SUSTAINABLE URBANISATION
A CALL TO ACTION ACROSS THE COMMONWEALTH

ONLINE PROGRAMME 24 JUNE 2020 - 02 SEPTEMBER 2020

SESSION #8: ACHIEVING SAFE & AFFORDABLE HOUSING FOR ALL:
AFFORDABLE HOUSING AS A KICKSTART TO ECONOMIES IN A
POST-COVID WORLD
12 AUGUST 2020, 1PM RWANDA, 12PM UK, 11AM UTC
Edward Kyazze, Ministry of Infrastructure, Rwanda
Vision

As part of city extension “Our ambition is for GCK is to become a transformative project which will support systemic and sustainable change that will have a significant impact on the pattern of urban development throughout the country.”

GCK Sustainability Indicators

1. Transit Oriented Development
2. Affordable homes for all
3. Zero-carbon buildings
4. Water autonomy
5. Sustainable mobility
6. Ecosystem services
7. Urban Heat Island (UHI)
8. Reduce, reuse, recycle, recover
9. Liveable communities
**PROJECT SUMMARY**

**PARTNERS:** FONERWA, German Development Cooperation (KfW), Green Climate Fund

**LOCATION:** 600 Ha in Kinyinya, Kigali

**ESTIMATED COST:** Pilot on 16Ha = USD 86M; 18Ha Settlement Upgrade = USD 50M; Entire project on 600Ha = USD 1.45Bn

**FINANCING:** A GCK Special Purpose Vehicle (SPV) under establishment + Affordable Housing Fund for access to housing (Approx. 1,680 units targeting 7-8,000 beneficiaries)

**TIMELINE:** Nov 2018 - 2024

**CURRENT STATUS:** Finalized Design Competition
Danny Chibinda, Director of Housing & Social Services, Lusaka, Zambia
High population growth rate of about 4% per annum.

- Rural – Urban Migration
- City population grows from about 1 million in 2000 to just under 3 million in 2020
- Inadequate housing in formal settlements
- 70% of the city population live in slums
- Slums lack basic services and opportunities resulting in floods, waterborne diseases and high crime.

Legal Framework

- Housing Statutory & Improvement Areas Act Cap 194
- Urban and Regional Planning Act No.3 of 2015

Slums given legal recognition

- Resident able to apply for security of tenure and invest in better housing
- Local authority and stakeholders able to invest in improvements

City-wide Approach

- Apply Participatory Slum Upgrading Method
- Mobilise resources to invest in infrastructure
- Green Building and Climate Smart 3 to 4 Storey Structures
- Empower Residents with Vocational and Business Skills
- Set up demo housing units and supporting services
- Survey and Issue Title Deeds/Common Lease

Danny Chibinda
Director of Housing and Social Services
Lusaka City Council – Zambia
Email address: dannychibinda@gmail.com
August 2020
Lucy Livesley, REALL, UK
Sumedha Naik, Syntellect, India
Who & Where is the Unbanked Customer

**Self-employment is the most common form of work for unbanked adults**
Adults without an account by employment status (%), 2017

- 18% In wage employment
- 47% Out of labor force
- 28% Self-employed
- 18% Unemployed

Source: Global Findex database; Gallup World Poll 2017.

**Most unbanked adults have a primary education or less**
Adults without an account by educational attainment (%), 2017

- 62% Primary education or less
- 38% High school or postsecondary

Source: Global Findex database.

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**Economies with half or more of adults unbanked**

- Bangladesh
- Colombia
- Ethiopia
- Indonesia
- Nigeria
- Pakistan

**The Challenges**

- Negative Perception
- Cash Earnings
- Small Scale of Operations
- Life Skills: not necessarily formally educated
- Lack of a secure work environment
- Success often depends heavily on the abilities of the entrepreneur

**The Characteristics**

- Limited established credit record
- Limited banking history and transactions
- Employment based on social relations/lack of contracts

**What are they doing**

- Manufacturing: small scale units
- Trading: small grocery outlets, retail traders
- Services: beauty parlours, tours & travels, ironing jobs, laundry, home tutors, fabricators

- Expenditure for business is often indistinguishable from personal expenditure
- Heterogeneous group with diverse players and different levels of development and sophistication of enterprises
How are they perceived by Conventional Lending Providers

- Undocumented, Undisclosed cash income
- Curation of Income Difficult
- Risk management practices, cost structures not aligned: resulting in **Higher Service Costs**
- No Audit, data trail
  - Absence of portfolio matching
  - Zero risk quantification
- Impossible for credit officers to interlink and assess across data points
- Currently Operating models & systems geared for the **Formal Customer**
What do we aim to address the global affordable housing challenge

Four levers can address the global affordable housing challenge

- **Financing**: Reducing cost, expanding access
- **Land**: Unlocking land supply, 23%
- **Development**: Deploying an industrial approach, 16%
- **Operations and maintenance**: Achieving scale efficiency, 2%
- **Optimized cost**: 52%

- **Inefficiencies high**
- **Misguided loan eligibility**
- **Lack of precision**
- **Speed to market**

Portfolio creation by Feet On street

Complete absence of portfolio risk quantification
The Path Ahead
Curated Digital Solutions for the Underserved Affordable Housing Customer

Introducing RightProfile™
The Way Ahead

- Identifying promising data sources
- Secure Access to those data points
- Capture data points digitally with the help of a simple user interface
- Convert data into credit insights
- Empower the front line with access to this intelligence

Empower Credit Officers with Tab / Mobile applications @ Customer Onboarding
RightProfile™

At Point of Customer Contact: TAB / Mobile

Unique Business Capture Templates

Unique Financial Capture Templates

Automated Underwriting, Profiling & Intelligence

Artificial Intelligence Image, text Recognition
Unstructured Customer Data
Unbiased, Intelligent Customizable, Precise Objective Profiling

Absence of Customer Analytics
Portfolio Analytics established, self evolving platform: Risk Based Pricing

Efficiency Limited to Credit Officers
Leverage Technology, Automated Intelligence to scale and speed to market

Robust Portfolio
Jawad Aslam, AMC, Pakistan
Winne Gitau, Co-Founder Kwangu Kwako
10 million people live in informal structures in Kenya
Iron Sheet (Mabati) Home

Existing Housing

Mud Home

Under $6 / day

Average wage
INSPIRED & MOTIVATED BY A FIRE

FIRE IS A HUGE PROBLEM

IMPACT IS BOTH PHYSICAL AND EMOTIONAL

SOLUTION = NOT ONLY CONTAIN FIRES BUT BE A FIRE BREAK TOO
The Kwangu Kwako Solution

- Weather resistant.
- Fire Resistant.
- Secure.
- Rapid Modular Build.
- Long Lasting.
- Low maintenance.
- Relocatable.

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