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**PARTICIPATORY INCLUSIVE LAND READJUSTMENT IN HUAMBO, ANGOLA**

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## **Participatory Inclusive Land Readjustment in Huambo, Angola**

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*Key words:* informal, land-readjustment, participation, peri-urban, post-conflict

### **Executive Summary<sup>1</sup>**

After a protracted period of conflict, Angola has been reconstructing its social and physical infrastructure and developing new policies and legislation to address the chronic poverty that the majority of families still live in. The four decades of war were characterized by land expropriation, forced removals, resettlement, and massive internal displacement of rural and urban populations. Colonial land legislation had not been effectively reformed by the end of the war and the shifts in population left Angola with chronic settlement problems. With few legal tools and little in the way of financial and human resources to administer land, urban expansion was uncontrolled. Informal land transactions flourished. The authors estimate that even today fewer than 10 per cent of urban land transactions are registered.

Most urban growth in Angola has been unregulated expansion at the periphery of cities, leading to large and still growing informal settlements around an older urban core. With the end of the war in 2002, many decision-makers in Angola believed urban growth could be reversed. Nevertheless, due to a very young population and high birth rate, cities continue to expand rapidly. Many of the 4 million internally displaced people either resettled in the cities or returned to find their homes destroyed at the end of the war. It is estimated that Angola's housing shortfall exceeds 1 million units and that 65 per cent of existing housing lacks basic services and is in need of major upgrading. Land has emerged as a critical point of potential conflict as displaced persons have sought sites for their new homes. Most of the settlement and housing-plot acquisition has been through the informal land market. Only a small percentage of settlers have acquired full legal title to the land they occupy. Lack of security of tenure seriously undermines the well-being of poor families and puts at risk their principal assets. Mass expropriation of land occupied by

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<sup>1</sup> The research for this paper was supported by UN Habitat and produced as a monograph titled "Case Study - Huambo Land Readjustment" in April 2012.

poor urban families with inadequate financial compensation is becoming a new feature of post-conflict urban development in Angola.

It is necessary for Angola to look to experiences drawn from other countries that may be appropriate to the new reality. This paper maps out one such experience and discusses its applicability in the Angolan context. The authors propose that an adaptation of a model of “land readjustment” or “land pooling” may be appropriate in the context of Angola’s current urban crisis. The paper presents two cases illustrating the introduction of land readjustment, one successful and the other not, with the aim of learning from and adapting the approach in future public land and settlement policies in Angola.

Land readjustment is a participatory land-assembly concept used in some Asian and European countries to redraw boundaries of peri-rural and peri-urban land in order to prepare land for urban development. The process assembles numerous parcels of “raw” land and then, without paying monetary compensation to the owners, subdivides and services the land for urban use. Some of the resulting building sites are then returned to the original owners as compensation in proportion to the value of their land contributions, and the remaining sites are sold to recover public utility costs.

The cases presented here demonstrate how land readjustment was used in a participatory way to assemble land for planning new urban development in Huambo. The projects were implemented at a time when important decentralization reforms were underway through the creation of municipal administrations that were assigned new powers for managing land. The first case study was completed before the reforms, at a time when provincial urban planning officers still had the authority of the state to legitimize the land transactions. The second pilot project was implemented after the publication of the decentralization reform law. Municipal administrators had been given the responsibility of managing land for housing but were inexperienced and did not have the authority to manage the financial aspects of the program.

Huambo, Angola’s second city, has a population of more than four hundred thousand. It is the principal city in the central highlands and was the focus of much of the conflict during the war years between 1961 and 2002, during which time the central business district was heavily damaged. Today’s large peri-urban areas consist mostly of adobe houses with zinc roofs and clusters of old tile-roofed houses which are a legacy of colonial times. The density of these peri-urban areas varies, ranging from consolidated areas where plot boundaries are built up with high walls, to dispersed settlements where agriculture is still common. Many *bairros* (*neighbourhoods*) in Huambo cover a variety of peri-urban settlement types, and indeed sometimes a *bairro* includes urban and peri-urban areas.

In Huambo most urban growth is taking place at the periphery without any formal planning. The Huambo municipal administration had made provision for the distribution of land for self-help housing. However, landowners who lost their agricultural plots in the urbanization process were not compensated, nor were the housing areas provided with basic infrastructure, and nor were the norms of urban planning respected. Conscious of these challenges, the local government administration invited Development Workshop (DW) to coordinate the implementation of the two participatory urban planning projects in Huambo.

The first project demonstrated how the land readjustment model could reduce land conflicts by regularising tenure status. It showed how market mechanisms created land value that benefitted former occupants, new owner-builders, and the state. It also demonstrated the crucial role of social mobilization (by the NGO) and the need for government buy-in to secure the success of the project.

The process of convincing landowners to participate in the project was onerous and time-consuming. Dozens of meetings were held and a great deal of time spent explaining over and over again how the project would be implemented and the advantages to each stakeholder. Very good communications skills in the local languages and a deep understanding of cultural and social norms were important assets of the DW team that led this process. Initial resistance by landowners was overcome eventually with warnings that existing occupants risked losing their land without compensation if the government were to take over and implement a traditional compulsory acquisition process.

Existing land-occupiers, whose land would be affected in the readjustment process, were registered and their land boundaries mapped using hand-held GPS and GIS software. A compensation process was developed which foresaw that each landowner would receive plots in the newly urbanized area in accordance with the size of the land he or she lost, as a form of land readjustment. The overall distribution key in this case therefore was:

- 30 per cent of the land was reserved for infrastructure, including roads;
- 35 per cent for redistribution to local landowners;
- 35 per cent for sale with the objective of covering basic infrastructure costs.

Under the auspices of the provincial government all owners of the redistributed parcels (including previous landowners and new residents) were issued with “provisional tenure licenses” (*licença de arrematação*) and given two years to apply for a full land title. The project sold the remaining 50 per cent of the plots to private individuals and families who had registered themselves on the government’s housing waiting list. With the funds acquired from the sale of land parcels, investments were made in layout planning, clearing roadways, and installing boreholes for drinking water.

Huambo's first pilot land readjustment project contributed to creating a socially diverse *bairro* with a population consisting of different income groups, ranging from the poor to the middle class. The inclusion of the poor has been achieved through the process of compensation through the allocation of redeveloped land parcels rather than monetary compensation.

After the success of the pilot project the Huambo municipal administration asked DW to implement a second project. The same overall approach was used, initiating a process of registering and mapping of the developed, informal area and implementing a readjustment scheme at the periphery of the peri-urban area. The second case, however, demonstrated that by losing the essential ingredient of the financial control and the opportunity to mobilize the land market to create value, the project did not generate sufficient resources to sustain itself.

While the authors are strong proponents of Angola's administrative decentralization program, they conclude that a major effort must be invested in building the capacity of municipalities in managing land and in other responsibilities that they must now assume. Municipalities must also be given the possibility to generate their own financial resources through transaction fees and taxes. Income from the regularization of land tenure can be one of the ways that municipalities can sustain themselves in the future.

This paper argues that despite a rather challenging environment, land readjustment in Angola has the potential to become an important tool for urban planning. It shows that, while there is still no legal framework for land readjustment and a very limited culture of participation in urban planning processes, growing land markets and strong private sector partners can make land readjustment a viable option for local governments.

## Angola's Post-Conflict Urban Challenges

Angola's four decades of conflict caused massive destruction of social and physical infrastructure and forced millions of people from their rural lands, which led to rapid urban population growth. Even after the end of the war in 2002, urban populations continue to grow. More than 60 per cent of Angolans now live in urban centres and more than half of this population is under 18 years of age.

New rural migrants initially found it difficult to secure their livelihood. There remains high unemployment and underemployment Angola's cities and towns. Poor migrants usually survived by trading in the informal market sector. Almost 50 per cent of urban families today still depend on the informal sector for employment. A parallel problem for new migrants was securing shelter for their families. Urban administrators were overwhelmed by the influx of people displaced by the war and were unable to assist new migrants to secure housing or land where they could settle. Informal market mechanisms provided the backstop. More than 80 per cent of the urban population lives in areas without legal land tenure or access to basic services. More than 75 per cent of the urban population lives in slums or *musseques* (a Kimbundu word for "sandy soil").

A major constraint to the implementation of urban plans in the decade after the end of the war remains the poor management of land by the government and consequently poor security of tenure for the urban population. Despite the affirmation of the government to the control of land, a vibrant real estate market exists for the land, whether it is occupied formally or informally. A better understanding of the formal and informal regulations that govern the urban land markets is necessary for the process of developing a more rational urbanization process.

Many of the 4 million internally displaced people either resettled or returned to find their homes destroyed at the end of the war. This resulted in a massive demand for shelter as families tried to rebuild. It is estimated that Angola's housing shortfall exceeds 875,000 units and that 65 per cent of existing housing lacks basic services such as water and sanitation and is in need of major upgrading.

The total population of Angola in 2013 is probably in excess of 20 million. Over the last 70 years the population of Huambo has probably multiplied by a factor of 25 (Fig 2). Most post-independence urban growth has been unregulated expansion at the periphery of the city, leading to large and still growing informal settlements around an older urban core. With the end of the war in 2002, many decision-makers in Angola believed urban growth could be reversed; however, due to a very young population and high fertility rates, Angolan cities continue to expand rapidly (DW and CEHS 2005).

Land has emerged as a critical point of potential conflict as displaced persons have sought settlement sites in rural and urban districts alike. Only a small percentage of settlers have acquired full legal title to the land they occupy. However, most have considered themselves free from threat due to the laissez-faire attitude engendered by a state administration that is unable to facilitate land registration. Residual occupancy rights may, however, have been revoked by land legislation published in 2004. The urban poor are therefore left in a position of extreme vulnerability, with weak tenure rights over the land they occupy. They have been turned effectively into illegal occupiers by regulations published in 2007.

For the first time since independence, a commercial real estate market is formalizing itself (an informal market has existed for years). The government has offered major land concessions to commercial developers, many of them international companies, to develop joint venture residential and industrial complexes, at first in Luanda, and more recently in provincial capitals such as Huambo. For the urban poor, with no access to banks or savings institutions, the acquisition of a housing plot and subsequent construction of a residence are the only means to accumulate any form of wealth. Thus real estate—particularly housing plots in one of the urban centre *musseques* that are close to places of employment—have a high and increasing value.

In the process of urban economic development, the demand for residential plots in urban areas, combined with the upgrading of services, results in rising land values. In the natural process of gentrification of residential districts, the poor often trade off easy access to employment against financial gain by selling their plots close to the centre and migrating to the periphery where land is cheaper. The one-off profits can be substantial and tempting for poor families. Therefore, land and housing (particularly in good locations) represent accumulated wealth for the poor that can be sold and transformed into financial capital to cover a family emergency, or invested in a child's education or a business venture.

Lack of legal title guaranteeing security of tenure seriously undermines the well-being of poor families and puts at risk their principal assets. Mass expropriation of land occupied by poor urban families with inadequate financial compensation is becoming a new feature of post-conflict urban development in Angola. Between 2002 and 2006, an estimated 3,000 families (about 20,000 people) were forcibly removed.(Cain, 2010) The alienation of the urban poor from land that they have lived and worked on for many years could produce civic conflict in the years to come unless the government develops policies that recognize existing occupation rights. In June 2002, the government published a draft new land law and invited public debate and contributions from civil society—the first time that public consultation had been introduced into a legislative process. A grouping of civil society organizations called the Rede de Terra (or the Land Network) was formed to facilitate communities' articulation of ideas, concerns, and fears

around the land issue. The formulation that eventually became law in 2004 included only a few of civil society's concerns and recommendations. The law laid out a three-year time frame within which informal land-occupiers were required to register and acquire formal title.

## Legal Environment

Angola inherited its legal framework from the Portuguese civil code which did not easily accommodate itself to African land tenure practice. During the decades before independence in 1975, large areas of land were appropriated for Portuguese settlement and incorporated into the colonial cadastre.

Angola's post-independence constitution affirmed the state to be the owner and manager of land.<sup>2</sup> Land laws of 1991 and 2004 both affirmed the authority of the state as the primary manager and owner of all land resources. They also both reaffirmed the colonial cadastre as the basis of land titling, therefore weakening traditional land claims. The new land law makes reference to urban planning in several articles, linking land rights to the existence of urban plans. In Article 15, the law says that land occupation and land rights are regulated through the norms inherent to the instruments of territorial and urban planning. Article 21 provides classifications of urban land, linking this to urban or equivalent plans, although "equivalent" is not defined. Article 36 says that private property rights can only be acquired on urban land that has been included in an urban plan or another instrument that is legally equivalent, and with the respective plot layout approved. Other forms of land rights mentioned in the law, such as surface rights or "precarious" (provisional occupation) rights, do not refer to urban plans as a prerequisite (Weber 2007).<sup>3</sup>

The 2004 law removed all protection that the civil code had provided for occupation in good-faith or user rights. Thanks to civil society advocacy, however, a window was left open for informal occupants of land to regularize their land claims and apply for legal title. The window closed again in 2007 with very few titles having been issued because provincial and municipal administrations had little capacity to administer and approve them. Under the legislation, full title for urban land could only be issued in fully urbanized and planned areas. Thanks as well to civil society advocacy, the concept of customary tenure

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<sup>2</sup> Constitutional revisions in 1976 were founded on socialist models of public ownership with guarantees for the protection of private property and private business activity within limits set by the state. The constitution states that "land, which is by origin the property of the State, may be transferred to individuals or corporate bodies, with a view to rational and full use thereof, in accordance with the law."

<sup>3</sup> Weber, B. (2007), *Can Participatory Planning Improve Sustainable Urban Development in Angola?* Edinburgh: Heriot Watt University, School of the Built Environment.



was incorporated into the 2004 law, but this has not yet been regulated at the time of writing. Similarly, bylaws for the regularization of peri-urban land have still not been published.

## New Opportunities

Another important piece of legislation, the decentralization law, was published in 2007. It made domestic scale land management (up to 1000 m<sup>2</sup>) a municipal responsibility.

In 2008, the Angolan government adopted an ambitious policy intended to promote the construction of 1 million houses in four years. According to the president, the government would mobilize US\$50 billion to finance this plan (at US\$50,000 per household). This 1-million-house goal aimed at eliminating most slum settlements, was to be achieved through state initiatives and public-private partnerships.<sup>4</sup>

Institutionally, the Ministry of Urbanism and Housing was identified as the main entity responsible for the execution of this project.<sup>5</sup> The National Office for Reconstruction (GRN)<sup>6</sup> has also been involved in housing projects, notably in new urban centres. These include the Kilamba Kiaxi project launched in Luanda in 2008, which in the first phase, has constructed 20,000 apartment units as well as schools, shops, and other services. Also, about half the state reserves identified throughout the country in 2008 were allocated to the GRN.

In March 2009, the National Urbanism and Housing Program for the period 2009–12 was approved<sup>7</sup> and a national commission was installed to implement the program.<sup>8</sup> Instead of building 1 million houses through state initiatives and public-private partnerships, the government announced that 685,000 would, in fact, have to be constructed through “self-help building” (*autoconstrução*). To facilitate self-help building, the state would offer plots of land at low prices, construction material at accessible prices,

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<sup>4</sup> Government of the Republic of Angola (2008). *Programa de Governo 2009-2012*, p. 73.

<sup>5</sup> This ministry has gone through various changes over the last few years. Starting as the Ministry of Urbanism and Environment in 2003, it was turned into the Ministry of Urbanism and Housing in 2008 while a separate Ministry of Environment was created. Currently, after the adoption of a new constitution in February of 2010, the Ministry of Urbanism and Housing and the Ministry of Public Works have been brought together to form the Ministry of Urbanism and Construction.

<sup>6</sup> The GRN is located within the presidency’s military office and is effectively an extended arm of the presidency in the post-war reconstruction efforts. Of note for urban affairs in Angola, for example, the US\$3 billion credit from the Chinese EximBank, secured in 2005, came under control by this office, rather than the Ministry of Public Works and the Ministry of Urbanism and Environment.

<sup>7</sup> Resolution 20/09.

<sup>8</sup> Dispatch 9/09.

different models of houses for construction, as well as infrastructure and technical assistance on the ground. Only 115,000 houses would be constructed by the government, while 120,000 would have to be constructed by the private sector and by 80,000 cooperatives.

In a press conference in January 2011, the state minister for civil affairs informed the public of the government's activities and plans with regard to its housing program, with number somehow different from those provided by public institutions on previous occasions. He stated that in the last months of 2010 the government's efforts had been concentrated on taking initiatives to alter the civil code, land registry code, and notary code in order to make the processes regulated by these laws simpler and less formal. He announced that the housing program now foresaw the construction of 56 urban areas, 144,037 social houses, and 10,000 houses to be built through self-help building. As responsible institutions he named the Ministry of Urbanism and Construction, the provincial government of Luanda, but also the GRN. Furthermore, 200,000 houses were to be built through public-private partnerships of which 120,000 were to be built by Sonangol (the state petroleum company) and 80,000 by the private sector. In terms of land, 420,000 plots of urban land with infrastructure were to be provided, of which 100,000 were to be delivered by Sonangol. Lastly, the promotion of social housing for 564,000 families, equivalent to 3.3 million people, was announced.<sup>9</sup>

While the intentions of the new 2008 urban policy and newly launched programs were ambitious,, the start-up was slowed as the impact of the world economic recession hit Angola in 2009. The case of Huambo will show that in some provinces, in fact, very little was achieved before the target date of 2012.

### **Case Studies, Huambo: Piloting Land Readjustment (Pooling)**

In 2006, Development Workspop<sup>10</sup> responded to a request for help from the Huambo provincial government, which was struggling to respond to the high number of requests for housing sites. DW, which has been involved in land and urban research and advocacy in Angola since 1981, proposed to assist the government to test a strategy of land readjustment (sometimes known as land pooling). Development Workshop had partnered with the Angolan government in implementing aspects of the

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<sup>9</sup> *Jornal de Angola*, January 18, 2011 and Portal Angop, Programa prevê construção de mais de 144 mil habitações (17 January 2011). [http://www.portalangop.co.ao/motix/pt\\_pt/noticias/politica/2011/0/3/Programa-preve-construcao-mais-144-mil-habitacoes,e3e540f8-3ac6-46d2-b5d4-788c0812e30a.html](http://www.portalangop.co.ao/motix/pt_pt/noticias/politica/2011/0/3/Programa-preve-construcao-mais-144-mil-habitacoes,e3e540f8-3ac6-46d2-b5d4-788c0812e30a.html)

<sup>10</sup> DW is Angola's oldest human settlements not-for-profit organisation.

Habitat agenda, since their participation in UN Habitat's Urban Summit in Istanbul in 1996. DW proposed to test a strategy of land readjustment through several pilot demonstration projects in Huambo.

Land readjustment<sup>11</sup> provides a market mechanism to regularize peri-urban settlements, providing sustainable infrastructure and access to services, while at the same time strengthening the rights of tenure and protection of assets of the poor. It also provides local government with an opportunity to capture some of the added land value as cities grow.

Land readjustment is a land-assembly concept with the general objective of facilitating the development and redevelopment of real estate. Land readjustment has been used to redraw the boundaries of rural land in order to make farms more efficient, and can be applied for pooling urban properties for redevelopment schemes and assembling land for new developments in the urban periphery. For municipalities it is “a process whereby a public authority assembles numerous small parcels of raw land without paying monetary compensation to the owners, services and subdivides the land for urban use, returns most of the resulting building sites to the original owners in proportion to the value of their land contributions, and sells the remaining sites to recover all public costs” (Doebele 1982).

One of the first documented practices of land readjustment took place in the United States in 1791 when George Washington, a former land speculator, used land assembly to finance and build the new capital in Washington, D.C. (Hong 2011). Land readjustment approaches for urban development were tried as early as 1859 in Barcelona, Spain. In Turkey, land readjustment has been used since 1864.<sup>12</sup> The first legislation for land readjustment was in 1902, in Frankfurt, Germany. Japan introduced land readjustment to Korea during its occupation from 1905. In India, the 1915 Bombay town planning act allowed plots to be combined and reconstituted, bringing to the market large areas of land. Land readjustment schemes have been implemented and legislation developed in Middle Eastern countries such as Israel, Lebanon, and Syria (McAuslan 2008).

DW realised that not all the preconditions for successful land readjustment existed in Huambo in 2006. Experience has shown that without a vibrant land market, there is little incentive for developers and landowners to participate in a land readjustment scheme. According to Doebele, a “robust and rising” land market is one of the most important preconditions for a land readjustment scheme to succeed. Land markets need to be functional and inclusive in order to maximise the socio-economic benefit for the majority, and not only focus development in urban areas in the formal private sector. To focus urban

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<sup>11</sup> Other names for land readjustment are: “land pooling”; “instigated property exchange”; *ajuste fundiario* – property adjustment (Brazil); *reparcelación* – re-parcelling (Spain); *umlegung* – transfer (Germany).

<sup>12</sup> Ottoman Land Code and registration Act of 1858.

development and its benefits on a small elite or on a narrow middle- income group at the expense of the much larger lower-income groups will lead to greater social and economic exclusion from development opportunities. Efficient and equitable land markets are a prerequisite for well-functioning cities. Dysfunctional land markets caused by poor land-development and management policies (including poor urban planning, slow provision of infrastructure and services, poor land-information systems, cumbersome and slow land-transaction procedures, as well as under-regulation of private land development) leads to unplanned development of land in the urban periphery. Distortions in the land market often lead to speculation, which can drive prices above the productive value of the land, causing a bubble in the land and property market. Land speculation occurs when the demand for land, at the present time or in the near future, outstrips the supply. Where prices of land and property are overpriced, financial institutions which lent money to speculators find themselves unable to recover their loans and end up with bad debts. If land and property markets are not properly regulated, they can contribute considerably to the collapse of capital markets, and cause unemployment in the labour markets.<sup>13</sup>

Development Workshop's research has demonstrated that during the decade after the end of the civil war, thriving land markets have come to exist in Angola; however, they are largely unregulated, and informal real estate transactions are the norm.<sup>14</sup> It was therefore agreed that a land readjustment strategy would be adopted, but the pilot projects would be adapted to the local reality and be closely monitored with the aim of learning lessons that could guide future policy and practice.

The most visible urban planning activities had been developed in Huambo by the administration that assembled, planned, and redistributed land in various, mostly peripheral, areas of Huambo. This form of land-use planning for self-help housing has provided the one most important supply of legal land in the city. Land assembly is mostly done without compensation and redistribution is based on waiting lists kept at the municipal office, where citizens can lodge their requests for a parcel. Demand tends to be much greater than supply and a serious backlog existed. Planning processes were mostly ineffective and ad hoc, and most of the urban expansion is happening through the informal land market without any formal planning at all. In most cases, land transactions are taking place between seller and buyer only (including witnesses to generally verbal agreements) without the involvement of any local authority.<sup>15</sup>

Two pilot land readjustment projects were implemented over a three-year period in the Province of Huambo. The projects were implemented during 2006–08, at a time when important decentralization

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<sup>13</sup> UNESCAP (2011), "Urban Land Policies for the Uninitiated." [http://www.unescap.org/huset/land\\_policies/](http://www.unescap.org/huset/land_policies/)

<sup>14</sup> Development Workshop (2012), "Angolan Urban Land Policies, Strengthening Citizenship through Upgrading Informal Settlements," World Bank Land Conference, April 26–28, 2012, Washington, D.C.

<sup>15</sup> This fact has been stated on several occasions by the *soba* (traditional chief) of Bairro Fátima in the course of the Bairro Fátima pilot project.

reforms were underway through the creation of municipal administrations that were assigned new powers for managing land.

The first case study was completed before the 2007 reforms, when provincial urban planning officers still had authority. The second project was implemented after the publication of the decentralization reform law, which gave municipal administrators responsibility for managing land.

Both projects started with the mapping, registering, and demarcation of land implemented in the peri-urban areas with existing housing. The main objective for this component was to create a land registry of the current occupants and to facilitate the land-rights regularization process of the occupants. The project team demarcated the existing land holdings of all households over several months. For the demarcation, the team used printouts of recent, high-resolution satellite images. The registered plot limits then were digitized in the DW office using GIS software. Based on this land registry, the team prepared the land-rights documents that were agreed upon by the management group in a previous meeting. These documents, the “purchase licences” (*licenças de arrematação*), are an existing form of intermediary land-right document which is used for obtaining the construction licence and surface or property titles. The licences were prepared by DW staff and then submitted to the provincial directorate of urbanism and environment where they were signed by the provincial director and then distributed to the owners.

## **Case Study 1: Bairro Fátima**

The site for the first project, Bairro Fátima, was selected in a peripheral area of one of Huambo’s informal settlements (Fig.3). The project concept and proposal were jointly prepared by DW staff and local government participants. Field visits were conducted and a basic topographical survey prepared. DW was chosen as the leading technical agent, coordinating the implementation of the project. A team of DW staff participated in an intensive period of training on planning and land readjustment at the Centre for Environmental and Human Settlements (CEHS)<sup>16</sup> in the UK in October 2005.

The land readjustment methodology employed in both projects was similar. The following stages were followed:

1. **Creation of multi-stakeholder management group** with provincial government, traditional leaders, local administration and NGO.

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<sup>16</sup> Centre for Environment and Human Settlements, in Edinburgh, Scotland.

2. **Mobilizing community support** explaining the objectives of the project first to the local leaders and then to the population in general. Overcoming landowners' resistance by warning them that they risked losing their land, without compensation, if a consensus was not found.
3. **Baseline study** to create a household census and community diagnostic. This process revealed local traditional governance structures and existing infrastructure. Participatory methods deepened the community mobilization process and provided a basis for the future (readjustment) plan.
4. **Registry of existing landowners and boundaries** mapped using a hand-held GPS and GIS software. Meeting all land-owners on a *bairro-by-bairro* basis with adjacent neighbours present. Very few cases of overlapping or conflicting claims were found.
5. **Development of a physical readjustment plan** by DW architect/planners. The management group and local administrator presented the plan to a group of local residents. It called for:
  - 30 per cent of the land to be reserved for infrastructure and roads;
  - 35 per cent for redistribution to local landowners;
  - 35 per cent for public plot sale with income to cover basic infrastructure costs.
6. **Definition of rights** was granted by the provincial government. New and old landowners received occupation licenses and entered land registry/cadastral being developed by the Huambo administration.
7. **Implementation** of layout marking the new property boundaries with wooden pegs using only optical instruments and measuring tape. Plots were numbered. (Fig. 5)
8. **Redistribution of parcels** with titles in proportion to previous size of land ownership and sale of remaining 152 parcels. Half of all landowners received only one parcel. The remainder received between two and six. A total of 225 plots were released onto the market (Fig.6).
9. **Implementation of basic infrastructure.** With the funds acquired by the sale of the public land parcels, boreholes and water-points were installed and the road and service lines were cleared.
10. **Advocacy.** The results of the readjustment project have been presented in workshops, seminars, and training events across Angola.

The Bairro Fátima project had an observable impact on the local land market. The plot project's price for land distributed by the public administration was US\$500. This allowed access to 152 families on the public waiting list, mainly young people of the lower middle class. Informal market land prices in Huambo's peri-urban areas usually range from US\$700 to US\$7,000, depending on plot location. The previous occupiers who became new documented landowners benefitted by these rising land prices. The project changed the land market dynamics principally in the neighbourhoods close to the project site. By

giving secure land tenure, much more value was given to land in these *bairros*, which had previously been considered to be *musseques*, or slums.

## **Case Study 2: Bairro Camussamba**

New legislation on decentralization published in 2007 took local land management authority out of the hands of provincial governments and transferred it to the municipal administration. The decentralization legislation passed that year introduced a number of important reforms, including transforming municipalities into budget-management units, and laid the framework for local administrations to set up public utilities, make development plans, and introduce local taxes and service fees.<sup>17</sup>

The municipal administrations were comparatively weak and inexperienced in managing their new responsibilities. Municipal authorities had no incentive to create surpluses because income from local sources reverted to the state central budget.

The management committee, set up to oversee the Bairro Camussamba pilot project now lacked the authority of the provincial government, and could no longer control the sale of the land parcels distributed through the pilot project (Fig.4). Instead the municipal administration distributed the parcels for free to individuals who were on the municipality's long waiting list for land for housing. Without cost-recovery, there were no funds to invest in basic infrastructure.

The management committee, in the absence of funds, tried to pay for services in kind (the bulldozer owner, for example, was compensated with two parcels of land). At the time of writing (five years after the start date of the Bairro Camussamba land readjustment project) no other infrastructure has been implemented in the area.

## **Comparing Findings and Assessing Impacts of Land Readjustment in Huambo**

The two case studies presented are Angola's first-ever experience of land readjustment. The Fátima project was perceived as successful by all participants in the process. Fátima demonstrated how the land readjustment model could reduce land conflicts and regularize tenure status. It showed how market mechanisms created land value that benefitted former occupants, new owner-builders, financial

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<sup>17</sup> The decentralization reform legislation was often contradictory, including regulations indicating that funds generated by municipalities locally had to be transferred to the state's central budget. Civil society was dissatisfied that the law did not introduce local elections, instead setting up appointed Consultative Councils (CACs).

intermediaries, and the state. It also demonstrated the crucial role of social mobilization (by the NGO) and the need for government buy-in to secure the success of the project.

It showed that through the creation of local structures such, as a management group, land readjustment can be implemented in the absence of a specific legal framework. It highlighted the importance of a technically capable leading partner, in this case DW. And while the mobilization of the community and landowners was extremely difficult and time-consuming, the projects nevertheless managed to convince most landowners to participate. The creation of an infrastructure fund was another valuable lesson, unfortunately one that was not applied in the second project.

The Camussamba case study illustrated several important issues. It demonstrated that without the essential ingredient of financial control and the opportunity to use the land market to create value, the project did not generate sufficient resources to sustain itself. While the decentralization of decision-making regarding land management is laudable, administrative decision-making is not sufficient if fiscal authority is not also decentralized. The devolution of responsibility for land administration was not accompanied by appropriate training to build the necessary administrative capacity. The issuing of land titles is an activity that historically and in most countries is open to rent-seeking practices if not strictly regulated and open to public scrutiny. The issuing of free title is a particularly high-risk activity. “Municipalization” in Angola has been promoted as a policy for improving financial efficiency and the downloading resource mobilization to local levels with the aim of building financially sustainable municipal services and infrastructure. Land regularization and subsequent titling is an effective way of generating income for these services if the state is able to recover a portion of the increased value by charging a fee for registering the land. The mapping of that land is the first step toward creating a cadastre, which can eventually form the basis of a tax system, which in turn can provide municipalities with a sustainable income stream to maintain basic services and infrastructure.

The Camussamba project was launched shortly after the publication of the new decentralization law. The project was constrained by the fact that the municipal administration failed to take up opportunities that the new law had opened up. Later developments in Huambo, however, have demonstrated that the local administration has learned from both past successes and failures. A newly appointed administrator of Huambo commissioned DW to help build what will become Angola’s first post-war municipal cadastre using participatory mapping techniques. The project is underway at the time of writing.

It is hoped that this paper showed some of the challenges these two projects faced and how they were overcome, or could have been overcome. Valuable lessons have been learned that are being employed when preparing new, similar projects. It is hoped that the innovative work being done in collaboration



with municipal and provincial authorities and the local communities in Huambo will provide good-practice lessons for Angolan planners, administrators, and public policy makers.

### **Role of the Private Sector among weak Government and Civil Society Institutions**

While the land readjustment management group played an important role in taking decisions during the implementation of the project, the participation of government institutions in implementing activities has been weak. Similar observations can be made in other planning processes in Huambo, as mentioned earlier. Underlying this weak participation is a lack of skilled staff and proper equipment in most institutions and, in some cases, a lack of clearly defined responsibilities.

Equally, there are no civil society or professional associations in Huambo with a focus on urban planning. As observed in both pilot projects, civil society participation was limited.

In this context, the successful implementation of the project (from a technical point of view) depended almost exclusively on the technical capacity of the leading agency, in this case, DW, with the responsibility to implement all steps of the project drawing on its own personnel and resources.

The case studies therefore demonstrate the importance of having an experienced, professional program implementation partner with strong local community experience and a relationship of trust with local government entities. This could be an NGO, academic, or local private sector institution able to, at times, take on the role of mediator between stakeholders.

### **Implementing Land Readjustment without a Specific Legal Framework**

The case studies showed that it is possible to do land readjustment in the absence of enabling legislation. In the case of Huambo, the creation of a management group made up of key decision-makers proved to be an efficient mechanism. This management group guided the project through the maze of formal and informal local governance issues. The group managed the political side of the project, allowing the leading agency to concentrate on the technical aspects.

In the case of Huambo, three main factors helped the management group to effectively engage in their tasks:

1. **Training:** All members of the management group participated in the participatory planning training workshop prior to the project's launch and were engaged in the conception of the projects. Throughout the project, they were regularly briefed by DW on technical aspects.
2. **Financial participation:** All members of the management group received a monthly subsidy.

3. **The management group** at all stages felt as though it was the owner of the process, meaning that the members of the management group could present the case studies as an effort made by their departments, thus contributing to their reputation and professional standing among the local government structures.

## **Financial Set-ups**

In the pilot projects, the calculations for redistribution and capturing of land value increments were not based on any land-value study, but on an estimate. Thirty per cent of the pooled land was used for infrastructure and, of the remaining 70 per cent, half was redistributed to landowners and half sold, with funds reinvested into basic infrastructure.

Without doubt, one important factor contributing to the relatively successful completion of the pilot projects was the vibrant land market that facilitated the immediate sale of the land parcels for the creation of the infrastructure fund.

The fund for infrastructure was jointly managed by the leading agency and one member of the management group. It proved that such arrangements can be made without a legal or institutional framework for this purpose.

The fact that urban development projects can be self-financing is probably one of the most powerful arguments for replicating the pilot projects. It has obvious appeal to government institutions. Given budget constraints under which many municipal administrations operate, this provides a valid and interesting approach to address urban expansion.

## **Landowner Participation**

In the absence of legislation that would compel minority dissenters to pool their land, the leading agency had to rely solely on persuasion. In Fátima this approach worked well; in Camussamba many landowners could not be persuaded to participate.

The two case studies showed that implementing land readjustment based only on voluntary participation is extremely time-consuming and might fail in certain instances. In the case of evolving legislation, a mechanism for compelling minority dissenters could be justified. International experience discussed earlier in this report showed several examples how this could be done, without risking abuse by local authorities and developers.

However, to agree on the land pooling aspect of the process is only one aspect of participation. Landowners should preferably be involved in all subsequent steps of the land readjustment.

In the context of generally low levels of trust, trust can be created through a community mobilization approach that is transparent and invests time in communicating the land readjustment approach through meetings and personal contacts. Having all local leaders on the side of the project is a first step. A lot of time must be invested in explaining the project to landowners who come from different social backgrounds, often find it difficult to understand such an alien approach, and are highly suspicious of anything related to their land.

The participatory approach further helped to avoid conflicts as they are observed in areas where government lets development projects assemble land without compensation. This is arguably one of the most important aspects of the pilot projects.

Considering that it was the first experience of land readjustment for all participants involved, the Fátima project was perceived as rather successful. It showed that through the creation of local structures such as a management group, land readjustment can be implemented in the absence of a specific legal framework. It highlighted the importance of a technically capable leading partner, in this case DW. And while the mobilization of the community and landowners was extremely difficult and time-consuming, the projects nevertheless managed to convince most landowners to participate in the process. The creation of an infrastructure fund was another valuable lesson; it was unfortunate that it could not be applied in the second project.

## **Conclusions**

While the authors are strong proponents of Angola's administrative decentralization program, they conclude that the devolution of land-management responsibilities to the newly appointed municipal administration led to the failure of the Camussamba pilot project. It became evident that a major effort must be invested in building the capacity of municipalities in managing land and other responsibilities that they must now assume, such as the supply of basic services including water and sanitation. Municipalities must be given the possibility to generate and retain their own sources of revenue through transaction fees and taxes. Income from the regularization of land tenure may be one of the ways that municipalities can sustain themselves in the future.

## **Potential for Replication in Angola**

Despite a rather challenging environment, land readjustment in Angola has the potential to develop into an important tool for urban planning. Angola inherited a limited culture of participation in urban planning practice and weak local governance. The evolving land markets and strong private sector interest can make land readjustment a viable option for under-resourced local governments. There is a need to develop a legal framework for land readjustment and the promotion of land markets that benefit the poor incorporating local lessons and international good practice.

## **Evolution of Angolan Land Markets**

There is a significant informal market for land in Angola. At least 61.3 per cent of transactions involve financial payments. Transactions are documented, proof that these are not really informal. These transactions are considered secure and legitimate by the majority (85 per cent) of buyers. Most transactions are legally insecure as only 6.8 per cent of them can be validated with officially recognized documents. The poor are at risk of losing their property (land and housing) as a result of demolitions and relocations

Weak regulation, administrative capacity, as well as the informal nature of Angola's land markets directly affect the urban environment and the quality of life of cities such as Huambo. Efficient and equitable land markets are a prerequisite to well-functioning cities. However, Angolan cities suffer from land-market distortions caused by poor land development and management policies, including the slow provision of infrastructure and services, poor land information systems, cumbersome and slow land transaction procedures. All urban dwellers need secure access to land on which to live and be productive. The practice of readjustment and the incorporation into formal planning processes is a way of regularizing informal land transactions.

The current land legislation will need to be revised in order to accommodate the principle of occupation in good faith. Bylaws and regulations will need to define the proofs that can be used to validate this occupation and the procedures that will be used to register these claims. Once these rights of occupation are defined legally, mechanisms will also need to be established to adjudicate conflicting claims. The strengthening of municipal courts in order for them to deal with local land claims will also be essential.

The Huambo land readjustment case studies presented here demonstrate that de facto recognition of the good faith occupation rights of existing land owners-occupiers is fundamental to the functioning of an inclusive land market. The recognition of occupants' rights allows them to benefit economically, along with all the other actors in the market at the time of legalization and regularization of tenure.

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## Figures



Fig.1 Map of Angola showing Huambo

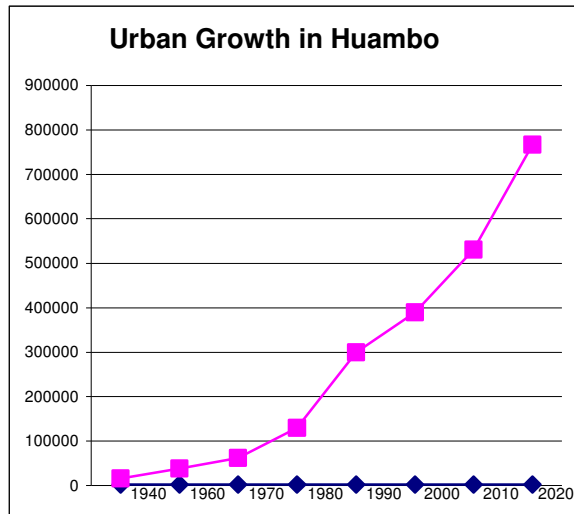


Fig.2 Huambo's Urban Growth 1940 - 2010

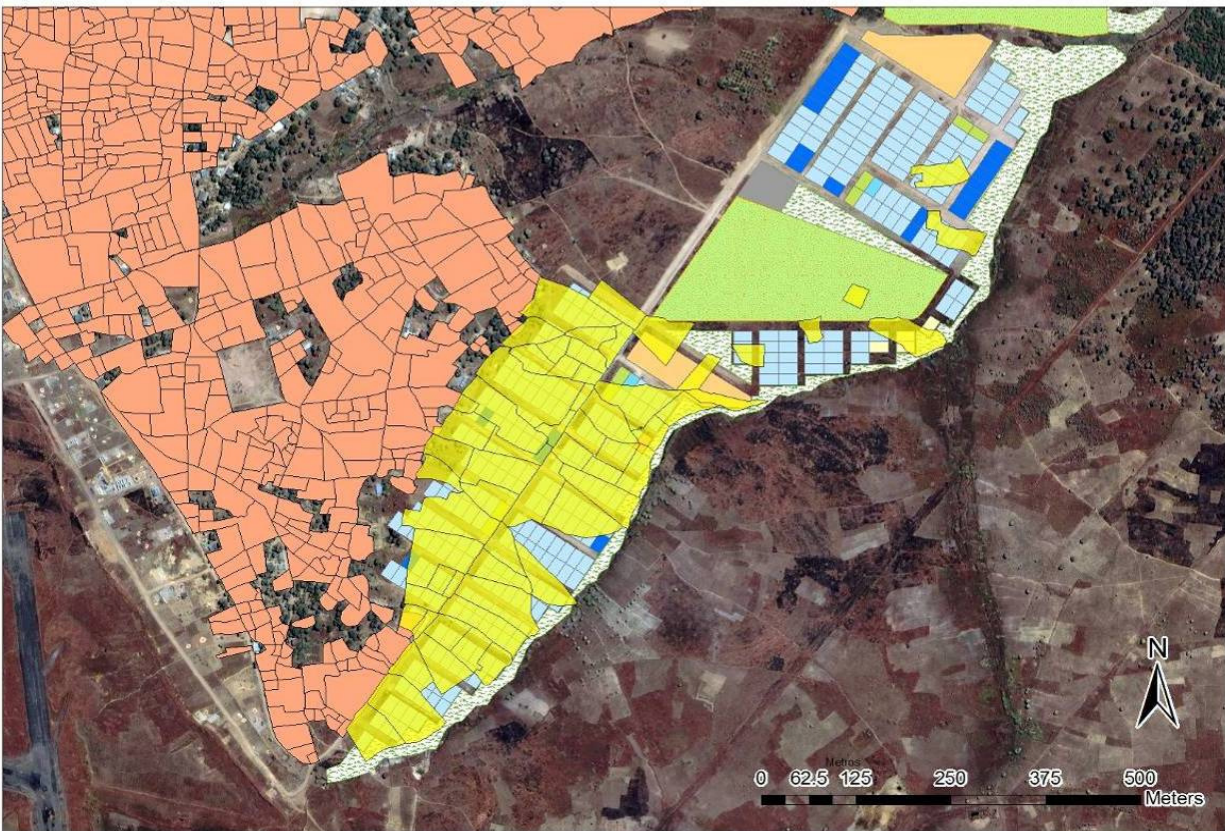


Fig. 3 Bairro Fátima Pilot Land Readjustment Project (2006) yellow indicating newly acquired land.



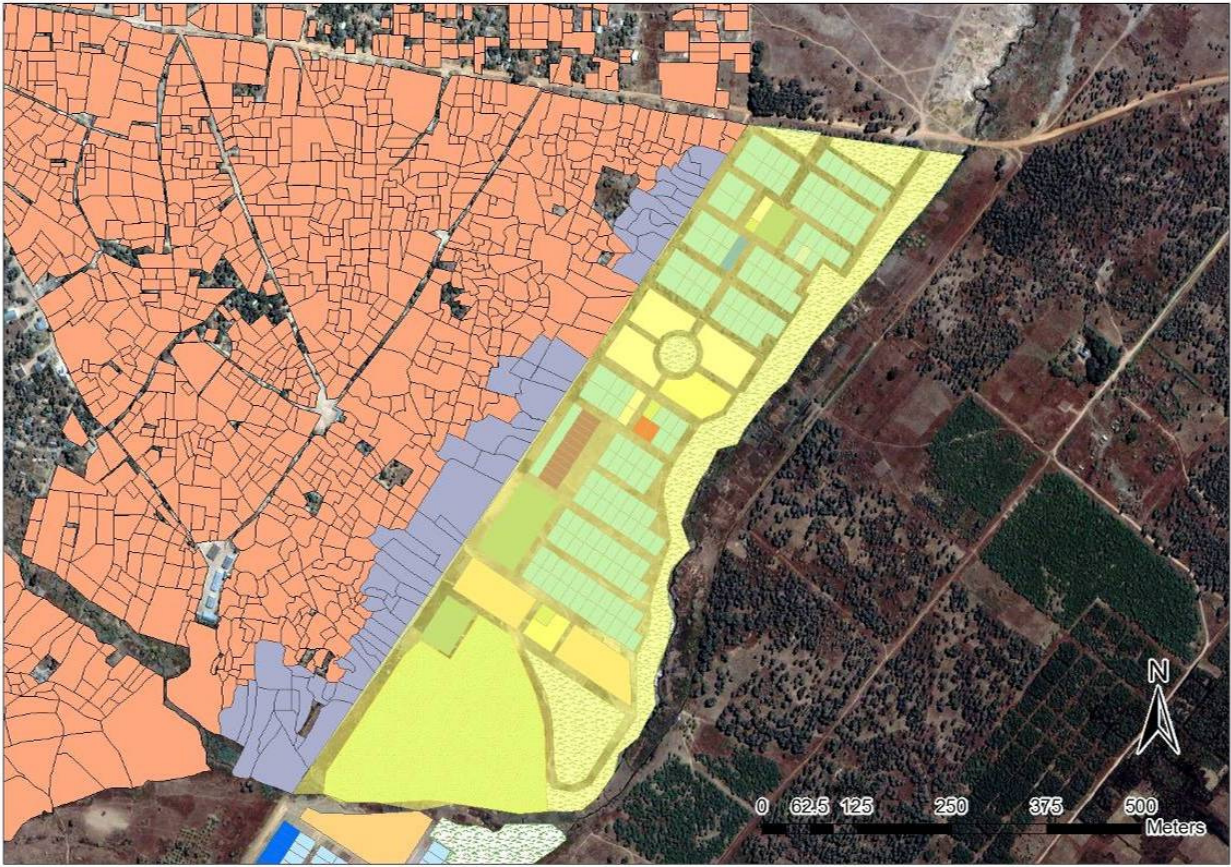


Fig. 4 Bairro Camussamba Pilot Land Readjustment Project (2008)



Fig. 5 Laying out new property boundaries



Fig.6 Licences presented to owners