If there is one thing to remember about Twize, it's that the program has shown the possibility of formally developing a housing supply for poor households.

From 1998 to 2008, the Mauritanian state entrusted GRET with the implementation of a project to fight poverty through access to housing in the suburbs of Nouakchott and Nouadhibou: Twize. GRET has tested a financing and construction system for housing “modules” intended for low-income families.

**Beneficiaries:** people active in the informal sector (traders, workers, craftsmen) whose monthly household income was less than 40,000 MRU (around 120 EUR).

**Public partners:** placed from the beginning under the authority of the former Commission on Human Rights, Poverty reduction and Integration (CDHLCPI), the project was integrated into the Urban Development Program (PDU) in 2003.

**Private partners:** creation of a Beit el-Mal microfinance institution (offers microcredit and housing-specific microcredit), which is still active.

**International partners:** international NGO GRET (project leader), World Bank (donor).
The housing program: Two new housing options were offered to the populations: a room (20 square meters) or land with a latrine and fencing. The cost of the bedroom module was estimated at 400,000 MRU (for materials and labor) in 2007, or approximately 1,175 EUR\(^1\). Its funding was divided into three parts: a direct contribution from residents, a grant from the Mauritanian state and a loan with an interest rate of 12% per year over a period of 3 years\(^2\).

Inhabitants were organized into solidarity groups of 5 to 10 members, known as the twize. The groups were formed to prepare materials for housing, such as sand, shells (which serve as aggregates in the concrete) and to build the houses. Members of the twize who participated in the preparation of sand, salt or who participated in other work were paid in cash, at a fixed rate set for the entire project. There were also twize groups which did not participate in the building of houses, but rather produced materials or provided construction services (i.e. mold agglomerates or concrete blocks).

The Urban Development Program (PDU), launched in 2001 for a duration of 10 years, was financed by 100 mio USD (85 mio EUR), of which 70 mio (60 mio EUR) was contributed by the World Bank and 30 mio (25 mio EUR) by the Mauritanian State. A budget of 15 mio USD (12.5 mio EUR) was allocated to Twize, of which 3 mio USD (2.5 mio EUR) was provided by the World Bank and the majority of the funds by the Mauritanian state.

The local production of 5,900 housing “modules” (rooms or land plots with fences and latrines) with quality and cost control; construction on plots with occupancy and building permits by local contractors with the owners’ oversight.

---

1 These figures are based on the exchange rate at the time: one euro (EUR) was worth 340 ouguiyas (MRU).
**ORIGINALLY** | **DURING THE PROJECT**
---|---
Contributions: 25% | Contributions: 10%
Grants: 25% | Grants: 67%
Microcredit: 50% | Microcredit: 23%
Without interest | 12% annual interest on initial capital
24 months | 36 months
Reimbursement from the start, monthly payment of 2,500 MRU / month (60 EUR) | Monthly repayment of principal and interest; no grace period

**Guarantee**: participation in a solidarity guarantee fund for up to 10% of the total cost | **Guarantee**: 
*Joint solidarity groups (twize)*: the loan is granted to a twize of 5 to 10 people who provide joint liability for each other. 
*Guarantee savings*: the granting of credit is subject to the prior payment of guarantee savings (10,000 MRU, approximately 30 EUR) repayable at the last loan due date.

---

**LESSONS LEARNT**

» The fight against land speculation and the permanence of the households in their neighborhoods.

» Priority given to local suppliers and producers of materials.

» Maintenance and viability of financing mechanisms (public subsidies, savings and credit) throughout the duration of the program, provided that public authorities contributed financially on the long term. The shares of subsidies, savings and credit evolved over time. Subsidies have kept the cost of housing affordable.

» **The price of the housing module has increased fourfold in 10 years due to the necessary improvement in the quality of constructions**, the sharp increase in the cost of housing due to the increase in the price of materials and labor, and the instability of exchange rates. **This increase was offset through an increase in the subsidy rate from 27% to 67%**.

» Support from the Mayors, sometimes going as far as reducing or canceling taxes associated with building permits. Local leaders (hakems) supported the issuance of occupancy permits, which helped accelerate land regularization in the neighborhoods.
LEÇONS APPRISES

» Zero interest from the Housing Bank, which led to the creation of a microcredit institution. The repayment rate for housing loans is close to 100%.

» 84% satisfaction of households with the proposed housing model. The construction of horizontal and low-density housing options provides alternatives to urban sprawl, which generates urban management costs and inequalities in access to services (transport, water, electricity, etc.).

FOCUSING ON MICRO-CREDIT FOR HOUSING

In 2006, the individual guarantee model was tested as an alternative to joint liability. An important point to consider is that, if the entire cost of housing is financed through credit, the duration of the project is around 10 years (not taking into account the cost of the credit), a period that is far too long and risky for the sustainability of a micro-finance institution.

The project leader had to face the refusal of the CDHLCPI to authorize successive credits, including a subsidy to families wishing to access additional housing modules, due to the fact that the responsibility of the State towards the poor populations does not surpass the construction of a «roof». The objective of the CDHLCPI was to reach as many families as possible, and to avoid the gradual consolidation of housing. GRET was in favor of declining subsidization, in order to help families find more meaningful housing than just a single room. Without the option of subsidies, families found it more interesting to act independently outside the constraints of the program (validation procedures, inclusion in solidarity groups).

While traditional microcredit programs can develop without specific programs or public policies, the situation is very different when it comes to affordable housing loans, which do not constitute an income-generating activity and therefore repayment possibilities. Housing microcredit must therefore be backed by programs and policies that ensure supervision and above all significant subsidy allocations.