

Habitat for Humanity Australia

Policy Brief

June 2024

Habitat for Humanity

A leading global non-profit working in more than 70 countries, our mission is to build strength, stability, and self-reliance through housing.

Housing needs and the housing deficit (quality and quantity) are worsening in Asia and the Pacific. We work in partnership with communities and stakeholders across the Asia-Pacific region, and the world, to eliminate sub-standard housing and homelessness through integrated community development approaches. Our strategic focus is to transform lives by tackling housing inequality, recognising the key role that safe and adequate housing plays in achieving Sustainable Development Goals and building resilience to the ever-increasing threats of climate change-induced disasters, rapid urbanisation, epidemics and pandemics.



The Challenge: Climate risk is outpacing resilience in the Asia and Pacific regions

Climate change-induced disasters are a leading threat in Asia and the Pacific. In 2022 alone, over 140 disasters struck the region, leading to 7,500 deaths, impacting over 64 million people and causing economic damage of approximately US\$57 billion.¹ The UN Asia-Pacific Disaster Report 2023, has warned that temperature rises of 1.5°C will cause disaster risk to outpace resilience beyond the limits of current adaptation measures.

More than 2.8 billion people worldwide lack adequate housing, contributing enormously to climate change vulnerabilities. By 2030, UN-Habitat estimates that 3 billion people – up to 40% of the world's population, will need access to adequate housing.²

Every year, hundreds of thousands of people are forced to flee their homes in the Asia-Pacific region due to the devastating impacts of climate change combined with vulnerable and inadequate housing. Over the last decade (2010-2021), the Asia Pacific region had 225.3 million internally displaced people, the highest they have ever been, substantially due to the impacts of climate and weather-related disasters such as cyclones, monsoon rains, floods and storms.³

¹ UN ESCAP, 'Seizing the Moment: Targeting Transformative Disaster Risk Resilience - Asia-Pacific Disaster Report' 2023

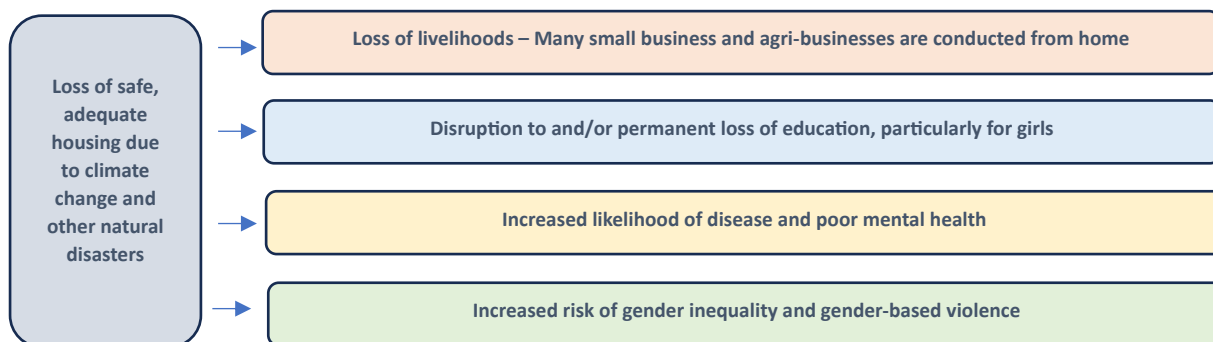
² <https://unhabitat.org/topic/housing#:~:text=The%20Challenge,accessible%20housing%20units%20every%20day>.

³ ADB & IDMC, 'Disaster Displacement in Asia and the Pacific: A Business Case for Investment in Prevention and Solutions', September 2022

There are estimates that 50% of residents in Pacific towns now live in informal settlements⁴ and 500 million people are living in slum-type conditions in South and South-East Asia, projected to grow to 1 billion by 2050 (the largest population in the world living in settlements).⁵

There is clear evidence that the loss of a home and the absence of safe and adequate housing has profound effects on individuals and communities, impacting human development and driving poverty.

The multi-dimensional social impacts of housing



As a connector of other critical developmental priorities, adequate housing is fundamental to household and community resilience. Research into the social impacts of housing has identified causal links to health, education, income generation and the broader economy. In April 2024, the **French Development Agency (AFD)** published key document 'Housing for SDGs', which **established a direct impact between access to housing, improved housing conditions and ten SDGs.**⁶ In addition to the AFD report, the below provides a snapshot highlighting these multi-dimensional impacts, including:

Health

- **Adequate housing improves health, including the health of young children by reducing incidences of parasitic infections, diarrhea, anaemia, and enhances children's cognitive development.**

Studies have demonstrated the rate of under 5 mortality in adequate housing was 40% lower than those living in inadequate housing.⁷

Sexual & gender-based violence

- **Housing vulnerability is known to heighten the risk of sexual and physical abuse and domestic violence and female-headed households are more likely to be affected by poor housing conditions.**⁸ In the aftermath of TC Winston in 2016, women in evacuation centres were reportedly experiencing violent sexual coercion by their husbands, suffered from overcrowding and lack of privacy.⁹

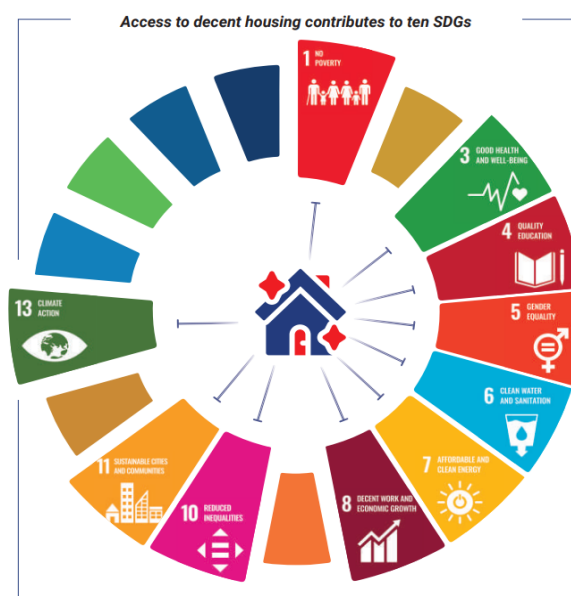


Figure designed by Agence Phare and Vozidéo

⁴ [Internal Displacement Monitoring Centre \(IDMC\), 'Could novel approaches to urban tenure help to reduce disaster displacement risk in the Pacific?', November 2020](#)

⁵ UN Statistics, [SDG Report 2021](#), SDG Goal 11

⁶ [Internal Displacement Monitoring Centre \(IDMC\), 'Could novel approaches to urban tenure help to reduce disaster displacement risk in the Pacific?', November 2020](#)

⁷ Adebowale, S. A., Morakinyo, O. M., & Ana, G. R. (2017). Housing materials as predictors of under-five mortality in Nigeria: evidence from 2013 demographic and health survey. *BMC pediatrics*, 17(1), 30

⁸ Matsie, 2019; IFRC, 2010; HFHI, 2011

⁹ UN Office for Disaster Risk Reduction. 2019. *Disaster Risk Reduction in the Republic of Fiji. Status Report 2019*. Accessed from: https://www.unisdr.org/files/68251_682302fjirevised16oct2019.pdf on 31 January 2024

- **Broader economic & social benefits**

Supporting people to improve their living conditions in informal settlements can generate a direct impact of as much as 10.5% economic growth; an increase in expected years of schooling by as much as 28%; and a life expectancy increase of 2.4 years¹⁰.

- **Housing development is part of an economic value chain that together plays a vital role in economic growth¹¹.** The combined contribution of housing investments and services represents at least between 13% and 16% of emerging markets' GDP¹².
- **Housing finance generates economic growth via job creation, entrepreneurship, and economic linkages.** In the short term, building affordable housing stimulates jobs in construction, providing both skilled and unskilled employment opportunities. According to estimations, for every million dollars invested in retrofits or building efficiency, between nine and 30 jobs can be created¹³. Introducing affordable housing supply also creates markets for financial institutions offering mortgages and other financing, which in turn spurs expansion in financial and capital markets¹⁴.

Income generation

- **A person's home is often used for small, home-based enterprises that provide direct income.** Up to 25% of all household in cities in developing countries use their home for economic activity – other sources estimate up to 60-80%¹⁵.

Through critical but incremental shelter improvements, individuals facing the greatest brunt of climate's impacts, especially those living in slums and informal settlements, can see significant human development gains. [Research conducted by Habitat for Humanity International and the International Institute for Environment and Development](#) shows that, at the national level, supporting people to incrementally improve their living conditions in informal settlements to more sustainable homes can generate a direct impact of as much as 10.5% economic growth; there would be more jobs for younger people, while the expected years of schooling would increase by as much as 28%; and life expectancy would increase by 2.4 years.

Solution 1: Building household-level resilience to climate change-induced challenges

With Australia's development partners facing the greatest impacts of climate change, and their most vulnerable populations at the highest risk of losing their homes, urgent transformative climate adaptation and resilience solutions are required. An integrated and inter-connected multi-sectoral development approach is needed to achieve effective climate resilience, combining, safe shelter and education with WASH, health, social protection, gender and social inclusion, food security and livelihoods.

Australia's International Development Policy offers a clear commitment to addressing climate change through the international development program. We propose strengthening this commitment through a transformative development model that builds household-level resilience and adaptation to climate change. Adapted from the [ADB report Building Resilience of the Urban Poor](#), this development model shifts from sectoral specific activities to integrated programs that better reflect the interconnected needs of communities most at risk by integrating interventions across sectors like WASH, shelter, livelihoods and health – driving localisation and inclusion while building climate resilience and advancing human development.

¹⁰ [HFHI Home-Equals-Launch-Report Full.pdf \(habitat.org\)](#)

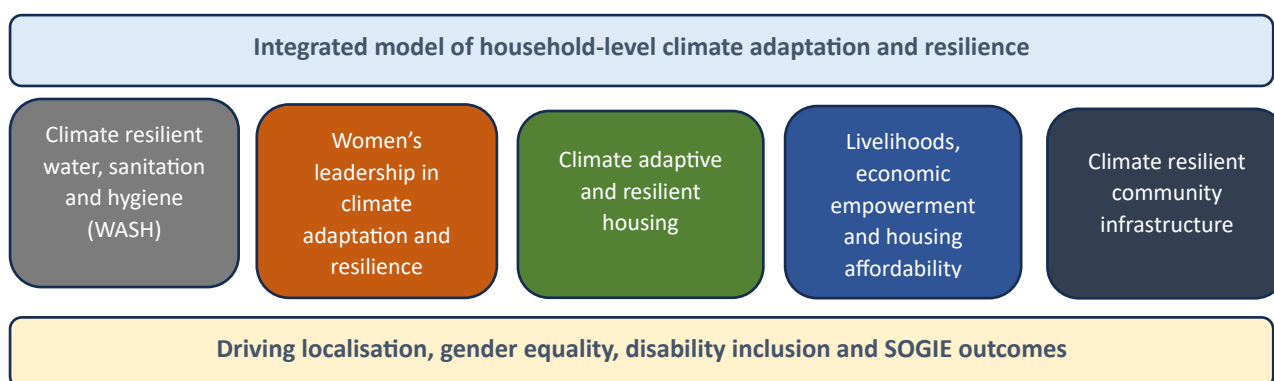
¹¹ Broader impacts of housing, HFHI

¹² Acolin, A., and Hoek-Smit, M., 2020. Cornerstone of Recovery: How Housing Can Help Emerging Market Economies Rebound from COVID19. Habitat for Humanity International

¹³ Global Alliance for Buildings and Construction (2020), 2020 Global Status Report for Buildings and Construction, https://globalabc.org/sites/default/files/inline-files/2020_Buildings_GSR_FULL_REPORT.pdf

¹⁴ <https://www.ifc.org/en/stories/2023/rising-to-challenge-of-affordable-climate-housing-in-asia-pacific>

¹⁵ Setchell, C.A. (2001) Reducing Vulnerability Through Livelihoods Promotion in Shelter Sector Activities: An Initial Examination for Potential Mitigation and Post-Disaster Application. Feinstein International Famine Center Working Paper No. 5



Safe, secure, and affordable housing is essential for gender, disability, social protection and health outcomes for communities. An integrated, localised, multi-sectoral approach that incorporates adequate housing is necessary to effectively produce outcomes like ending inequality for women.

Whilst it is critical to invest in climate resilient agriculture, water and energy sectors, to do so in isolation from shelter, vulnerable populations will continue to face the devastating human consequences of climate change.

New approaches are required to drive systemic change and transform the lives of vulnerable populations ensuring they are more resilient to climate change threats. Climate resilient housing is central to an integrated model of household-level climate change adaptation and resilience.

Solution 2: Humanitarian-Development Continuum - Preparedness, Response and Recovery

Humanitarian crises are the face of climate change, evoking images of displaced families and communities without access to adequate shelter and basic services. Shelter perfectly illustrates the humanitarian-development continuum, whereby disaster risk reduction and preparedness initiatives are needed to minimise or negate the impact of a disaster, whilst relief, response and recovery initiatives need to consider their implications for longer term resilience, such as through Habitat for Humanity's 'Pathways to Permanence'.

The [Participatory Approach for Safe Shelter Awareness](#) (PASSA) is a proven methodology of disaster risk reduction (DRR) through community engagement that develops local capacity to reduce shelter-related risks by raising awareness and developing skills within communities.

Over 90% of households self-recover their shelter after a disaster, whereby households rebuild or repair damaged or destroyed homes using their own assets. Households and communities could be enabled to be far more knowledgeable and better equipped to self-recover post-disaster by rebuilding in ways that result in improved future resilience outcomes. Supporting resilience in humanitarian response can thus involve providing one or a combination of material, financial, behavioural and technical assistance; before and during the relief and/or recovery phase; to encourage and enable affected households to more effectively repair, build or rebuild their own shelters themselves or through using the local building industry, such as through Habitat for Humanity's 'Build Back Safer' approach.

Solution 3: Climate Resilience Funding, Finance and Innovation through Shelter

Increasing household-level resilience should be thought of beyond housing-related infrastructure delivery but also in non-construction activities like community engagement in preparedness and emergency shelter planning, provision of appropriate information, local skills development in resilient construction and maintenance, influencing community behaviours, influencing building standards and practices, supporting market development and working in partnership with government and shelter clusters.

This includes climate adaptive programs that integrate the application of the PASSA to address issues such as housing safety, hazards and vulnerabilities for women, those with disabilities or in the LGBTQI+ communities.

Leveraging the private sector and innovation is also essential to building resilience through more equitable housing markets. Despite burgeoning demand for affordable housing, low-income families around the world are largely underserved by housing markets. Shut out by the income requirements of the mortgage sector and unable to afford high-quality building materials and services, they build their homes incrementally, often with poor advice and substandard materials.

Habitat for Humanity International's Terwilliger Center for Innovation in Shelter (TCIS) supports microfinance institutions to develop or refine affordable, housing-specific loan products tailored to the needs of low-income families. The [MicroBuild Fund](#) is the first housing-focused microfinance investment vehicle dedicated to helping low-income families that invests in financial institutions, which on-lend this capital as housing microfinance loans directly to low-income borrowers. Loans are paired with TCIS advisory services, representing a systems-level approach to addressing the lack of housing finance options available to low-income households.

The emerging "[Sheltermtech](#)" market also offers innovative and new climate change adaptive housing solutions – bringing together development partners, start-ups and corporations to support shelter-focused entrepreneurs to scale up their products and services so that low-income households can build resilience through better access to improved products, services and financing.

Summary of Recommendations:

1. **Integrated Climate Resilience Development Model:** Achieve more effective and transformative climate resilience by shifting from sector-specific prioritisations, to adopt an integrated multi-sectoral development model that incorporates localised 'household level' resilience. Recognise and respond to local perspectives on what makes a resilient household and community. Address the critical role of housing in preventing displacement, responding to climate-induced disasters and achieving climate resilient outcomes for vulnerable communities, women and people with disabilities.
2. **Humanitarian-Development-Climate Nexus:** Strengthen the humanitarian/development/climate nexus by utilising a model of household-level resilience in preparedness, response and risk reduction activities along the humanitarian/development continuum, including through the [Participatory Approach for Safe Shelter Awareness \(PASSA\)](#) and Build Back Safer (BBS).
3. **Climate Resilience Funding:** Support non-construction shelter-related initiatives that scale up household level resilience across communities by enabling local capacities to effectively prepare, respond and reduce risks of climate-induced disaster impacts. Interventions include provision of appropriate information; training in resilient construction/maintenance techniques; influencing community behaviours; supporting entrepreneurship & small business to supply low cost-materials; influencing building standards and practices, supporting markets, and working in partnership with government and shelter clusters
4. **Climate Finance and Innovation:** Support innovative development financing and partnership models with initiatives such as [MicroBuild](#) and start-ups such as '[Sheltermtech](#)' that supporting housing markets and provide scale in climate change adaptation for housing.