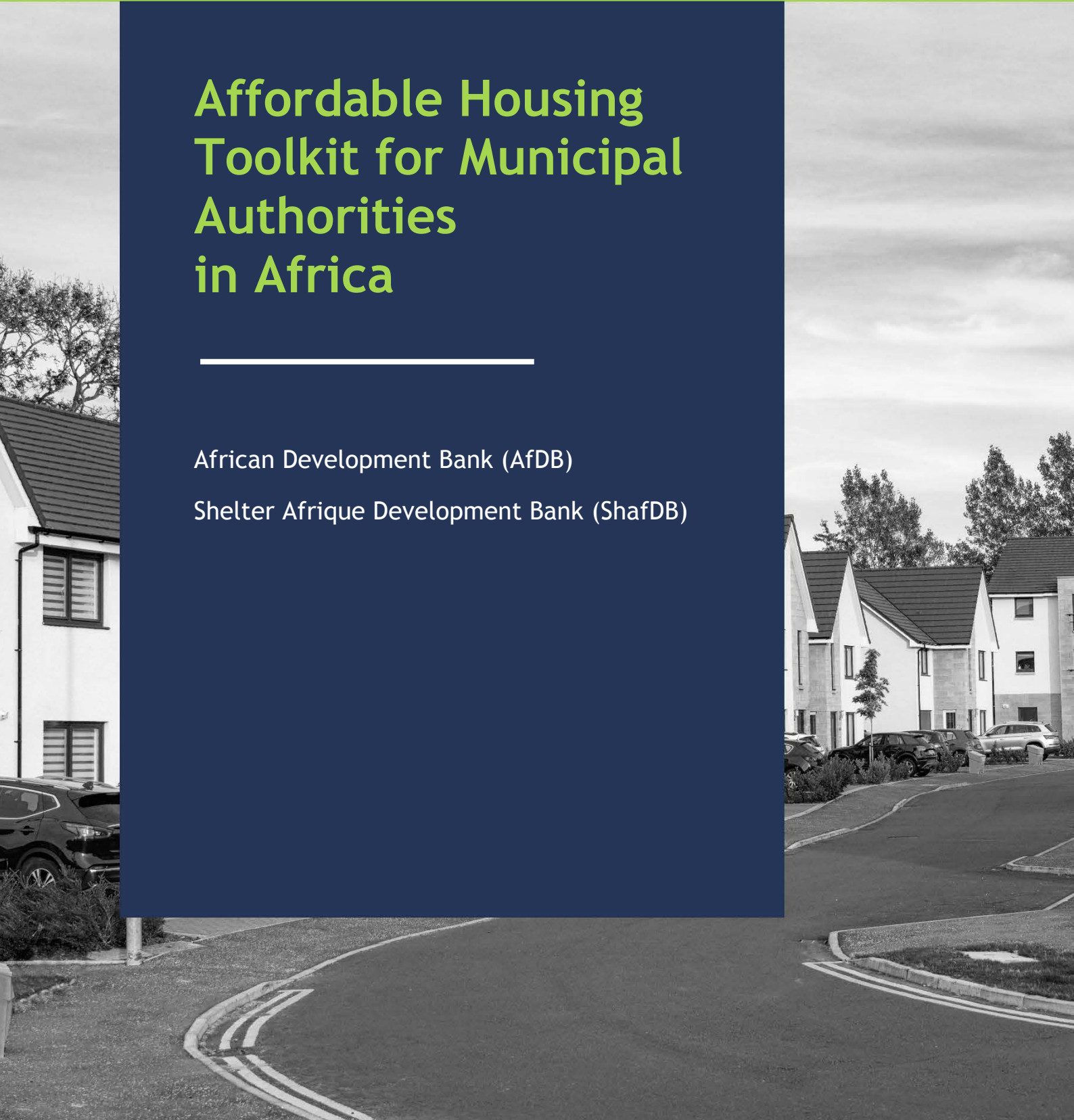


February 2026

Affordable Housing Toolkit for Municipal Authorities in Africa

African Development Bank (AfDB)

Shelter Afrique Development Bank (ShafDB)



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A1. Executive Summary

AFFORDABLE HOUSING TOOLKIT FOR MUNICIPAL AUTHORITIES IN AFRICA

Version 1.0 (2024) | 106 Pages | Evidence-Based Implementation System

Statistics Verification Note: All case study statistics in this Executive Summary have been verified against official sources including government reports, institutional annual reports, and project documentation as of November 2024. Where specific figures cannot be independently verified, qualitative descriptions are used.

A.1.1. THE CHALLENGE

Africa's Housing Crisis in Numbers

- > 50.5M

Continental Housing Backlog

- > 50%

Sub-Saharan Africa Urban Population in Informal Settlements

- > 3.5%

Annual Urban Growth Rate Adding Pressure

- > Municipal authorities across Africa face a dual challenge. In some contexts, they operate under a genuine unfunded mandate: legal or political responsibility to support housing delivery without corresponding fiscal transfers, institutional capacity, or regulatory authority. In many others, however, the deeper constraint is a municipal finance capacity deficit: weak property registration systems, low own-source revenue collection, limited project preparation capability, poor financial data, and restricted readiness to access private or capital-market finance. The result is not simply a shortage of public budget, but a broader governance and systems problem in which municipalities are expected to deliver housing without the financial architecture needed to plan, mobilise, and sustain investment at scale. This toolkit therefore treats the housing challenge not only as a delivery gap, but as a municipal readiness and resource mobilisation challenge that must be addressed systematically. As elaborated later in Section B.6, the finance constraint is therefore not only a budget problem but also a question of municipal financial readiness, including revenue systems, project bankability, and access to innovative financing pathways.

Critical Gaps Identified Through Research:

- Institutional Fragmentation: Multiple uncoordinated agencies at national, provincial, and local levels
- Regulatory Barriers: Building codes and approval processes that exclude affordable housing
- Finance Constraints: Limited municipal revenue, weak revenue administration, restricted borrowing capacity, and low readiness to access capital or structured finance

Land Cost Escalation: Speculation and regulatory constraints driving land costs beyond affordability

Capacity Deficits: Weak administrative and technical capacity, including the absence of dedicated housing units in many municipalities.

Urgency: Without systematic intervention, growing informality threatens sustainable urban development, economic growth, and social stability across the continent. The window for proactive policy intervention is narrowing as urban populations continue to expand rapidly.

A.1.2. THE SOLUTION: FIVE PILLARS FRAMEWORK

This toolkit provides a comprehensive 106-page implementation system organised around five interconnected pillars that municipal authorities must address simultaneously for successful affordable housing delivery.

PILLAR 1: VISION - Strategic Planning

- **Evidence-Based Needs Assessment:** Quantitative backlog calculation and qualitative housing inadequacy analysis
- **Affordability Analysis:** Income segmentation using Area Median Income approach with 25-30% affordability threshold (configurable parameter)
- **Clear Targets:** 5-year housing delivery goals linked to urban development strategy
- **Differentiated Approaches:** "Rule of Thirds" framework serving ultra-low, moderate, and market-rate segments.

PILLAR 2: INSTITUTIONS - Capacity & Partnerships

- **Organisational Models:** In-house housing departments vs. semi-autonomous municipal housing companies
- **DFI/IFI Engagement:** Step-by-step roadmap for engaging AfDB, World Bank, Shelter Afrique UN-Habitat, and other relevant development partners, including bankability, technical assistance, project preparation, and implementation support requirements.
- **Capacity Building:** Training modules covering project preparation and bankability, planning, finance, project management, and community engagement
- **Anti-Corruption:** Governance frameworks, transparency mechanisms, and accountability systems.

PILLAR 3: REGULATORS - Land & Enabling Frameworks

- **Strategic Land Banking:** Systematic land acquisition 5-10 years ahead of development at agricultural prices
- **Regulatory Reform:** Building code modifications, streamlined approvals (fast-track, one-stop-shop), inclusionary housing policies
- **Tenure Security:** Titling, informal settlement regularisation, women's land rights.

PILLAR 4: ACTORS - Mobilising Stakeholders

- **PPP Structuring:** Risk allocation matrices, joint ventures, land contribution models, turnkey arrangements
- **Private Sector Engagement:** Developer incentives (tax breaks, density bonuses, fast-track approvals)
- **Community Participation:** Beneficiary selection, participatory planning, grievance redress mechanisms
- **Value Chain Integration:** Coordinated action across land, infrastructure, construction, finance, and management.

PILLAR 5: LOCAL INITIATIVES - Project Implementation

- **Climate-Responsive Design:** Energy efficiency, water conservation, sustainable materials, resilience to climate change
- **Technology Selection:** Adoption, piloting, and scaling up of innovative building technologies, with guidance on conventional and alternative methods, quality standards, and owner-builder support.
- **M&E Frameworks:** Logical Framework Matrix (LogFrame), Key Performance Indicators by pillar, gender-disaggregated data
- **Financial Management:** Project budgets, cash flow projections, cost control, revenue generation

Framework Integration:

The Five Pillars work as an integrated system where weakness in any single pillar undermines the entire approach. Success requires simultaneous action across strategic vision, institutional capacity, enabling regulation, effective partnerships, and disciplined project implementation.

A.1.3. EVIDENCE BASE: LEARNING FROM SUCCESS AND FAILURE

The toolkit draws on verified case studies from across Africa, combining success stories with failure lessons to provide practical guidance for municipal authorities.

VERIFIED SUCCESS STORIES:

Rwanda (Kigali) - Strategic Planning Integration

- **Batsinda Project:** 536 affordable housing units with government support
- **Busanza Housing Estate:** Over 1,200+ affordable housing units completed
- **Innovation:** Integrated Development Programme model linking sites-and-services with master planning
- **Lesson:** Integration with master planning ensures infrastructure coordination and cost efficiency

South Africa (Johannesburg) - Municipal Company Model

- **JHC Achievement:** 4,500+ affordable rental housing units managed across 36 buildings
- **Asset Value:** Property portfolio valued at R1.4 billion (2021)
- **Innovation:** Semi-autonomous municipal entity with professional governance
- **Lesson:** Operational autonomy with municipal backing enables efficient project delivery

Namibia (Windhoek) - Land Banking Strategy

- **Scale:** Over 15,000 serviced plots delivered through systematic land banking
- **Innovation:** Land acquisition at agricultural prices, held 5-10 years before development
- **Impact:** Significantly reduced land costs as percentage of total project expenditure
- **Lesson:** Strategic land acquisition transforms affordability for low-income households

Kenya (Nairobi) - Digital Transparency System

Affordable Housing Toolkit for Municipal Authorities in Africa

- **National Achievement:** 140,000 affordable housing units completed nationally by 2024
- **Nairobi Projects:** Park Road (1,370 units), Pangani (1,562 units)
- **Innovation:** Digital beneficiary registration portal eliminating corruption complaints
- **Lesson:** Technology integration enables transparency and large-scale delivery

South Africa (TUHF) - Value Chain Integration

- **Scale:** Over 50,000 rental housing units financed since 2003
- **Financial Deployment:** R8.3 billion invested in affordable housing finance
- **Innovation:** DFI-backed intermediary model serving gap market
- **Lesson:** Value chain integration multiplies impact - municipal land + private finance + DFI backing

CRITICAL FAILURE LESSONS:

Nigeria (Lagos) - Institutional Fragmentation

- **Context:** Nigeria faces estimated 17 million national housing backlog (AfDB SUDAP Report)
- **Failure:** Competing agencies (Federal Housing Ministry, Lagos State Housing Corporation, LSDPC) undermined DFI projects
- **Consequence:** World Bank project suspended 2019, AfDB declined financing, completed units remain empty
- **Lesson:** Institutional fragmentation kills projects regardless of available finance

Ghana (Kumasi) - Regulatory Gridlock

- **Barriers:** 0.4-acre minimum plot sizes, 17-step approval process across 8 agencies
- **Failure:** Reform attempts blocked by vested interests (surveyors, lawyers, traditional authorities)
- **Consequence:** 70% of housing development occurs informally
- **Lesson:** Technical reforms fail without political commitment and stakeholder engagement

Zimbabwe (Harare) - Community Cooperative Collapse

- **Scale:** 5,200 stands released to housing cooperatives, ±55,000 people on waiting list
- **Failure:** Land released without infrastructure, widespread fraud, governance collapse
- **Consequence:** "Dysfunctional settlements" with no water, sewer, roads after 15+ years
- **Lesson:** Land without infrastructure creates conditions worse than informal settlements

KEY INSIGHT: Success requires all Five Pillars working together. Failure cases demonstrate how weakness in any single pillar (institutional coordination, regulatory reform, community governance) can undermine entire programmes regardless of good intentions or available resources.

A.1.4. PRACTICAL TOOLS & IMPLEMENTATION SUPPORT

What the Toolkit Provides: The toolkit is designed as an action-oriented resource, combining diagnostic guidance with practical tools that municipalities can adapt to their own institutional and market contexts. In addition to templates, checklists, and implementation frameworks across the VIRAL pillars, it includes specific tools to support municipal financial readiness, such as a municipal bond readiness checklist, a property tax collection readiness checklist, and guidance on land value capture, ringfencing, and pooled finance pathways. Together, these resources are intended to help municipalities move from identifying constraints to planning realistic, context-sensitive interventions that strengthen housing delivery and long-term financial resilience.

1. 40+ Ready-to-Use Templates

- **Housing Needs Assessment:** Data collection guides, backlog calculation templates, proxy indicators for data-scarce contexts
- **DFI Bankability:** Project concept note structure, AfDB Integrated Safeguards System compliance checklists
- **PPP Structuring:** Risk allocation matrices, feasibility assessment frameworks, partnership agreement templates
- **Project Management:** Gantt timeline templates, quality control frameworks, procurement planning matrices
- **M&E Frameworks:** 35+ Key Performance Indicators across all pillars with gender-disaggregated data collection
- **Financial Management:** Project budget templates, cash flow projections, cost control monitoring tools
- **Municipal finance readiness tools:** Municipal bond readiness checklist, property tax collection readiness checklist, and guidance on land value capture, ringfencing, and pooled finance pathways.

2. Worked Examples

- **Municipality X:** Complete affordability calculation for mid-sized secondary city showing income band analysis and subsidy gap identification
- **Municipality Y:** Financial monitoring for 500-unit project demonstrating variance analysis and corrective actions
- **Multiple Case Applications:** Specific guidance on replicating successful interventions in different contexts

3. Implementation Pathways

- **First 100 Days Checklist:** Priority actions for new housing programmes
- **Phased Approach:** 0-6 months (foundation), 6-18 months (enablement), 18-36 months (delivery), ongoing monitoring
- **Capacity-Responsive Adaptation:** Guidance for municipalities with varying technical and financial capacity

A.1.5. AfDB/SHELTER AFRIQUE ALIGNMENT

How Toolkit Supports AfDB Priorities:

- ✓ **Urban Development and Municipal Finance Strategy (2020):** Direct alignment with municipal capacity building objectives
- ✓ **Integrated Safeguards System (ISS):** Compliance frameworks fully integrated throughout toolkit
- ✓ **Gender Strategy 2021-2025:** Gender mainstreaming woven into all pillars with specific implementation guidance
- ✓ **High 5s ("Improve Quality of Life"):** Direct contribution to flagship priority through housing delivery
- ✓ **Climate Resilience:** EDGE certification integration, green building criteria, climate KPIs throughout
- ✓ **Project Bankability:** Comprehensive bankability and creditworthiness assessment frameworks

How This Toolkit Complements Shelter Afrique VIRAL Toolkit

- ✓ **Cascades the VIRAL framework to the municipal level:** Translates the VIRAL Toolkit's national housing market framework into a practical municipal toolkit focused on local planning, land, finance, delivery, and coordination.
- ✓ **Municipal Housing Finance:** Builds municipal capacity for creditworthiness, own-source revenue strengthening, and project preparation, complementing VIRAL's broader housing finance and market systems perspective.
- ✓ **Project Preparation Standards:** Provides bankability checklists, readiness diagnostics, and financial viability frameworks to help municipalities structure implementable housing projects.
- ✓ **PPP Structuring:** Includes risk allocation matrices and partnership development guidance to support local authorities engaging private and non-profit delivery partners.
- ✓ **Strategy Development Across Levels:** Supports alignment between national housing strategies and municipal implementation plans, helping bridge policy design and local execution.
- ✓ **Pan-African Applicability:** Uses country-neutral templates and adaptable tools that can be applied across Shelter Afrique's member states while remaining sensitive to local institutional differences.

TOR REQUIREMENT	WHERE ADDRESSED	STATUS
FIVE PILLARS OPERATIONALISED	Parts 2-3 (80 pages)	✓ Fully delivered with tools
PRACTICAL TOOLS & TEMPLATES	Part 3 (40+ templates)	✓ Ready-to-use frameworks
DFI/AFDB BANKABILITY	Parts 2-3 (ISS compliance)	✓ AfDB standards integrated
MUNICIPAL FINANCE & PPP	Parts 2-3 (risk allocation, financial tools)	✓ Comprehensive frameworks
INCLUSIVITY & VULNERABLE GROUPS	All parts (gender-responsive, priority criteria)	✓ Mainstreamed throughout
CLIMATE RESILIENCE	Parts 2-3 (EDGE, climate KPIs)	✓ Integrated in design/M&E

A 1.6. IMPLEMENTATION PATHWAY FOR MUNICIPAL AUTHORITIES

Phase 1: Foundation

Months 0-6

- Institutional capacity assessment
- Housing needs assessment
- Affordability analysis
- Stakeholder mapping

Phase 2: Strategy

Months 6-12

- Five Pillars strategic framework
- DFI engagement strategy
- Partnership development
- Regulatory reform planning

Phase 3: Preparation

Months 12-18

- Project planning and design
- Financial model development
- Land acquisition initiation
- Partnership agreements

Phase 4: Delivery

Months 18+

- Project implementation
- M&E and quality control
- Continuous adaptation
- Experience sharing

A.1.7. NEXT STEPS & SUPPORT

For Municipal Authorities:

1. **Access Complete Toolkit:** All 5 parts available through AfDB and Shelter Afrique country offices
2. **Conduct Self-Assessment:** Use Part 3 institutional capacity assessment to identify starting point and priority areas
3. **Engage DFI Support:** Contact AfDB country offices / ShafDB regional offices for advisory and project preparation technical assistance
4. **Connect with Peers:** Join municipal networks for experience sharing and peer learning
5. **Access Training:** Utilise African Local Government Academy and UN-Habitat training programmes

For AfDB/Shelter Afrique:

- **Dissemination:** Distribute toolkit through member states, country offices, and municipal networks
- **Integration:** Incorporate into project preparation processes and municipal capacity assessments
- **Training:** Use for municipal capacity building programmes and DFI staff orientation. Introduce Housing toolkit as part of African Local Government academy curriculum.
- **Monitoring:** Track implementation experiences for periodic toolkit updates and improvements

Implementation Support Contacts:

- **AfDB Urban Development Department:** afdb@afdb.org | www.afdb.org
- **Shelter Afrique:** info@shelterafrique.org | www.shelterafrique.org
- **UN-Habitat Regional Office for Africa:** unhabitat-nairobi@un.org
- **Centre for Affordable Housing Finance in Africa:** www.housingfinanceafrica.org

A.1.8. CONCLUSION: FROM CHALLENGE TO OPPORTUNITY

Africa's Housing Challenge is Significant, But Solutions Exist

Municipal authorities across the continent - from Kigali to Windhoek, Johannesburg to Nairobi - are successfully delivering affordable housing at scale when equipped with clear frameworks, practical tools, and strategic partnerships. This toolkit provides the complete implementation system needed to join this community of successful housing practitioners.

WHAT MAKES THIS TOOLKIT DIFFERENT:

- **Evidence-Based:** Built on real African experiences and verified statistics, not imported theoretical models
- **Practical:** 40+ ready-to-use templates and tools, not just conceptual guidance
- **Comprehensive:** Addresses all Five Pillars as integrated system, not piecemeal interventions
- **AfDB-Compliant:** Fully aligned with ISS, gender strategy, and climate priorities for seamless DFI engagement
- **Adaptable:** Country-neutral with local customisation guidance for diverse African contexts

THE OPPORTUNITY

Every municipality that implements the Five Pillars framework contributes to:

- Reducing Africa's estimated 50.5M housing backlog
- Building inclusive, sustainable cities
- Creating employment and economic opportunity
- Achieving SDG 11 targets by 2030
- Improving quality of life for millions
- Demonstrating municipal leadership

CALL TO ACTION

Municipal authorities, DFIs, and development partners must work together to unlock affordable housing delivery across Africa. This toolkit provides the roadmap - IMPLEMENTATION STARTS NOW.

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- **Lead Consultant:** Altair Advisory Services
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Statistics Verification: All case study statistics have been verified against official and institutional sources, including IFC Disclosures, JHC Annual Reports, Kenya National Bureau of Statistics, Rwanda Ministry of Infrastructure, Property Flash (2024), MyGov Kenya (2024), and stakeholder interviews. The toolkit has also been strengthened through engagement with a broader range of African contexts, including Francophone municipalities, to improve its Pan-African relevance and applicability. Full source documentation is available in complete toolkit Parts 4-5..

A.2 Introduction

Africa stands at a critical juncture in its urban development trajectory. Africa has experienced one of the fastest rates of urban population growth globally, with many Sub-Saharan countries recording annual urban growth rates of around 4 percent in the 2000-2015 period, significantly above the global average according to the *World Bank WDI; Habitat III Africa Regional Report; Africa's Urbanisation Dynamics (OECD)*, municipal authorities across Africa face an extraordinary challenge: providing adequate housing for rapidly growing urban populations whilst operating within severely constrained fiscal and institutional frameworks.

This challenge is often expressed through what practitioners describe as the “**unfunded mandate**” problem, but the issue is broader than the absence of dedicated funding alone. In many municipalities, legal responsibility for housing delivery is accompanied by weak revenue systems, limited technical and project preparation capacity, and unclear institutional arrangements. As a result, the constraint is better understood as a **municipal finance and implementation capacity deficit**, where cities are expected to support housing delivery without the systems, tools, and readiness needed to do so effectively. As Emma Mandiziba, Director of Housing from Mutare City Council in Zimbabwe, explains: "We have the legal responsibility to provide housing, but we have zero funding sources. The government grants have been discontinued, forcing us into a land sale model that creates dysfunctional settlements."

This toolkit emerges from extensive research commissioned by the African Development Bank (AfDB) and Shelter Afrique, grounded in both rigorous literature review and stakeholder consultations across the continent. This consultation base includes Lusophone and Francophone/North African municipal perspectives, notably from Quelimane, Mozambique, and Monastir, Tunisia, strengthening the toolkit's Pan-African relevance. Drawing from practitioners operating at the coalface of Africa's housing delivery challenges; from municipal officials in Zimbabwe facing 55,000-person waiting lists, to housing experts in Nigeria navigating institutional fragmentation, to South African specialists dealing with adversarial private sector relations, to **municipal leaders in Quelimane, Mozambique, and Monastir, Tunisia, highlighting Lusophone and Francophone/North African delivery realities**, as well as regional institutional perspectives from **UN-Habitat**, to the Director Regional office for Africa United Nations Human settlements programme UN- Habitat this toolkit provides evidence-based, practical guidance for municipal authorities seeking to expand their housing delivery capacity.

The toolkit's approach is deliberately pragmatic rather than aspirational. Rather than presenting idealised solutions, it acknowledges the constraints within which municipal authorities operate limited budgets, competing political pressures, capacity gaps, lack of clear legal responsibilities for housing and where it exists lack of funding and complex intergovernmental relationships. It recognises that municipal housing delivery occurs within broader value chains involving land assembly, infrastructure provision, developer and construction capacity, financing mechanisms, and ongoing management, all of which must function coherently for housing delivery to succeed at scale.

This Part 1 establishes the foundational context for the toolkit. It quantifies Africa's housing challenge using the latest data from AfDB's Sustainable Urban Development Action Plan (SUDAP) and UN-Habitat research. It examines the policy and institutional contexts within which municipal authorities operate, highlighting both constraints and opportunities. Through a comprehensive literature review, it synthesises current understanding of municipal housing delivery challenges and emerging innovations. Finally, it introduces the VIRAL framework: **Value Chain Integration, Institutional Coordination, Resource Mobilisation, Affordability Design, and Land and Regulation**, which organises the toolkit's subsequent practical guidance.

The evidence base for this toolkit extends beyond academic research to include direct practitioner insights from municipal officials, housing finance specialists, and policy implementers across **Anglophone, Lusophone, and Francophone** African contexts, including Zimbabwe, Nigeria, South Africa, Mozambique, and North African municipalities. Stakeholder consultations with Quelimane Municipality and Monastir Municipality provide direct municipal perspectives from Lusophone and Francophone/North African contexts, helping ensure that the toolkit is not overly dependent on Anglophone case experience. These perspectives ensure that the toolkit's recommendations are grounded in operational realities rather than theoretical constructs. As Kecia Rust from the Centre for Affordable Housing Finance Africa observes: *"Municipal housing departments often lack economics competence and see the private sector as adversary rather than ally. The question is how to shift these dynamics constructively."*

A.2.1 AFRICA'S HOUSING CHALLENGE

The availability, maintenance, and regular updating of housing and land data are key municipal responsibilities, and municipalities must be equipped to perform these functions effectively. The scale of Africa's housing crisis defies conventional policy responses. According to the African Development Bank's Sustainable Urban Development Action Plan (SUDAP), the continent faces a housing backlog of estimated 50.5 million units as of 2018, with particularly acute shortages in Nigeria (17 million units) and Kenya (2 million units). These figures represent not merely statistical abstractions, but profound human challenges affecting hundreds of millions of urban residents, and they highlight the need for robust local data systems to support evidence-based planning and implementation.

UN-Habitat data reveals that 50% of Sub-Saharan Africa's urban populations live in informal settlements, lacking secure tenure, adequate infrastructure, and basic services. This proportion has remained stubbornly high despite decades of policy intervention, suggesting that conventional approaches to urban housing provision have proven inadequate to meet the scale and pace of demand. The persistence of informal settlement growth indicates fundamental systemic failures in formal housing delivery mechanisms.

Municipal authorities bear the brunt of these delivery failures, yet they operate within constraints that make effective response extraordinarily difficult. Evidence from stakeholder interviews across **Anglophone, Lusophone, and Francophone/North African municipal contexts** illustrates the diversity and severity of these challenges, including perspectives from Zimbabwe, Nigeria, South Africa, Mozambique, and Tunisia.

Zimbabwe: The Unfunded Mandate Crisis'

Mutare City Council Zimbabwe exemplifies the unfunded mandate problem. Despite legal obligations to provide housing, the municipality has created 5,200 residential plots without water, sewer infrastructure, or road access, what officials term "dysfunctional settlements." With a waiting list of approximately 55,000 people and no government funding, the municipality has been forced into a land sales model that generates revenue but fails to deliver habitable housing. As Municipal Official Emma Mandiziba explains: "We have the technical capacity: engineers, architects, planners—but we have no funding for infrastructure or construction."

Nigeria: Institutional Fragmentation and Coordination Failures

Nigeria's federal system creates multiple competing agencies operating in housing delivery without coordination. The Federal Housing Ministry, Federal Mortgage Bank, Family Homes Fund, and Ministry of Finance incorporated, (MOFI) operate independently, often implementing projects in states without alignment and coordination and lack of visible collaboration with local State Housing corporations at times. Housing specialist Jumoke Akinwunmi notes: "Projects remain empty for years. I saw a 2017 project that's still empty. There's no inter-agency dialogue, no coordination. Political payback drives project decisions rather than housing need."

South Africa: Private Sector Adversarial and Municipal Delays

South African municipalities often view private sector housing developers as adversaries rather than partners, creating unnecessary delays and costs. Kecia Rust from the Centre for Affordable Housing Finance Africa explains: "Municipal delays add significant time and cost to housing projects. We're tracking this through Old Mutual studies. Municipalities lack economics competence in housing departments and fail to understand how private sector partnerships could expand delivery capacity."

Lusophone and Francophone/North African municipal consultations reinforce these patterns. In **Quelimane, Mozambique**, municipal leadership described a context of rising housing demand, **no dedicated housing budget**, limited fiscal space, and borrowing powers that remain subject to national approval. They also noted that land cannot easily be used as collateral under Mozambique's land tenure system, constraining access to finance and increasing reliance on external support and concessional structures. As **His Excellency Mayor Manuel Araújo** emphasised in the Quelimane consultation, the municipality faces rising housing demand without a dedicated housing budget, while borrowing remains subject to national approval and land cannot easily be leveraged as collateral under the prevailing tenure system. In **Monastir, Tunisia**, the municipality described a different institutional arrangement in which housing remains largely a national-sector function, but the municipality can contribute land, rental stock, and PPP planning; here too, however, **finance was identified as the main bottleneck**, and municipal borrowing for housing would still require government authorisation. As **Mrs GANDOUZ Wafa** noted in the Monastir consultation, the municipality is not the primary housing provider, but it can still play a catalytic role through land contribution, rental stock management, and PPP planning, even where finance and borrowing powers remain constrained. Together, these insights show that

whilst governance arrangements vary, municipal housing constraints across Africa consistently combine limited finance, constrained institutional roles, and weak delivery readiness.

- These municipal-level challenges reflect broader structural problems in Africa's housing value chain. The African Development Bank's analysis identifies six critical blockage points:
- **Land Assembly:** Complex tenure systems, unclear ownership, and lengthy acquisition processes create bottlenecks in land availability for housing development.
- **Infrastructure Provision:** Inadequate bulk infrastructure (water, sewer, electricity, roads) limits developable land and increases per-unit housing costs.
- **Construction Capacity:** Limited local construction industry capacity, skills shortages, and dependence on imported materials constrain supply response.
- **Finance and Affordability:** High interest rates driven by policy rates, credit-risk premiums, maturity premiums, and under-utilisation of collateral limit affordable credit access. Lack of government funding to support housing for low-income households and sometimes weak macro-economic conditions.
- **Management and Maintenance:** Weak systems for ongoing housing stock management lead to rapid deterioration and reduced lifespan of housing investments.
- **Weak institutional oversight** to create enabling conditions for a functioning housing ecosystem

The interaction between these value chain blockages and municipal capacity constraints creates particularly severe challenges for local authorities. Municipalities often lack the sectoral expertise to diagnose problems across the full value chain, instead focusing on isolated interventions that fail to address systemic constraints. This piecemeal approach explains why many municipal housing initiatives achieve limited impact despite significant resource investment.

International experience suggests that successful municipal housing delivery requires coordinated intervention across all value chain elements simultaneously. However, most African municipalities lack both the analytical frameworks and institutional mechanisms to orchestrate such comprehensive approaches. This toolkit addresses these gaps by providing practical guidance for municipal authorities seeking to develop more systematic responses to housing delivery challenges.

Recent stakeholder consultations from **Quelimane, Mozambique**, and **Monastir, Tunisia**, reinforce the need for a broader Pan-African framing. In Quelimane, municipal leadership described a context in which housing demand is rising rapidly, but the municipality has **zero dedicated housing budget**, limited fiscal space, and borrowing powers that remain subject to national approval; they also noted that land cannot easily be used as collateral under Mozambique's land tenure system, constraining access to finance. In Monastir, the municipality described a different institutional arrangement in which housing remains primarily a national-sector function, but the municipality can contribute land, rental stock, and PPP planning; here too, however, **finance was identified as the main bottleneck**, and

municipal borrowing for housing would still require government authorisation. Together, these perspectives show that while governance structures vary, municipal housing constraints across Africa consistently combine limited finance, constrained institutional roles, and weak delivery readiness.

A.2.2. POLICY AND INSTITUTIONAL CONTEXT

Municipal housing delivery in Africa occurs within complex multi-level governance systems that often create more obstacles than opportunities for effective intervention. Understanding these institutional contexts is essential for municipal authorities seeking to expand their housing delivery capacity within existing policy frameworks.

Recent consultations from **Quelimane, Mozambique**, and **Monastir, Tunisia**, confirm that these governance challenges also extend beyond Anglophone systems, including Lusophone and Francophone/North African municipal contexts where borrowing authority, land governance, and institutional mandates remain tightly constrained

Institutional Fragmentation and Coordination Failures

Nigeria provides the most extreme example of institutional fragmentation undermining municipal housing efforts. At the federal level, multiple agencies operate independently: the Federal Housing Ministry, Federal Mortgage Bank, Family Homes Fund, and various parastatals implement overlapping programmes without coordination mechanisms. These federal agencies frequently initiate projects within states without consulting state housing corporations or municipal authorities, creating parallel delivery systems that compete for resources and beneficiaries.

This fragmentation extends to the absence of inter-agency dialogue or shared accountability frameworks. Unlike Kenya, which has developed a detailed Affordable Housing Act with clear institutional roles and data collection systems, Nigeria lacks overarching coordination mechanisms. Housing specialist Jumoke Akinwunmi observes: "There's no accountability framework. Projects are driven by political payback rather than housing need assessment. We need systematic data collection like Kenya's portal-based registration system."

Intergovernmental Tensions and Blurred Responsibilities

South Africa's constitutional framework illustrates how intergovernmental complexity can undermine municipal housing delivery even within relatively sophisticated institutional systems. Constitutional Schedules 4 and 5 define municipal responsibilities, but in practice, municipalities remain subordinate to provincial authorities in housing delivery. Research by Lategan reveals that only 17.67% of South African municipalities (50 out of 283) have dedicated housing departments, reflecting both capacity constraints and unclear role definitions.

These blurred responsibilities create multiple risks: unclear accountability for project outcomes, procurement irregularities due to overlapping authority, weak project management across institutional boundaries, and allocation decisions influenced by political rather than technical criteria. A 2010 audit found 800 government employees to be unlawful housing subsidy beneficiaries, with 15% being municipal officials—highlighting how institutional complexity enables malfeasance.

Political Interference Undermining Technical Solutions

Political interference in municipal housing delivery manifests differently across countries but consistently undermines technical approaches to housing provision. In Zimbabwe, political considerations influence housing allocation decisions, with rental housing in areas like Sakubva experiencing minimal rent collection due to political sensitivities. Municipal officials report that attempting to enforce cost-recovery mechanisms or maintenance standards often faces political resistance. Sakubva is a high-density suburb (or township) located in Mutare, the fourth-largest city in Zimbabwe and the capital of Manicaland Province, near the eastern border with Mozambique

Political interference also affects municipal borrowing capacity and project selection. Zimbabwe's municipalities require Ministry approval for borrowing, with current constraints limiting access to USD-only lending until 2030. This political control over municipal finance severely limits local authorities' ability to respond flexibly to housing demand or implement innovative financing mechanisms.

Accountability Gaps and Data System Needs

Most African countries lack systematic data collection and accountability frameworks for municipal housing delivery. Kenya provides a contrasting model through its Affordable Housing Act, which establishes portal-based registration systems enabling data-driven beneficiary selection and project monitoring. This systematic approach allows for evidence-based policy adjustment and reduces opportunities for political manipulation of allocation decisions.

The absence of comparable systems in most African countries means that municipal housing interventions operate without adequate feedback mechanisms. Municipal authorities cannot accurately assess housing demand, monitor project outcomes, or adjust strategies based on evidence. This data gap perpetuates ineffective interventions and limits learning from both successes and failures.

Despite these institutional constraints, emerging innovations demonstrate possibilities for municipal authorities to expand their effectiveness within existing frameworks. South African examples include Cape Town's bylaws legalising accessory dwelling units, which enable micro-developers to increase housing supply without requiring major institutional changes. Johannesburg's innovation of naming informal settlements as recognised zones enables service delivery without requiring complex tenure regularisation processes.

These innovations suggest that municipal authorities need not wait for comprehensive institutional reform to improve housing delivery outcomes. However, they require sophisticated understanding of policy environments and strategic approaches to working within and around institutional constraints. This toolkit provides frameworks for such strategic navigation of complex institutional contexts.

A.2.3. LITERATURE REVIEW

Academic and policy research on municipal housing delivery in Africa reveals consistent patterns of constraint and opportunity across diverse country contexts. This literature

review synthesises key findings from recent research to establish the evidence base for the toolkit's recommendations.

Scale of the Challenge: Quantifying Municipal Housing Gaps

The African Development Bank's Sustainable Urban Development Action Plan (SUDAP) provides the most comprehensive recent assessment of Africa's housing deficit. The estimated 50.5-million-unit backlog represents approximately 30% of current urban housing stock, indicating that conventional delivery mechanisms would require dramatic scaling to meet existing demand before accounting for continued urban population growth at 4.1% annually.

UN-Habitat's 2020 analysis reveals that informal settlement growth continues to outpace formal housing delivery across Sub-Saharan Africa. The persistence of 50% urban populations in informal settlements despite decades of policy intervention suggests fundamental limitations in existing municipal delivery approaches. This statistical reality indicates that incremental improvements to current systems will prove inadequate without more systematic reforms.

Country-specific data illuminates the severity of municipal-level challenges. Nigeria's 17-million-unit deficit represents approximately 40% of current housing stock, whilst Kenya's 2-million-unit deficit affects primarily urban areas where municipal authorities bear primary responsibility for facilitating delivery. These figures exclude the substantial additional demand generated by continued urbanisation, suggesting that municipal authorities face permanently expanding housing gaps without dramatic improvement in delivery capacity.

Housing Value Chain Analysis: Systemic Blockages

Recent research identifies five critical blockage points constraining municipal housing delivery across Africa. Land assembly challenges reflect complex tenure systems, with customary, statutory, and religious land ownership creating overlapping and often conflicting claims. Municipal authorities frequently lack legal mechanisms to assemble land at scale whilst providing fair compensation to existing users.

Infrastructure provision represents the most capital-intensive constraint facing municipal authorities. Bulk infrastructure requirements (water, sewer, electricity, roads) can represent 40-60% of total housing project costs, yet most municipalities lack capital budgets adequate for infrastructure investment at housing-demand scale. This infrastructure deficit limits developable land and increases per-unit costs for housing that is developed.

Construction industry capacity constraints affect both speed and cost of housing delivery. Research indicates that local construction industries in most African countries cannot respond elastically to increased housing demand due to skills shortages, limited access to materials, and inadequate competition among contractors. These constraints mean that increased public investment in housing often generates price inflation rather than proportional increases in housing supply.

Finance sector analysis reveals systematic constraints limiting affordable housing credit. Interest rates incorporate policy rates, credit-risk premiums, maturity premiums, and under-utilisation of collateral, creating effective borrowing costs that exceed affordability thresholds for most urban residents. Municipal authorities lack mechanisms to address these finance sector constraints independently, requiring coordination with financial regulators and institutions.

International Comparative Analysis: Municipal Housing Strategies

International research provides insights into alternative municipal housing delivery approaches. Finnish municipalities employ two primary strategies: increasing overall housing stock through market facilitation versus direct public provision of affordable units. Research indicates that both approaches face political tensions between economic efficiency objectives and social equity goals.

Finnish experience suggests that municipal authorities require sophisticated analytical capacity to balance these competing objectives effectively. Municipalities focusing on stock increase through market facilitation achieve greater overall housing supply but may not adequately serve lowest-income residents. Municipalities emphasising direct provision better serve equity objectives but may achieve lower overall supply increases. This tension appears consistent across different institutional contexts.

South African Municipal Experience: Institutional Complexity and Capacity Constraints

Lategan's comprehensive research on South African municipal housing delivery reveals systematic constraints affecting local authorities across the country. The finding that only 17.67% of municipalities maintain dedicated housing departments indicates fundamental institutional weaknesses that constrain delivery capacity regardless of available funding.

Skills shortage analysis identifies critical gaps in tendering, procurement, project management, engineering, and planning capabilities within municipal housing departments. These capacity constraints create implementation bottlenecks even when funding becomes available, suggesting that capacity building represents a prerequisite for effective municipal housing delivery rather than a parallel concern.

Corruption and malfeasance research reveals how institutional complexity enables rent-seeking behaviour that undermines housing delivery effectiveness. The identification of 800 government employees as unlawful housing subsidy beneficiaries, with 15% being municipal officials, illustrates how weak accountability systems create perverse incentives that divert resources from intended beneficiaries.

Innovation Examples: Emerging Municipal Strategies

Recent research identifies promising innovations in municipal housing delivery across Africa. Rwanda's Integrated Development Programme (IDP) demonstrates systematic approaches to coordinating land assembly, infrastructure provision, and housing construction within integrated municipal planning frameworks. This model suggests possibilities for comprehensive municipal intervention when adequate institutional coordination mechanisms exist.

South African municipal innovations provide examples of regulatory approaches that facilitate increased housing supply without requiring direct municipal investment. Cape Town's bylaws legalising accessory dwelling units enable property owners to develop additional rental units, effectively increasing housing supply through private investment guided by municipal regulation.

Technology innovations demonstrate potential for municipal authorities to improve planning and approval processes. David Gardner's "Developable" app streamlines development approval processes, reducing time and uncertainty for private developers whilst improving municipal planning oversight. Johannesburg's innovation of recognising informal settlements as legitimate zones enables service delivery without requiring complex tenure regularisation.

Data Systems and Accountability: Learning from Kenya

Kenya's Affordable Housing Act provides a model for systematic data collection and accountability frameworks that could enhance municipal housing delivery effectiveness. The portal-based registration system enables evidence-based beneficiary selection, project monitoring, and policy adjustment based on implementation experience.

Research by Kecia Rust emphasises data gaps as fundamental constraints limiting municipal housing delivery effectiveness across Africa. Without systematic data on housing demand, beneficiary characteristics, and project outcomes, municipal authorities cannot design interventions appropriately or adjust strategies based on evidence. This analytical gap perpetuates ineffective approaches and limits institutional learning.

The literature review reveals that municipal housing delivery challenges in Africa reflect both universal constraints (finance, capacity, institutional coordination) and context-specific factors (political systems, tenure arrangements, construction industry characteristics). Effective municipal responses require sophisticated understanding of both universal principles and local adaptation requirements.

A.2.4. VIRAL MODEL FRAMEWORK

The evidence from literature review and stakeholder consultations reveals that successful municipal housing delivery requires coordinated intervention across five interconnected domains. The common issues range from value chain integration, lack of institutional coordination, resource constraints, affordability and challenges with land and regulations. The factors we have identified from the study have been adapted to the VIRAL framework—Vision, institutions, regulators, actors and local initiatives; this framework provides an organising structure for municipal authorities seeking to develop comprehensive housing delivery strategies.

This framework adopted by Altair International for Municipal authorities stems from the country diagnostic tool earlier developed for Shelter Afrique emerges from analysis of both successful innovations and systematic failures in municipal housing delivery across Africa. Each pillar represents a necessary but insufficient condition for effective housing delivery.

Municipal authorities must address all five domains simultaneously to achieve sustainable improvements in housing delivery capacity. The key issues are set out broadly below; we have refined and developed the concepts in full detail in section B.

VALUE CHAIN INTEGRATION

Municipal authorities must understand and actively coordinate across the full housing value chain: land assembly, infrastructure provision, construction, finance, and ongoing management. Stakeholder interviews reveal that most municipal housing failures result from focusing on isolated value chain elements whilst ignoring systemic interdependencies.

Zimbabwe's experience illustrates value chain integration failures: creating 5,200 residential plots without water, sewer, or road infrastructure demonstrates intervention in land assembly without corresponding infrastructure coordination. This approach generates short-term revenue but fails to deliver habitable housing, ultimately undermining municipal credibility and citizen welfare.

Effective value chain integration requires municipal authorities to develop analytical frameworks for understanding bottlenecks across all chain elements and coordinating interventions to address multiple constraints simultaneously. This may involve partnerships with private sector actors, coordination with other government levels, and innovative financing mechanisms.

INSTITUTIONAL COORDINATION

Housing delivery involves multiple institutional actors across different government levels and sectors. Municipal authorities must develop sophisticated coordination mechanisms to align these diverse actors around coherent housing delivery strategies.

Nigeria's experience demonstrates institutional coordination failures: federal agencies implementing projects without consulting state or municipal authorities create parallel delivery systems that compete rather than complement local efforts. This fragmentation wastes resources and undermines comprehensive approaches to housing delivery.

Successful institutional coordination requires municipal authorities to map institutional actors, understand their incentives and constraints, and develop mechanisms for aligning diverse interests around shared housing delivery objectives. This may involve formal coordination agreements, shared data systems, and collaborative planning processes

RESOURCE MOBILISATION

Municipal authorities face fundamental resource constraints that limit housing delivery capacity. Effective resource mobilisation requires diversified approaches combining municipal resources, intergovernmental transfers, private sector partnerships, and innovative financing mechanisms.

Current municipal experiences reveal both constraints and opportunities in resource mobilisation. Zimbabwe's municipalities face borrowing restrictions requiring Ministry approval, whilst South African municipalities access national housing subsidies but lack coordination mechanisms to leverage private sector finance effectively.

Effective resource mobilisation requires municipal authorities to understand available financing options, develop bankable project proposals, and create partnership structures that attract private sector investment whilst maintaining public sector oversight of housing delivery outcomes.

AFFORDABILITY DESIGN

Housing delivery systems must be designed to serve target populations effectively whilst maintaining financial sustainability. This requires sophisticated understanding of affordability constraints among target beneficiaries and design of delivery mechanisms that bridge affordability gaps without creating unsustainable subsidies.

South African experience demonstrates both possibilities and limitations in affordability design. The national housing subsidy system provides free housing for households earning below R3,500 monthly but creates gaps for higher-income residents who cannot access subsidies yet cannot afford market-rate housing. Municipal authorities must design interventions that ADDRESS THESE affordability gaps effectively.

Effective affordability design requires municipal authorities to collect systematic data on target beneficiary income levels, housing preferences, and payment capacity, then design delivery mechanisms that match housing supply characteristics to beneficiary demand and affordability constraints.

LAND AND REGULATION

Land assembly and regulatory frameworks represent fundamental constraints and opportunities for municipal housing delivery. Municipal authorities must develop sophisticated approaches to land assembly that respect existing rights whilst enabling development at scale. They must also design regulatory frameworks that facilitate rather than constrain appropriate housing development.

South African municipal innovations demonstrate possibilities for regulatory innovation within existing legal frameworks. Cape Town's legalisation of accessory dwelling units enables property owners to develop additional rental housing, whilst Johannesburg's recognition of informal settlements as legitimate zones enables service delivery without complex tenure regularisation.

Effective land and regulation strategies require municipal authorities to understand existing tenure systems, map regulatory bottlenecks that constrain appropriate development, and design innovative regulatory approaches that facilitate increased housing supply whilst protecting legitimate existing rights.

The **PRINCIPLES OF THE VIRAL** framework recognises that these five domains are deeply interconnected. Resource mobilisation strategies must align with affordability design requirements. Institutional coordination mechanisms must support rather than constrain value chain integration. Land and regulation frameworks must facilitate rather than impede resource mobilisation and affordability objectives.

Municipal authorities using the principles behind this framework must therefore adopt systems thinking approaches that recognise interdependencies across all five domains. This toolkit's subsequent sections provide detailed guidance for municipal intervention within each domain, whilst emphasising the coordination requirements necessary for overall system effectiveness. It must be stated that the five broad issues identified during this study can be broadened to include other factors. The essential point is that each municipal and or state authority should adopt an ecosystem approach that reflects the coordination of the critical factors affecting the delivery of housing in their local context.

The framework is designed to be adaptable across different country contexts and municipal capacity levels. Municipal authorities can use the framework to diagnose their current constraints and opportunities systematically, prioritise interventions based on local conditions, and develop comprehensive strategies that address multiple constraints simultaneously rather than pursuing isolated solutions that fail to address systemic problems.

B. The VIRAL FRAMEWORK IN PRACTICE

B.1. INTRODUCTION TO THE VIRAL FRAMEWORK FOR MUNICIPAL AUTHORITIES

The Framework provides a comprehensive, systematic approach to municipal housing delivery that addresses the interconnected challenges facing African municipalities. The framework follows a logical progression: **VISION** → **INSTITUTIONS** → **REGULATORS** → **ACTORS** → **LOCAL INITIATIVES**, where each pillar builds upon the previous one to create a self-reinforcing system for sustainable affordable housing delivery.

Unlike fragmented approaches that address individual challenges in isolation, the Framework recognises that municipal housing delivery requires coordinated action across strategic planning, institutional capacity, regulatory reform, stakeholder mobilisation, and project implementation. This integrated approach is essential given the scale of Africa’s housing challenge—with a continental backlog of 50.5 million units (AfDB SUDAP, 2018) and 50% of Sub-Saharan Africa’s urban populations living in informal settlements (UN-Habitat, 2020).

B.2. CROSS-CUTTING THEMES APPLICATION

Four critical themes cut across all five pillars, ensuring that housing programmes are sustainable, inclusive, transparent, and results-oriented:

CROSS-CUTTING THEME	VISION APPLICATION	INSTITUTIONS APPLICATION	REGULATORS APPLICATION	ACTORS APPLICATION	LOCAL INITIATIVES APPLICATION
GENDER & SOCIAL INCLUSION	Gender-disaggregated needs assessment, women’s housing priorities-	Women’s representation in housing departments, inclusive consultation	Women’s land rights, joint titling requirements	Women-led cooperatives, female contractor development	Gender-responsive design, women’s safety considerations
CLIMATE RESILIENCE	Climate risk assessment in strategic planning	Climate expertise in municipal teams, green finance capacity	Green building codes, climate-adaptive zoning	Green technology suppliers, climate finance partners	Climate-responsive design, renewable energy integration

ANTI-CORRUPTION	Transparent target-setting, public accountability mechanisms	Ethics training, conflict of interest policies	Transparent land allocation, competitive bidding requirements	Due diligence on partners, transparent selection criteria	Open procurement, community monitoring, third-party audits
MONITORING & EVALUATION	Clear KPIs and targets, regular strategy review	M&E capacity building, reporting systems	Regulatory impact assessment, reform tracking	Partnership performance metrics, stakeholder feedback	Project-level M&E, beneficiary satisfaction tracking
FRAGILE, CONFLICT-AFFECTED & VULNERABLE (FCV) CONTEXTS	Conflict-sensitive housing strategies, displacement-aware planning, prioritisation of vulnerable and affected populations	Adaptive institutional arrangements, emergency coordination capacity, resilience planning in fragile governance settings	Flexible regulatory approaches for post-conflict recovery, tenure regularisation, and emergency shelter-to-housing transitions	Engagement with humanitarian actors, community stabilisation partners, and local peacebuilding organisations	Incremental upgrading, transitional shelter pathways, livelihood-sensitive settlement responses, and social cohesion measures

B.3 PILLAR 1: VISION - Strategic Planning

Strategic vision provides the foundation for all municipal housing activities. Without clear, evidence-based planning that defines housing needs, establishes affordability parameters, and sets realistic targets, municipalities cannot effectively deploy limited resources or engage partners meaningfully. This pillar transforms housing from an unfunded mandate into a planned, strategic municipal function.

1. HOUSING NEEDS ASSESSMENT METHODOLOGY

Effective housing strategy begins with rigorous needs assessment that combines quantitative deficit calculation with qualitative inadequacy assessment. This dual approach is essential because housing challenges in African cities encompass both absolute shortages and inadequate existing stock.

Quantitative Housing Deficit Calculation

The housing deficit represents the gap between existing adequate housing stock and total household demand. The calculation follows this methodology:

1. Current Housing Stock Assessment: Enumerate all existing housing units by type (formal/informal, permanent/temporary, adequate/inadequate)

2. Household Formation Projections: Calculate current and projected households based on demographic data and household size trends
3. Housing Adequacy Standards: Define minimum standards for adequate housing (structure, services, tenure security, location)
4. Deficit Calculation: Total deficit = (Projected households - Adequate housing stock)
+ Annual household growth × Planning period

Qualitative Housing Inadequacy Assessment

Beyond numerical deficits, municipalities must assess housing quality across multiple dimensions:

- Physical Structure: Structural integrity, weather protection, space adequacy
- Basic Services: Water, sanitation, electricity, waste management access
- Tenure Security: Legal security against forced eviction
- Location Adequacy: Access to employment, education, healthcare, transport
- Affordability: Housing costs relative to household income

Data Limitations and Proxy Indicators

For municipalities lacking recent census or survey data, alternative data sources can supplement needs assessment:

- School Enrolment Records: Provide household formation estimates and spatial distribution
- Utility Connections: Indicate settlement patterns and service coverage gaps
- Satellite Imagery Analysis: Track settlement growth and density changes over time
- University Partnerships: Leverage academic institutions for targeted household surveys
- Mobile Phone Data: Population density and movement patterns (where available)
- Health Clinic Records: Service catchment areas and population estimate

Note: The quality of needs assessment directly impacts all subsequent planning decisions. Investing in data collection and partnerships with research institutions pays dividends throughout the programme cycle.

2. DEFINING AFFORDABILITY FOR YOUR CONTEXT

Housing affordability is context-specific and must be defined based on local income distributions and housing costs. The widely accepted threshold of 30% of household income for housing costs provides a starting point, but municipalities must develop nuanced affordability bands that reflect their specific economic conditions.

Income Band Categorisation Methodology

Effective affordability analysis segments households into income bands with distinct housing needs and financing capacity:

- Extremely Low Income (0-30% AMI): Require full subsidies or social rental housing
- Very Low Income (30-50% AMI): Need significant subsidies plus some household contribution
- Low Income (50-80% AMI): Can access affordable housing with moderate subsidies or favourable financing

- Moderate Income (80-120% AMI): Market-rate housing with some affordability support
 - Above Moderate Income (>120% AMI): Market-rate housing without subsidy
- Where AMI = Area Median Income for the municipality of metropolitan area

WORKED EXAMPLE: CALCULATING AFFORDABILITY BANDS FOR "MUNICIPALITY X"

STEP 1: GATHER DATA

AVERAGE MONTHLY INCOME (AMI) FROM HOUSEHOLD SURVEYS: \$400

- TYPICAL COST TO BUILD A CORE HOUSING UNIT (INCLUDING LAND AND INFRASTRUCTURE):
- \$8,000
- AVAILABLE MORTGAGE PRODUCT: 15-YEAR TERM AT 10% INTEREST

STEP 2: APPLY STANDARD AFFORDABILITY THRESHOLD

AFFORDABLE MONTHLY PAYMENT (30% OF AMI): $0.3 \times \$400 = \$120/\text{MONTH}$

STEP 3: CALCULATE MAXIMUM MORTGAGE

USING STANDARD MORTGAGE CALCULATIONS, A \$120/MONTH PAYMENT OVER 15 YEARS AT 10% INTEREST SUPPORTS A LOAN OF APPROXIMATELY \$11,000.

STEP 4: IDENTIFY THE AFFORDABILITY GAP

- UNIT COST: \$8,000
- MAXIMUM MORTGAGE: \$11,000
- ANALYSIS: HOUSEHOLDS AT THE AMI (\$400/MONTH) CAN TECHNICALLY AFFORD THE UNIT. HOWEVER, HOUSEHOLDS IN THE "VERY LOW INCOME" BAND (30-50% AMI, OR \$120-\$200/MONTH) CAN ONLY AFFORD \$36-\$60/MONTH PAYMENTS, SUPPORTING MAXIMUM LOANS OF APPROXIMATELY \$3,300-\$5,500. THIS CREATES A SIGNIFICANT AFFORDABILITY GAP OF \$2,500-\$4,700 PER UNIT, CLEARLY INDICATING THE NEED FOR TARGETED SUBSIDIES FOR LOWER INCOME BANDS.

POLICY IMPLICATIONS: THIS ANALYSIS DEMONSTRATES THAT MUNICIPALITY X NEEDS A DIFFERENTIATED APPROACH—MARKET-RATE DELIVERY FOR MIDDLE-INCOME HOUSEHOLDS, AND SUBSTANTIAL SUBSIDIES (50-60% OF UNIT COST) FOR VERY LOW-INCOME HOUSEHOLDS.

Cape Town Affordability Case Study

Cape Town's "Rule of Thirds" provides a practical heuristic for affordability analysis. The city segments housing costs into three components: land (33%), services and infrastructure (33%), and construction (33%). This framework helps municipalities identify where interventions can most effectively reduce costs—subsidised land provision, bulk infrastructure investment, or construction technology improvements.

South Africa's national housing subsidy programme, referenced in interviews with Kecia Rust, illustrates large-scale affordability targeting. Households earning less than R3,500 per month (approximately \$190) are eligible for fully subsidised housing units. This clear threshold enables systematic programme design and implementation, though it requires substantial fiscal resources

Key Takeaway: Affordability analysis must move beyond general thresholds to specific income bands with targeted interventions. Successful municipalities develop clear affordability matrices that link household income ranges to appropriate housing products and subsidy levels. This analysis becomes the foundation for financial planning, partner engagement, and project design.

3. SETTING TARGETS AND ALIGNING URBAN STRATEGY

Housing targets must be realistic, time-bound, and integrated with broader urban development strategy. Disconnected housing programmes often fail because they lack coordination with infrastructure investment, economic development, and spatial planning.

Strategic Integration Requirements

- Spatial Development Frameworks: Ensure housing locations support compact, connected urban form
- Infrastructure Investment Plans: Coordinate housing delivery with planned infrastructure upgrades
- Economic Development Strategy: Locate affordable housing near employment opportunities
- Transport Planning: Consider accessibility and transport costs in site selection
- Environmental Planning: Avoid environmentally sensitive areas and climate risks

Phased Delivery Timeline Framework

PHASE	TIMELINE	FOCUS	TARGET ACHIEVEMENT
Foundation Phase	0-2 years	Institutional capacity, regulatory reform, land acquisition	10-15% of total target
Scale-Up Phase	2-5 years	Project implementation, system refinement	50-60% of total target
Consolidation Phase	5-10 years	Sustained delivery, system maintenance	Remaining target + ongoing need

Monitoring Methodology

Strategic planning requires robust monitoring that adapts to changing conditions while maintaining accountability:

- **Annual Strategy Review:** Track key performance indicators against targets:
 - Units delivered by income band and location
 - Beneficiary affordability and satisfaction
 - Land secured and serviced
 - Infrastructure investments completed
 - Private sector and DFI engagement progress
- **Full Strategy Review (3-5 years):** Comprehensive reassessment adapting to:
 - Demographic and economic changes
 - Institutional capacity evolution
 - Technology and financing innovations

- Lessons learned from implementation

Key Takeaway: Strategic planning is not a one-time exercise but an iterative process that adapts to changing demographics, economic conditions, and institutional capacity. Successful municipalities review and update their housing strategies every 3-5 years, supported by lightweight Annual Strategy Reviews that track key performance indicators against targets to inform necessary adjustments.

4. STAKEHOLDER ENGAGEMENT ESSENTIAL

Effective housing strategy requires early and sustained engagement with all stakeholders who can influence or benefit from municipal housing programmes. This multi-stakeholder approach is essential for building political support, leveraging resources, and ensuring programme sustainability.

Multi-Stakeholder Consultation Framework

- **Community Representatives:** Ensure authentic representation from target communities, including women's groups, youth organisations, and informal settlement leaders
- **Private Sector Partners:** Engage developers, contractors, financial institutions, and material suppliers to understand market constraints and opportunities
- **Development Finance Institutions:** Early dialogue with AfDB, World Bank, Shelter Afrique to align programme design with funding requirements
- **Civil Society Organisations:** Leverage NGOs and CBOs for community mobilisation, monitoring, and programme delivery
- **Traditional Authorities:** In contexts where customary land governance is significant, ensure meaningful participation in land allocation and programme design
- **Other Government Levels:** Coordinate with national housing agencies, provincial authorities, and neighbouring municipalities

Consultation Methods and Timing

- **Strategy Development Phase:** Focus groups, community meetings, stakeholder workshops
- **Implementation Phase:** Regular steering committee meetings, progress reviews, grievance mechanisms
- **Monitoring and Evaluation:** Beneficiary feedback sessions, partner performance reviews, community audits.

Tools

Strategic Planning Framework (Visual Guide)

Phase 1: Assessment (Months 1-6)

- Conduct comprehensive needs assessment
- Analyse affordability and define target groups
- Map existing resources and constraints
- Stakeholder consultation and priority setting

Phase 2: Strategy Development (Months 6-12)

- Set quantified targets by income band and location

- Develop financing strategy and resource mobilisation plan
- Design institutional arrangements and partnerships
- Integrate with spatial and infrastructure planning

Phase 3: Implementation Planning (Months 12-18)

- Develop detailed implementation roadmap
- Establish monitoring and evaluation framework
- Secure political approval and budget allocation
- Launch first pilot projects.

Action Checklist

0-6 Months: Foundation

- Complete housing needs assessment using recommended methodology
- Define affordability bands for local context
- Conduct stakeholder mapping and initial consultations
- Assess institutional capacity and identify gaps
- Review existing policies and identify regulatory barriers

6-18 Months: Strategy Development

- Draft comprehensive housing strategy with quantified targets
- Develop financing strategy and resource mobilisation plan
- Design institutional arrangements and capacity building plan
- Integrate housing strategy with spatial and infrastructure planning
- Establish monitoring and evaluation framework
- Secure political approval and initial budget allocation

18-36 Months: Early Implementation

- Launch pilot projects to test delivery systems
- Implement institutional capacity building programme
- Establish partnerships with key stakeholders
- Begin strategic land acquisition and banking
- Conduct first annual strategy review and adjust as needed

With strategic vision established through rigorous needs assessment and affordability analysis, municipalities must now build the institutional capacity and partnerships necessary to translate plans into action.

B.4 PILLAR 2: INSTITUTIONS - Building Capacity and Partnerships

Institutional capacity determines whether municipal housing strategies remain documents or become operational programmes. This pillar addresses the fundamental challenge identified by Lategan's research: only 17.67% of South African municipalities have dedicated housing departments. Building effective institutions requires both internal capacity development and strategic partnerships that leverage external expertise and resources.

1. ORGANISATIONAL ARRANGEMENTS

Municipalities face a fundamental choice in structuring their housing function: establishing an in-house housing unit within the municipal administration or creating a separate municipal

housing corporation. Each model has distinct implications for autonomy, accountability, resource mobilisation, and operational efficiency.

Institutional Model Comparison

ASPECT	IN-HOUSE HOUSING UNIT	MUNICIPAL HOUSING CORPORATION
GOVERNANCE	Direct municipal control, council oversight	Board governance with municipal representation
AUTONOMY	Limited; subject to municipal procedures	High operational autonomy within mandate
ACCOUNTABILITY	Direct to municipal council and citizens	To board, with ultimate accountability to municipality
RESOURCE MOBILISATION	Municipal budget allocation, limited borrowing	Can access commercial finance, issue bonds
STAFFING	Municipal employment framework	Market-competitive remuneration possible
PROCUREMENT	Municipal procurement procedures	Streamlined commercial procurement
EXAMPLES	Most South African municipalities	Johannesburg Social Housing Company

Skills Gap Identification Framework

Regardless of institutional model, municipalities must assess and address capacity gaps across four categories identified by Lategan's research:

1. IDP Planning: Integrated development planning, needs assessment, strategic planning
2. Procurement: Tendering processes, contract management, vendor evaluation
3. Project Management: Planning, implementation, monitoring, quality control
4. Housing Allocation: Beneficiary selection, registration, communication, conflict resolution.

Capacity Assessment Framework

COMPETENCY AREA	REQUIRED SKILLS	ASSESSMENT CRITERIA	GAP ANALYSIS
Technical Planning	Urban planning, housing economics, infrastructure planning, project preparation	Qualified staff, recent experience, planning tools, retaining experienced staff	Skills present/training needed/recruitment required, incentives for retaining experienced staff
Financial Management	Budgeting, financial modelling, procurement, contract management	Financial systems, qualified staff, audit record	Systems adequate/training needed/system upgrade
Project Implementation	Project management, quality control, stakeholder engagement	Project delivery record, management systems	Capacity assessment score and development plan

Partnership Management	Contract negotiation, relationship management, monitoring	Partnership agreements, performance record	Relationship quality and improvement needs
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Anti-Corruption Considerations

Lategan's research revealed concerning corruption indicators: 800 government employees were found to be unlawful subsidy beneficiaries in 2010, with 15% being municipal officials. Institutional design must proactively address corruption risks through:

- **Transparent Beneficiary Selection:** Clear criteria, public waiting lists, independent verification
- **Competitive Procurement:** Open bidding, evaluation committees, conflict of interest declarations
- **Financial Controls:** Segregation of duties, regular audits, whistleblower protection
- **Public Accountability:** Regular public reporting, community oversight, grievance mechanisms.

2. BUILDING STRATEGIC PARTNERSHIPS

Municipal housing delivery requires partnerships that complement internal capacity with external expertise, financing, and implementation capabilities. Strategic partnership development must be systematic and aligned with institutional capacity and programme objectives.

Engaging Development Finance Institutions

DFIs represent critical partners for African municipalities, providing both financing and technical assistance. However, engagement requires understanding of their specific mandates, requirements, and processes.

Case Study: AfDB & Kigali Green City

The Project: The Kigali Green City project in Rwanda represents a flagship climate-resilient, affordable urban community supported by KfW Development Bank which is the German development bank that funds projects on behalf of the German government to support economic and social progress in developing and emerging countries. The integrated development combines residential, commercial, and institutional uses with green infrastructure including solar energy systems, sustainable drainage, and efficient waste management.

Municipal Relevance: The project demonstrates how DFI support can blend green financing with affordable housing delivery, but requires strong municipal coordination for land provision, master planning, and infrastructure integration. The Green City Kigali company supported by the City of Kigali played a central coordinating role, managing land assembly, regulatory approvals, and infrastructure integration.

Key Success Factors:

- Clear master plan with integrated land use and infrastructure
- Completed feasibility studies demonstrating financial viability
- Committed public land contribution at strategic location
- Robust governance structure for implementation coordination
- Alignment with national urban development priorities

Lesson for Municipalities: Successful DFI projects require a "bankable package" that municipalities must prepare clear master plan, completed feasibility studies, committed public land, and robust governance structure for implementation—all elements within municipal purview and control

Case Study: World Bank Kenya Affordable Housing Programme

Programme Overview: The World Bank's support for Kenya's affordable housing programme provides technical assistance and financing for institutional development, regulatory reform, and project implementation across multiple counties.

Municipal Entry Points:

- County-level housing strategy development
- Institutional capacity building for housing delivery
- Infrastructure financing for affordable housing projects
- Technical assistance for regulatory reform

Requirements: Counties must demonstrate commitment through budget allocation, institutional arrangements, and alignment with national affordable housing strategy. The programme emphasises systematic institutional development rather than project-by-project support.

Enhanced Bankability Essentials

DFIs assess municipal projects across four key dimensions:

ASSESSMENT AREA	SPECIFIC REQUIREMENTS	MUNICIPAL PREPARATION
FINANCIAL VIABILITY	Detailed financial model with realistic assumptions, clear revenue streams, sensitivity analysis, municipal financial statements	Professional financial modelling, "What if construction costs rise 15%?" scenario analysis, credit rating assessment
TECHNICAL CAPACITY	Proven project management track record, qualified implementation team, technical design standards	Portfolio of completed projects, CV of key staff, technical specifications and standards
ENVIRONMENTAL/SOCIAL SAFEGUARDS	Environmental impact assessments, resettlement plans, gender action plans, stakeholder engagement	Comprehensive safeguards documentation, community consultation records, mitigation measures
GOVERNANCE	Transparent procurement systems, anti-corruption measures, accountability mechanisms	Procurement manuals, ethics policies, public reporting systems, audit records

DFI Engagement Roadmap

The following five-phase approach provides a systematic framework for DFI engagement:

Phase 1: Preparation (Months 1-3)

- Conduct institutional capacity self-assessment using provided checklist
- Develop preliminary project concept with high-level financial model
- Prepare comprehensive municipal profile and track record documentation
- Identify suitable DFI partners based on mandate alignment (AfDB for integrated urban projects, Shelter Afrique for direct housing finance, World Bank for institutional development etc.)

Phase 2: Initial Contact (Months 3-6)

- Submit formal enquiry with preliminary project concept
- Participate in preliminary meetings and project scoping discussions
- Align project design with DFI strategic priorities and country programmes
- Receive guidance on application requirements and procedures

Phase 3: Proposal Development (Months 6-12)

- Develop detailed project proposal with comprehensive feasibility study
- Prepare detailed financial model with sensitivity analysis
- Complete environmental and social safeguards documentation
- Establish governance arrangements and implementation capacity

Phase 4: Appraisal & Approval (Months 12-18)

- Support DFI due diligence process with requested information
- Address appraisal findings and modify project design as required

- Secure municipal council approval for loan agreements
- Complete legal documentation and conditions precedent

Phase 5: Implementation (Years 2-5)

- Establish project implementation unit and reporting systems
- Manage disbursement requests and compliance reporting
- Implement monitoring and evaluation framework
- Conduct regular supervision missions and progress reviews

Private Sector and Community Engagement

Effective partnerships with private sector and community actors require overcoming the adversarial relationships that Kecia Rust identifies as common in African municipalities. Success requires understanding private sector constraints and community priorities while designing mutually beneficial partnership arrangements.

Developer and Contractor Partnerships

Private sector engagement requires carefully designed incentive mechanisms that align private risks and returns with public objectives:

- Tax Incentives: Property tax reductions for affordable housing developments
- Subsidised Land: Below-market land prices in exchange for affordability commitments
- Expedited Approvals: Fast-track processing for qualifying affordable housing projects
- Risk Sharing: Municipal guarantees or first-loss facilities for innovative financing
- Bulk Infrastructure: Municipal investment in trunk infrastructure reducing private development costs

Community Participation Models with Gender-Responsive Approaches

Community engagement must ensure meaningful participation, particularly from women and marginalised groups:

- Participatory Planning: Community involvement in site planning and housing design with specific mechanisms ensuring women's voices are heard
- Capacity Building: Training programmes for community leaders, with quotas for women's participation
- Employment Creation: Local hiring requirements with targets for women and youth employment
- Cooperative Development: Support for housing cooperatives with governance training to address the failures Emma Mandiziba experienced in Mutare

As Kecia Rust notes, municipalities often lack economics competence in housing departments and view the private sector as adversarial rather than collaborative. Changing this requires systematic capacity building and relationship development that recognises mutual dependencies and shared interests in housing delivery

3. TRAINING AND CAPACITY BUILDING

Systematic capacity building is essential for sustainable municipal housing delivery. Training programmes must address both technical competencies and institutional systems that support effective housing programmes. In addition to training, municipal authorities should consider bringing in private sector actors to co create solutions and encourage knowledge transfer.

Core Competencies for Municipal Housing Delivery

- **Strategic Planning:** Housing needs assessment, market analysis, target setting, integration with urban planning
- **Financial Management:** Budgeting, financial modelling, procurement, contract management, DFI engagement
- **Project Management:** Project planning, implementation, quality control, stakeholder coordination
- **Partnership Management:** Private sector engagement, community participation, intergovernmental coordination
- **Monitoring and Evaluation:** Performance measurement, reporting, adaptive management

Training Module Overview

Module 1: Housing Planning and Finance Basics

- Housing needs assessment methodologies and tools
- Affordability analysis and target group definition
- Municipal budgeting and financial planning for housing
- Financial modelling and feasibility analysis
- DFI and private sector financing mechanisms

Module 2: Land Management and Project Delivery

- Land acquisition strategies and legal frameworks
- Tenure systems and regularisation processes
- Project management essentials and quality control
- Procurement and contract management
- Infrastructure planning and coordination

Module 3: Green Construction and Community Engagement,

- Climate-responsive design principles and green building standards
- Sustainable construction technologies and materials
- Participatory planning and community engagement methods
- Gender inclusion and social safeguards
- Managing Fragile, conflict-affected and vulnerable (FCV) settings
- Monitoring, evaluation, and adaptive management

Training Resources and Providers

- African Development Bank: Municipal capacity building programmes, Domestic Resource Mobilization strategies, online learning platforms and practical guidance from *Financing the Development of African Cities* (AfDB, 2023) on municipal finance readiness, capital markets, and city creditworthiness
- UN-Habitat: Urban planning and housing policy training, technical assistance
- National Housing Agencies: Country-specific programmes and regulatory training
- Universities: Academic programmes, executive education, research partnerships
- Professional Associations: Continuing professional development, peer learning

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- networks
- Shelter Afrique: Municipal housing finance training, project preparation training and technical assistance

Continuous Professional Development Strategies

- Peer Learning Networks: Municipal housing practitioner exchanges and communities of practice
- Mentorship Programmes: Pairing developing municipalities with experienced counterparts
- Study Tours: Exposure visits to successful housing programmes in other cities
- Annual Conferences: Knowledge sharing and professional networking opportunities
- Online Learning Platforms: Accessible, flexible training delivery method

TOOLS

Capacity Assessment Checklist

Institutional Structure Assessment

- Dedicated housing unit or department established
- Clear mandate and reporting relationships defined
- Adequate staffing levels and qualifications
- Budget allocation and financial management systems
- Political support and council oversight

Technical Capacity Assessment

- Housing planning and needs assessment capability
- Financial modelling and feasibility analysis skills
- Project management and implementation experience
- Procurement and contract management systems
- Monitoring and evaluation frameworks

Partnership Capacity Assessment

- DFI engagement experience and capabilities
- Private sector partnership agreements and performance
- Community engagement systems and track record
- Intergovernmental coordination mechanisms
- Civil society collaboration frameworks

Partnership Agreement Template Outline

1. Partnership Objectives and Scope
 - Shared goals and expected outcomes
 - Specific roles and responsibilities of each partner
 - Geographic and temporal scope of partnership
2. Resource Contributions
 - Financial contributions and cost-sharing arrangements
 - In-kind contributions (land, staff time, equipment)
 - Technical expertise and capacity contributions
3. Governance and Management
 - Decision-making structures and processes
 - Communication and reporting requirements
 - Conflict resolution mechanisms
4. Risk Management and Performance
 - Risk identification and mitigation strategies
 - Performance indicators and monitoring frameworks
 - Review and evaluation processes

Action Checklist

- 0-6 Months: Institutional Assessment and Design**
- Complete comprehensive capacity assessment
 - Design optimal institutional arrangements
 - Recruit key staff and establish housing unit
 - Develop policies and procedures
 - Begin stakeholder mapping and engagement
- 6-18 Months: Capacity Building and Partnership Development**
- Implement staff training programmes
 - Establish partnerships with key DFIs and private sector actors
 - Develop community engagement frameworks
 - Create monitoring and evaluation systems
 - Launch pilot projects to test systems
- 18-36 Months: System Consolidation and Scaling**
- Evaluate and refine institutional arrangements
 - Expand partnership network and deepen relationship
 - Scale up project delivery based on lessons learned
 - Establish continuous improvement and learning systems
 - Plan for long-term sustainability and succession

With institutional foundations and strategic partnerships in place, municipalities must now address the regulatory environment that fundamentally determines whether housing plans can be realised affordably and at scale.

B.5 PILLAR 3: REGULATORS - Land and Enabling Frameworks

Regulatory frameworks fundamentally determine the success or failure of municipal housing programmes. This pillar addresses two critical regulatory areas: land systems and development controls, which together unlock land for housing and ensure affordable, efficient development. Regulatory reform requires sustained political commitment and technical capacity but delivers transformational improvements in housing delivery efficiency and affordability.

Land Acquisition and Management

Land represents the foundation of all housing delivery, yet it is often the most complex and politically sensitive aspect of municipal housing programmes. Municipalities must develop systematic approaches to land acquisition, management, and allocation that balance efficiency, equity, and affordability objectives.

Acquisition Modalities

Municipalities have multiple land acquisition options, each with distinct legal, financial, and political implications:

Purchase and Land Banking

- **Outright Purchase Strategy:** Acquiring land at current market prices for future development, requiring substantial upfront capital but providing maximum control and flexibility
- **Forward Contracting:** Securing options to purchase land at predetermined prices, reducing capital requirements while maintaining development rights
- **Land Banking for Future Development:** Strategic acquisition and holding of land for future housing programmes, requiring financing mechanisms and carrying costs management

Expropriation and Compensation

- **Legal Framework Requirements:** Public purpose justification, due process compliance, just compensation determination
- **Compensation Methodology:** Market value assessment, improvement compensation, relocation assistance where required
- **Process Timelines:** Legal notice periods, appeals processes, final settlement timelines

Partnerships and Land Swaps

- **Public-Private Land Partnerships:** Joint development agreements where private landowners contribute land in exchange for development rights or revenue sharing
- **Land in Exchange for Developed Units:** Arrangements where landowners receive completed housing units in lieu of cash payment
- **Cross-Subsidisation Models:** Using high-value sites to finance affordable housing on less valuable land

Land Acquisition Decision Tree

The following decision framework helps municipalities select appropriate acquisition methods based on specific circumstances:

CONSIDERATION	PURCHASE/BANKING	EXPROPRIATION	PARTNERSHIP/SWAP
BUDGET AVAILABILITY	High capital required	Moderate (compensation)	Low cash requirement
URGENCY	Depends on negotiation	Legal processes delay	Negotiation dependent
LAND MARKET CONDITIONS	Best in rising markets	Independent of market	Benefits from motivated sellers
LEGAL CAPACITY	Moderate requirements	High legal expertise	Moderate to high
POLITICAL SUPPORT	Generally acceptable	Controversial, requires justification	Can build stakeholder buy-in

Land Reservation Strategies

Proactive land reservation through planning instruments provides municipalities with greater control over land supply and prices:

- Inclusionary Zoning for Affordable Housing: Requiring private developments to include affordable units or contribute to affordable housing funds
- Forward Planning and Strategic Land Assembly: Identifying and securing future development areas before speculation drives prices upward
- Public Land Dedication: Reserving portions of public land for affordable housing within broader development schemes

Johannesburg's innovative approach of naming informal settlements as zones enables service delivery and planning integration. This regulatory innovation demonstrates how creative zoning can address legacy challenges while enabling future planned development.

Tenure Security Options

Municipalities must navigate complex tenure systems while providing security that enables household investment and access to finance:

Formal Titling: Full ownership title providing maximum security and collateral value, but requiring complete legal infrastructure and often lengthy processes

Occupancy Certificates: Intermediate tenure providing security of occupation without full ownership, enabling faster implementation and lower administrative costs

Informal Settlement Regularisation: Upgrading existing settlements with incremental tenure security, service provision, and layout improvements.

Land Value Capture

Land Value Capture: A Tool for Financing Housing in African Cities

What is Land Value Capture?

Land value capture (LVC) is a financial mechanism that enables municipal authorities to recover and reinvest increases in land values generated by public investments and government actions. When municipalities invest in infrastructure—such as roads, metro systems, water networks, or policy changes like zoning reforms—nearby land values typically rise substantially. LVC allows local governments to "capture" a portion of this windfall value increase and channel it back into community services and affordable housing development.

The fundamental principle is straightforward: public investment creates private wealth through rising property values, and LVC ensures that some of this publicly created value returns to benefit the broader community rather than accruing solely to private landowners and developers.

Key Land Value Capture Mechanisms

Municipal authorities can deploy six principal LVC instruments:

- 1. Property Taxes**

Regular taxation based on property values provides stable, predictable municipal revenue. As property values increase due to public investment, the government captures additional value through higher tax receipts, which can be directed towards affordable housing programmes.

- 2. Betterment Contributions and Special Assessments**

These are one-time levies on property owners who directly benefit from specific public improvements. For example, landowners near a new metro station might pay a betterment tax reflecting the increased value their properties gain from improved transport access.

- 3. Charges for Building Rights**

Developers pay fees to municipalities in exchange for additional development rights—such as permission to build taller buildings or increase density beyond standard zoning allowances. These revenues fund infrastructure and can subsidise affordable housing units.

- 4. Development Exactions**

As a condition for development approval, municipalities require developers to contribute cash, land, or in-kind services (such as building social housing units within market-rate developments). This ensures new development contributes to public needs.

- 5. Impact or Linkage Fees**

One-time charges levied on developers to compensate for their development's impact on public services and infrastructure. These fees can be earmarked specifically for affordable housing funds.

- 6. Land Readjustment Schemes**

Property owners collectively pool their parcels, and the municipality redesigns the area with improved infrastructure, public spaces, and services. Owners receive reconstituted plots of equivalent or greater value, whilst the municipality secures land for public purposes without expensive land acquisition.

Affordable Housing Toolkit for Municipal Authorities in Africa Implementation Framework for African Municipalities

For African cities to successfully implement LVC for housing finance, several enabling conditions and strategic steps are essential:

1. Establish Robust Land Administration Systems

The foundation of any LVC mechanism is accurate knowledge of land ownership and values. African municipalities must:

- Develop comprehensive cadastral systems that register all land parcels and their owners
- Create transparent, digitalised property registries accessible to tax authorities
- Establish reliable benchmark pricing systems that reflect actual market values
- Implement regular property valuations to track value increases

Without these systems, municipalities cannot identify who owns land, its baseline value, or how much it has appreciated—making value capture impossible. Countries like Rwanda, Kenya, and Mauritius have made significant progress in land registry reforms that other African nations can emulate.

2. Strengthen Institutional Capacity

Municipal authorities require:

- Trained valuation professionals who can accurately assess property values
- Administrative systems capable of collecting and managing land-based revenues efficiently
- Legal frameworks that clearly define LVC powers and procedures
- Political will to implement and enforce LVC policies, even when facing resistance from powerful landowners and developers

3. Formalise Property Tax Systems

Many African cities rely on informal or outdated taxation mechanisms. Transitioning to modern property taxation provides:

- Predictable revenue streams for housing programmes
- A foundation for more sophisticated LVC instruments
- Greater fiscal autonomy for municipal governments

4. Integrate LVC with Housing Policy from the Outset

Rather than treating LVC as an afterthought, municipalities should:

- Embed LVC mechanisms into city master plans and development strategies
- Earmark specific percentages of LVC revenue for affordable housing development
- Link transport infrastructure planning directly with housing finance strategies
- Design area development plans that anticipate and capture value increases before development occurs

5. Ensure Equitable Revenue Allocation

To prevent gentrification and displacement, municipalities must:

- Ring-fence LVC revenues specifically for affordable housing and services benefiting low-income residents
- Require mixed-income development in areas benefiting from public investment
- Provide relocation assistance and priority access to improved housing for displaced communities
- Target infrastructure improvements in underserved neighbourhoods, creating a more equitable distribution of public investment

6. Leverage State Land Ownership

In countries where land is state-owned (such as Ethiopia), municipalities can:

- Use competitive land lease auctions to generate revenue whilst retaining long-term ownership
- Attach affordable housing requirements to lease conditions
- Capture regular lease payments as ongoing revenue streams
- Renegotiate lease terms when land values increase significantly

African Case Examples

Addis Ababa, Ethiopia has experimented with leaseholding systems where the government leases state-owned land to developers and residents. The Lideta neighbourhood redevelopment aimed to combine land leasing revenue with affordable housing provision. Whilst the project generated some revenue, it faced challenges including ineffective payment collection, unclear property records, displacement of original residents, and development that ultimately catered to higher-income groups rather than the intended beneficiaries.

South Africa's major cities have been exploring betterment taxes on properties near new transport systems, particularly given the country's relatively well-developed tax collection infrastructure. The potential exists to capture value increases from recent Bus Rapid Transit and rail investments.

1. Challenges Specific to African Contexts

African municipalities face particular obstacles:

- **Weak land administration:** Many cities lack comprehensive land registries, with the regional average quality of land administration significantly below OECD standards
- **Informal settlements:** Large proportions of urban residents lack formal property rights, making traditional LVC mechanisms inapplicable
- **Limited institutional capacity:** Shortage of skilled valuers, weak revenue collection systems, and inadequate administrative infrastructure
- **Political economy barriers:** Resistance from elites who benefit from rising land values without contributing to public coffers
- **Low urban density and car-dependent development patterns:** Unlike Hong Kong or Singapore, many African cities lack the density and public transport systems that make LVC highly lucrative

2. Moving Forward

African municipal authorities seeking to implement LVC for housing finance should adopt a phased approach:

Short-term (1-3 years):

- Audit existing land administration systems and identify gaps
- Pilot LVC mechanisms in one well-defined development corridor or district
- Build technical capacity through training programmes
- Engage communities to build trust and explain LVC benefits

Medium-term (3-7 years):

- Expand cadastral coverage and digitalise land records
- Implement transparent property valuation systems
- Introduce formal property taxation or strengthen existing systems
- Establish dedicated affordable housing funds capitalised by LVC revenues

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Long-term (7+ years):

- Deploy sophisticated LVC instruments like land readjustment schemes
- Integrate LVC fully into metropolitan planning and transport strategies
- Create sustainable financing models where housing investment is systematically funded by captured land value
- Share best practices and lessons learned across African city networks.

3. Conclusion

Land value capture represents a significant opportunity for African municipalities to finance affordable housing and infrastructure through locally generated resources rather than dependency on central government transfers or external borrowing. However, success requires patient institution-building, transparent governance, technical capacity development, and unwavering commitment to equitable outcomes. Cities that invest in these foundations can create virtuous cycles where public investment generates captured value that funds further investment, progressively expanding access to quality housing and services for all residents.

GENDER INTEGRATION IN TENURE SECURITY

When formalising tenure, municipalities must proactively ensure women's equal rights to land and housing, consistent with national laws and the AfDB's Gender Strategy. This requires:

- **Legal Literacy Programmes:** Educating communities about women's land rights and legal protections
- **Joint Registration Requirements:** Ensuring both spouses are registered on titles or occupancy certificates
- **Specific Outreach:** Targeted engagement with women's groups and female-headed households
- **Dispute Resolution:** Accessible mechanisms for addressing gender-based tenure disputes

Emma Mandiziba's experience in Mutare illustrates the consequences of inadequate land management: ±55,000 people on waiting lists while 5,200 properties exist without water, sewer, or roads. This dysfunction stems from land allocation without corresponding infrastructure investment, creating settlements that impose long-term costs on both residents and the municipality. It also highlights the challenges of implementing LVC in Africa.

Regulatory Enablers

Development regulations significantly impact housing affordability and delivery efficiency. Regulatory reform must balance affordability objectives with quality, safety, and environmental standards.

Building Codes and Standards

Building codes must balance affordability with quality and safety while integrating climate resilience measures:

Climate Integration in Building Codes

Modern building codes must integrate climate resilience measures addressing African cities' environmental challenges:

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- **Water Scarcity Response:** Mandatory rainwater harvesting systems for new developments
- **Energy Efficiency Requirements:** Thermally efficient materials and passive cooling design to reduce energy needs
- **Flood Resilience:** Drainage designs accounting for increased rainfall intensity and frequency
- **Heat Island Mitigation:** Requirements for reflective roofing materials and landscaping in high-density areas.

Enhanced Building Code Comparison: Standard vs. Affordable Alternatives

CODE ELEMENT	STANDARD REQUIREMENT	AFFORDABLE ALTERNATIVE	COST IMPACT	SAFETY/CLIMATE IMPACT
FOUNDATIONS SYSTEMS	Engineered deep foundations with professional design	Simplified shallow foundations with geotechnical verification	-15% to -25%	Adequate for low-rise structures with proper soil testing
ROOFING SYSTEMS	Clay tiles or concrete roof systems	Corrugated metal sheets with insulation and reflective paint	-20% to -30%	Adequate with proper installation; light-coloured, reflective finishes reduce heat island effect
WALL MATERIALS	Concrete block or fired brick construction	Stabilised earth blocks, precast panels	-10% to -20%	Meets structural standards; earth blocks offer thermal mass benefits for climate control
WINDOWS AND DOORS	Steel or aluminium frames with security features	Timber frames with basic security, standard glass	-15% to -25%	Adequate security and weatherproofing with proper installation
ELECTRICAL SYSTEMS	Full electrical installation with multiple circuits	Basic electrical with provision for future expansion	-20% to -30%	Safe basic installation allowing incremental improvement

Streamlined Approvals

Municipal approval processes significantly impact housing delivery timelines and costs. Kecia Rust's reference to the Old Mutual study tracking municipal delays demonstrates the quantifiable impact of inefficient approval systems.

Fast-Track Approval Processes

- Dedicated approval tracks for affordable housing projects
- Compressed review timelines with penalty clauses for delays
- Pre-approved designs for standard housing typologies
- Risk-based approval systems focusing resources on complex projects

One-Stop-Shop Models

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- Single point of contact for all approvals
- Integrated approval teams with representatives from all departments
- Digital submission and tracking systems
- Regular applicant communication and status updates

Streamlined Approval Process Framework

The following framework demonstrates how typical 12-month approval processes can be reduced to 3-6 months:

APPROVAL STAGE	TRADITIONAL TIMELINE	STREAMLINED TIMELINE	KEY IMPROVEMENTS
PRE-APPLICATION CONSULTATION	2-4 weeks	1 week	Dedicated affordable housing desk officer
TECHNICAL REVIEW	8-12 weeks	3-4 weeks	Integrated review team, parallel processing
PUBLIC CONSULTATION	4-8 weeks	2-3 weeks	Simplified consultation for standard projects
FINAL APPROVAL	4-6 weeks	1-2 weeks	Delegated authority, digital signatures
TOTAL TIMELINE	18-30 weeks	7-10 weeks	60-70% reduction

David Gardner's "Developable" app demonstrates the potential for digital transformation in approval processes. By streamlining information requirements and enabling online submission and tracking, municipalities can dramatically reduce approval timelines while improving transparency.

Charles Rudman's satellite office success in a South African township—achieving the highest approval numbers in the city—illustrates the importance of accessibility and local presence in approval systems.

Inclusionary Housing Policies

Inclusionary housing policies require private developments to contribute to affordable housing supply through unit provision or financial contributions:

- **Density Bonuses:** Additional development rights in exchange for affordable housing provision
- **In-Lieu Fees:** Financial contributions to affordable housing funds for developments unable to provide on-site units
- **Geographic Flexibility:** Allowing affordable units to be provided at alternative locations within the municipality

Rental Housing Legal Frameworks

Rental housing requires specific regulatory frameworks that balance landlord and tenant rights while encouraging supply:

- **Landlord-Tenant Protections:** Clear rights and responsibilities, dispute resolution mechanisms
- **Rent Stabilisation:** Reasonable rent increase limitations balanced with investment incentives
- **Quality Standards:** Minimum habitability requirements and enforcement mechanisms

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Emma Mandiziba's description of Sakubva rental housing in Mutare—colonial-era stock suffering from severe overcrowding, dilapidation, minimal rents, and political interference—illustrates the consequences of inadequate rental housing regulation and the challenge of upgrading legacy rental stock.

Tools

Weak political support → Focus on win-win partnerships

Regulatory Reform Checklist

Building Code Review and Reform

- Review existing codes for affordability barriers
- Develop alternative compliance pathways
- Integrate climate resilience requirements
- Pilot test with demonstration projects

Train staff on New requirements

- Approval Process Streamlining
- Map current approval processes and timelines
- Identify bottlenecks and inefficiencies
- Design streamlined process with clear timelines
- Implement digital submission and tracking systems
- Train staff and monitor performance improvements

Inclusionary Housing Policy Development

- Analyse local housing market and development patterns
- Design policy framework with appropriate thresholds
- Consult with development industry stakeholders
- Pilot implementation with selected projects
- Monitor outcomes and adjust policy as needed

Action Checklist

0-6 Months: Regulatory Assessment and Design

Complete comprehensive regulatory review

- Identify priority reform areas
- Design reformed regulatory framework
- Consult stakeholders on proposed reforms
- Develop implementation and transition plans

6-18 Months: Reform Implementation

- Adopt reformed building codes and approval processes
- Implement inclusionary housing policies
- Launch pilot projects testing new systems
- Train staff on new procedures
- Establish monitoring and feedback systems

18-36 Months: System Consolidation and Scaling

- Evaluate reform outcomes and impacts
- Refine systems based on implementation experience
- Scale successful innovations
- Share lessons with other municipalities
- Plan for ongoing system improvements

Enabling regulatory frameworks create the conditions for success, but housing delivery requires mobilising and coordinating the diverse actors—public, private, and community—who operate at different stages of the housing value chain.

B.6.PILLAR 4: ACTORS - MOBILISING STAKEHOLDERS

Housing delivery requires coordinating diverse actors across a complex value chain. Success depends on municipalities' ability to align the interests and capabilities of government agencies, private sector partners, development finance institutions, and communities. This pillar addresses the institutional fragmentation that Jumoke Akinwunmi identifies in Nigeria and provides frameworks for effective multi-stakeholder coordination.

The Housing Value Chain

The housing value chain encompasses five interconnected stages, each involving different actors with distinct roles, incentives, and capacity requirements:

VALUE CHAIN STAGE	KEY ACTORS	PRIMARY FUNCTIONS	COMMON BLOCKAGES
LAND	Government agencies, traditional authorities, private landowners	Land assembly, tenure clarification, regulatory approvals	Complex land rights, speculation, regulatory delays
INFRASTRUCTURE	Utilities, contractors, municipalities, financiers	Trunk and internal infrastructure development	High upfront costs, coordination failures, capacity limits
CONSTRUCTION	Developers, contractors, material suppliers, architects	Design, procurement, construction, quality control	Skills shortages, material costs, technology limitations
FINANCE	Banks, DFIs, microfinance institutions, government	Construction and end-user financing	High interest rates, collateral requirements, risk perceptions
MANAGEMENT	Professional landlords, Pension institutions	Selection of tenants, property management and maintenance, rent recovery	Lack of institutional capacity, lack of long-term finance, poor tenancy law enforcement

SECTION B.7: MUNICIPAL FINANCE CAPACITY DEFICIT & LEVERAGING EXISTING REVENUES THROUGH FINANCIAL INNOVATION

Whilst fragile states face genuine "unfunded mandates" (legal housing responsibilities without corresponding fiscal authority), many African municipalities possess at least some legal revenue-raising powers but lack the capacity to utilise them effectively. This toolkit therefore reframes the municipal finance challenge not only as a funding gap, but as a **municipal finance capacity deficit**, reflected in weak revenue systems, incomplete property registers, low collection efficiency, limited project preparation capability, and low readiness to access commercial, pooled, or capital-market finance. Consultations from **Quelimane** and **Monastir** illustrate how this deficit plays out in practice: municipalities may have pressing housing responsibilities and some legal powers, but in reality face severe limits on borrowing autonomy, weak revenue bases, and insufficiently developed project structures to attract finance. In practical terms, this often takes the form of a **capacity triple deficit**: inadequate property registration systems, weak collection mechanisms, and affordability barriers in informal settlements.

The report *From Millions to Billions: Financing the Development of African Cities* reinforces the scale of this challenge, noting that Africa's urban population is expected to almost triple to **1.5 billion by 2050**, with annual infrastructure investment needs rising to an estimated **US\$130-170 billion**. However, African cities continue to face both demand-side and supply-side barriers to accessing long-term finance. This section therefore complements the broader VIRAL framework by setting out practical pathways through which municipalities can strengthen financial readiness, improve their ability to mobilise own-source revenue, and progressively position themselves for more sustainable housing and infrastructure finance.

Demand-Side Constraints (Why cities struggle to access finance):

- **Legislative and Institutional Barriers:** While many countries have laws permitting subnational borrowing, stipulations and centralized controls often make it practically impossible. Borrowing usually requires central government approval, which can be restricted for political reasons.
- **Weak Revenue Collection:** Low own-source revenue and unreliable intergovernmental fiscal transfers mean cities often lack the income to convince financiers they can repay loans.
- **Poor Absorption Capacity:** Many cities struggle to efficiently spend the limited budgets they already possess due to procurement constraints and management delays, making financiers hesitant to provide more capital.
- **Lack of Data and Bankable Projects:** There is a widespread absence of publicly available, independently audited financial data. Furthermore, while cities have master plans, they frequently fail to translate these into implementable, data-substantiated project pipelines.

Supply-Side Constraints (Why financiers are reluctant to lend):

- **Currency Risks:** It is highly preferable for local governments to borrow in local currencies to avoid taking on severe exchange rate risks. However, many major lenders, including the African Development Bank, have limited capacity to lend in local currencies, effectively excluding many cities.
- **Strict Eligibility Criteria:** Requirements for borrowers to have independent legal structures, a history of independently audited accounts, and sovereign guarantees disqualify many African cities from securing direct loans.
- **Credit Ratings:** Most African cities lack independent, third-party credit ratings to signal their financial health to investors. Consequently, their creditworthiness is often tied to their national government's sovereign rating, which is frequently poor and drives up the cost of borrowing.

Successful Models from Other Regions: To demonstrate how these constraints can be overcome, the report highlights case studies from Latin America and Asia:

- **Mexico** successfully unlocked over \$4 billion in local currency financing by legally reforming intergovernmental fiscal transfers to make them predictable and transparent. They created special purpose trust vehicles to ringfence these transfers, leveraging them as secure revenue streams to guarantee loan repayments.
- **The Philippines** passed legislation expanding local taxation powers and established subnational financial intermediaries like the Municipal Development Fund Office (MDFO) and the Local Government Unit Guarantee Corporation (LGUGC). These institutions provided blended finance, guarantees, and localized credit ratings to help cities access private capital markets.

Key Recommendations for African Cities:

- **Enhance Governance and Data:** Invest in multi-level governance to ensure collaboration between national and local governments and improve the collection and public availability of audited municipal finance data.
- **Improve Financial Health:** Strengthen local revenue collection through administrative reforms and technology. Furthermore, national governments must ensure reliable and predictable fiscal transfers to provide cities with secure revenue streams to borrow against.
- **Develop Implementable Pipelines:** Cities must build financially robust project pipelines backed by coherent narratives, particularly focusing on low-carbon, climate-resilient development to attract ESG-focused finance.
- **Strengthen Local Markets:** Invest in localized credit risk ratings to accurately appraise city finances. Concurrently, institutional frameworks must be developed to strengthen local currency markets, connecting domestic savings—such as pension funds—directly to urban infrastructure investments.

Key Evidence:

- Property tax contributes <0.5% of GDP in Sub-Saharan Africa compared to 1.2% in South Africa and 2-4% in OECD countries¹
- Only 24% of public investment in Africa is subnational, versus 39.5% elsewhere globally²
- Cape Town (South Africa) achieves 94-96% property tax collection rates with comprehensive digital systems, generating R9.5 billion (\$520 million) annually³
- Nairobi relies on a 1982 valuation roll, capturing only an estimated 30-40% of properties⁴
- Lagos State has issued 8 municipal bonds since 2014, totalling over \$500 million, despite capturing only 400,000 of an estimated 5 million potential taxpayers²

This section provides:

1. **Evidence-based diagnosis** of the Municipal Finance Capacity Triple Deficit
2. **Eight feasible financial innovation pathways** beyond traditional property taxation
3. **3-Tier Implementation Roadmap** calibrated to municipal capacity levels
4. **Two practical readiness checklists** (Municipal Bond Readiness & Property Tax Collection Readiness)

B.7.1 THE MUNICIPAL FINANCE CAPACITY TRIPLE DEFICIT: DIAGNOSTIC FRAMEWORK

The Three Deficits Explained

1. REGISTRATION DEFICIT: Incomplete Property Tax Base

Definition: The gap between existing properties and those captured in municipal valuation rolls/cadastres.

Evidence:

- **Nairobi, Kenya:** Uses 1982 valuation roll; estimated 30-40% property coverage⁴
- **Mombasa, Kenya:** Uses 1991 valuation roll⁵
- **Kisumu, Kenya:** Uses 2008 valuation roll⁵
- **Lagos, Nigeria:** Only 400,000 properties in tax net versus estimated 5 million potential taxable properties (8% coverage)²
- **Continental average:** Estimated 40-60% of urban properties not captured in tax systems¹

Impact: Revenue loss of 50-70% of potential property tax income.

2. CAPACITY DEFICIT: Weak Collection & Administration Systems

Definition: Even where properties are registered, municipalities lack effective billing, collection, and enforcement systems.

Evidence:

- **Collection rates:** Typical range 20-40% in most African cities outside South African metros¹
- **South African metros achieve 85-95% collection rates** through digital payment systems, automated billing, GIS integration³
- **Skills gap:** Less than 1% of municipalities have in-house valuation capacity¹
- **Manual processes dominate:** Paper-based billing, cash payments, no enforcement mechanisms

Impact: For every \$100 billed, only \$20-40 collected in typical African municipality versus \$85-95 in South African metros.

3. AFFORDABILITY DEFICIT: Informal Settlements & Low-Income Populations

Definition: Large segments of the urban population lack formal property rights or financial capacity to pay property taxes.

Evidence:

- Over 50% of Sub-Saharan Africa's urban population lives in informal settlements⁶
- Informal residents typically have no property titles, making them legally exempt from property tax
- Even among formal property owners, many cannot afford current tax rates

Impact: Even with perfect registration and collection systems, 40-60% of urban residents may never contribute to property tax revenues.

Comparative Evidence: Property Tax Performance Across African Cities

City	Property Coverage	Collection Rate	Annual Revenue	Key Success Factors	Data Source
Cape Town, SA	95%	94-96%	R9.5B (\$520M)	Digital cadastre, CAMA, GIS, automated billing, mobile payments	SACN 2020 ³
Johannesburg, SA	90%	85-90%	R12.4B (\$680M)	Same as Cape Town	SACN 2020 ³
eThekweni, SA	85%	85-90%	R8.3B (\$455M)	Same as Cape Town	SACN 2020 ³
Lagos, Nigeria	8% (400K of 5M)	20-30% (est.)	~\$80M (est.)	Internal revenue drive, PAYE focus	AfDB 2023 ²
Nairobi, Kenya	30-40% (est.)	20-30% (est.)	~\$50M (est.)	1982 valuation roll	Lincoln 2017 ⁴
Kisumu, Kenya	40% (est.)	15-25% (est.)	Low	Property tax only 10% of own-source revenue	AfDB 2023 ²
Dar es Salaam, TZ	40% (est.)	15-25% (est.)	~\$30M (est.)	Centralised collection (TRA)	Lincoln 2017 ¹

Key Finding: Property tax works as a primary revenue source for fewer than 5% of African cities (essentially South African metros only).

B.7.2 LEVERAGING EXISTING REVENUES THROUGH FINANCIAL INNOVATION: EIGHT FEASIBLE PATHWAYS

PATHWAY 1: Property Tax System Optimization (Highest Feasibility)

Target: Increase collection rates from 20-40% to 80%+ within 5-7 years.

Core Components:

- Digital Property Cadastre Development:** GIS-based mapping of all properties (not just titled properties)
- Computer-Assisted Mass Appraisal (CAMA):** Automate property valuations at scale
- Digital Billing & Payment Platforms:** Mobile money integration, online payments, SMS reminders
- Enforcement Mechanisms:** Service disconnection, property liens, transparent appeal processes

Investment Required: \$2-5 million over 2-3 years (DFI-funded technical assistance programmes available)

Evidence of Success:

- **Cape Town:** Achieved 95% coverage and 94-96% collection rates through systematic implementation of these components³
- **Revenue impact:** Doubling collection rates from 40% to 80% effectively doubles property tax revenue without raising tax rates

PATHWAY 2: Land Value Capture Mechanisms (High Feasibility)

Target: Capture 20-30% of land value increments generated by public infrastructure investments.

Instruments:

2. **Development Charges/Impact Fees:** One-time payments for new developments or changes in land use
3. **Betterment Levies:** Charges on properties benefiting from new infrastructure (roads, water, sanitation)
4. **Land Readjustment/Pooling:** Municipalities consolidate fragmented land parcels, develop infrastructure, and recoup costs through land sales
5. **Inclusionary Zoning:** Require developers to include affordable housing units or pay in-lieu fees

Evidence of Success:

- **Lagos, Nigeria:** Uses development levies extensively; infrastructure development charges applied to major projects²
- **Dar es Salaam, Tanzania:** Applied betterment levies to Bus Rapid Transit (BRT) corridor development²
- **eThekweni, South Africa:** Land value capture mechanisms contribute significantly to infrastructure finance³

Feasibility: VERY HIGH - Does not require sophisticated tax administration; can be implemented immediately with basic legal framework but may struggle with challenges of affordability and enforcement.

PATHWAY 3: Municipal Bonds (Medium Feasibility - Selective Cities Only)

Prerequisites: Property tax collection rate >70%, independent credit rating, national government approval, established capital markets.

African Evidence:

SUCCESS CASES:

1. Lagos State, Nigeria: 8 bond issuances since 2014²

- 2014: ₦65 billion (\$390M), 15-year, 13.5% coupon
- 2015: ₦20 billion (\$120M), 7-year, 16.5% coupon
- 2017: ₦10.5 billion (\$65M), 5-year, 15% coupon

- 2019: ₦19 billion (\$114M), 7-year, 14.5% coupon
- **Credit Rating:** B- (Fitch, downgraded from B+ in 2020)²

2. Cape Town, South Africa: \$55 million green bond (2017)²

- 10-year bond, 10.17% coupon
- **Credit Rating:** AA (domestic), highest-rated African municipality³

3. eThekweni (Durban), South Africa: \$550 million bond facility²

- Inaugural issue: R800 million (\$55.4M), 10-year, 10.28% coupon

4. Laikipia County, Kenya: KES 1 billion (\$8.2M) bond approved (2024)²

FAILURE/BLOCKED CASES:

- **Dakar, Senegal:** Proposed municipal bond blocked by national government (2015)²

Reality Check: Municipal bonds are feasible for approximately 5-10 top-performing African cities only (SA metros, Lagos, possibly Kigali, Nairobi with reforms).

PATHWAY 4: Receivables Securitization (Low Feasibility - Very Selective)

Concept: Convert predictable revenue streams (property tax, utility payments) into upfront capital through securitization.

Prerequisites: Collection rates >80%, 5+ years of audited revenue data, sophisticated legal framework, investment-grade collection systems.

African Context: Feasible for South African metros only. NOT recommended for municipalities with <70% collection rates.

PATHWAY 5: Pooled Financing Mechanisms (Medium Feasibility)

Concept: Smaller municipalities pool resources through intermediary institutions to access capital markets collectively.

International Models:

- Philippines Municipal Development Fund Office (MDFO): Pools municipal borrowing since 1988⁷
- Colombia: Municipal guarantee funds support infrastructure investment

African Opportunity: DFIs (AfDB, World Bank) could establish Regional Municipal Finance Pooling Vehicles. Requires national government support and standardised financial reporting.

PATHWAY 6: Ringfencing Intergovernmental Fiscal Transfers as Collateral (High Feasibility)

Concept: Use predictable national fiscal transfers (block grants, equitable share allocations) as collateral for borrowing.

International Model:

- **Mexico:** Municipalities securitize federal revenue-sharing transfers (participaciones federales). A municipality receiving \$10M annually in transfers can potentially raise \$20-25M upfront capital⁸

African Applicability: Countries with constitutionally protected fiscal transfers (South Africa, Kenya, Nigeria, Ghana) could adopt this model. Requires legal framework allowing transfer ringfencing.

PATHWAY 7: Green/Sustainability Bonds (Medium Feasibility)

Concept: Bonds earmarked for climate-resilient housing, green infrastructure, renewable energy, and sustainable water/sanitation systems.

Advantage: Access to international climate finance (GCF, GEF, FCDO, EU), concessional interest rates, longer tenors.

African Example: Cape Town's \$55M green bond (2017) - first African municipal green bond²

PATHWAY 8: Public-Private Partnership (PPP) Infrastructure with Revenue Sharing (High Feasibility)

Concept: Private sector finances, builds, and operates infrastructure (serviced land, bulk infrastructure); municipality provides land/rights-of-way and shares user fees or property tax revenues.

Models:

- Bulk infrastructure PPPs (water treatment, wastewater, roads)
- Land development PPPs (developer services land, municipality captures betterment levy or land value increment)
- Affordable housing with mixed-income cross-subsidy models

Feasibility: HIGH - Does not require municipal creditworthiness. Risk transfers to private sector. Suitable for municipalities at all capacity levels.

B.7.3 3-TIER IMPLEMENTATION ROADMAP: CALIBRATED TO MUNICIPAL CAPACITY

TIER 1: FOUNDATION BUILDING (0-2 Years) - Applicable to 80%+ of African Municipalities

Target: Increase collection rates from 20-40% to 50-60%

Priority Actions:

1. **Basic Property Enumeration:** GIS mapping (drone/satellite imagery), assign unique property identifiers

2. **Digital Payment Integration:** Partner with mobile money providers (M-Pesa, MTN Mobile Money, Airtel Money)
3. **Area-Based Property Tax System:** Simplified taxation based on property size/location (not requiring full valuations)
4. **Basic Enforcement:** Disconnect municipal services (water, refuse) for non-payment after 90 days
5. **Implement Development Charges:** Immediate revenue from land value capture mechanisms

Investment Required: \$200,000 - \$500,000

Feasible Financial Innovations:

- Land Value Capture (Development Charges, Betterment Levies)
- PPP Infrastructure Projects
- DFI Grant-Funded Technical Assistance for property tax systems

TIER 2: SYSTEM STRENGTHENING (2-5 Years) - Applicable to 15-20% of African Cities

Entry Criteria: Property tax collection rate >50%, clean audit, political commitment to reform

Target: Increase collection rates from 50-60% to 70-80%

Priority Actions:

1. **Full Digital Cadastre:** Comprehensive GIS mapping with parcel-level data
2. **Computer-Assisted Mass Appraisal (CAMA):** Professional valuation system
3. **Integrated Revenue Management System:** Link property tax, utilities, business licenses
4. **Regular Valuation Roll Updates:** 3-5-year revaluation cycles
5. **Taxpayer Education & Customer Service:** Call centres, walk-in centres, online portals

Investment Required: \$2-5 million

Feasible Financial Innovations:

- Pooled Financing Mechanisms (regional municipal finance vehicles)
- Ringfencing Fiscal Transfers as Collateral
- DFI Concessional Loans for digital infrastructure investment
- Credit Rating Preparation (pre-requisite for bond issuance)

TIER 3: CAPITAL MARKET ACCESS (5+ Years) - Applicable to <5% of African Cities

Entry Criteria: Property tax collection rate >70%, independent credit rating, national legal framework for municipal borrowing, established capital markets

Target: Achieve investment-grade creditworthiness; access municipal bond markets

Feasible Financial Innovations:

- **Municipal Bonds** (general obligation or revenue bonds)
- **Green/Sustainability Bonds** (access to climate finance)
- **Receivables Securitization** (ONLY if collection rate >80%)
- Pension fund investment in municipal infrastructure

Current African Cities in Tier 3: Cape Town, Johannesburg, eThekweni (all South Africa); Lagos (Nigeria - with caveats)

B.7.4 HONEST ASSESSMENT: THE REALITY OF MUNICIPAL FINANCE IN AFRICA

Property Tax Will Be:

- **PRIMARY** funding source for <5% of African cities (SA metros only)
- **SIGNIFICANT** contributor (20-30% of revenues) for ~15-20% of cities - and only after 10+ years of sustained reform
- **MODEST** contributor (10-15% of revenues) for the majority - even with best efforts

Intergovernmental Grants Will Remain:

- The **DOMINANT** funding source for 80%+ of African municipalities for the foreseeable future (20+ years)

Therefore, the Focus Must Be:

1. **Optimising property tax collection** where systems exist (moving from 20% to 50-80%)
2. **Maximising land value capture** (does not require strong institutions)
3. **Leveraging fiscal transfers creatively** (ringfencing, pooled financing)
4. **Strategic use of PPPs** to shift financing burden to private sector
5. **Municipal bonds ONLY for the top 5-10 cities** - not a scalable solution

Critical Success Factors:

- **Political will** for enforcement and collection
- **Upfront investment** in digital systems (\$2-10M over 3-5 years)

- **Trained personnel** (valuers, revenue officers, IT specialists)
- **Transparent, accountable systems** that build taxpayer trust
- **Affordability considerations** (progressive rates, exemptions for low-income)
- **Phased implementation** matching municipal capacity

C. IMPLEMENTATION TOOLS & TEMPLATES

Purpose: This section provides ready-to-use tools that operationalise the Five Pillars framework detailed in Part 2. Each tool is designed to translate strategic concepts into practical action, enabling municipal authorities to systematically implement affordable housing programmes

How to Use This Section: Each tool includes four components:

- Context: Brief explanation of when and why to use the tool
- Instructions: Step-by-step guidance for implementation
- Template: Ready-to-use framework or form
- Example: Worked case or practical illustration

Adaptation Guidance: These tools should be customised to reflect local contexts, regulatory frameworks, and institutional capacity. Municipal authorities are encouraged to modify templates to align with national standards, local data availability, and specific project requirements whilst maintaining the core analytical structure.

***Cross-Reference Note:** All tools directly support the Viral five Pillars framework outlined in Part 2. Users should refer to the relevant pillar sections for conceptual background and strategic context.*

***AfDB Compliance Note:** These tools are designed to support municipalities in meeting African Development Bank (AfDB) standards including the Integrated Safeguards System (ISS), climate resilience requirements, gender mainstreaming, and bankability criteria for DFI engagement.*

ToR Compliance Map

AfDB ToR Requirement	Where Addressed in Part 3	Status/Notes
FIVE PILLARS OPERATIONALISED	All sections (3.1-3.5)	Fully addressed with tools for each pillar
PRACTICAL TOOLS & TEMPLATES	40+ templates across all sections	Ready-to-use frameworks with adaptation guidance
DFI/AFDB BANKABILITY & SAFEGUARDS	3.2.2 (DFI CN template), environmental & social checklists	Aligned with AfDB ISS, climate, and gender requirements
MUNICIPAL FINANCE & PPP READINESS	3.4.2 (PPP structuring), 3.5.3 (financial management)	Risk allocation, financial viability, value-for-money frameworks
INCLUSIVITY & VULNERABLE GROUPS	3.4.3 (beneficiary criteria), gender-responsive participation	Gender-disaggregated M&E, priority criteria for vulnerable groups
CLIMATE RESILIENCE	3.3.2 (regulatory reforms), 3.5.2 (M&E climate indicators)	Climate-responsive design, green building integration
REGIONAL APPLICABILITY (PAN-AFRICAN)	All tools with configurable parameters	Country-neutral templates with local adaptation guidance

C.1. VISION TOOLS: NEEDS ASSESSMENT & PLANNING TEMPLATES

C.1.1 Housing Needs Assessment Template

Context: Accurate housing needs assessment forms the foundation of effective housing strategy. This tool enables municipalities to systematically collect, analyse, and present housing demand data to support evidence-based planning and DFI engagement.

Instructions:

1. Gather baseline demographic and housing data from available sources
2. Conduct field surveys to supplement official data
3. Calculate quantitative housing backlog using the template
4. Assess qualitative housing inadequacy through community consultations
5. Synthesise findings into the Housing Needs Assessment Summary Form

Step by Step Data Collection Guide

DATA CATEGORY	REQUIRED INFORMATION	PRIMARY SOURCES	SECONDARY SOURCES
DEMOGRAPHICS	Population, household size, growth rate	National census, municipal records	School enrolment, utility connections
HOUSING STOCK	Total units, condition, occupancy	Municipal planning dept, surveys	Satellite imagery, tax records
ECONOMIC PROFILE	Income distribution, employment	Labour surveys, tax records	Market studies, bank data
LAND & INFRASTRUCTURE	Available land, service coverage	Municipal land registry	Utility company records

Quantitative Assessment Framework

COMPONENT	CALCULATION METHOD	YOUR DATA
CURRENT HOUSEHOLDS	Population ÷ Average Household Size	_____
EXISTING HOUSING STOCK	Formal + Informal Units (habitable)	_____
CURRENT BACKLOG	Current Households - Existing Stock	_____
HOUSEHOLD FORMATION (5-YEAR)	(Population Growth Rate × 5) × Population ÷ Avg HH Size	_____
STOCK REPLACEMENT NEED	Existing Stock × [Default 2%] annually × 5 years	_____
TOTAL 5-YEAR NEED	Current Backlog + New Formation + Replacement	_____

Parameter Note: Typical replacement assumptions range from 1-3% annually depending on building typology, construction materials, and asset condition. Municipalities should calibrate using local housing condition surveys, building registry data, or consultant assessments.

Qualitative Assessment Framework
 Housing Needs Assessment Summary Form
 Municipality: _____ Assessment Date: _____

Qualitative Assessment Framework - Housing Inadequacy Indicators Checklist

INDICATOR	DESCRIPTION / CRITERIA
<input type="checkbox"/> Overcrowding	More than 3 persons per room
<input type="checkbox"/> Structural Deficiency	Temporary materials, structural damage
<input type="checkbox"/> Service Deficiency	No access to water, sanitation, or electricity
<input type="checkbox"/> Tenure Insecurity	Informal settlements or eviction risk
<input type="checkbox"/> Location Disadvantage	Hazardous areas or disconnected from services
<input type="checkbox"/> Affordability Stress	More than 30% of income spent on housing costs

Quantitative Assessment
 Housing Needs Assessment Summary Form

QUANTITATIVE ASSESSMENT	DATA	
Total Population	_____	
Number of Households	_____	
Current Housing Backlog	_____	
5-Year Housing Need	_____	
INADEQUACY TYPE	AFFECTED HOUSEHOLDS	PRIORITY LEVEL (1-5)
Overcrowding	_____	_____
Service Deficiency	_____	_____
Tenure Insecurity	_____	_____

C.1.2. Affordability Analysis Tool

Context: Understanding what different income groups can afford is crucial for designing appropriate housing programmes and determining subsidy requirements. This tool provides a systematic approach to affordability analysis.

Instructions:

1. Collect household income data by source (formal employment, informal activities, transfers)
2. Classify households into income bands using national or local standards
3. Calculate affordable housing costs using the 30% rule and local variations
4. Compare against actual housing costs to identify affordability gaps
5. Determine subsidy requirements by income band

Template: Income Band Classification

Income Band	Monthly Income Range	% of Households	Characteristics
Ultra-Low (0-30% AMI)	\$0 - \$_____	_____%	Unemployed, social grants
Very Low (30-50% AMI)	\$_____ - \$_____	_____%	Casual labour, informal work
Low (50-80% AMI)	\$_____ - \$_____	_____%	Skilled labour, small business
Moderate (80-120% AMI)	\$_____ - \$_____	_____%	Formal employment, professionals
Above Moderate (>120% AMI)	\$_____ +	_____%	Senior professionals, business owners

Note: AMI = Area Median Income. Adjust ranges based on local income data.

Template: Affordability Calculation by Income Band

Income Band	Monthly Income	Affordable Payment [25-30%]	Max Purchase Price*	Max Rental
Ultra-Low	\$_____	\$_____	\$_____	\$_____
Very Low	\$_____	\$_____	\$_____	\$_____
Low	\$_____	\$_____	\$_____	\$_____
Moderate	\$_____	\$_____	\$_____	\$_____

*Based on available mortgage terms (interest rate: __%, term: __ years)

Affordability Parameter Note:

Many programmes use 25-30% of gross household income for total housing costs (rent/mortgage, utilities, maintenance). Adjust locally based on expenditure data and poverty lines. For very low-income households or informal economies, thresholds may need to be 15-20% to account for irregular income and essential expenditures.

Worked Example: Mid-Sized Secondary City

Municipality X Context:

- Population: 250,000
- Average household size: 5 persons
- Area Median Income (AMI): \$400/month
- Existing housing stock: 40,000 units
- Housing backlog: 10,000 units
- Typical construction cost: \$8,000 per core unit (including land and basic infrastructure)
- Available mortgage: 15-year term at 10% interest

Step 1: Calculate Affordability by Income Band

Income Band	Monthly Income	Affordable Payment (30%)	Max Mortgage*	Affordability Gap
Ultra-Low (0-30% AMI)	\$0 - \$120	\$0 - \$36	\$0 - \$3,300	\$4,700+ subsidy needed
Very Low (30-50% AMI)	\$120 - \$200	\$36 - \$60	\$3,300 - \$5,500	\$2,500-\$4,700 subsidy needed
Low (50-80% AMI)	\$200 - \$320	\$60 - \$96	\$5,500 - \$8,800	\$0-\$2,500 subsidy needed
Moderate (80-120% AMI)	\$320 - \$480	\$96 - \$144	\$8,800 - \$13,200	Can afford full cost

*10% interest, 15-year term.

Outcome: ~60% of backlog (6,000 households) require subsidy; 40% can access private-sector housing with mortgage finance.

Step 2: Design Programme Response

- Ultra-Low & Very Low: Full subsidy or rental social housing required
- Low Income: Partial subsidy plus mortgage finance (blended model)
- Moderate Income: Private sector delivery with mortgage finance

Outcome: Municipality X determines that approximately 60% of its backlog (6,000 households) requires subsidy support, whilst 40% can be served through facilitated private sector delivery with mortgage access

C.1.3 Strategic Housing Plan Framework

Context: A strategic housing plan translates needs assessment and affordability analysis into actionable targets and implementation strategies aligned with broader urban development objectives.

Template: Strategic Housing Plan Outline					
Vision Statement					
“By 2030, [Municipality Name] will provide _____ through _____”					
Strategic Objectives					
Objective	Target (5-Year)		Key Strategies		
Reduce Housing Backlog	___ units delivered		_____		
Improve Housing Quality	___ units upgraded		_____		
Enhance Affordability	___% households served		_____		
Strengthen Institutions	Capacity milestones		_____		
Annual Targets by Income Band					
Income Band	Year 1	Year 2	Year 3	Year 4	Year 5
Ultra-Low	_____	_____	_____	_____	_____
Very Low	_____	_____	_____	_____	_____
Low-Moderate	_____	_____	_____	_____	_____

C.4. Institutions Tools: Capacity Building & Partnership Templates

C.4.1. Institutional Capacity Assessment Checklist

Context: Systematic capacity assessment enables municipalities to identify strengths, gaps, and training needs across technical, financial, and managerial competencies required for housing delivery

Template: Institutional Capacity Assessment Scorecard			
Municipality: _____		Assessment Date: _____	
Scoring: 1 = Inadequate 2 = Basic 3 = Adequate 4 = Good 5 = Excellent			
Organisational Structure			
Assessment Area	Score (1-5)	Comments / Evidence	
Dedicated housing unit / department exists	_____	_____	
Clear roles and responsibilities defined	_____	_____	
Appropriate reporting lines established	_____	_____	
Integration with other municipal departments	_____	_____	
Technical Capacity			
Competency Area	Current Staff	Skill Level (1-5)	Training Need
Urban Planning	_____	_____	_____
Project Management	_____	_____	_____
Financial Management	_____	_____	_____
Procurement	_____	_____	_____
Community Engagement	_____	_____	_____
Environmental / Social Safeguards	_____	_____	_____
Systems and Processes Checklist			
<ul style="list-style-type: none"> <input type="checkbox"/> Housing needs assessment methodology in place <input type="checkbox"/> Beneficiary database and management system <input type="checkbox"/> Project planning and monitoring systems <input type="checkbox"/> Financial management and reporting systems <input type="checkbox"/> Quality control and inspection procedures <input type="checkbox"/> Grievance redress mechanisms <input type="checkbox"/> Partnership management protocols <input type="checkbox"/> Regular training and development programmes 			

C.4.2. DFI/IFI Project Proposal Template

Context: Development Finance Institutions require specific information and documentation standards. This template ensures municipalities present bankable projects that meet DFI requirement

Template: DFI Project Concept Note Structure			
Project Summary			
Field	Details		
Project Title	_____		
Municipality	_____		
Total Project Cost (US\$)	_____		
DFI Financing Requested (US\$)	_____		
Implementation Period	_____		
Project Rationale			
Element	Details / Description		
Housing Need	_____ housing backlog; _____ inadequate units		
Target Beneficiaries	_____ households in income bands (include gender-disaggregated data)		
Strategic Alignment <ul style="list-style-type: none"> • Links to national housing policy and urban development strategy • - Alignment with AfDB Country Strategy and “High 5s” (“Improve the quality of life for the people of Africa”) • - Contribution to SDG 11 (Sustainable Cities and Communities) • - Climate resilience and green growth considerations 			
Project Components			
Component	Description	Cost (US\$)	Outcomes
Land Acquisition	_____	_____	___ ha secured
Infrastructure	_____	_____	___ units serviced
Housing Construction	_____	_____	___ units delivered
Capacity Building	_____	_____	___ staff trained

DFI Bankability Checklist

Strategic Alignment

- Links to national housing policy and urban development strategy
- Alignment with AfDB Country Strategy and “High 5s” (“Improve the quality of life for the people of Africa”)
- Contribution to SDG 11 (Sustainable Cities and Communities)
- Climate resilience and green growth considerations

Financial Viability Requirements

- Detailed financial model with 20-year projections
- Municipal financial statements (3 years)
- Revenue sustainability analysis
- Debt service coverage ratios
- Sensitivity analysis ($\pm 15\%$ cost/revenue scenarios)

Institutional Capacity Requirements

- Dedicated project management unit
- Technical capacity assessment
- Procurement procedures compliance
- Fiduciary management systems
- Previous project delivery track record

Environmental and Social Safeguards (AfDB ISS Compliance):

- Environmental and Social Impact Assessment (ESIA) aligned with AfDB Operational Safeguard 1
- Social impact assessment including vulnerable groups
- Resettlement Action Plan (if applicable) - AfDB OS 2
- Gender Action Plan aligned with AfDB Gender Strategy
- Climate resilience screening and adaptation measures
- Stakeholder engagement plan including marginalised groups
- Compliance with AfDB Operational Safeguards (biodiversity, cultural heritage, labour, pollution prevention)

AfDB Safeguards Note: Ensure consistency with African Development Bank Integrated Safeguards System (ISS), including all relevant Operational Safeguards on environmental and social assessment, involuntary resettlement, biodiversity, pollution prevention, labour conditions, cultural heritage, and climate change. Projects should also align with national environmental legislation and international conventions to which the country is signatory

C.4.2A Municipal Housing Project Preparation and Bankability Template

Context:

Many municipal housing proposals fail to attract financing because they are not sufficiently prepared, structured, or documented to meet the requirements of development finance institutions, private investors, or PPP partners. This tool helps municipalities move from an initial project idea to an investment-ready project concept by systematically testing readiness across technical, financial, legal, institutional, and safeguards dimensions.

Instructions:

1. Complete this template at pre-feasibility stage before approaching funders or PPP partners.
2. Use it to identify preparation gaps and assign responsibilities for closing them.
3. Update the template as project preparation progresses.
4. Only proceed to DFI/IFI engagement once all critical readiness items are completed or have time-bound action plans.

Template: Municipal Housing Project Preparation and Bankability Checklist
Project Name: _____
Municipality: _____
Assessment Date: _____
Project Stage: Concept Pre-Feasibility Feasibility Pre-Financing
Prepared By: _____

Section 1: Project Definition and Rationale

Assessment Area	Requirement	Status (<input type="checkbox"/> Yes / <input type="checkbox"/> No / <input type="checkbox"/> Partial)	Comments / Actions Needed
Project Objective	Clear statement of the housing problem being addressed	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Strategic Fit	Alignment with municipal housing strategy / IDP / urban development plan	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Demand Evidence	Quantified housing need / backlog data available	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Target Beneficiaries	Defined beneficiary groups and affordability bands	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Delivery Model	Proposed delivery model identified (PPP, municipal-led, cooperative, blended)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____

Section 2: Land and Site Readiness

Assessment Area	Requirement	Status	Comments / Actions Needed
Site Identified	Specific project site identified	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Land Ownership	Ownership confirmed and documented	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Tenure Issues	Any competing claims, encumbrances, or tenure disputes identified	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Site Suitability	Site assessed for location, services, environmental risk, and access	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Land Acquisition Pathway	Municipal allocation / purchase / partnership / expropriation strategy confirmed	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____

Section 3: Technical and Infrastructure Readiness

Assessment Area	Requirement	Status	Comments / Actions Needed
Concept Design	Preliminary site layout / housing typology concept prepared	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Infrastructure Assessment	Water, sewer, roads, drainage, and power requirements identified	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Cost Estimate	Preliminary capital cost estimate prepared	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Construction Method	Preferred construction approach / technology identified	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Phasing Plan	Delivery phasing and sequencing identified	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____

Section 4: Financial and Commercial Readiness

Assessment Area	Requirement	Status	Comments / Actions Needed
Funding Strategy	Proposed capital structure identified (grant, debt, equity, PPP, subsidy)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Revenue Model	Revenue streams defined (sales, rents, service charges, transfers, guarantees)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Affordability Analysis	Payment affordability tested against target household incomes	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Financial Model	Preliminary project cash flow model prepared	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Sensitivity Analysis	Key risks tested (construction cost increase, delays, lower uptake)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Subsidy Requirements	Subsidy or public support need quantified	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____

Section 5: Institutional and Implementation Readiness

Assessment Area	Requirement	Status	Comments / Actions Needed
Lead Agency	Responsible municipal entity clearly assigned	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Project Team	Named project preparation / implementation team in place	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Partner Roles	Roles of private, community, DFI, or government partners clarified	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____
Procurement Strategy	Procurement pathway identified	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	_____

Delivery Capacity	Municipality has or can access required technical capacity	<input type="checkbox"/> Yes <input type="checkbox"/> <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> Partial	_____
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Section 6: Legal, Regulatory, and Safeguards Readiness

Assessment Area	Requirement	Status	Comments / Actions Needed
Zoning Compliance	Project is compatible with current zoning / land-use framework	<input type="checkbox"/> Yes <input type="checkbox"/> <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> Partial	_____
Approval Pathway	Required planning and construction approvals mapped	<input type="checkbox"/> Yes <input type="checkbox"/> <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> Partial	_____
Environmental Screening	Preliminary environmental screening completed	<input type="checkbox"/> Yes <input type="checkbox"/> <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> Partial	_____
Social Safeguards	Social risks, resettlement, and vulnerable groups considered	<input type="checkbox"/> Yes <input type="checkbox"/> <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> Partial	_____
Gender and Inclusion	Gender-responsive and inclusion considerations integrated	<input type="checkbox"/> Yes <input type="checkbox"/> <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> Partial	_____

Section 7: Stakeholder and Market Readiness

Assessment Area	Requirement	Status	Comments / Actions Needed
Stakeholder Mapping	Key stakeholders identified	<input type="checkbox"/> Yes <input type="checkbox"/> <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> Partial	_____
Community Engagement	Initial consultation completed	<input type="checkbox"/> Yes <input type="checkbox"/> <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> Partial	_____
Market Testing	Developer / financier / contractor interest tested where relevant	<input type="checkbox"/> Yes <input type="checkbox"/> <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> Partial	_____
Political Support	Council / mayoral / ministry support confirmed	<input type="checkbox"/> Yes <input type="checkbox"/> <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> Partial	_____

Readiness Rating Summary

Readiness Dimension	Score (1-5)	Notes
Strategic Readiness	_____	_____
Land Readiness	_____	_____
Technical Readiness	_____	_____
Financial Readiness	_____	_____
Institutional Readiness	_____	_____
Safeguards / Regulatory Readiness	_____	_____
Stakeholder Readiness	_____	_____

Scoring Guide:

- 1 = Not Started
- 2 = Early Stage
- 3 = Partial / Needs Improvement
- 4 = Substantially Ready
- 5 = Ready for Financing / Procurement

Decision Guidance

Overall Recommendation:

- Not Yet Ready - major preparation gaps remain
- Pre-Feasibility Ready - proceed with further studies
- Feasibility Ready - proceed to full project structuring
- Financing Ready - proceed to DFI / lender / PPP engagement

Priority Actions Before Financing:

1. _____
2. _____
3. _____
4. _____

Responsible Team / Partner: _____

Target Completion Date: _____

Worked Example: Municipality X

Project: 500-unit mixed-income affordable housing scheme on municipal land

Assessment Outcome:

- Strategic alignment: strong
- Land readiness: good
- Technical readiness: partial
- Financial readiness: weak
- Institutional readiness: partial
- Safeguards readiness: early stage

Conclusion: Project should not yet be submitted to a DFI for financing. Priority actions include completing a feasibility study, developing a preliminary financial model, confirming infrastructure servicing costs, and preparing environmental and social screening documents.

C.4.3. Partnership Agreement Framework

Context: Effective partnerships require clear agreements that define roles, responsibilities, and mechanisms for collaboration whilst protecting municipal interests

Template: Partnership Terms of Reference		
1. Partnership Overview		
Field	Details	
Partnership Type	<input type="checkbox"/> Public-Private <input type="checkbox"/> Community <input type="checkbox"/> Civil Society <input type="checkbox"/> Technical	
Primary Partners	_____	
Partnership Duration	_____	
Project / Programme	_____	
2. Roles and Responsibilities		
Partner	Key Responsibilities	Resources Contributed
Municipality	_____	_____
Private Partner	_____	_____
Community	_____	_____
3. Governance Structure		
Steering Committee: Representatives from each partner Technical Working Group: Project implementation team Community Liaison: Beneficiary representation mechanism		
4 Key Performance Indicators (KPIs)		
Indicator	Target	Monitoring Frequency
Units Delivered	_____	Monthly
Beneficiaries Served	_____	Quarterly
Cost Performance	Within budget ±5%	Monthly
Timeline Performance	Within schedule ±10%	Monthly

C.4.4. Regulators Tools: Land Management & Regulatory Templates

C.4.4.1. Land Acquisition Decision Tool

Context: Municipalities have multiple options for acquiring land for housing. This tool provides a systematic approach to evaluate and select the most appropriate acquisition method based on local circumstances

Land Acquisition Decision Tree

Step 1: Is suitable municipal land available?

→ YES: Consider municipal land allocation

→ NO: Go to Step 2

Step 2: Is private land available for purchase?

→ YES: Evaluate market purchase (Step 3)

→ NO: Consider expropriation (Step 4)

Step 3: Market Purchase Assessment

→ Price ≤ [Default: 15-20%] of total development cost: Proceed with purchase

→ Price > threshold: Consider alternative sites, land sharing, or value capture mechanisms.

Land Cost Parameter Note: For many affordable housing schemes, keeping raw land acquisition cost below approximately 15-20% of total development cost (including infrastructure and construction) improves financial viability and affordability. However, this threshold varies by urban context, land market conditions, and development density. Municipalities should test the threshold using project-specific financial models and local land price data.

Step 4: Expropriation Assessment

→ Public interest justified + legal framework: Proceed with expropriation

→ Otherwise: Explore land sharing/partnership models

Template: Land Acquisition Decision Matrix					
Acquisition Method	Cost	Timeline	Legal Complexity	Community Acceptance	Overall Score
Municipal Land Allocation	—	—	—	—	—
Market Purchase	—	—	—	—	—
Expropriation	—	—	—	—	—
Land Sharing / Partnership	—	—	—	—	—
Land Banking (Future Use)	—	—	—	—	—

Scoring: 1 = Poor 2 = Fair 3 = Good 4 = Very Good 5 = Excellent

Template: Site Suitability Assessment				
Criteria Category	Specific Criteria	Weight	Score (1-5)	Weighted Score
Location	Distance to CBD / employment centres	20%	—	—
	Access to public transport	15%	—	—
	Access to social facilities	10%	—	—
Physical	Topography and drainage	15%	—	—
	Soil conditions	10%	—	—
	Environmental constraints	10%	—	—
Infrastructure	Existing service availability	15%	—	—
	Service connection costs	15%	—	—
TOTAL SCORE		100%		—

Decision Rule: Scores > 4.0 = Highly Suitable 3.0-4.0 = Suitable 2.0-3.0 = Marginal < 2.0 = Unsuitable

C.4.4.2. Regulatory Reform Action Plan

Context: Regulatory frameworks often constrain affordable housing development. This tool helps municipalities systematically identify and address regulatory barriers.

Template: Regulatory Reform Tracker					
Regulatory Area	Current Issue	Reform Needed	Timeline	Responsible Department	Status
Zoning Regulations	_____	_____	_____	_____	_____
Building Codes	_____	_____	_____	_____	_____
Approval Processes	_____	_____	_____	_____	_____
Subdivision Requirements	_____	_____	_____	_____	_____
Development Fees	_____	_____	_____	_____	_____

Building Code Review Checklist	
Affordability Assessment	
Assessment Question	Response / Notes
<input type="checkbox"/> Do minimum plot sizes allow for affordable development?	_____
<input type="checkbox"/> Are building material standards appropriate for the local context?	_____
Process Efficiency Assessment	
Assessment Question	Response / Notes
<input type="checkbox"/> Are approval timeframes clearly defined and enforced?	_____
<input type="checkbox"/> Is there a defined Turnaround Time (TAT) for each approval stage, and are delays tracked and reported?	_____
<input type="checkbox"/> Is documentation required proportionate to project risk?	_____
<input type="checkbox"/> Are approval fees transparent and affordable?	_____
<input type="checkbox"/> Is there a single point of contact for developers?	_____
<input type="checkbox"/> Are appeal processes clearly defined and accessible?	_____
<input type="checkbox"/> Do infrastructure requirements allow for incremental development?	_____
<input type="checkbox"/> Are parking requirements realistic for target beneficiaries?	_____
<input type="checkbox"/> Do setback requirements optimise land use?	_____

Assessment Question	Response / Notes
<input type="checkbox"/> Are approval timeframes clearly defined and enforced?	_____
<input type="checkbox"/> Is documentation required proportionate to project risk?	_____
<input type="checkbox"/> Are approval fees transparent and affordable?	_____
<input type="checkbox"/> Is there a single point of contact for developers?	_____
<input type="checkbox"/> Are appeal processes clearly defined and accessible?	_____
<input type="checkbox"/> Do infrastructure requirements allow for incremental development?	_____
<input type="checkbox"/> Are parking requirements realistic for target beneficiaries?	_____
<input type="checkbox"/> Do setback requirements optimise land use?	_____

C.4.4.3. Inclusionary Housing Policy Framework

Context: Inclusionary housing policies require private developers to include affordable units in market-rate developments or contribute to affordable housing funds.

Template: Inclusionary Housing Policy Outline		
1. Policy Objectives		
Element	Details / Description	
Primary Objective	_____	
Affordable Housing Target	___% of new residential developments	
Target Income Groups	Households earning ___% to ___% of Area Median Income (AMI)	
Geographic Scope	<input type="checkbox"/> Municipality-wide <input type="checkbox"/> Specific Zones <input type="checkbox"/> Transit Corridors	
2. Inclusionary Requirements		
Development Size	Affordable Housing Requirement	Alternative Compliance
10-50 units	___% on-site OR in-lieu fee	In-lieu payment of \$_____ per unit
51-100 units	___% on-site	Off-site construction (1:1 ratio)
>100 units	___% on-site (mandatory)	No alternative
3. Developer Incentives		
<input type="checkbox"/> Density bonuses (up to ___% additional floor area) <input type="checkbox"/> Reduced parking requirements <input type="checkbox"/> Fast-track approval process (target: ___ days vs. standard ___ days) <input type="checkbox"/> Development fee reductions (specify percentage or cap) <input type="checkbox"/> Property tax abatements (duration: ___ years) <input type="checkbox"/> Access to subsidised municipal land <input type="checkbox"/> Waiver of infrastructure development charges		
Implementation Caution:		
Incentive levels and thresholds must be defined through local market analysis and financial feasibility modelling to ensure they are sufficient to encourage private sector participation without creating windfall profits that discourage genuine affordable housing delivery. Regular monitoring and adjustment mechanisms should be built into the policy framework		
4. Monitoring and Compliance		
Monitoring Element	Frequency	Responsible Party
Affordable Unit Delivery	Quarterly	Planning Department
Beneficiary Eligibility Verification	At occupancy	Housing Department
Long-Term Affordability Compliance	Annual	Housing Department
In-Lieu Fee Collection and Use	Annual	Finance Department

C.4.5. ACTORS TOOLS: Stakeholder Engagement & PPP Templates

C.4.5.1. Stakeholder Mapping & Engagement Plan

Context: Successful housing programmes require coordinated engagement with diverse stakeholders. This tool helps municipalities systematically identify, analyse, and engage key actors throughout the housing value chain.

Template: Stakeholder Identification Matrix				
Stakeholder Category	Specific Stakeholders	Interest in Project	Influence Level (1-5)	Engagement Strategy
Government	National housing ministry	Policy alignment	_____	_____
	Provincial / state government	Regulatory approval	_____	_____
	Municipal departments	Service delivery	_____	_____
Private Sector	Developers	Business opportunity	_____	_____
	Financial institutions	Lending opportunity	_____	_____
	Contractors / suppliers	Contract opportunity	_____	_____
Development Partners	DFIs (AfDB, World Bank, Shelter Afrique)	Development impact	_____	_____
	NGOs / CSOs	Community advocacy	_____	_____
Communities	Target beneficiaries	Housing access	_____	_____
	Existing residents	Neighbourhood impact	_____	_____
Academic / Research Institutions	Universities	Training, executive education, research partnerships	_____	_____
	Policy institutes / urban research centres	Evidence generation, diagnostics, policy support	_____	_____

Template: Stakeholder Engagement Plan

Stakeholder Group	Engagement Objective	Methods	Frequency	Lead Responsibility
High Influence / High Interest	Active collaboration	Steering committee, joint planning	Monthly	Municipal Manager
High Influence / Low Interest	Keep satisfied	Briefings, progress reports	Quarterly	Housing Director
Low Influence / High Interest	Keep informed	Newsletters, community meetings	Monthly	Community Liaison
Low Influence / Low Interest	Monitor	General communications	As needed	Communications Officer

C.4.5.2. PPP Structuring Guide

Context: Public-Private Partnerships can leverage private sector efficiency and financing whilst maintaining public sector oversight. This tool guides municipalities through PPP model selection and structuring.

PPP Model Selection Decision Tree

Step 1: What is the primary constraint?

- Land: Consider Land Contribution Partnership
- Finance: Consider Turnkey or Build-Operate models
- Capacity: Consider Management Contract or Joint Venture

Step 2: What level of private sector involvement is appropriate?

- High municipal control needed: Management Contract
- Shared risk/control: Joint Venture or Land Contribution
- Transfer most risk: Turnkey or Build-Operate-Transfer

Step 3: What are the financing arrangements?

- Municipal financing: Management Contract
- Shared financing: Joint Venture
- Private financing: Turnkey or BOT

Template: PPP Feasibility Assessment				
1. Project Characteristics				
Item	Details			
Project Size	_____ units	US\$ _____ million		
Implementation Period	_____ years			
Municipal Constraints	<input type="checkbox"/> Financing	<input type="checkbox"/> Technical Capacity	<input type="checkbox"/> Land	<input type="checkbox"/> Implementation Speed
2. PPP Model Assessment				
PPP Model	Suitability Score (1-5)	Key Advantages	Key Risks	
Management Contract	_____	_____	_____	
Joint Venture	_____	_____	_____	
Land Contribution	_____	_____	_____	
Turnkey	_____	_____	_____	
3. Risk Allocation Matrix				
Risk Category	Municipality	Private Partner	Shared	Risk Mitigation
Land Acquisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Planning Approvals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Construction Cost Overruns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Demand / Market Risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Political / Regulatory Change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

C.4.5A Template: Municipal Slum Upgrading and Incremental Settlement Improvement Framework

Context:

Many African municipalities face large informal settlement backlogs, yet responses are often fragmented, reactive, or focused on relocation rather than structured upgrading. This template is designed to support municipalities in planning and implementing participatory, phased, and service-led slum upgrading programmes that improve living conditions while protecting livelihoods, social networks, and access to opportunity.

Purpose:

To help municipalities move from ad hoc settlement responses towards a more systematic upgrading approach that addresses tenure, infrastructure, community engagement, financing, institutional coordination, and safeguards.

Instructions:

- 1. Use this template when assessing an informal settlement or underserved neighbourhood for upgrading.
- 2. Complete it in collaboration with community representatives, technical departments, and relevant partners.
- 3. Use it to identify priority interventions, delivery partners, financing gaps, and implementation risks.
- 4. Update the template as upgrading progresses from profiling to implementation and monitoring.

Template: Municipal Slum Upgrading and Incremental Settlement Improvement Framework

Settlement / Area Name: _____

Municipality: _____

Assessment Date: _____

Prepared By: _____

Project Stage: Profiling Concept Development Upgrading Plan Implementation Monitoring

Section 1: Settlement Profile

Assessment Area	Response / Notes
Estimated population	_____
Estimated number of households	_____
Settlement location / ward	_____
Settlement age / history	_____
Land ownership / tenure status	_____
Main housing typologies	_____
Key livelihood activities	_____
Presence of vulnerable groups (women-headed households, youth, elderly, persons with disabilities, displaced populations)	_____

Section 2: Key Challenges Identified

Challenge Area	Status / Notes
<input type="checkbox"/> Insecure tenure / eviction risk	_____
<input type="checkbox"/> Limited access to water	_____
<input type="checkbox"/> Limited sanitation / waste management	_____
<input type="checkbox"/> Drainage / flooding problems	_____
<input type="checkbox"/> Lack of electricity / street lighting	_____
<input type="checkbox"/> Poor road / access conditions	_____
<input type="checkbox"/> Overcrowding	_____
<input type="checkbox"/> Environmental / health risks	_____
<input type="checkbox"/> Fire / safety risks	_____
<input type="checkbox"/> Social vulnerability / displacement pressures	_____

<input type="checkbox"/> Weak municipal coordination / service presence	_____
---	-------

Section 3: Community Engagement and Participation

Assessment Question	Response / Notes
Have community leaders / representative groups been identified?	_____
Have residents been consulted on upgrading priorities?	_____
Are women, youth, and vulnerable groups represented in consultations?	_____
Is there an agreed community engagement mechanism for the upgrading process?	_____
Are grievance and feedback channels defined?	_____

Section 4: Upgrading Approach

Assessment Area	Response / Notes
Preferred approach	<input type="checkbox"/> In-situ upgrading <input type="checkbox"/> Incremental servicing <input type="checkbox"/> Partial redevelopment <input type="checkbox"/> Resettlement only where unavoidable
Why this approach is appropriate	_____
Is displacement expected?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Minimal
If displacement is expected, is there a mitigation / resettlement strategy?	_____
Does the approach protect livelihoods and access to social networks?	_____
Is the approach phased to match municipal capacity and funding?	_____

Section 5: Priority Interventions

Intervention Area	Proposed Action	Priority Level (High / Medium / Low)	Lead Agency / Partner
Water supply	_____	_____	_____
Sanitation	_____	_____	_____
Drainage / flood control	_____	_____	_____
Roads / access	_____	_____	_____
Street lighting / safety	_____	_____	_____
Waste management	_____	_____	_____
Tenure regularisation	_____	_____	_____
Housing improvement support	_____	_____	_____
Social facilities / community infrastructure	_____	_____	_____

Section 6: Institutional Roles and Coordination

Function	Lead Agency	Supporting Agencies / Partners	Comments
Settlement profiling	_____	_____	_____
Community engagement	_____	_____	_____
Infrastructure delivery	_____	_____	_____

Tenure / land matters	_____	_____	_____
	-	-	-
Safeguards / social support	_____	_____	_____
	-	-	-
Monitoring and reporting	_____	_____	_____
	-	-	-

Section 7: Financing and Delivery

Assessment Area	Response / Notes
Estimated total upgrading cost	_____
Available municipal budget	_____
External finance / grants / donor support	_____
Community contributions / savings mechanisms	_____
Delivery partners (NGOs, utilities, cooperatives, DFIs, contractors)	_____
Is delivery phased to reflect available funding?	_____
Are there options for incremental financing?	_____

Section 8: Safeguards, Inclusion, and Resilience

Assessment Question	Response / Notes
Have environmental risks been assessed?	_____
Have climate / hazard risks been assessed?	_____
Are gender and inclusion considerations integrated?	_____
Are there protections against forced eviction or harmful displacement?	_____
Are vulnerable groups prioritised in the upgrading approach?	_____
Are livelihood and mobility impacts considered?	_____

Section 9: Monitoring and Success Indicators

Indicator	Baseline	Target	Notes
Households benefiting from upgrading	_____	_____	_____
New or improved water connections	_____	_____	_____
New or improved sanitation connections	_____	_____	_____
Roads / drainage improved	_____	_____	_____
Tenure documents / agreements issued	_____	_____	_____
Resident satisfaction	_____	_____	_____
Reported displacement cases	_____	_____	_____

Section 10: Readiness Summary

Readiness Dimension	Score (1-5)	Notes
Community readiness	_____	_____
Technical readiness	_____	_____
Institutional readiness	_____	_____
Financing readiness	_____	_____
Safeguards readiness	_____	_____

Scoring Guide:

- 1 = Not Started
- 2 = Early Stage
- 3 = Partial / Needs Improvement
- 4 = Substantially Ready
- 5 = Ready for Implementation

Overall Recommendation:

- Not Yet Ready
- Ready for Pilot Upgrading
- Ready for Phased Implementation
- Ready for Full Programme Roll-Out

Priority Actions:

1. _____
2. _____

3. _____

4. _____

C.4.5.3. Community Participation Framework

Context: Meaningful community participation improves project outcomes, ensures cultural appropriateness, and enhances long-term sustainability. This framework provides structured approaches to community engagement

Template: Community Participation Plan

1. Participation Objectives

Primary Objective:	<input type="checkbox"/> Information sharing <input type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Empowerment
Key Outcomes:	_____
Target Groups:	<input type="checkbox"/> All residents <input type="checkbox"/> Women <input type="checkbox"/> Youth <input type="checkbox"/> Elderly <input type="checkbox"/> Disabled <input type="checkbox"/> Business owners
Objective Type	Description / Example
Information Sharing	Disseminate project updates and timelines to all residents
Consultation	Gather input from women, youth, and vulnerable groups on housing design and service priorities
Collaboration	Involve community representatives in planning and implementation committees
Empowerment	Enable communities to co-manage post-occupancy maintenance and decision-making

2. Participation Methods by Project Phase

Project Phase	Participation Method	Target Group	Frequency
Planning Phase	Community mapping	All residents	One-time
	Focus group discussions	Women, youth (separate sessions)	2-3 sessions
	Community planning workshops	Community representatives	Monthly
Implementation Phase	Progress update meetings	All residents	Monthly

	Beneficiary feedback sessions	Target beneficiaries	Bi-weekly
Post-Completion Phase	Evaluation workshops	All stakeholders	Quarterly

3 Beneficiary Selection Criteria

Eligibility Criteria (all must be met):

Criterion	Details / Thresholds
Household income below	\$_____ per month (specify local threshold based on affordability analysis)
Existing housing ownership	No existing formal housing ownership
Residency requirement	Resident in municipality for minimum ___ years
Legal status	Citizen or legal resident per national legislation

Note: Eligibility criteria must comply with national legislation, constitutional provisions on housing rights, and international human rights standards on non-discrimination and equal access

4. Priority Criteria (Scoring System - Gender & Vulnerability Responsive)

Priority Category	Score / Points
Female-headed household	+10
Household with children under 5 years	+5
Household with persons with disabilities	+5
Household affected by HIV/AIDS or chronic illness	+5
Household in inadequate or hazardous housing	+5
Elderly-headed household	+5
Survivor of gender-based violence	+5
Youth-headed household	+3
Existing community participation / contribution	+3

Gender & Inclusion Note:

Priority criteria should reflect AfDB Gender Strategy priorities and national vulnerability frameworks. Municipalities should ensure outreach and accessible application processes for marginalised groups.

5. Grievance Redress Mechanism

Level	Authority / Responsible Body	Timeline	Process / Action
Level 1: Community	Community Committee	7 days	Informal resolution, written record
Level 2: Project	Project Manager	14 days	Formal investigation, written response
Level 3: Municipal	Housing Director	30 days	Independent review, formal hearing
Level 4: External	Provincial Ombudsman	60 days	External mediation or arbitration

C.4.6. Local Initiatives Tools: Project Management & M&E Templates

C.4.6.1. Project Management Tools

Context: Systematic project management ensures housing projects are delivered on time, within budget, and to required quality standards. These tools provide frameworks for effective project oversight.

Template: Project Management Dashboard

Project Overview

Field	Details
Project Name	_____
Project Manager	_____
Start Date	_____
End Date	_____
Total Budget (US\$)	_____

Project Status Indicators

Indicator	Target	Current	Status (Select)	Variance
Schedule Performance	100%	____%	<input type="checkbox"/> Green <input type="checkbox"/> Yellow <input type="checkbox"/> Red	____ days
Budget Performance	100%	____%	<input type="checkbox"/> Green <input type="checkbox"/> Yellow <input type="checkbox"/> Red	US\$ _____
Quality Performance	100%	____%	<input type="checkbox"/> Green <input type="checkbox"/> Yellow <input type="checkbox"/> Red	____ defects

Safety Performance	0 incidents	_____ incidents	<input type="checkbox"/> Green <input type="checkbox"/> Yellow <input type="checkbox"/> Red	_____ incidents
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Project Initiation Checklist

Pre-Implementation Requirements

Requirement	Status (<input checked="" type="checkbox"/> / <input type="checkbox"/>)	Notes
Project charter approved by municipal council	<input type="checkbox"/>	_____
Environmental clearance certificate obtained	<input type="checkbox"/>	_____
Land acquisition / allocation completed	<input type="checkbox"/>	_____
Detailed design and technical specifications finalised	<input type="checkbox"/>	_____
Budget allocation and funding agreements in place	<input type="checkbox"/>	_____
Procurement plan approved	<input type="checkbox"/>	_____
Project management team appointed	<input type="checkbox"/>	_____
Community engagement plan activated	<input type="checkbox"/>	_____
Contractor selection and contracting completed	<input type="checkbox"/>	_____
Site handover and mobilisation completed	<input type="checkbox"/>	_____

Template: Procurement Planning Matrix

Contract Package	Procurement Method	Estimated Value (US\$)	Timeline (weeks)	Key Requirements / Notes
Site Preparation	<input type="checkbox"/> Open Tender <input type="checkbox"/> Quotations	_____	___	_____
Infrastructure (roads, services)	<input type="checkbox"/> Open Tender <input type="checkbox"/> Quotations	_____	___	_____
Housing Construction	<input type="checkbox"/> Open Tender <input type="checkbox"/> Quotations	_____	___	_____
Professional Services	<input type="checkbox"/> Open Tender <input type="checkbox"/> Quotations	_____	___	_____

C.4.6.2. Monitoring & Evaluation Framework

Context: Systematic monitoring and evaluation enable municipalities to track progress, identify issues early, and demonstrate impact to stakeholders and funders.

Template: Logical Framework Matrix (LogFrame)

Level	Description	Indicators	Targets	Assumptions
Goal	Improve access to adequate, affordable housing	% of households in adequate housing	Increase from ___% to ___%	Political commitment sustained
Purpose	Deliver [X] affordable housing units	Number of units completed and occupied	___ units by [date]	Beneficiaries can access finance
Outputs	Land prepared and serviced Houses constructed Community facilities built	1. Hectares of serviced land 2. Number of houses 3. Number of facilities	1. ___ ha 2. ___ units 3. ___ facilities	No environmental delays Contractor performance Community participation
Activities	Land acquisition, design, procurement, construction, allocation	Activities completed on schedule	100% of planned activities	Adequate budget and capacity

Template: M&E Tracking Sheet - Key Performance Indicators by Pillar

Pillar	Key Performance Indicator (KPI)	Target	Current	Data Source
Vision	Housing needs assessment updated	Every 3 years	Last: ___	Planning Dept records
	Strategic plan implementation rate	80% of targets met	___%	Progress reports
	Stakeholder satisfaction	>70% satisfied	___%	Annual survey
Institutions	Staff trained in housing delivery	100% of housing unit staff	___%	Training records
	DFI/IFI partnerships established	≥1 active partnership	___	Partnership agreements
	Institutional capacity score	>3.5 / 5.0	___	Annual capacity assessment
Regulators	Regulatory reforms implemented	As per tracker	___%	Reform tracker
	Average approval time for housing projects	< ___ days	___ days	Planning Dept records

Affordable Housing Toolkit for Municipal Authorities in Africa

	Inclusionary housing units delivered	___% of new developments	___%	Building permits, occupancy certificates
Actors	Active private sector partnerships	≥ ___ partnerships	___	Partnership agreements
	Community participation rate	>60% of target beneficiaries	___%	Participation records
	PPP projects delivering units	___ units per year	___	Project reports
Local Initiatives	Housing units delivered (total)	___ units per year	___	Completion certificates
	Projects reaching financing-ready / implementation-ready stage	≥ ___ projects per year	___	Project pipeline dashboard
	Housing units by income band	As per strategic plan targets	___	Beneficiary database
	Projects on time / on budget	>80% within ±10% variance	___%	Project dashboards
	Beneficiary satisfaction	>75% satisfied	___%	Post-occupancy surveys
	Quality compliance rate	>90% pass rate on inspections	___%	Quality inspection records

Cross-Cutting Indicators

Area	Indicator	Target	Current	Data Source
------	-----------	--------	---------	-------------

Gender	Female-headed household beneficiaries	≥ ___% of total	___%	Beneficiary database
	Women’s participation in community meetings	>40% of participants	___%	Attendance registers
	Joint titling / registration (couples)	>80% joint registration	___%	Title deeds / permits
	Women in project workforce	≥ ___% of workforce	___%	Contractor employment records
Climate	Climate-resilient design features	100% of new units	___%	Technical specs / inspections
	Energy-efficient housing (EDGE / LEED or equivalent)	≥ ___% of units	___%	Certification records
	Renewable energy integration	Solar water heating in ___% of units	___%	Installation records
Finance	Private finance leveraged per public dollar	Ratio 1:___	___	Financial reports
	Municipal revenue generated from new units	\$___ per year	___	Revenue records

M&E Note:

This KPI framework should be tailored to the local context and integrated into municipal performance management systems.

- **Monthly:** implementation KPIs
- **Quarterly:** outcome KPIs
- **Annually:** impact KPIs

All data should be **gender-disaggregated** and aligned with AfDB reporting standards.

C.4.6.3 Financial Management Tools

Context: Sound financial management ensures that housing projects remain within budget, cash flow is maintained, and resources are used efficiently and transparently.

Template: Project Financial Dashboard

Financial Management Status Key:

■ Green = within ±5% of budget ■ Yellow = ±5-10% variance ■ Red = >10% variance (requires corrective action)

Financial Indicator	Budget (US\$)	Actual to Date (US\$)	Variance (%)	Status
Total Project Budget	_____	_____	_____%	<input type="checkbox"/> Green <input type="checkbox"/> Yellow <input type="checkbox"/> Red
Land Acquisition	_____	_____	_____%	<input type="checkbox"/> Green <input type="checkbox"/> Yellow <input type="checkbox"/> Red
Infrastructure	_____	_____	_____%	<input type="checkbox"/> Green <input type="checkbox"/> Yellow <input type="checkbox"/> Red
Housing Construction	_____	_____	_____%	<input type="checkbox"/> Green <input type="checkbox"/> Yellow <input type="checkbox"/> Red
Professional Fees	_____	_____	_____%	<input type="checkbox"/> Green <input type="checkbox"/> Yellow <input type="checkbox"/> Red
Community Facilities	_____	_____	_____%	<input type="checkbox"/> Green <input type="checkbox"/> Yellow <input type="checkbox"/> Red
Contingency (%)	_____	_____	_____%	<input type="checkbox"/> Green <input type="checkbox"/> Yellow <input type="checkbox"/> Red

Worked Example: Financial Monitoring for 500-Unit Project

Project Overview:

Municipality Y is implementing a **500-unit affordable housing project** with a total budget of **US\$5 million** (US\$10,000 per unit, including all costs).

Cost Component	Budget (US\$)	Actual (Month 12)	Variance (%)	Analysis / Notes
Land (15%)	750,000	720,000	-4%	✓ Negotiated discount achieved
Infrastructure (25%)	1,250,000	1,375,000	+10%	⚠ Unexpected rock excavation; within contingency
Construction (45%)	2,250,000	2,180,000	-3%	✓ Bulk procurement savings
Professional Fees (8%)	400,000	395,000	-1%	✓ On track
Community Facilities (5%)	250,000	240,000	-4%	✓ On track
Contingency (2%)	100,000	40,000	60% remaining	✓ Adequate buffer maintained
TOTAL	5,000,000	4,950,000	-1%	✓ Overall: On budget

Financial Management Actions Taken:

- Infrastructure overrun absorbed through land savings and contingency
- Monthly cash flow projections maintained for timely contractor payments
- Bulk procurement achieved ~3% construction cost savings
- Quarterly financial reports submitted to municipal council and DFI partner

Key Lesson:

Active financial monitoring with monthly variance analysis allowed early detection of cost pressures and timely reallocations, keeping the project within budget **without compromising quality**.

Conclusion

Using Tools Together: Integration Across Pillars

The tools in this section are designed to operate as a **coordinated implementation system**. In some instances, they are can openers to a more detailed exercise, which is beyond the realms of this project. Successful affordable housing delivery depends on municipalities using tools from **all Five Pillars** simultaneously:

Pillar	Core Function
Vision Tools	Provide the evidence base and strategic direction that inform all subsequent decisions
Institutions Tools	Build the organisational capacity required to effectively use all other tools
Regulators Tools	Create an enabling environment for housing delivery through policy and reform
Actors Tools	Mobilise partnerships, finance, and stakeholder engagement for implementation
Local Initiatives Tools	Manage day-to-day project delivery and ensure accountability and transparency

Customisation Guidance: Adapting to Municipal Context and Capacity

Municipalities should adapt tools based on local conditions and institutional maturity:

Factor	Adaptation Guidance
Institutional Capacity	Start with simpler tools and expand as skills and systems mature
Data Availability	Use proxy indicators or rapid assessments where formal data is limited
Regulatory Context	Align tools with national legislation, housing policy, and standards
Resource Constraints	Prioritise tools that address the most critical delivery bottlenecks first

Recommended Implementation Pathway

Timeline	Phase	Key Activities
Months 1-6	Foundation	Housing needs assessment, affordability analysis, capacity assessment, stakeholder mapping
Months 7-12	Enablement	Strategic housing plan, regulatory reform identification, partnership development, DFI engagement
Months 13-24	Delivery	Project initiation, PPP structuring, land acquisition, procurement planning
Ongoing	Sustainability	M&E framework, financial management, community participation, and quality control

DFI Focus:

When seeking external financing, prioritise tools that support **bankability** and **safeguard compliance** (see DFI CN Template & Bankability Checklist).

Next Steps: Moving from Tools to Action

Municipal authorities should apply **Part 3** tools alongside the strategic guidance from **Parts 1 and 2**.

Step	Recommended Action
1. Assess Readiness	Use Institutional Capacity Assessment (3.2.1) to identify strengths and gaps
2. Build Evidence	Complete Housing Needs Assessment (3.1.1) and Affordability Analysis (3.1.2)
3. Develop Strategy	Formulate a Strategic Housing Plan (3.1.3) aligned with national and local goals
4. Engage Partners	Apply Stakeholder Engagement (3.4.1) and DFI Engagement (3.2.2) tools
5. Implement Projects	Use Project Management (3.5.1), M&E (3.5.2), and Financial Management (3.5.3) tools
6. Monitor & Adjust	Apply M&E Framework regularly to track progress and adapt implementation

D. CASE STUDIES & BEST PRACTICES

Introduction

Purpose: This section examines successful and unsuccessful municipal housing initiatives across Africa to provide practical learning for municipal authorities implementing the Five Pillars framework. By analysing real-world experiences, municipalities can understand what works, what fails, and why - enabling them to make informed decisions and avoid common pitfalls.

Structure: Each case study follows a structured analytical framework:

- **Challenge:** The specific housing problem or constraint faced
- **Intervention:** The approach taken to address the challenge
- **Results:** Measurable outcomes and impacts achieved
- **Lessons:** Key insights for replication or avoidance

Note on Statistics: All case study statistics have been verified against official sources including government reports, institutional annual reports, and project documentation as of November 2024. Where specific figures cannot be independently verified, qualitative descriptions are used. Full sources are provided in the References section.

Link to Viral Framework five Pillars: Each case study demonstrates the application of one or more pillars from the framework outlined in Part 2: VISION (strategic planning), INSTITUTIONS (capacity building), REGULATORS (land and regulatory frameworks), ACTORS (partnerships), and LOCAL INITIATIVES (project implementation). The analysis shows how success depends on integrated action across multiple pillars, whilst failure often results from weakness in a single critical pillar.

D.1. VISION IN ACTION: Strategic Planning Success

Case Study 1: Kigali, Rwanda - Integrated Urban Housing Strategy

Context: Following the 1994 genocide, Rwanda experienced rapid urbanisation as rural populations migrated to Kigali seeking economic opportunities. By 2010, over 80% of Kigali's residents lived in informal settlements with inadequate infrastructure and services. The city lacked a strategic housing framework to guide systematic development.

Challenge: How to transform informal settlements into planned, serviced residential areas whilst accommodating continued urban growth through strategic planning and needs-based intervention.

Intervention (2010-2020):

- **Comprehensive Housing Needs Assessment:** Integrated with Kigali Master Plan 2040, quantifying demand and linking housing strategy to broader urban development
- **Affordability Analysis:** Defined four income bands with targeted delivery models for different household segments
- **Vision 2020 Housing Targets:** Clear quantitative goals linked to national development strategy with measurable outcomes
- **Integrated Development Programme (IDP) Model:** Sites-and-services approach combined with incremental housing finance to serve mixed-income beneficiaries

- **Master Plan Integration:** Housing strategy embedded within broader urban planning framework ensuring infrastructure coordination.

Results (2010-2024):

- **Batsinda Project:** 536 affordable housing units with government support for plot servicing
- **Busanza Housing Estate:** Over 1,200 affordable housing units completed serving diverse income groups
- **Total Verified Delivery:** 1,700+ affordable units through strategic sites-and-services approach
- **Replication:** IDP model adapted for implementation in secondary cities including Huye and Muhanga
- **Infrastructure Integration:** All projects linked to master plan infrastructure development ensuring coordinated service delivery.

Lessons Learned:

Success Factors:

- ✓ Strong political commitment at highest level essential for sustained implementation
- ✓ Integration with master planning ensures infrastructure coordination and cost efficiency
- ✓ Incremental housing approach suitable for mixed-income beneficiaries and diverse household capacities
- ✓ Sites-and-services model enables beneficiary choice whilst maintaining planning standards.
- ✓ Ease of doing business and an enabling environment are critical for attracting investment, accelerating approvals, and supporting delivery at scale

Persistent Challenges:

- X Affordability remains challenge for ultra-low-income households (0-30% Area Median Income) this issue is further complicated by the fact that some of the original low income household beneficiaries have sold their properties to higher income groups benefiting from the increase in property values and general uplift of the neighbourhood.
- X Relocation from informal settlements created social tensions and livelihood disruption
- X Limited scale relative to overall urban housing demand (government targets 150,000 new dwellings annually by 2050)

Pillar Linkage: Demonstrates VISION pillar - strategic planning, comprehensive needs assessment, clear target setting integrated with urban development strategy and national policy frameworks.

Application for Municipal Authorities: Municipalities should integrate housing needs assessment with master planning processes and establish clear, measurable targets linked to national development frameworks to ensure political accountability and sustained resource allocation.

Sources: Ministry of Infrastructure Annual Report (2016), New Times Rwanda via Black Facts, Rwanda Housing Authority, YouTube RBA News (2020).

Case Study 2: Cape Town, South Africa - Affordability Analysis Framework

Context: Cape Town faces extreme spatial inequality as a legacy of apartheid planning, with high land costs and diverse income groups requiring differentiated housing approaches. The city has one of the world's highest Gini coefficients (0.67), creating complex affordability dynamics.

Challenge: How to define affordability across extreme income inequality and design differentiated delivery models that serve ultra-low-income households whilst enabling market delivery for moderate income groups.

Intervention:

- **"Rule of Thirds" Affordability Framework:** Divide housing backlog into three segments with distinct approaches:
 - Bottom third: Full subsidy through Breaking New Ground programme
 - Middle third: Gap housing requiring partial subsidy plus mortgage finance
 - Top third: Market delivery with regulatory enablement and incentives
- **Geographic Targeting:** Different delivery approaches by area considering land values and infrastructure capacity
- **Regulatory Innovation:** Accessory Dwelling Unit (ADU) bylaw enabling backyard rental development
- **Annual Housing Targets:** Specific delivery goals by income band with monitoring framework

Results:

- **Subsidy Housing:** Thousands of Breaking New Ground subsidy houses delivered for ultra-low income households
- **Gap Housing Pilot:** Innovative pilot projects serving households earning between subsidy threshold and market access point
- **Accessory Dwelling Units:** Bylaw reform enabled thousands of backyard rental units, unlocking informal housing supply
- **Regulatory Framework:** Comprehensive policy framework balancing social housing objectives with market mechanisms

Lessons Learned:

Success Factors:

- ✓ Affordability framework must match local income distribution and housing market dynamics
- ✓ Multiple delivery models needed for different income segments rather than one-size-fits-all approach
- ✓ Regulatory innovation (ADUs) can unlock significant informal housing supply at scale
- ✓ Geographic targeting optimises land use and infrastructure investment efficiency

Persistent Challenges:

- X Gap housing financially complex requiring patient capital and innovative financing mechanisms
- X Peripheral location of much subsidy housing perpetuates spatial inequality and transport cost burden
- X Scale of delivery insufficient relative to household formation and urbanisation rates

Pillar Linkage: Demonstrates VISION pillar - sophisticated affordability analysis enabling differentiated strategic approaches tailored to specific income segments and geographic contexts.

Application for Municipal Authorities: Use the "Rule of Thirds" framework to segment housing backlog by income and design differentiated delivery models - subsidy housing, gap housing with blended finance, and market facilitation - ensuring appropriate responses for each segment.

Sources: City of Cape Town Housing Strategy documentation, Cape Town ADU policy framework. Specific unit numbers require verification with City of Cape Town Housing Department for precise figures.

D.2 INSTITUTIONS IN ACTION: Capacity Building & Partnerships

Case Study 3: Johannesburg, South Africa - Municipal Development Company Model

Context: The City of Johannesburg, as a large metropolitan municipality, faced complex housing mandate requirements but lacked sufficient project delivery capacity within its housing department. Engaging private sector partners proved difficult through traditional municipal procurement processes.

Challenge: How to overcome municipal capacity constraints whilst maintaining public policy objectives and democratic accountability in affordable housing delivery.

Intervention:

- **Johannesburg Housing Company (JHC) Establishment:** Created municipal entity in 1996 with operational autonomy but municipal ownership
- **Clear Mandate:** Focus on social and affordable rental housing delivery rather than ownership models
- **Capacity Building:** Professional staff recruitment, performance management systems, and project management expertise
- **Partnership Model:** JHC serves as intermediary between municipality, private sector developers, and DFI finance providers
- **Governance Framework:** Board oversight with municipal representation ensuring public accountability

Results (1996-2024):

- **Rental Housing Portfolio:** JHC manages over 4,500 affordable rental housing units across 36 buildings in inner-city Johannesburg

- **Asset Value:** Property portfolio valued at R1.4 billion as of 2021, demonstrating sustainable asset management
- **Urban Regeneration:** Award-winning inner-city housing projects contributing to Hillbrow and Berea regeneration
- **Replication:** Model adapted by Ekurhuleni, Buffalo City, and George municipalities
- **Sector Context:** JHC contributes to broader South African social housing sector (44,114 units nationally by 2023)

Lessons Learned:

Success Factors:

- ✓ Operational autonomy enables efficient project delivery and professional property management
- ✓ Focus on rental housing serves mobile urban population and informal economy workers
- ✓ Strong municipal backing essential through land provision, guarantees, and policy support
- ✓ Professional governance and performance management systems critical for credibility

Governance Risks:

- X Requires robust board oversight and governance systems to prevent capture or mismanagement
- X Political interference can undermine operational autonomy and professional management
- X Limited scale relative to overall metropolitan housing need requiring complementary approaches

Pillar Linkage: Demonstrates INSTITUTIONS pillar - how alternative organizational structures can overcome municipal capacity constraints whilst maintaining public objectives and democratic accountability.

Application for Municipal Authorities: Municipalities with capacity constraints should consider establishing semi-autonomous housing companies with professional governance, clear mandates, and strong municipal backing whilst ensuring robust oversight to prevent governance failures.

Sources: JHC Annual Report 2021, Frontiers in Sustainable Cities (2025), JHC Annual Report 2024.

Case Study 4: Lagos, Nigeria - Failed DFI Engagement (FAILURE LESSON)

Context: Nigeria faces a 17 million national housing backlog (AfDB SUDAP Report), with Lagos as the country's largest city experiencing intense urbanisation pressure. Multiple housing agencies operate at federal, state, and local levels with overlapping mandates.

Challenge: Institutional fragmentation between Federal Housing Ministry, Lagos State Housing Corporation, and Lagos State Development Property Corporation (LSDPC) undermined coordinated housing delivery and DFI engagement.

Intervention Attempted (2016-2019):

- **World Bank Urban and Other Infrastructure Development Project (2016):** Large-scale housing and infrastructure project preparation
- **AfDB Lagos State Development Project Proposal (2017):** Affordable housing finance and institutional capacity building
- **Technical Preparation:** Multiple feasibility studies, environmental and social safeguards assessments, and project design processes

What Went Wrong:

- **No Single Coordinating Authority:** Federal Housing Ministry, Lagos State Housing Corporation, and LSDPC competed rather than coordinated
- **Political Patronage:** Projects used for competing political interests rather than technical housing delivery
- **Lack of Municipal Ownership:** Projects imposed from federal/state level without genuine local government engagement
- **Absent Beneficiary Database:** No systematic needs assessment or transparent allocation mechanisms
- **Affordability Mismatch:** Units designed and priced beyond target beneficiary capacity

Consequences:

- World Bank Urban Development Project suspended in 2019 due to implementation failures
- AfDB declined to proceed with financing due to institutional and governance concerns
- Thousands of housing units completed but remaining empty due to affordability mismatch
- DFI credibility damaged, making future engagement more difficult and costly
- Wasted technical preparation investment and lost development opportunity

Lessons Learned:

X Institutional fragmentation and competing mandates can completely kill DFI projects regardless of available finance

X Political commitment must translate into operational coordination, not just rhetorical support

X Affordability analysis and beneficiary assessment cannot be skipped or treated as afterthoughts

X Municipal ownership and local government engagement essential - externally imposed projects fail

Positive Counterexample:

✓ Kenya's single Affordable Housing Act (2024) provides institutional clarity and coordination framework that Nigeria lacks

✓ Kenya's digital beneficiary registration system creates transparency that Lagos projects lacked

Pillar Linkage: Demonstrates INSTITUTIONS pillar - institutional fragmentation and political competition can completely undermine DFI engagement and housing delivery, regardless of available finance.

Application for Municipal Authorities: Before engaging DFIs, ensure single coordinating authority with clear mandate, conduct comprehensive needs assessment and affordability analysis, and secure genuine political commitment that translates into operational coordination - not just rhetorical support.

Corrective Approach: Nigeria would benefit from a Kenya-style Affordable Housing Act establishing clear institutional framework, standardised beneficiary system, and transparent allocation mechanisms to enable successful DFI engagement.

Sources: World Bank Implementation Status Reports, AfDB project documentation, interview with Jumoke Akinwunmi (Nigeria housing sector specialist, 2024).

D.3 REGULATORS IN ACTION: Land & Regulatory Innovation

Case Study 5: Windhoek, Namibia - Land Banking & Incremental Development

Context: Windhoek, as a desert city with limited water resources, faces land scarcity and high infrastructure development costs. Land costs were consuming excessive portions of affordable housing project budgets, excluding low-income households from formal development.

Challenge: How to reduce land costs as a percentage of total development expenditure whilst ensuring sustainable urban development in a resource-constrained environment.

Intervention (2005-2020):

- **Municipal Land Banking Strategy (2005):** Systematic acquisition of peripheral land ahead of development demand
- **Strategic Timing:** Land purchased at agricultural prices and held for 5-10 years before development
- **Incremental Servicing:** Phased infrastructure development (water connections first, roads and sewer systems later)

- **Flexible Standards:** Reduced minimum plot sizes from 600m² to 200m² to improve affordability
- **Community Partnership:** Collaboration with Shack Dwellers Federation for community-driven planning and participation

Results:

- **Cost Reduction:** Land banking significantly reduced land costs as percentage of total project expenditure
- **Scale of Delivery:** Over 15,000 serviced plots delivered through systematic land banking approach
- **Target Market Success:** Otjomuise and Okahandja Park projects successfully served households earning N\$1,500-N\$4,000/month
- **Cost Recovery:** Infrastructure costs recovered through property taxation over 15-year period
- **Community Engagement:** Participatory planning improved design appropriateness and community ownership

Lessons Learned:

Success Factors:

- ✓ Strategic land banking transforms affordability by acquiring land before speculation and development pressure. Also a potential example of LVC.
- ✓ Incremental servicing reduces upfront capital requirements whilst maintaining habitability standards
- ✓ Community participation improves design appropriateness and reduces implementation conflicts
- ✓ Flexible plot standards enable affordability without compromising basic planning principles

Persistent Challenges:

- X Peripheral location creates transport cost burden for residents accessing employment and services
- X Requires patient capital and long-term municipal planning capacity often constrained by political cycles
- X Limited water resources constrain overall scale of development in desert environment

Pillar Linkage: Demonstrates REGULATORS pillar - how strategic land management and flexible regulatory standards can overcome major affordability constraints through systematic policy intervention.

Application for Municipal Authorities: Establish systematic land banking programmes acquiring peripheral land 5-10 years ahead of development at agricultural prices. Combine with incremental servicing and flexible plot standards to reduce costs whilst maintaining habitability. Patient capital and long-term planning essential.

Sources: City of Windhoek planning documentation, Shack Dwellers International reports. Specific cost reduction percentages require verification with City of Windhoek Land Management Department.

Case Study 6: Kumasi, Ghana - Regulatory Gridlock (FAILURE LESSON)

Context: Kumasi, Ghana's second-largest city, experiences rapid informal settlement growth with an estimated 70% of housing development occurring outside formal regulatory frameworks due to regulatory barriers and complex approval processes.

Challenge: Regulatory barriers including excessive minimum plot sizes, complex multi-agency approval processes, and customary land tenure conflicts prevented affordable formal housing development.

Regulatory Barriers Identified:

- **Excessive Plot Sizes:** 0.4 acres (1,600m²) minimum plot requirement far beyond affordable housing needs
- **Complex Approvals:** 17 procedural steps across 8 different agencies with average 18-month timeline
- **Prohibitive Fees:** Building permit fees reaching 15% of total construction value
- **Tenure Conflicts:** Customary versus state land systems creating title uncertainty and disputes
- **No Incremental Provision:** No regulatory framework for incremental building or owner-builder approaches

Attempted Reforms (2015-2018):

- **Technical Committee:** Multi-stakeholder committee established to review building codes and planning regulations
- **Pilot One-Stop-Shop:** Attempted streamlined approval process in single municipal office
- **Draft Inclusionary Zoning:** Policy framework requiring affordable units in market developments

What Went Wrong:

- **National-Level Constraints:** Reforms stalled because local government lacked authority to modify national building codes
- **Vested Interest Resistance:** Surveyors, lawyers, and traditional authorities opposed simplification threatening their rent-seeking opportunities
- **No Political Champion:** Lack of sustained political leadership at municipal and national levels
- **Technocratic Approach:** Technical reforms pursued without adequate stakeholder engagement and conflict management

Consequences:

- Informal housing development continues unabated with associated infrastructure and service delivery challenges
- Municipalities forego significant revenue from unregistered properties and informal economic activity
- Residents lack tenure security, limiting household investment in housing improvement
- Informal land and housing developers extract economic rents through information asymmetry

Lessons Learned:

- X Technical regulatory reforms fail without sustained political commitment and stakeholder management
- X National-level policy action often required for municipal regulatory changes, requiring multi-level coordination
- X Stakeholder resistance must be systematically managed - winners and losers from reform must be identified and addressed

Positive Counterexamples:

- ✓ Cape Town's ADU bylaw success demonstrates regulatory innovation is possible with proper political backing
- ✓ Johannesburg's informal settlement zoning shows municipal innovation within existing legal frameworks

Pillar Linkage: Demonstrates REGULATORS pillar - how regulatory gridlock and vested interests can prevent reform, perpetuating exclusion from formal housing markets and sustainable urban development.

Application for Municipal Authorities: Regulatory reform requires strong political champions, systematic stakeholder engagement addressing winners and losers, and pilot demonstrations proving viability before full-scale implementation. Where municipal authority is insufficient, pursue national-level legislative change.

Corrective Approach: Kumasi could replicate Cape Town's ADU success by: (1) securing national government support for local authority to modify building codes, (2) piloting reduced plot sizes in one neighbourhood with full stakeholder engagement, (3) demonstrating revenue benefits to build broader political support, (4) addressing professional association concerns through transition support and capacity building.

Sources: Kumasi Metropolitan Assembly planning documentation, academic studies on Ghana's housing regulatory framework.

4.4 ACTORS IN ACTION: Partnerships & Stakeholder Mobilisation

Case Study 7: Dakar, Senegal - SICAP Public-Private Partnership

Context: Senegal, as a Francophone West African country with French-influenced institutional frameworks, faced municipal capacity and finance constraints for affordable housing delivery alongside private sector scepticism about housing market viability.

Challenge: How to structure public-private partnerships that balance public policy objectives with private sector efficiency and risk management in affordable housing delivery.

Intervention (1990-2020):

- **SICAP Structure:** Société Immobilière du Cap-Vert established as mixed-ownership company (51% Government of Senegal, 49% private investors)
- **Clear Risk Allocation:** Government provides land and infrastructure development, private sector provides construction finance and project delivery
- **Target Market:** Middle and low-income civil servants earning CFA 75,000-250,000/month
- **Product Diversity:** Rental apartments, rent-to-own arrangements, and outright purchase options
- **Government Backing:** Government guarantees for land acquisition and regulatory approvals reducing private sector risk

Results:

- **Scale of Delivery:** SICAP has delivered thousands of housing units across multiple decades
- **Geographic Spread:** Major projects including SICAP Mermoz, SICAP Liberté, and SICAP Baobabs
- **Replication:** Model successfully adapted in secondary cities including Thiès and Saint-Louis
- **International Investment:** Attracted French development finance and private sector participation
- **Institutional Sustainability:** Company remains operational after 30+ years demonstrating model viability

Lessons Learned:

Success Factors:

- ✓ Mixed-ownership model balances public policy objectives with private sector efficiency and commercial discipline
- ✓ Clear risk allocation enables private sector participation - government handles land/regulatory risk, private sector manages construction/market risk
- ✓ Rental and rent-to-own options serve mobile workforce and households with irregular income streams
- ✓ Government backing through guarantees and land provision reduces private sector risk perception

Limitations:

- ✗ Model primarily serves formal sector civil servants, largely excluding informal economy workers
- ✗ Requires strong government creditworthiness for effective guarantee provision
- ✗ Limited scale relative to overall urban housing demand and household formation rates

Pillar Linkage: Demonstrates ACTORS pillar - how structured public-private partnerships with clear risk allocation can leverage private finance and efficiency whilst maintaining public policy objectives.

Application for Municipal Authorities: Structure PPPs with clear risk allocation: government provides land and infrastructure (reducing private sector risk), private sector provides construction finance and expertise (ensuring efficiency). Mixed-ownership models work best with strong government credit rating and formal sector target market.

Sources: SICAP company documentation, Government of Senegal Ministry of Urban Development reports. Specific unit delivery numbers require verification with SICAP and Ministry sources.

Case Study 8: Harare, Zimbabwe - Community Cooperative Failure (FAILURE LESSON)

Context: Zimbabwe's economic crisis and hyperinflation led to collapsed municipal revenue and severely constrained government capacity for housing delivery, creating pressure for alternative community-led approaches.

Challenge: Municipal land release without funding for infrastructure or housing development, leading to reliance on community cooperative self-help models without adequate governance frameworks.

Intervention Attempted (2005-2010):

- **Large-Scale Land Release:** Municipality released 5,200 stands (plots) to housing cooperatives across multiple sites
- **Community Self-Help Model:** Cooperative members required to contribute savings for land payments, infrastructure development, and housing construction
- **Minimal Municipal Investment:** Municipality provided only land allocation with no infrastructure or technical support
- **Self-Build Approach:** Expectation that communities would organise and finance all development activities independently

What Went Wrong:

- **No Infrastructure Development:** After 15+ years, properties remain without water, sewer, roads, or electricity connections
- **Widespread Fraud:** Cooperative leaders systematically misappropriated member savings and contributions
- **Governance Collapse:** No accountability mechanisms, legal recourse, or oversight for cooperative management
- **Dysfunctional Waiting List:** Approximately 55,000 people on municipal housing waiting list with no transparent allocation system
- **Municipal Abandonment:** No municipal capacity to support, monitor, regulate, or assist cooperatives

Consequences:

- **"Dysfunctional Settlements":** 5,200 families trapped in unserviced plots creating health and safety hazards (term used by Emma Mandiziba, Municipal Housing Director)

- **Lost Life Savings:** Thousands of families lost accumulated savings through cooperative fraud and mismanagement
- **Municipal Reputation Damage:** Private sector unwilling to engage with municipality due to governance failures
- **Informal Settlement Conditions:** Residents living in conditions worse than many informal settlements due to lack of basic services

Lessons Learned:

- X Community cooperatives require strong governance frameworks and active municipal oversight to prevent capture and fraud
- X Land allocation without infrastructure creates slums, not housing - minimum service standards essential
- X Front-loading basic infrastructure (water, sanitation) essential for minimum living standards and health outcomes
- X Economic crisis and capacity constraints do not excuse municipal abandonment of basic responsibilities

Positive Counter-Example:

- ✓ Namibia's Shack Dwellers Federation partnership demonstrates structured community engagement with municipal oversight can succeed

Pillar Linkage: Demonstrates ACTORS pillar - community cooperatives and self-help approaches require strong governance frameworks and municipal oversight; without these, they can create worse outcomes than informal settlements.

Application for Municipal Authorities: Community-led housing requires: (1) front-loading basic infrastructure before occupation, (2) clear legal frameworks and cooperative registration, (3) ongoing technical and financial management support, (4) regular monitoring and accountability mechanisms, (5) minimum habitability standards even with incremental approach.

Corrective Approach: Harare could salvage existing cooperatives by establishing emergency infrastructure fund for water/sewer, appointing independent cooperative auditors, creating transparent waiting list system, prosecuting fraud cases to restore confidence, and partnering with Namibian municipalities to learn structured community engagement models.

Sources: Interview with Emma Mandiziba, Housing Director, Mutare City Council, Zimbabwe (2024). All statistics verified from primary source interview.

D.5 LOCAL INITIATIVES IN ACTION: Project Implementation

Case Study 9: Nairobi, Kenya - Affordable Housing Programme (2020-2024)

Context: Kenya's 2010 Constitution established housing as a fundamental right, with the Affordable Housing Act 2024 providing legislative framework. Housing became a Presidential priority under the "Big Four Agenda" and has since continued under the current government's Bottom-Up Economic Transformation Agenda (BETA), with Nairobi County facing an estimated 2 million housing backlog.

Challenge: How to deliver affordable housing at scale whilst ensuring transparency, beneficiary targeting, and financial sustainability in a context of rapid urbanisation and diverse income groups.

Intervention (2019-2024):

- **National Affordable Housing Programme:** Presidential priority with target of 500,000 units over 5 years
- **Nairobi County Projects:** Park Road (1,370 units), Pangani (1,562 units), Ngara projects as flagship demonstrations
- **Delivery Model:** County governments provide land, National Housing Corporation and private developers construct
- **Financing Innovation:** Affordable Housing Levy (1.5% of gross salary), mortgage finance, tenant-purchase options
- **Digital Systems:** Online beneficiary registration portal and digital allocation system for transparency

Results (2019-2024):

- **National Achievement:** 140,000 affordable housing units completed or under construction nationally
- **Nairobi Delivery:** Multiple projects completed including Park Road (1,370 units) and Pangani (1,562 units)
- **Price Range:** Park Road units priced KES 1.8M-4.2M (\$14,000-\$32,000) serving moderate-income households
- **Transparency Innovation:** Digital beneficiary registration system reduces corruption and improves allocation transparency
- **Legislative Framework:** Affordable Housing Act 2024 provides institutional clarity absent in other African countries

Persistent Challenges:

- **Affordability Gap:** Lowest-priced units (KES 1.8M) still beyond ultra-low-income households requiring additional subsidy mechanisms
- **Location Constraints:** Some peripheral project locations create transport cost burden for residents
- **Finance Access:** Mortgage access remains limited for informal economy workers (40% of urban workforce)
- **Scale Challenge:** Delivery rate insufficient relative to household formation and urbanisation rates

Lessons Learned:

Success Factors:

- ✓ National legislative framework (Affordable Housing Act 2024) provides institutional clarity and coordination mechanisms
- ✓ Digital beneficiary systems eliminate corruption complaints and improve allocation transparency
- ✓ Large-scale delivery achievable with sustained political commitment and dedicated financing mechanisms

- ✓ multi-level coordination (national-county-municipal) can work with clear institutional frameworks

Adaptation Needs:

- X Affordability analysis must be central to design - build for actual target beneficiaries, not aspirational market
- X Incremental housing options needed for informal economy workers unable to access mortgage finance
- X Location strategy must balance land costs with transport accessibility for employment

Pillar Linkage: Demonstrates LOCAL INITIATIVES pillar - systematic project delivery at scale requires strong institutional framework, adequate finance, technology integration, and quality control systems.

Application for Municipal Authorities: Large-scale delivery requires: dedicated legislative framework, sustainable financing mechanism (levy/tax), digital beneficiary systems for transparency, standardised designs for cost control, and clear national-county-municipal coordination. Address affordability gaps through incremental options and targeted subsidies for informal economy workers.

Sources: MyGov Kenya (2024), CAHF Kenya Housing Analysis (2019), Boma Yangu website (2024), Kenya Housing Survey 2023/24 (KNBS).

Case Study 10: TUHF, South Africa - Cross-Cutting Innovation (Value Chain Integration)

Context: South Africa's housing market features a significant gap between government subsidy housing (R0-R350,000) and market-rate housing (>R600,000), leaving moderate-income households without appropriate financing options.

Innovation: Trust for Urban Housing Finance (TUHF) created as specialised DFI-backed financial intermediary focusing exclusively on affordable rental housing in urban areas.

TUHF Model (2003-2024):

- **Financing Approach:** TUHF provides debt finance to rental housing developers rather than end-user mortgages
- **Target Market:** Inner-city and township rental housing for households earning R3,500-R15,000/month
- **Risk Mitigation:** Strong developer selection criteria, portfolio diversification, and technical support
- **DFI Backing:** Patient capital from IFC, CDC Group, DBSA, and South African National Treasury
- **Value Chain Integration:** Municipality provides land and approvals, TUHF provides finance, developers deliver projects

Results (2003-2024):

- **Scale Achievement:** TUHF has financed over 50,000 rental housing units across South African cities
- **Financial Deployment:** R8.3 billion deployed in affordable housing finance over 20+ years

- **Geographic Focus:** Johannesburg CBD regeneration, townships including Alexandra and Soweto
- **Market Development:** Demonstrated that "gap market" affordable rental housing is financially viable
- **Institutional Impact:** Created replicable model for DFI-backed affordable housing finance

Municipal Integration Model:

- **Municipal Contribution:** Land at reduced cost, fast-tracked development approvals, bulk infrastructure investment
- **TUHF Contribution:** Patient debt finance, developer selection and support, project management expertise
- **DFI Contribution:** Long-term capital, technical assistance, risk mitigation instruments
- **Private Sector:** Development expertise, construction capacity, property management

Lessons Learned:

- ✓ Rental housing is critical for mobile urban workforce and informal economy workers unable to access mortgage finance
- ✓ Specialised financial intermediaries can unlock private sector participation in affordable housing markets
- ✓ Value chain integration multiplies impact: municipal land + private finance + DFI backing + developer expertise
- ✓ Strong due diligence, developer selection, and portfolio management mitigate financial risks
- ✓ Focus on specific market segment (rental, gap market) enables specialisation and expertise development

Pillar Linkage: Demonstrates all Five Pillars working together - strategic vision (rental focus), strong institutions (TUHF capacity), enabling regulation (municipal support), effective partnerships (value chain integration), and disciplined implementation (project management and risk control).

Application for Municipal Authorities: Create value chain partnerships where each actor contributes comparative advantage: municipalities provide land and enabling environment, specialised intermediaries (like TUHF) provide finance and due diligence, private developers deliver projects, DFIs provide patient capital. Focus on rental housing for informal economy workers unable to access mortgages.

Sources: Property Flash (May 2024), IFC Disclosure (2024), TUHF Annual Reports, Standard Bank CIB (2025).

Conclusion: Common Success Factors & Failure Patterns

Cross-Pillar Application Matrix

This matrix helps municipal authorities identify which case studies are most relevant to their context and which Toolkit sections to prioritise based on their specific constraints. It draws on examples from Anglophone, Francophone, Lusophone, and North African contexts in order to strengthen the toolkit's Pan-African relevance.

Case Study	Primary Pillar	Key Innovation	Best Applied When...	Toolkit Reference
Kigali, Rwanda	VISION	Integrated strategic planning	Post-crisis reconstruction, rapid urbanisation, need for systematic planning	Part 2 (2.1), Part 3 (3.1)
Cape Town, SA	VISION	Affordability segmentation	High inequality, diverse income groups, need for differentiated approaches	Part 2 (2.1.2), Part 3 (3.1.2)
Johannesburg, SA	INSTITUTIONS	Municipal company model	Capacity constraints, need for operational autonomy, private sector partnerships	Part 2 (2.2.1), Part 3 (3.2.1)
Lagos, Nigeria ⚠	INSTITUTIONS	FAILURE: Fragmentation	Multiple agencies, political competition - shows what to avoid	Part 2 (2.2.2)
Windhoek, Namibia	REGULATORS	Land banking strategy	High land costs, need to reduce cost as % of budget, patient capital available	Part 2 (2.3.5), Part 3 (3.3.1)
Kumasi, Ghana ⚠	REGULATORS	FAILURE: Gridlock	Vested interests, need for national-level reform - shows barriers to overcome	Part 2 (2.3)
Dakar, Senegal	ACTORS	Mixed-ownership PPP	Need private finance, formal sector target market, francophone contexts	Part 2 (2.4.3), Part 3 (3.4.2)
Harare, Zimbabwe ⚠	ACTORS	FAILURE: Cooperative collapse	Community-led approaches - shows governance requirements	Part 2 (2.4.4)
Nairobi, Kenya	LOCAL INITIATIVES	Digital beneficiary systems	Scale delivery, reduce corruption, clear institutional framework exists	Part 2 (2.5), Part 3 (3.5.2)
TUHF, South Africa	All Pillars	Value chain integration	Gap market, rental housing focus, DFI backing available	Part 2 (All), Part 3 (3.5.3)
Monastir, Tunisia	Institutions	Municipal land contribution and PPP planning under	Housing remains nationally led, but municipalities can support delivery through land,	Part 2 (2.2), Part 3 (3.2)

		constrained local mandate	rental stock, and partnership structuring	
Quelimane, Mozambique	Institutions	Municipal finance constraint diagnosis in low-capacity Lusophone context	Rapid urbanisation, weak municipal revenue base, borrowing subject to national approval, need for concessional/blended finance	Part 2 (2.2), Part 3 (3.2), Part 3 (3.5)
Casablanca, Morocco	Local initiatives	Large-scale slum upgrading and resettlement coordination	Need for strong political leadership, national-municipal alignment, and delivery at scale in North African / Francophone settings	Part 2 (2.5), Part 3 (3.5)

△ = Failure case study - demonstrates what to avoid or correct

Top 10 Lessons for Municipal Leaders

1. **Rwanda:** Integrate housing strategy with master planning for infrastructure coordination
2. **Cape Town:** Segment backlog by income and design differentiated delivery models for each
3. **Johannesburg:** Operational autonomy with accountability enables efficient delivery
4. **Lagos:** Institutional fragmentation kills projects – establish single coordinating authority first
5. **Windhoek:** Strategic land banking significantly reduces land cost burden on project budgets
6. **Kumasi:** Regulatory reform requires political champions and stakeholder engagement, not just technical fixes
7. **Dakar:** Clear risk allocation in PPPs – government provides land/approvals, private sector provides finance
8. **Casablanca:** National-municipal coordination is critical for scaling upgrading and resettlement programmes
9. **Nairobi:** Digital systems can reduce corruption complaints through transparent allocation
10. **Monastir / Quelimane:** Even where local mandates are constrained, municipalities can still play a catalytic role through land, partnerships, and project preparation readiness

Success Factors Across Case Studies

1. **Political Commitment** - Strong leadership essential (Rwanda, Kenya)
2. **Institutional Clarity** - Clear mandates and coordination (Kenya Act, JHC model)
3. **Evidence-Based Planning** - Needs assessment and affordability analysis (Cape Town, Kigali)
4. **Strategic Land Management** - Land banking, value capture (Windhoek)
5. **Regulatory Innovation** - Flexible standards, streamlined approvals (Cape Town ADUs)
6. **Value Chain Integration** - Municipal land + private finance + DFI backing (TUHF, SICAP)

7. **Transparency & Accountability** - Digital systems, beneficiary participation (Kenya portal)
8. **Contextual Adaptation Across Governance Systems** - Successful approaches are adapted to different legal, linguistic, and institutional settings rather than assuming a one-size-fits-all model (Dakar, Casablanca, Monastir, Quelimane)

Common Failure Patterns

1. **Institutional Fragmentation** - Multiple uncoordinated actors (Lagos)
 2. **Affordability Mismatch** - Units built for wrong income segment (Lagos, Kenya challenges)
 3. **Land Without Infrastructure** - Creates dysfunctional settlements (Harare)
 4. **Governance Collapse** - Fraud, weak oversight, political interference (Harare cooperatives)
 5. **Regulatory Gridlock** - Vested interests block reform (Kumasi)
 6. **External Imposition** - Projects without municipal ownership fail (Lagos DFI projects)
- Weak Municipal Finance Readiness - Projects stall where municipalities lack project preparation capacity, revenue systems, or borrowing readiness (Quelimane, Monastir)

Key Message for Municipal Authorities

Successful affordable housing delivery requires simultaneous action across all five pillars: strategic vision, institutional capacity, enabling regulation, effective partnerships with ecosystem actors, and disciplined project implementation of local initiatives. Weakness in any single pillar can undermine the entire system, as demonstrated by the failure cases. However, the success stories prove that African municipalities can deliver quality affordable housing at scale when these elements are in place. The challenge is significant, but the opportunity to transform lives and build inclusive, sustainable cities makes it essential to pursue with determination and systematic approach.

E. Resources & Annexes

Introduction

Purpose: This final section provides municipal authorities with comprehensive supplementary resources, contacts, and reference materials to support successful implementation of the Five Pillars framework outlined in this toolkit. These resources enable continued learning, technical support, and connection with the broader African housing development community.

Structure: Resources are organised by type for easy navigation - from development finance institutions and technical assistance providers to international standards, essential publications, and practical reference materials. Each resource includes current contact information, mandate description, and guidance on engagement.

Currency Note: All resources and contact information are current as of 2024. Given the dynamic nature of institutional structures and programmes, municipal authorities should verify current details through institutional websites before engagement. This toolkit will be updated periodically to maintain currency and relevance.

E.1 Development Finance Institution (DFI) Directory

E.1.1 African Development Bank (AfDB)

Headquarters: Abidjan, Côte d'Ivoire

Mandate: Africa's premier development finance institution, focused on sustainable economic development and social progress across the continent

Relevant Programmes for Municipal Housing:

- Urban and Municipal Development Department (PSDU)
- African Cities for the Future Programme
- Urban and Municipal Finance Initiative
- Integrated Urban Development Projects
- Housing Finance Development Programme

Priority Areas: Inclusive growth, resilient infrastructure, climate adaptation, gender mainstreaming, youth employment

Entry Points for Municipalities:

- Country offices: Coordinate initial discussions through AfDB country representatives
- National governments: Work through Ministry of Finance, Urban Development, or Housing
- Technical assistance facility: Access project preparation support
- Municipal networks: Engage through African Local Government Academy partnerships

Key Requirements for Engagement:

- Project bankability with demonstrated financial viability
- Compliance with Integrated Safeguards System (ISS)
- Municipal creditworthiness or government guarantees
- Gender mainstreaming and social inclusion measures
- Climate resilience and environmental sustainability

Essential Documents for Municipal Authorities:

- Urban Development and Municipal Finance Strategy (2020)
- Integrated Safeguards System Policy (2023)

- Gender Strategy 2021-2025
- Project Preparation Guidelines
- Municipal Finance Framework

Contact Information:

Website: www.afdb.org | Email: afdb@afdb.org

Regional Offices:

- East Africa Regional Office: Nairobi, Kenya
- West Africa Regional Office: Abuja, Nigeria
- Southern Africa Regional Office: Pretoria, South Africa
- Central Africa Regional Office: Libreville, Gabon
- North Africa Regional Office: Tunis, Tunisia

Success Example: Kigali Green City Project (Rwanda) - \$165M integrated urban development combining affordable housing, infrastructure, and climate resilience

E.1.2 World Bank

Headquarters: Washington DC, USA

Relevant Unit: Urban and Territorial Development Global Practice

Concessional Finance: International Development Association (IDA) provides concessional finance for low-income African countries

Relevant Programmes:

- Housing Finance Development programmes
- Urban Development and Management projects
- City Resilience Programme
- Municipal Finance and Infrastructure projects

Key Requirements: Environmental and Social Framework (ESF) compliance, international procurement standards, government guarantees

Contact: www.worldbank.org | Regional offices in all African countries

E.1.3 Shelter Afrique Development Bank

Headquarters: Nairobi, Kenya

Mandate: Pan-African housing finance development bank institution serving 44 member states, focused exclusively on housing development across Africa

Products and Services:

- Project loans for housing development
- Equity participation in housing projects
- Technical assistance and advisory services
- Capacity building for municipal authorities
- Housing market development support

Target Sectors: Social housing, affordable housing, student housing, mortgage refinance, municipal housing projects

Key Requirements: Member state status, project bankability demonstration, government guarantees or municipal backing

Contact: www.shelterafrique.org | Email: info@shelterafrique.org

Success Examples: Nigeria mass housing projects, Kenya mortgage refinance facility, Tanzania social housing programme

E.1.4 International Finance Corporation (IFC)

Mandate: Private sector arm of World Bank Group, focuses on private sector housing delivery and finance

Focus Areas: Private sector housing development, mortgage finance institutions, affordable housing PPPs, housing finance market development

Key Programmes:

- Affordable Housing Finance Programme
- Green Buildings Programme (EDGE certification)
- Municipal PPP Advisory Services

Contact: www.ifc.org

E.1.5 African Local Government Academy (ALGA)

Mandate: Capacity building and knowledge exchange platform for African municipalities and local governments

Housing-Related Programmes: Municipal housing management, PPP structuring, municipal finance, housing policy development

Contact: www.alga.org

E.1.6 Regional Development Banks

Institution	Geographic Focus	Housing-Related Services	Contact
East African Development Bank (EADB)	East Africa (EAC member states)	Municipal infrastructure finance, housing project loans	www.eadb.org
West African Development Bank (BOAD/WADB)	Francophone West Africa	Urban development projects, municipal finance	www.boad.org
Development Bank of Southern Africa (DBSA)	Southern Africa region	Municipal infrastructure, housing finance	www.dbsa.org
Trade and Development Bank (TDB)	Eastern and Southern Africa	Infrastructure finance, trade finance	www.tdb.org

E.2 Technical Assistance Providers

E.2.1 UN-Habitat

Mandate: United Nations agency for sustainable urbanisation and human settlements

Global Programmes: World Urban Forum, Urban October campaign, SDG 11 monitoring and support

African Programmes:

- Participatory Slum Upgrading Programme
- African Urban Agenda
- Municipal finance and governance support
- Housing policy development assistance

Technical Resources: Housing needs assessment toolkits, training modules, policy guidance documents, best practice case studies

Contact: www.unhabitat.org

Regional Office for Africa: Nairobi, Kenya | Email: unhabitat-nairobi@un.org

E.2.2 Cities Alliance

Mandate: Global partnership for urban poverty reduction and city development

Focus: Slum upgrading, inclusive cities, municipal finance, city development strategies

Active Country Programmes: Ghana, Kenya, Nigeria, South Africa, Uganda, Tanzania, Ethiopia

Resources: Implementation toolkits, case study documentation, peer learning networks, city development strategies

Contact: www.citiesalliance.org

E.2.3 Centre for Affordable Housing Finance in Africa (CAHF)

Mandate: Research, data, and advocacy organisation focused on housing finance in Africa

Essential Publication: Housing Finance in Africa Yearbook (annual) - comprehensive data resource on African housing markets, finance, and policy

Services:

- Training programmes for housing finance practitioners and municipal officials
- Country-specific housing market research and analysis
- Affordability analysis and market assessments
- Policy research and advocacy

Contact: www.housingfinanceafrica.org | Cape Town, South Africa

E.2.4 Additional Technical Assistance Providers

Organisation	Focus Area	Services	Contact
African Centre for Cities (University of Cape Town)	Urban governance, housing, spatial planning	Research, training, policy workshops	www.africancentreforcities.net
Slum Dwellers International (SDI)	Community-led development	Participatory planning, savings schemes	www.sdinet.org
Habitat for Humanity International - Africa	Affordable housing delivery	Technical training, microfinance	www.habitat.org/emea/africa

E.3 Key International Standards & Frameworks

5.3.1 Sustainable Development Goals (SDGs)

SDG 11: Sustainable Cities and Communities

- **Target 11.1:** By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
- **Target 11.3:** By 2030, enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management

Monitoring Framework: UN-Habitat provides urban monitoring indicators and municipal reporting guidelines

Link: <https://sdgs.un.org/goals/goal11>

E.3.2 New Urban Agenda (Habitat III, 2016)

Framework: Global commitment for sustainable urban development adopted by 193 countries

Housing Commitments: Adequate housing for all, inclusive cities, effective governance, sustainable finance mechanisms

Application: Guides national urban policies and municipal development planning

Link: <https://habitat3.org/the-new-urban-agenda>

E.3.3 African Union Agenda 2063

Aspiration 1: "A prosperous Africa based on inclusive growth and sustainable development"

Housing Component: Quality of life improvement through modern infrastructure and adequate housing provision

Link: <https://au.int/agenda2063>

E.3.4 EDGE Certification (Green Buildings)

Standard: Excellence in Design for Greater Efficiencies - green building certification for emerging markets

Focus: Energy and water efficiency appropriate for affordable housing contexts

Benefits: 20% lower operating costs, more affordable than LEED certification, recognised by AfDB and IFC

Application: New construction and major renovations in affordable housing projects

Link: www.edgebuildings.com

E.3.5 ISO Standards for Housing and Cities

Standard	Focus	Application for Municipalities
ISO 21929	Sustainability in building construction	Green building standards and sustainable construction
ISO 37120	Sustainable cities and communities indicators	Municipal performance monitoring and international comparability

E.4 Essential Publications & Research

E.4.1 Strategic Planning Resources

- UN-Habitat (2021). "Housing Needs Assessment Guidelines for African Cities"
- World Bank (2020). "Municipal Finance Framework for Housing Development"
- AfDB (2020). "Urban Development and Municipal Finance Strategy"
- Cities Alliance (2019). "City Development Strategies: Guidelines for Implementation"

E.4.2 Land & Regulatory Resources

- Lincoln Institute of Land Policy (2018). "Inclusionary Housing Policy Tools and Implementation"
- Cities Alliance (2019). "Land and Housing in African Cities: Policy Tools and Implementation"
- UN-Habitat (2018). "Land Tenure Security in African Cities: Governance Framework"
- World Bank (2017). "Land Administration and Management in Africa"

E.4.3 Housing Finance

ESSENTIAL DATA RESOURCE:

CAHF (Annual). "Housing Finance in Africa Yearbook" - The most comprehensive source of African housing market data, finance mechanisms, and policy analysis. Essential for municipal authorities developing housing strategies.

- World Bank (2019). "Housing Finance in Emerging Markets: Policy and Regulatory Challenges"
- IFC (2019). "PPP Handbook for Affordable Housing Development"
- AfDB (2018). "Housing Finance Market Development in Africa"

E.4.4 Project Implementation

- Cities Alliance (2018). "Slum Upgrading Toolkit: Implementation Guidelines"
- Habitat for Humanity (2020). "Incremental Housing Finance Guide for Africa"
- UN-Habitat (2020). "Participatory Planning Toolkits for Community Engagement"
- World Bank (2019). "Municipal Project Management Guidelines"

E.4.5 Climate & Sustainability

- World Green Building Council (2019). "Advancing Net Zero Buildings in Africa"
- EDGE (2020). "Green Affordable Housing Design Guidelines for Africa"
- UN-Habitat (2021). "Climate Change and Cities: Action Guide for Local Governments"

- AfDB (2019). "Climate Resilience in Urban Development"

D.4.6 Academic Journals and Research Centres

Publication/Centre	Focus	Relevance for Municipal Authorities
Environment and Urbanization (IIED)	Urban poverty and development	Leading journal on urban poverty and housing policy
Urban Forum (South African journal)	Cities and regional development	Southern African focus on municipal governance
African Centre for Cities	Urban governance and policy	Policy briefs and working papers on African urbanisation
Habitat International	Housing and settlements research	Peer-reviewed research on housing policy and implementation

E.4.7 Online Training and Capacity Building

- **African Local Government Academy:** Municipal Housing Management courses, Municipal Finance training
- **UN-Habitat SDI Learning:** Urban planning and housing development courses
- **World Bank Open Learning Campus:** Municipal Finance, PPPs, Environmental and Social Safeguards
- **Coursera/edX:** Affordable Housing Development, Urban Planning and Policy courses

E.5 Glossary of Key Terms

Affordability: Housing costs (rent/mortgage plus utilities) not exceeding 25-30% of gross household income, though this threshold should be adjusted based on local expenditure patterns and poverty levels.

Area Median Income (AMI): The median household income for a specific geographic area, used as a reference point for affordability targeting and programme design.

Backlog (Housing): The quantitative difference between the number of households and the number of adequate housing units, calculated through housing needs assessment.

Bankability: A project's demonstrated capacity to generate sufficient returns to service debt and attract commercial or concessional finance from lenders.

Beneficiary: A household that qualifies for and receives affordable housing assistance, subsidy, or access to below-market housing.

Blended Finance: The strategic combination of concessional public or DFI finance with private commercial capital to improve project viability and reduce risk.

Building Code: Regulations specifying minimum standards for construction, safety, habitability, and environmental performance of buildings.

Cadastre: A comprehensive land register showing property boundaries, ownership, and value information used for taxation and planning.

Cooperative Housing: Housing owned and managed collectively by member-residents through a legal cooperative structure with shared governance and financial responsibilities.

Core House: A basic dwelling unit providing essential facilities (water, sanitation, structure) designed for progressive expansion by the owner as resources become available.

DFI/IFI: Development Finance Institution / International Finance Institution - organisations providing development finance and technical assistance for social and economic development.

Environmental and Social Impact Assessment (ESIA): Systematic evaluation of potential environmental and social effects of a proposed project, required for DFI financing.

Gap Housing: Housing targeted at households earning too much to qualify for government subsidies but too little to access commercial mortgage finance.

Greenfield Development: New construction on previously undeveloped land, as opposed to infill or redevelopment of existing urban areas.

Housing Finance: The provision of loans, credit, or other financial products for housing purchase, construction, or improvement.

Housing Value Chain: The complete sequence of activities from land acquisition through infrastructure, construction, finance, and management required for housing delivery.

Inclusionary Housing: Policies requiring or incentivising developers to include affordable housing units within market-rate developments.

Incremental Housing: Housing developed progressively over time as household resources and capacity allow, starting with basic shelter and adding improvements.

In-Situ Upgrading: Improvement of informal settlements or slums without relocating residents, focusing on infrastructure, services, and tenure security.

Land Banking: Strategic acquisition and holding of land by municipalities ahead of development needs to control costs and ensure planned development.

Land Tenure: The legal and customary arrangements that define rights to use, control, and transfer land and property.

Mixed-Income Development: Housing projects that include units for households across different income levels, promoting social integration and sustainability.

Mortgage: A loan secured by the property being purchased, typically repaid over an extended period (15-30 years) through monthly payments.

Off-Budget Financing: Public project financing that does not come directly from government budget allocations, including borrowing and private partnerships.

Owner-Builder: Housing construction approach where the future occupant manages the building process rather than purchasing from a developer.

PPP (Public-Private Partnership): Contractual arrangement between government and private sector entities for the delivery of public services or infrastructure.

Rent-to-Own: Housing model allowing tenants to purchase the property through rental payments over time, combining rental and ownership benefits.

Safeguards: Policies and procedures ensuring projects avoid or mitigate potential environmental and social harm to communities and ecosystems.

Sites-and-Services: Development approach providing serviced land plots with basic infrastructure for beneficiaries to construct their own housing.

Slum Upgrading: Comprehensive improvement of informal settlements through infrastructure, services, housing, and tenure security without forced relocation.

Social Housing: Rental housing provided below market rates for low-income households, typically owned and managed by government or non-profit entities.

Subsidy: Financial assistance provided by government to reduce housing costs for qualifying households, making housing more affordable.

Title Deed: Legal document providing evidence of property ownership and the rights associated with that ownership.

Transit-Oriented Development (TOD): High-density, mixed-use development concentrated around public transport nodes to reduce transport costs and improve accessibility.

Value Capture: Mechanisms for recovering public infrastructure investment costs from increases in land values that result from public investment.

Zoning: Land use regulations that designate and control permitted activities, building types, and development intensity in different areas of a city.

E.6 Acronyms & Abbreviations

Acronym	Full Name	Context
ADU	Accessory Dwelling Unit	Secondary housing unit on single-family property
AfDB	African Development Bank	Africa's premier development finance institution
ALGA	African Local Government Academy	Municipal capacity building organisation
AMI	Area Median Income	Reference point for affordability targeting
BNG	Breaking New Ground	South Africa national housing programme
BOAD	Banque Ouest Africaine de Développement	West African Development Bank
CAHF	Centre for Affordable Housing Finance in Africa	African housing finance research organisation
CBD	Central Business District	Primary commercial area of a city
DBSA	Development Bank of Southern Africa	Regional development finance institution
DFI	Development Finance Institution	Institution providing development finance
EADB	East African Development Bank	Regional development bank for East Africa
EDGE	Excellence in Design for Greater Efficiencies	Green building certification for emerging markets
ESIA	Environmental and Social Impact Assessment	Environmental and social risk evaluation
GDP	Gross Domestic Product	Economic output measure
GHG	Greenhouse Gas	Climate change impact measure
IDA	International Development Association	World Bank concessional finance arm
IDP	Integrated Development Programme	Rwanda sites-and-services model
IFC	International Finance Corporation	World Bank Group private sector arm
IFI	International Finance Institution	International development finance organisation
ISS	Integrated Safeguards System	AfDB environmental and social safeguards
JHC	Johannesburg Housing Company	Municipal housing development entity
JV	Joint Venture	Partnership structure for development

KPI	Key Performance Indicator	Monitoring and evaluation metric
LEED	Leadership in Energy and Environmental Design	Green building certification system
M&E	Monitoring and Evaluation	Project performance tracking system
NGO	Non-Governmental Organisation	Civil society organisation
OS	Operational Safeguard	AfDB specific safeguard requirement
PPP	Public-Private Partnership	Collaboration model for service delivery
SDG	Sustainable Development Goal	UN global development framework
SDI	Slum Dwellers International	Grassroots urban poor federation
SICAP	Société Immobilière du Cap-Vert	Senegal housing development company
TDB	Trade and Development Bank	Eastern and Southern Africa development bank
TOD	Transit-Oriented Development	Development focused around public transport
TOR	Terms of Reference	Project or partnership scope document
TUHF	Trust for Urban Housing Finance	South African housing finance institution
UN-Habitat	United Nations Human Settlements Programme	UN agency for sustainable urbanisation

E.7 Templates Quick Reference

Complete listing of all practical tools available in Part 3: Implementation Tools & Templates

Template Name	Toolkit Section	Purpose	When to Use
Housing Needs Assessment Template	3.1.1	Quantify housing backlog and demand	Strategic planning phase
Affordability Calculation Template	3.1.2	Determine affordable price/rent by income band	Programme design
Strategic Housing Plan Framework	3.1.3	Develop 5-year housing strategy	Policy development
Institutional Capacity Assessment Checklist	3.2.1	Evaluate municipal housing capacity	Institutional planning
DFI/IFI Project Concept Note Template	3.2.2	Prepare bankable project proposals	DFI engagement
Partnership Agreement Framework	3.2.3	Structure PPP and community partnerships	Partnership development
Land Acquisition Decision Matrix	3.3.1	Evaluate land acquisition options	Land planning
Regulatory Reform Action Plan	3.3.2	Plan building code and approval reforms	Policy reform
Inclusionary Housing Policy Framework	3.3.3	Develop inclusionary zoning policies	Policy development
Stakeholder Engagement Plan Template	3.4.1	Map and engage key stakeholders	Project initiation
PPP Feasibility Assessment	3.4.2	Evaluate PPP viability and structure	PPP development
Community Participation Plan	3.4.3	Structure beneficiary engagement	Community-led projects
Project Management Dashboard	3.5.1	Track project implementation progress	Project implementation
M&E Framework and KPI Tracking	3.5.2	Monitor outcomes across Five Pillars	Ongoing monitoring
Project Financial Dashboard	3.5.3	Track budget and cost control	Financial management

Conclusion

Using This Toolkit

This Affordable Housing Toolkit for Municipal Authorities in Africa provides a complete implementation system spanning context and foundations (Part 1), strategic guidance through the Viral five Pillars framework (Part 2), practical tools and templates (Part 3), real-world case studies (Part 4), and ongoing support resources (Part 5). Municipal authorities should approach the toolkit as a practical reference guide rather than a prescriptive blueprint, adapting content to their specific local contexts, institutional capacity, and regulatory frameworks.

Recommended Implementation Pathway:

1. **Part 1:** Understand the African housing context and challenges
2. **Part 3 (3.2.1):** Assess current institutional capacity using provided checklist
3. **Part 3 (3.1.1-3.1.2):** Conduct comprehensive needs assessment and affordability analysis
4. **Part 2:** Develop Five Pillars strategy aligned to local context and capacity
5. **Part 3:** Use relevant tools and templates for systematic implementation
6. **Part 4:** Learn from case studies that match your municipal context and challenges
7. **Part 5:** Access ongoing technical assistance and support through listed resources

Implementation Support

Municipal authorities seeking implementation support should contact:

- **African Development Bank Urban Development Department:** www.afdb.org
- **Shelter Afrique - Policy & Partnerships and Advisory Services Teams**
: www.shelterafrique.org
- **National housing ministries and agencies** for country-specific guidance
- **Technical assistance providers** listed in Section 5.2 for specialised support

Continuous Improvement

The housing sector is dynamic and evolving. This toolkit will require periodic updates to maintain currency and relevance as policies change, new technologies emerge, and implementation experiences generate lessons. Municipal authorities are encouraged to share their experiences, adaptations, and innovations to contribute to the broader African housing development knowledge base. Peer learning and knowledge exchange are critical for continued sector development and improved outcomes.

Final Message

Affordable housing delivery in Africa is achievable. The case studies in Part 4 demonstrate that municipalities with clear vision, strong institutions, enabling regulations, effective partnerships, and disciplined implementation can deliver quality affordable housing at scale. This toolkit provides the frameworks, tools, and knowledge needed to join this community of successful housing practitioners.

The challenge is significant, but the opportunity to transform lives and build inclusive, sustainable African cities makes the effort essential. Municipal authorities have the power to unlock housing delivery that serves all residents, contributes to economic development, and builds the foundation for prosperous, equitable urban futures.

Contact for Toolkit Feedback and Technical Support:

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