7 Housing for whom?

Rebuilding Angola’s cities after conflict and who gets left behind

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Introduction

Following a civil war of nearly three decades, the period after the 2002 peace accords saw oil-producing Angola become Africa’s fifth-biggest and fastest-growing economy. Between 2004 and 2008, Angola’s GDP surged by an average of 17% a year, topping 22% in 2007. With foreign investment rising at a rate of more than US$10 billion a year, and GDP per person tripling by 2012, Angola has been heralded as one of Africa’s economic successes, at least until the global slump in oil prices in 2014 (The Economist, 2012). At the same time, decades of rural-urban migration have turned Angola into one of Africa’s most urbanized countries, with 62% of its population living in cities (UN-Habitat, 2014). As a result, public demand for housing and services in Angola’s cities is enormous. This is especially the case in the capital of Luanda, which counts an estimated 8,000,000 inhabitants – about a third of the country’s total population. With an average annual growth rate of 5.77%, Luanda’s population is set to continue to increase over the next decade, making it a ‘megacity in waiting’ (UN-Habitat, 2014, p. 192; see also GoA, 2016b).

While the country’s exploding post-war economy impacted the Luanda real estate market’s higher end through the construction of new suburbs and gated communities, it bypassed informal settlements. Over two-thirds of Luanda’s residents continue to live in shelters that are self-built with people’s own resources and savings, often with a lack of adequate and affordable basic public services, and on land for which they do not have formal titles. In an effort to address the country’s housing shortfall, in 2009 the Angolan government launched the country’s first Urbanization and Housing Programme (PNUH) with the goal of building 1,000,000 housing units through construction by the state, private sector, and cooperatives, as well as by supporting self-help building through the provision of titled land, infrastructure, services, construction material, and technical support. In doing so, the PNUH represents not only an important pillar of Angola’s post-war reconstruction efforts, but also an important instrument in implementing a range of global agreements ratified by the Angolan government. These include the UN Millennium Development Goals (MDGs), replaced in 2015 by the Sustainable Development Goals (SDGs), as well as the New Urban Agenda (NUA), adopted at the third UN Human Settlements Conference in 2016.
Since its inception, significant public resources involving a range of different actors have been invested into the PNUH. However, the government’s implementation of the PNUH generally, and the extent to which it has effectively provided housing for the urban poor or met the principles and objectives of global urban development agendas, have not been well monitored. This chapter presents research conducted by the NGO Development Workshop (DW) on Angola’s PNUH. The research builds on decades of action research conducted by DW among peri-urban communities and informal settlements, as well as its monitoring of the implementation of global agendas at the Angolan government’s request.

The chapter starts with a review of housing policy, practice, and research in post-war Angola, before moving to the work of the DW, its approach to co-production, and its role in monitoring Angola’s implementation of global policy agendas. Based on the lessons learned from these experiences, and using a variety of participatory tools and methods developed therein, the study presented here assesses the outcomes and beneficiaries of the PNUH’s different sub-programmes, comparing their outcomes to those from the ‘social production of housing’ (i.e., built without state support) as well as slum upgrading. The chapter concludes by proposing principles to inform more sustainable and inclusive approaches to Angola’s monitoring and implementation of the NUA and other related policy agendas.

Context

**Housing policy, practice, and research in post-war Angola**

Angola’s civil war left almost all its infrastructure, both rural and urban, in ruin. Peace in 2002 liberated financing for reconstruction, and the country’s natural resources and booming economic growth attracted loans from both traditional Western donors as well as new emerging powers such as China, which offered deals with few strings attached. As the country’s cities had rapidly grown during its war years, peace brought a strong public demand for urban renewal, basic public services, and housing for all. Post-conflict public policies committed to meeting these demands included the adoption of an official housing policy in 2006 (Resolution 60/06), which guaranteed the universal right to housing, followed by a Framework Law for Housing (Law 03/07), as well as programmes to provide ‘water for all’ and strategies to combat poverty, promote local development, and strengthen local government.

The housing sector was officially prioritized with the country’s first National Urbanization and Housing Programme (PNUH), which was announced on World Habitat Day 6 October 2008, just after the country’s first post-war elections, in a public meeting attended by UN-Habitat’s then-Executive Director, Anna Kamu-julo Tibaijuka, and long-standing President José Eduardo dos Santos.

At the time of the Programme’s official launch in 2009, the Angolan Ministry of Urbanism and Housing estimated the country’s shortfall of housing to be almost 2,000,000 units. Meanwhile, the National Institute of Statistics estimated that
90% of existing urban housing was substandard and needed substantial investment to upgrade it to acceptable living standards (GoA, 2009). It was envisioned that by the next elections in 2012, PNUH would reduce housing deficits by at least 50% through an accelerated programme, using financing from the petroleum sector along with credit-lines from China (Croese, 2012).

While the plan was to promote urban development (including slum renewal), the only clearly articulated targets were around housing unit numbers. The PNUH divided the responsibilities for meeting housing targets among a range of housing providers, with the state taking on 11.5%, the private sector 12%, cooperatives 8%, and (state-directed) owner-builders assuming the major share of 68.5% of housing to address the nation’s unmet need for shelter. By 2012, little progress had been made in terms of implementation, and the deadline was again extended to the following election of 2017. Meanwhile, the burden of Angola’s accumulation of foreign debt from expenditures on housing construction and expensive high-profile projects financed through Chinese and Israeli oil-backed credit lines became heavier in the face of steep economic decline due to plummeting oil prices from 2014 (Benazeraf & Alves, 2014; Macauhub, 2019). Further, highly centralized state structures meant that public programme implementation was often poorly coordinated with local government and lacked transparency. As a result, few targets were met and/or reached their intended beneficiaries.

Scholarly criticism of the governance and outcomes of post-war housing policies in Angola has focused on lack of transparency around finance for housing construction, and the slum demolitions accompanying urban renewal (Rodrígues & Frias, 2015; Gastrow, 2017; Waldorf, 2016). While such critiques are important, most of this work has focused on selected housing projects or specific moments in time. Moreover, the majority of this work was produced for the purpose of contributing to academic debates, rather than the practical improvement of the implementation of housing policies. In contrast, the work of DW is situated at the interface between research and policy.

Our research approach is premised on the principals of co-production, which can refer to partnerships or collaborations between the state and society in the realm of services (Ostrom, 1996), knowledge (Polk, 2015), or policies (Durose & Richardson, 2016), and with a view to producing more inclusive and sustainable outcomes. The need for and benefits of co-production in Angola emerges – as in many other places in the global South (Joshi & Moore, 2004) – in a context of weak state capacity. However, whereas in other countries grassroots-led co-production between state and society has represented a route to political power, influence, and transformation (Mitlin, 2008), civil society in Angola – with its legacy of long-term conflict and decades of authoritarian rule – remains relatively weak. As such, DW has played an important role in facilitating collaborations between state and civil society.

In the early 1980s, at the government’s request, DW started working in Angola to assist in developing policies and programmes for human settlements
and self-help housing. In the decades that followed, DW adopted a strategy of supporting and working together with Angolan civil society, community-based organizations, and local governments in areas ranging from infrastructure and basic services to community economic development, through research, practice, and advocacy on land titling programmes, water and sanitation committees, and micro- and housing finance (Cain, 1986; Cain et al., 2002; Cain, 2007, 2010).

Our research tools and methods include participatory mapping tools, GIS-enabled surveys, and data collection involving local government officials, civil society organizations, and community associations through training and capacity building, as well as the organization of Municipal Forums as spaces for deliberation. Much of the work at the community level engages individuals and communities that are often very vulnerable, naturally wary of any change, and likely to feel they lack the power to improve their lives. As such, trust building is a critical aspect and outcome of this work. Involving local municipal administrations and community associations in community research has contributed not only to better understandings of the intentions behind the work, but also to a local sense of ownership of the data and knowledge produced.

DW has integrated the approaches described earlier into our partnerships and collaborations with different state agencies in the monitoring of the implementation of global development agendas. In doing so, we seek to generate evidence that is co-produced and co-owned, and therefore capable of contributing to better policies and practices.

**Monitoring global policy implementation in Angola**

In 2006, UN-Habitat and the Angolan Ministry of Urbanism and Environment requested that DW lead the creation of the Angolan National Urban Observatory. This Observatory was one in a network of National Urban Observatories piloted to undertake work as part of the Global Urban Observatory (GUO), set up in 2001 by UN-Habitat, following the second UN Human Settlements Conference, or Habitat II. Taking place in Istanbul in 1996, the Habitat II conference had launched the ‘Habitat Agenda’, a collaborative approach to realizing sustainable human settlements and ‘adequate shelter for all’ through existing and new partnerships at the international, national, and local level (UN-Habitat, 1996). The purpose of the Observatories was to help governments, local authorities, and civil society organizations monitor the Habitat Agenda through the development and application of policy-oriented urban indicators and urban statistics. By integrating the targets and indicators of the UN Millennium Development Goals (MDGs) in this work, the Observatories could simultaneously inform the implementation of target 11 of the MDGs: to significantly improve the lives of 100,000,000 slum dwellers by the year 2020. A network of National Urban Observatories was piloted to undertake this work, creating local focal points for urban policy development, planning, and collaboration among policymakers, technical experts, and civil society. Local Urban Observatories were also created.
to coordinate capacity-building assistance and to compile and analyse urban data for national policy development (Ferreira et al., 2012).

As part of its inception, DW worked to build capacity at the Angolan National Institute of Territorial and Urban Planning (INOTU) and among provincial and municipal staff in the country’s major urban centres in four provinces (Luanda, Huambo, Benguela, and Namibe). In the course of this work, DW built important partnerships with local civil-society poverty networks and community-based organizations to participate in data collection using MDG indicators. A number of important lessons can be drawn from this work. Most international agencies and many governments publicly committed themselves to the MDGs, which in some cases resulted in improved outcomes. For instance, the MDG of significantly improving the lives of at least 100 million slum dwellers translated into increasing the proportion of that population with secure tenure. However, aside from improving the lives of slum dwellers, the MDGs lacked adequate focus on urban issues, in part because of policymakers’ then-common misconception that urban poverty was much less serious than rural poverty, and thus had little relevance to MDG achievement. The MDGs have further been criticized for being too narrow in focus, and too often determined by ‘external’ experts in a top-down manner, not reflective of local needs and priorities, and thereby producing unintended outcomes, especially for the urban poor (Satterthwaite, 2003; Meth, 2013; Fukuda-Parr, 2014).

Following our work establishing Angola’s National Urban Observatory, the Angolan Ministry of Urbanization and Housing requested in 2015/2016 that DW lead the consultative process preparing the country’s National Report to Habitat III in Quito, which would measure the country’s achievements against commitments made to the 1996 Habitat II Agenda. A key finding in our analysis of the Habitat II Agenda process in Angola was that the MDGs’ relevance for Angola’s urban populations was compromised by inaccurate statistics, inappropriate criteria, and the use of unsuitable income-based poverty indicators (GoA, 2016a). These findings coincided with Satterthwaite’s (2003) conclusions that MDG indicators were overly focused on deliverables from the national government – neglecting the investments and ingenuity that low-income groups and their organizations make. Monitoring efforts also were reliant on conceptually flawed indicators (especially the dollar-a-day poverty line), or ones for which the ‘official’ data was inconsistent or inaccurate (i.e., if an income-based poverty line was set too low, poverty would statistically disappear). In Angola, the validity of that ubiquitous indicator for measuring who qualified as income poor – i.e., the dollar-a-day poverty line – proved inappropriate for assessing the scale of urban poverty, as much of the urban population faces particularly high costs for non-food necessities as the combined result of being a post-conflict and resource-rich but highly dependent import economy (Soares de Oliveira, 2015).

While globally conceived indicators were measured nationally in physical terms, particularly regarding access to basic services, little attention was paid to the inequalities in power, incomes, and asset-bases that generally underpin the
lack of those basic services. For example, access to water was judged only on the basis of distance to a well or standpipe, with no attention to water quality, ease of access, regularity of supply, or cost. The Observatory noted such issues in Angola, where there is a general lack of available data measuring things like who has access to ‘safe water’ or adequate sanitation. Further, the Observatory found that many urban dwellers who did live close to water mains had no means to utilize them, as waterlines bypassed them, being channelled to new up-market real-estate projects. Finally, impacts that were difficult to measure – such as more accountable local governance, protection of civil and political rights, and greater possibilities for community-designed, managed, and monitored initiatives – were neglected. Thus, MDG monitoring ignored realities like the fact that many of the poor in Luanda’s inner city lived with the constant threat of eviction from the land they occupied for housing.

Fortunately, the post-2015 Sustainable Development Goals (SDGs) and the New Urban Agenda (NUA) adopted in 2016 were developed using lessons drawn from the problems encountered in monitoring the MDGs (Fukuda-Parr, 2016). This includes a more participatory approach to the conceptualization of the goals and agendas, and more qualitative targets and indicators through extensive consultations in the run-up to the adoption of the SDGs. While there are still challenges and shortcomings in both the SDGs and NUA (Klopp & Petretta, 2017; Caprotti et al., 2017), the SDG monitoring framework reflects a move to more adequate measurement of the implementation of urban policies and plans, while the NUA puts National Urban Policies centre stage in terms of achieving urban development that is both inclusive and sustainable.

Monitoring Angola’s national urbanization and housing programme (PNUH)

In spite of the government’s laudable and ambitions aims, the PNUH was initially developed without any plan for how to monitor and measure progress on its implementation. Moreover, the housing challenge was essentially seen as a numeric deficit, which would be solved once new houses were added to the existing housing stock, and with little regard for local realities and needs around the quality, access, and affordability of housing. Moreover, when the State’s national PNUH programme identified four sectors as key actors in supplying housing, little information was available about the capacity and past performance of these actors. This was particularly the case for cooperatives and owner-builders, who together were tasked to deliver three quarters of the envisaged housing. Additionally, how these actors were to mobilize financing for housing had not been considered prior to launching the PNUH.

DW’s work on the assessment of Angola’s PNUH built on our experience of research co-production, considering the lessons from earlier monitoring projects, including the experience and shortcomings gleaned from the process of monitoring the Habitat II Agenda and the MDGs. To develop the framework,
DW quantitatively compared the results of PNUH-supported programmes (i.e., state, private, cooperative, and state-directed owner-builder efforts) with those of a slum upgrading component of PNUH’s programme, as well as with owner-builder ‘social production of housing’. This latter term is described by the Habitat International Coalition as ‘all non-market processes carried out under inhabitants’ initiative, management, and control, that generate and/or improve adequate living spaces, housing, and other elements of physical and social development, preferably without – and often despite – impediments posed by the State or other formal structure or authority’. In other words, builders who received no PNUH (state) support.1

Further, we developed the framework used here with the aim of going beyond a merely quantitative analysis, to gain a more comprehensive understanding around the beneficiaries of urban interventions, with a focus on the urban poor. Participatory research methods were crucial in this regard, and all research tools were developed and conducted in collaboration with local municipalities, civil society organizations, and community associations. In doing so, the methodology engaged both community members and municipal authorities in the co-production and co-ownership of data on their neighbourhoods.

Amongst the research instruments employed were a poverty scoring methodology and a housing client study, which are discussed in the following sections.

Methodology and tools

**Poverty scoring methodology**

An important dimension of the data collection was the measurement of poverty scoring that allowed us to identify the economic level of beneficiary families. In 2017, 58% of the Angolan population was living below the poverty line of US$1.90 per day (CEIC, 2018). The Traditional Poverty Line assessments used in the monitoring of the MDGs greatly overstated income poverty in rural areas, while understating it in urban ones. For our monitoring framework, we therefore wanted to use a poverty ranking system adapted to local conditions and reflective of a household’s capacity to access housing and basic urban services such as water, sanitation, and transport.

DW collaborated in constructing a Poverty Scorecard, which is an easy-to-use tool for monitoring poverty rates and tracking changes over time in order to target services for the most vulnerable groups (Schreiner, 2015). Poverty scores vary from 1 (most likely below the poverty line) to 100 (least likely below the poverty line). Indicators are non-financial, including easy-to-validate household assets, housing conditions, and access to water and sanitation services. The scorecard’s bias and precision are tied and weighted directly to indicators set by the National Statistics Institute in the Integrated Household Survey conducted in 2008–2009 with support of the World Bank and UNICEF (GoA, 2009).
Since 2015, community groups working with DW have collected scorecard question data on a biannual basis to monitor changes in local poverty indicators over time. The scorecard can measure individual households, or be aggregated geographically to assess a whole community’s trajectory over time, into or out of poverty. Scorecard data can be mapped in relation to access to basic services such as water (Figure 7.1), and used in Municipal Forums and Councils, providing evidence for civil society and community organizations advocating for more equitable access to basic services and public investments.

**Housing client study**

DW also conducted a household client study to understand how clients from different sectors accessed and financed their housing. The household study assessed the level of urban basic services that each household was supplied with, and the mechanisms that families used to acquire these services.

Using questionnaires (which included the poverty scorecard questions described earlier), focus groups, and key informant interviews, the household client study was able to determine how the four PNUH sectors performed in delivering social housing for the urban poor. The methodology further provided social and economic data from questionnaires to help assess householder satisfaction, housing affordability, and level of service access.

In implementing the housing client survey, the research team enumerators (from both the community and local administration) worked with slum communities in Luanda to collect household data through the questionnaires using mobile-enabled Android tablets equipped with global positioning capabilities that can plot data in Google Maps. Such maps differ from paper maps in their greater spatial accuracy, permanence, authority, and credibility with authorities and communities.

**Findings**

In the following sections, we summarize the results of our 2016 analysis of the performance of the four housing sectors the PNUH was mandated to support (i.e., the state, the private, cooperative, and state-directed owner-built), and complement this with our research on interventions in the area of urban renewal and in-situ informal area upgrading, as well as on the social production of housing.

**The public housing sector**

Thanks to the PNUH, by 2016 the State had built 151,800 publicly funded units, mainly through contracts with foreign private companies, including the Chinese firms, CIF and CITIC, and KORA, an Israeli company. As part of the PNUH’s public housing commitment, municipalities were supposed to build a total of 26,000 houses (200 houses per municipality in 130 districts). National firms and joint ventures were eligible to compete for the municipal sub-programme’s public
Figure 7.1 Schematic Map Indicating Levels of Access to Water Ranked in Deciles
Source: DW
tenders, but in the end, only about 10,000 units were completed, meaning that less than 7% of the publicly funded units were built by local companies.

The most significant state contribution under PNUH was in the construction of ‘new urbanizations’, mostly in the form of ‘centralidades’, or public housing constructed on state land reserves. Each providing housing for at least 2,000 families (mainly intended for civil servants and middle-income clients), state-built centralidades or ‘new town centres’ were built by foreign firms in the five provinces of Cabinda, Uige, Huambo, Huila, and Namibe by the end of 2014.

The model for the centralidades was Angola’s largest and most famous public housing investment: the Kilamba New City project, a mixed-use development built by CITIC, a major Chinese company. Delivering over 20,000 units of housing for more than 160,000 people, Kilamba was funded by Angola’s first Chinese credit line for a purported cost of US$3.5 billion. Its first phase was completed in 2012 and included 750 apartment buildings, with initial selling prices from US$120,000 to US$200,000. In an effort to stimulate sales in early 2013, government introduced a subsidized ‘rent-to-purchase’ scheme, with an annual interest rate of 3%, and the cheapest units selling price reduced from US$120,000 to US$84,200. This scheme brought apartment ownership within the reach of middle-level civil servants with monthly salaries of US$1,500 or greater. With the introduction of successive subsidies, however, any expectation of recovery of the state’s investment in the PNUH by the sale or rental of housing was effectively abandoned (for more on Kilamba, see Cain, 2014; Cardoso, 2016).

Figure 7.2 Kilamba New City in Luanda, China’s Largest Housing Project in Africa
Source: Moreira, 2012
The private sector

Although the private sector was envisioned as a key partner in the delivery of PNUH’s national housing targets, a history of war and rigid economic controls meant that markets were still at an early stage of development. Private real estate enterprises and construction companies thus looked to the state rather than to markets for financing, focusing almost exclusively on the market’s upper end, and whenever possible, entering into public-private projects on the condition that the state provide access to land.

The State’s PNUH housing strategy specified that the private sector deliver 12% of the total targeted number of houses constructed. Under the PNUH, private-sector housing was to be financed via several mechanisms, including public-private partnerships, small-scale provincial and municipal home-building projects, and private contractor access to credit through Angolan banks, which could in turn draw financing from the Housing Development Fund.

Under the banner of ‘Public-Private-Partnerships’, the private partner takes the role of constructor and/or manager of state-financed projects. Government allocated a budget for the construction of 200 housing units for each of Angola’s 18 provinces. Occupying land designated under the Land Reserve programme, these units were to be distributed to the various municipalities depending on need, and tendered out to local contractors.
Of the 120,000 dwellings that the private sector was supposed to build under the PNUH, only 12,756 units – 10.6% of the target – were actually constructed solely by private sector parties. Meanwhile, nearly 40% of the private sector target (45,600 units) was delivered through public-private partnerships or by contractors to provincial governments (GoA, 2016a, p. 73). The State also financed homes built by private foreign companies under the Programme; these units accounted for nearly 30% of the total private sector target, and though built by foreign companies, they failed to attract overseas direct investment (ODI).

Meanwhile, private financing focused on building the market’s high end, rather than developing social housing. As a result, upper- and middle-class housing has been oversupplied, with many of these developments remaining unoccupied. Private banks remain reluctant to invest in the social housing sector without the protection either of a ‘mortgage law’ or transferable land titles to act as bank guarantees. The oversupply of high-end housing, which was often constructed with expensive loaned capital, has resulted in commercial banks taking ownership of much of this surplus unoccupied stock after investors defaulted on their loans.

**Housing cooperatives**

Housing cooperative legislation was drafted for the first time in 2010. It includes provisions for exempting cooperatives from paying any tax on their financial transactions, and requires state assistance in making land available from government-designated land reserves for housing with basic infrastructures properly installed, and swift issuance of the necessary surface rights, subdivision licenses, and construction permits. The draft law provisions preferential funding for cooperatives with at least 100 active members. The law further states that houses within the cooperative may be classified as individual or collective property, and that the prices of houses must correspond to the sum of the following values: cost of the land and infrastructures; cost of the studies and projects; cost of the construction and complementary equipment; administrative and financial costs related to the execution of the works. However, this legislation has yet to be implemented, as it lacked the publication of specific bylaws and regulations.

As a result, cooperatives were one of the weakest sectors in delivering housing units within the PNUH. By 2018, of the 80,000 units targeted for 2015, only 12,608 were built. This poor delivery was due to the fact that cooperatives providing low-cost housing require dedicated access to land and ongoing financing to succeed (Cain, 2017a, p. 12).

Housing cooperatives in the PNUH were not granted the promised concessions in relation to land, thereby creating a bureaucratic bottleneck that has resulted in long lead times in acquiring land. Inadequate training of cooperative members in leadership positions led to a lack of administrative and management capabilities in the processes and operations of housing cooperatives. Difficulties relative to access and mobilization of funds have been created by the following interrelated factors, such as unfavourable repayment period, the unwillingness of banks to grant mortgage loans, and the unwillingness of the National Housing Investment
Fund to provide loans. In addition, due to the failure to finalize the publication of the draft legislation discussed earlier, housing cooperatives do not yet qualify for tax exemptions or incentives, as they are still classified as business enterprises.

**State-directed self-built housing**

The state-directed, self-built housing sub-programme (*auto-construção dirigida*) was conceived as a key component of the PNUH, and more than two-thirds (68.5% or 685,000 units) of the government’s target of 1,000,000 homes was to be met through this modality. The programme promised to ensure the availability of affordable building materials so that homeowners in both urban and rural areas could construct their own homes. This programme’s targeted beneficiaries were supposed to be owner-builders from low- and middle-income classes.

Of the total 685,000 units envisaged, over 60% (420,000 units) were to be built in urban areas. Planning to implement a total of 164 self-build urban municipal projects nationwide, the government was to supply all 18 provincial capital cities with infrastructure networks for water and electricity and community facilities, as well as a total of 100,000 hectares of land from state land reserves. The state-assisted self-build programme aimed to ensure the availability of construction materials (in the form of construction kits), and to provide architectural plans and technical guidance. Assistance and guidance from the state was to involve the provision of water and electrical infrastructure, formal urbanization plans, building plots with titled occupation documentation, house design, and technical support for construction. The programme also was to promote the use of local construction materials, to improve public health conditions through the installation of...
adequate sanitation, and to respect traditional aspects of architectural design and cultural values.

A variation on the self-build model that provides an alternative to delivering completed houses is the ‘casa evolutiva’, or an upgradeable modular house that was piloted in a few communities. Here the state constructed the foundations, two divisions, and a sanitary block, and left the homeowner to further develop the house (i.e., build a kitchen, bathroom, and one or more bedrooms) when the necessary resources became available (Figures 7.5 & 7.6).

Implementation of the assisted self-help housing programme has been slow because of the lack of local capacity in the municipalities to issue the large number of land surface-rights titles and building licenses that the programme requires. Although 131,624 plots were laid out, by 2018 only 12,906 were built on under the PNUH framework, and few had received basic water services and road infrastructure.

**In-situ slum upgrading vs urban renewal**

The PNUH included an urban renewal provision to renovate (‘requalificar’) or redevelop musseques – the informal settlements that house more than half of Luanda’s population – to promote the legal ownership of land, reduce densities, and improve housing conditions (GoA, 2016a, p. 49).

The ‘requalificação’ procedure involves changing the status of the land from ‘informal or illegal’ into land with regularized tenure and basic services. Said to have been successful in Singapore and São Paulo, the strategy involves temporarily removing resident slum populations to a nearby site, and destroying existing housing to make space for the construction of new multistorey housing. The model is envisioned as a cycle of phased, sustainable actions that are self-financed through the sale of the land made available through the greater densification of occupation.

In late 2010, a Presidential Decree (266/10) established in Luanda a special ‘Office of Urban Reconversion of the Cazenga Municipality and both Sambizanga and Rangel Districts’ (GTRUCS) to pilot the musseque requalificação. Requalification also intends to consolidate and urbanize the musseques, incorporating peri-urban areas into the process by: legalizing already occupied land; conducting an economic valuation of musseque residents’ homes; and installing missing public infrastructure and social services.

Under PNUH, the implementation of slum requalificação projects was envisioned as a public-private partnership, where private investors delivered the housing construction component, and government installed infrastructure. The GTRUCS Master Plan included the construction of water supply networks and roads, drainage for sewage, and public lighting and signalling. The plan was designed in accordance with international standards, with 55% of areas intended for housing, 30% for public roads, and 15% for social facilities and green spaces. The plan included building 4,038 dwellings, a mixture of houses and apartments.
Figure 7.5 An Incremental Housing Plan (Casa Evolutiva) to Be Built in Phases
Source: Gameiro, 2010
The reality of *requalificação* slum redevelopment, as seen in Luanda’s old inner-city *musseque*, is that the approach has forcibly removed long-term residents, destroyed their housing, appropriated their land for new housing or commercial development, and permanently relocated them to the city periphery. The first and only *requalificação* project was implemented in Bairro Marconi in Ngola Kluangue District (Cazenga Municipality), using a public-private partnership with the Israeli company KORA. The project built 480 dwelling units in four-storey walk-up blocks in Bairro Marconi. However, as these units remained largely unoccupied by 2020, a housing client survey could not be conducted. It remains to be assessed if this *requalificação* model successfully provided the former *musseque* residents with improved housing conditions and at what cost.

Meanwhile in 2010, Brazilian advisors had introduced an alternative slum-upgrading approach. Focused on in-situ upgrading of urban infrastructure services and housing, the ‘Favela-Bairro’ model has been piloted by GTRUCS in two districts in Luanda. DW carried out a housing client study in the Tala Hady Barrio (Cazenga Municipality), where one of these pilot ‘Favela-Bairro’-style upgrading projects was implemented.

A working-class neighbourhood in an area regularly affected by flooding each rainy season, Tala Hady’s environmental conditions had deteriorated significantly since its original settlement in the late 1960s. The upgrading of drainage, road paving, and the provision of water and electric services were completed by GTRUCS without the displacement of existing residents. Utility service fees were introduced, with billing for water and electricity consumption on a monthly basis. Waste collection – made possible for the first time (even in the rainy season) thanks to improved access – was cross-subsidized through a surcharge on...
electricity invoices. In 2014, an urban real estate tax was introduced to generate local income for improving municipal infrastructure. Tala Hady residents themselves financed and carried out the upgrading of their houses, which sometimes involved densification of use of the site. Improvements included the construction of backyard rental units, and the occasional vertical extension of a second floor.

Using the poverty scorecard tool, we were able to rank the Tala Hady neighbourhood population in order to estimate the affordability of this in-situ upgrading approach for residents. Most residents were shown to be lower-paid workers, with monthly household incomes between US$ 300–400, living close to or below the poverty line.

**The social production of housing**

Traditional building – construction by people undirected or assisted by the government’s PNUH – continues apace in most urban centres across the country. That said, this activity largely depends on the informal sector for inputs of land, labour, and materials, and carries on without the benefit of subsidies, formal planning, or legal land allocations. Housing constructed with neither state engagement nor private sector investment remains largely unrecorded, and is poorly documented in Angolan official statistics. However, social production by owner-builders, or through the collective action of communities, accounts for a significant portion of all housing in Angola. Social production (by people or communities) may use informal sector mechanisms to acquire land and employ labour, but also sometimes relies on formal bank loans from consumer financing facilities, but these are not recorded as housing credit. Unable to access the lower rates usually applied to housing loans, owner-builders must pay the very high interest rates attached to such consumer loans. While foreign companies

![Figure 7.7](image)

**Figure 7.7** Ranking of Household Income in Tala Hady Barrio-Upgrading District

*Source: Author*
delivered most of the formal housing built under the PNUH, the social production of housing employs mainly local, small-scale builders and individual tradespeople. The Angolan National Housing Directorate estimated that each self-built house created 1.22 jobs, which means the social production of housing created 266,500 new jobs during the period from 2009–2015 (GoA, 2016a).

The National Statistics Institute demographic and census data estimates the total number of new households created during the PNUH period (2009–2015) at 428,426, of which nearly half were constructed through social production. In other words, housing constructed without the support of the Angolan State or private investors has delivered some 205,512 units, of which about 13,000 were built on land acquired from the state (Table 7.1). This number represents almost the same volume delivered by all other sectors combined (at 220,672 units).

![Figure 7.8 Unassisted Self-Help, Owner-Built Housing on the Periphery of Luanda](Image)

Source: Cain, 2013, p. 25

### Table 7.1  Showing the comparative performance of housing sectors

<table>
<thead>
<tr>
<th>PNUH players</th>
<th>Planned targets</th>
<th>Achievements</th>
<th>Results against planned</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Units Percentage of total</td>
<td>Units Percentage of planned</td>
<td></td>
</tr>
<tr>
<td>State public housing</td>
<td>122,000 12.2%</td>
<td>151,800 1244%</td>
<td>Exceeded target</td>
</tr>
<tr>
<td>Private sector</td>
<td>115,000 11.5%</td>
<td>45,600 39.7%</td>
<td>Disappointing results</td>
</tr>
<tr>
<td>Cooperative housing</td>
<td>80,000 8%</td>
<td>10,366 13%</td>
<td>Poor results</td>
</tr>
<tr>
<td>State-directed owner-built</td>
<td>685,000 68.5%</td>
<td>12,906 1.9%</td>
<td>131,624 Lots laid-out</td>
</tr>
<tr>
<td>PNUH total</td>
<td>1,000,000 100%</td>
<td>220,672 22%</td>
<td>33.9% if lots are counted</td>
</tr>
<tr>
<td>Social production</td>
<td></td>
<td>205,512 Unplanned</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s construct
Analysis and reflections: who has benefited from PNUH?

Based on our assessment, the following findings can be highlighted:

- The state-built sector accomplished significant delivery of housing, exceeding its goal, but also consuming the majority of funds. Despite the 2007 creation of a Housing Development Fund (FFH) for ‘all public, private, and cooperative entities that promote the construction of social houses and for citizens in general’, the state ultimately consumed most of the earmarked public budget investments to build its ‘centralidades’ or satellite cities.

- The private sector’s results largely overlapped with those of the state, due to poorly articulated divisions of responsibility between actors in so-called public-private partnerships.

- The cooperative sector performed poorly.

- The PNUH’s real failure was its lack of financing and support in land regularization for owner-builders, who were responsible for delivering about two-thirds of the PNUH housing, but achieved less than 2% of that.

- Finance from commercial banks proved difficult to raise for the private sector, cooperatives, and owner-builders alike. So far, banks have approved fewer than 10% of applications, mostly because they cannot provide loans to applicants lacking clear demonstration of land title.

- Aside from a few pilot interventions, the PNUH effort had little impact on informal settlements, or ‘musseques’, where over half of Luanda’s population resides.

We applied our poverty scorecard tool to household client surveys across all of the PNUH housing typologies studied, as well as residences benefiting from the in-situ slum upgrading programme, and housing built through social production (using non-state and/or informal-sector resources). Figure 7.9 maps the results of this analysis, demonstrating who benefits from state housing investments in Angola.

Figure 7.9 Ranking of Household Income Against Housing Typologies

Source: Author
Using the World Bank’s ranking (2018) of the poor (those earning less than US$1.90 per day), the vulnerable ($1.90 to $11.00), the middle class ($11.00 to $110.00 per day), and the wealthy (above $110), the graph correlates those categories with our poverty scorecard’s decile system, relating those rankings to probable annual household incomes.

The graphic demonstrates that the population benefiting from state housing subsidies built into the PNUH are almost exclusively in the top 30% of the wealth scale, all of whom are considered to be middle class or above. In other words, by 2016, the PNUH only reached a third of its 1,000,000 intended beneficiaries, and almost none of the bottom-of-the-pyramid target community. The few households that benefited from the pilot slum upgrading project in Tala Hady district could be classified as ‘vulnerable’. Few if any families living below the poverty line benefited from state housing subsidies, and most of those depended on informal sector rentals or the social production of their own housing, using family or community resources.

While demonstrating that few of the urban poor benefited from Angola’s major budget allocations to the PNUH, this research also draws attention to the Programme’s failure to lay the groundwork to fulfil commitments made to the NUA’s goal of building sustainable and equitable cities that leave no one behind. Even Angola’s nascent housing construction sector seemed to have been ‘left behind’ in the PNUH. Indeed, our second major finding was that the international private sector was the major beneficiary of construction contracts from the Angolan State’s PNUH. Despite its overwhelming construction needs after 27 years of war, Angola has failed to exploit its housing demand as an opportunity to develop competitive construction-sector expertise. Angolan firms could have benefited from government support to reach higher levels of performance; for example, being offered better access to credit, services, and training. Demands to use local contractors were made, but even on smaller projects this rarely happened. Meanwhile, government decision-makers argue that foreign firms are often more competitive in terms of offering better ‘value for money’ (Søreide, 2011). As a result, relatively little employment was created by the PNUH, as foreign companies brought their own skilled technicians, and government only belatedly set quotas for engagement of local companies (30% subcontracts), technology transfer, and national labour.

Additionally, despite being initially promoted as social housing, our research demonstrated that most of the housing built under PNUH was too expensive for the majority of the population. As a result, the state had to draw additional funds from its housing budget to subsidize the units to make them affordable, even for upper- and middle-level civil servants. State-delivered subsidized housing has satisfied an important segment of the middle-class and better-paid civil servants, offering a rent-to-purchase opportunity to acquire their units over a 20-year time frame. Meanwhile, a further subsidy embedded in the mortgage rate (3%, as opposed to the 15% market rate) ensures that the PNUH housing will continue to drain state budgets for years to come.
In sum, under the PNUH, the state reassumed its role as both developer and landlord (a position it had relinquished in the 1990s when attempting to privatize the housing sector), resulting in a saturation of the high end of the housing market, and a failure to deliver to the majority of the population at the ‘bottom of the pyramid’. While the PNUH created high expectations among lower-paid workers and the economically active urban poor – all of whom hoped to benefit from subsidized social housing as their civic right – the housing shortfall still stood at 1,224,514 units in 2015 (GoA, 2016a).

Conclusions: towards a new approach to (re)building Angola’s cities

With a weak culture of systematic evaluation of project performance after project completion, failure to draw lessons learned for future projects has become a pattern in Angola. DW’s ongoing research in Angola seeks to redress this problem by partnering with communities and local government actors in the critical monitoring of the state’s urban policies and programmes using co-production tools.

Having determined that an adequate monitoring framework needs to go beyond tracking housing delivery numbers, we more specifically wanted to measure the extent to which the implementation of the government’s PNUH policies was addressing the housing needs of the poor. Additionally, given the PNUH’s over-reliance on conventional housing solutions, we saw the need to examine how the state can better support the social production of housing, and also explore different means of improving informal settlements to make Angolan cities more inclusive and ensure that the urban poor are not left behind.

The dramatic fall of petroleum prices from 2014 resulted in a substantial contraction of the Angolan economy. The PNUH’s continuing reliance on foreign contractors has contributed to Angola’s US$43 billion debt, of which more than half is owed to China. The housing contractor market’s dependence on government contracts means that, with state budget cuts, payment delays have hit the private sector hard. This is particularly true for small- and medium-sized enterprises. It is clear that the government will be unable to provide investment and subsidies to continue building new housing in the same form and at the same pace as before. It is likely that the state will therefore withdraw from its position as primary housing developer, instead focusing on creating an enabling environment for the private sector and owner-builders. This must involve the reform and simplification of land administration (Cain, 2013) and the publication of legislation that would facilitate housing finance through a functional mortgage market (Cain, 2017b).

We found that the housing that is provided by owner-builders (i.e., social production) is financed by family members, employers, or personal savings. Land for housing is procured on the informal property market, disqualifying builders from receiving bank loans. Land purchases are normally recorded with documents or contracts that do not have the legal weight of land titles. Often owner-builders subsequently attempt to regularize their occupation through petitions to municipal or
provincial government administrations, a process that may take years to successfully secure legal tenure. In the meantime, housing is constructed incrementally and transacted through the informal market. A mechanism needs to be put in place to rapidly record, recognize, and legitimatize urban land occupations and housing construction that meets minimum standards, does not present environmental risks, and can be relatively easily provided with basic services. The research presented in this chapter provides evidence for civil society and consumer groups advocating for a ‘one-stop shop’ to facilitate the formalization of informal housing in Luanda and other Angolan cities.

Angola’s pent-up demand for housing means that the real estate market could still become an economic driver. Local construction companies securing more projects (as opposed to international developers) would represent a chance to increase employment figures. The potential for an increase in consumer purchases also holds promise for Angola’s domestic industries. However, there can be no private real estate market without credit, and that credit needs to come from banks. According to the National Bank of Angola (BNA) data, commercial banks reject 86% of housing loan applications (Corrêa, 2015). Without access to credit and the formal mortgage market, poor households will be forced to continue producing housing on their own, and they will be restricted to using their own savings and loans from family and friends.

**Recommendations and additional research**

Using sustained and co-produced research from the ground via our housing client study and poverty scorecard methodology, this study examined all sectors participating in the PNUH, including slum upgrading and owner-builders, thus providing a comparative framework to assess who benefits from the PNUH’s different urban strategies. We hope that our results will feed into the Angolan public policy debate on how to best achieve global policy goals, and that the tools developed and utilized here will be employed in the ongoing monitoring of Angola’s implementation of these goals to help ensure that the urban poor are not left behind. Specifically, we note the following opportunities for improved policies and further research:

- Efforts to decentralize state power, finances and decision-making have accelerated since 2018. Although it is unlikely that local elections intended to create and empower new municipalities will take place as promised in 2020 (or before the next legislative elections of 2022), the future implementation of the NUA will depend on the effectiveness of these theoretically empowered municipalities in developing plans for urbanization; transparently managing land, housing, and public utilities; and finding a way for local citizens to participate in budgeting processes. Both to sustain themselves and to satisfy their constituents’ demands, Angola’s municipalities will need to be able to capture income through the offering of affordable urban services.
• Urban development and infrastructure for housing in Angola could be financed, at least in part, by capturing the increases in land value resulting from public investment in tenure regularization. Land-based financing is an opportunity for raising the revenue necessary to provide key public services and improvements in urban infrastructure and services. However, land information systems need to be strengthened and based on fiscal cadastres and valuation estimates. This means land information systems need to provide updated data on land occupation, use, and values. Our work has demonstrated that this is the kind of information that can be co-produced in participation with communities using innovative mapping tools.
• Urban land reform and the approval of legislation on mortgages that has been long stalled in parliamentary committees must both be key parts of a new approach to housing. Innovations in housing finance that are linked with land tenure security and accessible to lower-income groups (such as housing micro-finance) must be piloted, and funding mechanisms established to bring them to scale quickly.

Notes
1 See www.hic-gs.org/document.php?pid=2438
2 The Urban Real Estate Tax ‘Imposto Predial Urbano’ was published as part of a tax reform under the Presidential decree N° 155/10 on the 28 of July 2010, but only enforced from 2014.
3 Based on data presented by the Ministry of Territorial Planning and Housing at the Consultative Council Meeting in Soyo, 12 April 2018.
4 The Angolan Finance Minister announced on 4th September 2018 that Angola’s debt to China was US$23 billion.

References


Housing for whom?


