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REPÚBLICA DE ANGOLA

National Report On The Implementation

of The Habitat Agenda in Angola

(ISTAMBUL + 5)

Co-ordination:

Ministry of the Public Works and Urban Planning
Technical Ad-hoc Group for the Habitat

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Chapter I – Housing

To provide property security and ownership of housing

Angolan Constitutional Law establishes the right to property including the right to own a house. The Angolan law defends the equality of gender in which women and men are in identical conditions to celebrate rental agreements and acquisition of real estate from the State or private people.

The National Assembly, through the Law nr 7/95 of 1st of September considered irreversible the non devolution of real estate to their previous owners, that although not having been formally confiscated have the legal plans for such. This measure intends to safeguard the ownership rights and consequently the acquisition of the property by their current tenants, eliminating this way the potential conflict pressures.

As part of the policy of promoting private housing, the Government decided to sell the urban real estate to individuals by which around 40.000 properties have been privatised since 1991. It is estimated that the State has collected around \$USD 130 million with the average property sale value of \$US 3,250.

The process of privatisation of the public property started with the democratic politic reforms in 1992 have contributed to guarantee the citizens the effective property ownership.

The property confiscation policy besides having allowed the transfer of physical assets in the form of property to the common citizen, also encouraged the development of a new-born national property market that is promoting the building, transfer and maintenance of the urban property.

Still as a reflex of that measure it was possible to increase the market supply in property transfer, with the appearance of a property rental market more adapted to the current demand. This process has caused an initial stabilisation of the rental prices and has eased the average drop of those prices in the last year.

The non-existence of a Housing Building Fund (FFH) together with the last years of strong budgetary deficits and the weak development of housing credit, has led to the non re-application of the revenue of the privatisation process, in the construction of new houses. Meanwhile the constitution of the FFH has been approved while the fund regulation is still lacking approval.

The importance of the specific legislation ruling the housing sector

The projects of *Law about the Tenancy and Condominium* were elaborated since 1997. The revision and eventual substitution of the Tenancy Law was part of the *Government Action Plan* for the year 2000 but has not yet been listed in the agenda.

These two juridical instruments, supports a housing policy that will permit the creation of a regulatory space needed for the co-responsibility of the tenants/landlords in the management of the housing patrimony. It will permit the creation of new forms of urban property management allowing the tenant to exercise their citizenship rights.

The policy of property rents

Actually there is no governmental policy of control or regulation in the determination of the rent values used in the private market, the prices are a result of the dynamics of supply and demand.

The policy of rental prices for State properties is still largely subsidised due to the social character that the provision of a house represents to the Government.

The housing deficit and the answer of the Government

The big housing deficit has been the focus of numerous and various conflicts. It is estimated that the urban areas, have a deficit of 700 thousand new homes for the year 2000 with the possibility of the deficit increasing to 1,4 million by the year 2015.

The property market has been increasing, particularly in the capital, since the beginning of the economic reforms in 1992. Some of the pioneer integrated housing projects namely the projects "*Morar*" in Viana and "*Talatona*", both part of the pilot program for the auto-financed urban development of Luanda-Sul, are some of the examples. (see attachment: Good practices).

The project "*Morar*" essentially aims at the relocation of low rent citizens whilst the project "*Talatona*" aims at striking a segment of the average and high rent market. The role of the companies as institutional property buyers for their workers, has overcome the barriers of insufficient collateral for the acquisition of property, experienced at an individual level.

The project MORAR (Inhabit) to create social housing constitutes an answer from the Angolan State to the lack of suitable housing by segments of the low rent population. Together with the private sector and in the context of this project 4,500 houses are being built, from which 2800 are already finished.

Still, in the context of the Policy of promotion of low-rent housing, the following undertakings are hereunder highlighted:

- Construction of 500 council houses in Viana II¹ including the respective infrastructures (finished at the end of 1996);
- Construction of 195 cheap houses (improved) in Viana II, that includes all the infrastructures (water, electricity, public illumination, tarmac roads and basic sanitation systems);
- Construction of 102 cheap houses (improved) in the municipality of Kilamba- Kiayi (Luanda) without the internal technical systems;
- Construction of 60 cheap houses in Caxito, Province of Bengo, without the internal technical systems.
- Still in course the project of construction of 60 houses in 15 Provinces in the context of implementation of the Lusaka Protocol².

A total of \$US 26,3 million were invested in the above-mentioned projects.

The lack of statistics in the housing field, does not permit the establishment of the number of new homes built, their average cost and the value of rents. It is estimated that the average value of an economic house is between \$US 3 and 15 thousand, while the property values of the average and high rent are between \$US 50 and 600 thousand. The rental value of the low and average house are in range of \$US 400 the former and the latter between \$US 1000 and 10,000.

The process of privatisation of the housing patrimony has contributed, unfortunately, in a certain way, to the creation of conflicts of interest regarding the entitlement of property, many times involving family.

The State has tried to solve such conflicts in an administrative form, although there is an enormous lack of resources for this effect, and some cases are taken to court. The types of conflict regarding properties sent to court are cases of: restitution of ownership; claims of property and the non compliance with contractual obligations.

The statistics relating to the processes of registration of urban property for the last years, were still not available at the date of the elaboration of this report.

To provide the right to a suitable housing

The main elements of the *Housing Policy* are the following:

- ☐ Guarantee access to a house with adequate conditions to the citizens;
- ☐ Improve conditions of housing in the cities and of Angolan families;

¹ Satellite town of Luanda –capital

² Legal framework of the peace process in Angola

- ❑ Stop the current situation of development and urbanistic anarchy;
- ❑ Stop the current situation of degradation of the housing area, and reduce very quickly the current deficit, until its conclusion;
- ❑ To rationalise and improve the role of the State, reinforcing their capacities of: regulation, planning and urbanistic arrangement;
- ❑ Give priority to social housing through the creation of credit for low rent houses;
- ❑ Promote and incentive the participation of the civil society, private sector, enterprises and the housing and construction co-operatives, in the construction of suburbs and houses for workers;
- ❑ Create the necessary conditions that improve the housing market and the organisation of house search;
- ❑ Create conditions and mechanisms for the inclusion of the housing informal sector;
- ❑ Create conditions for the development of housing in the interior of the country

The elements of this policy have social concerns such as the search of a bigger social equity in the prioritisation of social housing, the incentives for auto-construction and the regulating role of the State in the property market.

The State, at a central and local level intends to centralise its attention and resources in the development of social housing and the financing of basic infrastructures and sanitation in view of the progressive relocation of the most needed populations.

The financing of the housing building policy

The component of the financing of the future policy of housing construction is based in an appeal to the private sector and the collection of housing tax.

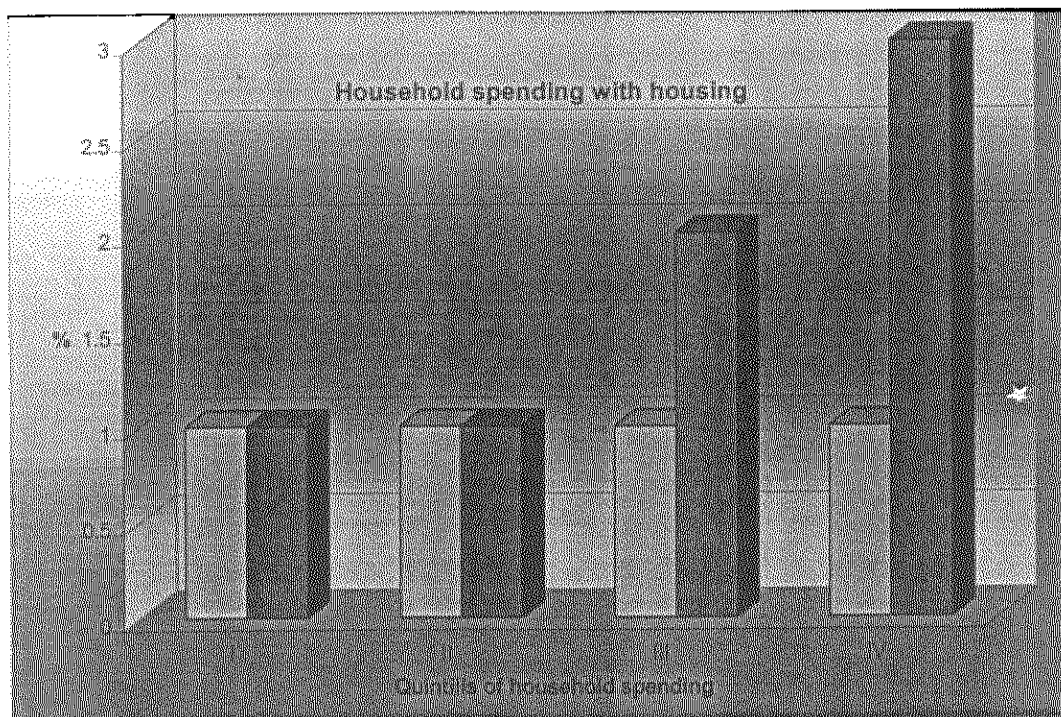
The current needs for financing of the housing deficit, having as a principal the construction of an economic house of 50 to 60 sqm with a maximum standard value of \$US 250/sqm, demands estimated resources of \$US 260 million deriving from the private sector.

Of this value allocated to the housing itself, this represents a 1/3 of the total of the global investment in housing, to which would have to be added 1/3 for urbanisation and 1/3 for social equipment, raising the total investment to \$US 780 million a year.

The Government believes that the cost of urbanisation is estimated at \$US 260 which could be completely covered by a house tax at an annual rate of 5%, applied against an urban property market currently valued in \$US 6 billion.

The global value of the annual investment in the housing sector, to answer the demand of the natural increase of the population, was estimated between 12-16% of the PIB.

The Government is conscious of the organisational and structural challenge that should be done in the near future for the collection of such tax. On the other hand the process of privatisation of public housing property should continue because up to now the Angolan State still has the largest share of urban stock of housing property, that represents a restraint to the increase of the property market.



In the period of 1995/1998 a change was registered in the structure of family housing expenses, based on the data collected for the capital city through family enquiries. According to the graph below it is observed that the families in the third, fourth and fifth quintiles of expenditures have suffered percentile alterations.

One of the possible interpretations of the graph is the appearance of a property market, whose supply is represented by the reallocation of housing expenses to families with higher aggregate incomes, that contrasts with the immobility of housing expenditure allocated to the groups with lower incomes. This can still reflect the fact that the low income population continues to live in informal houses, not having therefore benefited from the processes of social mobility.

The coefficient of development of the land

The estimate of a coefficient of the development of the land is a little problematic due to the current characteristics of development born from the property market characterised by the property of the State land and the poor availability of figures of that market.

Still and based on the experience of the project “Luanda-Sul” it was possible to estimate two values for the referred indicator. The calculations had as basis a parameter of \$US2,5/sqm for non urbanised land in the suburbs of the capital city.

Therefore:

- Considering a primary infrastructure in the area to be urbanised, including sewerage, water and electricity, the value of the land increases to \$US36,31/sqm;
- With a complete infrastructure in the area to be urbanised, the value of the land increases to \$US65,91/sqm.

the ratio coefficient of development of the land calculated for the capital city is between 14,5 to 26,4 depending on the modality of the infrastructure. It was not possible to obtain a median gross price of the non urbanised land.

In relation to the coefficient of development of the land previously calculated it is important to have in consideration that the modality of land concession in the Luanda-Sul program has been done under the “right to surface” regime, and not under a regime of absolute property. Values of transactions involving transfer of absolute property of the land in noble areas of Luanda, vary between the \$US300-500/sqm.

Program of financing the secondary roads system

	Millions USD					
	Years:					
	2000	2001	2002	2003	2004	2005
Sources of financing: (40 %)	38	53.68	72.11	79.32	87.26	95.99
Fuel tax	27.2	29.92	32.91	36.2	39.82	43.81
Vehicle circulation tax	10.8	23.76	39.2	43.12	47.44	52.18
Accumulated balance	20	10.68	10.79	9.11	6.37	-23.64
	Period (2000-5)			%		
Fuel tax	21	41	34	10	10	10
Vehicle circulation tax	10	10	10	10	10	10
Application in the road network	43	120	65	10	10	10

In the infrastructure field and in particular the roads, the program of the secondary roads system is financed through the allocation of 40% of the total value collected of the fuel tax and 40% of the vehicle circulation tax.

The average rate of the increase of the financing resources to apply in the secondary roads system is estimated in 43% for the next five years. This development effort will stabilise from 2003.

Contribution (%) of the budget on spending in housing and urbanism

Years:					Period	
1991	1992	1993	1994	1995	1996	1991-1996
0.59	2.24	1.7	1.14	0.71	2.38	1.46

The contribution of the *General State Budget* to the sector of housing and urbanism in the period of 1991-96 was of 1.46%.

To provide equality of access to the land

Under discussion is a project for new land laws (ownership and free access), that will guarantee that any finance invested in the property area has a return secured by either sale, renting or indirect free access.

Meanwhile, whilst the new law is not approved and considering the current seriousness of the urbanism and housing sector, the adoption of an alternative legal solution is temporarily expected, that allow the organisation, division and construction of social housing and other kinds of property works in all the national territory.

The statistics of land concession for the housing in the last years were not available at the date of the elaboration of this report, as well as the information about the average time taken since the requisition of land concession by the citizen and the respective formal answer.

Some of the conflicts about the access to land in rural regions has deserved the attention of the authorities and the joint involvement of organisations of civil society in search for the most adequate solutions. The local authorities at a provincial level interfere in the land concession program.

To promote equality of access to housing credits

The Government wants to capture the savings of the population to support the creation of a *Housing Savings Account* directed at the financing of property projects. Equally the

Government is engaged in the creation of regulatory banking instruments to stimulate the concession of credits.

One of the current impediments to the expansion of credit for housing has been the right to private ownership of land, as per law the land is the property of the State, which reduces the possibility of the banking system to use the land as collateral. (mortgage/banking guarantee)

The evolution of banking credits in the period of December 1998 and December 1999 has shown a permanent increase in the value of credit for housing and construction. In that period the credit for housing was an average of 8% of total banking credit. On the other side it is noticed that the value of credit for housing overtook credit for construction from June 1999.

Evolution of the credit banking system for the housing and construction sectors

	Dec-98	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Period
% of total to construction	4.6	4.7	4.8	3.0	2.8	2.6	2.9	3.0	3.6	3.7	3.5	3.6	3.1	3.5
Monthly rate of growth		0.4	7.9	-40	-5	2	24	17	26	41	15	10	13	
% of total credit to housing	0.5	0.6	0.6	2.8	2.5	0.4	6.0	3.8	5.1	5.7	7.0	7.4	5.6	4.8
Monthly rate of growth		7.0	6.4	369	-7	-80	1342	-27	37	53	50	16	-3	
% of total credit to construction and housing	5.1	5.3	5.4	5.9	5.3	3.0	8.9	6.8	8.7	9.4	10.5	10.9	8.7	8.0
Monthly rate of growth		1.0	7.7	4	-6	-37	222	-12	32	48	36	14	2	

Source: DEC

To promote access to basic services

Current urban water supply is still strongly deficient which has constituted a permanent challenge to the administration of the great urban areas, that watch, impotent, the permanent flux of war refugees.

It is estimated that only 16% of the families are supplied with piped water with a supplying rate of 25% for the capital and 8,5% for other urban areas and less than 1% for the rural areas.

This structural deficit of public supply of potable water has led to the increase of alternative means, namely the water tanks of neighbours and water cistern trucks, creating an informal market for water supply.

The Government has carried out the execution of projects of rehabilitation of water and sanitation infrastructures in the city of Luanda and other capitals of the provinces from which the following actions are of prominence:

- The project PRUALB - Project of Urban and Environmental Rehabilitation of Lobito and Benguela, near the coast with a population greater than 1 million habitants, with a significant number of war refugees, co-financed by the World Bank, estimated at \$US 62 million, started in 1992 and benefits an estimated population of 400 thousand habitants;

- ❑ A new subsystem of potable water supply for the capital of the country, that will benefit an estimated population of 600 thousand habitants is already under construction. The first phase of this project was inaugurated on the 11th of November 2000;
- ❑ The construction of a water conduit with an extension of 25 kms and a width of 800mm, with a potential capacity of one thousand litres per second (real current demand is 330 litres/second and the current processing is 110 litres/second). The general project of the subsystem of water supply of the Luanda-Sul Program is estimated in \$US 12 million. In the final phase of the project an estimated population of 300 thousand people will benefit from these works.

In the period between 1997 and 2000, the country would have invested the equivalent of 214 million of \$US in projects of water and sanitation in all the provinces of the country (in particular the capitals). These projects involved the provincial Governments and were financed through international lines of credit and the State General Budget. The majority of these investments gave priority to the existing systems that produce treated water. The current challenge is the repair of the distribution systems and the reinforcement of these systems to answer an increasing demand.

Policy of more realistic prices for water and electricity

The policy of water and electricity prices in the country was for many years characterised by strong public subsidies to the consumer price. The capacity to replace the social equipment and expansion of the capacity of water and electricity supply was reduced, having contributed to a large extent to the rupture of the systems. To a large extent this is a direct result of a policy that the Government wants to overcome with a policy of more realistic prices.

The installations of receiving, storage and transportation of water as well as the pumping and water treatment stations and the structures of water distribution - conduits, networks and distribution centres - were many of them were destroyed by the war or are inoperative due to inadequate operation and maintenance. The same situation is noticed regarding the electricity system.

Before this picture of economic inefficiency and in the context of current economic reforms, it has been Government policy to progressively reduce allowances to the consumer.

This has been accompanied by a restructuring of the management services and collection of funds from public companies for water and electricity services provided, that permitted a greater capacity to recover the costs of production. The current national policy of water supply assigns the provincial Governments the establishment of tariffs of potable water supply to the population.

The Government wants with this policy to reinstate the capacity to maintain and restore the systems of water and electricity supply in a first phase, and to finance the expansion effort in a second phase.

On the other side and in an effort to create a general legal framework, there were elaborated general water and electricity laws that define the institutional and legal organisation of the referred sectors.

Basic sanitation is a serious problem

The sewerage system and garbage collection in the cities is a serious problem. It is estimated that only 7% of the families have access to the sewerage system. Only the cities of Luanda, Lobito, Benguela, Huambo, Lubango, and Namibe have sewerage systems while in the other cities there are open wells and dry latrines.

On the other side it is estimated that only 3% of the urban families use garbage containers for removal of domestic rubbish. In an effort to improve garbage collection services in the capital, the provincial Government has contracted a private operator.

Chapter II - Social Development and Eradication of Poverty

To promote equality of opportunities for a healthy and secured life

The progressive impoverishment of the Angolan population, in the last years, characterised by absolute poverty rates superior to 65% for the urban areas and extreme poverty levels superior to 13%, has led the Angolan Government to consider the formulation of a strategy to combat and eradicate poverty.

With the support of the World Bank and IMF there is under development a strategy to combat poverty within the initiative frame of the PRSP (Poverty Reduction Strategic Paper) that has been introduced and supported by the IMF.

The characteristic inflation process for the last 10 years, has strongly contributed to the progressive state of generalised impoverishment of the Angolan population, and has penalised in the first place incomes in the form of salaries.

To promote social integration and support to the vulnerable groups

The constitutional law of Angola recognises that the citizens have a right to medical and sanitary assistance, assistance in childhood, maternity, infirmity, old age and incapacity to work.

The social security system is public and managed by a Public Institute that collects a monthly contribution tax of 3% of the gross income of workers and of 8% from employers.

The contribution system for social security only includes the formal sector of the economy, workers and employers. Employers are obliged by law to collect such tax.

It is estimated that more than 70% of the employed population is in the urban informal sector, largely activities of retail commerce and services and together with the farming population is not included in the social security system.

Some characteristics of the current social security system are indicated hereunder:

- ❑ An effective 324 thousand workers (1999) were registered in the system from 7 thousand employer entities, an average of 46 taxpayers per entity;
- ❑ The current total number of beneficiaries under the social security regime is 24 thousand pensioners. The ones demobilised with war deficiencies, under the protection of the Lusaka peace protocol constitute 6,500 beneficiaries that although not having contributed to the system, receive an invalidity pension;

- ❑ The public employees represent more than 60% of the taxpayers for the public regime of social security;
- ❑ For each current beneficiary of the system there are 13 taxpayers which indicates a young demographic profile of effective labour.

The social security system does not currently pay the taxpayers in the areas of: disease, including compensation for disease or common accident; invalidity pension (excluding the demobilised and army deficient) and for work related accidents and professional diseases.

The social security system through their Institute of Social Security has recently started financial applications with the contributions received, a shift to the past policy of transfer the contributions to the State General Budget.

The non investment of the current contributions for social security in financial assets, such as hard currency or treasury bills or still in physical assets, land and property, would be problematic in a medium term, in terms of the financial sustenance of the social security system. This is particularly worrying in the context of an economy with strong inflation that has been a characteristic of the Angolan economy in the last 10 years.

On the other hand recent studies register an increase in the number of families headed by women, 25% in the capital of the country and 40% in the rural areas (1999). This current tendency has implications on the policy of development of human settlements, particularly in financing conditions and types of habitat, because these families have a higher level of vulnerability.

The *INAC - Instituto Nacional de Apoio a Crianca (National Institute of Children Support)* - is an Angolan institution that has the function to develop and co-ordinate national development policies, promote and defend children's rights. Their direct institutional dependency is from the President of the Republic and is an indicator of the importance that the questions and challenges of the development of the Angolan child has taken in the last years.

One of those challenges is the phenomenon of the street children that although recent in the modern history of Angola, has been aggravating in the last years with the continuous arrival of war refugees and the deterioration of living conditions in the urban areas.

The civil society through religious and philanthropic organisations together with the local authorities have tried to attack the problem, by creating children's homes and centres of shelter and social integration for these children.

A vulnerable population group in Angolan cities is formed by old war combatants. The processes of social integration are complex and the lack of financial resources and opportunities for work, together with a professional profile of workers without references has complicated even more this process.

Programs of technico/professional training led by the Ministry of Work, that include the offer of work kits, have been carried out in the last years, some of these projects with the support of the United Nations.

One of the most acute problems that face the old combatants is the lack of housing. In the period of 1995-1998 an effort was made to invest in cheap housing, social equipment (medical centres, art and workmanship schools), estimated at \$US 5 million. Some support projects for disabled people have been carried out by non governmental organisations.

The *Old Combatant Law* was submitted for approval during the current year. The current register of Old Combatants, in December 1999, showed the existence of 20 thousand disabled people. Some war combatants and families are included in the social protection terms through specific legislation.

Chapter III - Environmental Arrangement

To promote a balanced arrangement for the relocation of the population

The permanent migratory influx from the rural areas to the city has been accelerated in the last years by the rekindling of the armed conflict. Such unnatural migratory fluxes have placed new challenges on the administration of the cities and to the whole society. The following table shows the impact of the migratory surges on the whole population of the country.

Impact of Migration to the total population

PROVINCES	Internally Displaced Population:				Ancient+recent/estimat. Pop.	Recent/ancient	Recent/total
	Ancient (1992)	Recent(1998)	Total IDPs	Estimative Pop. 1999			
Bengo	41,000	50,000	91,000	208,000	43.8	122	54.9
Benguela	82,719	343,254	425,973	785,000	54.3	415	80.6
Bie	40,000	121,609	161,609	1,399,000	11.6	304	75.2
Cabinda	2,100	3,750	5,850	218,000	2.7	179	64.1
Cunene	8,500	17,500	26,000	279,000	9.3	206	67.3
Huambo	46,469	177,210	223,679	1,891,000	11.8	381	79.2
Huila	69,805	165,024	186,493	1,043,000	22.5	236	88.5
Kuando Kubango	109,000	171,680	280,680	152,000	184.7	158	61.2
Kuanza Norte	13,000	130,000	143,000	481,000	29.7	1000	90.9
Kuanza Sul	22,000	102,200	124,200	776,000	16.0	465	82.3
Luanda	250,000	240,000	490,000	2,210,000	22.2	96	49.0
Lunda Norte	117,000	41,000	158,000	350,000	45.1	35	25.9
Lunda Sul	34,000	43,000	77,000	180,000	42.8	126	55.8
Malange	130,000	100,000	230,000	1,115,000	20.6	77	43.5
Moxico	55,000	91,000	146,000	393,000	37.2	165	62.3
Namibe	5,500	7,000	12,500	168,000	7.4	127	56.0
Uige	66,736	130,456	197,192	1,076,000	18.3	195	66.2
Zaire	2,500	14,900	17,400	286,000	6.1	596	85.6
Total	1,095,329	1,949,583	2,996,576	13,010,000	23.4	178	65.1

Source: Angola - Human Development report - UNDP 1999

As an example, the capital of the country has received an additional load of 22% of its initial population or 1/6 of the total of the refugees, and Benguela 54% or 1/7 of the total refugees, in the last years. The migratory processes in a last instance have as its final purpose the capital cities and the coastal regions.

This situation has generated various types of phenomenon such as:

- An excessive utilisation charge of the existent social equipment;

- ❑ Bad handling of the equipment by segments of the population with non urban habits and lifestyles;
- ❑ Increase in pollution and an enormous concentration of solid and liquid residues;
- ❑ Greater pressure on the employment markets and an increase in poverty levels.

In the presence of such a scenario of pressure, the capacity of governmental anticipation has been insufficient to face such a situation. The role of the population and civil society has strongly contributed to support the local management authorities to obtain an equilibrium in a situation of strong pressure and demand.

On the other side the Government considers that the housing policy must prioritise the fixing of the local population where they already live, to avoid a massive return of great masses of population.

In the face of the existing situation it is imperative that the National Committee for Human Resettlement be institutionalised, an organisation to be managed by the head of the Government, that would have an important function to co-ordinate the policies of population resettlement. On the other hand, due to the difficulties encountered in the task of developing a System of Urban Indicators in Angola, the country should welcome the support of the international community to create a Data Bank, in an integrated project including the collection, treatment and adjustment and updating of the urban data (figures).

To reduce contamination of the urban areas

The majority of the urban centres do not have modern systems of destruction and transformation of garbage such as industrial incinerators. This situation has provoked the contamination of the urban areas, as the capacity to collect rubbish has been inferior to the current demand.

One of the factors that strongly contribute to the creation of open rubbish tips, has been the activities of informal commerce near the markets.

The provincial Governments have tried in the last years, mainly in the capital of the country, a policy of contracting private/mixed service companies that has contributed to improve the situation.

The country still does not have a system to monitor urban air pollution and for that reason the current levels of pollution in the big cities are not known, particularly in the capital of the country, highly contaminated by the large number of vehicles. The country would welcome the support of the international community to create systems to monitor the atmospheric pollution levels, mainly in the capital of the country.

The Management Plans of water and sanitation supply of Luanda, Lubango and Namibe were developed in the period between 1997 to 2000 and with this perspective the management plans

for Huambo, Malange, Kuito and N'Dalatando (capital of provinces) are being developed, which answer the problem of contamination of the urban environment.

To prevent disasters and reconstruct the resettlement of the population

Some of the cities of the country have been subject to erosion of land resulting in the appearance of ravines. The cities of Luena and Lubango, capitals of the provinces of Moxico and Huila respectively, are the cities that have been more affected by this process. The process of ravines is related to the lack of maintenance of the basic sewerage systems (sewerage, draining of pluvial waters, water supply, etc)

The demographic pressure on the lands and the lack of resources to counteract this situation has contributed to the aggravation of the situation although the central government has already made available the resources to restrain such phenomenon.

The population resettlement policy particularly related to the war refugees that install themselves in the suburbs of the cities has been to assume that these populations are in a transitory situation.

This model of humanitarian assistance that has ruled, has conditioned a permanent resettlement of population policy. This has as a consequence resulted in the non investment in housing stock and the non creation of quality of life conditions for the refugees. These population resettlements are therefore characterised by a high vulnerability level.

The Group of National Humanitarian Co-ordination, after revision of the results of the rapid Evaluation of the critical needs for humanitarian aid led by *OCHA (Office of Coordination of Humanitarian Aid-UN)* in 2000, has decided to develop a set of minimum rules (standards) of resettlement (*Minops*). These rules are structured in two areas:

- ☐ Preconditions that must be realised before resettlement;
- ☐ Targets to achieve in the new place of resettlement.

Among the 5 preconditions for resettlement prevalent is the creation of a Commission of Provincial Resettlement with representatives of various functions, including refugee communities, Ngos and international organisations. This commission is in charge of identifying the refugees that wish to be resettled and identify the locations for resettlement.

One of the relevant aspects of this standard process was the definition of criteria for the identification of the resettlement areas, that are:

- ☐ Quantity and quality of agricultural land in the minimum (1/2 hectares);
- ☐ Engagement of the community in the identification and distribution of the lands;

- ❑ Access without obstacles and availability of water;
- ❑ Access without obstacles to the nearest rural and urban market;

Another condition is the security of the location. All the places of resettlement should be verified jointly by FAA and one international Ngo. There are 4 targets to achieve in the resettlement areas and involve the rehabilitation of the infrastructures of health, education, operation of the health and education services, supply of resettlement kits including seeds and agricultural tools (does not include petrol cooker or other alternative energy sources to replace firewood or charcoal).

At a more global level the problem of territorial organisation is in process of review as the *General Bases for the development of the Territorial Organisation Law* that it is expected will constitute the macro framework for the planning of the regions, that will permit a better allocation of the resources in a phase of greater stability in the country.

To promote efficient and environmentally safe systems of transport

The public transport systems of the main cities of the country are inefficient and do not respond to the enormous demand. The private sector has promoted the supply of collective taxi services that have permitted a response to that demand.

Chapter IV - Economic Development

The stimulating role of the National Institute of Support to Small and Medium Enterprises (INAPEM)³

Created in 1992, INAPEM has the mission "*To promote national economic and social development, to stimulate the creation and encourage micro, small and medium enterprises.*" The INAPEM represented in 16 of the 18 Provinces of the country is a promotional institution for public development. Among its achievements are:

- The launching in 1996 of the Program of Support to the Productive Sector, that spent more than \$US 22 million to improve credits for small and medium entrepreneurs;
- The development of a Program of Financial Support to PME to the value of \$US 40 million. This program has still not been implemented due to a lack of available funds;
- The counselling of business opportunities and the commercialisation of brochures that introduce 20 different profiles of entrepreneurial activity;
- Training in entrepreneurial management, to which 609 micro and small entrepreneurs participated in the initiation courses in management (1998). On the other side 988 entrepreneurs have received a more profound knowledge in entrepreneurial management from the more advanced course;
- The production of entrepreneurial information consisting of the launch of a manual "*Step by Step Legalisation of Enterprises*", as well as the publishing of a vast collection of information relating to legal issues and business cycle, etc.;
- The INAPEM has encouraged the redressing of the fiscal burdens and the regulation of the customs incentives and the simplification of the registry procedures and the legalisation of the micro, small and medium enterprises.

The Institute has conceived a program designated by PROGREDIR (PROGRESS), that aims at supporting micro and small entrepreneurs. This integrated program has a first phase of auto evaluation of the entrepreneurial capacities of the potential entrepreneur. It contains modules of professional training and entrepreneurial management providing at the same time technical assistance for the creation of the *Investment Project* and the respective *Business Plan* of an enterprise.

Equally PROGREDIR was conceived to support the legalisation of enterprises, allocation and disbursement of financing, technological and management assistance, publicity and promotional support. The Program PROGREDIR has received a positive response from the authorities and was recommended to the finance authorities for financing that has not yet occurred.

³ Adapted from published document of INAPEM

Strengthening of small and medium enterprises, particularly the ones run by women

The national program of experimental micro-credit with the support of the Government has developed since 1999, with an experimental basis of 2 years. The program has as a fundamental principle a reimbursement guarantee, confidence based on the solidarity of the small groups of 5 people. This program aims at contributing to the reduction of poverty in the country, above 67% of the population in the urban area (1996). The General State Budget is the first financing source of the micro-credit national program, increased by international donations, until the program is self sustaining based on the financing applications via reimbursements.

The program is directed at a population target of country women, saleswomen and refugees and on an experimental basis includes the rural and peripheral urban areas of the provinces of Luanda and Bengo. Until July 2000, the program had benefited 705 women from which 56% are in the commercial area. The available figures refer to high reimbursement rates to date.

Chapter V - Government

To encourage the decentralisation and the strengthening of local authorities

The administrative decentralisation in Angola has been tested in the last years, having received the support of international organisations such as the UNDP. This process has followed the evolutionary war process in the country, that in a certain way has conditioned the replacement of political administration in the conflict areas.

The current effort of decentralisation is based in three areas:

- Regulation of the decentralisation process through the production of legislation that makes relevant the projects of: Basic framework of the Local Autarchies and Administrative Custody of the Local Autarchies;
- Organisational/institutional reinforcement is made relevant by the implementation of new organic statutes and the realisation of pilot experiences with the implementation of local autarchies in three municipalities of three provinces;
- Professional training of autarchies staff;

With the spirit of spreading the decision processes to the communities with the participation of civil society, the Province and Municipal Councils were created, organisations legally accessible to representatives of the civil society.

To date it has not been possible to conduct autarchy elections an impediment to greater legitimacy and participation of the representatives of different levels of local Administration.

Encourage and support civic participation and engagement

The *Government* as an organisation of the Government defends and promotes the greatest participation of the population to resolve the housing problems through the:

- **Prioritisation of the improvement of quality of life and promotion of poor families citizenship** - This can be obtained through the development of urbanised allotments, financing of materials for civil construction, implementation and improvement of the infrastructure and social equipment and the legalisation of private ownership of land;
- **Involvement of the beneficiary population in housing construction** - this has permitted the creation of jobs;

- ❑ Intervention in the speculative markets of land and construction materials

Annexes - Good Practices

I. Self-sustaining urban development Program Luanda-Sul

The capital of Angola, Luanda, is a coastal city with an estimated population above 2,5 million habitants (1990), originally conceived to lodge 475 thousand habitants in the decade of the 1970's.

Today, the city suffers serious basic sanitation and housing problems aggravated by strong influxes of war refugees. The levels of poverty are situated above 65% and unemployment is estimated at 40% making the management of the city very problematic. With annual growth of 7% the city needs 50 thousand houses/year until 2010.

The Luanda Sul Project is a pilot program of a self sustaining model of implementation of urban infrastructures, management and valuation of land patrimony in the capital. This project was awarded the International Prize of Dubai for best practices in its 3rd edition of 2000.⁴

The project results from the association between the public and private sectors. The purpose of the Government of Luanda province, as the manager of public patrimony, has been to supply the land for investment. In this way the Government intends to auto-finance improvements in other sectors of the city. The project initiated in 1994 has already achieved:

- ❑ 70 km of potable water conduits;
- ❑ 23 km of pluvial and sewerage systems;
- ❑ 290,000 m² of paving of streets;
- ❑ 2.708 houses constructed; 1500 of low rent; lodging 16.702 people.

The formula found for the operation of the Luanda Sul Project is focused on the government making land available, investment of entrepreneurs in infrastructures and clients investing their savings in legalised and urbanised properties. The contributions of agents formed a Realisation Fund and the excess funds guarantee investor returns and finance the urban infrastructure works of the Government.

The initial implementation of the Luanda Sul project was possible through the participation of the oil companies (30 million \$US) as first clients of the project, who wanted to solve the housing problem of their staff and technicians.

⁴ This prize is jointly sponsored by the Center of UN for the human settlement (HABITAT) and the municipality of Dubai – EAU.

Another viable factor for the start of the project was the investment of \$US 14 million in the creation of a water conduit with an extension of 25 km for the project area. Luanda is a city with serious problems of potable water supply.

Until December 1999 the public managing company of this project collected \$US 86 million in contracts with the private/public sectors, generating \$US 96 million in social infrastructure investments. In February 2000, the values of the contracts increased to \$US 116.

One of the positive externalities of this project has been the creation of small and medium enterprises, the impulse of civil construction and the creation of a formal property market. This generated 4 thousand new jobs and is estimated that by the end of 2001 another 30 thousand people will benefit. The goal is to have 60% of the potential area urbanised in 2005 and 300 thousand habitants housed.

II. The Social Action Fund (FAS) and the combat of poverty

Objectives and characteristics of the FAS⁵

The *Social Action Fund (FAS)* is a fund to promote local development created by the Angolan Government on the 5th of October 1994. Its strategic objective is to oppose the progressive impoverishment of the Angolan population contributing to the build up of self sustaining development conditions and relief of poverty.

The FAS was created with a defined temporary character, as an independent agency, with juridic powers and with financial and administrative independence, with its own means and procedures. The conception of FAS is based in a social intermediate role among the communities, Government and financiers, through promotion of the synergy's.

The FAS was financed by the World Bank, other international donors and by the Angolan Government. The initial Financing Plan of FAS had the following structures: credit IDA/World Bank USD 21.21 million; Angolan Government USD 2.530 million; beneficiaries USD 6.14 million; other financiers USD 1.020 million; multilateral and bilateral donors USD 18.290 million; amounting to a total of USD 49.19 million.

The work philosophy of FAS encourages the participation of the poorer population in the decision making process to resolve their problems and encourage associations between the social activists and the government. This participation includes the identification, execution and maintenance of the financed projects.

The reinforcement of the basic institutional capacities has been possible due to the creation of community structures - Community nucleus - and through the establishment of associations between the community groups and the "Placement Agencies" for the execution of the priority projects identified by the communities.

The FAS has a flexible and decentralised management structure with two levels of decision - one national and another provincial - and with distinct functions among the Co-ordination Unity - administration and co-ordination, conception and global planning and the provincial teams that work as local financing agencies of community projects. The decentralisation of the management of FAS has permitted the creation of a space for dialogue and the supply of social services closer to the final customers. Currently FAS is established in 10 provinces and 29 of the 154 municipalities of the country. Its target populations are the rural and suburban populations.

The context in which FAS develops its activities of development promotion, at a time when emergency actions are still the priority of the government, social partners and donors, constitutes a permanent challenge that requires enormous flexibility and innovation.

⁵ Adapted from a document produced by the former Director of FAS

FAS four years after its creation

Portfolio of infrastructure projects

The portfolio of projects financed by FAS until October 98 consisted of 711 projects with a global value of almost USD 19 million embracing a total of 1,305.469 beneficiaries.

A total of 469 projects were finished (\$US 11 million) 130 are being executed (\$US 4.4). The current demand of the communities until June/99 was represented by 178 new project requests to a value of \$US 6 million. The average cost of projects per beneficiary is USD 27 and the average cost of finished projects, up to the date of this report, was USD 25.632.

The projects financed by FAS have an allocation of resources strongly oriented to the most vulnerable groups of the population, namely children and women. Therefore 60% of the beneficiaries are children and 30% are women. The first priority of the financed projects has been schools, 60% of the total. The second priority defined by the communities are water and sanitation projects.

The participation of the beneficiaries to the costs of the projects was evaluated in USD 12 million representing 16,3% of the total value of the projects portfolio. This participation is done, by the community, with the realisation of various services for the execution of the projects, namely cleaning and preparation of the lands, digging of trenches, availability of local materials and water for the construction and the realisation of non-specialised activities.

This organised effort for the involvement of the beneficiaries in the process of execution of the projects has led to the creation of 711 community nucleus and 65 placement agencies. There were created 178 associations between Community nucleus and Placement Agencies and launched the idea of the creation of a "*Network of Friends*". This network has 477 members, individuals, close to or part of the community, that are a bridge between the FAS and these communities. The members of the network promote the Fund and its objectives, and also assist the community nucleus in the mobilisation for the various steps of the projects cycle.

Income-generating and job creation activities

The portfolio of projects of FAS includes around 20 projects of activities that generate income and creation of jobs, fitted in a new pilot-phase (June/1999), with a global value of USD 500 thousand. This responds to the numerous requests of the communities, that see in these projects a supported exit from the situation of structural poverty.

These projects include, in the majority of the cases, training actions, in which the older workers and craftsmen in the community, pass their knowledge to the younger ones. This way of fighting short term and structural poverty allows the communities greater self sustenance of the existing infrastructure projects or the ones to be financed.

Geographic expansion strategy

The expansion of FAS has been achieved in phases to gain experience that permits FAS to replicate an adequate model to fit different cultural and socio-economic realities of the country.

One of the lessons gained in the process of expansion of FAS was that the major or minor involvement of the populations in the development of the local project, was in commensurate with social and military stability.

Therefore the expansion strategy after nearly 4 years has led to the installation of 10 provincial teams and to the preparation of installation in another province (Zaire). One criteria for the selection of the coastal provinces, namely Kwanza Sul, Benguela, Namibe and Cabinda, to start FAS, was the high concentration of a great proportion of the war refugees in these areas. These provinces were already traditionally densely populated and the arrival of a strong population influx caused even more deterioration in the life conditions of the resident population.

In the next 3 years the following is expected: consolidate the current teams, diversify the financed activities, increase the number and type of activities that generate income and employment, increase the number of social associations and reinforce the institutional capacity. This will be achieved with massive resources to training addressed to the basic community organisations.

Risks and benefits foreseen for the FAS Project

Risks

In the phase of conception of the Fund some main risks were identified and some measures were adopted to eliminate or reduce its effects:

- **Deterioration of the politico-military situation**

Selection of a pilot-area in provinces that, although partially affected by the war, had in some municipalities minimum normality and stability of the population. The intention was to reduce the negative impact of the conflict, this strategy having been adopted in the expansion phase of FAS.

- **Management of socio-economic and cultural diversity, strengthened by institutional fragility, mainly at the local power level and aggravated by the weakness of the communications system.**

Opting for a structure of independent management, decentralised, flexible and adequate in its disposition, to the local conditions. Introduction of a computerised management system (SIFAS)

and facilitation of communications by installing phone lines and fax machines and a radio communications system, with fixed units (in the office) and mobile units (in the vehicles).

Simple and practical manuals were made available to the potential users (beneficiaries, placement agencies, suppliers of goods and services, members of the co-ordination communities and members of the teams). These manuals include the rules and procedures of FAS in various fields of management. The semestral cycle was adopted as a time unit for the project, for work programs and respective plans of activity and finance prepared at the end of each half-year.

❑ **Improper use of the resources mobilised for the Fund**

The executive and operative management functions, at two level - national and provincial - were separated. Co-ordination committees, integrated by representatives of the government and representatives of religious entities and various associations, were created. They approve the strategy and the work programs.

The creation of associations between representatives of these institutions and the communities, formed in a mechanism of pressure and control, with concern for the respect of the rules and procedures and use of the resources made available to the Fund for the execution of its mission.

The computerisation of the accounts and financial management and the conduct of internal (continuous) and external (annual) audits, has permitted transparency and increased visibility of the Fund. A program of follow up for the executive management and co-ordination unity of FAS, and interchange among the older and more recent provincial teams, has reinforced the function of support and control of the Fund.

Periodically, representatives of the financiers participate in these missions, to witness the use of the resources and give their opinion on how to improve the process of services supply.

❑ **Poor quality of the projects**

In this field the following measures were taken:

- 1. Preparation and adoption of a project model for the more requested projects** - schools, water and sanitation, markets, medical centres, social and children's centres, etc. - in order to improve the quality of the technical elements, facilitate its execution and reduce the costs.
- 2. Creation of a simple acquisitions system that is adequate for the restricted Angolan and regional markets, (Congo and Namibia)** - opting for simple technologies and adequate materials taking into consideration the state of development of the users and beneficiaries. Anticipate training actions to facilitate the execution.
- 3. Creation of an information channel, periodic and regular, to the local and regional markets, presenting the projects materials needs** - quantities and technical

specifications - in a six month period in terms of programming and three months in terms of execution. This will attract the attention of the suppliers of goods, services and equipment, as a business opportunity that the projects financed by FAS represent, establishing a climate of dialogue and confidence in the market.

4. The associations constitute a way of reinforcing the capacity of the local communities in the preparation, execution and subsequent use of the projects.

5. Give the teams the necessary technical capacity and adopt a program of permanent training to progressively improve the quality of the work completed.

6. Conduct of technical audits and supervision by the executive management, unity of co-ordination, national and international consultants and among team members in the technical area.

- Contribution of the Angolan Government, timely and of the amounts agreed, for the financing plan**

The participation of the Ministry of Finance in the national and provincial Committees of Co-ordination has allowed greater Governmental financial responsibility with the implementation of FAS in relation to the international and local partners.

As a prior condition to the approval of any project, the publication of a favourable opinion is required from the respective responsible area and the placement of adequate technical staff. Also a guarantee of payment of salaries and expenses incurred for the operation and maintenance of the infrastructures, constructed or repaired with the financing of FAS. This is a compromise on the government's side.

Benefits

The main benefits expected from the implementation of FAS result from the achievement of the following objectives:

1. Alleviate the social costs due to the economic crisis and the effects of three decades of war alternated by periods of more or less generalised conflicts;
2. Improve the conditions of life of the poorer populations, through the quick supply of economic and social services and support to production;
3. Strengthen institutional capacities at the basic community level.

Evaluation of FAS

Evaluation by the financiers/donors

In May 1997, the World Bank held an International Seminar for consideration of the results obtained from the implementation of the 1st generation of "Social Funds". This seminar aimed to discover the strengths and weaknesses of nearly 40 projects of this type financed to that date and incorporate the lessons learnt to improve the creation of future interventions of that international finance organisation.

For this purpose, the bank hired a firm to carry out a study on the performance of the social funds being executed in various countries on four continents: Europe, Africa, Asia and Latin America. The FAS of Angola was selected as one of the four funds to be integrated in this study.

The study came to the conclusion that, among other things, an aspect that differentiates the FAS from the remaining African social funds is the vision to combat structural poverty. Analysing FAS based on the tools suggested in the revised bibliography to improve the performance of the social funds, the study registered the following:

- **"Autonomy":** FAS uses the following four tools - independent legal statute, total authority in the control of the process of project approval, own technical force and respective salaries, acquisitions and payments procedures independent from the government;
- **Human capital:** FAS uses the following three tools: Selection of qualified staff committed to their objectives, selection of staff with experience of a participatory approach. Training of staff in participatory methods;
- **Orientation in relation to the demand:** FAS involves the communities in the planning of the projects, although it looks less efficient in the involvement of the most vulnerable groups and the women;
- **Management of the projects and participatory approach:** The FAS fulfils in a general way the requirements of a good approach to the project cycle, namely in respect to the identification of target groups, encouragement, identification, preparation, evaluation, approval, implementation, supervision, monitoring and evaluation of the projects, and the reinforcement of basic community organisations and intermediaries;
- **Organisation:** besides the recommended tools - transparent procedures, work quality, supervision and audits, learning mechanisms and "standard" procedures, the FAS installed a permanent internal communications system among the teams and got the involvement of the staff in the strategic activities of the Fund;
- **Co-ordination with the respective ministries:** FAS correctly uses the recommended tools, to know: reduction of delays resulting from the needs to co-ordinate with the ministries and produce a criteria of evaluation of the projects that do not fit the sector strategies;
- **Co-ordination with the financiers/donors:** FAS has partially used the recommended tools, such as the organisation of seminars both at national and local level, involving

governmental agencies and donors. This allows room for the elimination of potential conflicts;

- **Involvement of local administrations in the management of the projects:** the recommended tools - transfer of the techniques of a participatory approach to governmental agencies, engagement of public institutions personnel in seminars and training activities, take the public servants to look at the identification of target-groups work and the involvement of the local authorities in the planning, selection and approval of the projects - have been partially applied.

Concisely the main strengths and weaknesses of FAS were summarised in the referred study as follows:

Strong points:

- a. speed in the execution of the projects;
- b. high impact in terms of number of beneficiaries;
- c. high quality of the implemented projects;
- d. good level of community involvement;
- e. low cost of the implemented projects;
- f. high conformance with the established performance key indicators;
- g. high level of satisfaction expressed by the beneficiaries and local authorities;

Weak points:

1. lack of mechanisms to identify target-groups, such as estimates or maps of poverty;
2. limited capacity of FAS to mobilise the urban population;
3. limited capacity of FAS to include women (of the communities) in the decision process;
4. limited capacity to create job opportunities;
5. limited and indirect support to the local administrations and Ngos;
6. limited access to the contributions of other donors (only USD 7,248 million of the USD 18 million estimated in the financing plan.)

The Revision Mission of the IDA/World bank, held in March 1998, referred in its 'Aide-Memoire' the following: "reviewing the first three years of FAS it is evident that the operation achieved significant results: (i) conceived and implemented new and important mechanisms of social technology in Angola - in very difficult conditions. The Fund managed to operate with considerable autonomy from the government; (ii) focused his intervention in the poorer communities and obtained their participation in the selection and execution of the projects; (III) put together a team with professional and competent staff; (IV) created a favourable image among the Angolan population", in I Semestral Report of FAS in 1998.

There were equally diagnosed some weaknesses that are motives for reflection that we hereby mention:

- the performance indicators previously established, at a level of experience, were not achieved by any of the provincial teams. Despite such performance being a lot better than the majority of other African social funds, it is low when compared with Latin-American funds;
- there have been some constraints to the achievement of the expansion strategy of FAS, fundamentally due to the non permanent availability of financing and other problems of settlement of the provincial teams. Despite this, there are operational problems with the suppliers due to the enormous limitations of the local and national markets;
- despite its compromise, there are even more delays in the allocation of the counterparts funds of the government, affecting the completion of the non-financed activities in the context of the IDA.(WB). This includes operational expenses of the teams, internal transfers, part of the salaries (5%) of the "non-staff", activities of the social communication program in its interpersonal component, postponing some activities and only partially realising others".

Technical and Financial Audits

In the area of rendering of accounts and the transparency of management of the attributed resources, there have been external audits, annual, in the technical and financing and management areas. These external analysis of the operation of the Fund, allows diagnosis of the problems, weaknesses or mistakes in the execution of the objectives and in the utilisation of the mechanisms and procedures of FAS, thus important assistance for management.

Social and Beneficiaries Evaluation

Community participation is a fundamental principle in the intervention of FAS, it is fundamental to collect and incorporate the opinions of the beneficiaries of the projects and also, the opinion of the partners, suppliers, placement agencies, and representatives of civil society.

To systematise this process of collection, treatment, analysis and discussion of these opinions, the FAS decided to promote the periodic realisation of social and beneficiaries evaluations, the first of which commenced in the month of March 1998.

"This exercise of systematic consultation with the beneficiaries and society aims at the local collection of opinions and testimonies from the direct beneficiaries and the persons involved in the financing of FAS, conducted in a form to measure the results obtained from the execution of the projects, the satisfaction level against the expectations of the beneficiaries and their partners relating to the objectives previously defined, the impact of the improvement of the conditions of life, the increase and diversification of the local capacities and the reduction of poverty in the communities, the eventual effects of the eradication of these small projects in the neighbouring areas and their capacity of self sustenance, among others... in order to have a better vision of the

dynamics of the interventions of the Fund and other financiers, at the same time to permit the better treatment of future requests for project financing", Terms of Reference for the use of an international audit company for the completion of this activity. (work document, FAS, May 1997).

The specialised co-ordination of the evaluation program was adjudicated to an institution with experience in Latin-American countries. It was the responsibility of this institution to create enquiries, drawing and selecting a sample of 40 units - after the completion of a rapid count of the population - target the action of FAS.

III -PRUALB - Project for the Urban and Environmental Rehabilitation of Lobito and Benguela⁶

PRUALB was initially identified in the context of the X Conference of Technical Co-ordination of the Southern Africa Communication and Transports Commission. In this conference the delegation of Sweden and Norway have shown an interest in the rehabilitation of Lobito.

Lobito is a coastal city that has one of the major ports in Western Africa and the head office of the Caminhos the Ferro de Benguela (Benguela Railway Line) that assist Zambia and the Democratic Republic of the Congo. Considering that the cities of Lobito, Benguela e Catumbela are in a coastal corridor linked by road and railway in a very close area, the-project was conceived to include the three agglomerations.

The context of the project is marked by the fact that the population of this region has quadruplicated from 1975 to 1990, due to the war and that such an increase in the population has not been followed by the infra structural and economic development of the region. Strong degradation of the environment via the urban occupation by the refugees, high mortality rates and children morbidity; a high unsanitary level with numerous spontaneous rubbish deposits; inadequate water supply system; destruction of the environment, are some of the characteristics existing in the region as at the date the project was formed.

The project was estimated at \$US 62 million with a contribution of \$US 48 million from the World Bank, \$US 3.5 from ASDI, \$US 4.2 from NORaid and \$US 6.3 from the Angolan Government.

Initial objectives of the project

The initial objectives of the project were directed at the improvement of the infrastructures of water and sanitation supply services, improvement of living conditions; reinforcement of management and support to create policies. Therefore:

- To recover the water supply services and deficient sewerage in order to eliminate the epidemics, in particular cholera outbreaks and reduce the high levels of malaria;
- Improve the conditions of life in the areas of illegal occupation giving access to potable water and improved latrines;
- Reinforce the institutions of management of urban and environmental services through technical assistance, logistics support and professional training;
- Support policy corrections through the study of water and sewerage tariffs, land registry and environment

⁶ Coastal cities, Benguela is a provincial capital

The project was structured in the following components:

A. Environmental Sanitation: This component includes the following programs:

- a. Rehabilitation of the water supply and distribution systems of Lobito and Benguela;
- b. Rehabilitation of the sewerage system;
- c. Rehabilitation of the pluvial water drainage system;
- d. Management of the system of collection and treatment of solid residues.

B. Low cost sanitation: This component includes the following programs:

- **Improvement of the latrines:** construction of 3 permanent yards in Lobito, Catumbela and Benguela for the production and promotion of the sale, at subsidised costs, of slabs for the construction of latrines (collective and family). Including supervision and installation;
- **Sanitary education:** environmental and sanitary education of the population involving the Ngos and religious organisations;
- **Urban re-vegetation:** construction of 2 tree nurseries in Catumbela and Benguela.

C. Institutional development: This component includes support for the public water company of Benguela (EPAB); Provincial Administration of Community Services (DPSC); Provincial Planning Office (GPP) and the Unity of Management of the project (UG).

D. Studies: Includes, among others, studies of the following: tariff study; institutional reorganisation of the EPAB; environmental management system and monitoring; land registry.

In November 1994, the project suffered a revision, because supplementary projects such as the Lobito Corridor Project and the operation of the hydra-thermal stations of Biopio and Lomaum were not operational as previously expected.

The principal benefits of the project were:

- Contribute to the improvement of the health of the population. Contribute to the eradication of cholera in the region, and the reduction of diarrhoea and malaria diseases;
- Employment of more than 150 workers during the execution of the works;
- Creation of water management companies in entrepreneurial patterns;
- Substantial improvement in the quality of the water;

- Contribute to the relief of poverty among the low rent groups. The average cost of water was reduced from \$US2.5 to \$US 0.44 by m3.
- Positive effects on the physical and social environment;
- External positive influences for the development of the Lobito Corridor;

The following results must be specifically emphasised for their importance:

- The rehabilitation and duplication of the water supply network to the cities of Lobito and Benguela. Water supply to the suburban areas with the construction of 131 public fountains in Benguela, 144 in Lobito and 74 in Catumbela. The initial capacity of 17 thousand m3 per day was increased to 60 thousand m3 per day. In Benguela around 50 km of secondary network was built and 65 km in Lobito. A new station to chlorinate the water and rehabilitation of the reservoirs, pumping and water treatment stations;
- The construction of around 30,044 improved latrines in Benguela and 34,000 in Lobito, for the low rent population. The realisation of a program of sanitary and environmental education involving nearly 2,300 activists;
- The improvement of the sewerage systems in both cities with the construction of 18 Km of collectors in Benguela and 15 km in Lobito. The construction of oxidation basins in Benguela (capacity of 1,500 m3) and Lobito (capacity of 2,400 m3);
- Improvement of pluvial drainage with the construction of a canal in concrete, an extension of 3.250 km
- The creation of two companies for water and sanitation management.

IV . Development workshop - Luanda Urban Poverty Program Luanda, Program of sustainable community services ⁷

Background:

The Sustainable Community Services Project was designed on the basis of the previous ten years experience of Development Workshop (DW) in basic service provision in the peri-urban areas of Luanda. The pilot for the current programme was Sambizanga Musseque Upgrading Project which was awarded a "Best Practices" distinction during the Istanbul Habitat II City Summit. The vision of the current project which has moved beyond the Sambizanga pilot area, is to test technologies and delivery models in an integrated fashion on a sufficiently large scale to make lessons appropriate for application on a city wide scale. The strategy is to involve all stakeholders, beneficiaries, their representatives and local governments in collaboration to ensure long-term sustainable management of investments made in the communities. Angola's political environment at the time of writing (Sept. 2000) is one of cautious decentralization. The macro-economic context is primarily one of an import based formal economy, which feeds the informal economy in goods and services. The oil industry is not well integrated into the rest of the economy.

Context:

Luanda and Angola's other principal cities are suffering a major public health crisis provoked by a cycle of humanitarian disasters caused by civil war and the influx of large numbers of internally displaced people to these urban safe-havens.

The population of Luanda is now estimated to be over three million. There has been an increase of 470% over the last 20 years. Angola's urban population was estimated at 50% in 1996 (UNCHS-Habitat) as compared to 23.9% in 1985 and 14.3% in 1970. (Source: INE). Most of this urban population lives in Luanda and 80% of Luanda's population lives in peri-urban bairros. In 1990, the United Nations Development Report estimated that only 41% of Angolans had access to safe water. After two cycles of renewed civil war, that proportion can be assumed to be considerably reduced today.

In 1990, the UNICEF Luanda Household Survey concluded that 35.6% of the city population was living below the poverty line. The general conditions in the peri-urban bairros deteriorated drastically after the breakdown of the peace process in late 1992. By 1996 the percentage below the poverty line had increased to over 60% (INE). In 1995, UNICEF estimated the infant mortality rate at 195 per 1000 and 320 per 1000 for child mortality. The major killer diseases are malaria and diarrhoeal diseases. Both these diseases are related to the poor sanitation and environmental conditions. Furthermore, cholera and dysentery have shown epidemic surges between December and May of each year from 1987 until 1996. Currently, there is an epidemic

⁷ Development workshop contribution

of poliomyelitis in children due to polio virus 1. Appropriate disposal of faecal matter is crucial to the control of cholera, dysentery and other diarrhoeal diseases.

It is feared that the current influx of displaced persons to Luanda provoked by renewed fighting since December 1998, will cause a further deterioration in the public health indicators, unless urgent action is taken to improve environmental sanitation conditions.

Community's Access to Services:

A beneficiary assessment for Luanda in the water and sanitation sector, completed in May 1995 by Development Workshop for the World Bank, confirmed that the majority of the peri-urban populations buy untreated water in the informal sector at up to 10,000 times more than the official price. A previous study done by Development Workshop in 1989 indicated that an estimated 70% of the population in peri-urban Luanda had some type of latrine, which is defined as a specific structure designed for the disposal of excreta. A follow-up household sanitation study completed in May 1996 in the same area indicated that the population had grown by one third and the number of families with on-site sanitation had decreased to less than 50% of the population. Many of the families interviewed commented that those who had not built latrines before 1992 were no longer able to afford to build them.

The beneficiary assessment also indicated that latrines were considered a family priority and those families which did not own a latrine were considered very poor. Owning and using a latrine is a question of dignity but many families who own pour flush latrines, limit their use of the latrine to reduce their expenditure on water. Again, to reduce water consumption, families who have built houses on the edge of eroded gullies allow their effluent to flow by gravity directly into the open gulley. The beneficiary assessment also indicated that people were in favour of public latrines where they were managed on a "pay as you use" basis, in order to ensure resources for hygiene and maintenance.

Findings indicated that a surprising number of people were aware of the dangers of faecal-oral transmission of diseases but more importance was given to transmission of disease by flies. In fact, the public health literature considers direct faecal oral transmission more important in maintaining high rates of diarrhoeal disease in high density peri-urban communities in developing countries. In this case, the more effective and rational intervention is the promotion of widespread use of sanitary latrines.

The Beneficiary Assessment for Luanda indicates that the comparable figures for diarrhoeal diseases are much higher in the peri-urban areas in relation to the urbanised areas of the city. The number of cases of diarrhoea recorded in 1994 for Sambizanga were 10 times more than urban Luanda (Ingombotas) and in Cassenge, recorded cases of diarrhoea were 24 times more than urban Luanda. The current epidemic of polio has also registered many more cases in peri-urban bairros compared to the urbanised section of the city. Interventions to reduce morbidity and mortality from diarrhoeal diseases need to address the following issues:

- a) provision of a minimum supply of drinking water and water for personal hygiene;
- b) Safe disposal of faecal matter and domestic rubbish;
- c) Health Education.

Addressing any of the above issues selectively is not likely to have any impact on a communities health. (Esprey et al., 1986). A first priority in terms of sanitation is to address the needs of those who have no latrine at all and have no immediate possibility of constructing a latrine from their own resources. A number of studies have concluded that in households without a latrine, where faeces are left where first deposited, the infant mortality and incidence of diarrhoea were higher than in households which used latrines. (Rahman et al., 1985 and Clemens et al., 1987)

Generally, politicians attribute more importance to solving the water problem and donors are also more likely to be willing to subsidise investments in water. But in fact, the impact of water programs alone will be limited if there is no provision for appropriate disposal of faecal matter. Most diarrhoeal diseases are transmitted from person to person via faecal oral contact.

In the Luanda environment, the diarrhoeal diseases which are commonly transmitted by this route are viral and bacterial diarrhoeas, dysentery, typhoid fever, hepatitis A. The recent epidemic of poliomyelitis is also a disease of faecal oral transmission. The common roundworm is similarly transmitted. Hookworm is transmitted from faeces to skin i.e. barefoot people, more frequently children, pick it up from contaminated soil and rubbish. Defecating in public spaces contributes to maintaining a persistently contaminated environment facilitating transmission and re-transmission of disease.

The Latrine Study completed in May 1996, showed that of the 46 percent of families with latrines, more than 80% of these latrines were pour flush models. This is a further public health risk. Pour flush sanitation models, as require a regular supply of water and a means of dealing with effluent, such as a piped sewer system or a septic tank which can be regularly evacuated with a pumper truck. Both these solutions require expensive infrastructural investments from central authorities in the long term; there are no existing plans for such a public investment program. Results from the Sanitation and Water Survey, Luanda, 1989 (DW) and subsequent experience in water and sanitation programmes in the bairros indicate that many existing pour flush latrines are built without the appropriate infrastructure and constitute a real health hazard. In some cases crude effluent flows directly into open gulleys; in others, the contents are evacuated manually and dumped on rubbish lots under cover of darkness. The Beneficiary Assessment (Luanda, 1995, DW) reported that in some bairros, one of the more frequent reasons for "adolescent nephews" leaving home was because they were required to manually empty the family latrine. Further studies are required to investigate the options for sustainable and cost-effective technologies for emptying pour flush latrines; until such options are available the only viable alternative for high density populations is the improved dry pit latrine.

The two major public health problems confronting Luanda are morbidity and mortality relating to malaria and diarrhoea. Interventions required to address these problems are:

- provision of a minimum supply of drinking water and water for personal hygiene;
- safe disposal of faecal matter and domestic rubbish;
- health education.

Traditionally, the colonial administration (pre-independence) favoured pour-flush sanitation models. By 1988, the health authorities modified their sanitation policies in relation to the peri-urban context and initiated the "Improved Pit Latrine Program" in conjunction with Luanda Provincial Government, WHO and in collaboration with NGOs. This program never became operational because of problems of acquisition and management of resources. In 1993, Development Workshop signed an agreement with the Provincial Health Delegation to expand the project from the original municipality of Sambizanga throughout the rest of the peri-urban areas of Luanda as resources allowed.

The original project design for Project Sambizanga in 1992 had projected diminishing project subsidies as the technology became more widely accepted. Then an estimated 70% of the peri-urban population had invested their own latrine. The experience to-date has confirmed the acceptability of the technology but the economic context has deteriorated significantly since 1992. The review Household Latrine Survey completed in May of this year and the Beneficiary Assessment for Luanda done in May 1995, both confirm that the opportunity costs for families of investment in sanitation are considerable and the priority felt needs are food and water. The depreciation of the currency (the Kwanza) in the twelve months prior to March 1999, averaged 218%. This corresponds to a loss of buying power to a value of 69%. Hence the original provisions for cost recovery have been revised. Currently, the programme targets are that the beneficiary contribute at least 50% of the costs and the remainder of the costs are supported by the program.

The project aims to address the absolute public health need for improved water supply and sanitary disposal of human faeces and domestic solid wastes in the peri-urban areas.

Sustainable Service Technologies and Intervention Strategies:

Development Workshop is utilizing low cost sustainable technologies to promote greater access for poor people to;

- a) Affordable water.
- b) on-site family sanitation and school latrines.
- c) Solid Waste removal.

Initially it was expected that the project would begin building standposts within six months of the project start date. In this scenario, when the solid waste component came on line in the second year, the selected area for trial of the solid waste component would have a regular water

supply. In practice, the selected pilot area is likely to begin to have water and solid waste services at the same time. Within the time frame of the project, a water supply will be established in one of the bairros Val Saroca and the solid waste removal scheme will also be in place. In the same time frame, the costs of both outputs can be calculated and a model of revenue transfer proposed.

The on-site sanitation programme benefits from experience in a parallel project financed by the European Union. The output within the Development Workshop programme in Luanda averages four hundred and fifty latrines per month. The aim is to achieve 80% coverage for families in the area of operation. DW projects are the single significant sanitation programme in peri-urban Luanda and provide the training and technical assistance for government and non-government agencies in the sector. During the first year, the project achieved 5000. The programme normally operates in a geographic Sector, an area which can have 5,000 to 10,000 families. The criteria for intervention in a specific geographic area are:

- Less than 50% of the resident families have access to on-site sanitation.
- That a community demand exists and that the community have a structured form of representation and organisation to facilitate the project intervention.

The project teams normally move from one completed sector to an adjacent sector because the community there have become familiar with the programme due its proximity and have actively expressed interest, preparing themselves for the intervention. Opportunities for partnership with NGOs, local associations and churches are actively pursued.

The project aims to provide each family with access to a latrine. Beneficiary families are selected on this basis. Where possible, the family builds its own latrine. Where constraints of space exist and where the family is not the owner of the house, solutions are pursued on the premise of promoting acceptable access for each family.

Currently, the subsidy provided by the project in materials is less than 50% of the total cost of construction. The project aims to decrease the subsidy to 35% of the total costs by the end of the third year of the project. Strategies under consideration for decreasing the value of the project subsidy include:

- a) reduction in the quantity of cement used to line the pit (already implemented);
- b) introduction of trapezoid blocks for pit lining, which will decrease the total cost;
- c) encouraging the families to make the blocks;
- d) In the future, it may also be possible to reduce the size of the pit if pit emptying services are widely available.

Most families prefer to own a pour-flush model, which is considered a step up wards in the sanitation ladder. The current model used by most families is too basic to be hygienic and the project team aims to trial an affordable hygienic model of pour-flush latrine.

The demand for school latrines far exceeds the capacity of the project teams to supply then demand. Less than one percent of the schools in the project area have any form of on-site sanitation in place. In this context, Development Workshop has opted to concentrate its attentions on a model of public latrine for schools and continue developing and supplying the model during the project life-time. The school period is comparatively short in Angola and the appropriate number of school children per latrine will be assessed through user surveys.

Stakeholder involvement

The Sustainable Community Services Project is promoting stakeholder involvement at all levels of interest in the process of service provision. This includes user groups, residents committees, local communal administration and the company, which provides the service, where appropriate.

User Groups and Residents Committees

Development Workshop has most experience with user groups for management of water points. The fundamental requirements for a functioning user group are:

- a. That the service provided is in response to a community / user demand;
- b. That management by the user group has clear advantages for the collective;
- c. That the individual families must benefit from this collective action.

If we measure success of user groups in terms of a well managed functioning water point, the DW Luanda experience to-date suggests that there are two particularly influential factors contributing to successful management:

- a) a functioning service which corresponds to the demand, measured in numbers of days of water per month;
- b) The integration of the water committees in a formal structure, which is recognised by the users.

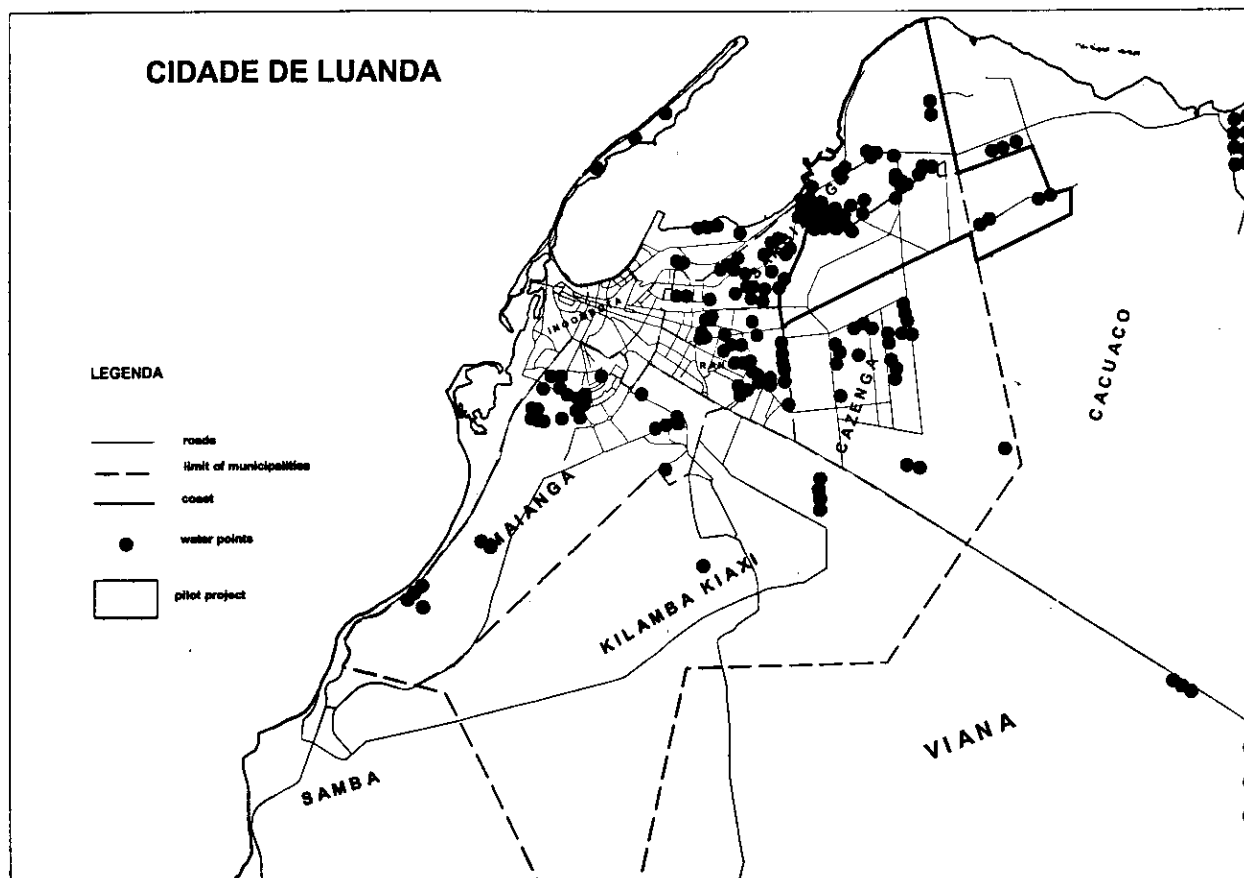
Previous experience indicated that isolated user groups felt that they had no base from which they could negotiate with the users and solve problems. The result was that the user management group dissolved when challenged by a problem. The need to integrate user groups in a larger structure gave rise to the strategy for support for the residents committees. The primary challenges inherent in this strategy are:

- a) That the communities have a tradition of accountability upwards to the institutional power but no tradition of accounting to members or users. Hence, user groups and

residents committees alike tend to solve problems by invoking authority rather than by consulting the users;

- b) The large population numbers involved. In the commune of Hoji Ya Henda alone there are nineteen sectors and each sector may have twenty blocks with two hundred families in each block. In principle, each block should have a functioning residents committee.

Development Workshop past and present areas of programme intervention.



To-date, the project team has concentrated attention on limited numbers of residents committees of sectors who have clearly benefited from this support. But they show a degree of dependency on project teams and do not seek to develop horizontal relationships with similar groups with common interests. Currently, the project team is seeking to develop a strategy, which will attempt to involve larger number of user groups and residents committees in a network of information exchange and lobbying in the context of an overall aim of improving service provision.

Decentralisation and Local Administration

The process of decentralization in Luanda is complex. The present nine municipal areas will become two peripheral municipal areas with autonomous administrations and the remaining seven will become the greater city of Luanda. The existing municipal and communal administrations will become structures for Bairro Coordination and the provincial government will become some form of city council. The projected local elections are likely to be at the level of the Bairro Coordination only.

A decentralized local administration would imply:

- Participation of user residents in planning;
- A base for local revenue which is collected and managed locally;
- A local capacity to design, seek finance and implement service provision programmes;
- A local capacity to monitor the quality and coverage of service provision.

The Sustainable Community Services Project (SCRIP) seeks to promote the capacity of user/residents to participate in planning and to develop structures and tools to facilitate this participation. The project has no role in designing the structure and regulations for the generation of local revenue but it is contributing to developing and testing models for cost recovery for basic service provision. Development Workshop's urban programmes, attempt to influence the design of policies for generation of revenue by documenting and disseminating experiences to-date. Lobbying activities promote policies which are pro-poor but which also contribute to service expansion for the poor.

The project is investing considerable time in developing tools and local capacity to monitor service provision. The vision is to develop tools for local administrations to monitor service provision on the one hand and a model for the same administrations to disseminate this information to the user residents. There must be channels for exchange of views and dialogue on the basis of the information disseminated.

Role of the external NGO and Sustainability in the longer term

The role of the NGO as designed in the project is one of an intermediary between existing structures and institutions. Development Workshop's role is to:

- Introduce new ideas and technologies by testing and demonstrating the same ideas. The design of the programme facilitates the comparison of costs for different interventions and the calculation of cost benefits for the users.
- To promote the development of networks of user groups and community representation which will lobby for better service provision and contribute to ensuring consumer protection in the future.