkuu Katika kikundi	MRS. K.Simba (Trustee)
Jina la mtu wa kuwasiliana naye kwenye kikundi	MRS Mariam S Yona (Trustee) Neema Chioko Jacob (Officer)
Msaada Unaoombwa	Eneo (kiwanja) la ukubwa wa hector tano toka katika eneo lililokuwa la kiwanda cha kusindika nyama – Tanganyika Packers.
Kipindi cha Mradi Mpaka kukamilika	Kipindi cha maika Mitano.
Lengo la Msaada Kuombwa	Ujenzi wa nyumba za gharama nafuu kwa ajili ya wanakikundi katika kuboresha hali ya maisha ya wanakikundi.
Tarehe ya kukabidhi maombi hayo	May 2004

## **MAELEZO KUHUSU KIKUNDI**

Mshikamano wa maendeleo wa Kikundi cha Kujiendeleza Kiuchumi cha Wanawake wa Mzimuni na Ukwamani Kawe (Kawe Women Economic Development Trust) ulianzishwa Mwaka 1994 ukiwa na Madhumuni yafuatayo:

1. Kuendeleza hali ya maisha ya wanachama (kinamama na vijana wa kike) kibiashara. Madhumuni haya yatafikiwa kwa kutoa huduma na urahisishaji wa shughuli za wanachama kwa kupunguzaia ghama na usumbufu. Huduma hizo zinaweza kuwa:
  - Dhamana na vitambulisho
  - Eneo la kufanyia biashara na mawasiliano ya wanachama
  - Uwakilishi
  - Rambirambi kwa kifo cha mwanachama au kufiwa na nduguya
  - Matibabu
  - Mikopo
  - Usafi
  - Ulinzi
  - Mafunzo ya Biashara
  - Huduma nyingine yoyote ya kiuchumi na kijamii kutegemeana na matakwa na makubalianao ya wanachama pamoja na uwezo wa wanachama kifedha
2. Kutoa na kupokea huduma zote zile kufuatana na taratibu ambazo wanachama wamejiwekea kufuatana na matakwa na masilai yao.

3. Kujishughulisha na kuhimiza miongoni kwa wanachama ari ya kupenda kuendesha shughuli za kikundi kwa ushirikiano kwa kufuata taratibu zilizo kubalika na wanachama wote
  
4. Kuwakilisha mawazo ya wanachama wake dhidi ya vyama vya siasa pamoja na vyombo vya serekali kuhusiana na mambo yanayowahusu wanachama kwa ujumla kama:
  - a. Sera za mipango ya maendeleo ya miji
  - b. Sheria, taratibu na mazoea
  - c. Ugawaji na matumizi ya aridhi
  - d. Kodi na ushuru
  - e. Masilahi yanayowahusu wanachama binafsi yanayoathiriwa na a,b, c, na d.
  
5. Kujishughulisha na mabo mengine ambayo yatastawisha maendeleo ya wanacha na jamii nzima ili mradi hakuna ukiukwaji wa sheria na taratibu za kikundi na nchi.

Kutokana na madhumuni hayo kumeanzishwa vikundi na miradi mbalimbali ambayo imejengeka katika malengo yaliyotajwa hapo juu yakiwa na lengo kuu la kuwajengea wakinamama wa Kawe msingi (miundo mbinu) ambayo itawawezesha kuondokana na umaskini. Katika miradi iliyoanzishwa ni pamoja na mpango wa benki Kaya, shule ya Chekechea ya Mshikamano, mradi wa vijana wa usafi wa mazingira na uzalishaji mali.

Kikundi cha kinamama Kawe ni itikiio la changamoto ya mshikamano wa maendeleo ya jamii Kawe ambao lengo lake ni pamoja na kujijengea uwezo kiuchumi kwa njia ya biashara ndogo ndogo na kazi za mikono ni kuondokana na adha ya nyumba za kuishi – kupambana na adha ya hali duni ya makazi.

## **MAPENDEKEZO JUU YA MRADI.**

Mnamo mwezi Juni mwaka 2002, Mshikamano wa Maendeleo ya Jamii Kawe uliomba shirika la utafiti linalojishughulisha na utafiti wa maswala ya umaskini katika jamii (Repoa) liwasaidie kufanya utafiti juu ya hali halisi ya eneo la Kawe.

Matokeo ya utafiti huo yalionyesha kuna msongamano mkubwa sana wa watu katika mitaa ya Mzimuni na Ukwamani ambapo watu zaidi ya 40,000 hukaa katika kilomita moja ya mraba. Hii ni idadi kubwa ukilinganisha na takwimu za kitaifa ambazo watu kwa Tanzania nzima inakadiriwa kwamba watu 39 hukaa katika kilometer moja ya mraba wakati kwa Dar es Salaam ni watu 1,793 kwa kilomita moja ya mraba. Kutokana na Msongamano huu, eneo la Mzimuni na Ukwamani lina mfumo mbovu wa maji taka ambapo watu wengi (asilimia 92%) ambao ni wakazi wakuu hutumia vyoo vya shimo ambavyo vinahitaji nyumba ziwe na nafasi na mpangilio unaofaa. Mpangilio mbaya wa makazi, matumizi ya vyoo vya shimo na ukubwa wa familia wastani wa 5.6 wa familia unasababisha wanajamii kuwa katika mazingira hatari ya kupata wagonjwa ya kuambukiza kama kuhara, kipindupindu na malaria hasa katika misimu ya mvua.

Ni kutokana na sababu hii kikundi cha kinamama Kawe kiliamua kupitia KAWEDET kujiunga pamoja ili kutafuta suluhisho la hali hiyo mbaya ya makazi kwa kuanzisha mpango wa nyumba bora kwaajili ya kinamama kwa njia ya umoja. Hii ni pamoja na mambo mengine ya kuendeleza stadi mbalimbali kwa kinamama. Mradi wa nyumba za gharama nafuu kwa kaya 86,000 ni moja ya pendekezo suluhu katika kutatua tatizo la makazi duni la wananchi hawa wa eneo la Mzimuni na Ukwamani.

### **LENGO NA MADHUMUNI YA ARDHI UNAYOOMBA.**

Malengo ya kikundi cha kinamama wa Kawe yamejengeka katika malengo ya mshikamano wa maendeleo ya jamii Kawe. Malengo hayo ni kuboresha maendeleo ya jamii kwa kutumia juhudi zao wenyewe, na rasilimali zilizopo katika kikundi chao kwa kuhamasisha wananchi juu ya umuhimu wa maendeleo yao. Wakinamama wamelenga kutatua tatizo linalowakera la makazi duni (nyumba za kuishi) na kwa kufanya hivyo kuwatia hamasa wananchi wa Kawe kutatua hali yao ya makazi. Ili kufanikisha azima yao hiyo wanatarajia kufanya yafuatayo: -

- Kuomba eneo la kutosha la kujijengea nyumba bora za gharama nafuu.
- Kujijengea nyumba rahisi, bora na za gharama nafuu kwa njia ya mikopo.
- Kushirikiana na serikali, asasi mbalimbali ili kusaidia katika upatikanaji wa ardhi na fedha za mikopo ili kufanikisha malengo yao.

### **RATIBA YA UTEKELEZAJI.**

Upatikanaji wa eneo la ujenzi toka eneo lililokuwa linamilikiwa na kiwanda cha kusindika nyama (Tanzania Packers) utakiwezesha kikundi cha kinamama Kawe kuanzisha ujenzi wa nyumba zao wenyewe.

### **KIASI KINACHOHITAJIKA**

Eneo la ukubwa wa hector tano. Eneo hilo litagawanywa ili kupata viwanja vya kuwatosha wanakikundi kwa ujenzi wa nyumba zao za kuishi na pia kubakiza eneo kwa shughuli za kijamii kwa hapo baadaye.

### **FAIDA KWA JAMII**

Kujipatia nyumba bora za kawaida na za gharama nafuu kwa makundi ya watu wa kipato cha chini katika jamii, kulingana na uwezo wao kifedha. Kuboresha afya zao kwa ujumla kutokana na kuwawekea mazingira bora yenye vyoo salama, milango na madirisha yaliyowekewa waya za kuzuia mbu ili kupunguza maambukizi ya magonjwa kama malaria na mengineo. Waliojengewa watapata ujasiri (confidence) kwa kupata nyumba ambazo zitawarejeshea ile hali ya kuthaminiwa hivyo kuboresha hali yao kimaisha.

Jamii hiyo kupitia kamati yao itasimamia mradi huu na umiliki wa mradi utakuwa mikononi mwa wanakikundi wenyewe ili kuwezesha mafanikio ya mradi. Kwa kushirikiana na asasi mbalimbali mradi utawezesha utoaji nafasi za mafunzo katika

nyanja mbalimbali kama vile uongozi, ujenzi, uhamasishaji wa jamii, na manejimenti ya maarifa ya nyumbani katika jamii hivyo kufanya mradi kuwa endelevu.

### **FAIDA KWA WATOAJI WA ARDHI.**

Kwa kutoa eneo hilo kwa wanakikundi itakuwa imetoa mwanya kwa mmiliki wa zamani (Serikalini) kuchangia katika juhudi za jamii katika kusaidia makundi wanyonge katika jamii. Msaada huu ni uendelevu na utathibitisha ari ya serikali katika kuwasaidia watu kwa namna ambayo inaondoa utegemezi hasa katika vita dhidi ya umaskini. Vilevile mradi huu utakuwa mfano wa kuigwa kwa namna ambavyo serikali inaweza kusaidia makundi ya wanyonge katika jamii kuondokana na matatizo ya makazi duni. Mradi wenyewe utaendeshwa kwa njia ya kujitolea hivyo utatoa mwanya kwa viongozi wa serikali na asasi mbalimbali kuja kujitolea nguvu zao katika ujenzi wa nyumba hizo na kufufua ari ya kujenga Taifa kwa pamoja.

### **MRADI HUU UTAENDESHWAJE?**

Wanakikundi watachagua kamati ya mradi ambayo itajifunza mbinu za uendeshaji wa miradi ya ujenzi wa nyumba za gharama nafuu na utoaji mikopo kwa watu wa kipato cha chini kutoka kwa asasi na mashirika kama Women Advancement Trust Fund (WAT) National Housing Building Research Agency (NABRA) zamani ikijulikana kama BRU, Habitat for Humanity Tanzania – HFHT, FINCA, PRIDE, SEEDA nakadhalika.

Moja ya kigezo kinachotumiwa na mashirika haya katika kufanya kazi na jamii zenye uhitaji wa nyumba ni jamii husika kuwa na ardhi (kiwanja) kwa ajili ya ujenzi. Kwa kuanzia wanakikundi watachangiana wao kwa wao kiasi cha shilingi 25,000 kila mwezi kwa idadi ya wanakikundi 160. Endapo nyumba watakazo jenga ni za wastani wa T Sh.s. 2,000,000/=, (kulingana na uamuzi utakaokubaliwa na wanakikundi wenyewe). Kila baada ya mmoja watakuwa na uweza wa kujijiingea nyumba mbili kutokana na fedha zao wenyewe kwa nia ya kushirikiana, kikundi kwa njia ya kulinganisha (match) juhudi za wanajamii la kuharakisha kila mwanajamii kupata nyumba yake haraka itakavyo wezekana. Matarajio ni kuzijenga nyumba hizo kwa awamu kumi na sita – kwa kila nyumba inayojengewa na jamii wanapewa nyumba nne za mkopo kwa namna hiyo watakamilisha ujenzi wa nyumba za wanakikundi kwa njia ya kulinganisha (match) juhudi za wanajamii ili kuharakisha kila mwanajamii kupata nyumba yake haraka itakavyo wezekana. Matarajio ni kuzijenga nyumba hizo kwa awamu 16 – kwa kila nyumba inayojengwa na jamii wanapewa nyumba nne za mkopo kwa namna hiyo watatukamilishia ujenzi wa nyumba za wanakikundi kwa muda wa mwaka mitatu na kuanza kulipia mkopo wa nyumba 128 walizokopeshwa. Hivyo mkopo huo utakaolipwa kwa kipindi cha miaka 7-10 kwa namna ambayo mtu analipia nyumba yake kodi ili kuinunua. Pamoja na fedha wanajamii watatoa “nguvu kazi” yao kwa njia ya muda kushiriki katika kazi ya ujenzi kumsaidia fundi, kusomba matofali, mchanga, maji, kuchanganya zege n.k.

Gharama zimewezekana kuwa ndogo kutokana na ramani zitakazotumika kwenye ujenzi kuwa za kawaida (simple) zinazotumia teknolojia rahisi za ujenzi na vifaa vya



ujenzi zinavyopatikana katika eneo la mradi hivyo kuwafanya wanakikundi ambao hawana ujuzi mkubwa wa kitaalamu kushiriki katika ujenzi wa kikundi.

Kwa sasa wanakikundi wanaishi kwenye nyumba duni za kupanga ambazo hazina nafasi ya kutosha, madirisha usalama na vyoo vya uhakika au sehemu ya kupikia ambapo mapaa mengi yanavuja kutokana na uchakavu. Yote haya yamechangiwa na mpangilio usio sahihi wa nyumba unaopelekea msongamano. Kupita mradi huu inatarajiwa kila mwanakikundi atapata nyumba yake ndogo bora yenye mahitaji ya msingi hii ina maana kwamba kila nyumba itakuwa ina sakafu imara ya saruji, paa la bati (G30) kuta zilizojengwa kwa matofali ya saruji, madirisha yanayotosheleza hewa safi ndani yaliyowekwa wigo wa kuzuia mbu, na yenye choo imara na bora kukidhi mahitaji bila kuathiri mazingira na kuleta madhara kwenye jamii.

Mradi unakusudia kujenga nyumba hizi kwa ukubwa kati ya 36 – 50 mita za mraba . Baada ya kumaliza mkopo kila mwanajamii ataweza kupanua nyumba yake na kuongeza kadri ya mahitaji yake.

## **UENDELEVU WA MRADI.**

Mradi huu utaunda mfuko wa mzunguko (Revolving Fund). Fedha hizo zitatumika katika ujenzi wa nyumba na marejesho ya mkopo yatakapokamilika kikundi kitatoa baadhi ya fedha kusaidia vikundi vingine vya aina hiyo na zitakazobaki zitatumika katika jamii kuanzisha miradi mingine ya maendeleo kulingana na mahitaji ya kikundi kwa wakati huo. Miradi hiyo ni kama vile biashara ndogo ndogo, mradi wa

shule, afya na kadhalika kwa nia ya kuboresha hali halisi ya wanakikundi katika jitihada zao za kuondokana na umaskini.

Mafanikio ya mradi huu yataipima idadi ya familia zitakazokuwa zimeweza kupatiwa nyumba bora vile vile jinsi ambavyo waliosaidiwa kupata nyumba hizo watakavyoweza kurudisha mkopo waliopewa. Inatarajiwa mradi huu utatoa mfano mzuri wa jinsi gani tatizo la msongamano katika eneo la Mzimuni na Ukwamani lilivyotatuliwa hivyo kuwa chachu ya kuleta maendeleo katika eneo hilo la Kawe kwa kuligeuza kuwa eneo la makazi rasmi kufuatana na taratibu zilizowekwa. Mafanikio ya mradi huu yatumika kutatua tatizo katika miji mikubwa ya Tanzania hasa Dar es Salaam la kuzuka kwa makazi yasiyo rasmi, tatizo ambalo linakuwa kwa kasi kubwa huku serikali ikikabiliwa na kukosa mikakati kamili ya kumaliza tatizo hili. Mradi huu utatoa mfano hai wa kuigwa wa namna endelevu ya kuwasaidia makundi ya wanyonge katika jamii kuondokana na makazi duni kwa njia ya kushirikiana.

Mradi kama huu unaweza kutumika na Mashirika/Makampuni katika kuanzisha miradi endelevu ya nyumba za kuishi kwa watumishi wake kwa kuwasaidia fedha za kianzio (Start up Capital) kwa kutumia mpango wa kuchangishana (upatu) /kuzungusha kibati ili kutatua matatizo yao ya nyumba. Kushiriki katika ujenzi kutawafanya wafanyakazi kujenga mshikamano mzuri (Team Building) na hili litaongeza tija katika utendaji wa wafanyakazi katika makampuni. Hii itajenga imani kwa waajiriwa kwamba makampuni/mashirika yanawajali wanapokuwa wanazalisha

na kutoa huduma katika makampuni/mashirika vilevile wanajali na kuangalia mahitaji binafsi ya wafanyakazi wao.

### **HITIMISHO.**

Ni kwa sababu hiyo tunaleta maombi haya ya ardhi Hector tano yaliyotajwa hapo juu kwa heshima kubwa maana tunaamini mafanikio ya mradi huu utakuwa ni ufumbuzi wa matatizo makubwa yanayozikabili jamii zetu (nyumba bora za kuishi) hivyo kuwa na taifa lenye watu wenye uwezo wa kuzalisha kwani watakuwa na afya bora na sababu ya kuipigania serikali yao maana inawajali wananchi.

## REFERENCES

- Chiquer, L (2004), Housing Micro-financing: Some trends in Housing Finance.
- Daphnis, F and Ferguson, B (2004, Housing Microfinance: an Overview.
- Fuller, M (1986), No More Shacks! The Daring Vision Of Habitat for Humanity  
Word Publishing, Waco Texas USA.
- Fuller, M (1995), A simple Decent House.
- Kothari, C R. (1992), *Research Methodology: Methods and techniques*, New Delhi:  
WEL Publication.
- Lee Michael (1995), Community Mortgage Programme -An almost Successful  
Alternative for some Urban Poor.
- Levine, S J (Last Updated: 01/06/2005): Guide for Writing a Funding Proposal  
<http://www.learnerassociates.net/proposal/propone.htm>
- Lohse, U. H, UN Habitat (July 2002), Evaluating Housing Finance Initiatives for  
Low Income Groups in Sub Saharan Africa
- Machoyo, Patrick. O (1997), Appropriate mechanisms for financing low cost housing  
in Kenya, a review, Report presented to Shelter Forum, Nairobi.
- Marealle, M.S (Undated): Organised Self hep Housing Manual-An Affordable  
Approach Towards Housing Delivery
- Mclead, R (1996), The experience of linking community Based Housing Finance and  
Formal Financing Mechanism
- Ndatulu,T S and Makileo, H. B. (1989): housing Cooperative in Tanzania-BRU  
working Report

Olofsson, J and Sandow, E: (2003), Towards a More Sustainable City Planning - a Case Study of Dar es Salaam, Tanzania.

Siddiq A T and M Ahazar Khan (1994) The Incremental Development Scheme.

The Center for Urban Development Studies Harvard University Graduate School of Design (May 2000), Housing Microfinance Initiatives-Synthesis and Regional Summary: Asia, Latin America and Sub-Saharan Africa with Selected Case Studies.

UN (1992) AGENDA 21: the Report of the United Nations Conference on Environment and Development (Earth Summit) in Rio

URT (1996): Community Development Policy

URT (1997): Cooperative Development Policy

URT (2000): National Human Settlement Development Policy.

URT (2000): National Microfinancing Policy.

World Vision International (2001): Ten Seed Technique in Food Security Assessment, Assessment