

Bonno

National Housing Initiative



1. Introduction

The Bonno National Housing Programme (BNHP) is a flagship initiative spearheaded by the Ministry of Water and Human Settlement, designed to address the nation's housing challenges, foster social equity, and stimulate economic growth. Through this programme, the Ministry, in collaboration with the Department of Housing, provides vital funding for the development of affordable housing for low- and middle-income households. The Ministry partners with Local Authorities and the Botswana Housing Corporation (BHC) to implement these projects, ensuring that housing schemes are not only accessible but also sustainable.

The BNHP encompasses a variety of housing schemes tailored to meet the diverse needs of the population, including: **Bonno Home Improvement Loan Scheme, Bonno Turnkey Development Loan Scheme, Bonno D4 Scale and below or Equivalent Housing Loan Scheme** and others which are still being revamped.

Through these schemes, the BNHP not only provides affordable housing but also empowers citizens with the opportunity for homeownership, contributing to economic empowerment and long-term stability. The Programme combines financial support with technical guidance, ensuring the delivery of quality housing solutions that support the government's broader goals of social equity, poverty alleviation, and economic growth.

2. Programme Objectives

- To reduce housing shortages and enhance housing security for low- and middle-income households.
- To promote sustainable urbanization and inclusive community development.
- To improve living standards by providing access to safe, quality, and affordable housing.
- To contribute to the achievement of SDG 1 (No Poverty) and SDG 11 (Sustainable Cities and Communities).

3. Eligibility Criteria

Applicants for the Bonno National Housing Programme must meet the following criteria:

- Be a citizen of Botswana.
- Applicants must be aged 18 years and above.
- Applicants must have an annual income between **P4,400.00 and P95,000.00** to qualify for the **Bonno Turnkey Development Housing Loan Scheme** and the **Bonno Home Improvement Loan Scheme**. For the **Bonno D4 Scale and Below or Equivalent Housing Loan Scheme**, the income range is **P95,001.00 to P282,120.00**. These income brackets are subject to periodic review. Please note that if the applicant is married, the spouse's income will be taken into account when assessing eligibility.
- In cases where the applicant has no source of income, a **Surety/Guarantor** may be appointed. The Surety/Guarantor must earn a minimum of **P12,000.00 per annum**. This provision applies **only** to the **Bonno low-income housing schemes**.
- The Surety will be legally responsible for fulfilling the obligations outlined in the agreement of suretyship and will be liable for loan repayment should the applicant default. By signing the agreement, the Surety guarantees that all loan payments will be made on behalf of the applicant.
- Pensioners aged under 60 years who fall within the specified income brackets are eligible to apply.
- Self-employed individuals, such as business owners with sustainable businesses, earning within the same income bracket, are also eligible.
- Farmers who fall within the designated income range are eligible to apply.
- Contract employees may apply, provided that the length of their contract allows for the repayment period of the loan to be completed within the contract's duration.
- Beneficiaries of the Integrated Poverty Alleviation and Housing Scheme (IPAHs) may be considered for a Low-Income Housing loan, provided they meet the eligibility criteria and have sustainable earnings.
- Eligible employees nearing retirement may apply, with the understanding that the remaining loan balance will be deducted from their terminal benefits upon retirement.
- The applicant must not have benefited from other government schemes, including but not limited to GEMVAS and BHC, anywhere in the country.

4. Bonno National Housing Scheme

The following are Bonno National Housing Schemes;

a) Bonno Home Improvement Loan Scheme

Purpose: To fund renovations, extensions, and/or completion of existing residential structures.

- Applicants must have demonstrated progress on construction using personal resources before loan disbursement.
- Council inspects the structure to verify project status, and loans are approved only if the loan amount is adequate to cover the remaining work.
- Materials purchased with the loan must be used exclusively for the approved project.

Loan Terms

- Maximum loan: **P 60,000.00**. The applicant may apply for a lesser amount depending on the outstanding work.
- Maximum Repayment period: 20 years at 0% interest.
- Minimum loan instalment is P250.00 per month.
- Default penalty: 10% interest on overdue payments.

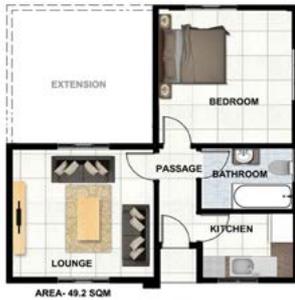
b) Bonno Turnkey Development Loan Scheme

The adopted approach is a **Design and Build** method, where the government, through the Botswana Housing Corporation or private sector, undertakes the responsibility of constructing homes for eligible beneficiaries. To qualify, the beneficiary must own an undeveloped or "virgin" land parcel that meets certain criteria: **the plot should be fenced, cleared of vegetation (debushed), temporary store-room and connected to a water supply.**

Three approved turnkey building plans will be available for applicants to select from. In cases where land has already been identified and new homes are being constructed, these houses will be allocated to eligible citizens through a transparent and fair allocation system.

Loan Terms

- i. Loan amount: **P 90,000.00.**
- ii. Maximum Repayment period: 20 years at 0% interest.
- iii. Minimum loan instalment is P 375.00 per month
- iv. Default penalty: 10% interest on overdue payments



c) Bonno D4 Scale & Below OR Equivalent Housing Loan Scheme

The scheme is specifically designed to support the working class, targeting individuals earning within the range of the D4 salary scale (from P95,001.00 to P282,120.00). Its primary objective is to facilitate homeownership for this income group. The scheme is inclusive, catering to both public and non-public officers at equivalent levels. It adopts two distinct approaches of Home Improvement and Turnkey, with the overarching goal of promoting homeownership among Batswana who may face difficulties in accessing housing through the conventional open market. Under the turnkey component, applicants may choose from a range of pre-approved house designs offered by the Government, including a bachelor pad, a two-bedroom house, and a three-bedroom house.

C.1) Bonno Home Improvement Loan Scheme (D4 scale & Below or Equivalent)

Loan Terms

- i. Maximum loan: **P 90,000.00.** The applicant may apply for a lesser amount depending on the outstanding work.
- ii. Maximum Repayment period: 20 years at 0% interest.
- iii. Minimum loan instalment is P375.00 per month.
- iv. Default penalty: 10% interest on overdue payments.
- v. Total loan repayment is based on the construction cost.

C.2) Bonno Turnkey Development Loan Scheme (D4 scale & Below or Equivalent)

Loan Terms

- i. Loan amounts available are P 282,000.00, P 325,000.00 and P 491,000.00.
- ii. Maximum repayment period: 20 years at 0% interest.
- iii. Minimum loan instalments are P1,175.00, P1,354.17 and P2,045.83 (corresponding to above loan amounts)
- iv. Default penalty: 10% interest on overdue payments
- v. Total loan repayment is based on the construction cost.

5. Application Process

- a) Eligible citizens will submit their housing applications through the District Council Offices across the country. The completed application form will be accompanied by the following attachments;
 - i. Legal Proof of Plot Ownership (title deed, customary land grant, lease, COR): Issued by the relevant land authority.
 - ii. Certified Copy of Omang: A valid certified copy of Omang
 - iii. Proof of Source of Income: This includes a pay-slip, or bank statement
 - iv. Marital Status Documentation: Certified copy of marriage certificate (for married applicants), affidavit (for singles), or decree absolute (for divorcees), Spouse's consent letter, Bank Statements: Three (3) months' bank statements for self-employed applicants.
 - v. Suretorship Requirements: Proof of source of income (pay-slip, or bank statements) and a certified copy of Omang
 - vi. Home Improvement Documentation: An approved as-built house plan.
 - vii. A variety of approved turnkey building plans will be available for applicants to select from.
- b) The technical team—comprising a **Technical Officer, Structural Engineer, Architect, Quantity Surveyor, and Housing Officer**—will assess existing structures for home improvement and prepare a detailed report for each case. For **turnkey developments**, plots will be evaluated to ensure they meet all stipulated requirements.
- c) The office will compile a report for submission to the **Pre-Committee/ Council Management Committee (COMT)**, which will review the information and forward recommendations to the relevant **Council Committee**.
- d) The relevant Council Committee will consider the recommendations and may either **reject** or **conditionally approve** the application. The applicant will be notified of the outcome. Applicants who receive conditional approval will be placed on a **waiting list**, pending the availability of funding.
- e) Applicants may appeal a loan rejection to the Minister responsible for Housing. Appeals must be submitted within 30 working days of receiving the Council Committee's decision.
- f) Each year, the Council will submit a list of approved beneficiaries to the Department of Housing for consideration for funding.
- g) Upon budget approval, the Department of Housing will inform the implementing authorities of the number of beneficiaries funded, enabling them to proceed with orientations and other related activities.
- h) Upon the release of funds warrant, the implementing authorities will receive disbursements on or before the end of April each financial year.

6. Housing Construction Standards and Quality

- a) Homes built under the Bonno National Housing Programme must adhere to national construction standards and best practices, ensuring they are safe, durable and resilient.
- b) The homes will incorporate environmentally friendly and sustainable building materials and technologies, ensuring long-term cost-effectiveness and minimal environmental impact.
- c) Every housing unit will include essential infrastructure such as water supply, sanitation, electricity, and road access, as well as recreational and social facilities where possible.
- d) The plan of the proposed house must be approved by the Council before building works commence unless an approved standard plan is used.
- e) The Implementing Authority (Council/BHC) will select citizen-only local builders or contractors from its approved database to undertake construction or home improvement projects.
- f) All housing construction must adhere to applicable building and planning regulations, standards, and relevant legislation.
- g) Inspections must be conducted and approved at all critical stages of construction. Site inspection reports must be properly documented and securely stored.
- h) Upon practical completion of the housing unit, a joint inspection will be carried out by all relevant stakeholders, including the beneficiary. Once consensus is reached, the Local Authority will issue an Occupation Certificate in accordance with the Building Control Code.
- i) During the handover of housing units, all relevant stakeholders, including the beneficiary, must be present. All required handover documents must be signed by the parties involved.
- j) A Defect Liability Period (DLP) of three (3) months will apply following practical completion of the housing unit. After the DLP has lapsed, neither the Government nor the Contractor shall be held liable for any defects.

7. Government Assistance Restrictions:

- Housing units constructed under the Bonno National Housing Schemes shall not be transferred, sold, or otherwise disposed of without the prior written consent of the Council. Any attempt to do so without approval may render the transaction null and void and could result in further administrative or legal action.
- Applicants must not have benefited from other government schemes, including GEMVAS and BHC, nationwide.

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