The Twahangana Fund is a community managed revolving fund that provides micro loans to the members of the savings groups of the Shack Dwellers Federation in Namibia (SDFN), for the purpose of land acquisition, servicing of land and the construction of housing.

The Fund serves as a tool for the very poor inhabitants of Namibia to access financial assistance, which is not given to them by official banking institutions.

**Beneficiaries:** Low income households in Namibia struggle to access land and housing, partially because of the insufficient, irregular incomes and lack of available land, but also because most of them do not qualify for conventional home loans or cannot access commercial housing. The Twahangana Fund mostly targets households that are living in informal settlements and overcrowded rental buildings.

**Civil Society Partner:** Poor People’s Fund (PPF); Shack Dwellers Federation in Namibia (SDFN).

**Public Partner:** Ministry of Urban and Rural Development (MURD).

**Private Partner:** Standard Bank.

**International Partners:** Ohorongo Cement Factory, First National Bank and Pupkewitz Foundation.

**Contact**

Shack Dwellers Federation of Namibia
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**Location**

**Resources**

Contact with Anna Muller (March – April 2021)

Namibia Housing Action Group (NHAG), Shack Dwellers Federation of Namibia


Explore similar community-led housing initiatives of SDFN on cohabitat.io, e.g. in Windhoek
Since 1995, the Twahangana Fund channeled over 231 million NAD (13.08 million EUR) to the different groups of the SDFN for the construction of over 6,000 houses, reaching 24,000 people. There are several parties contributing to the Fund. Most importantly, the members of the SDFN contribute through the Poor People’s Fund (PPF).

The PPF is developed to ensure the sustainability of the Twahangana Fund and sustain the SDFN and their projects. In addition to that, the PPF gives out loans to small businesses to generate income and functions therefore also as an income generating reserve. The money received through the Fund is repaid by the members of the savings groups and these repayments contribute to the Fund.

Since 2000, the Namibian Government has assisted groups from the SDFN through the Twahangana Fund to obtain housing through donations from the Ministry of Urban and Rural Development (MURD). Previously, the groups also benefited from a national housing program, ‘Build Together’.

For the past years, the SDFN has shown its community-led capacities to manage donor money and governmental subsidies, which encouraged the development of partnerships with the private sector: the Standard Bank started a public fundraising campaign among its clients and the Ohorongo Cement Factory, First National Bank and Pupkewitz Foundation made donations, which were directly channeled to the Twahangana Fund.
The Gobabis Freedom Square project is the first big scale informal settlement upgrading project in Namibia, using finances channelled through the Twahangana Fund, first received in 2016. The project received 10.3 million NAD (594,421 EUR).

The SDFN worked in partnership with the Namibia Housing Action Group (NHAG), the informal settlement communities, local authorities and the government. The NHAG administered the money received through the Fund, covering the costs of the material, training, sewer and excavation work.

The incremental development approach helped to reduce the costs and impact more people. The upgrading of a formally developed plot (including all the services and development costs) costs between 50,000 and 80,000 NAD (2,886 EUR - 4,617 EUR). In the case of the Freedom Square project, the costs were less than 15,000 NAD (866 EUR).

**LESSONS LEARNT**

» Transparency seems to be one of the big principles of the Twahangana Fund. The Fund is managed by the communities themselves, together with NHAG and SDFN. They demonstrated that they are capable of managing donor and government funding thanks to years of experience and solid management systems. Another positive aspect is the fact that this funding is channelled directly into the Fund.

» However, the Federation leadership is from time to time concerned with fund repayments. They explained that a considerable time is taken up in managing loans. Federation leaders noted that people are happy to receive the loan but after about six months many fall behind on repayment. Most of those with loans are poor, however, the general conclusion is that people can afford to make repayments but choose not to.

» Given the successes of the Fund, NHAG and SDFN managed to convince the First Lady of Namibia to be their patron, who used her influential position since 2015 to engage additional stakeholders.