

**PERFORMANCE AUDIT REPORT ON THE  
IMPLEMENTATION OF THE DECENT AND  
AFFORDABLE HOUSING  
SUBSIDY PROGRAM (DAHSP)  
BY THE  
DEPARTMENT OF HOUSING IN THE MINISTRY  
OF LANDS**

National Audit Office  
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Lilongwe 3



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15th December, 2022.

The Right Honourable Speaker  
National Assembly  
Private Bag B362  
Capital City  
Lilongwe 3

Through: The Honourable Minister  
Ministry of Finance, Economic Affairs  
P.O. Box 30049  
Lilongwe 3  
Malawi

Dear Madam,

**PERFORMANCE AUDIT REPORT ON THE IMPLEMENTATION  
DECENT AND AFFORDABLE HOUSING SUBSIDY PROGRAM  
(DAHSP) BY DEPARTMENT OF HOUSING IN THE MINISTRY OF  
LANDS**

Pursuant to the provision of section 184 (2) of the Constitution of the Republic of Malawi and the Public Audit Act Cap 37:01, I have the honour to submit my report on the results of the Performance Audit on the Implementation of the Decent and Affordable Housing Subsidy Program by the Department of Housing in the Ministry of Lands Housing and Urban Development.

A Performance Audit is an audit of Economy, Efficiency and Effectiveness with which the audited entity uses its resources to achieve its goals. The prime aim of a performance audit is to ensure better use of resources, improved operations and better decision making in reaching policy objectives set.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'TKB'.

THOMAS K. B. MAKIWA  
*Acting Auditor General*

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## **ACRONYMS**

DAHSP:	Decent and Affordable Housing Subsidy Programme
DODMA:	Department of Disaster Management Affairs
DoH:	Department of Housing
GRN:	Goods Received Note
HDGs:	Housing Development Groups
MGDS:	Malawi Growth and Development Strategy
ML:	Ministry of Lands
PPDA:	Public Procurement and Disposal Act
RHCF:	Rural Housing Credit Fund
SDGs:	Sustainable Development Goals
VDC:	Village Development Committee

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## **EXECUTIVE SUMMARY**

The Decent and Affordable Housing Subsidy Programme (DAHSP) is provided under the Rural Housing Services within the Department of Housing (DoH) under the Ministry of Lands. DAHSP was established in 2014 by the Government in order to provide subsidised building materials to low income households on loan. The loans were meant to assist the beneficiaries with materials to build new houses or improve the existing houses. The other category under DAHSP was to assist vulnerable people within the villages with materials to build houses on grants. The objectives of DAHSP were to improve the livelihoods of low-income Malawians throughout the country and to improve the livelihoods of vulnerable Malawians under the Grant Component. Government budget on DAHSP was K32.4 Billion for the financial years from 2015/16 to 2018/19.

### **Motivation**

The audit was motivated by local media reports regarding high default rates by the beneficiaries which threatened the sustainability of the program<sup>1</sup>. For instance, out of loans amounting to K14 Billion disbursed by May 2018, only K2.3 Million was repaid by the beneficiaries, representing a repayment rate of 0.1% since 2014/15.

### **Audit objective**

The objective of the audit was to assess the extent to which DoH had implemented the Rural Housing Program with regard to awareness of the program to the beneficiaries, procurement of building materials, timely project completion and loan recoveries in order to provide safe and affordable decent housing to low income households.

To achieve the audit objective, the following questions were used:

1. Were the beneficiaries sensitized on the program before accessing the loan?
2. To what extent has DoH ensured that DAHSP houses are completed in time?
  - (a) Were DAHSP loan beneficiaries' targets achieved during the period under review?
  - (b) Were DAHSP grants beneficiaries' targets achieved during the period under review?
3. To what extent did DoH ensure that building materials were procured in line with the procurement guidelines and DAHSP concept?
  - (a) Were building materials procured in an economic manner in line with DAHSP concept?

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<sup>1</sup> Nyasatimes accessed May 1, 2018

- (b) Were building materials delivered in time by DoH to the beneficiaries?
- (c) Were materials delivered according to quality specifications as contracted?
- 4. To what extent did the Department implement measures to ensure that DAHSP loans are repaid in time?
  - (a) Did the Department maintain sufficient documents in order to ensure effectiveness in loan tracking and collections?
  - (b) Were DAHSP loans timely collected during the period under review?
- 5. Did the Department ensure that it had adequate technical staff to manage DAHSP?
- 6. To what extent did DoH ensure that DAHSP is adequately monitored?

## **Methodology**

The audit was carried out through document reviews; physical inspections; interviews with representatives from DoH, councils and program beneficiaries; and focus groups. Data was also collected from warehouses and sampled Housing Development Groups (HDGs) in all the four regions of Malawi.

The audit covered the financial years from 2015/16 to 2018/19.

## **MAJOR FINDINGS**

### **(a) BENEFICIARIES SENSITIZATION**

#### **Methodology**

The audit was carried out through document reviews; physical inspections; interviews with representatives from DoH, councils and program beneficiaries; and focus groups. Data was also collected from warehouses and sampled Housing Development Groups (HDGs) in all the four regions of Malawi.

The audit covered the financial years from 2015/16 to 2018/19.

## **MAJOR FINDINGS**

### **(a) BENEFICIARIES SENSITIZATION**

The audit noted that adequate sensitization was not done especially in the later phases of the program. It was observed that 53% of the interviewees

were either not sensitized or not sure of sensitization. Inadequate sensitization resulted in the dissemination of conflicting messages from councils and politicians who claimed that DAHSP materials were for free. Furthermore, it was observed that beneficiaries were not sensitized on loan repayments. Sensitization reports were not provided for review. Inadequate sensitization was blamed on mobility challenges by the councils to reach the beneficiaries.

## **(b) COMPLETION OF DECENT AND AFFORDABLE HOUSES**

- **Attainment of targets on subsidy component of DAHSP**

During the period under review, 37,770 beneficiaries were served against a target of 57,900. This shows that 65% of the targeted number of beneficiaries were served illustrating that DoH failed to meet its target by 20,130 identified beneficiaries. Inadequate financing of the program caused the Department to miss the set targets as only 66% of the approved budget was funded. The audit could not prove that failure to serve beneficiaries was due to inadequate finance because DoH had accumulated arrears for suppliers during the period under review depicting that materials were obtained on credit from suppliers.

The audit also observed that there was poor storage of building materials by the councils resulted in wastage of materials like cement, timber, poles, solignum and paint that expired before reaching the intended beneficiaries.

Failure to adequately serve beneficiaries with materials resulted in low housing completion rate as 22,763 houses were completed against a target of 57,900. This was 39.5% of the target. Failure to timely complete houses resulted in a longer waiting time for the DAHSP beneficiaries to have adequate, safe and affordable housing.

- **Attainment of targets on grant component of the DAHSP**

Targeted 3,860 grant houses were not built during the period under review. This was due to inadequate funding as the houses required K24 billion but Treasury did not provide the funds. Failure to timely implement the Grant component of the DAHSP kept the identified beneficiaries waiting for a longer time and in away the intended beneficiaries were bitter with the DoH's failure to fulfil their promise.

- **Quality of delivered materials**

Inadequate material inspection by Department of Housing Officers (DHO) resulted in acceptance of low quality building materials contrary

to contractual specifications. It was observed that some building materials which did not comply with the specifications had been supplied to beneficiaries. Thirty (30) beneficiaries who were interviewed complained about the poor quality of materials supplied under the program. For instance, the DHOs accepted 32 gauge iron sheets instead of 29/30 gauge. Some suppliers painted the 32 gauge iron sheets in order increase their thickness. All the regions were mostly supplied with 32 gauge iron sheets. Furthermore, cement which was 22.5 newtons was accepted by the sampled councils instead of 32.5 newtons. The use of low quality materials compromised the quality of the houses built.

- **Pricing of building materials**

The audit generally observed that beneficiaries complained about high prices of the materials delivered. It was noted that 56% of the beneficiaries were dissatisfied with the price. On the other hand, 25% were either satisfied or very satisfied while 19% of the beneficiaries were neutral on the pricing of the materials.

For instance, it was observed that beneficiaries at Lilongwe City Council were refusing to sign loan agreements due to high prices of building materials. The beneficiaries were dissatisfied with the pricing of the building materials because building materials bought under the subsidy program were charged at prices higher than the prices charged locally. For instance, Khoma cement which was locally selling at K3,500.00 was being charged to the beneficiaries at K7,000.00 in 2015/16 (phase 1). In phase 2 and 3 (2017/18 and 2018/19), DoH was charging K9,000.00 per bag of cement. Furthermore, in 2018/19 the subsidy component was K4,500.00 and the 10% interest was K450. This means that the subsidised charge for the bag of cement was K4,950.00 at the time the local market was selling cement at K3,500.00. This shows that there was no value for money because the subsidised price was 70% higher than the local price.

The Department stated that the building materials were purchased through open tender under the National Competitive Bidding where suppliers factored in transportation of the building materials to the beneficiaries. However, the audit noted that this was contrary to the DAHSP Concept which provided that, 'Funds for the project will be held under the Rural Housing Treasury Fund at Housing Department Headquarters. The Funds will then be disbursed to Regional Offices where procurement of building materials will be done based on requests from the districts.

- **Delays in the delivery of materials**

Despite the delivery time of 28 days, suppliers took an average of 132 days to deliver building materials which was contrary to the expected. The delays were caused by weak contract management by DoH as contract violations were not timely addressed. Delayed delivery of building materials affected the beneficiaries as materials which were meant to be received during dry season were received during rainy season and most of the materials could not reach the beneficiaries due to poor road conditions. Furthermore, the beneficiaries were receiving the goods at a time they were busy working in their crop fields.

**(c) Management of Loans**

- **Rural housing credit fund**

It was observed that the Ministry of Lands, through DoH, had not put in place a proper Rural Housing Credit Fund to record, update and report on beneficiary loan status. This made it impossible for DoH to track and monitor loan repayments by DAHSP beneficiaries within the councils. Reporting on loan status depended on requesting data from the councils instead of the Rural Housing Credit Fund (RHCF) providing reports on loans.

- **Maintenance of loan repayment schedules**

The audit observed that 4 out of 11 councils had compiled a complete loan schedule for the three phases of DAHSP. It was noted that 6 out of 11 councils compiled loan data in phase one representing 54.5% compliance rate. In phase two 5 out of 11 councils compiled loan data, thus compliance rate of 45%. Furthermore, in phase 3, 8 out of 11 councils compiled loan data representing 73% compliance.

Failure to maintain loan data/schedules was attributed to various reasons:

1. Rumphi: There was missing information for phase one and this needed to be collected by the Council.
2. Chitipa: Data for material recipients was not available hence the need for a follow-up on beneficiaries by the Council.
3. Thyolo: They had not yet started computation for the third phase because the delivery of materials for phase 3 was not complete.
4. Zomba: Computation was done but there were gaps because some materials were diverted.

5. Lilongwe District: Was in the process of computing phase 2 loans.
6. Lilongwe City: No reasons were provided.
7. Blantyre District: The Council delayed in computing the loan amounts.
8. Machinga: There was no proper handover for the loan records.
9. Chikwawa: The template for computing loan amounts came late (December 2019).

- **Loan repayment**

The audit observed that by 30th June 2020, instead of collecting K2,821,125,174.47 from ten councils, only K11,589,966.89 was collected. This represented 0.4% of the amount expected to be repaid by this date. Failure to repay loans by the beneficiaries was attributed to delayed loan computations, inadequate funding for the Program, beneficiaries awaiting labour and wood components and high prices for materials.

Failure to timely repay the loans defeated the purpose of revolving loans for the DAHSP program.

**(d) STAFFING**

It was noted that some district councils did not have designated District Housing Officers (DHOs) to manage the programme. Instead the programme was left to Desk Officers who had their own tasks to manage. Failure to have DHOs in the 5 districts affected supervision, loan collection and maintenance of accurate and up to date records during the implementation of the programme.

**(e) MONITORING AND SUPERVISION**

The audit noted that 75% of the expected quarterly reports were neither filed by DoH nor available. The quarterly reports (25%) that were filed and made available for audit had the required information showing that the projects were not implemented and managed as planned

It was noted that 67% (48% satisfied and 19% very satisfied) of the respondents were satisfied with the monitoring and supervision done by DoH. The analysis established that 15% were dissatisfied (13% dissatisfied and 2% very dissatisfied) with the monitoring and supervision by DoH.

It was observed that some structures were not supervised by DoH or council officials during the period under review. For instance, physical inspections



in Salima Central Constituency, a beneficiary in Samaiwa HDG had received building materials under DAHSP but did not use them on the project. It was also noted that some beneficiaries built structures which were bigger than those provided under DAHSP. If monitoring and supervision was efficiently and effectively carried out, these incidences would have been reflected in the quarterly reports for appropriate action to be taken by DAHSP

The audit also noted that the DAHSP program served beneficiaries who were not approved beneficiaries during the period under review. For instance, a total of 104 beneficiaries who were not approved were served with building materials in Mchinji. It was noted that this anomaly contravened the principles of the program and complicated the collection of the loans from the beneficiaries.

## **RECOMMENDATIONS**

### **Sensitization of beneficiaries**

The Ministry Lands/Department of Housing should ensure that HDGs' are adequately sensitized on the DAHSP program in line with the Concept and Manual.

### **Completion of Decent and Affordable Housing Units**

The Ministry of Lands/DOH is advised to ensure:

- That all targeted beneficiaries are served;
- That all targeted houses are timely completed; and
- That it lobbies with the Government to finance the building of DAHSP grant houses.

### **Procurement of DAHSP building materials**

The Ministry should ensure that it:

- Builds the capacity in the Regional Housing Offices and Councils to manage DAHSP in line with the Concept;
- Strengthens inspection of building materials delivered by the suppliers; and
- Gets value for money in the building materials received on credit.

### **DAHSP Loan management**

The Ministry is advised to ensure that:

- The Rural Housing Credit Fund is operational;

- Data and loan repayment schedules are maintained; and
- Efforts are made to accelerate loan repayment by beneficiaries.

### **Staffing**

Department of Housing should ensure that it has sufficient and efficient technical personnel to manage DAHSP in all the Councils

### **DAHSP monitoring**

Department of Housing should ensure that monitoring and supervision are adequately conducted and their recommendations implemented.

### **DASP implementation**

The Ministry should ensure that:

1. In instances where there was overpricing by the suppliers, a refund should be made;
2. Materials that were provided different from the specifications, a refund should be made;
3. Public officers who may have facilitated loss of public funds should be sanctioned accordingly;
4. Detailed investigations should be carried on some issues that have been highlighted in the report; and
5. In future, GoM should have clear governance and operational controls before commencing a program of this nature.

## **1.0 INTRODUCTION**

### **1.1 Background**

Decent and Affordable Housing Subsidy Programme (DAHSP) was established in 2014 by the Government in order to provide subsidised building materials to low income households on loan. The loans are meant to assist the beneficiaries with materials to build new houses or improve the existing houses. The other category that is supported under the DAHSP is the grant component which was designed to assist vulnerable people within the villages with materials to build houses on grants. DAHSP was designed to improve the livelihoods of low-income Malawians throughout the country and to improve the livelihoods of vulnerable Malawians under the Grant Component. During the period 2015/16 to 2018/19, a total of K21.3 Billion was funded to the DAHSP program by Treasury.

The Rural Housing Section within the Department of Housing (DoH) is responsible for implementing DAHSP. The Section provides housing services mostly to low income groups and currently leads in DAHSP. DAHSP has two components; namely, the Subsidy Component and the Grant component. Implementation of DAHSP entails the provision of building materials to low income household on subsidy, where the beneficiaries will repay half the value of materials plus 10% interest. Under DAHSP, the most vulnerable are served through grants.

Government recognises the importance of housing and its contribution to the national economic development of the country. This is reflected by the inclusion of housing in the Malawi Growth and Development Strategy (MGDS) III. Furthermore, the Malawi 2063, Pillar 3 Urbanisation talks about “Regulated and Controlled Infrastructure Development Planning”

### **1.2 Motivation**

The audit was carried out in the Department of Housing after local media reports regarding high default rates by the beneficiaries which threatened the sustainability of the program<sup>2</sup>. For instance, only K2.3 Million was repaid by the beneficiaries out of loans amounting to K14 billion disbursed by May, 2018, representing 0.02% since 2014/15.

### **1.3 Audit Objective, Scope and Questions**

#### **Audit objective**

The objective of the audit was to assess the extent to which DoH implemented the rural housing program with regard to awareness of the

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<sup>2</sup> Nyasatimes accessed May 1, 2018

program to the beneficiaries, procurement of building materials, timely project completion and loan recoveries in order to provide safe and affordable decent housing to low income households.

### **Audit scope**

The audit was carried out in the Rural Housing Section within the Department of Housing in the Ministry of Lands. The audit focused on the implementation of the Decent and Affordable Housing Subsidy Program (DAHSP) by the Section. The audit covered a country-wide perspective in order to collect sufficient and reliable data on how the Section implemented DAHSP for the benefit of low income households in Malawi.

The audit covered four financial years; 2015/2016 to 2018/2019. These financial years were selected to enable the team to assess the performance of the program since its inception.

### **Audit questions and sub-question**

1. Were the beneficiaries sensitized on the program before accessing the loan?
2. To what extent did Department of Housing (DoH) ensure that DAHSP houses were completed on time?
  - (a) Were DAHSP loan beneficiaries' targets achieved during the period under review?
  - (b) Were DAHSP grants beneficiaries' targets achieved during the period under review?
3. To what extent did DOH ensure that building materials were procured in line with procurement guidelines and the DAHSP concept?
  - (a) Were building materials procured in an economical manner and in line with the DAHSP concept?
  - (b) Were building materials delivered in time by DoH to the beneficiaries?
  - (c) Were materials delivered according to the quality specifications?
4. To what extent did the Department implement measures to ensure that DAHSP loans are repaid on time?
  - (a) Did the Department maintain sufficient documents in order to ensure effectiveness in loan tracking and collections?
  - (b) Were DAHSP loans collected in time during the period under review?

5. Did the Department ensure that it had adequate technical staff to manage the DAHSP?
6. To what extent did DoH ensure that DAHSP is adequately monitored?

## **2.0 METHODOLOGY**

Document reviews, interviews, physical inspections and focus group discussions were used to collect data for the audit.

### **2.1 Document Review**

Documents from Ministry of Lands (ML), Department of Housing (DoH) and district councils were reviewed in order to collect data for the audit. Refer to appendix 1 for a list of documents reviewed.

### **2.2 Interviews**

Interviews were conducted with staff within Ministry of Lands Head Office, regional offices and all visited districts in the country to assess the extent to which DoH had implemented the Rural Housing Programme. Structured interviews were conducted with members of sampled HDGs. Refer to appendix 2 for a list of interviewees.

### **2.3 Focus Group Discussion**

Focus group discussions with members of visited HDGs were conducted in order to collect data on the implementation of the DAHSP program and the benefits to the local people and challenges faced.

### **2.4 Physical inspection**

Physical inspections were conducted in the following places: eleven (11) visited councils sampled beneficiary houses and warehouses. Physical inspections were done to ascertain the status and existence of houses and building materials. Refer to appendices 3(i) and 3(ii) for details.

### **2.5 Questionnaire Survey**

The audit floated questionnaires to sampled beneficiaries in order to supplement data for the audit. A total of 48 questionnaires were distributed to members of the visited HDGs. All the questionnaires were filled and submitted for data analysis.

### **2.6 Sampling**

Malawi has 193 political constituencies in thirty-two (32) councils where the DoH was implementing the DAHSP program. A total of 3,186<sup>3</sup> HDGs were

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<sup>3</sup> 2017-18MLH&UD Mid-Year Monitoring Draft Report

formed to act as a cluster for DAHSP beneficiaries across the country. Cluster sampling was used to select councils in the four political regions of the country. The regions are North, Centre, South and East. Councils were randomly selected in their regional clusters. Two (2) councils in the Northern Region (Rumphi and Chitipa), three (3) councils in the Central Region (Lilongwe, Mchinji and Salima), three (3) councils in the Southern Region (Blantyre, Chikwawa and Thyolo) and two (2) councils in the Eastern Region (Zomba and Machinga) were selected. One constituency and two HDGs were conveniently selected within the 10 sampled councils. Constituencies and HDGs near to the district councils were selected to reduce travelling to difficult areas; hence, all the 20 HDGs across the country were sampled because council service was considered to be similar. Refer to appendix 4 for details of the sample.

## **2.7 Limitation of scope**

The audit team did not conduct physical inspections in Lilongwe District Council because the District Housing Officer considered the political situation at the time of audit unpredictable to visit project sites.

### **3.0 DESCRIPTION OF THE AUDIT AREA**

This chapter presents the key aspects related to the provision of housing services. It also discusses the main Government objectives and undertakings on the achievement of the main objectives of DoH. The chapter further discusses the legal framework, funding arrangements and organisational structure. It also discusses the processes and the key stakeholders for the Department of Housing.

#### **3.1 Implementation of the Decent and Affordable Housing Subsidy Program (DAHSP)**

Implementation of DAHSP entails offering building materials to rural communities on subsidy and serving the vulnerable (those that cannot afford to repay the loan) on grant<sup>4</sup>. The program is popularly known as the Malata and Cement Programme.

Government, through the program, supports the use of iron sheets (malata) for roofing and cement for flooring and plastering in house construction and house improvement countrywide especially for the low income Malawians. Under the programme, each household accesses a maximum of 30 corrugated iron sheets of 29/30 gauge of 10 feet each and a maximum of 30 bags of cement of 50 kgs each and other related buildings materials. Each beneficiary is required to contribute 50% of the total cost and the remaining percent is a subsidy<sup>5</sup>.

The program also identifies and provides a house, toilet, kitchen and a bathing room for the elderly and feeble, female or child headed households and persons with severe disabilities, who currently have no decent home and who have no capacity to contribute any cash or labour for the construction of their houses.

Government recognises the importance of housing and its contribution to the national economic development of the country. This is reflected by the inclusion of housing in the Malawi Growth and Development Strategy (MGDS III), which is a medium term overarching Government development policy. This recognition is also in line with the 2030 Agenda for Sustainable Development. The plan responds to the Sustainable Development Goals (SDGs), in particular Goal Number 11, which calls for inclusive, safe, resilient and sustainable cities and human settlements<sup>6</sup>. This is also linked to Malawi 2063, Pillar 3 Urbanisation which talks about “Regulated and Controlled Infrastructure Development Planning”

#### **3.2 Main Government objectives**

Main government objectives for the programme include:

- To facilitate access to affordable, safe and secure urban housing for all income groups.

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<sup>4</sup> DAHSP concept page 3

<sup>5</sup> DAHSP concept page ii

<sup>6</sup> National Housing Policy 2019

- To create an enabling environment to encourage investment in urban housing by local and foreign investors.

### **3.3 Legal framework, funding arrangements and organizational structure**

#### **3.3.1 Legal Instruments**

**Table 1: Shows the legal instruments used by the Housing Department in discharging its duties:**

Table 1: Legal Instruments

<b>NAME OF INSTRUMENT</b>	<b>PURPOSE</b>
National Housing Policy (2019)	To provide policy direction to DoH
Public Procurement and Disposal of Assets Act (2017)	To provide rules for the procurement and disposal of assets
Public Finance Management Act (2003)	To provide guidance on accounting and financial management
MGDS III	To provide policy direction to DoH on priority areas

#### **3.3.2 Funding arrangement**

DAHSP is funded by Treasury through development budget part II. This funding caters for operations and procurement of building materials for the beneficiaries. (Refer to Table 2 for the budgets for the program). Funds for the project are held under the Rural Housing Treasury Fund at DoH Headquarters. The funds are then distributed to Regional Offices and councils for procurement of building materials and operations of council and regional structures.

Table 2: Budgets and Funding for the Department of Housing DAHSP Program

<b>FINANCIAL YEAR</b>	<b>APPROVED BUDGETS MK</b>	<b>ACTUAL FUNDING MK</b>
2015/2016	7.0 Billion	4.3 Billion
2016/2017	8.4 Billion	6.0 Billion
2017/2018	7.0 Billion	6.0 Billion
2018/2019	10.0 Billion	5.0 Billion
<b>Total</b>	<b>32.4 Billion</b>	<b>21.3 Billion</b>

*Source: DoH Brief Progress Report, September 2019*



### **3.3.3 Organisational Set-up of the Rural Housing Section**

Rural Housing provides housing services mostly to low income groups and currently leads in DAHSP. The Section is headed by a Deputy Director who reports to the Director of Housing. At regional level, the program is headed by Regional Rural Housing Officer who reports to a Regional Housing Officer. At council level, the Rural Housing Program/DAHSP is headed by the Housing Officer who technically reports to the District Commissioner and the Regional Rural Housing Coordinator on the program.

## **3.4 KEY STAKEHOLDERS**

The key stakeholders and their roles are detailed in Table 3.

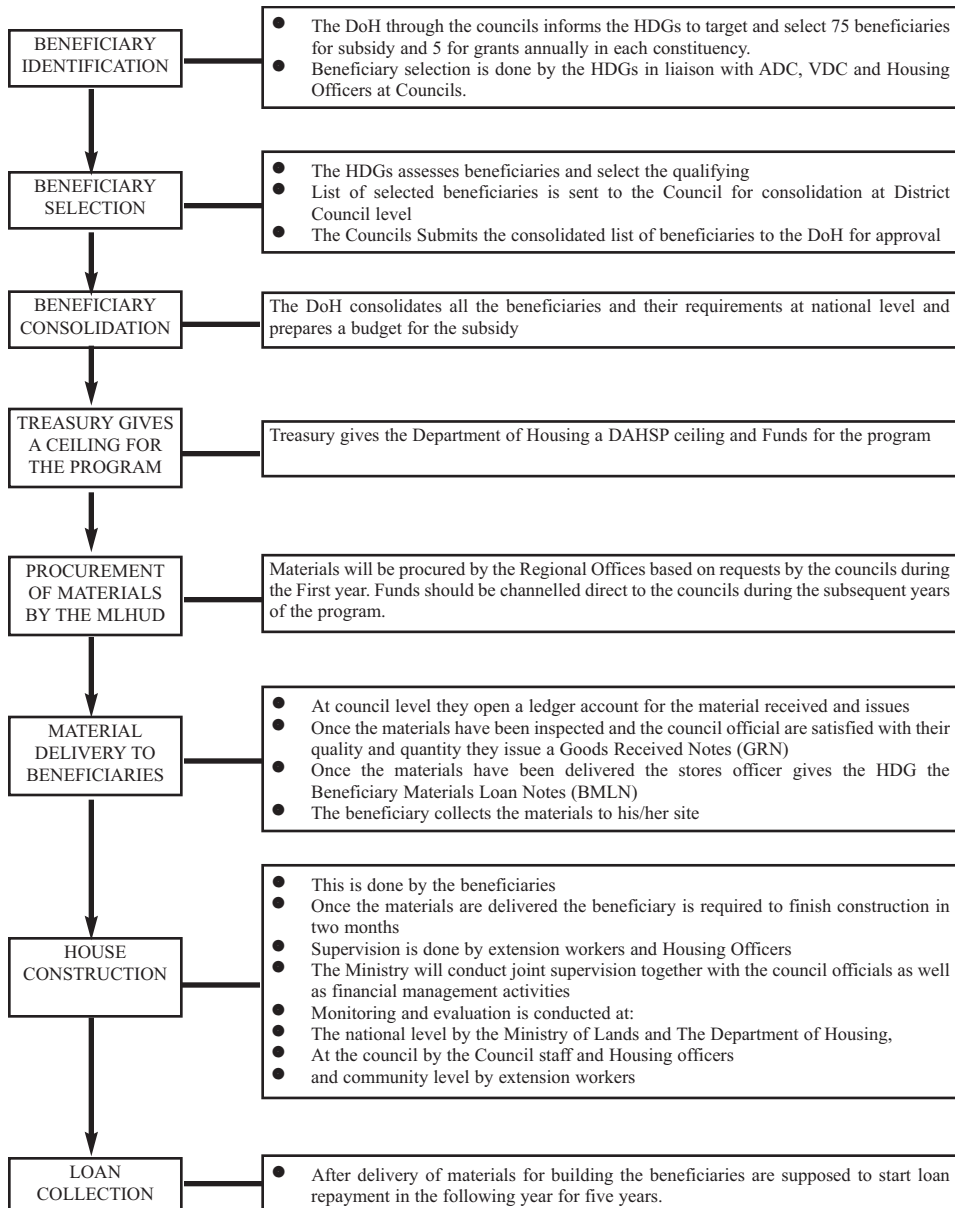
Table 3: Key Stakeholders

<b>NAME OF KEY STAKEHOLDER</b>	<b>ROLES</b>
Councils local level	<ul style="list-style-type: none"> <li>• Implementation of the programme at</li> </ul>
Ministry of Local Government	<ul style="list-style-type: none"> <li>• Provides policy direction on local governance.</li> <li>• identification and approval of eligible applicants,</li> <li>• collecting of loan repayments and banking</li> </ul>
Ministry of Finance	Determines and ensures effective application of fiscal policies in Malawi, and ensures effective co-ordination of the policies.
Malawi Housing Corporation	Key stakeholder in the housing sector and provider of rental accommodation.
National Construction Industry Council	Certifies contractors for Government infrastructure projects
Department of Disaster Management Affairs (DODMA)	Management of disaster responses
PPDA	Provision of policy, legislation and guidance and approval of procurements of goods and services

*Sources: NAO analysis of DAHSP stakeholder data*

### 3.5 Process Descriptions For The Decent And Affordable Housing Subsidy Program (DAHSP)

FIGURE 1: PROCESS FLOW FOR DAHSP



### **3.6 Assessment Criteria**

Question 1: Were the beneficiaries sensitized on the program before accessing the loan?

- DAHSP Program Concept required DoH to conduct beneficiary sensitisation

Question 2: To what extent did Department of Housing (DoH) ensure that DAHSP houses were completed on time/

- DAHSP Manual and Concept provided a target of 57,900 subsidy houses to be completed in four years, 2015/16 to 2018/19 (14,475 houses annually)
- DAHSP Manual and Concept provided a target of 57,900 subsidy beneficiaries to be served in four years 2015/16 to 2018/19 (14,475 houses annually)
- DAHSP Manual and Concept provided a target of 3,860 grant houses to be completed in four years 2015/16 to 2018/19 (965 houses annually)
- DAHSP Manual and Concept provided a target of 3,860 grant beneficiaries to be served in four years 2015/16 to 2018/19 (965 houses annually)

Question 3: To what extent did DOH ensure that building materials were procured in line with procurement guidelines and the DAHSP concept?

- The DAHSP Concept requires the procurement of building materials to be done by the Regional Housing Office based on requests from the councils.
- The District Housing Officers are required to inspect building materials delivered by the suppliers (According to the DAHSP Manual)
- Building materials to be priced at half the value of the materials received to the beneficiary plus 10% interest on the valuation of the half (DAHSP Manual)
- Contract agreements between the Ministry of Lands and the suppliers required delivery of building materials to be done within 4 weeks after contract signing.

Question 4: To what extent did the Department implement measures to ensure that DAHSP loans are repaid on time?

- The DAHSP Manual required DoH to manage DAHSP through the Rural Housing Credit Fund (RHCF)
- Good record management and control that contributes to efficient program management requires that the records should be relevant, sufficient, complete and reliable. The councils were supposed to collect and bank money for loan repayment into government account based on loan collection schedules prepared by the District Council Officials. The DAHSP Manual makes it a responsibility of the Ministry of Local Government through the councils to enforce the terms and conditions of the subsidy on beneficiaries<sup>7</sup>.
- The DAHSP Manual requires beneficiaries to repay their loans within five years from the receipt of the loans with a 10% interest on half the value of materials received (half is subsidy and the other half is loan).

Question 5: Did the Department ensure that it had adequate technical staff to manage the DAHSP?

- The DoH Establishment Warrant provides for District Housing Officers in all the councils.

Question 6: To what extent did DoH ensure that DAHSP is adequately monitored?

- The DAHSP Manual and Concept required the MLH&UD to ensure that the programme is monitored and supervised by the council at district level, DoH and the Ministry at national level. Monitoring and supervision reports were supposed to be produced monthly by the councils, quarterly and annually by DoH and the Ministry.

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<sup>7</sup> DAHSP manual page 6

**4.0 FINDINGS**

**4.1 BENEFICIARY SENSITIZATION**

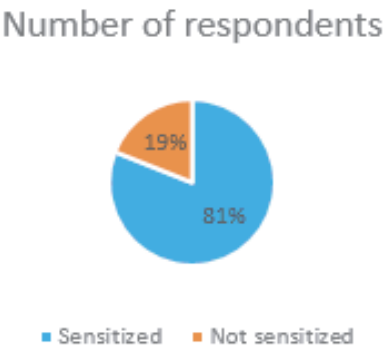
The DAHSP Program concept requires DoH to conduct a programme of awareness, identify and register beneficiaries. To ensure that sensitization is conducted in an orderly manner, DoH had prepared log frames to guide the Department on the timing of each activity under DAHSP. The log frames allocated awareness in all the twelve calendar months.

Interviews with beneficiaries, VDCs, and HDGs indicated that out of 30 interviewees, 14 were sensitized, 7 were not sensitized and 9 representing 30% were not sure of sensitisation. This shows that sensitization of DAHSP did not reach all the recipients, as 53% of the interviewees were either not sensitized or not sure of sensitization as taking place before implementation of the programme; refer to appendix 5 for details.

It was noted through interviews that this resulted in dissemination of conflicting messages by councils and politicians who claimed that DAHSP materials were for free. Furthermore, it was established through interviews with beneficiaries that the HDGs’ were not sensitised on loan repayments. Sensitization reports were not provided to the audit team for review.

Analysis of survey questionnaire data established that 39 out of 48 respondents, representing 81.28% of beneficiaries visited, had been sensitized on the operation of DAHSP. Furthermore, analysis of survey questionnaire data also established that 17 respondents, representing 35.4% were sensitized during phase 1 of the program. Refer to appendix 6(i) for details.

**Figure 2: Questionnaire responses data on sensitization**



Source: NAO questionnaire data analysis (2020)

In addition, Interviews with District Housing Officers/Extension Workers/Desktop Officers (from Sampled District HOs), also revealed that failure to sensitize all beneficiaries arose because of mobility challenges as Headquarters did not have vehicles or motor cycles for their day to day operations. In some instances, transport was provided by the Council, which had other priority areas apart from DAHSP. The audit team finds this explanation not adequate looking at the importance of this program and the consequences that are associated with the implementation without sensitization.

Failure to sensitize all recipients contributed to poor loan recovery and delivery of substandard materials to beneficiaries.

***Management comment***

*The auditors' observation is correct. It is indeed true that councils who were entrusted with the task of sensitizing the beneficiaries did not cover every beneficiary in the awareness programme because of logistical challenges in terms of transport. However, it is pleasing to note that results obtained through the questionnaire attest to the fact that over half of the beneficiaries were indeed sensitized on the implementation of the programme.*

## **4.2 DECENT AND AFFORDABLE HOUSING PROGRAM TARGETS**

### **(a) DAHSP SUBSIDY**

#### **i. Number of DAHSP Houses completed**

DoH planned to complete improvement/building of 14,475 houses per annum from 2015/16 to 2018/19<sup>8</sup> totalling 57,900 houses after the four years. Analysis of housing completion status reports within DoH established that 22,763 houses were completed during the period under review, representing 39% of the planned target. Refer to Table 4 for details.

Table 4: DAHSP housing completion status

YEAR	TARGET	HOUSES COMPLETED	HOUSES NOT COMPLETED	PERCENTAGE OF HOUSES COMPLETED	PERCENTAGE OF HOUSES NOT COMPLETED
				(%)	(%)
2015/16	14,475	11,307	3,168	78%	22%
2016/17	14,475	2,651	11,824	18%	82%
2017/18	14,475	8,664	5,811	60%	40%
2018/19	14,475	141	14,334	1%	99%
<b>Total</b>	<b>57,900</b>	<b>22,763</b>	<b>35,137</b>	<b>39%</b>	<b>61%</b>

Sources: DAHSP Progress Report on the implementation of the program; July 2019

<sup>8</sup> The DAHSP Manual/Concept

Table 4 depicts that house completion was 78%, 18%, 60% and 1% in the years 2015/16, 2016/17, 2017/18 and 2018/19 respectively. A review of DoH progress reports established that failure to attain the house completion targets was due to 2015/16 floods and low funding to the program. Analysis of questionnaire survey data and interviews with beneficiaries established that the other cause of the failure to attain housing completion targets was failure by DoH to timely supply beneficiaries with the required materials. The audit established through questionnaire analysis that all the beneficiaries that failed to complete their houses had only received part of the materials requested. Refer to figure 3 for photos of structures awaiting materials for completion.

Figure 3: Beneficiaries houses in Chikwawa and Machinga respectively awaiting materials to complete



*Physical inspection photos captured by NAO (2020)*

Failure to timely complete houses resulted in longer waiting time for beneficiaries to obtain adequate, safe and affordable housing.

## **ii. Number of beneficiaries served**

DoH, under the DAHSP program, planned to serve 14,475 beneficiaries with subsidised building materials on loan per annum/phase . The target for the period under review (2015/16 to 2018/19) was 57,900 loan component beneficiaries.

An analysis of beneficiary lists for the period under review established that DoH served a total of 37,770 beneficiaries. This was 65% of the targeted number of beneficiaries illustrating that DoH failed to meet its target by 20,130 beneficiaries. Refer to Table 5 for details.

**Table 5: Number of beneficiaries served against targets**

PHASE	YEAR	APPROVED BUDGET (IN BILLIONS) (K)	ACTUAL FUNDING (IN BILLIONS) (K)	TARGETED BENEFICIARIES	ACTUAL NUMBER OF BENEFICIERIES SERVED	PERCENTAGE SERVED (%)	PERCENTAGE OF FUNDING (%)
2	2015/16	7	4.3	14,475	14,015	97%	61%
3	2016/17	8.4	6	14,475	12,263	85%	71%
4	2017/18	7	6	14,475	2,212	15%	86%
5	2018/19	10	5	14,475	9,280	64%	50%
Total/ Average		32.4	21.3	57,900	37,770	65%	66%

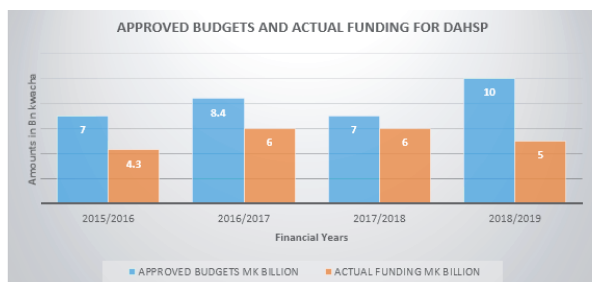
*Source:* Annual DAHSP progress reports

If we compare the number of completed houses versus resources disbursed as at 2018/2019, representing 39% against 66% respectively, signifies a huge discrepancy.

Further analysis of Table 5 Shows that the percentage of beneficiaries served decreased from 97% in 2015/16 to 15% in 2017/18 before an upward increase to 64% in 2018/19. However, the average percentage served was 64% over the period under review. This indicates that 35% of the targeted beneficiaries remained unserved.

Analysis of progress reports and interview with officials within DoH established that failure to meet the 2015/16 target was due to inadequate funding as shown in Table 5 and figure 4.

**Figure 4: Chart showing DAHSP budgets against funding for the period under review**



*Sources:* National Audit Office analysis of DoH budgets and funding data

A review of DoH Progress Report for September, 2019 disclosed that failure to meet the targets was attributed to non-availability of officers to handle DAHSP



activities in Phalombe, Chikwawa and Nsanje districts as officers were busy attending to disaster activities. Failure to meet the target in 2016/17 by DoH was attributed to the introduction of a phased approach in the DAHSP program to avert the delayed financing of the program and to reduce huge arrears<sup>11</sup>. The 3 councils of Phalombe, Chikwawa and Nsanje were served completely in 2016/17. By the end of the 2016/17 financial year, only 25 out of 35 councils were served leaving 10 councils unserved. This represented a 71.4% beneficiary serving rate.

In 2017/18 the priority of DoH was to deliver materials to councils which were not fully served in 2015/16 and not served in 2016/17. Most beneficiaries had outstanding materials to receive. Hence DoH did not serve any new beneficiaries in 2017/18 as it carried forward the approved list to 2018/19. A review of served beneficiary list and Progress Report for 2017/18 established that 7 councils<sup>12</sup> were not served with building materials which were estimated to require K1,448,409,601.70.

A review of DoH 2019 Progress Report and DAHSP Financial Statements established that failure to attain 2018/19 target was because of reduced funding as out of an approved budget of K10 billion, only K5 billion was funded to DoH. The funds received by the Department were used to pay suppliers of building materials for 2017/18 and also to serve the remaining councils in the 2016/17 phase. By the end of the year 2018/19, DoH was owing suppliers K3.8 Billion for supplying building materials.

The audit also established through physical inspections and interviews that failure to serve beneficiaries was also due to poor warehousing by the councils. It was established during physical inspections that materials like cement, timber, poles, solignum and paint got expired due to poor stock handling by the councils. For instance, at Dowa District Council, 300 bags of cement hardened (expired) due to poor handling. In Mzimba North, over 310 bags of cement expired. Refer to figure 5 for a sample of expired goods.

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<sup>11</sup> The arrear was MK1.2 Billion

<sup>12</sup> The councils were; Mwanza, Neno, Ntchisi, Dowa, Mchinji, Nkhotakota and Likoma.

Figure 5a: Solignum and paint in Machinga warehouse



*Physical inspection photos captured NAO*

Figure 5b: Expired cement at Mzimba North warehouse



*Physical inspections photos captured by NAO*

Figure 5c: Timber and poles at Mzimba North Warehouse



*Physical inspections photos captured by NAO*

An analysis of the DAHSP financial statements for the period under review (2015/16 to 2018/19) established that the Department had annual arrears for building materials. This, therefore, shows that, failure to serve should not be attributed to inadequate funding alone because during the period under review, DoH had procured building materials without paying suppliers.

Failure to serve beneficiaries resulted in delayed completion of houses for the deserving beneficiaries.

#### **(b) DAHSP GRANTS**

In line with the agenda 2030 targets, DoH planned to build 965 houses for grant beneficiaries annually during the period under review<sup>13</sup>. A total of 3,860 houses were planned to be completed within the four years from 2015/16 to 2018/19 financial years.

Analysis of progress reports and interviews within DoH established that the Grants houses were not built by DoH during the period under review. The analysis of the budget for the houses established that K6 billion was required annually for four (4) years by DoH to attain its target on the Grants houses. However, annual funding for the DAHSP program was K4.3 Billion, K6 Billion, K6 billion and K5 Billion in the years 2015/16, 2016/17, 2017/18, and 2018/19 respectively. This meant that total funding for the DAHSP program was K21.3 billion during the period under review against a Grant house budget of over K24 Billion. However, it should be noted that the K21.3 Billion funding was for both subsidy and Grant components. Through interviews with officials

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<sup>13</sup> DAHSP manual

within DoH, it was established that inadequate financing of DAHSP resulted in failure to commence the implementation of the Grant housing component.

The audit noted that failure to timely implement the Grant component of DAHSP kept the identified beneficiaries waiting for a longer time.

## **Management Comments**

The auditors' observations are indeed correct and Management also notes the following:

- i. DAHSP could not reach the 100% target because of regular reduction of funding during mid year budget reviews. In most cases, the programme was not being funded according to its cashflow requirements.
- ii. That the planned completed target improvement/building was not done due to lower, inadequate and delayed funding the Department was receiving.
- iii. Consequently, this affected disbursement of the building materials.

## **4.3 PROCUREMENT AND DELIVERY OF BUILDING MATERIALS TO BENEFICIARIES**

### **4.3.1 Procurement of building materials**

The DAHSP Concept requires procurement of building materials to be done by Regional Housing Offices based on requests from the councils. A review of procurement files at the Ministry of Lands Headquarters and interviews with officials at the Ministry, DoH and councils established that the procurement of building materials was done by the Ministry. Furthermore, it was noted through interviews that there was no prospect for the procurement to be decentralised due to capacity challenges both at the council and regional level during the period under review. Centralisation of building materials procurement resulted in:

#### **i. Inspection of supplied building materials**

The District Housing Officers (DHOs') are required to inspect (check) that DAHSP suppliers have delivered building materials according to the specifications<sup>14</sup>. They are also required to sign for goods received and their status/standard/quantity on Goods Received Notes (GRNs).

Analysis of GRNs in all visited councils disclosed that the DHOs signed for the building materials delivered. Physical inspections and interviews with beneficiaries established, for instance, that iron sheets, cement, solignum, timber, poles and paint not complying with contractual specifications were

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<sup>14</sup> DAHSP manual

supplied to beneficiaries. All 30 beneficiaries interviewed in sampled councils complained of the poor quality of materials supplied under the program.

For example, the DHOs accepted delivery of 32 gauge iron sheets instead of 29/30 gauge. According to the 2015/2016 DAHSP Monitoring Report in the Northern Region, suppliers painted the 32 gauge iron sheets in order to increase their thickness. According to the Report, all the regions were mostly supplied with 32 gauge iron sheets. Furthermore, cement which was 22.5 Newtons was accepted by the councils instead of 32.5 Newtons. Refer to figure 5 for the effects of low quality building materials.

Figure 6: A beneficiary house in Chikwawa showing the effects of using low quality cement



*Physical inspection photos captured by NAO*

Analysis of questionnaire survey data established that 29 respondents out of 48 were either satisfied or dissatisfied with the quality of supplied building materials. This was 60% of the respondents. Furthermore, the analysis established that 12 of the respondents were either dissatisfied or very satisfied with the quality of building materials delivered. This represented 25% of the respondents. On the other hand 7 respondents representing 15% were neutral on the quality of delivered materials. Inadequate inspection was attributed to poor coordination and direction on materials inspection procedures by the Ministry.

Supply of building materials not meeting standards jeopardised the purpose of the program to provide decent housing accommodation to the low income households.

## **ii. Material Pricing**

The DAHSP Manual requires DoH to charge beneficiaries half the price of building materials received by the beneficiaries plus 10% interest. Analysis of loan data computations in the districts established that DoH charged the beneficiaries according to the DAHSP Manual.



Refer to table 6 for the details of audit comparison of cement market prices against DAHSP cement prices during the period under review.

**Table 6: COMPARISON OF KHOMA CEMENT DAHSP PRICES AGAINST LOCAL MARKET PRICES**

YEAR	MARKET PRICE K	DAHSP PRICES K	SUBSIDY PRICES K	10% INTEREST ON SUBSIDY COMPONENT	SUBSIDISED CHARGE K	EXCESS AMOUNT PAID K
				K		
2015/16	3,500.00	7,000.00	3,500.00	350.00	3,850.00	350.00
2017/18	4,500.00	9,000.00	4,500.00	450.00	4,950.00	450.00
2018/19	4,500.00	9,000.00	4,500.00	450.00	4,950.00	450.00

*Source:* NAO analysis of DoH and Cement market prices 2020

Analysis of table 6 together with interviews with beneficiaries and DoH officials in councils established that people were dissatisfied with material pricing because the building materials were charged at prices higher than the prices charged locally. For instance, Khoma cement which was sold locally at K3,500.00 was charged to the beneficiaries at K7,000.00 in 2015/16 (phase 1). In phases 2 and 3 (2017/18 and 2018/19), DoH was charging K9,000.00 per bag of cement. Therefore, in 2018/19, the subsidy component was K4,500 and the 10% interest was K450. This meant that the subsidised charge for a bag of cement was K4,950.00 at the time the local market was selling cement at K3,500.00. This shows that there was no value for money because the subsidised price was 41% higher than the local price. Had it been that the councils purchased the cement locally the beneficiaries were to pay K1,925.00 instead of K4,950.00. A review of DAHSP Communication File at Lilongwe City Council established that beneficiaries were refusing to sign loan agreements due to high prices of building materials. Refer to appendix 7 for details.

A review of responses from sample questionnaires established that a total of 27 respondents were either dissatisfied or very dissatisfied with material pricing representing 56% of the respondents. On the other hand 12 respondents representing 25% were either satisfied or very satisfied. The audit noted that 9 respondents were neutral on material pricing representing 19% of the respondents.

A review of DAHSP Communication File at Lilongwe City Council established that beneficiaries were refusing to sign loan agreements due to high prices of building materials. Refer to appendix 7 for details.

Interviews with DoH officials established that this was so because the procurement followed National Competitive Bidding, hence the suppliers factored in transportation of the building materials to the beneficiaries. The argument is insignificantly appreciated by the audit team. Interviews with beneficiaries and documentary reviews established that overpricing of materials resulted in resistance by beneficiaries to repay their loans. Refer to appendix 7; Communication from Lilongwe City council to the Ministry of Lands on beneficiaries complaints and price lists.

#### **4.3.2 Delivery of building materials to beneficiaries**

##### **I. Delivery of materials against agreements**

The contractual agreement between DoH and suppliers required building materials to be delivered within 4 weeks after contract signing. Furthermore, DoH planned to purchase and deliver building materials within the first quarter of a financial year (July - September) to safeguard delivery of materials against rains.

A review of Goods Received Notes (GRN) in the visited councils established that there were delays in the delivery of building materials to beneficiaries. For instance, the analysis of a sample of GRN established that it took an average of 132 days to deliver goods to beneficiaries against the expected 28 days. Interviews with procurement officials established that delays were caused by capacity challenges of the suppliers and the Ministry's delay to pay for the building materials after delivery.

The delays in delivery affected the beneficiaries as materials which were meant to be received during dry season were received during rainy season thereby making it difficult to reach the beneficiaries. Furthermore, the beneficiaries were receiving the goods at the time they were busy working in their fields. Refer to appendix 8 which shows that for a sample of reviewed GRNs, materials were received between December and April and this is a farming season for beneficiaries.

Further observations and interviews established that building materials were not delivered by the Ministry in line with the progress of structures being built. For instance, the suppliers delivered iron sheets, paint, lime and roofing nails before cement and timber. Consequently, the beneficiaries had to keep the materials while waiting for the next consignment resulting in material losses due to time factor.

##### **Management comments**

*Management agrees with the auditors observation. It is indeed true that the Department did not enforce systematic delivery of building materials according to the level of the structures because staff lacked knowledge of stages in house*

construction. Furthermore, the scarcity of cement on the market meant that suppliers were compelled to deliver whatever materials they had laid their hands on whilst waiting for the availability of cement on the market.

## **4.4 LOAN MANAGEMENT FOR DAHSP BUILDING MATERIALS**

### **4.4.1 Rural Housing Credit Fund**

The DAHSP Manual requires ML to manage DAHSP loan repayment through the Rural Housing Credit Fund (RHCF). To adequately manage the fund, ML was supposed to put in place internal controls necessary to record, update and report on beneficiary loan status country-wide.

Interviews and a review of the documents established that ML through DoH had not put in place a proper Rural Housing Credit Fund to record, update and report on beneficiary loan status. This made it impossible for DoH to track and monitor loan repayment by DAHSP beneficiaries within the councils. Reporting on loan status depended on requesting data from the councils instead of RHCF providing reports on loans. For instance, during the audit visit to some councils,<sup>15</sup> it was established that councils were yet to come up with the list of loan beneficiaries for the materials in phases 1 and 2.

### **Management comments**

*The auditors observations are true.*

- *Housing officers where they exist are not trained in record management and this has resulted in poor record keeping.*
- *It is being planned that once the authority to fill vacant positions of HOs, a tailor-made training in record keeping and management will be organized for the HOs.*

### **4.4.2 Maintenance of loan repayment schedules**

Good record management and control that contributes to efficient program management requires that the records should be relevant, sufficient, complete and reliable. The councils were supposed to collect and bank money for loan repayment into government account based on loan collection schedules prepared by the District Council Officials. The DAHSP Manual makes it a responsibility of the Ministry of Local Government, through the councils, to enforce terms and conditions of the loan on beneficiaries.

An analysis of DAHSP loan data for 11 councils established that 4 out of 11 councils had compiled a complete loan schedule for three phases of DAHSP as shown in Table 7.

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<sup>15</sup> Rumphi, Machinga, Zomba



Table 7: Data on availability of compiled loan schedules in councils

**AVAILABILITY OF COMPILED LOAN DATA FOR SELECTED COUNCILS**

	<b>COUNCIL</b>	<b>PHASE 1</b>	<b>PHASE 2</b>	<b>PHASE 3</b>
1	Chitipa	YES	YES	YES
2	Rumphi	NO	NO	YES
3	Mchinji	YES	YES	YES
4	Salima	YES	YES	YES
5	Lilongwe District	YES	NO	YES
6	Lilongwe City	NO	NO	YES
7	Blantyre	YES	NO	NO
8	Chikwawa	NO	NO	NO
9	Thyolo	YES	YES	NO
10	Zomba	NO	YES	YES
11	Machinga	NO	NO	YES

*Source:* NAO survey questionnaire data

Table 7 depicts that 6 out of 11 councils compiled loan data in phase one representing 54.5%. In phase two 5 out of 11 Councils compiled loan data representing 45%. Furthermore, in phase three, 8 out of 11 councils compiled loan data representing 73 %. Reasons for failure to maintain loan data were not provided by the councils.

***Management comments***

*Management agrees with auditors observations. This anomaly is attributed to lack of dedicated and permanent staff to implement the programme and lack of banks near the HDGs. Consequently Desk Officers who were assigned the task of managing the programme devoted most of their time to their core duties at the expense of this programme.*

**4.4.3 Loan Repayment**

The DAHSP Manual requires beneficiaries to repay their loans within five years from the receipt of the loans with a 10% interest on half the value of materials received (half is subsidy and the other half is loan). A total of K7.3billion worthy of materials was distributed to the ten<sup>16</sup> councils under discussion resulting in a total loan amount of K4billion by 30th June 2020. As at cut-off date, DoH was supposed to collect a total of K2.8 billion from the ten councils.

Analysis of loan collection data from the councils established that by 30th June 2020, K11,589,966.89 was collected from the ten councils. This represented 0.4% of the amount expected to be repaid by this date. Refer to table 8 for details.

<sup>16</sup> Chikwawa excluded because loan data was not made available

Table 8: Loan repayment status for ten sampled councils as at 30th June, 2020

DISTRICT	TOTAL VALUE DISBURSED	SUBSIDY AMOUNT	INTEREST (10%)	AMOUNT OWED	TOTAL LOAN COLLECTED AS AT 30 JUNE 2020	TOTAL LOAN EXPECTED TO BE PAID BY 30 JUNE 2020	OUTST- ANDING LOAN	PERCE- NTAGE OF LOAN REPAID
RUMPHI	289,400,126.75	144,700,063.38	14,470,006.34	159,170,069.71	0	63,668,027.88	159,170,069.71	0
CHITIPA	588,606,407.50	294,303,203.75	29,430,320.38	323,733,524.13	-	230,281,551.64	323,733,524.13	0
BLANTYRE	145,433,390.25	72,716,695.13	7,271,669.51	79,988,364.64	0	31,995,345.86	79,988,364.64	0
THYOLO	935,779,458.00	467,889,729.00	46,788,972.90	514,678,701.90	2,380,805.00	344,630,533.28	512,297,896.90	0.46
ZOMBA	552,687,896.00	276,343,948.00	27,634,394.80	303,978,342.80	-	183,556,000.54	303,978,342.80	0
MACHINGA	178,644,655.00	89,322,327.50	8,932,232.75	98,254,560.25	-	39,301,824.10	98,254,560.25	0
MCHINJI	760,298,155.86	380,149,077.93	38,014,907.79	418,163,985.72	3,607,055.89	347,397,856.00	414,556,929.83	0.87
SALIMA	2,373,880,251.10	1,186,940,125.55	118,694,012.56	1,305,634,138.11	5,602,106.00	1,016,635,738.92	1,300,032,032.11	0.43
LILONGWE CITY	1,311,898,874.00	655,949,437.00	65,594,943.70	721,544,380.70	-	527,508,616.75	721,544,380.70	0
<b>Grand totals</b>	<b>7,300,945,939.46</b>	<b>3,650,472,969.73</b>	<b>365,047,296.97</b>	<b>4,015,520,266.70</b>	<b>11,589,966.89</b>	<b>2,821,125,174.47</b>	<b>4,003,930,299.81</b>	<b>0.29</b>

Sources: DoH Rural housing

Table 8 shows that by 30th June, 2020, 7 Councils<sup>17</sup> had not yet started repaying their loan. By 30th June, 2020 the seven councils were expected to repay K1.12 billion. Furthermore, by 30th June 2020, Thyolo, Salima and Mchinji were supposed to repay K1.7billion but only repaid K11,589,966.89 representing 1% of the expected repayment.

Failure to repay by the beneficiaries was attributed to; delayed loan computations, lack of funds, beneficiaries awaiting labour and wood components and high prices for materials. Failure to repay the loans on time defeated the purpose of DAHSP program.

### **Management comments**

*Management agrees with auditors findings. The Ministry through the DOH has been undertaking campaigns to raise awareness on the need and importance of repaying the loan to guarantee sustainability. However, the dissemination of conflicting messages by politicians has not helped the cause of the ministry to enforce compliance through confiscation of assets since the HDGs are considered as a collateral for the loans.*

## **4.4 STAFFING**

In order to ensure effective and efficient delivery of DAHSP programme, DoH was supposed to have District Housing Officers in each Local Authority who would assist in preparing bills of quantities in order to determine material requirements per house as well as supervise house construction to ensure proper usage of materials. The DoH Establishment Warrant provides for District Housing Officers in all the councils.

<sup>17</sup> The councils are, Lilongwe City, Lilongwe District, Chitipa, Blantyre, Machinga, Zomba, Rumphi

Contrary to the above, the audit team noted that some district councils did not have designated District Housing Officers to manage the programme. Instead it was left to Desk Officers to manage DAHSP, who also had their own tasks. Table 9 shows districts that had DHOs and those without.

Table 9: Status of Housing Officers in sampled councils

<u>DISTRICTS WITH DHO</u>	<u>DISTRICTS WITHOUT DHO</u>
Lilongwe	Rumphi
Mchinji	Zomba
Salima	Chitipa
Blantyre	Chikwawa
Thyolo	Machinga

Source: Department of Housing

Table 9 depicts that 5 districts representing 50% of the sampled district did not have DHOs. Failure to have DHOs in the 5 districts affected implementation of the programme in terms of supervision, loan collection and maintenance of accurate and up-to-date records.

**Management comment**

*The auditors’ observation is correct. I am pleased to report that the Ministry will soon devolve the implementation of Rural Housing programme to Local Authorities and management guidelines for implementing the programme have already been developed. It is, therefore, the Ministry’s expectations that councils will recruit suitable bodies to manage the programme.*

**4.5 MONITORING OF DAHSP**

The DAHSP Manual and Concept required ML to ensure that the programme is monitored and supervised by the council at district level, DoH and the Ministry at national level. Monitoring and supervision reports were supposed to be produced monthly by the councils, quarterly and annually by DoH and the Ministry.

A review of monthly, quarterly and annual reports established that 75% of the expected quarterly reports were not filed by DoH. Analysis of questionnaires established that 67% (48% satisfied and 19% very satisfied) of the respondents were satisfied with the monitoring and supervision done by DoH. The analysis established that 15% were dissatisfied (13% dissatisfied and 2% very dissatisfied) with the monitoring and supervision by DoH.

However, physical inspections by the audit team in March 2020, revealed that some structures were not supervised by DoH or council officials during the period

under review. For instance, physical inspections in Salima Central Constituency, a beneficiary in Samaiwa HDG had received building materials under DAHSP but did not use them. Refer to figure 6 for details.

Figure 6: A beneficiary structure in Salima where received materials were not used on the structure



*Physical inspection photos captured by NAO*

A review of the disbursement schedule of materials for Salima, showed that this beneficiary received timber, nails, iron sheets, cement and solignum in May, 2019. Interviews with the beneficiary established that she had sold some of the building materials received.

It was also noted during physical inspections that some beneficiaries built structures bigger than those provided under DAHSP. Interviews with beneficiaries established that this was due to inadequate supervision by the Council/DoH. Refer to figure 8 for details.

Figure 7: A beneficiary house in Blantyre, that was bigger than those provided under DAHSP



*Physical inspection photos captured by NAO*

Furthermore, it was noted that the DAHSP Manual and Concept requires DoH to serve beneficiaries with building materials identified by HDGs and approved by the Ministry of Lands. However, a review of the list of beneficiaries and interviews with Housing Officials in the councils established that a total of 104 beneficiaries who were not eligible had been served with building materials. It was noted that this contravened the principles of the DAHSP program and compromised the collection of loans from the beneficiaries. The affected councils<sup>18</sup> were Mchinji, Dowa, Salima, Chitipa and Thyolo.

***Management comments***

*The auditors observation is correct. This problem was occasioned by lack of regular supervision and monitoring of the programme by councils.*

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<sup>18</sup> Mchinji (104), Salima, Zomba,

## **5.0 CONCLUSIONS**

In line with the analysis of the findings, sensitization of beneficiaries was not adequately done by DoH. Inadequate sensitization resulted in low loan repayment. Inadequate sensitization of the beneficiaries jeopardised both the implementation and sustainability of the project as funds for revolving the program could not be collected.

The audit observed that 65% of the targeted beneficiaries were served during the period under review and this means that 35% (20,130) of targeted beneficiaries were not served. The audit noted that failure to serve the targeted beneficiaries could not be attributed to inadequate funding alone as DoH had accumulated arrears with suppliers for the materials supplied. Failure to serve the targeted beneficiaries delays the implementation of Agenda 2030 goal number 11 targets; to ensure access for all, to adequate, safe and affordable housing and basic services and upgrade slums.

Furthermore, the audit observed that 39.3% of the targeted houses were completed resulting in 39.5% (22,862) houses not completed. Failure to attain the target was due to the 2015/16 floods and the inability of DoH to timely supply building materials to beneficiaries. The audit also observed that due to inadequate funding of the program, 3,860 houses earmarked for DAHSP grant program were not built. This had resulted in identified grant beneficiaries waiting for a longer time for their houses.

Contrary to the spirit of the DAHSP Concept, procurements were done centrally at the Ministry of Lands. This resulted in high cost of building materials for the beneficiaries. Quality of materials delivered was also compromised as coordination between the Ministry of Lands and the Housing Officers was weak.

It was observed that many councils did not maintain updated beneficiary data which made it difficult for them to report and collect loans from beneficiaries. DoH had collected less than 1% of the expected loans to be repaid by beneficiaries because the beneficiaries were not told the amount of their loans among other reasons.

DoH did not have a system for managing DAHSP funds which resulted in weak internal controls. Lack of a Rural Housing Fund for DAHSP crippled the monitoring of the program because the DAHSP Secretariat lacked updated data on program implementation.

Analysis of human resource data shows that 50% of the visited councils did not DHOs. Lack of DHOs in the councils affects the implementation of the program as assigned officers are always busy with other activities. This delays the implementation of the program, consolidation of Council DAHSP records and reporting.

DoH monitored DAHSP during the period under review. However, 75% of the monitoring reports were not filed hence making it difficult for the auditors to assess the implementation of the recommendations by DOH. Some program sites were not being adequately supervised by DoH resulting in misuse of building materials by the beneficiaries. Furthermore, beneficiaries erected big houses instead of the program's recommended structures. The audit also noted that beneficiaries who were not eligible had been served by the councils and this denied service to the intended beneficiaries and risked the Ministry's ability to collect loans.

Therefore, performance audit concludes that DAHSP failed to achieve its main objective. The program is not sustainable because the loans are not being repaid and finally the infrastructures under the program can not last long because of poor quality of raw materials.

## **6.0 RECOMMENDATIONS**

The following are the audit recommendations:

### **6.1 Sensitization of beneficiaries**

The Ministry of Lands / Department of Housing is advised to ensure that HDGs are adequately sensitized on the DAHSP program in line with the Concept and Manual.

### **6.2 Completion of Decent and Affordable Housing Units**

Ministry of Lands / Department of Housing is advised to ensure:

- i. That all targeted beneficiaries are served;
- ii. That all targeted houses are completed on time; and
- iii. That it lobbies with the Government to finance the building of DAHSP grant houses.

### **6.3 Procurement of DAHSP building materials**

ML should ensure that:

- i. It builds the capacity in the Regional Housing Offices and Councils to manage DAHSP in line with the Concept;
- ii. It strengthens inspection of building materials delivered by suppliers; and
- iii. The beneficiaries are getting Value for Money in the building materials received on credit.

### **6.4 DAHSP Loan management**

On loan management Ministry of Lands is advised to ensure that:

- i. The Rural Housing Credit Fund is operational;
- ii. Data and loan repayment schedules are maintained; and
- iii. Efforts are made to accelerate beneficiary loan repayment.

### **6.5 Staffing**

Department of Housing should ensure that it has sufficient and efficient technical personnel to manage DAHSP in all the councils

### **6.6 DAHSP monitoring**

Department of Housing should ensure that monitoring and supervision are adequately conducted and their recommendations implemented.



## **6.7 DASP implementation**

The Ministry should ensure that:

1. In instances where there was overpricing by the suppliers, a refund should be made;
2. Materials that were provided different from the specifications, a refund should be made;
3. Public officers who may have facilitated loss of public funds should be sanctioned accordingly;
4. Detailed investigations should be carried on some issues that have been highlighted in the report; and
5. In future, GoM should have clear governance and operational controls before commencing a program of this nature.

## **APPENDICES**

### Appendix 1: List of documents reviewed

<b>NAME OF THE DOCUMENTS</b>	<b>PURPOSE</b>
DAHSP Manual	To collect the possible criteria's
DAHSP Concept	To collect possible criteria's
2017/2018 Mid-Year Monitoring and Evaluation (M&E) report	To assess house completion status To evaluate the quality of materials that were used in the construction To evaluate the quality of construction workmanship To examine loan repayment status
Ministry Of Lands, Housing and Urban Development Report on DAHSP Consultative Meeting with Council officials held from 16th to 17th June 2016 held at Golden Peacock Hotel, Lilongwe	To collect data on DAHSP progress report To collect data on DAHSP Procurement and material deliveries Preparations for Loan repayment
Brief Progress Report on the Implementation of the Decent and Affordable Housing (Cement And Malata) Subsidy Programme (DAHSP)	To collect data on the summary of implementation on DAHSP since its inception
Decent And Affordable Housing (Cement and Malata) Subsidy Programme 2015/2016 Monitoring and Evaluation Report	To collect data on House Completion status of house, quality of materials and quality of workmanship
Decent and Affordable Housing (Cement And Malata ) Subsidy Programme.2016/2017 Monitoring and Evaluation Report	To collect data on House Completion status, loan repayment and challenges
Investigative Internal Audit Report on DAHSP Funds for the Period 1st July 2015 to 15th September 2016	To collect date on the procurement of wooden components
Decent And Affordable Housing (Cement and Malata) Subsidy Programme, Implementation Issues Report of January 2020	To collect data on quality of materials, loan repayment and replacement of beneficiaries
Decent and Affordable Housing (Cement and Malata) Subsidy Programme, Mid-Term Monitoring and Evaluation (M&E) Report (2014 – 2018) September 2018	To collect data on quality of materials, loan repayment and durability of houses

Appendix 2: List of Interviewees

<b>POSITION</b>	<b>PLACE</b>	<b>DATE</b>	<b>PURPOSE OF INTERVIEW</b>
Director	Department of Housing	04/09/2019	To collect data on the DAHSP and other programs implemented by the DoH their challenges and how the DoH is addressing them
Principal Housing Officer	Department of Housing	17/02/2020	To collect data on DAHSP on issues of house completion for beneficiaries, material delivery and loan status
Assistant Procurement	Department of Housing	17/02/2020	To collect data on material pricing
Senior Housing Officer	Lilongwe District	18/02/2020	To collect date on House completion of beneficiaries, sensitization, materials delivery and loan status.
Senior Housing Officer	Lilongwe City Council	19/02/2020	To collect date on House completion of beneficiaries, sensitization, materials delivery and loan status.
Housing Officer	Mchinji District Council	4/03/2020	To collect date on House completion of beneficiaries, sensitization, materials delivery and loan status.
Structured interview	Mchinji West Constituency	5/03/2020	To understand from beneficiaries how they have benefited from DAHSP
Housing Officer	Salima District Council	10/03/2020	To collect date on House completion of beneficiaries, sensitization, materials delivery and loan status.
Beneficiary	Salima District Council – Simayiwa	10/03/2020	To understand from beneficiaries how they have benefited from DAHSP
Beneficiary	Salima District Council- Kalonga	10/03/2020	To understand from beneficiaries how they have benefited from DAHSP
Housing Regional Officer	Mzuzu City Council	26/03/2020	To collect date on House completion of beneficiaries, sensitization, materials delivery and loan status at regional level.

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Desk Officer	Rumphi District Council	26/03/2020	To collect date on House completion of beneficiaries, sensitization, materials delivery and loan status.
Chief Public Works	Chitipa District Council	27/03/2020	To collect date on House completion of beneficiaries, sensitization, materials delivery and loan status.
Vice ADC	Chitipa District Council	27/03/2020	To understand on how the VDC operates on DAHSP
Beneficiary	Chitipa District Council	27/03/2020	To understand from beneficiaries how they have benefited from DAHSP
Beneficiary	Chitipa District Council	27/03/2020	To understand from beneficiaries how they have benefited from DAHSP
Housing Officer	Blantyre District Council	31/03/2020	To collect date on House completion of beneficiaries, sensitization, materials delivery and loan status.
The District Commissioner	Blantyre District Council	31/03/2020	To understand the challenges of DAHSP in the council.
Structured interview	Blantyre District Council	31/03/2020	To understand how they have benefited from DAHSP
Community Development Officer	Chikwawa District Council	1/04/2020	To collect date on House completion of beneficiaries, sensitization, materials delivery and loan status.
Senior Mbendelana	Chikwawa District Council	1/04/2020	To understand how they have benefited from DAHSP
Beneficiary	Chikwawa District Council	1/04/2020	To understand how they have benefited from DAHSP
Beneficiary	Chikwawa District Council	1/04/2020	To understand how they have benefited from DAHSP

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Beneficiary	Chikwawa District Council	1/04/2020	To understand how they have benefited from DAHSP
Director of Planning and Development	Thyolo District Council	2/04 /2020	To collect date on House completion of beneficiaries, sensitization, materials delivery and loan status.
Beneficiary	Thyolo District Council	2/04 /2020	To understand how they have benefited from DAHSP
Beneficiary	Thyolo District Council	2/04 /2020	To understand how they have benefited from DAHSP
Beneficiary	Thyolo District Council	2/04 /2020	To understand how they have benefited from DAHSP
Beneficiary	Thyolo District Council	2/04 /2020	To understand how they have benefited from DAHSP
District Rural Housing Officer	Zomba District Council	2/04/2020	To collect date on House completion of beneficiaries, sensitization, materials delivery and loan status.
Lands Officer	Machinga District Council	3/04/2020	To collect date on House completion of beneficiaries, sensitization, materials delivery and loan status.
Beneficiary	Machinga District Council	3/04/2020	To understand how they have benefited from DAHSP
Beneficiary	Machinga District Council	3/04/2020	To understand how they have benefited from DAHSP
Beneficiary	Machinga District Council	3/04/2020	To understand how they have benefited from DAHSP
Beneficiary	Machinga District Council	3/04/2020	To understand how they have benefited from DAHSP

### **Appendix 3 (i): Physical inspection in sampled councils**

DATE	DISTRICT	CONSITITUENCY	HDG	BENEFICIARY NAME	HOUSE STATUS
5/3/2020	Mchinji	Mchinji west	Zulu	Gravazio Mhzanga	Not completed
5/3/2020	Mchinji Salima	Mchinji west Salima Central	Mgubo	Joseph Zulo	
26/03/2020	Rumphi	Rumphi Central	Lombwa		
26/03/2020	Rumphi	Rumphi Central	Jaghala		
27/03/2020	Chitipa	Chitipa Central	Lufita	Leya Nyondo	
27/03/2020	Chitipa	Chitipa Central			
31/03/2020	Blantyre	South East	Mtenge	Modester Simakweli	Not completed
31/03/2020	Blantyre	South East	Mtenge	Lexina Mtambo	Completed with their own inputs
31/03/2020	Blantyre	Makungwa Ward	Mang'omba	M.Chanunkha	Not completed
31/03.2020	Blantyre	Makungwa Ward	Mang'omba	Melliah Lano	Not completed
1/4/2020	Chikwawa	Central	Mbenderana	Mokani Fabiano	Not completed
1/4/2020	Chikwawa	Central	Mbenderana	Montfort Siliya	Not completed
1/4/2020	Chikwawa	Central	Mbenderana	Edward Kadyamba	House completed using their own effort
2/4/2020	Thyolo	Central	Kwanjana	Chrisy Yohane	Not completed
2/4/2020	Thyolo	Central	Kwanjana	Teleza Chilambe	Not completed
2/4/2020	Thyolo	Central	Mpando	Teleza Silivasi	Completed
2/4/2020	Thyolo	Central	Mpando	Annei Chabwela	Completed
3/4/2020	Machinga	Likwenu	Mtendere	Magret Kenedy	Not completed
3/4/2020	Machinga	Likwenu	Mtendere	Dyton Chimwaza	Completed
3/4/2020	Machinga	Likwenu	Talandila	Greego Theu	Not completed
3/4/2020	Machinga	Likwenu	Mwayiwathu	Mahamed Issah	

### Appendix 3 (ii): Physical inspection in sampled councils

#### PHYSICAL INSPECTION WP IN SAMPLED DISTRICTS

DATE	DISTRICT	CONSITITUENCY	HDG	BENEFICIARY NAME	HOUSE STATUS	OBSERVATIONS AND DISCUSSIONS
03/05/2020	mchinji	mchinji west	Zulu	Gravazio Mhzanga	not completed	Received 28 iron sheets of 32 guage instead of 29 guage Doesn't know his loan amount Poor quality of poles 2by 3 Poor quality of cement (expired) Received expired tins of paints Did not received wooden componets Did not received labour componets
03/05/2020	mchinji	mchinji west	Mgubo	Ester Zulu	Completed	Received quality materials in 2017 Paint not yet received Received 1 bag lime instead of 2
03/05/2020	mchinji	mchinji west	Zulu	Pikili Nasakala	not completed	Received lime but did not use Used expired cement Wooden componets not received
31/03/2020	Blantyre	south east	Mtenge	modester simakweli	not completed	No wooden componets received New construction house Timber not received Received an expired soliginum
31/03/2020	Blantyre	South East	Mtenge	Lexina mtambo	completed with their own inputs	Rehabilitation  Wooden componets not received Rehabilitation Received poor quality of cement khoma Not happy with the price of materials Not aware of the loan amount Not started the repayment Getting the materials without knowing the loan Poor quality of poles in pahse 3 Reveived an expired soliginum and antpoison in all phases Poor quality of lime Poor quality of iron sheets in phase 3

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31/03/2020	Blantyre		Mang'omba	M.Chanunkha	not completed	No timber /poles received Poor quality of cement No wooden components received Received materials in rainy season hence delays in construction Not aware of material pricing Not aware of the loan amount
31/03.2020	Blantyre		Mang'omba	Melliah Lano	not completed	Received khoma cement Materials not delivered in good time Not aware of the pricing Not aware of loan amount hence not started the repayment Received 30 thousand for labour components
04/01/2020	chikwawa	central	Mbendera	namokani fabiano	not completed	Recvd 30 bags of khoma cement No wooden components Recvd expired lime Not started the repayment
04/01/2020	chikwawa	central	mbenderana	Montfort Siliya	not completed	Recvd khoma cement poor quality No wooden components No labour components No sensitization No poles recvd Price of khoma cement was higher than the market price Not aware of the loan amount but ready to start repayment
04/01/2020	chikwawa	central	mbenderana	Edward Kadyamba	house completed	Poor using their own quality effort of cement No wooden components No labour components Not aware of loan amount Signed the agreement Not happy with the price of materials comparing at the market NOTE : THE COUNCIL ( HOUSING OFFICER ) gave his personal account to beneficiaries so that they can deposit the money No training on how to handle dashp loan repayment
10/03/2020	Salima	Salima Central	Samaiwa	Humfrey Nazombe (Phase 1)	House not completed	House incomplete Started loan repayment Received on cement (Khoma) Labour component not received
10/03/2020	Salima	Salima Central	Samaiwa	Rosemary Musaya (Phase 3)	House not completed	House incomplete at foundation level Received 2 by 3 timber Nails 32 gauge iron sheets Cement Khoma Labour component not received Received 1 litre solignum instead of 5 litres



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						Received cement sold cause of delays Still waiting for remaining timber
10/03/2020	Salima	Salima Central	Karonga	Jennifer Amos (Phase 1)	House not completed	House incomplete Paint not received Wooden components not received Poles not received (but bought using her money) Timber not received ( but bought using her money)
10/03/2020	Salima	Salima Central	Karonga	Zera Chapotera (Phase 1)	House complete	House complete House need maintenance Used low quality cement (Khoma) hence had to buy additional cement Received expired lime which could not be used No wooden components
26/03/2020	Rumphi	Central	Lombwa	Meffi Nkhonjera (Phase 1)		
26/03/2020	Rumphi	Central	Lombwa	Martha Chilambe (Phase 1)		
26/03/2020	Rumphi	Central	Lombwa	Mhango (Phase 3)		
27/03/2020	Chitipa	Central	Katutula	Rhodina Nakha (Phase 1)	Not complete	Not complete No wooden components No labour components
27/03/2020	Chitipa	Central	Lufita	Leah Nyondo (Phase 2)	Not complete	Not complete No wooden components No labour components Iron sheets were of good quality Received Tembo cement which was 32.5 Newtons Prices were only received after the goods were received
02/04/2020	Thyolo	Central	Kwanjana	Chrissy Yohane (Phase 1)	Not complete	Not complete Received Khoma cement No wooden component Received labour components
02/04/2020	Thyolo	Central	Mpando	Annie Chabwera (Phase 1)	Completed	Completed Received Khoma cement No wooden component Received labour components
02/04/2020	Thyolo	Central	Kwanjana	Teleza Chilambe (Phase 1)	Not complete	Received Khoma cement No wooden component Not Received labour components Iron sheets 32 gauge
02/04/2020	Zomba	Msondole	Takondwa	Janet Kamwendo (Phase 1)	Not complete	House incomplete

**Appendix 4 : SAMPLED COUNCILS AND CONSTITUENCIES**

<b><u>DISTRICT</u></b>	<b><u>REGION</u></b>	<b><u>CONSTITUENCY</u></b>	<b><u>HDG1</u></b>	<b><u>HDG2</u></b>
Chitipa	North	Chitipa Central	Kafutula	Lufita
Rumphi	North	Rumphi Central	Jaghala	Iombwa
Lilongwe	Central			
Mchinji	Central	Mchinji West	Zulu	Mgubo
Salima	Central	Salima Central	Karonga	Simaiwa
Machinga	Eastern	Machinga Central	Mtendere	Talandila & Mwaiwathu
Zomba	Eastern	Zomba Msondole	Takondwa	Mwaiwathu
Blantyre	Southern	Blantyre City South East	Mtenje	Mang'omba
Chikwawa	Southern	Chikwawa	Mbenderana	William
Thyolo	Southern	Thyolo Central	Kwanjana	Mpando

APPENDIX 5

DAHSP BENEFICIARY INTERVIEW ANALYSIS

SERIAL NO.	HDG	DISTRICT	REGION	PHASE	SENSITIZATION	HOUSE STATUS	LOAN REPAYMENT	MATERIAL QUALITY	MATERIAL PRICING	DELIVERY TIMELINESS	MONITORING	OTHER OBSERVATIONS
1	Simayiwa	Salima	Central	1	YES	Complete	Not yet started	low quality Cement	Price expensive	Only received cement		
2	Simayiwa	Salima	Central	3	NO	Incomplete, only started foundation	Not yet started	low quality Cement and Lime 32 gauge iron sheets instead of 29/30	Price expensive	Not yet received all the materials	Visited by the Department and Council	sold received cement because didn't want the cement to go bad, received 1 litre of solignum instead of 5. Not trained on loan collection
3	Kalonga	Salima	Central	2	YES	Complete	started loan repayment	Low quality materials, delivered Bluegum poles were short and not straight for house construction, Low quality Khoma cement was used	Price expensive as compared to local suppliers	Labour charge not provided, delayed materials delivery	Visited by the Department and Council	
4	Kalonga	Salima	Central	2	YES	Complete	started loan repayment	Low quality material received	Price expensive as compared to local suppliers		Visited by the Department and Council	used our own resources like poles
5	Ulamibia Kaseye	Chitipa	North	3	YES phase one only	Not applicable	Not yet started	soft wood was of low quality during phase one hence beneficiaries refused to accept	Prices are high	During phase 2, which is 2016/17, we received cement and iron sheets, the balances of the materials never came. We returned some materials hoping for replacements but they never came.Phase 3, (2017/18) – With the balances from phase 2 materials that were not delivered. Phase 3 beneficiaries did not get complete materials.		Communities reluctant to pay due to high prices

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[illegible]

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15	Mbenderana	Chikwa	North	2	completed	Not yet started	poor quality	Prices are high	received the materials in good time	yes	not happy with the subsidy prices, completed the house with their own resources, no wooden and labour components, the council gave them a person account to the beneficiaries so that they deposit the money (Elections Clerk), No any Training on how to handle the DAHSP loan repayment
16	Kwanjana	Thyolo	Central	1	yes	not completed	Not yet started	good Quality	received inadequacy materials	yes	no wooden components received, received labour components paid the artisans, delays of materials
17	Kwanjana	Thyolo	Central	2	yes	not completed	started loan repayment	delivery of materials still in progress	no labour and wooden components received	yes	
18	Mpando	Thyolo	Central	2	yes	completed	Started the repayment	happy with the price	received materials in good time	yes	no wooden components, but received 50,000 labour components
19	Mpando	Thyolo	Central	1	yes	completed	started the repayment	happy with the price	transportation cost of materials	yes	No wooden components but received labour components 50,000
20		Zomba									the Housing Officer didn't know the places for beneficiaries
21	Mtendere	Machinga	likweni	3	NO	not completed	Not yet started	prices of subsidy higher than market price	received an expired paint sold 10 bags of cement money used to pay a builder since did not receive labour components which was promised, not aware of their loans amount, HDG not trained on how to handle the programme		
22	Mtendere	Machinga		1	NO	completed	Not yet started	prices are high		yes	no wooden and labour components received, not aware of their loan repayment

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23	Talandila	Machinga	likwenu	1	NO	not completed	Not yet started		received in good time	received inadequate materials since the extension workers told the beneficiaries not to exceed the cement more than 20 bags, received 15 bags, not started the repayment waiting for labour components
24	Mwayiwathu	Machinga	likwenu	2	NO		Not yet started	Prices are high	yes	labour and wooden components not received, not aware of loan repayment but ready to start
25	Lombwa	Rumphi								
26	Jaghala	Rumphi								
27	Zulu	Mchinji	West	1		not completed	not yet started	poor quality of standards	delays in material distribution	received poor quality of cement hence poor quality of houses, delays in material delivery hence not completed the houses, not received the labour components received
28	Zulu	Mchinji	West	2	yes	not completed	not yet started	poor quality of materials	good time	expaired cement and paint, used damaged cement due to overstay in warehouse
29	Zulu	Mchinji	West	1 2	yes	not completed	not yet started	poor quality		sold some bags of cement, received 28 bags of expaired cement and reported to DOH however did not visit the ben to cross check the expird cement, paint was expired due to over stay in warehouse, wooden components not received, no wooden components received
30	Mgubo	Mchinji	West		yes		not yet started	good quality		limited of materials to beneficiaries, transportation cost of materials

Appendix 6 (i) Questionnaire data on sensitization

<u>HDG</u>	<u>Constituency</u>	<u>District</u>	<u>Sensitized</u>	<u>Year of Sensitization</u>
Kafutula	Chitipa Central	Chitipa	Yes	
Jaghala	Rumphi Central	Rumphi	Yes	
Lufita	Chitipa Central	Chitipa	No	
Mang'omba	Blantyre City South East	Blantyre	Yes	2017
Ntenje	Blantyre City South East	Blantyre	Yes	
Ntenje	Blantyre City South East	Blantyre	Yes	May-15
Ntenje	Blantyre City SouthEast	Blantyre	No	
willian	Chikwawa Central	Chikwawa	No	
Mbendera	Chikwawa North	Chikwawa	Yes	2015
Mbendera	Chikwawa North	Chikwawa	Yes	2015
Mbendera	Chikwawa North	Chikwawa	Yes	2015
Mbendera	Chikwawa Central	Chikwawa	Yes	2015
Matunkha	Rumphi Central	Rumphi	Yes	
Jaghala	Rumphi Central	Rumphi	Yes	
Matunkha	Rumphi Central	Rumphi	Yes	
Jaghala	Rumphi Central	Rumphi	No	
Bumba	Rumphi Central	Rumphi	Yes	
Lombwa	Rumphi Central	Rumphi	Yes	
willian	Chikwawa Central	Chikwawa	Yes	2015
Mang'omba	Blantyre City South East	Blantyre	Yes	
Mpando	Thyolo Central	Thyolo	Yes	2015
Mtendere	Machinga Likwenu	Machinga	No	
Talandira	Machinga Likwenu	Machinga	No	
Mtendere	Machinga Likwenu	Machinga	No	
Mwaiwatha	Machinga Likwenu	Machinga	No	
Takondwa	Zomba Nsondole	Zomba	No	
Karonga	Salima Central	Salima	Yes	2017
Karonga	Salima Central	Salima	Yes	2017
Simayiwa	Salima Central	Salima	Yes	

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Simayiwa	Salima Central	Salima	Yes	
Mgubo	Mchinji west	Mchinji	Yes	
Zulu	Mchinji west	Mchinji	Yes	2015
Zulu	Mchinji west	Mchinji	Yes	
Zulu	Mchinji west	Mchinji	Yes	28/04/2016
Zulu	Mchinji west	Mchinji	Yes	28/04/2016
Zulu	Mchinji west	Mchinji	Yes	28/10/2014
Zulu	Mchinji west	Mchinji	Yes	28/04/2016
Zulu	Mchinji west	Mchinji	Yes	28/10/2014
Zulu	Mchinji west	Mchinji	Yes	
Mponda	Mchinji west	Mchinji	Yes	2015
Kwanjana	Thyolo Central	Thyolo	Yes	2015
Mpando	Thyolo Central	Thyolo	Yes	2015
Kwanjana	Thyolo Central	Thyolo	Yes	2015
Mpando	Thyolo Central	Thyolo	Yes	2015
Takondwa	Zomba Nsondole	Zomba	Yes	2016
Takondwa HDG	Zomba Nsondole	Zomba	Yes	2015
Mwaiwathu HDG	Zomba Malosa	Zomba	Yes	2015
Takondwa	Zomba Nsondole	Zomba	Yes	2016



Appendix 6 (ii): Questionnaire data analysis

HDG	Constituency	Beneficiary Category	Sensitized	Year of Sensitization	House status	Received material loan	Signed loan agreement	Started Loan repayment	Reason to started repayment	Quality of materials	supervision	Pricing	Quantity of Materials delivered	Timeliness of material delivery
Kaftula	Chiupa Central	Subsidy	Yes		Complete	Yes	Yes	No	Loan amount not known	Neutral	Neutral	Neutral	Dissatisfied	Neutral
	Rumphi Central	Subsidy	Yes		Incomplete	Yes	Yes	No	Loan amount not known	Dissatisfied	Dissatisfied	Neutral	Dissatisfied	Very Dissatisfied
Lufita	Chiupa Central	Subsidy	No		Incomplete	Yes	Yes	No	Loan amount not known	Very satisfied	Satsfied	Neutral	Dissatisfied	Dissatisfied
Mang'omba	Blantyre City South East	Subsidy	Yes	2017	Incomplete	Yes	Yes	No	Yet to agree on loan amount	Dissatisfied	Satsfied	Dissatisfied	Dissatisfied	Dissatisfied
	Blantyre City South East	Subsidy	Yes		Incomplete	Yes	Yes	No	Loan amount not known	Very satisfied	Very Satsfied	Dissatisfied	Dissatisfied	Very Dissatisfied
Ntenje	Blantyre City South East	Subsidy	Yes	May-15	Complete	No	Yes	Not applicable	Loan computation came late	Neutral	Neutral	Satisfied	Dissatisfied	Satisfied
Ntenje	Blantyre City South East	Subsidy	No		Incomplete	Yes	No	Not applicable	Amount not known	Very dissatisfied	Dissatisfied	Very dissatisfied	Very Dissatisfied	Very Dissatisfied
Willian	Chikwawa Central	Subsidy	No		Incomplete	Yes	No	No	Loan amount not communicated	Dissatisfied	Satsfied	Satisfied	Neutral	Dissatisfied
Mbendera	Chikwawa North	Subsidy	Yes	2015	Incomplete	Yes	Yes	No	Loan amount not communicated	Dissatisfied	Very Satsfied	Very dissatisfied	Very Dissatisfied	Dissatisfied
Mbendera	Chikwawa North	Subsidy	Yes	2015	Complete	Yes	Yes	No	Loan amount not communicated	Dissatisfied	Satsfied	Very Dissatisfied	Very Dissatisfied	Dissatisfied
Mbendera	Chikwawa North	Subsidy	Yes	2015	Complete	Yes	Yes	No	Loan amount not communicated	Dissatisfied	Satsfied	Dissatisfied	Dissatisfied	Dissatisfied
Mbendera	Chikwawa Central	Subsidy	Yes	2015	Incomplete	Yes	Yes	No	Records not early	Dissatisfied	Satsfied	Dissatisfied	Dissatisfied	Dissatisfied
Matunkha	Rumphi Central	Subsidy	Yes		Incomplete	Yes		No	Don't have the money now & don't have the price list	Very satisfied	Satsfied	Satisfied	Very Satisfied	Very Satisfied
Jaghala	Rumphi Central	Subsidy	Yes		Incomplete	Yes	Yes	No	cant have the money now	Satisfied	Satsfied	Satisfied	Very Satisfied	Satisfied
Matunkha	Rumphi Central	Subsidy	Yes		Incomplete	Yes	Yes	No	Not aware of the process & the program might be declared free	Very satisfied	Very Satsfied	Very Satisfied	Satisfied	Very Satisfied

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Jaghala	Rumphi Central	Rumphi	Subsidy	No	Incomplete	Yes	Yes	Not applicable	I don't have money right now & not properly oriented on repayment	Satisfied	Very Satisfied	Very Satisfied	Satisfied
Bumba	Rumphi Central	Rumphi	Subsidy	Yes	Incomplete	Yes	Yes	Not applicable	prices too high & repayment procedure not well explained to me	Satisfied	Very Satisfied	Very Satisfied	Very Satisfied
Lombwa	Rumphi Central	Rumphi	Subsidy	Yes	Incomplete	No	Yes	No	People saving program might be declared free & don't have the money yet	Dissatisfied	Neutral	Dissatisfied	Very Satisfied
Willian	Chikwawa Central	Chikwawa	Subsidy	Yes	Incomplete	Yes	Yes	No	Loan amount not communicated	Dissatisfied	Dissatisfied	Neutral	Dissatisfied
Mang'omba	Blantyre City South East	Blantyre	Subsidy	Yes	Incomplete	Yes	Yes	No		Dissatisfied	Dissatisfied	Dissatisfied	Neutral
Mpando	Thyolo Central	Thyolo	Subsidy	Yes	Complete	Yes	Yes	Yes		Satisfied	Satisfied	Satisfied	Dissatisfied
Mtendere	Machinga Likwenu	Machinga	Subsidy	No	Complete	Yes	Yes	No	Waiting for labour component	Dissatisfied	Satisfied	Very dissatisfied	Very Dissatisfied
Talandira	Machinga Likwenu	Machinga	Subsidy	No	Incomplete	Yes	Yes	No			Dissatisfied	Dissatisfied	
Mtendere	Machinga Likwenu	Machinga	Subsidy	No	Incomplete	Yes	Yes	No	Waiting for labour component	Neutral	Neutral	Neutral	Very Dissatisfied
Mwaiwatha	Machinga Likwenu	Machinga	Subsidy	No	Complete	Yes	Yes	No	Phase one not yet started	Very dissatisfied	Satisfied	Very dissatisfied	Satisfied
Takondwa	Zomba Nsondole	Zomba	Subsidy	No	Incomplete	Yes	No	Yes		Dissatisfied	Satisfied	Neutral	Satisfied
Karonga	Salima Central	Salima	Subsidy	Yes	Incomplete	No	Yes	Not applicable	Was busy	Very dissatisfied	Satisfied	Very dissatisfied	Very Dissatisfied
Karonga	Salima Central	Salima	Subsidy	Yes	Incomplete	Yes	Yes	Not applicable	Was busy & prices were delayed hence could not know the loan amount	Very dissatisfied	Satisfied	Very dissatisfied	Very Dissatisfied
Simaiyiwa	Salima Central	Salima	Subsidy	Yes	Incomplete	No	Yes			Dissatisfied	Dissatisfied	Very dissatisfied	Satisfied
Simaiyiwa	Salima Central	Salima	Subsidy	Yes	Incomplete	Yes	Yes	Yes		Dissatisfied	Neutral	Dissatisfied	Very Dissatisfied
Mgubo	Mehinji west	Mehinji	Subsidy	Yes	Complete	Yes	No	Yes		Neutral	Very Satsfied	Dissatisfied	Satisfied

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Zulu	Mchinji west	Mchinji	Subsidy	Yes	2015	Incomplete	Yes	Yes	Yes	Very dissatisfied	Satisfied	Very dissatisfied	Neutral	Very Satisfied
Zulu	Mchinji west	Mchinji	Subsidy	Yes		Incomplete	Yes	Yes	Yes	Very dissatisfied	Neutral	Very dissatisfied	Neutral	Very Satisfied
Zulu	Mchinji west	Mchinji	Subsidy	Yes	28/04/2016	Incomplete	No	Not applicable	Because they didn't contribute the money for the goods that we received	Very dissatisfied	Very Satisfied	Very dissatisfied	Very Satisfied	Very Dissatisfied
Zulu	Mchinji west	Mchinji	Subsidy	Yes	28/04/2016	Incomplete	No	Not applicable	Because they didn't contribute the money for the goods that we received	Very dissatisfied	Dissatisfied	Very dissatisfied	Very Satisfied	Very Dissatisfied
Zulu	Mchinji west	Mchinji	Subsidy	Yes	28/10/2014	Incomplete	Yes	Yes		Very dissatisfied	Satisfied	Very dissatisfied	Very Satisfied	Very Dissatisfied
Zulu	Mchinji west	Mchinji	Subsidy	Yes	28/04/2016	Incomplete	Yes	Not applicable	Amount not known	Neutral	Neutral	Very dissatisfied	Very Satisfied	Very Dissatisfied
Zulu	Mchinji west	Mchinji	Subsidy	Yes	28/10/2014	Incomplete	No	Not applicable	No reason given	Very dissatisfied	Dissatisfied	Neutral	Dissatisfied	Very Dissatisfied
Zulu	Mchinji west	Mchinji	Subsidy	Yes		Incomplete	No	Not applicable		Very dissatisfied	Very Dissatisfied	Very dissatisfied	Very	Very Dissatisfied
Mponda	Mchinji west	Mchinji	Subsidy	Yes	2015	Complete	No	Yes	Yes	Neutral	Very Satisfied	Very dissatisfied	Very	Dissatisfied
Kwanjana	Thyolo Central	Thyolo	Subsidy	Yes	2015	Incomplete	Yes	Yes	Yes	Dissatisfied	Satisfied	Dissatisfied	Very	Dissatisfied
Mpando	Thyolo Central	Thyolo	Subsidy	Yes	2015	Complete	Yes	Yes	Yes	Dissatisfied	Satisfied	Satisfied	Satisfied	Satisfied
Kwanjana	Thyolo Central	Thyolo	Subsidy	Yes	2015	Incomplete	Yes	Yes	Yes	Dissatisfied	Neutral	Neutral	Satisfied	Satisfied
Mpando	Thyolo Central	Thyolo	Subsidy	Yes	2015	Complete	Yes	Yes	Yes	Satisfied	Satisfied	Satisfied	Dissatisfied	Dissatisfied
Takondwa	Zomba Nsondole	Zomba	Subsidy	Yes	2016	Complete	Yes			Very satisfied	Very Satisfied	Satisfied	Very Satisfied	Neutral
Takondwa	Zomba Nsondole	Zomba	Subsidy	Yes	2015	Complete	Yes	Yes		Neutral	Very Satisfied	Neutral	Very Satisfied	Dissatisfied
Mwaiwathu	Zomba Malosa	Zomba	Subsidy	Yes	2015	Complete	Yes	Yes	Yes	Satisfied	Neutral	Dissatisfied	Very Satisfied	Very Satisfied
Takondwa	Zomba Nsondole	Zomba	Subsidy	Yes	2016	Complete	Yes	Yes	Yes	Very satisfied	Very Satisfied	Satisfied	Very Satisfied	Neutral

**Appendix 7: Lilongwe City Council beneficiary's complaint against high  
prices of building materials**

**LILONGWE CITY COUNCIL**



ALL CORRESPONDENCE TO BE ADDRESSED TO THE CHIEF EXECUTIVE OFFICER

Your Ref:

Our Ref: LCC/DPD/DAHSP

P. O. BOX 30396  
LILONGWE 3  
MALAWI  
Tel: (256) 01773 144  
Fax (265) 01770885

Wednesday, 10 July 2019

The Secretary for Lands  
Ministry of Lands, Housing and Urban Development.  
P.O Box 30548  
Lilongwe 3.

Attention; S.B Chirwa

Dear Sir,

**RE: REFUSAL BY BENEFICIARIES OF PHASES TWO AND THREE TO SIGN MEMORANDUM  
OF AGREEMENT FORMS.**

The above subject matter refers.

The Lilongwe City Council Urban Housing Development Group, (UHDG) is currently conducting monitoring and supervision activities for Decent and Affordable Housing Subsidy Programme (DAHSP) in all constituencies of the City. As outlined on the above subject matter, beneficiaries for phase two and three respectively are refusing to sign agreement forms citing high prices as the reason, when comparing the received commodities to current market prices of the same commodities.

Please note and advise on the concerns above accordingly.

Yours Faithfully,

**John Chome**  
**CHIEF EXECUTIVE OFFICER**



## LILONGWE CITY COUNCIL

ALL CORRESPONDENCE TO BE ADDRESSED TO THE CHIEF EXECUTIVE OFFICER

Your Ref:

Our Ref: LCC/LWSP/1

P. O. BOX 30396  
LILONGWE 3  
MALAWI  
Tel: (256) 01773 144  
Fax (265) 01770885

11<sup>th</sup> July 2019

Decent and Affordable Housing  
Cement and Malata) Subsidy Programme  
DAHSP) Committee  
Igwenya Ward  
Lilongwe City South West Constituency

### RE: PRICE LIST FOR DAHSP MATERIALS FOR PHASE TWO AND THREE

Please note that your matter has been taken into consideration and that the details have been duly sent to the Ministry of Lands.

Attached is the letter.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'John Chome'.

John Chome  
CHIEF EXECUTIVE OFFICER

M'd

Appendix 8: Building Materials Delivery Times

COUNCIL	NEME OF SUPPLIER	EXPECTED DATE OF DELIVERY	DATE OF DELIVERY	MATERIALS DELIVERED	GOODS RECEIVED NOTE NUMBER	TOTAL VALUE	Time taken to deliver in days	Expected time to deliver	Delay in days
Lilongwe District	Euroline Traders	26/08/2018	09/04/2019	Cement	`00001150	2,699,999.34	226	28	198
Ntcheu	Chembe Trading	23/05/2018	10/01/2019	Lime Hydrated	`00000067	411,125.00	232	28	204
Ntcheu	Chembe Trading	23/05/2018	10/01/2019	Anti Poison	`00000067	474,375.00	232	28	204
Mulanje	Chembe Trading	23/05/2018	04/12/2018	Nails	`00000058	165,600.00	195	28	167
Mulanje	Chembe Trading	23/05/2018	04/12/2018	Anti Poison	`00000058	2,182,125.00	195	28	167
Mulanje	Chembe Trading	23/05/2018	04/12/2018	Lime Hydrated	`00000058	1,948,100.00	195	28	167
Nsanje	Chembe Trading	23/05/2018	05/12/2018	Nails	`00000017	289,800.00	196	28	168
Nsanje	Chembe Trading	23/05/2018	05/12/2018	Anti Poison	`00000017	1,043,625.00	196	28	168
Mchinji	CH Square General Suppliers	20/04/2018	15/03/2019	Cement	`00000489	4,878,000.00	329	28	301
Mchinji	CH Square General Suppliers	20/04/2018	15/03/2019	Gavanised Wire	`00000489	161,000.00	329	28	301
Mchinji	CH Square General Suppliers	20/04/2018	15/03/2019	Nails	`00000489	161,000.00	329	28	301
Mchinji	CH Square General Suppliers	20/04/2018	15/03/2019	Nails	`00000489	225,400.00	329	28	301
Mchinji	CH Square General Suppliers	20/04/2018	15/03/2019	Roofing Nails	`00000489	276,000.00	329	28	301
Mchinji	CH Square General Suppliers	20/04/2018	15/03/2019	Iron Sheets	`00000489	2,800,000.00	329	28	301

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Mchinji	CH Square General Suppliers	20/04/2018	15/03/2019	Ridges	`00000489	184,000.00	329	28	301
Mchinji	CH Square General Suppliers	20/04/2018	15/03/2019	Anti Poison	`00000489	1,138,500.00	329	28	301
Mchinji	CH Square General Suppliers	20/04/2018	15/03/2019	Blackbitumen	`00000489	759,000.00	329	28	301
Mchinji	Lileza Investment	20/04/2018	18/02/2019	Lime Hydrated	`00000473	1,518,000.00	304	28	276
Dedza	Lileza Investment	20/04/2018	23/02/2019	Ant Termite	`00000061	1,100,550.00	309	28	281
Dedza	Lileza Investment	20/04/2018	23/02/2019	Lime Hydrated	`00000061	1,157,475.00	309	28	281
Lilongwe City	Lileza Investment	20/04/2018	07/02/2019	Cement	`00000263	3,924,000.00	293	28	265
Lilongwe City	Lileza Investment	20/04/2018	07/02/2019	Gavanised Wire	`00000263	489,440.00	293	28	265
Lilongwe City	Lileza Investment	20/04/2018	07/02/2019	Wire Nails	`00000263	573,160.00	293	28	265
Lilongwe City	Lileza Investment	20/04/2018	07/02/2019	Roofing Nails	`00000263	574,080.00	293	28	265
Lilongwe City	Lileza Investment	20/04/2018	07/02/2019	Iron Sheets	`00000263	7,602,000.00	293	28	265
Lilongwe City	Lileza Investment	20/04/2018	07/02/2019	Ant Termite	`00000263	1,290,300.00	293	28	265
Lilongwe City	Lileza Investment	20/04/2018	07/02/2019	Lime Hydrated	`00000263	543,950.00	293	28	265
Lilongwe City	Lileza Investment	20/04/2018	07/02/2019	Wire Nails	`00000263	624,680.00	293	28	265
Neno	Project building contractors	14/11/2018	01/04/2019	blackbitume	00000009	6,852,821.25	138	28	110
Neno	Project building contractors	14/11/2018	01/04/2019	Anti Poison	00000009	2,873,763.75	138	28	110
Mangochi	Project building contractors	14/11/2018	01/04/2019	Antitermits	00000048	2,652,705.00	138	28	110
Phalombe	Project building contractors	14/11/2018	01/04/2019	black bitumen	00000283'	3,315,881.25	138	28	110

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Phalombe	Project building contractors	14/11/2018	01/04/2019	black bitumen	000028	3,315,881.25	138	28	110
Machinga	Project building contractors	14/11/2018	01/04/2019	black bitumen	0000039	16,026,759.38	138	28	110
Zomba	Project building contractors	14/11/2018	01/04/2019	black bitumen	00000174	4,421,175.00	138	28	110
Lilongwe	GSB ENTERPRISES	07/01/2019	30/03/2019	Iron Sheets	0001120	4,893,000.00	82	28	54
thyolo	GSB ENTERPRISES	14/11/2018	01/04/2019	Solignum	0000111	8,842,350.00	138	28	110
tyholo	GSB ENTERPRISES	14/11/2018	01/04/2019	Iron Sheets	0000104	1,631,000.00	138	28	110
Dowa	Roana Investment	07/01/2019	30/03/2019	Iron Sheets	000090	4,893,000.00	82	28	54
Dowa	Roana Investment	07/01/2019	30/03/2019	Cement	000090	2,097,000.00	82	28	54
	Zimatha Timber	07/01/2019	30/03/2019			0.00	82	28	54
	Zimatha Timber	07/01/2019	30/03/2019			0.00	82	28	54
	Zimatha Timber	14/11/2018	04/01/2019	Timber	0000116	29,707,500.00	51	28	23
	Zimatha Timber	14/11/2018	04/01/2019	Timber	0000301	23,766,000.00	51	28	23
	Zimatha Timber	14/11/2018	04/01/2019	Poles	0000059	10,373,859.00	51	28	23
	Lyanace Investment	07/01/2019	30/03/2019	Cement	0000059	2,285,730.00	82	28	54
	Nailtech	07/01/2019	30/03/2019	Iron Sheets	0000472	1,249,182.90	82	28	54
	Nailtech	07/01/2019	30/03/2019	Iron Sheets	0000403	16,310,000.00	82	28	54
	Nailtech	07/01/2019	30/03/2019	Iron Sheets	0000036	8,155,000.00	82	28	54
	Nailtech	07/01/2019	30/03/2019	Iron Sheets	0000070	10,593,345.00	82	28	54
	Jehman Enterprise	14/11/2018	04/01/2019	Cement	00000120	3,145,500.00	51	28	23
	Jehman Enterprise	14/11/2018	04/01/2019	Wire Nails	00000165	799,026.90	51	28	23
	Jehman Enterprise	14/11/2018	04/01/2019	Iron Sheets	00000116	4,893,000.00	51	28	23
	Jehman Enterprise	14/11/2018	04/01/2019	Gavanised Wire	00000030	234,456.25	51	28	23



Jehman Enterprise	14/11/2018	04/01/2019	Anti Poison	00000030	1,105,293.75	51	28	23
Felton General Dealers	07/01/2019	30/03/2019	Cement	00000083	6,291,000.00	82	28	54
Felton General Dealers	07/01/2019	30/03/2019	Cement	00000079	4,194,000.00	82	28	54
Felton General Dealers	07/01/2019	30/03/2019	Anti Poison	00000079	1,237,929.00	82	28	54
Felton General Dealers	07/01/2019	30/03/2019	Gavanised Wire	00000041	410,767.35	82	28	54
Felton General Dealers	07/01/2019	30/03/2019	Anti Poison	00000033	221,058.75	82	28	54
Felton General Dealers	07/01/2019	30/03/2019	Anti Poison	00000807	1,105,293.75	82	28	54
Nathunga General Dealers	07/01/2019	30/03/2019	Cement	0001138	6,291,000.00	82	28	54
Bristol General Dealers	07/01/2019	30/03/2019	Cement	0000261	2,285,730.00	82	28	54
Mawalial Suppliers and General Dealers	07/01/2019	30/03/2019	Cement	0001126	4,194,000.00	82	28	54
Mawalial Suppliers and General Dealers	07/01/2019	30/03/2019	Blackbitumen	0000495	1,945,317.00	82	28	54
LIWUCHI Agency	07/01/2019	30/03/2019	Cement	0000256	2,285,730.00	82	28	54
Yogeshwar Hardware	07/01/2019	30/03/2019	Cement	0000402	12,582,000.00	82	28	54
TAURAXI Traders	07/01/2019	30/03/2019	Iron Sheets	0000480	3,262,000.00	82	28	54
Thoha General Contractor	07/01/2019	30/03/2019	Anti Poison	0001145	1,061,082.00	82	28	54
Thoha General Contractor	07/01/2019	30/03/2019	Solignum	000149	3,934,845.75	82	28	54
Edn Lines Enterprise	07/01/2019	30/03/2019	Cement	000456	6,291,000.00	82	28	54
Jimat Enterprise	07/01/2019	30/03/2019	Anti Termite	000164	5,526,468.75	82	28	54
Mulli Brothers Limited	07/01/2019	30/03/2019	Timber	0000073	4,634,370.00	82	28	54
Mulli Brothers Limited	07/01/2019	30/03/2019	Blue gum poles	0000284	1,271,481.00	82	28	54
Mulli Brothers Limited	07/01/2019	30/03/2019	Timber	000087	5,941,500.00	82	28	54
<b>Average</b>								<b>132</b>