

The report focuses on key aspects and innovative instruments/practices that are specific to Zimbabwe. The report is organized into five chapters. Chapter 1 focuses on the Macroeconomic and socio-political context of Zimbabwe. Chapter 2 focuses on “The Housing Conditions and Housing Market in Zimbabwe” citing the history and development of the housing finance system in Zimbabwe in the pre- and post independence eras. This chapter provides an overview of the trends in housing as well as highlighting those mechanisms that achieved the best results and which may need revisiting. Chapter 3, “Structure, Patterns, Trends Characteristics and Instruments of Housing Finance” reviews the technical aspects relating to housing finance in Zimbabwe. The chapter presents a review of existing sources of finance and their relative successes in providing housing for the home seeker. Chapter 4 outlines and evaluates the existing credit mechanisms against the background of the prevailing macroeconomic conditions in Zimbabwe. The last chapter outlines the constraints on housing finance and how these can be overcome in the short term and long-term. The report makes recommendations, which involve communities in housing delivery with a firm foundation in the housing cooperative movement and which has achieved a substantial amount of success in Zimbabwe. The report also recommends the active participation of civil society organisations as they have also demonstrated a capacity to employ participatory and rights based approaches in housing delivery.

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HOUSING FINANCE MECHANISMS In Zimbabwe



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In Zimbabwe

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Housing Finance Mechanisms in Zimbabwe

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FOREWORD



At the dawn of this new urban era, UN-HABITAT research shows that by 2030, two-thirds of humanity will be living in towns and cities. We thus live at a time of unprecedented, rapid, irreversible

urbanisation. The cities growing fastest are those of the developing world. And the fastest growing neighbourhoods are the slums. Indeed, the global number of slum dwellers is now at or close to the 1 billion mark. Excessive levels of urbanization in relation to the economic growth have resulted in high levels of urban poverty and rapid expansion of unplanned urban settlements and slums, which are characterized by a lack of basic infrastructure and services, overcrowding and substandard housing conditions.

Yet housing and the services that should be provided with it are one of the most basic human needs. It is enshrined in various international instruments, including the Habitat Agenda. And reducing the number of slum dwellers around the world is a cornerstone of the Millennium Development Goals set to fight poverty around the world. So if we fail to achieve the Goals in towns and cities, we will simply fail to achieve them at all.

It was with this crisis in mind that the United Nations General Assembly decided in its resolution of 26 February 2002 to transform United Nations Commission on Human Settlements into a fully pledged programme. The General Assembly in its resolution called on

UN-HABITAT to take “urgent steps to ensure a better mobilization of financial resources at all levels, to enhance the implementation of the Habitat Agenda, particularly in developing countries.” It also stressed “the commitments of member states to promote broad access to appropriate housing financing, increasing the supply of affordable housing and creating an enabling environment for sustainable development that will attract investment”.

The Habitat Agenda recognizes that housing finance systems do not always respond adequately to the different needs of large segments of the population, particularly the vulnerable and disadvantaged groups living in poverty and low income people. It calls UN-HABITAT to assist member states to improve the effectiveness, efficiency and accessibility of the existing housing finance systems and to create and devise innovative housing finance mechanisms and instruments and to promote equal and affordable access to housing finance for all people.

In our quest to reach as many people as possible, a cornerstone of our agency’s new Medium-term Strategic and Institutional Plan is partnerships. We have no choice but to catalyze new partnerships between government and the private sector. This is the only way to finance housing and infrastructure at the required scale – the scale needed to stabilize the rate of slum formation, and subsequently reduce and ultimately reverse the number of people living in life-threatening slum conditions.

It is clear that in the coming 20 years, conventional sources of funds will simply be unavailable for investment at the scale required to meet the projected demand for housing and urban infrastructure. Many countries around the world continue to face deficits in public budgets and weak financial sectors. Local governments have started to seek finance in national and global markets, but this is only in its initial phase.

New mortgage providers have emerged, including commercial financial institutions and mortgage companies. But only middle and upper income households have access to such finance, while the poor are generally excluded. Although social housing is becoming less important in Europe and in countries with economies in transition, the need to provide shelter that is affordable to low income households still exists, including in developing countries.

This is why the exchange of information and knowledge on human settlements finance systems is so important. It is why it receives increased recognition in facilitating the development of human settlements finance systems and in turning knowledge into action for developing practical human settlements finance methods and systems for these pressing problems.

Our Human Settlements Finance Systems series documents the state, evolution and trends of human settlements finance in member states, and examines the factors and forces which drive the development of human settlements finance systems and the roles of different institutions and actors in shaping

the systems and trends, and reviews human settlements finance systems. It presents an interesting review of policies, instruments, processes and practices. It examines the strengths and weakness of these systems and practices, their relations to the housing sector and the broad economic and social sectors, and lessons learned from practices.

Indeed, the country review studies we present are a valuable resource for member States because it is a body of work that also shows how human settlements finance systems and models can be applied to local use and thus provide a wider range of options for human settlements finance. The series also serves as guidebooks for policy makers, practitioners and researchers who have to grapple daily with human settlements finance systems, policies and strategies.



Anna Tibaijuka,
Executive Director, UN-HABITAT
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ABBREVIATIONS AND ACRONYMS

BP	British Petroleum
CBO	Community Based Organization
CBU	Community Banking Unit
CBZ	Commercial Bank of Zimbabwe
CBZ	Commercial Bank of Zimbabwe
CDC	Commonwealth Development Corporation
CEM	Credit Enhancement Mechanism
CIDA	Canadian International Development Agency
CM	Credit Mechanism
COHRE	The Centre on Housing Rights and Evictions
CSO	Central Statistical Office
CZI	Confederation of Zimbabwe Industries
DFID	Department for International Development
DRC	Democratic Republic of Congo
EU	European Union
GLF	General Loan Fund
GMB	Grain Marketing Boarding
GOZ	Government of Zimbabwe
GTZ	Deutsche Gessellschaft fur Technische Zusammennarbeit
HGF	Housing Guarantee Fund
HPZ	Housing People of Zimbabwe
IASC	Inter Agency Standing Committee
ILO	International Labour Organization
IMF	International Monetary Fund

