

UNIVERSITY OF NAIROBI
ADD LIBRARY

TITLE

THE ROLE OF NON-GOVERNMENTAL ORGANISATIONS
AND WOMEN SELF-HELP GROUPS PARTNERSHIP IN
FINANCING LOW-COST RURAL HOUSING PROJECTS.
A CASE STUDY OF AFRICAN HOUSING FUND
PROJECTS IN KITUI DISTRICT.

BY

JAPHETH MALUKI MBUVI

B A (Hons) Egerton University

*A Thesis submitted in partial fulfilment for the
degree of Master of Arts in Planning in the
Department of Urban and Regional Planning at the
University of Nairobi.*

NAIROBI

AUGUST 1994

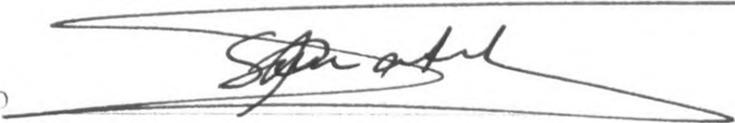
DECLARATION

I, JAPHETH MALUKI MRUVI, hereby declare that this thesis is my original work and has not been presented for a degree in any other University.

SIGNED  _____
CANDIDATE (JAPHETH MALUKI MRUVI)

DECLARATION OF THE SUPERVISOR

This thesis has been submitted for examination with my approval as University Supervisor.

SIGNED  _____
SUPERVISOR (DR. SAM AKATCH)

DEDICATION

This thesis is dedicated to my father Justus Mbuvi Ngwambu and Mother Joyce Mali for their love, care and heavy investment in my education.

ACKNOWLEDGEMENT

There are many people who have contributed to this project and to whom I owe my gratitude. First and foremost I am grateful to the Ministry of Lands and Settlement through the Physical Planning department for awarding me a scholarship to enable me undertake this work. The University of Nairobi provided the intellectual atmosphere within which the idea of this work was born. I am especially indebted to officials of the African Housing Fund; more so Philip Ochola, James Muli and Jacob Muli for their assistance at various stages of this study. Special thanks go to Martha Mutuku the factory manager at Kauwi Muungano project and all members of the Muungano Housing Project for their cooperation during my stay in the field. I also wish to thank Kyalo Mbuvi, Ben Mitau and Kilonzi Mane for their assistance during the field surveys.

I have also been fortunate to receive valuable information from officials of the National Housing Cooperation (NHC), Housing Finance Company of Kenya (HECK), and the National Cooperative Housing Union (NACHU). The concern and interest that they showed in my work is highly appreciated.

There are also other people to thank for their support of this project. Dr. Sam Akatch my University Supervisor did much arduous editorial work and provided

very valuable suggestions and comments to him I owe a special debt of gratitude for helping put this work to its final shape. Dr. Washington Olima read through the manuscript and provided very useful guidance.

Other thanks go to all members of the Department of Urban and Regional Planning (DURP) at the University of Nairobi. To my lecturers for their academic support and guidance and to my colleagues their moral support during the study period.

Lastly to Beatrice Wanjiku and Mary Ochola who patiently and accurately typed and retyped this thesis from the original handwritten manuscript. To them I say thank you. To all the others that I did not mention by name go my gratitude and best wishes.

Although, I did receive much help, guidance and encouragement from the above named persons, the ideas presented in this study reflect my own opinions and thus any errors and omissions are my own responsibility. They should therefore not be attributed either in part or in full to any of the above mentioned persons.

Japheth M. Mbuvi

University of Nairobi

ABSTRACT

The growth of Urbanisation and its related problems in developing countries has resulted in many of the rural development issues being given only token treatment. One of the problems that has received very minimal attention is the development of rural housing and its improvement.

Kenya's housing development Policy for example has its major focus on urban areas and places very little emphasis on rural shelter development. Attitudes regarding the role that housing plays in community development have also remained unimpressive.

Irrespective of this lack of concern rural housing problems have continued to increase in recent years. One of the major causes of this increase has been the lack of suitable and adequate sources of finance for housing development. Existing housing finance institutions are mainly urban oriented and the performance in rural areas has been dismal.

This has created the need for researches on non conventional housing finance approaches which is the main focus of this study. The author has established that conventional housing finance approaches have failed in rural areas due to their restrictive practices. The viability and success of non conventional approaches has been demonstrated using the Kauwi Muungano housing

Project which is a joint venture between the African Housing Fund and the Kauwi Muungano Women group.

The study has established that rural communities can actually repay loans, are credit worth and that they are basically denied access to housing finance by the restrictive loan requirements of conventional housing finance institutions. Relaxation of these requirements based on the best understanding of the specific social and economic characteristics of the rural poor is thus basic to the establishment of meaningful and successful rural housing programmes.

TABLE OF CONTENTS

Thesis Title.....	(i)
Declaration.....	(ii)
Dedication.....	(iii)
Acknowledgment.....	(iv)
Abstract.....	(vi)
Table of Contents.....	(viii)
List of Tables.....	(x)
List of Plates and Maps.....	(xi)

CHAPTER ONE: INTRODUCTION

1.1	Background to the study.....	1
1.2	Statement of the Problem.....	3
1.3	Justification of the Study.....	8
1.4	Study objectives.....	11
1.5	Study Hypotheses.....	12
1.6	Study Assumptions.....	13
1.7	Study Methodology.....	14
1.7.1	Data Collection Techniques.....	14
1.7.2	Types of Data Collected.....	16
1.7.3	Techniques of Data Analysis.....	18
1.8	Overview and Organisation of the Study.....	18
1.9	Study Limitations.....	21
1.9	Operational Definition of Terms.....	22

CHAPTER TWO: HOUSING FINANCE IN KENYA

2.1	Introduction.....	27
2.2	Characteristics of Housing Finance.....	30
2.3	Sources of Housing Finance.....	35
2.4	Public Sector Housing.....	39
2.4.1	The National Housing Corporation.....	41
2.5	Private Sector Housing.....	46
2.5.1	Housing Finance Company of Kenya.....	47
2.5.2	Housing Co-operatives.....	50
2.5.3	National Co-operatives Housing Union.....	54
2.6	Rural Housing Finance in Kenya.....	56
2.6.1	The Demand for Rural Housing Finance.....	56
2.6.2	The Rural Housing Loan Scheme.....	57

CHAPTER THREE: ACTORS IN RURAL SHELTER PROVISION

3.1	Introduction.....	64
3.2	Women in Shelter Development.....	67
3.2.1	Women Participation in Community Shelter Programmes.....	72
3.2.2	Access of Women to Housing Finance.....	75
3.2.3	Problems Faced by Women Housing Finance... ..	77
3.3	Non Governmental Organizations in Shelter Development.....	80
3.3.1	The Role of NGOs in Housing.....	83
3.3.2	Advantages of NGOs intervention.....	85
3.3.3	Limitations of NGOs Action.....	87

CHAPTER FOUR: FINANCIAL RURAL HOUSING: THE KAUWI MAUNGANO HOUSING PROJECT EXPERIENCE

4.1	Introduction.....	89
4.2	Background to Study Area.....	89
4.2.1	Physical Characteristics.....	92
4.2.2	Demographic and Household Characteristics.....	94
4.2.3	Economic Base and Income Characteristics.....	95
4.3.	Rural Housing Conditions in Kauwi.....	97
4.3.1	General Condition of Houses.....	103
4.4	The Kauwi Maungano Project.....	102
4.4.1	Finance for the Project.....	111
4.4.3	Project Administration and Management.....	112
4.4.4	Project Programmes and Activities.....	114
4.4.5	Project Performance.....	124
4.4.6	Problems Facing the Project.....	126
4.5	Lessons Learnt from the Project.....	127

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1	Introduction.....	130
5.2	Summary of Findings.....	130
5.3	Conclusions.....	135
5.4	Recommendations of the Study.....	139
5.4.1	The Role of the Government.....	139
5.4.2	Integration of Actors in Rural housing Provision.....	141
5.4.3	Guidelines for the Establishment of a Successful Rural Housing Loan Scheme.....	142
BIBLIOGRAPHY.....		145
APPENDIX.....		152

LIST OF TABLES

Table 2.1	Kenya's Source of Housing Finance by Housing Type in 1983	38
Table 2.2	Approved and Actual Government Expenditure on Housing 1988/89 - 1992/93.....	40
Table 4.1	Age of Household Head.....	94
Table 4.2	Major occupation of Household Head...	95
Table 4.3	Respondents Monthly Income.....	96
Table 4.4	Condition of Houses in Kauwi.....	104
Table 4.5	Availability of Private Amenities.....	105
Table 4.6	Distance to Source of Water Supply...	106
Table 4.7	Housing Condition of Households in Kauwi Sub Location.....	107
Table 4.8	Sources of Housing Finance.....	108
Table 4.9	Distribution of Women Groups in Kauwi sub-location.....	109
Table 4.10	Disbursement of Loans to Kauwi Muungano Project by AIF.....	112
Table 4.11	Materials Produced 1992	116
Table 4.12	Distribution of Houses per village showing state of completion.....	119
Table 4.13	Distribution of Water Tanks and Stage of Completion as at 31.12.1993.	120
Table 4.14	Cross-tabulation: Source of Housing Construction Finance by Housing Quality	129
Table 4.15	Preferred House Size.....	131
Table 4.16	Priority of Spending Extra Income....	131

LIST OF PLATES

Plate 4.1	Traditional round house made of mud brick walls and a thatched roof.....	99
Plate 4.2	Rectangular house made of mud brick walls and a corrugated iron sheet roof.....	99
Plate 4.3	Rectangular house made of fired brick walls and a corrugated iron sheet roof.....	101
Plate 4.4	House made of Cement block/natural stone walls and a corrugated iron sheet roof.....	101
Plate 4.5	House made of cement block/natural stone walls and a tile roof.....	102
Plate 4.6	Production of Building Materials: See roofing tiles drying on the racks and the workshop in the backyard.....	115
Plate 4.7	House constructed with financial assistance from AIF.....	118
Plate 4.8	Water tank constructed with financial assistance from AIF.....	121
Plate 4.9	A modern commercial premises at Kabati township, Roofing materials for this building were supplied by Muungano Women group.....	122

LIST OF MAPS

Map 1: Kitui District : Geographical Location.....	90
Map 2: Kitui District : The map shows the location of the Kauwi Muungano Project.....	91
Map 3: Kitui District: Simplified ecological zones..	93

CHAPTER ONE: INTRODUCTION

1.1 BACKGROUND TO THE STUDY

The social and economic importance of improving the quality of housing and community facilities both as a goal in itself and as part of the overall process of national development is currently a major concern in most developing countries. The Global Strategy for Shelter to the year 2000 adopted by the General Assembly in its resolution 43/181 strongly urges governments to adopt an enabling approach towards the provision of shelter and services both in the urban and rural areas.

Despite this concern, housing conditions in rural areas of developing countries receive very little attention particularly if compared with their proportional share in total populations of these countries (Sterkenburg 1988). Housing developers have therefore tended to concentrate their development efforts in urban areas with higher priority being accorded to the major cities.

This urban bias is based on factors such as: the assumed better housing conditions *per se* in rural areas if compared with urban slums and squatter settlements; development policies that focus attention on economic growth especially production activities in urban centres; and the greater political influence of urban based segments of the population (United Nations 1974).

Consequent to this, rural housing finance has continued to receive a low priority in national economic plans. Rural housing suffers from low investment allocation due to lack of specific definition of rural housing for which Ministries of Housing are responsible; lack of a specific rural housing policy in effect at any level of government, even though such an outline may exist in national development plans; and even where rural housing receives priority in national development planning, the institutions to implement action in this sphere are not created, or the responsibility for rural housing is given to an urban institution already overwhelmed by its own problems (United Nations 1974 pg).

In its second National Development Plan (1970-74), the Kenya government sought to improve rural housing conditions through various means which included the provision of a higher share of housing development funds to rural areas; giving assistance to rural self-help groups, research into cheaper and appropriate building materials; and giving out of loans to rural households who needed help in housing provision. Research has however not benefited rural areas and only the last approach has been effected through the Rural Housing Loan

Scheme (RHLS) administered by the National Housing Corporation (Kiamba 1991).

Studies done on rural housing finance (Ngungu 1987, Kiamba 1991) do indicate that existing conventional housing delivery and financing systems have failed to effectively address the housing problems in rural areas. There hence has emerged a growing interest among researchers, academicians and planners, the need to examine the viability of non-conventional approaches to rural housing finance.

1.2 STATEMENT OF THE PROBLEM

Several reports have alluded to the poor condition of rural housing and community facilities as being the most important causes of poor health of inhabitants in rural areas. The very large number of people living in seriously deficient housing in rural areas will continue to grow as the population increases even if the rate of rural-urban migration increases since this is most likely to be exceeded by the rate of increase in rural populations for some decades.

In Kenya's National Development Plan 1970-74, the government did note that:

"Until rural incomes and expectations can be materially raised, so that rural families will actively demand housing of higher standards and more modern design, there is not much scope for housing development on the same basis as projected for urban areas"

(National Development Plan 1970-74 pg 516).

It need also be noted that even if rural incomes begin to rise, conditions will not substantially improve since experience has shown that in both developed and developing countries without some kind of governmental or other outside intervention it takes a significant increase in incomes of rural households as well as a considerable period of time to effect an improvement in housing in rural areas.

In developed countries rural housing has tended to be the last major commodity to be upgraded for masses of the population whereas in developing countries only exceptionally have they made as much effort to develop their rural sectors as their urban and industrial sectors (United Nations 1974).

This scenario calls for the development of specific rural housing financing strategies. Most of the existing housing finance programmes have been found to be both inappropriate and ineffective in rural areas. This is so because the socio-economic conditions in rural areas

differ widely with those in urban areas. In the economic sphere it must be appreciated that most of the incomes of rural people are not in monetary terms. Secondly, their incomes and savings do fluctuate more widely due to the seasonality of their agricultural production and marketing patterns. Culturally, rural communities are unused to money and hence the concept of due and regular payments does not exist. Loans are in some communities considered as gifts with no obligation other than gratitude or payment in kind at a latter date.

The above reasons together with a general lack of understanding of rural communities by conventional financing systems resulting from assumptions such as: existence of literacy; familiarity with fundamental aspects of finance; and the desire for housing improvement and their relationship to the general wellbeing results in the failure of conventional housing financing approaches in rural areas.

Other failures do result from the financing policy problems that do not take into account the special requirements of rural areas. These include: eligibility requirements that are too restrictive; high down payments; payment periods that are too rigid and not

synchronised with harvest and marketing periods; numerous defaults and ineffective collection procedures; higher interest rates in rural areas admittedly to cover higher costs and risks of collection.

In general the introduction of a modern system into an economically, socially and institutionally underdeveloped and sparsely populated setting lacking the elements essential for the smooth and effective operation of a conventional housing finance system has deficiencies and is faced with a lot of obstacles. Lack of information on housing needs and capital requirements; lack of sufficient rural financing institutions; absence of adequately trained individuals and the nature of land tenure may be cited as some of the these obstacles.

This creates the need to promote institutions at the community level to serve as channels for making credit available to local households. Greater mobilization of both men and women in meeting shelter and infrastructural needs of low income rural communities should thus be a priority in rural development.

The high potential of NGO's emanates from the fact that their objectives in the fields of housing are usually to cater for the needs of the low income groups

that are not - or insufficiently met by governments. Their efforts are basically aimed at covering the basic needs of the poor people and are characterised by small scale operations, an emphasis on personal relations and a strong belief that the participation of the target population is important in achieving their goals.

It must however be appreciated that even though gifts are not the solution to the housing problems of the masses, the very poor probably have to be subsidised and need help from outside agencies to organise themselves.

It need also be appreciated that a large proportion of the rural population in Kenya is made up of women. Women therefore shoulder most of the problems resulting from inadequate shelter and poor housing conditions in rural areas. Their full participation is therefore essential if attempts to improve current human settlements are to be successful. This study therefore seeks to address issues of their participation in housing construction, their access to housing finance and the constraints they confront in gaining access to credit.

1.3 JUSTIFICATION OF THE STUDY

Recent studies (Sterkenburg 1988, Kiamba 1991) do indicate that despite government effort to improve the quality of rural housing over 50% of rural households still live in poor housing. These houses lack basic amenities such as kitchens, toilets, bathrooms, portable water and many others.

In a study carried out in Machakos it was established that 52% of the houses had earth floors. 59% of the walls were made of wattle and mud; 23.4% of the roofs were made of grass and thatch; while 49.5% and 14.8% of the houses lacked bathrooms and toilets respectively (Kiamba 1991).

The realization of these poor housing conditions together with the need to address housing both as a social as well as an economic issue calls for unreserved efforts to try and alleviate the problems. The productive capacity of a country's labour force is related to the state of its health and the importance of good housing for workers is appreciated as much as decent living conditions conducive to good health.

There is need to appreciate the fact that housing is an important indicator of economic development and

accounts for a significant share in gross fixed capital formation. Investment in housing also has greater multiplier effects than investments in industry. These multiplier effects arises from the ability of housing investment to create more jobs: needless to state that housing construction and production of building materials is basically a labour intensive undertaking. Greater potential for the exploitation of local raw materials and resources also does exist.

Since independence housing finance has continued to suffer as a candidate for investment allocation against other activities such as education, water, health and national defence. In 1988, for example housing received a meagre 2.0% of the entire government budgetary allocation. This situation has not improved over the last decade and the allocation by 1992 had dropped to 0.35% (Economic Survey 1993).

At the national level housing development has shown a bias towards urban areas. The National Housing Corporation (NHC) places higher emphasis on urban schemes such as site and service; upgrading of slum settlements; mortgage housing and tenant purchase schemes. Between 1967 and 1986 the NHC had produced 47,491, housing units

of which rural housing received only 6,297 units or 13.3% of the total allocation. By December 1991 the number of houses produced through the RHLS were 7,499 valued at Kf13 million.

This shortage of government generated funds and the fact that rural households suffer from low incomes calls for the need to examine the effectiveness of other sources of rural housing finances, in this case donor agencies and other Non-Governmental Organisations (NGOs). As stated earlier housing research has only benefited urban areas at the expense of rural areas. It therefore becomes important to examine the utilisation of traditional skills and knowledge in tapping local level resources for housing development.

Past studies on housing have mainly been focused on urban areas and have dealt with issues such as slum and squatter upgrading, housing policy and problems of development control and housing finance in urban areas.

This has created a vacuum of literature on rural housing finance required by regional development planners in the formulation of rural housing policies and programmes. Even where studies have been done on rural housing focus has been on conditions and quality of

existing stock. This study will therefore aim at giving an insight to these existing problems.

1.4 OBJECTIVES OF THE STUDY

This study is broadly an examination of the various sources of rural housing finance in Kenya. The central focus is on a critical evaluation of non conventional approaches to rural housing finance. The role played by both Non-governmental organisations and women self help groups in the provision of rural housing is examined in detail.

To articulate the above, the core focus of this study is an assessment of the impact of the African Housing Fund (AHF) projects in the provision and improvement of housing as well as its contribution to rural development in general in Kauwi location of Kitui District. This broad framework forms the basis of the specific objectives stated below:

1. To examine the nature, quality and adequacy of housing conditions in the study area.
2. To evaluate the role played by the Kauwi Muungano Housing Project in the provision and improvement of housing conditions in the study.

3. To identify the factors that have either assisted or hindered the planning and implementation of the AHF project in the study area.
4. To determine whether the Kauwi Muungano Housing Project can be used as a prototype for planning rural housing projects in other parts of the district and the country as a whole.

1.5 STUDY HYPOTHESES

This study is based on the general hypothesis that "the success of any rural housing finance programme depends on its abandonment of conventional financing procedures". From this general hypothesis three specific hypotheses will be tested, these are:

1. The poor quality of housing in Kauwi sub-location is as a result of lack of suitable sources of credit finance for housing development.
2. The poor quality of housing in the study area is due to the low participation of women in community based self help shelter development activities.
3. There exists no significant difference in the quality of housing between household financed by AHF and those that have not been financed.

1.6 ASSUMPTIONS OF THE STUDY

This study will be guided on the basis of the following assumptions:

1. That a great majority of the population in Kenya currently lives and will continue to live in rural areas despite rural-urban migration since this is most likely to be outstripped by the rate of population growth in rural areas.
2. Governmental resources are strained everywhere and cannot be expected to effectively satisfy both the enormous infrastructural requirement on transportation, provision of portable water, sanitary, sewerage as well as the heavy financial demands of shelter development.
3. Any successful outside intervention towards the improvement of rural housing conditions is most successful when it targets on women. This is because the majority of the very poor, homeless and living in inadequate housing conditions in rural areas are women.
4. Non-governmental organisation (NGOs) are best suited to intervene in rural areas because they attract attention at the local, national and even

at the international level to the needs of the under privileged and promotes innovative ideas.

1.7 METHODOLOGY OF STUDY

1.7.1 Methods of Data Collection

This study utilised both secondary and primary sources of data.

Secondary data mainly entailed a review of existing literature aimed at formulating a theoretical framework upon which the study is based. These sources were instrumental in providing information on the present state of rural housing conditions, sources of housing finance and the current approaches on the role of women in development in general and shelter development in particular.

Data on the physical, climatic and the socio-economic aspects of the study area were also collected from secondary sources. The main sources of secondary data were libraries, government offices and other relevant institutions.

Primary data however formed the core of the study. Three main methods were used to gather data in the field.

These were:

- (i) Direct observation in the field.
- (ii) Use of informal/oral interviews with key respondents.
- (iii) Administration of an open ended questionnaire.

Direct observation was utilised to gather information on the visible variables that determine the nature, quality and adequacy of housing conditions in the study area.

Informal interviews were conducted with key respondents. These were identified to include officials of the African Housing Fund (AHF), community development officers, administration officials and members of the projects management committee. Other interviews were conducted with officers in other relevant institutions such as the National Housing Corporation (NHC), Housing Finance Company of Kenya (HECK) and Shelter Afrique.

In administering the questionnaire a stratified random sampling method was utilised. Samples were drawn from the seven villages that make up Kauwi sub-location based on the respective population sizes in the villages.

A total of 100 questionnaires were administered.

1.7.2 Type of Data Collected

The first objective of this study was to examine the nature, quality and adequacy of housing conditions in the study area. The data collected in this case was divided into two categories namely:

1. Assessment of the quality of the house
 - Nature of the structural elements of the floor, walls and roof in terms of the building materials used in the construction.
 - Number of windows.
2. Assessment of housing conditions in a broader sense.
 - Presence of a separate kitchen, bathroom and toilet.
 - Distance to water supply.
 - Inside living space and outside space in square metres per person.

For the second objective, that aimed at examining the role played by the Kauwi Muungano Project in improving housing conditions in the study area data collected included:

- the participation of the women in the planning, initiation, implementation, decision making and

management of the project.

- the role played by women in the construction as well as production of building materials.

The above data was also utilised for the third objective. In addition the socio-cultural aspects of the community that may contribute either positively or negatively to the success of the project were taken into consideration.

The various sources of housing finance in Kenya were examined at depth in order to establish their effectiveness in financing rural housing projects. The limitations encountered by these conventional approaches were identified and are articulated in chapter two.

In assessing the sustainability of the project the view that sustainability entails both replication as well as the ability of the existing project to continue operating even after the withdrawal of the donor agency was taken into consideration. Data collected in this respect included:

- the capacity of the project to generate its own income.
- the technical and managerial capacity of the women self-help groups to manage the project

independently.

- the resource base at the disposal of the women groups to enable them to undertake other activities.

1.7.3 Techniques of Data Analysis

Data has been analyzed mainly using the SPSS package. Various relationships have been presented using correlation methods. These include the relationship between source of housing finance and housing quality, income level and education level etc. The chi square (χ^2) test was used to test the correlation between housing quality and source of housing finance.

Most of the data analysis has however been done descriptively. This has been necessitated by the fact that a broad spectrum of the data/information collected, could not render itself to statistical manipulation.

1.8 OVERVIEW AND ORGANISATION OF THE STUDY

The study has been organised into three broad parts. Part I consists of chapter one. This sets the premise against which rural housing finance is examined. The main issues examined includes statement of the problem,

objectives and hypotheses of the study as well as a justification of the study. The methodology adopted and the limitations encountered during the course of the study are examined. The chapter ends by giving an operational definition of terms commonly used.

Part II of the thesis consists of chapters two and three. This forms the literature review. Chapter two addresses issues of housing finance in Kenya. It starts by giving the characteristics of housing finance, and the sources of housing finance in Kenya, both in the public and private sector. It then narrows down to address rural housing finance, the Rural Housing Loan Scheme (RHLS) and the limitations inherent in the application of conventional housing finance approaches in rural areas.

Chapter three focuses on the main actors in the provision of shelter in rural areas. The discussion revolves around the role of women and Non-Governmental Organisations (NGO's) in shelter development. Emphasis is placed on the participation of women in the overall development process, their participation in housing construction and building industry and community shelter programmes. The impact of housing policy on women is also examined in depth as well as issues that determine

or influence the access of women to Housing Finance.

The second part of this chapter discusses the role of NGO's in shelter development. The overall framework under which they intervene in the overall rural development process is analyzed. This section goes on to discuss specifically the role NGO's play in rural housing programmes. Lastly, the strengths and weaknesses of NGO's involved in shelter and housing development are discussed.

Part III of this study is composed of chapter four and five. Chapter four deals with the Kauwi Muugano Housing Project experience, an AHE project in Kitui District. It starts by giving a background to the study area in terms of the physical characteristics, demographic factors, economic base and rural housing conditions. It then goes on to discuss the project administration and management programmes and activities.

Chapter five gives the conclusion of the study findings and proceeds to propose recommendations based on the findings analyzed in Chapter four. The recommendations are given in respect of what the author sees as the potential role of the government, the private sector, women self help groups and Non-

governmental Organisations (NGOs) in financing housing in rural areas.

1.9 LIMITATIONS OF THE STUDY

In the course of collecting data for this study numerous limitations were encountered. First, the unavailability of necessary secondary sources of data was evident. This was attributed to the low priority that rural housing is given by private developers and in government planning and development policy.

Secondly, during the field survey the unavailability of the women or household heads within their homesteads necessitated that some of the households already sampled had to be overlooked. During the initial stages also, some of the respondents viewed the interviews with suspicion and consequently withheld some vital information. This problem was diffused by the use of a local guide who was well known by the local residents.

The study also suffered from limited time allocation. Data was collected for a period of one month only from 26th December 1993 to 24th January 1994. This meant that the researcher could not administer as many questionnaires as initially intended.

Lastly, measurement and determination of housing quality was another problem. Judgement in this case had to be objective. To handle this problem the researcher choose to adapt a housing quality score sheet used by other researchers in rural housing studies. This was found necessary for comparison purposes.

1.10 OPERATIONAL DEFINITION OF TERMS

In the course of this study the researcher has used some terms that may be interpreted differently by various readers. To avoid this likely misunderstanding the operational definition of these terms as used in the context are given.

Conventional Housing Financing is used to represent the formal housing finance system which is part of the economy's financial system. It is characterised by high eligibility requirements in terms of adequate level of income of the applicant, regular dependent income and need for a collateral in form of a chargeable property.

Non Conventional financing on the other hand implies any financing approach which, by modifying loan terms, guarantees, collateral and eligibility requirements, permits low income households to qualify

for, and to afford housing loans for which they would otherwise be ineligible due to their limited financial and socio-economic circumstances.

This study takes Shelter to represent the total environment within which individual human families have to live. This includes the dwelling unit and the accompanying community facilities and services, consisting of provision of water, waste disposal and sanitation.

On what is meant by "Adequate Shelter" The Global Strategy for Shelter to the year 2000 definition has been adopted. The definition states that "adequate shelter" is more than a roof over ones head. It means adequate privacy; adequate space, adequate light and ventilation; adequate basic infrastructure; and adequate location in respect to workplace and basic facilities all at reasonable cost". This implies that what is taken to be adequate shelter will vary between countries as well as between the urban and rural areas of the same country. Adequate shelter should therefore take into account the socio-cultural as well as the geographical and economic setting aside which different communities operate.

Housing Need and Requirements: The two terms housing

need and housing requirement are taken to be synonymous. According to the United Nations, housing requirement expresses the extent to which housing conditions fall below the norms or levels considered necessary for health privacy and development of hospitable family living conditions. Housing need also refers to the quantity of housing required to provide housing of given agreed minimum standards and above for a population given its household composition in terms of age, size etc, without taking into account the individual households ability to pay for the housing.

Housing need is thus a "social" concept and should be differentiated from "effective demand" for housing which expresses a desire for housing supported by the economic ability to satisfy this desire.

Rural Area: The definition of what constitutes or demarcates an urban area from a rural area varies widely between different countries. In Kenya an urban area is defined as any town with a residential population greater than 2000; the other areas are defined as rural. For purposes of this study however rural areas are taken to represent the population in the study area other than that in the trading centres and townships (Physical

Planning Department 1978).

Households: This refers to arrangements made by persons who are generally bound together by ties of kinship for the provision of essentials necessary for life. Members of one household normally reside together under one roof or several roofs in the same compound. They are answerable to one head and share a common source of food.

In this study emphasis has been placed on reliance on a common bread winner. It was therefore possible to distinguish two household within the same homestead or compound. Cooking arrangements within the homestead were therefore treated as a key guiding factor in distinguishing households.

Women groups in this study have been used to represent localised mutual associations of individuals formed to carry out community based self help activities. They are referred to as women groups because majority of their members are women. Even though men are allowed to become members they are not allowed to hold any leadership positions. In rural areas they are in most cases either family or village based.

Non-governmental organisations (NGO's) may be classified according to their extend of resource use and control as well as their actual organisational accountability. In this study NGO's should be seen as donor local organisations (DLOs). These are branches of international donor agencies whose management is appointed externally. All their resources are obtained from abroad though beneficiary communities may be required to provide local inputs.

CHAPTER TWO: HOUSING FINANCE IN KENYA

2.1 INTRODUCTION:

This chapter addresses the issue of housing finance in Kenya. It starts by giving an overview of the general characteristics of housing finance and goes on to discuss the various sources of housing finance both conventional and non-conventional.

The discussion does appreciate the almost equal share of housing finance market between the private and public sectors. Within the public sector the main issues discussed includes government participation in housing mainly through the National Housing Corporation (NHC) Private sector housing is on the other hand dominated by the Housing Finance Company of Kenya (HFCK) and housing co-operatives.

The chapter then goes on to give a detailed account of rural housing finance in Kenya. An attempt has been made to demonstrate the existing situation and analyses the contribution of existing policy on the present conditions. The Rural Housing Loan Scheme (RHLS) administered by the NHC is given a fairly thorough analysis. In conclusion, the limitations of

administering conventional housing financing approaches in rural areas are discussed.

2.2 CHARACTERISTICS OF HOUSING FINANCE

The basic characteristics of housing finance in Kenya like in other developing countries is that housing finance institutions need to lend relatively large sums for long periods mostly 15-25 years. This long repayment period is necessitated by the fact that the sums involved are large in relation to the income of the normal borrower. For the housing finance institution, this means that funds are locked in for this long period, because the amortization of principal is an extremely slow process.

The interest rates on long term funds forms the basis for the calculation of amortization payments. The interest charged is aimed at providing a return on the capital plus a rate which reflects the actual or expected inflation and a margin to cover the costs of administration by the financial institutions. In cases whereby the inflation rates are high interest rates will also be very high and long term finance will be practically unavailable. This militates against lending

to low income borrowers since higher administration costs resulting from the large number of potential small borrowers pushes up interest rates.

In providing credit therefore, most housing finance institutions are guided by the principles of minimising liquidity risk, guarding against default risk and ensuring loan portfolio returns commensurate with the cost of the funds and of institutional operation. Over emphasis of these principles have made lending policies very restrictive (Habitat 1989).

For example, the conventional mortgage which is most prevalent in many countries is characterised by:

- (a) Equated monthly or annual repayment instalments;
- (b) Fixed interest rates for the loan duration;
- (c) Long repayment periods of 15-30 years.
- (d) Requirements of free land title or long term leases.
- (e) Requirements of approved formal housing;
- (f) Debt entry into land register, a highly formalised legal procedure.

There also exists various restrictions and limitations in dealing with conventional housing finance

institutions. The conservative approach employed by these institutions in granting loans prevents them from serving the lower income households. These limitations may be said to be three tiered.

The first has to do with the lack of adequately developed housing finance systems especially in developing countries. While only a few institutions exist and mainly banks, mortgage banks and other financial institutions that generally have the charter for providing home mortgage finance are essentially moribund. Many of the financial institutions in the developing countries are poorly managed and this has created fear among savers and borrowers. For example in Kenya many of the NBFIs that had sprung up since 1978 are insolvent and in 1986 several of the larger ones collapsed. In Tanzania in early 1987 the main financial institutions had long standing arrears amounting to half their Portfolio, and implied losses were nearly 10% of GNP, while in Costa Rica Public banks which perform 90% of all lending, considered 32% of the loans uncollectible in 1987, implying losses of at least twice capital plus reserves (World Bank 1990).

The second category of limitations emanates from the restrictive nature in the criteria and terms of granting loans by existing housing finance institutions. These limitation arises from the existence of high eligibility requirements in terms of specified income levels of the applicant, regular dependable employment and the need to provide a satisfactory collateral in form of a chargeable property.

The income stipulated as "adequate" to qualify for a housing loan is very high relative to the income levels of the majority of the population. This bars 70-80% of the population access to housing finance and only a small, mostly urban, minority is actually eligible. This income criteria also excludes women more often than men, because of the low representation of women in formal-sector employment. In rural areas on the other hand most of the households are self employed in small-scale farming and businesses, activities that do not count as regular dependable employment to existing financial institutions.

Housing finance institutions are also characterised by very restrictive terms under which the loans are granted. These include:

- (1) The specification of a minimum or maximum size of a mortgage for home improvement or construction loan;
- (2) A down payment set at a particular percentage of the price of the dwelling;
- (3) A set maturity date in the future by which time the mortgage or the loan is to be fully repaid;
- (4) A predetermined rate of interest together with the manner in which it is to be received either simple or compound and whether quarterly, annually or monthly;
- (5) A predetermined size and frequency of amortisation payments;
- (6) The manner of collection and the penalties for arrears and defaults in payment.

(United Nations 1978: pg 12).

As observed from the above analysis, evolving housing finance approaches have eliminated majority of the people especially the low income wage earners and rural peasants from access to housing finance. The required down payment, usually between 25 and 40 per cent of the cost of the dwelling is beyond the available savings and marketable assets of a low-income applicant.

Similar to the privately sponsored housing finance institutions, government sponsored housing finance schemes for low income families are also beset with limitations to the exclusion of the majority of families from mortgage finance schemes. While government schemes have aimed at groups whose income levels are below those served by the private sector experience has shown that such schemes have concentrated more on the technical and organisational aspect of housing while the housing finance component has received very minimal attention. Such government schemes have also failed to reach effectively the targeted low income group but instead have benefited middle and lower middle income groups. This had been so because income level eligibility requirements have also been too high to include low income groups.

Savings-for-housing programmes also form an important component of the housing finance market in developing countries. Loan eligibility in these housing finance schemes requires that the applicant has a savings account in the lending institution and a regular pattern of savings. It need be noted that the access to funds accrued is only to those with a relatively stable income

who can initially make savings deposits and later make regular payments on their housing loans. This requirement implies that such an arrangement cannot satisfactorily serve the financial needs of the low income group much so the rural poor.

Housing co-operatives on the other hand have had little impact as far as housing finance is concerned. They have mainly addressed the needs of their members who are mainly the middle and upper income families to the exclusion of the poor.

From the foregoing, it is clear that conventional housing finance programmes currently dominate the housing finance market in many developing countries. The modes of operation and the environment in which they operate under has led to their omission of the housing finance needs of the poor.

Even where attempts have been made to serve the low income groups, this has been targeted mainly to the urban dwellers in complete disregard of the rural areas where over 70% of the poorest of the poor live.

2.3 SOURCES OF HOUSING FINANCE IN KENYA

As stated earlier, we can distinguish two approaches that are utilized in financing housing development, namely: conventional and non-conventional. The conventional sources of housing finance should be seen as the formal housing finance system that is part of the economy's financial system. These sources are characterised by high eligibility requirements in terms of adequate level of income of the applicant, regular dependable employment and the need for a collateral in form of a chargeable property. There also exists restrictive loan terms as regards the minimum size of loan for housing, high down payments and interest rates, regular schedules of amortization payments and maturity periods within which the total loan should be repaid.

Non-conventional sources on the other hand are characterised by a modification of the loan terms, guarantees collateral and eligibility requirements. This permits low income households to qualify for and afford housing loans. Not many of these sources are adequately developed and therefore their contribution to housing finance has been minimal. This section will therefore put emphasis on conventional sources of housing finance

available in Kenya.

It need be appreciated from the onset that there exists an almost equal share of the housing finance market between the private and public sectors in Kenya. This situation has resulted from government effort to provide housing to the disadvantaged groups that have been ignored by the private sector. Secondly housing finance in Kenya may be described as a "sellers" market. Private companies have therefore been able to lend all their income to middle and upper income borrowers where the risk of default is considered to be lower as well as administration costs per unit.

The level of financial infrastructure in Kenya is high compared to other sub-saharan countries. It consists mainly of:

- (1) the banking system
- (2) non bank financial institutions
- (3) public sector financial intermediaries

In 1989 for example the financial sector was made up of 24 commercial banks with 219 full branches, 71 sub-branches and 169 agencies and mobile units; 53 non bank financial institutions with over 100 branches countrywide; 37 insurance companies; 207 hire purchase

firms; 19 building societies and numerous savings and credit co-operative organisations (SACCO's) (Economic Survey 1992).

The existence of too many financial institutions implies that housing finance has to compete for funds with many other institutions. Many of these building societies are relatively young and unstable. By 1989, eight such building societies had been put under receivership creating untold suffering to both savers and borrowers.

In analysing the various sources of housing finance it is important to understand the relative importance of their contribution to total investment in housing development. The specific contribution of various institutions for 1983 are given in Table 2.1 below.

From the above commercial banks contributed 26.1% while the NHC, the central governments main housing investment agency contributed 11.9% of the total investment on housing. Co-operatives contributed a significant 18.3% whereas the HFCK and other non-bank financial institutions contributed 6.6% and 3.8% respectively. This however reflects housing construction

* sources of finance
 A - Commercial banks
 B - HFCK
 C - NHC
 D - Insurance companies
 E - Co-operatives
 F - Employers
 G - Relatives
 H - Others

Source: GOK - National Development Plan 1989-93

Market Sector		Source of Finance									
	TOTAL	A	B	C	D	E	F	G	H	I	TOTAL
Private individuals	100	30.5	8.1	4.2	1.9	4.4	22.8	10.2	7.1	10.8	100
Private developers	100	21.9	16.3	21.7	0.3	19.4	4.5	4.7	5.3	5.4	100
tenant purchase	100	1.1	5.8	25.9	-	1.1	6.9	1.1	5.2	52.9	100
Site and Service	100	22.9	2.4	8.4	-	1.2	37.4	6.0	6.0	15.7	100
Others	100	19.6	2.3	26.2	1.9	0.2	9.6	2.3	3.7	34.2	100
Total	100	26.1	6.6	11.9	1.7	3.8	18.3	7.3	6.0	18.1	100

Table 2.1: Kenya's source of Housing Finance by Housing Type in 1983 (Percentage Distribution)

in the formal urban sector. A significant contribution through informal housing and investment in rural housing through traditional methods has however been ignored, due to absence of data.

2.4 PUBLIC SECTOR HOUSING

The public sector in Kenya plays an important role in housing delivery as well as providing support for the private sector mortgage finance institutions. Its role in housing development should therefore be seen as being multifaceted.

The key actors in the public sector include the Ministry of Public Works and Housing, Local authorities, the National Housing Corporation (NHC) and the Housing and Building Research Institute (HABRI) at the University of Nairobi.

The Ministry of Public Works and Housing is charged with the formulation of Policy, setting housing standards, implementation of government housing programmes as well as giving overall guidance to the housing sector. On the other hand the HABRI undertakes research into the technical and socio-economic problems of low-cost housing. The researches aims at seeking

solutions to the practical problems of construction, site organisation and housing finance.

Due to limitation of funds the proportion of government revenue allocated to housing development and management has continued to show a declining trend. In the last five years for example government budgetary allocation on housing declined from 2.0% during the 1988/89 financial year to a meagre 0.35% in 1992/93. This is depicted in table 2.3 below.

The implication here is that housing has continued to be a low priority investment within government development policy.

Table 2.2: Approved and Actual Government Expenditure on Housing 1988/89-1992/93

YEAR	Approved Exp. in K£ Millions	Actual Exp. in K£ Millions	Approved Exp as % of Devt. Exp.
1988/89	19.18	14.18	2.00
1989/90	12.42	10.01	1.30
1990/91	11.50	14.66	1.18
1991/92	6.03	9.50	0.55
1992/93	4.16	-	0.35

Source: Economic Survey 1993

2.4.2 THE NATIONAL HOUSING CORPORATION

The National Housing Corporation (NHC) was established in 1967 through an act of Parliament "the Housing Act chapter 117 of the Laws of Kenya" to take over the operations of the Central Housing Board, after recommendations by the UN special Mission on housing to Kenya in 1964 and 1965. The transformation of the central housing board to NHC was based on the need to establish an independent body quite separate from the Ministry capable of giving support to a wider field than just local authorities and to undertake projects of its own.

The NHC is the governments chief agency in housing development and falls under the Ministry of Public Works and Housing. Through the NHC funds intended for low cost housing are channelled to local authorities, housing cooperatives, other housing development agencies and even private individuals. The NHC gets its funds from government budgetary allocations, external funding (borrowing) as well as the repayment of principal and interest by local authorities, companies and individual accounts.

The main functions of the NHC are:

1. It acts as a agency for transmitting loans from the Ministry of Public Works and housing to local authorities for development of low cost housing in towns and to individuals in rural areas for the development of housing on their own farms and in their home areas.
2. It provides technical assistance in form of designing, tendering and supervising construction for those local authorities inadequately staffed with the necessary technical personnel.
3. It develops and manages housing estates in order to supplement the capacities of local authorities concerned to meet the demand for housing in areas whereby the local authorities are unable to initiate and manage housing estates themselves.
4. It supports and encourages the development of better housing construction techniques, designs and utilization of appropriate and cheaper building materials through the Housing and Building Research Institute (HABRI) of the University of Nairobi.
5. It undertakes to stimulate greater participation of the private sector by developing mortgage housing

estates with mortgage loans being provided by HECK. In this way it acts as an estate developer for mortgage housing schemes which are designed to meet the demand for housing by middle income groups.

The NHC undertakes five different types of housing development programmes. Four of the schemes are mainly urban oriented, namely: Site and service schemes, Tenant purchase schemes, Mortgage housing Schemes and rental housing. There is only one rural programme, the Rural Housing Loan Scheme.

(a) Site and Service schemes

This involves the provision of partly completed housing units with basic infrastructure. Each housing unit initially consists of a wet-core, shower, kitchen and two habitable rooms. The NHC also provides a materials loan in some cases depending on the availability of funds. The loan is repayable over a period of 20 years.

The eligibility criteria for this type of housing is for households with family incomes of between Kshs 800 and Kshs 1,500 per month. By the year 1986, a total of

19 622 units had been provided at a total cost of K£17,938,116. There are a total of 31 site and service schemes.

(b) Tenant Purchase Scheme

In this category the NHC develops houses and applicants are required to pay a deposit. No collateral is required and the purchasers become owners of the houses after completion of the total payment. Currently such schemes are being developed in slum upgrading regions, first preference being given to the displaced occupants. Since its inception the programme had produced 7763 houses at a cost of K£11 481 802 by 1986.

(c) Mortgage Housing Scheme

Under this scheme the NHI develops houses and helps those who qualify to get finance from a financial institution for the purchase of the houses. In most cases finance is arranged with the HECK. Repayment periods for this category are normally 15-25 years. By 1986 a total of 1,864 units had been developed at a value of K£ 1,264,265.

(d) Rental Housing

Rental housing schemes are developed by the NHI in conjunction with various local authorities. The schemes are managed by the local authorities as collection agents or directly by the NHI. In certain cases some local authorities have bought units. The NHI initially charged an interest rate of 8% to the councils who are expected to charge 8 1/2 per cent in order to cover their administration costs. These charges have however changed. By 1986, the NHI had spent a total of K£ 16,717,667 to develop 11, 944 units.

(e) Rural Housing Loan Scheme

This scheme aims at encouraging home ownership in the rural area. Loans are given to interested rural dwellers who meet the eligibility criteria. The maximum loan ceiling is Kshs 100,000 or 50% of the construction cost whichever is less. Since its inception in 1967 the NHI had given loans to 6297 applicants valued at K£19,474, 727 by 1986. A detailed discussion of the RHLS is given later.

From the foregoing it can be noted that the NHI places higher emphasis on urban schemes such as the site

and service; tenant purchase scheme, Mortgage housing and tenant purchase schemes.

Out of the 47,491 units developed by the NHI between 1967 and 1986 rural housing received only 6 297 units or 13.3% of the total allocation. This low allocation to rural housing is a reflection of the low priority given by government policy to rural housing development.

2.5: PRIVATE SECTOR HOUSING

The private sector in Kenya is mainly involved in medium and high income housing even though some co-operatives are engaged in low income housing. The main sources of private sector housing finance includes

- (a) Building societies and related organisations such as the HECK, EABS and S & L (K) limited.
- (b) Commercial banks
- (c) Insurance companies
- (d) Co-operatives
- (e) Private organisations as employers (involved in employee housing)
- (f) Private individuals

The financial organisations/institutions involved in mortgage lending are registered under the Banking Act,

Companies Act or Building Societies Act. Those registered under the Companies Act lend for housing purposes only. A number of institutions are however engaged in the development of their own projects. An example is the HFCK through its subsidiary the Kenya Building society and the EABS through Akiba building society.

Even though, all the above institutions have continued to play an active role as sources of housing finance this section will endeavour to discuss the contribution of only two sources; the building societies specifically the HFCK and Housing Co-operatives.

2.5.1. HOUSING FINANCE COMPANY OF KENYA

The housing finance company of Kenya (HFCK) is the largest Mortgage finance company in the country. It was incorporated in December 1965 as a joint venture between the Kenyan government and the Commonwealth Development Corporation (CDC) of Britain. At the time of incorporation equity was held at 60% by the CDC and 40% by the Kenyan government.

In 1970 equity holding changed and the Kenya government became an equal shareholder with CDC on a 50

to 50 basis. Through the ongoing government privatization policy the HFCK floated 18 million shares for sale to the public in 1993. This enabled it to raise Kshs 126 million in additional capital and changed the share holding such that the government and CDC each holds 30.4% and the balance 39.2 % is held by the public.

The formation of the HFCK aimed at encouraging private sector involvement in housing development. The main objective was to implement and supplement government policy by promoting savings and providing mortgage facilities to the Kenyan public.

Mortgage lending by the HFCK was initially restricted to zoned residential areas in Nairobi and Mombasa. This trend has however changed and lending has been extended to other urban centres countrywide. At inception also the HFCK did not directly undertake the development of housing estates. It did however facilitate development by guaranteeing the availability of end funds to prospective buyers and provided mortgages to house purchasers who required and qualified for the loans. Presently, it is however involved in the development of housing through its subsidiary the Kenya Building Society (KBS).

The institution was thus started to promote thrift and home ownership by individuals with the ultimate objective of improving shelter conditions of the people and assisting in increasing the countrys' housing stock. In doing so, the HFCK is expected to provide housing finance, assist in project preparation and provide guidance and management expertise needed for housing development through the encouragement of house ownership by avoiding landlord financing.

The HFCK also promotes the flow of savings both private and public through the provision of saving and deposit accounts and the acceptance of and administration of a provident fund. It also provides housing development Bonds (HDB's) designed to direct funds to housing by giving very attractive rates.

Typically, the HFCK advances between 60 to 90% of the total cost or value of the house to which there is a clear title. If the property is a leasehold the lease should run at least 10-15 years after the loan is paid off. Loans advanced ranges from a minimum of Kshs 22,500 to Kshs 600,000 and the monthly repayment (redemption plus interest) should not exceed 25% of the borrowers monthly income. There exists an interest differential of

3-4% which compares favourably with those applied by banks and other financial institutions.

2.5.2. HOUSING CO-OPERATIVES

Housing cooperatives includes a wide range of institutional arrangements for collective provision of non profit making housing. They may also be described as collective self-help and mutual assistance groups, social housing or housing associations. Despite their immense potential they are among the most under utilized in raising housing finance..

The International Labour Organisation (ILO) in its recommendation 127 defines a cooperative as:

"an association of persons usually of limited means, who have voluntarily joined together to achieve a common economic end through the formation of a democratically controlled business organisation, making equitable contribution to the capital required and accepting a fair share of the risks and benefits of the undertaking".

Most of the cooperatives are registered under the Cooperative Act or other similar legislation. To avoid these tedious legal procedures informal groups in housing development have been treated as sufficient. Interest on mutual self help groups in developing countries has come about partly because of the failure of other systems of

housing delivery to provide sufficient housing of an adequate standard in urban areas as well as the existence of a tradition of collective support in rural areas (Habitat 1989).

Housing cooperatives have an advantage in that users participate in the provision of their housing; they also do help in the mobilization of skills of the community and its financial resources for housing delivery. In rural areas they provide the collective security which can substitute for the often non-existent title deeds and the traditional reluctance to repossess somebody else house.

In Kenya the main priority for cooperative development is on small holder agricultural sector, the promotion of savings and credit societies, and cooperative housing for workers (Sessional paper no. 14 of 1975 on Cooperative Development Policy for Kenya pg. 12). This was in support of an earlier assertion in Sessional paper no 5 of 1966 which stated that:

"Kenya has a number of good cooperatives that can be used to finance housing for their members" (GOK 1966 pg 4).

Despite this realisation, the growth of housing cooperatives has been a very slow process. By November

1977, only 22 housing cooperatives had been registered. By 1983 over 70 housing cooperatives had been registered. Eight of these were religiously based within the Islamia community and had managed to provide 1500 units in urban areas by 1983 (Gatabaki Kamau 1985).

Security for Mortgage loans to rural housing has always presented a problem in Kenya due to the absence of clear title deeds and difficulty of establishing the value of property even when other conditions are fulfilled. Housing cooperative societies and other groups with a common bond may serve as a catalyst in facilitating loans and assisting with technical and administrative tasks.

Where they have been tried housing cooperatives in Kenya have proved successful as a non-conventional approach to solving housing finance problems. Two examples are worthy mentioning: In the Gikomba cooperative society loans were advanced by the NHI and guaranteed by the Nairobi City Council. No title deeds were required for the loans, interest was low and covered the total cost of construction money raised from savings and rentals was utilized to build more houses. The NCCK also gave interest free loans with flexible repayment

schedules to the Huruma self help building groups. The groups consisted of unregistered self help building groups and loanees did not have proper title deeds. This indicates that given initial capital, even the poorest of the poor have the capacity and potential to construct decent houses. (HABRI - University of Nairobi 1983).

Housing cooperatives are however beset with problems. These include lack of suitable and affordable land; lack of finance - their weak financial base implies that internal sources such as membership fees; share and other contributions may not be adequately met. There is also lack of technical, managerial and administrative knowledge especially among the low income urban dwellers and rural peasants.

Housing cooperatives in Kenya have also tended to be of "limited objective" type. This implies that they dissolve after meeting certain specified objectives such as acquiring of land, its subdivision and soliciting of funds for housing construction (Muller 1978).

2.5.3 NATIONAL COOPERATIVE HOUSING UNION (NACHU)

The NACHU was formed to assist and supervise housing cooperatives in all their technical, managerial and legal aspects. The union also advances mortgages to low income groups that do not have access to mortgage loans through the mainstream Housing Finance Institutions.

NACHU plans and develops feasible housing schemes for low income workers and assists them to secure finance. It also provides them with simple management services.

In the 1979-83 plan period, housing cooperatives were expected to develop 9 520 new housing units with assistance from NACHU. This expectation was not however realised due to shortage of funds. In 1984, the Kenya government entered into a loan agreement of Kshs 304 million with the USA government. Part of this loan amounting to Kshs 56 million was to be spent under the NACHU programmes. This saw the mushrooming of new housing cooperatives and by December 1985, 30 new housing cooperatives had been registered.

In assisting the housing cooperatives NACHU aims at promoting viable low income housing cooperatives. Low income housing cooperatives have however got to encounter

four basic problems.

The first has to do with their limited financial bases. This makes it difficult to mobilize adequate finances from members. Misappropriation of the little acquired funds has also been rampant due to loopholes created by badly kept books. Secondly due to their nature of organisation housing co-operatives are more easily affected by political interferences.

The high levels of illiteracy among members has resulted into over ambitious and unrealistic expectations. This creates apathy with the society when expected benefits are not seen to be forthcoming. Lastly, housing cooperatives are faced with legal problems. They operate under the co-operative societies Act 1972. At the time of its last revision there existed only one housing cooperative - The Gikomba housing cooperative. This implies that the special needs of housing cooperatives were not addressed adequately.

2.6 RURAL HOUSING FINANCE IN KENYA

2.6.1 THE DEMAND FOR RURAL HOUSING FINANCE

Shelter problems in rural areas result from a number of factors. These include the fact that rural communities are characterised by low or non-existent incomes, insecurity of tenure and landlessness. Restrictions on loan facilities deny the rural poor access to housing credit to improve their housing.

According to a United Nations Mission to Kenya on housing in 1965, rural housing conditions in terms of extra units required were estimated to be five times greater than in urban areas. There exists no serious problems of overcrowding but the major concern is one of the need to improve existing standards. (Sessional paper no.5 of 1966).

In the 1970-74 plan period it was estimated that 50,000 new units would be required annually to meet rural housing requirements. During the 1979-83 plan periods 90,000 units were required annually to meet additional demand and 125,000 units to replace existing housing stock beyond repair. The requirement for additional housing units in rural areas has therefore continued to grow. The National Housing strategy for Kenya 1987-2000

report project that the total rural housing need was 254,000 units annually of which 192,000 was to be of new units. This was to grow to 312,000 units by the year 2003 while the need for new units was expected to rise to 267,000 in the same period.

2.6.2 THE RURAL HOUSING LOAN SCHEME (RHLS)

The Rural Housing Loan Scheme (RHLS) is administered by the NHI. The scheme was started in 1967, with the aim of assisting low income households in rural areas to build better housing. This was in response to the recommendations of the United Nations Mission to Kenya in 1969 (Bloomberg 1965).

In its findings the mission did report that housing needs in rural areas were 5 times greater than in urban areas. Other than improvement 40,000 units were required annually to cater for increase in households. This had risen to 90,000 units by the 1979-83 plan period.

The scheme provides loans to individual house builders up to a maximum of Kshs 100,000 or 50% of the construction cost whichever is less. In granting loans the NHI demands that the applicant meets various conditions as enumerated below.

(a) Conditions Governing the Granting of RHLS by NHI

1. Applicants are required to produce proof of income either by producing a letter from their employer (if in employment) confirming gross monthly income or Income Tax Assessment form for the past two years or Bank Statements for the last six months.
2. For the applicant to be considered the value of both the work done and materials on site should be about 50% of the estimated cost of the house.
3. Loans are granted to those over 18 years of age provided that at the expected loan redemption, the applicant shall not be over 55 years old.
4. The loan advanced is repayable over a period of 10 years, the corporation may however fix shorter repayment periods depending on the age of the applicant.
5. The maximum loan advanced to rural applicants is Kshs. 100 000.
6. The applicant must produce two copies of the building plan of the proposed house and photographs showing the stage of completion.
7. On receipt of an offer for a loan the applicant must provide a security to cover the loan. The security

must be in the form of the title deed of the plot where the house is being constructed or any other title deed available. A second charge over mortgaged property is also acceptable.

8. After allocation, the loan is released to the applicant less legal and inspection (and valuation costs where applicable) provided that a charge in favour of the corporation has been registered or in case of guarantees, the legal requirements have been completed.
9. The applicants must declare whether they have any other residential houses in rural areas. This information is verified by the corporation at the time of carrying out inspection.
10. Loans are granted on "first come first served" basis.
11. The allocation of funds is subject to the availability of adequate funds and the corporation is not duty bound to every applicant who qualifies.

(b) Administration of the Rural Housing Loan Scheme

Application forms are supplied by the corporation on receipt of an application fee of Kshs. 150 either in cash, money order or bankers cheque. Upon receipt of the

completed application forms the corporation conducts inspection to determine whether 50% of the construction has been done. All the successful applicants are then entered in a waiting list prepared according to ones district.

Loans are then allocated depending on the availability of funds to the first in the waiting list. The number allocated to each district depends on the assumed needs as determined by the NHI.

Successful applicants are then required to abide by condition 7 as stated above. The loan is then released to the applicant less legal fees and inspection costs.

(c) Achievements of the Rural Housing Loan Scheme

Since its inception in 1967 the scheme had advanced loans worth over Kf 13 millions to 7499 beneficiaries by december 1992. Not all qualified applicants have been able to receive loans due to shortage of funds. In the last 10 years for example funds were allocated to only 32% of the successful applicants as shown in table 2.4.

Table 2.3 Number of Successful RHLS Applicants
1982-1988

Year	No. of Qualified Applicants	No. of Successful Applicants	Percentage
1982	847	588	31.8
1984	1635	381	23.3
1985	1434	352	24.5
1986	1022	731	71.5
1987	1082	532	49.0
1988	1264	96	7.6

Source: NHI annual reports 1989.

(d) Limitations Facing the Rural Housing Loan Scheme

The administration of the Rural Housing loan Scheme is faced with various problems. These problems do limit its performance in meeting housing finance requirements in rural areas.

The first problem is related to the lack of adequate finances. Most of the funds advanced to the NHI either from the government or donor agencies are directed towards development in urban areas where the housing problem is seen to be more acute in within government housing policy cycles. The allocation of funds for rural housing development are so low relative to demand that no reasonable improvement can be expected.

Secondly the highly restrictive loan conditions set by the NHI do ignore the socio-economic conditions under which rural communities live. Incomes of rural communities are seasonal and depends on the presence of a good harvest since over 70% rely on agriculture with no salaried employment. They lack title deeds and other forms of chargeable property for use as security. This excludes the rural from housing finance. The RHLS has therefore been accused of benefiting mainly the rural elite and urban wage earners.

The organisation and administration of the scheme has deficiencies which have impeded the efficient implementation of the programme. The NHI is essentially an urban institution and places more emphasis on the four urban schemes mentioned earlier in section 2.4.2. The RHLS is only treated as a section under the personnel and Administration department. This is a reflection of the low priority attached to rural housing.

Fourthly, the NHI is not represented at the district level. This implies that interested rural households must travel to the few regional offices creating a lot of inconveniences.

There also exists lengthy loan application procedures and at times waiting periods of up to four years have been reported. Building costs have been rising steadily over the years and thus loans granted after these long waiting periods to complete the construction of the house as per the earlier estimates.

The above reasons therefore do limit the successful administration of the RHLS and other conventional housing finance schemes in rural areas.

CHAPTER THREE: ACTORS IN RURAL SHELTER

PROVISION

3.1 INTRODUCTION

Kenya's development strategy since independence has placed very little emphasis on the improvement and development of rural housing conditions. Existing government policy on shelter development has been basically one of constructive non-intervention. As noted in the first National Development Plan 1964-70, which stated that:

"the major part of rural housing must continue to be built, as in the past by rural communities themselves and mainly with local raw materials."
(National Development Plan 1966-70 pg 336).

The situation did not improve much and the 3rd National Plan did note as part of the governments basic strategy on housing that:

"The Government programme must concentrate on urban areas for the time being, rural housing must be left primarily to private and self help efforts which have been able to maintain the number of houses required though not to improve their sizes and increase their amenities"

(National Development Plan 1974-78 pg 18).

As noted in the two National Development plans, apart from some very small financial support from the government, and poorly coordinated efforts by a few

agencies, shelter development in rural areas has been left increasingly to individual house owners. The production of dwelling has been done mainly by the local people themselves either individually or through self help activities utilizing traditional raw materials.

The traditional shelter so provided in any given area has been a reflection of the cultural heritage of the people, their lifestyles and available construction materials. Traditional building styles however do have disadvantages. The structures produced to require frequent maintenance such as the replacement of grass and thatch roofs every three to five years. They also provide a poor health and hygienic situation because of the presence of disease causing insects harboured in the earth floor, mud walls and thatched roofs. Traditional housing structures are in most cases poorly ventilated and are frequently gutted down by fire.

Rural shelter problems have therefore continued to persist due to lack of agencies involved in their improvement as well as numerous other factors that include: the dominance of an economy characterised by low or non existent cash incomes; insecurity of land tenure and landlessness among the rural poor; shortages in

traditional raw materials resulting in increased construction costs; shortages or the non availability modern building materials, tools and skills; socio-cultural constraints and the existence of an unclear national commitment to improving rural shelter conditions.

Traditional building materials have also become scarce due to campaigns against their use by environmentalists. Modern building materials are also in short supply and increasing costs militate against their utilization. There also exists socio-cultural constraints that increases the demand for housing. Local customs among the Kamba require that males over 15 years and the circumcised construct their own shelter. There also exists an unclear national commitment to improving rural shelter conditions.

It is therefore worth noting that housing construction in the rural areas has continued to rely heavily on individual households and the assistance from self help groups. Most of the houses constructed utilizes traditional building styles and produces houses of a low quality. The houses require frequent maintenance and presents an environment of poor health. Insects harbour

in the cracked floors, mud walls and thatched roofs. The ventilation is poor and fire hazards are common.

As mentioned earlier the restrictive loan practices of conventional housing finance institutions bar the rural poor access to housing credit. Most of the finance available is thus from informal arrangements apart from the Rural Housing Loan Scheme (RHLS) administered by the NHI whose administration is discussed below.

In view of the above it is unlikely that formal housing production systems will ever produce adequate and affordable housing for the poor especially in rural areas. The major obstacle is the lack of financial resources and few governments of developing countries can claim to be capable of dealing with the central issue of shelter finance particularly housing for the poor. Reliance on self-help and other non-profit making shelter production processes may be a successful alternative.

3.2 WOMEN IN SHELTER DEVELOPMENT

Studies on women in development (Purcell, 1983; Boserup, 1970; Tinker, 1976) do document their substantial contribution to development in general and shelter development in particular. These studies refute

the extent to which development "trickle down" to affect the employment, incomes, workload and gender living conditions of women. They do advocate for a "people oriented" "gender aware" approach that will avoid most of the unintended negative consequences of development efforts. The participation of women in the policy and decision making process; ensuring their access to credit and housing finance as well as land and security of tenure is thus vital (Habitat, 1986).

The need to incorporate women in any housing programme meant for rural areas arises from two major premises; one, housing because of its cultural patterns and biological factors of reproduction has greater significance for women than men and secondly, women contribute significantly to shelter development through their paid and unpaid labour (Habitat, 1988). According to Moser and Chant (1985), the fundamental role of women in the provision of shelter and infrastructure is as the major users and consumers. Consequently, they are usually more committed to the success of housing projects by the enthusiasm to participate in housing construction. The nature of their participation vary according to cultural, social, political and economic characteristics of the

society.

Various countries of the world including different world bodies have acknowledged the significance of the role played by women in development and have devoted considerable attention to women's contribution to economic progress and shelter development. For example, the Global Strategy for Shelter (GSS) to the year 2000 in its paragraph 19 did note that:

"in addition to actors already involved in the shelter production process, an important place must be found for the integration of the potentially powerful but hitherto excluded contribution of women". (Habitat, 1991).

This was in response to the realization that women are subject to special constraints in obtaining adequate housing finance and in participating in human settlement development efforts at all levels. While some of these constraints are as a result to gender discrimination, others are as a result of their severe poverty, their lack of education and training and their double and at times triple burden as housewives and workers in the formal and informal sectors of agriculture, commerce and industry.

It is therefore important, to enhance women

participation in shelter and infrastructural management in rural areas since they shoulder most of the problems resulting from inadequate shelter and infrastructure. Women build or help build shelter for their families and are responsible for their upkeep. They walk long distances to fetch water and collect firewood and in absence of reliable means of transport carry all what is bought and sold to and from market centres.

Despite this realisation women are in most cases left out in community shelter programmes because their needs and potential contribution are not taken into account in the formulation and implementation of relevant programmes and projects. The marginalization and lack of recognition of women's contribution to shelter development emanates from the fact that solutions aimed at ensuring their incorporation often involve problems outside the scope of the project (Habitat, 1988:OECD, 1984).

Development programmes therefore do address the economic needs of women less adequately as they do those of men. According to Buvinic (1984) project interventions aimed at assisting women involve welfare objectives while women needs call for increasing their

productivity and incomes. Such projects are mainly the brainchild of welfare and relief oriented women organizations and as noted by Buvinic:

"the women based institutions that are chosen to implement women projects are organisationally capable of executing welfare projects, but not production oriented projects. Since these institutions want to execute successful projects their most rational option is to translate these production objectives into welfare actions". (Buvinic, 1984 page 13).

On housing design and planning women as the primary users of shelter and infrastructure can proffer basic information on societal needs yet they are seldom consulted for their views. Their exclusion from the design and planning process has the effect that women have to adapt to the design instead of the design reflecting their needs (Aghola, 1989). This exclusion is not justified nor collaborated by history. As noted by Cole (1973); Reiter (1975) and Torre (1977) women in almost all early civilizations have been original builders. In contemporary developing countries they still play an active role in house building.

Women also engage either in groups or cooperatives in the production of building materials despite their limited access to capital required for such activities. Examples of their participation are to be found in

Mozambique, Malawi, Kenya, Sri Lanka, Nigeria and Zimbabwe.

Their role in the construction and maintenance of the housing stock has in most cases gone unnoticed and consequently unrecognized. Women play both direct and indirect roles at construction sites by either drawing water and providing supportive facilities. Through training in masonry, carpentry, plumbing and other construction jobs women have demonstrated their ability to put up shelter on their own. In Panama the Women Self Help Construction Project (WSHCP) helped put up 100 houses that were shared among the participants (Girling, 1983). The maintenance of housing dwellings and the immediate environment was for a long time been regarded as the duty of women, (Chant and Moser, 1985). They have for a long time been responsible for the repair of houses and infrastructural facilities within the neighbourhood.

3.2.1 WOMEN PARTICIPATION IN COMMUNITY SHELTER PROGRAMMES:

The participation of women in shelter development can be said to be multifaceted. As stated earlier the role that they play in the construction industry mainly

varies with the cultural belief systems of the communities they belong to. Where cultural constraints prohibit their involvement in outside activities, their contribution is primarily centred on the improvement of the family shelter unit and of infrastructure in the immediate neighbourhood. Their contribution to shelter development is therefore mainly through the family and the community. They also do participate in the informal and formal construction-sector labour force mainly as workers (Ross Frankson, 1987).

Rural women are mainly agricultural workers. They make 50% of the worlds adult population and contribute one third ($\frac{1}{3}$) of the total working hours. Despite this they earn a mere one tenth ($\frac{1}{10}$) of total worlds income and own a meagre one percent (1%) of the worlds wealth. This scenario creates a situation of extreme poverty that leaves little time for any but the most basic survival strategies (Carr, 1985).

Though there has been little contribution in terms of researchers into women's housing conditions and their participation in shelter development, current developments do promise a growth in literature (Agbola, 1989). This growth may be attributed to the UN

International Year of Shelter for the Homeless (IYSH) which was called in 1987 to address the situation of one quarter of the worlds population who live in inadequate shelter and unhealthy environments, a majority of whom are women.

Existing literature does document the various contributions of women in shelter development. A conference on "Women and Shelter in Eastern and Southern Africa" held in Harare, Zimbabwe in 1987 did document the roles played by women in housing construction and the numerous problems faced by rural women in regard to land tenure and legislation as well as access to housing finance.

In Botswana for example women do most of the traditional building roles, walls, thatching, finishes and maintenance, while men do the roof structure. In Malawi, women traditionally transported materials to the site, fed men and did finishes and maintenance. In Kenya, women in agricultural communities collected the thatching materials (and in some cases did the thatching) for walls and floor finishing and building maintenance. In pastoral communities such as the Masaai's women were responsible for the construction of the whole house

(Habitat, 1990).

Presently women participation in rural shelter development may be seen through self help activities and housing cooperatives. The Malawi government has a rural housing project that provides credit and technical support for improved rural housing. The project directly encourages women participation by training them as artisans. In Kenya there exists over 1000 women mabati groups spread throughout 31 districts. These groups get very little outside support in form of training and technical assistance. In central province alone the existing 381 mabati women groups have been able to built over 35 000 houses (Agbola, 1989).

The above analysis is a clear manifestation of the great contribution of women in shelter development.

3.2.2. ACCESS OF WOMEN TO HOUSING FINANCE

The access of women to credit in general and housing finance in particular is rarely documented. Their participation in housing finance however takes a multiplicity of forms and has a broad range of implications.

First existing financial policies employed by governments and the extent of women participation in their formulation and implementation affects their access to employment, income and services and influences investment in housing. According to a world survey in regarding the role of women in development (UN, 1984) policies advanced to fight poverty employment and income distribution are mainly regressive on poor women (Habitat, 1988).

At the micro level the rules and procedures employed by financial institutions in giving loans, mortgages and other forms of credit are discriminatory against women. This creates the need to identify obstacles facing women access to housing loans.

The growing recognition of the role of women in agricultural production has resulted in emphasis on the provision of credit being placed on agricultural credit. On housing focus has been on the provision of financial support for owner construction of dwelling units.

Despite this growing concern, the access of women to credit finance is faced with numerous constraints. Inheritance rights in many African societies either legally or by cultural practice are vested on men only.

Women must therefore obtain collateral from their husbands. Their need for small loans makes them unattractive to financial institutions and their low education level limits them from pursuing alternative sources of credit.

This scenario calls for the need to establish alternative approaches aimed at improving women access to credit finance. These may include credit for building materials production by women group and training in marketable construction skills. Such approaches should aim at increasing their income levels and credit worthiness. Eradication of discriminatory practices that exist between men and women and between urban and rural women would also help improve their access to credit finance.

3.2.3 PROBLEMS FACED BY WOMEN IN REGARD TO HOUSING FINANCE

According to Hayanga (1986) the constraints faced by women in gaining access to housing finance are three fold. There exists problems that emanate from the characteristics of women groups themselves; those that are caused by government policy, restrictive and

discriminatory regulations; and lastly those that emanate from the operational practices of financial institutions.

Women groups in rural areas are characterised by massive poverty and illiteracy among members. They lack education, property and incomes and consequently have no savings. They have little access to information regarding housing finance and their ability to formulate viable projects is also very low due to educational background and work experience.

Their traditional role in subsistence agriculture and other mundane jobs that require little technology leaves them with very little time to acquire new skills. Contemporary society gives them low wages, low status jobs in unstable employment opportunities and consequently treats them as secondary income earners.

Women organisations also lack the legal status (i.e. legal entity of their own like companies and cooperatives) required by financial institutions before granting loans. These institutions also fear men's interference in projects that are initiated by women.

On the other hand constraints that emanate from the government are basically institutional, legal and procedural. The status of women is at times equated to

that of minors and many a times the approval of spouses is sought when applying for loans. These discriminatory practices creates a significant lack of representation of women among borrowers. For example women borrowers have received only 15% of the approved individual loans from HECK. A survey of married owner occupiers in 1971 who had received mortgages found out that 42% had the homes registered in their husbands name and only 5% in the wives name , the remainder were registered as joint mortgages.

There is also a general lack of political will and commitment to change policy which excludes women from the mainstream development programmes and projects. It is surprising to note that even training programmes in women initiated projects excludes them in preference for men.

The restrictive loaning practices of conventional financial institutions also limit if not completely exclude women especially the poor from housing finance. Women lack property and other forms of collateral and financial institution demands the consent of the husband for married women.

Loan application procedures are lengthy and complicated and this imposes a time constraint on poor

rural women. Financial institutions are also located in urban centres away from rural areas and the dissemination of information by the financial institution is not in a form that can reach women. This is due to their low access to education and the mass media.

The low representation of women in formal employment implies that the demand for a certain minimum income excludes them from access to housing finance and other forms of credit.

The need to enact non-discriminatory legislation, improve information flows and adapt loan schemes to meet the needs of low income women is thus an issue of vital concern.

3.3 NON-GOVERNMENTAL ORGANISATIONS IN SHELTER DEVELOPMENT

The role of NGO's in rural development and shelter development is in many cases ignored or given only token treatment. Their earlier approaches to development and the lack of formal communication on their operations at times puts a lot of suspicion on the governments of developing countries as to their intentions.

This trend has however been changing over the years

and sessional paper no. 1 of 1986 "Economic Management for Renewed Growth" did appreciate and indeed recognise the informal sector as a sector whereby many NGO's are involved.

While their initial proliferation was basically one of charitable organisations charged with the provision and delivery of relief food and welfare services, recent changes have seen their more active participation in development related issues. Their main areas of operation have been on environmental conservation, rural community development programmes that provide amenities such as water, health facilities and other forms of both physical and social infrastructural, promotion of small scale enterprises and more recently on housing and shelter development.

In Kenya there exists over 1,000 NGO's, church organisations and welfare groups. Only 350 of these are officially registered with the NGO's coordination bureau.

Those that engage themselves in shelter development include Shelter Afrique, African Housing Fund (AHF), GTZ, Plan International etc.

NGO's are oriented towards community development

activities specific services and women groups. Their objectives in the field of housing are usually to cater for the lowest income groups which are not sufficiently met by the government. Their efforts are usually directed towards covering the basic needs of the poor people and are often characterized by small scale operations, an emphasis on personal relations and the belief that the participation of the target group is important in achieving goals.

Many of the NGO's involved in shelter development do consider the adoption of the global strategy for shelter to the year 2000 by the general assembly as the culmination of their efforts to seek recognition, at the policy level for the successful efforts of the poor in the process of settlement development and shelter construction (Habitat, 1992).

The intervention of NGO's in shelter development takes various forms. These includes the provision of advice and guidance to community based housing projects; technical assistance and financial support; liaison between communities and public authorities; as well as organising training and providing legal advice. At the international level NGO's support national action plans.

Their main forms here include the fight for housing rights and campaign against eviction, the role of women and the links between habitat and the environment (Habitat, 1992).

3.3.2 THE ROLE OF NGO'S IN HOUSING:

The primary role of NGO's in housing development is to assist the under privileged to obtain appropriate housing. In doing so NGO's have endeavoured to integrate earlier welfare approaches with income generating activities that ensure the sustainability of initiated projects through the creation employment opportunities, improvement of incomes and promotion of savings among rural women and the urban poor.

The success of NGO's supported projects rests on their ability to develop housing schemes with the support of the beneficiary communities. The NGO's assists the target group through the provision of technical and management assistance that enables the group to realistically identify its housing needs based on the available resources. Their technical capacity also enable them to draft and develop realistic and adequate implementation strategies that are able to be adopted by

the community after training. Such an implementation strategy would incorporate a general organisation structure, financial management and administration procedures as well organisation of housing construction and other group activities.

NGO's can also help in the development and implementation of viable and realistic financing schemes. While their good financial status enables them to provide initial funding for the project they also have the capacity to identify credit facilities, formulate credit conditions and design loan terms that do not exclude the poor. In doing so they can help in the development of a revolving fund administered by the NGO's itself but managed and ran by the target group through established committees.

Their preference for small group implies that sustainability can only be achieved through replication. The transfer of experiences learned in one area to another ensures that a wider spectrum of beneficiaries is reached. This makes it possible for development ideas and experiences to be shared over a wide area.

3.3.3 THE ADVANTAGES OF NGO'S INTERVENTION

The strengths of NGO's intervention in development activities rests mainly on an examination of their internal working structures. According to Gatabaki (1985) an in depth understanding of their peculiar advantages may thus be obtained by answering the following questions:

1. Do they serve the poorest sections of the community and are their leaders as competent, highly motivated and optimistic as often pointed out?
2. Are their management systems efficient and economical and how flexible are their operation?
3. How much independence do they have in relation to their financial supporters, host governments and the structures within which they operate in?
4. What is their role in development? Is it innovative catalytic, pioneering or supplementary of what the government and private sector provides?

Fowler (1983) states that NGO's are capable of delivering conventional development services with greater cost effectiveness. This is so due to their reliance on an understanding of field realities. They are sensitive to the cultural values of the target population and

demonstrates a genuine desire to invite peoples voluntary participation by involving them at all levels in the decision making process.

They should therefore be seen as being innovative in seeking solutions that address the needs of the poor. They do adapt easily to change and this ensures the revision of project designs at varies levels during implementation.

Furthermore, their involvement of target communities ensures that beneficiaries become equal partners. This motivates the local communities and contributes greatly to the success of the project.

Their approach to development makes them attract attention at the local, national and even international levels to the needs of the underprivileged groups. This has the advantage that they are received more enthusiastically by local communities than government projects. Secondly it ensures them the availability of funds from private sources that would otherwise not be channelled to housing purposes.

3.3.4 LIMITATIONS OF NGO'S ACTION.

While the contribution of NGO's to development in developing countries cannot be underestimated some of their approaches to development have raised question of whether they are actually self sustaining.

One, NGO's have been criticised on account that they frequently execute their projects as charities, which creates the need for a permanent in flow of new resources. This approach makes them paternalistic and may create dependency on the part of the recipients.

Secondly, NGO's funding of projects is based on proposals that give a definite time frame. In instances whereby local capacity building is not achieved within the stipulated time period project failure may result after the withdrawal of the NGO's. This coupled with financial and professional staff inadequacies may endanger the continuity of their work.

NGO's sometimes lack trained officers to manage the finances of the project. Questions have been raised as to whether they do not form an administrative class in terms of personnel employment managing resources intended for the poor. In the administration of housing programmes they are in most cases unable to follow through on loan

repayments. This creates negative attitudes on the beneficiaries towards repayment and may greatly affect the success of the project.

CHAPTER FOUR: FINANCING RURAL HOUSING: THE KAUWI MUUNGANO HOUSING PROJECT EXPERIENCE

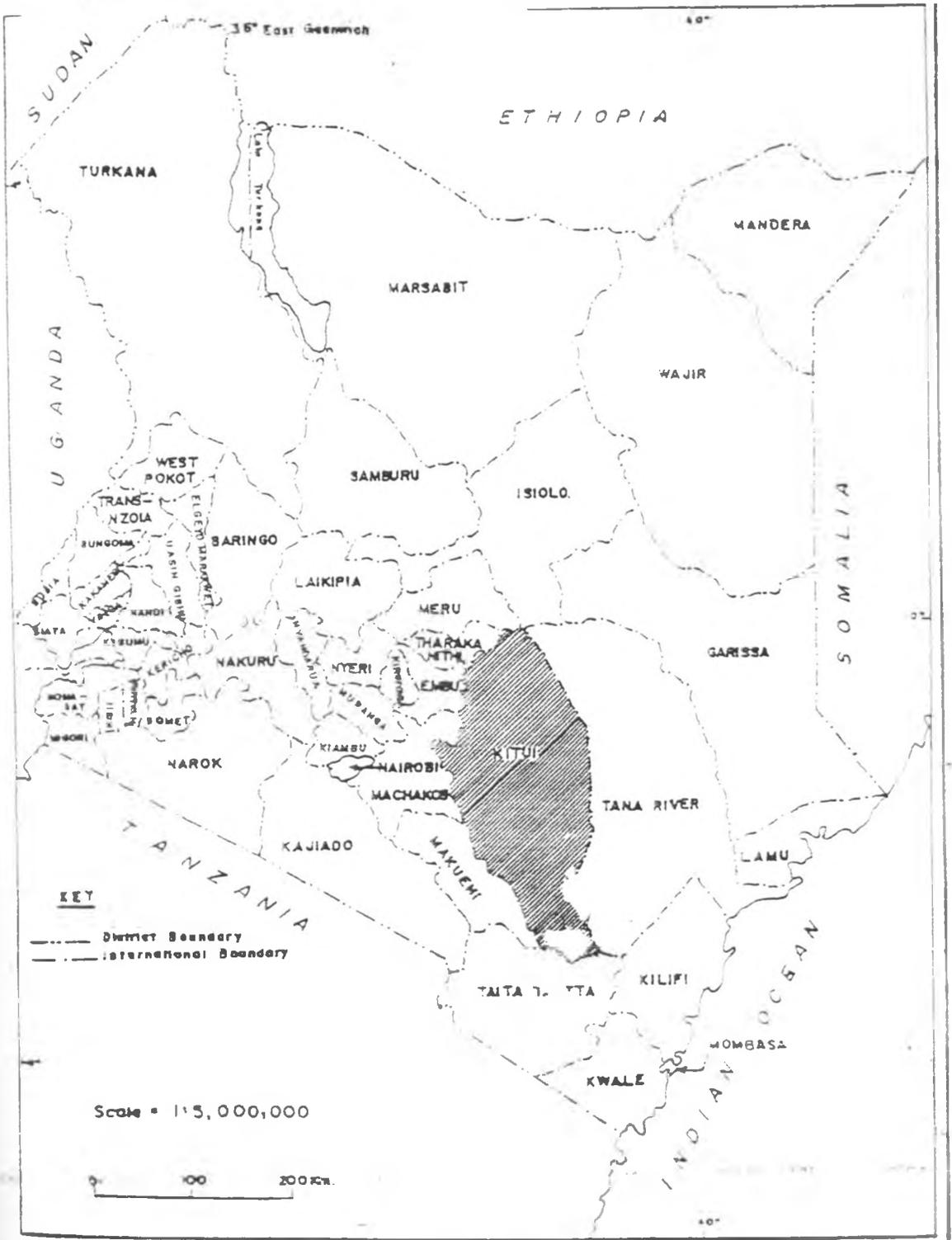
4.1 INTRODUCTION

This chapter gives a detailed description of the study project experience. It starts by giving a brief overview of the study area and goes on to discuss the rural housing conditions in Kauwi sub location. The project is then discussed in terms its historical background, finance for the project; administration and management; programmes and activities. The chapter ends by discussing both the implementation and current problems facing the project.

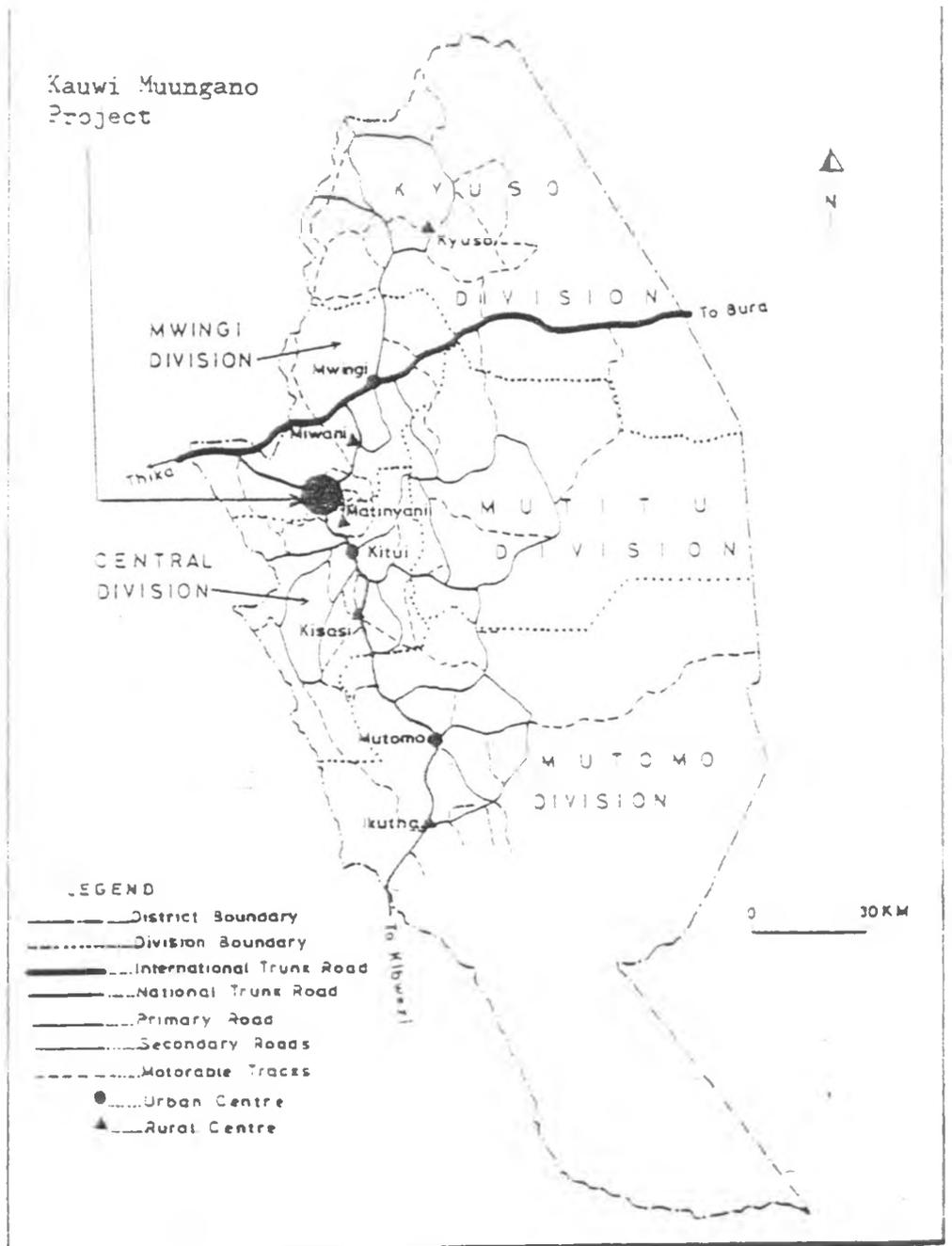
4.2 BACKGROUND TO THE STUDY AREA

The Kauwi Muungano project is located within Kauwi sub-location of Kauwi location, Kabati division in Kitui district. The area lies approximately 180 km south east of Nairobi the capital of Kenya. The sub-location covers an area of 130 square kilometres, and is predominantly habited by Kamba's who practice mixed agriculture when rains are sufficient.

Map 1. Kitui District: Geographical Location



Map 2. Kitui District : The map shows the location of the Kauwi Muungano Housing Project.



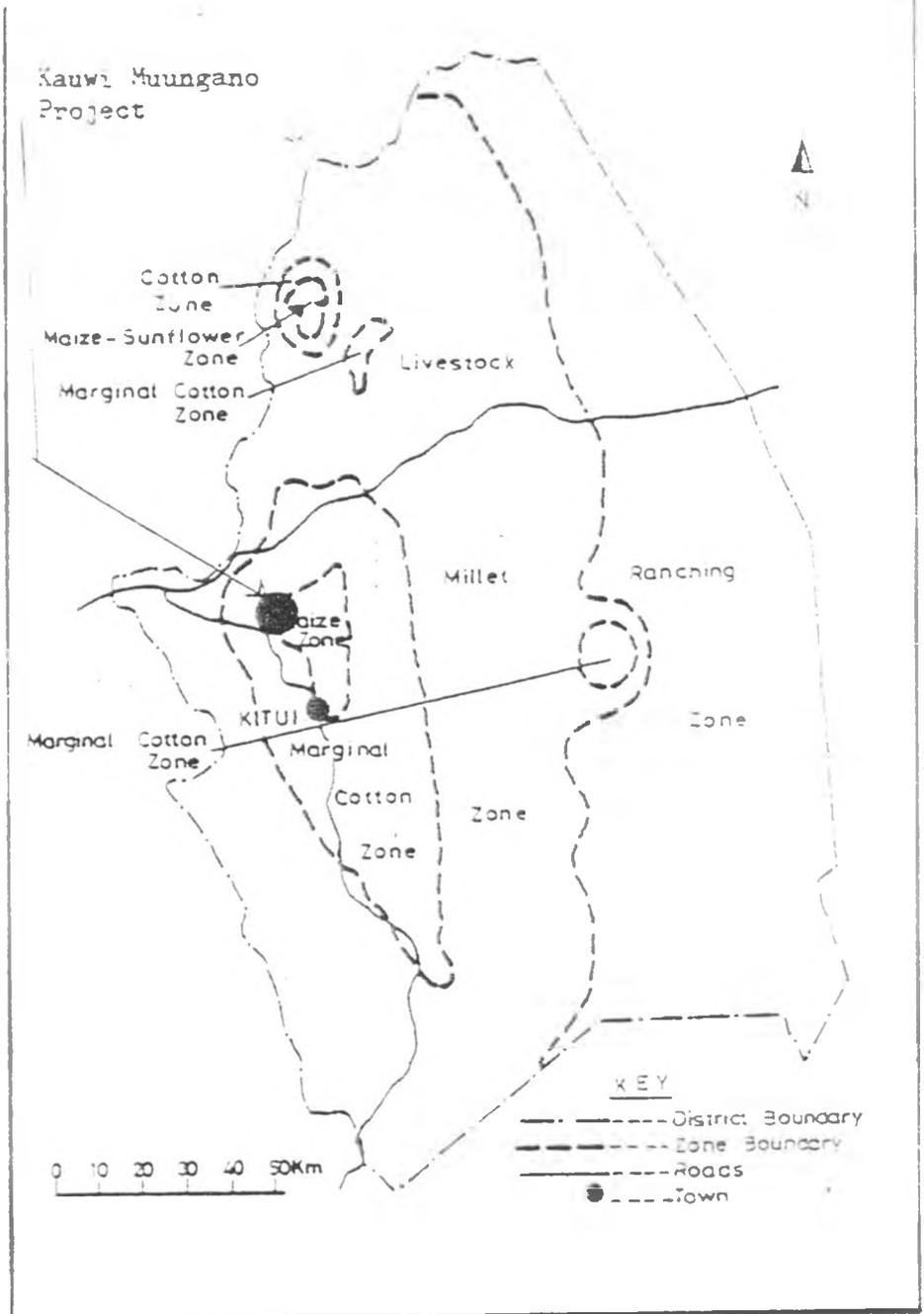
4.2.1 Physical Characteristics:

The climate is dry and rainfall is unreliable. Rainfall totals average 500-700mm per annum and comes in two rainy seasons November/December and April/May. The land is generally flat and most of the surface area is eroded compounding an already severe climatic heritage.

The natural vegetation consists of dry bush with scattered trees and patches of high grassland. Even though population densities are low, pressure on existing agricultural land is still experienced due to the low carrying capacity of land. Ecologically the area lies within the maize and marginal cotton zone as shown on map 3.

The soils consists mainly of dark clays with high water retention capacities in the northern parts and poor sandy loams in most of the other parts. There exists no permanent rivers and the major seasonal stream, the Kauwi river in the south is a major source of water and sand used for construction in the sub-location (Kitui District Development Plan 1989-93).

Map 3: Kitui District Simplified Ecological Zones



4.2.2: Demographic and Household Characteristics.

The sub-location covers an area of 130 sq. kilometres and is inhabited by 12,122 persons making 1,841 households (1989 National Census Report).

This gives a population density of 93 person per square kilometre. The distribution is however uneven with higher densities in Makalini, Katheka, and Kiteeti villages. Households in Kauwi are fairly large with a mean family size of seven (7). There also exists a significant proportion of female headed households (30%). The average age of the household heads is 52 years, and 55% are over 50 years.

Table 4.1: Age of household head

Age	Frequency	Percentage
Below 35 Years	8	8%
36-49 Years	37	37%
50-65 Years	41	41%
Above 65 Years	14	14%
Total	100	100%

Source: Field Survey 1994

Majority of the household heads (58%) have no formal education and can thus be classified as illiterate. Only 31% and 7% respectively have acquired primary and

secondary school level of education respectively. This has a direct bearing on the ability of the people to understand conventional loan application procedures.

While over 55% of the household heads are over 50 years, the RHLS gives out loans only to those below 50 years of age. This one requirement disqualifies majority of the rural households in Kauwi from access to housing finance.

4.2.3: Economic Base and Income Situation

The area predominantly relies on subsistence agriculture. 82% of the respondents interviewed were peasant farmers.

Table 4.2: Major Occupation of Household Heads

Occupation	Frequency	Percentage
Peasant/Farmer	82	82.0
Teacher/Clerical	6	6.0
Shopkeeper	4	4.0
Informal	8	8.0
Total	100	100.0

Source: Field Survey, 1994

The high proportion of peasant farmers shows a direct relationship with the level of incomes in Kauwi.

47% of the households have incomes below Kshs 1000 while only 11% have monthly incomes in excess of kshs 3000.

Table 4.3: Households Monthly Income

Income group	Frequency	Percentage
Less than Kshs 1000	47	47.0%
Kshs 1001-2000	32	32.0%
Kshs 2001-3000	10	10.0%
Above Ksh 3000	11	11.0%
Total	100	100.0

Source: Field Survey 1994

These low incomes resulting from the lack of viable economic activities in the area have adverse effects on the communities development projects.

Secondary sources of income include remittances from relatives working in urban areas (37%), sale of handicrafts (20%) and sale of farm produce (17%).

The total disposable incomes and savings are thus low and their availability for housing construction is limited.

The farm sizes are medium sized and average 9 acres. Productivity is however low and only 5 acres on average are put under food crops to leave room for grazing. The staple food grown is mainly maize and beans and the area

is deficient of any cash crops. Most of the families cannot grow enough food for their own consumption and the area is affected by famine.

Most of the households keep livestock (83%). These are mainly cattle and goat. Stocks are however very low and rarely exceed 5 cattle or 10 goats. These small and poor stocks imply that they play a very minimal contribution to the households income. 55% of the households also keep donkeys which are used as means of transport especially for ferrying water.

4.3 RURAL HOUSING CONDITIONS IN KAUWI

In discussing the housing conditions in Kauwi sub location an attempt has been made to present the variety of types of houses. This categorization is based on the type of raw materials used in the construction. Even though the variety is wide five main types may be distinguished. These are:

1. Round houses with mud bricks wall and a thatched roof.
2. Rectangular houses with mud bricks walls and a corrugated iron sheet roof.
3. Rectangular houses with fired brick walls and a

corrugated iron sheet roof.

4. Houses with concrete block/natural stone walls and a corrugated iron sheet roof.
5. Houses with concrete block/natural stone walls and a tile roof.

The main type of houses identified above also differ in terms of the building materials used in the construction of the floor, presence of windows and the availability of amenities such as kitchen, pit latrine and bathroom.

The first category an improvement over traditional Kamba architecture is very common and a dwelling unit of its type can be observed in most of the homesteads. The houses are small, on average 10 square metres and lack windows. They are commonly built by household members utilizing building materials from the household farm. Presently these houses are commonly used as outside kitchens though they still represent the main house among the very poor households.



Plate 4.1: Traditional round house made of mud brick walls and a thatched roof.



Plate 4.2: Rectangular house made of mud brick walls and a corrugated iron sheet roof.

The second type of houses utilizes a combination of traditional raw materials for the walls and modern more permanent materials for the roof. These houses have at least two rooms and one or two windows to improve on the ventilation. As in the first category the floors are generally made of rammed earth.

The utilization of fired brick walling in the third type of houses makes these houses stronger and more permanent. Fired brick walling is a very common practice in Kauwi sub-location and Kitui district as a whole. The houses have better finishes and improvements, are bigger in size, and the number and type of windows depends on the ability of individual households.

Cement blocks or natural stones are used as materials for walling in the fourth type of houses. Cement blocks are more commonly utilized and the houses have more than one room. Ventilation is improved through the provision of several windows. The shape of houses varies from rectangular and T and L-shaped. It need be noted that the fifth category of houses utilizing tile roofs is not a very common type in Kitui district. In Kauwi however through help from the AHE the use of tiles as roofing materials has become common. Current housing

conditions in the sub-location are thus not a reflection of the socio-economic status of the individual households.



Plate 4.3: Rectangular house made of fired brick walls and a corrugated iron sheet roof.



Plate 4.4: House constructed with concrete block walls and a corrugated iron sheet roof



Plate 4.5: House constructed with concrete block/natural stone walls and a tile roof. These designs are mainly constructed by the Kauwi Muugano project

As observed earlier building materials used for the construction of the floors are mainly rammed earth (43%) and cement surface finish (57%). Walls are mainly constructed of fired bricks (30%) while natural stone is rarely used (4%). Among the members of the Kauwi Muugano project utilization of concrete blocks was found out to be the common practice.

The use of grass and thatch for roofing was found out to be low especially for the main houses in any household (17%). Presently grass and thatch is used in roofing kitchens and other secondary dwellings. It need to be noted here that a typical Kamba household will be

made up of several dwelling units. This is so because of traditional customs and practices among the Kamha that require circumcised males to construct their own shelter. In Kauwi for example the average number of houses in any given household was found to be 3 while the maximum was 7 units, depending on the size of the household.

4.3.2. GENERAL CONDITION OF HOUSES IN KAUWI

An assessment of the housing conditions of households can be made by taking into consideration several indicators which include the building materials used in construction of the structure; available living space that determines levels of congestion and privacy; and the availability of amenities such as the presence of a kitchen, toilet and bathroom and drinking water at relatively short distances.

The building materials utilized in construction of the house determine the life span of the house and the need for regular maintenance. Grass and thatch roofs for example need regular maintenance.

In Kauwi an assessment of the condition of the floor, walls and roof depending on the building materials used was made. 29%, 46% and 72% of the floors, walls and

roofs respectively were found to be in a good condition. The high proportion of roofs classified as good is attributed to the utilization of tiles provided through the AHF project.

The floors are mainly made of rammed earth and 41% were found to require immediate replacement. The walling structures utilizes mainly fired bricks and concrete blocks and were found to be satisfactory requiring only minor repairs in most cases. Only 16% of the walls mainly of the traditional round houses made of mud bricks needed immediate replacement (See table 4.4 overleaf)

Table 4.4: Condition of Houses in Kauwi

	Floor	Wall	Roof
Good	29	46	72
Bad needs repair	30	38	10
Bad needs replacement	41	16	18
Total	100	100	100

Source: Field Survey 1994

As far as amenities are concerned 87% of all households were found to have a separate structure for cooking. This was usually a round house made of mud bricks and a thatched roof. Inside kitchens lacked basic facilities and 5% of the households lacked any separate

cooking place (See table 4.5 below).

27% of all households lack any toilet facilities. Bathing structures are rare and 62% of the households lack bathrooms. In most incidence bathing is done in the house. Lack of these facilities is as a result of the low incomes of the people.

Table 4.5 Availability of Private Amenities

	Kitchen	Pit Latrine	Bathroom
None	5.0	27.0	62.0
Separate	87.0	72.0	31.0
Inside Main house	8.0	1.0	7.0
Total	100	100.0	100.0

Source: Field Survey 1994

The source of water, its quality and distance to water supply source is also an important indicator of the quality of housing. Kauwi is dry, lacks springs and the existing borehole broke down many years ago and had not been rehabilitated by December 1993. The main source of water is from the rivers and streams especially Kauwi.

Rain water harvesting is also practised by 38% of the residents. 65% of the households rely solely on streams and rivers for their water supply. The area is flat lacks streams and a majority of households (48.0%)

have to walk more than 2.0 km to get water.

Table 4.6: Distance to Source of Water Supply

Distance to source	Frequency	Percentage
Less than 500m	1	4.0
Between 500m & 1000m	27	27.0
1001m - 2000m	24	24.0
More than 2000m	48	48.0
Total	100	100.0

Source: Field Survey 1994

Even though the utilization of roof catchments (rain water harvesting) has improved over the last 5 years with assistance from AHF no single household has sufficient water supplies within the homestead.

Based on the above analysis of individual elements that determine housing conditions an overall assessment of the housing conditions in Kauwi sub-location can be made. A score system developed by Stekenburg (1988) has been adopted for this purpose.

As observed from table 4.7 below 40% of the households in Kauwi sub-location live in substandard housing with 19% living in very poor housing conditions. 37% live in satisfactory housing conditions that need improvement whereas only 23.0% live in good housing

conditions.

Table 4.7: Housing Conditions of Households in Kauwi

	Frequency	Percentage
Very bad	19	19.0
Bad	21	21.0
Average	37	37.0
Good	18	18.0
Very Good	5	5.0
Total	100	100.0

Source: Field Survey 1994

An attempt to show how these housing conditions relate to the sex of the head of the household, Monthly income of the household and source of housing construction finance will be made in later in section 4.5.

4.3.3 SOURCE OF HOUSING CONSTRUCTION FINANCE

In Kauwi as in many other parts of Kenya the construction of individual dwelling units is principally the responsibility of the household itself mainly through the use of personal savings.

Among the members of the Kauwi Muudano project housing loans from the AHF play a very significant role.

Other sources of housing finance are generally lacking safe for a few cases whereby loans from savings and credit cooperative organisations (SACCOS) have been utilized to put up dwelling units.

Table 4.8 Sources of Housing Construction Finance

Source	Frequency	Percentage
Personal savings	50	50.0
Loan - AHF	47	47.0
Loan - SACCO	3	3.0
Total	100	100.0

Source: Field Survey 1994

This implies that housing finance for the construction of individual dwelling is in short supply within the sub-location.

4.4 THE KAUWI MUUNGANO PROJECT

4.4.1 HISTORY OF THE STUDY PROJECT

The Kauwi Muungano project was started in 1986 as an umbrella organisation of women groups in Kauwi sub location. However of the more than 60 women groups (Mweithya) registered with the social development officer only 33 women groups are affiliated to the Muungano Project within the seven villages that constitute the

sub-location. The distribution of the groups within the sub-location are as follows:

Table 4.9: Distribution of Women Groups in Kauwi

Village	Number of Groups	Membership
Katheka	8	186
Makalini	2	125
Matinga	2	51
Mutini	3	136
Kiteeti	6	233
Mutanda	8	187
Kisayani	4	70
Total	33	978

Source: Field Survey 1994

At the time of establishment the groups aimed at achieving three major objectives, namely:

- i) To construct earth dams to provide clean water for domestic purposes and use by livestock
- ii) To undertake joint soil conservation and tree planting exercises.
- iii) To construct masonry tanks for individual members through community based self help activities.

Each group was expected to contribute Kshs. 100 and each member Kshs 72. This provided the group with a capital base of kshs. 76,036. The formation of the group

was essentially a community based initiative and though external assistance was received in 1987 from the Arid and Semi-Arid Lands (ASAL) development programme. Assistance was in form of materials and equipment for use in soil conservation exercises. Three earth dams were rehabilitated at Kwa Nzuki (Katheka); Matinga (Matinga) and Kaiveti (Kiteeti).

The group was introduced to African Housing Fund (then a department within Shelter Afrique) by the DSDO and thus sought financial assistance for its fellow cement water tank construction programme.

A study by Shelter Afrique did reveal that housing conditions in the study area could not allow for roof catchment. The study team then recommended for an integrated development approach aimed at improving housing, provision of water and hygienic sanitation.

Discussion were held between the leaders of the women groups and officials Shelter Afrique which laid the foundation for the housing project. The groups objectives thus broadened from merely soil conservation and provision of clean drinking water to include housing improvement and income generation activities for members. African Housing Fund was to assist the project through:

- i) Grants for training,
- ii) Loans for the establishment of a building materials production workshop,
- iii) Loans for housing, water tanks construction and welfare programmes.

All this assistance was to be advanced through the supply of building materials and members were expected to put into their labour (sweat equity) in putting up the structures.

4.4.2 FINANCE FOR THE PROJECT

The Kauwi Muungano Housing Project is financed through financial grants and loans from SIDA. The AHF acts as the implementation agency. Finance for the project is also obtained from the income generating activities such as the sale of building materials from its central production workshop and the construction workshop and the construction of water tanks for non members.

By December 1993, the AHF had disbursed a total of Kshs 18,824,378 to the project. The disbursements were distributed as shown in table 4.10 below

Table 4.10 Disbursement of Loans to Kauwi Project

Type of Loan	Amount in Kshs
Housing (H) Loans	8 843 696
Water Tank (T) Loans	2 806 208
Building Materials Business Loans	1 892 500
Vehicle (V) Loans	1 414 750
Vehicle advances	382 750
Other Business (B) Loans	192 094
H&WT construction Loans '93	3 348 785
Water well construction (WWC)	36 595
Total	18 824 378

Source: AHF Yearly Report Feb. 1994

Since its inception the project has generated a total of Kshs 6,026,539. Total loan repayment for both business loans (B) and housing and water tank (H&WT) loans has been Kshs. 3,758,954.

4.4.3 PROJECT ADMINISTRATION & MANAGEMENT

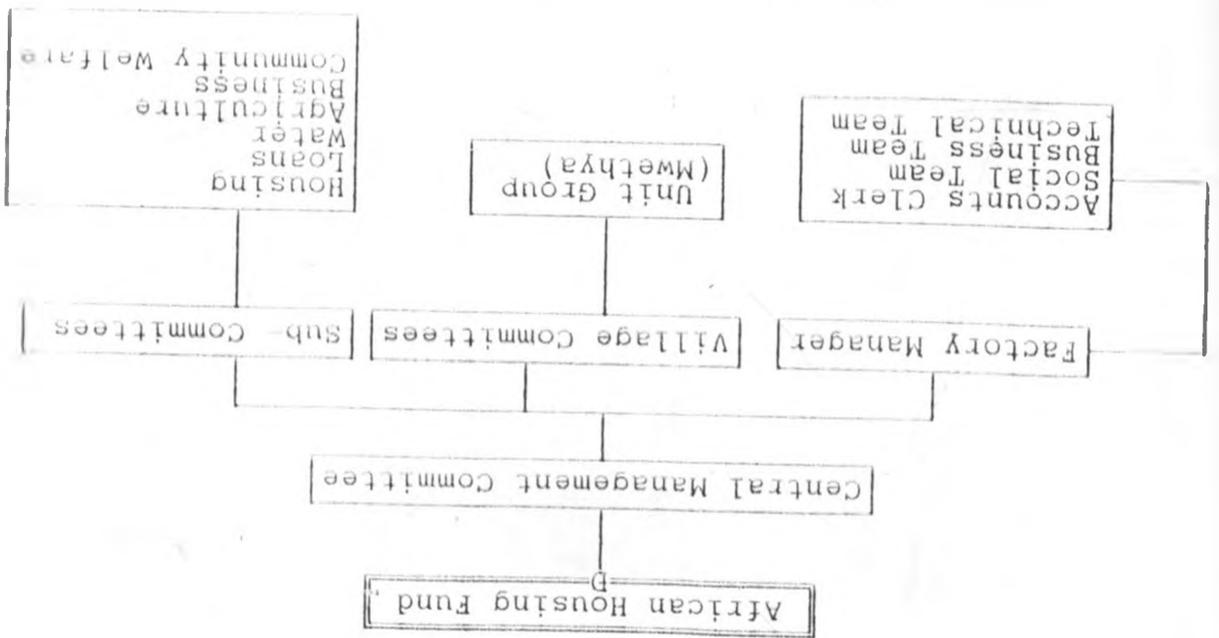
The Kauwi Muungano housing project has a widely spread organisational structure quite uncommon with most rural community based organisations.

There exists several management and technical committees as well as a production department. At the grassroots level each of the 33 women groups (Mwethya) is managed by an elected committee of five members. These unit group committees report to the village committees which are in turn answerable to the central management.

committee. There are six subcommittees that deal with different functions. These sub-committees includes Housing; Water; Agricultural; Loans; Business; and Community welfare. The committees work closely and meets regularly to handle their tasks.

The production department is headed by the factory manager, who is responsible for the allocation of staff duties and organisation of the production work at the factory. She is assisted by a team of social workers responsible for the mobilization of the community (group members) and a technical team that supervises the construction of the houses. The group also has an accounts clerk and employs a total of 120 workers.

Organization Structure of the Project



Source: Field Survey 1994.

4.4.4 PROJECT PROGRAMS AND ACTIVITIES

(a) Production of Building Materials

This is one of the major activities undertaken by the project. It involves the production of roofing tiles (FCR) hollow blocks for housing construction and water tanks blocks. Most of the work in the production work is done by the women themselves as a community effort together with the 120 employees at the central workshop



Plate 4.6 Production of Building Materials: See roofing tiles drying on the racks and the workshop in the backyard

Most of the building materials produced are used in the construction of house and water tanks for the members. Part of the materials are however sold commercially to generate income for the project.

In 1992 for example the project produced the following quantities of building materials as shown in table 4.11. To minimise on transportation costs and encourage community participation the project has established 11 satellite factories for the production of hollow blocks for housing construction.

Table 4.11: Materials produced in 1992

Type of Material	Quantity
4m water tank blocks	14,956
3m water tank blocks	7,690
2m water tank blocks	207
6m Hollow blocks	59,136
(FCR) Roofing Tiles	90,012
Ridge Caps	2,769

Sources: AHF yearly Report 1993

** The capacity of the project is higher than levels achieved. The lower output was attributed to frequent closures as a result of raw materials shortage.*

This has also reduced the workload at the central workshop which currently concentrates on the production of roofing tiles, water tank blocks and production of materials for commercial purposes.

The major raw materials utilised in the production of building materials are cement, ballast, sand, red oxide and sisal fibre. To achieve the 1992 production levels the project utilized 1822.6 tonnes of cement and 592 tonnes of ballast. Sand is locally available from the Kauwi river and the project utilized 957.5 tonnes in 1992. Sisal fibre and red oxide are utilized in small quantities in the production of roofing tiles. In 1992 the project utilized 793 kg of the red oxide and 1236 kg of sisal fibre.

(b) Housing Construction Programme

The housing construction programme started in 1989 with the use of Pise Literate construction technique. Initially the project started by the construction 3-roomed houses with the possibility of extension for a fourth room. This was however found prohibitive due to costs and the project currently specialises in the construction of 2 roomed houses.

After the production of the building materials at the factory, the business sub committee sits down to price the materials. The materials are then sold to the ANF who pays the project less the cost of materials provided. The materials are handed over to the housing sub-committee which determines the number of houses and water tanks to be allocated per village. Each village committee will meet after getting its allocation to distribute the houses and water tanks allocated among the unit groups who in turn decides on which individual members to allocate to.

Information is passed back to the housing sub-committee which ensures that the materials are delivered and utilized for the intended purpose. For each house 660 roofing tiles, 950 - 6m hollow blocks, 1 door, 2

wooden windows and 22 bags of cement, timber and nails are provided. The actual amount of housing loan advanced is calculated based on the actual amount of materials provided. Currently the average cost of houses constructed is Kshs. 29,243.

As of December 1993 the project had allocated a total of 299 houses which were at various stages of completion as shown below.



Plate 4.7: A two roomed House constructed with financial assistance from African Housing fund.

Table 4.12 Distribution of Houses per village showing stage of Completion.

Village	1	2	3	4	5	Total
Katheka	5	0	0	1	47	53
Makalini	0	0	0	0	36	36
Matinga	0	0	0	1	23	24
Mutini	9	0	0	0	47	56
Kiteeti	3	0	3	1	49	56
Mutanda	2	0	0	2	34	38
Kisayaani	4	0	0	2	30	36
Total	23	0	3	7	266	299

Source: AHF Annual Report Feb. 1994.

Key

1. House with materials but not yet built
2. At foundation level
3. At gable level
4. House without doors, windows but has roof
5. Complete house

c) Water Tank construction Programme

The water tank construction programme is administered as a sister programme to the housing construction programme. The allocation of water tanks is done by the housing sub-committee and essentially undergoes the same process.

Two sizes of water tanks are constructed. The first commonly referred to as the 4m has a capacity of 22,000 litres and the other 3m tank has a capacity of 18,000 litres. Since inception the average cost of construction

per water tank has been Ksh. 12,992 and the project had allocated a total of 216 water tanks as of December, 1993 (see table 14.4 below).

The materials allocated per water tank includes 240 and 160 water tank block for a 4m and 3m water respectively and 18 bags of cement and wire mesh. Gutters for the collection of water are not provided.

4.13: Distribution of water tanks and stages of completion as at 31-12-93

Village	1	2	3	4	Total
Katheka	3	1	2	30	36
Makalini	0	0	0	24	24
Matinga	1	0	0	12	13
Mutini	3	0	1	33	37
Kiteeti	3	0	3	35	41
Mutanda	3	0	1	33	37
Kisayaani	3	0	1	24	28
Total	16	1	8	191	216

Source: AHF Annual Report Feb. 1994

Key:

1. Water tank with materials on site
2. Water tank at foundation level
3. Water tank with complete walls but no roof
4. Complete water tank

UNIVERSITY OF NAIROBI
ADD LIBRARY



Plate 4.8: Water tank constructed with financial assistance from the AIF.

d) Income Generation and Support Programmes:

The income generation activities that the project engages in includes the sale of building material produced at the central workshop as well as the construction of water tanks for institutions and non members. By December 1993 the project had been contracted to construct 75 water tanks within the sub-location and other areas in Kitui district.



Plate 4.2: A Storey commercial premises at Kabati township. Roofing materials for this building were by the Muugano Women group.

The individual unit groups (Mwethya) do perform specific group activities. These activities are mainly geared towards income generation and promotion of welfare within the community. The programmes do receive direct support from the AHF and Central Management committee. Some of the activities include bee keeping; goat rearing; poultry keeping; commercial tree nurseries; posho mills and weaving of baskets (Kiondos). Individual members are also assisted through the provision of seeds to improve their agricultural output.

To improve on community welfare the project in collaboration with AHE has started a Malezi programme that aim at improved nutrition for mothers and child. Three nursery schools have been set up in the line with this programme. These are located at Makalini, Mutanda and Kisayaani.

(e) Housing Loan Repayment and Savings Scheme

The loan repayment programme became operational in 1990. The responsibility for the collection of loans is vested on the loans sub-committee and the individual (mwethya) group leaders.

The central management committee thus collects loan repayments on behalf of the AHE. Loans should be repaid monthly , however this regulation is not in the strict terms employed as in the case with conventional housing finance systems. For example loan repayments had to be suspended for some time in 1992 to enable members to cope with the great famine that had affected the area. Total loan repayment for 1992 were thus poor due to this reason.

Since its inception the project has been able to repay a total of Kshs. 379 149 on water tank and housing

loans. To make the principal loan advanced manageable, minimise the amortization payments and shorten the duration of payment members who have not been allocated houses are required to save with the project. By December 1993 total savings under this scheme had amounted to Kshs. 52 560. Loan repayment on business loans by the project by the same period was Kshs. 3 379 805. Total loan repayment by the project to AHF thus stood at Kshs. 3 811 514.

4.4.5 PROJECT PERFORMANCE

The project is basically a community initiative and therefore members played an important and active role in the various stages of initiation, project planning and implementation. The widespread organisational structure noted earlier is a reflection of the members involvement in the decision making process and management of the project.

At the time of its inception, the AHF provided a support staff of 17 full time employees. This team consisted of a project coordinator, 8 technical workers, 3 social workers and 5 members of the business team. By the time of this study in December 1993 the AHF had

withdrawn all its field staff from the project and the project management was being done by the women themselves. Financial assistance was still being disbursed to the project and the management committee is now solely responsible for the decision making.

As stated earlier the project employs 120 full time workers and regularly engages the services of casual labourers depending on the amount of work available. It is thus the most important single employer within the sub-location.

The project has undertaken various training programmes for its members. Training has been mainly on the technical aspects that involve housing construction and production of building materials. Social training has been directed towards mobilisation of members to work at the satellite factories, construction of houses and water tanks on community self-help basis. This has been extended to improved child care and nutrition through the malezi programme.

Business training focuses on loan repayment and savings scheme. Seminars on loan repayment and recording procedures have been organised for members of the loans sub committee and officials of the unit groups.

4.4.6 PROBLEMS FACING THE PROJECT

It need to be appreciated that the financing of the Kauwi Muungano project by AHF was done as a pilot rural housing project. Being a pilot project both the AHF staff and members of the beneficiary community lacked the experience necessary to administer a rural housing project. This meant that the original design had to be altered at several stages of implementation.

There existed social problems at the initial stages. These problems were based on traditions and culturally motivated opposition to the project. Among the Kamba's women do not own property and consequently have no inheritance rights. The project was thus not whole heartedly welcomed by men who feared that housing loans may put their property and land at risk.

The low levels of literacy among members had its drawbacks. It became difficult to understand and fill the loan agreement forms keeping records was problematic, and the learning process very slow.

Technically the establishment of an initial workforce was difficult. A lot of training was required to equip the women with basic construction and other artisan skills. Presently problems encountered include

management and leadership problems that result from the low levels of literacy.

4.5 LESSONS LEARNT FROM THE KAUWI PROJECT

This study has revealed that there is an acute shortage of institutions to administer housing finance schemes in rural areas. In Kauwi sub location for example save for the AHF, the only other source of housing finance/credit was from Savings and Credit Cooperative Organisations (SACCO's) which had assisted only 3% of the households as indicated in table 4.8.

The rural housing loan scheme had not benefited any household in the area.

The study also found that there is a direct relationship between housing quality and the source of housing construction finance. Households that had access to housing finance either from the AHF or the SACCO's were found to be living in better quality housing than those that had utilised their own personal savings to put up their houses.

52% of the households that had utilised their personal savings were found to be living in poor housing conditions whereas only 24% lived in good housing

conditions. Of those who had obtained loans from AHF only 29.8% lived in poor housing whereas 53.2% and 17.0% lived in satisfactory and good housing conditions respectively. It is important to note that all the households that had received housing loans from SACCO's lived in good housing conditions as shown in table 4.14 below.

Table 4.14. Crosstabulations: Source of housing construction finance by Housing Quality.

Source of Finance	Housing Quality						
	Row Pct Col Pct Tot Pct	Very Poor	Poor	Average	Good	Very Good	Row Total
Personal Savings		38.0	14.0	24.0	18.0	6.0	50
		100.0	33.3	32.0	50.0	60.0	50.0
		19.0	7.0	12.0	9.0	3.0	
Loan (AHE)			29.8	53.2	14.9	2.1	47
			66.7	67.6	38.9	20.2	47.0
			14.0	25.0	7.0	1.0	
Loan (SACCOs)					66.7	33.3	3
					11.1	20.0	3.0
					2.0	1.0	
Column Total		19	21	37	18	5	100
		19.0	21.0	37.0	18.0	5.0	100.0

Chi-square	Value	DF	Significance
Pearson	39.14037	8	.00000
Likelihood Ratio	43.97551	8	.00000

Of the total number of households 40%, 37% and 23% lived in poor, average and good housing conditions respectively. The first hypothesis that the poor quality housing in the study area is as a result of lack of suitable sources of credit finance for shelter development is therefore accepted.

The above analysis indicates that there exists a significant relationship between the source of housing construction finance and the quality of housing among households in the study area. It can therefore be correctly concluded that availability of credit finance contributes positively to the improvement of housing quality in rural areas.

Despite the existence of poor housing conditions mainly due to the lack of housing finance; households did indicate their preference for bigger houses to provide more adequate shelter for their families.

While the AHF gives loans for the construction of 2 roomed houses due to affordability considerations of the target group 46% of the households did indicate their preference for houses of 4 rooms and above (see table 4.15). This clearly demonstrates that the provision of adequate shelter is curtailed by lack of adequate finance. The need for more to adapt more flexible housing designs that households can progressively increase the number of rooms should therefore be encouraged.

Table 4.15. Preferred House Size

No of rooms	Frequency	Percentage
2 rooms	25	25.0
3 rooms	29	29.0
4 rooms & above	46	46.0
Total	100	100.0

Source: Field Survey 1994

Further evidence that shortages or lack of housing finance militates against the provision of adequate shelter may be depicted by considering households priorities in spending extra income. 32% of the households indicated that the improvement of their housing conditions was a first priority whereas 40% would utilize the extra income to construct a water tank. This is explained by the fact that the area is dry and water sources far as observed in section 4.3.2.

Table 4.16 Priority of spending extra income

Priority 1	Frequency	Percentage
Improve housing	32	32.0
Educate children	14	14.0
Construct water tank	40	40.0
Venture into business	14	14.0
Total	100	100.0

Source: Field Survey 1994

CHAPTER V: SUMMARY OF FINDINGS,

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter presents three aspects of the study. It starts by giving a summary of the findings based on the authors perception and interpretation of the information collected. This is presented in terms of the operation, strengths and weaknesses of the project

Secondly, a conclusion is made based on the objectives that the study set out to achieve. Major issues addressed here include the relationship between source of housing finance and housing quality as well as the significance of women participation in the development of housing. The chapter goes on to identify the problems faced in the implementation of rural housing finance schemes and finally gives proposals that would enable the establishment of a successful rural housing loan scheme.

5.2 SUMMARY FINDINGS

The Kauwi Muungano Housing project is an example of how a rural housing finance project can be administered as a joint venture between a Non governmental Organisation and the beneficiary Community. The success of the project is based mainly on its widespread organisation and management network which ensures the involvement of members at all levels of decision making, in the identification of their felt needs.

The implementation of such a project is however beset with numerous planning and management problems. In the case of Kauwi problems experienced include: the massive illiteracy of the members. As indicated in section 4.2.2, 58% and 31% of the household heads had no formal education or had only primary school level of education respectively, This is a major constraint in understanding the loan procedures and formalities as well as managing proper bookkeeping on the loan repayments scheme.

The sustainability of any loan scheme depends above all on the ability of the members to repay the loans advanced in order to establish a revolving fund to serve as a pool of finances for future lending. The loan

repayment in the project has been poor. This may be attributed mainly to the poor incomes of the people and crop failure resulting into famine. Poor loan repayments may be blamed on the lack of adequate preparation of the beneficiary community during initiation of the project.

Leadership and management both at the unit group level and central management committee is also beset with problems. While the enthusiasm to work hard is evident among the leaders and members lack of the technical and administrative skills/capacity to manage a viable income generating project is a major constraint. This also emanates from the low literacy levels of the members.

At its initiation the project encountered two basic problems. First, the project was implemented as a pilot rural housing project. This meant that both the AHE staff and members lacked the necessary experience and thus necessitated the alteration of the initial design at various stages of implementation. Secondly, there existed culturally and traditionally motivated opposition to the project. Among the "Kamba" women do not have any inheritance rights and consequently do not own land, men were thus opposed to housing loans being advanced to their wives for fear that their land and property right

to be at risk.

The efficiency of organisation of the building materials production workshop is low. This may be attributed to the lack of steady supply of raw materials resulting in closures of the factory. Water tanks constructed have in many cases not been provided with gutters to collect rains and their effective benefit to owners is thus low.

5.3 CONCLUSIONS

The basic tenet of this study has been to examine the nature, quality and adequacy of housing conditions in the study area and attempt to give an explanation as to how these conditions are related to the source of housing finance. It also sought to demonstrate how NGO's can support women self help groups in the administration of a successful non conventional rural housing loan scheme.

Housing conditions in Kauwi sub-location were found to be inadequate with 40% of the households living in poor housing conditions. This can be attributed to the lack of appropriate sources of housing construction finance. The study also found out that conventional housing finance approaches are inappropriate in rural

areas. This is due to the lack of a sufficiently developed institutional framework to administer loans, demand constraints that emanate from failure to meet the eligibility criteria as set out by the financial institutions; and other limitations created by the general character of women groups and other rural communities.

Where they have been tried like in the case of the Rural Housing Loan Scheme (RHLS) conventional housing finance approaches have ended up addressing the housing needs of a small section composed of the rural elite and urban wage earners in need of a rural home. They have thus failed to respond to the housing needs of the rural poor majority of whom are women.

The study has also been able to show that women do participate actively in housing development and are actually capable of managing housing projects provided that the necessary technical and financial assistance is provided. The enthusiasm that they show in collectively producing building materials and communally putting up houses is a clear testimony.

Non governmental organisations on the other hand can play an important role in shelter development. The

relaxation of loan qualification requirements, provision of social technical and financial especially to poor rural women of minimal incomes and very low literacy levels forms demonstrates a significant departure from traditional conventional approaches.

The integration of a housing loan scheme with a building materials income generating activity has also contributed to increased incomes of the participating members. This has been instrumental in generating sufficient revenue to meet recurrent expenditure of the project, repaying project business loans and facilitated greatly the repayment of loans as well as improve the living standards of the people.

In the case of the Kauwi Muungano project no initial down payment is required from the members to qualify for the housing loan. Housing loans are therefore granted equivalent to the full cost of construction of the house. The loanee is only required to provide the labour. This is mainly done through self help efforts by the unit group members. Members participate in the collection of building concrete, sand and water.

No strict collateral are demanded in form of security for the loan. Membership to the group is the

basic requirement. This brings about the element of collective responsibility to loan repayment. When a loanee dies a member of the family is incorporated in the organisation and this ensures continuity of payment.

Loan repayment is not also based on regular amortization payments. Loanees are required to pay what they can afford. Instances of suspension of loan repayment during times of famine have also been witnessed. Members are also required to save with the organisation even before the loans are granted. This ensures that part of the cost of the house or water tank is already paid for before allocation, bring the loan portfolio and extending the length of the repayment period. The operation of two sister projects the housing construction and water tank programme ensures a wider choice to the members. Collection of loan repayments is also decentralized from the unit group to the village committees and finally to the central committee for banking. This minimizes administration costs and ensures that loan collection officials are within the neighbourhood of loanees.

The above practices do demonstrate a shift from conventional approaches/requirements and have greatly

contributed to the success of the project. Even though loan repayment has been poor the enthusiasm and will to continue paying may be seen as a very important contribution to the sustainability of the whole approach.

5.4 RECOMMENDATIONS OF THE STUDY

5.4.1 THE ROLE OF THE GOVERNMENT

As noted earlier there exists no specific policy to guide the development of housing in rural areas within government policy cycles. It is therefore important that the government formulates policies to help guide housing development in rural areas. Such policies should address issues of housing finance availability, production of local building materials; and technical assistance in the development of basic construction skills. This will ensure that rural housing schemes developed reflect the needs of the beneficiary communities in terms of design, affordability and in their employment income creation effects.

More specifically the Kenya government should:

1. Encourage the economic production of local building materials. This may be achieved through the provision of small loans and grants to cooperatives

and other self-help groups.

2. Encourage the training of local artisans and craftsmen to a minimum level of competence. This will help reduce building construction costs, create employment and help supplement self help activities.
3. Mobilize rural people to have personal initiative in cooperating for the construction of own houses through self-help activities.
4. Provide technical assistance in terms of supervision of on going private works in rural areas through the Ministry of Public Works and Housing.
5. Incorporate rural housing improvement programmes in all rural development projects. This should be based on an evaluation of the "real development effects" of rural housing schemes.
6. Revise the loan qualification requirements for the Rural Housing Loan Scheme (RHLS) administered by the NHI and increase the allocation of funds to this scheme. This will ensure that more rural people gain access to housing finance.

5.4.2 INTEGRATION OF ACTORS IN RURAL HOUSING PROVISION

Housing construction and the provision of shelter in rural areas is still largely the responsibility of the individual home owners. There has however been uncoordinated efforts to assist rural communities by the government, various NGO's and the rural people themselves through the formation of cooperatives and other self help groups.

To ensure coordination the need for a clearly stated rural housing policy cannot be over emphasized. This will facilitate the desmentation of credit for housing development and the provision of technical assistance to avoid duplication and waste of resources.

While the government has funded numerous researches on the utilization of local low-cost building materials through the Housing and Building Research Institute (HABRI) at the University of Nairobi little of this vast knowledge have had any beneficial impact in rural areas. Technical staff of the NGO's involved in rural housing are better placed to provide this information. This is so because of their emphasis on the contribution of the beneficiary communities.

The integration of the rural communities effort will

facilitate the utilization of indigenous knowledge initiatives and preferences in the drafting of policies especially on housing design. Housing loan schemes that take into account the peculiar social and economic characteristics of the rural poor can therefore be formulated and implemented.

5.4.3 GUIDELINES FOR THE ESTABLISHMENT OF A SUCCESSFUL RURAL HOUSING LOAN SCHEME

It has been established in this study that any rural housing loan scheme will be most viable if it adopted non conventional approaches in granting loans to the rural poor. To achieve an increase in the number of housing loan beneficiaries in rural areas it will be important to undertake the following.

1. There is need to establish specific institutions to undertake the financing of rural housing. Such institutions will be better placed to address the peculiar financing needs of the rural poor. These institutions should be rural based or have branches in rural areas to be more accessible to their clients.
2. Loan qualification requirements also need to be made

less restrictive. The demand for a down payment should be abolished since rural households are not likely to raise even 10% of the construction cost of the house from their savings. Their contribution through sweat equity in their work in self help construction must be appreciated and treated as a substantial contribution to the entire house building process.

3. The need for a collateral in terms of immovable property can also be ignored and replaced by "collective responsibility" to ensure loan repayment. Extension of any new loan to members of the group would therefore depend on the collective repayment record of the original funds advanced. This is important because the idea of loan security in rural areas is absurd even when registered titles are available. Upon default lending institutions have found it difficult to recover the arrears from the sale of the house due to the absence of buyers for the house.
4. Repayment and loan amortization periods and amounts need to be made more flexible. This will ensure that the loanees can pay more especially during

periods of good agricultural harvest which though seasonal forms the bulk of rural incomes. To reduce the administration costs of the small loans the loan collection process can be administered by the unit group leaders during their regular weekly meetings for onward transmission to the central committee and lending institutions. This was found to be a very strong point in the Kauwi Muungano housing project.

5. There is also need to promote savings for housing among members. This helps reduce the principal loan required, reduces the amortization payments and helps create a pool of funds for housing loans. The project thus becomes more sustainable even after the withdrawal of the funding donor agency.
6. The success of any rural housing programme will depend on its incorporation of income generating activities. Such activities will ensure that building materials required are produced by the group. This helps reduce costs. Materials produced can also be sold commercially to improve the incomes of the members. This also creates employments and has a direct effect on loan repayments.

BIBLIOGRAPHY

- Aghola, T. (1989) The Nature of Womens Involvement in Housing Development: A Survey of Literature: Centre for Urban and Regional Planning, Faculty of Social Sciences, University of Ibadan, Nigeria.
- Agevi, E.G. (1989): Rural Housing in Kenya: A Case Study of Rural Housing Policies. HABRI, University of Nairobi.
- _____ (1986): Production and use of Appropriate Building Materials and Technologies for Low Cost Housing in Kenya HABRI, University of Nairobi.
- Akoth J.N. (1991): Improving the Role of Rural Based Women Groups in Rural Development: A Case Study of Central Alego Location - Siaya District. Unpublished M.A. Thesis, University of Nairobi.
- Baldwin K.D.S (1988): Problems of Housing in Rural Development: Development Studies Reprint number 16.

- Bloomberg, I.N. and Abrams, C.(1965): Report on a United Mission to Kenya on Housing, United Nations.
- Chambers Roberts (1984): Rural Development: Putting the last first, Longman London.
- Duncan, T.L.C.(1971): Measuring Housing Quality: A study of Methods. Centre for Urban and Regional Studies. The University o Birmigham, R & P Clark Ltd.
- Greenwood J.L (1989): Planning for Low cost Rural Housing, Working Paper No. 2, School of Planning, Oxford University.
- Jorgensen, N.O(1977): Housing Finance for Low Income Groups, General Printers Limited, Nairobi.
- Kamau, Gatabaki, R (1985): Cooperative Housing Development in Kenya: A Social Economic Appraisal, HABRI University of Nairobi.
- Kiamba, J.M (1991): The Effectiveness of The Rural Housing Loan Scheme (RHLS) in Kenya: A case study of Machakos District, Unpublished PhD Thesis, University of Nottingham

- Kisovi, L.M (1984): The impact of Social and Economic Variables on the Spatial Patterns of Rural Housing in Ukambani. Unpublished Msc. Thesis, University of Nairobi.
- Lewin A.C (1981): Housing Cooperatives in Developing Countries. A manual for self help in low-cost housing schemes, John Wiley and Sons New York.
- Malombe J.M (1981): A study of Housing Finance Agencies in Nairobi with Special Reference to their Role in Low income Housing, Unpublished M.A. Thesis, University of Nairobi.
- Mbithi Philip (1974): Rural Sociology and Rural Development: Its Application in Kenya, East Africa Literature Bureau, Nairobi.
- Moser C.O. N (1985): Housing Policy and Women: Toward a Gender Aware Approach, DFU, Working Paper no.7 University College London.
- Muller, M.S (1978): Housing Cooperatives in Kenya: Performance and Potential, HABRI, University of Nairobi.

- Ndungu, J.G (1986): Causes of Low Quality and Inadequate Rural Housing: A case study of Kamburu Sublocation, Embu Unpublished M.A. Thesis, University of Nairobi.
- Ngungu Assumta (1987): Financing Rural Housing: A case Study of Runyenje's Division, Embu, Unpublished B.A. Thesis University of Nairobi.
- Thirwal A.F (1983): Growth and Development, The MacMillan Press Hong Kong.
- Nyakundi, H.G (1985): The Quality of Rural Housing has Remained Poor because those concerned with the promotion of the same have given it a low priority, Unpublished B.A Thesis, University of Nairobi.
- Ogutu F (1978): The Role of National Housing Cooperation in the Provisions of Housing in Kenya, Unpublished M.A. Thesis, University of Nairobi.
- Olima W.H. (1986): A Study Towards the understanding of Rural Housing Provision and Requirements for Siaya District, Unpublished M.A. Thesis, University of Nairobi.

Republic of Kenya: National Development Plans 1970-74;
1974-78; 1979-83; 1984-88, and 1989-93.
Government Printer Nairobi.

_____ Kitui District Development Plans 1989-93
and 1994-96, Government Printer Nairobi.

_____ (1986): Sessional Paper no.1 of 1986
"Economic Management for renewed Growth".
Government Printer Nairobi.

_____ (1966): Sessional Paper no.5 of 1966/67,
"National Housing Policy", Government
Printer Nairobi.

_____ (1975): Sessional Paper no. 14 of 1975
"Cooperative Development Policy for Kenya"
Government Printer, Nairobi, Kenya.

Sterkenburg, J.J (1988): Rural Housing Conditions in
Machakos District, Kenya. Dept of Geography
of Developing Countries, University of
Utrecht, Netherlands, and HRDU University of
Nairobi.

Todaro M.A (1981): Economic Development in Third World
Countries, Longman Press, London.

United Nations Centre for Human Settlements (Habitat)

(1991): Integrating Housing Finance into National Financial Systems of Developing Countries: Exploring the Potentials and Problems, Nairobi.

(1988): Women and Human Settlements Development, Nairobi.

(1983): Non-Conventional Approaches for Financing Low cost Housing Schemes in Kenya: Two Case Studies for UNCHS, HABRI, University of Nairobi.

(1987): Women and Shelter in Southern and Eastern Africa, Report on the Proceedings of a Conference on women and shelter in Eastern and Southern Africa held in Harare November - December 1987, Nairobi.

(1992): Improving Shelter: Action by Non governmental Organitions Nairobi.

(1990): Financial Human Settlements Development and Management in Developing Countries: A comparative overview of Case Studies, Nairobi.

_____ (1989): Mobilization of Financial Resources for Low Income Groups, Nairobi.

_____ (1991): Global Strategy for Shelter to the Year 2000. Nairobi.

_____ (1989): Cooperative Housing: Experiences of Mutual Self-help Groups, Nairobi.

_____ (1988): Shelter for the Homeless: The Role of Non-governmental Organisations, Nairobi.

_____ (1984): The Role of Women in the Development of Kibwezi Settlements: a consultants report prepared by Erica Mann, Nairobi.

_____ (1984): Promotion of Unconventional Approaches to Housing Finance for Low Income Groups, Nairobi.

United Nations (1974): Financing Rural Housing Selected Policies and Techniques for Developing Countries. Department of Economics and Social Affairs, New York, Sales No. E.74.IV.2.

_____ (1978): Non Conventional Financing of Housing for Low Income Households. Department of International Economics and Social Welfare New York Sales No.E.78.IV.12

APPENDIX 1

RESEARCH QUESTIONNAIRE

Name of Respondent -----
Questionnaire No. -----
Location -----
Interviewer -----
Date -----

A: HOUSEHOLD CHARACTERISTICS

1. Age of household head -----
2. Sex of household head
 1. Male -----
 2. Female -----
3. Education level
 1. Primary
 2. Secondary
 3. Post Secondary
 4. None of the above
4. Size of household----- members
5. How many relatives reside within this household-----

B: SOCIO-ECONOMIC ASPECTS

6. What is your major occupation
 1. Peasant Farmer
 2. Teacher/Clerical
 3. Shopkeeper
 4. Informal (state type)-----
7. If in employment state the terms of employment
 1. Permanent
 2. Temporary
8. Do you have any secondary sources of income
 1. Yes
 2. No

9. If the answer to Qn.9 above is Yes, please list them

1. -----
2. -----
3. -----

10. What is your monthly income

1. Kshs 0 - 1000
2. Kshs 1001 - 2000
3. Kshs 2001 - 3000
4. Above kshs. 3000

11. Please give your monthly expenditure on each of the following

1. Education Kshs -----
2. Health Kshs -----
3. Transport Kshs -----
4. Food Kshs -----
5. Fuel kshs -----

12. What is the size of your farm ----- acres

13. What are the major crops grown in your farm ?

1. -----
2. -----
3. -----

14. State the acreage under each of the following

1. Food crops ----- acres
2. cash crops ----- acres

15. Do you keep any livestock

1. Yes
2. No

16. If the answer to Qn.15 above is Yes, please state the number of each of the stocks listed below kept.

1. Cattle -----
2. Goats/Sheep -----
3. Donkeys -----
4. Others (specify)-----

C: HOUSING CHARACTERISTICS

17. Type of main house
 1. Traditional
 2. Transitional
 3. Modern
18. Number of houses in the homestead -----
19. Total floor space
 1. Indoor ----- square metres
 2. Outdoor ----- square metres
20. Building materials used in the construction of the floor.
 1. Earth
 2. Cement (Concrete)
 3. Tiles (PVC, Teak)
 4. Others (specify) -----
21. Building materials used in the construction of the walls.
 1. Fired bricks
 2. Mud bricks
 3. Natural stone blocks
 4. Concrete blocks
 5. Mud and Wattle
22. Building materials used in the construction of the roof.
 1. Tiles
 2. Galvanised Iron Sheets
 3. Grass and Thatch
 4. Others (specify) -----
23. Condition of the floor.
 1. Good
 2. Bad, needs repairs
 3. Bad, needs replacement
24. Condition of the walls.
 1. Good
 2. Bad, needs repairs
 3. Bad, needs replacement

25. Condition of the roof.
 1. Good
 2. Bad, needs repairs
 3. Bad, needs replacement
26. Number of windows.
 1. Over four (4)
 2. Less than four (4)
 3. None
27. Availability of kitchen
 1. None
 2. Separate
 3. Inside main house
28. Availability of pit latrine
 1. None
 2. Separate
 3. Inside main house
29. Availability of bathroom
 1. None
 2. Separate
 3. Inside main house
30. Source of water supply
 1. Communal water tap
 2. River/ Stream
 3. Rain water harvesting
 4. Combination of 1 and 3
 5. Combination of 2 and 3
31. Distance to water supply source
 1. Less than 500 metres
 2. Between 500 and 1000 metres
 3. Between 1000 and 2000 metres
 4. More than 2000 metres
32. If rain water harvesting is practised, please state the type of container utilised.
 1. Galvanised Iron Sheet tanks
 2. Masonry (Concrete) tanks
 3. Others (specify) -----

33. What is the capacity of your container/tank -----
34. What was the cost of purchasing or constructing the container/tank in Kshs. -----
35. What was the source of your housing construction finance
1. Personal savings
 2. Community based self help group
 3. Loan
 4. Others
36. If the answer to Qn.34 above is 3, please state the source of the loan.
1. Commercial banks
 2. Housing finance or building society
 3. RHLS from NHI
 4. Savings and Credit Cooperative Organisation (SACCOs)
 5. African Housing Fund (AHF)
 6. Others (specify) -----
37. What is the amount of the loan that was advanced to you in Kshs.-----
38. What are the monthly repayment instalments in Kshs.-----
39. Do you encounter any problems in meeting your monthly loan repayments ?
1. Yes
 2. No
- 40 If the answer to Qn.38 above is Yes, give reasons.
1. -----
 2. -----
 3. -----

D: RESPONDENTS ASPIRATION AND HOUSING PERCEPTION

41. What size of house do you consider adequate in terms of number of rooms.
1. One room
 2. Two rooms
 3. Three rooms
 4. Four and above
42. If you were to earn some extra income or a substantial loan was advanced to you what would be your priorities of spending the extra income.
1. Improve housing
 2. Educate children
 3. Construct a water tank
 4. Venture into business
 5. Any other (please specify)-----
43. If you were to be given assistance for the improvement of housing which one would you prefer.
1. Cash
 2. Materials
44. Are you aware of the African Housing Fund (AHF) Projects in Kitui district
1. Yes
 2. No
45. If the answer to Qn.44 above is Yes are you a member of any of the AHF assisted women groups
1. Yes
 2. No
- Which one ? -----
46. What do you take to be the major benefits due to your membership.
1. -----
 2. -----
 3. -----

47. What are the problems faced by your group.

1. -----
2. -----
3. -----

48. Please suggest solutions about how you would like the problems to be solved.

1. -----
2. -----
3. -----

THANKYOU FOR YOUR COOPERATION