We build strength, stability, and self-reliance *through* shelter.

International Development Policy Submission, November 2022

Introduction

Habitat for Humanity's mission is to build strength, stability, and self-reliance through shelter. Habitat for Humanity Australia is part of Habitat for Humanity, an international not-for-profit that originated in the United States in 1976. Habitat for Humanity began as a grassroots effort driven by the vision of a world where everyone has a safe and decent place to live. The housing organisation has since grown to become a leading global non-profit working in more than 70 countries assisting more than 39 million people to access new or improved housing. Habitat for Humanity Australia is a recipient of Australian International Development funding through the Australian NGO Cooperation Program (ANCP), Australian Humanitarian Partnership and Water for Women Fund.

Housing for all is a human right, as enshrined in the Universal Declaration of Human Rights and also a driver for 13 of the United Nations' 17 Sustainable Development Goals. Housing is at the centre of key development outcomes including poverty reduction, livelihoods opportunities, education, crime reduction and health, while contributing to economic growth, addressing energy consumption and fostering resilience. Adequate housing with access to basic services is a key enabler of health, educational attainment, securing livelihoods, resilience, safety, gender equality, social inclusion and protection.

Nevertheless, adequate housing remains unrealised for a distressing number of the world's most vulnerable populations, particularly those living in informal settlements.

The demand for housing grows every day, as people migrate to cities and create new households. The global urban population, fuelled by both inward migration to cities and the natural population increase of existing urban residents, has increased more than five-fold since 1950. This growth has greatly elevated the demand for adequate, safe, and accessible housing. Responding to the existing housing deficit, while also planning for anticipated future housing needs – especially in areas experiencing high urban growth – remains a huge challenge. Effective response to this challenge will yield benefits beyond the housing sector itself, as housing not only drives urban development, but also plays an important role in generating employment and economic growth.

Habitat for Humanity urges the Australian government to prioritize adequate, affordable and well-located housing in the new international development policy, especially as it integrates and complements success in multiple sectors.

What key trends or challenges will shape Australia's engagement in our region and globally over the next five to 10 years? What risks and opportunities does this present for Australia's development assistance?

Globally, the world has been grappling with a housing quality deficit for decades. The United Nations projects that urban population growth in "less developed regions" will be over two billion people by 2050 with close to 90% of this increase in South Asia and Sub-Saharan Africa. This means that **billions more people will require adequate housing, access to basic services, tenure security and climate resilient housing** in the face of an already significant quantitative and qualitative backlog of housing globally.

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In the Asia Pacific Region, key trends shaping the need for housing are: population, climate change, urbanization, and rising inequality.

- **Climate Change**: The Global Risk Index shows that seven of the top 10 countries that are most vulnerable to disasters and effects of climate change are in the Asia Pacific. The Asia Pacific experiences 1.5% loss in GDP annually due to climate change and will continue to increase vulnerabilities of already vulnerable groups. The housing sector has a huge environmental impact - accounting for a global 40% energy consumption, 40% of all raw materials, 16% of water consumption, 25% of carbon dioxide emissions, and generation of 45-65% of waste deposited in landfills.

- **Urbanization:** Since 2019 more than 50% of Asia Pacific's population has been urban with a total urban population exceeding 2.3 billion. The region's number of urban dwellers is expected to rise to more than 2.8 billion in 2030 and reach nearly 3.5 billion in 2050. Urbanization represents a unique opportunity and challenge for sustainable development. Urban settlements account for approximately 2% of total land use globally but account for 70% of economic activity, 60% of energy consumption, 70% of greenhouse gas emissions, and 70% of global waste. The urban heat island effect, construction linked to growth, and the impact on local ecosystems all contribute to accelerated climate change. The rate of urbanization is some parts of Asia will plateau, but specific subregions such as South and Southeast Asia are expected to become more urban over the next three decades. The Asia Pacific region is home to the largest concentration of people experiencing urban poverty, with one third of urban dwellers living in slums or slum like conditions This represents a twofold challenge of expanding access to services in already dense urban environments and accommodating growth without consuming excessive amounts of undeveloped land.

- **An Ageing Population:** The Asia Pacific region is home to the world's largest and most rapidly ageing population. What has differentiated the region from the rest of the world is the speed at which its populations are ageing. While Europe hosts the largest percentage of older persons, Asia is rapidly catching up with parts of Asia surpassing it by the year 2050. The UN estimates that the region is home to 670 million people over the age of 60 in 2022 with an expected doubling of this number to 1.3 billion by the year 2050. Today this represents one in seven people and by 2050 more than one in four individuals are expected to be over the age of 60. 54% of those over 60 are women and this proportion is expected to grow making ageing intrinsically linked with gender considerations.

At Habitat for Humanity, we recognize that **inequities are rising around the world and are exacerbated by global stressors including climate change, conflict, displacement and the COVID-19 pandemic**. As a result, societies are seeing increasing fragmentation politically, socially, and economically. In many cases, the pandemic has left those already vulnerable worse off. Expanding informal settlements are clear evidence of systemic failures in the absence of proactive urban planning and infrastructure investment. While informal settlements reflect the human power to develop creative solutions in the face of need, it is also a reflection of the burdens taken on by vulnerable populations to address their basic needs by paying higher prices, expending valuable time, risking their health or facing diminished education or employment prospects for their families. These burdens create undue hardship for populations that are frequently already vulnerable.

Housing has not traditionally been considered as a sector for prioritisation in Australia's International Development Program, yet **adequate housing is a foundation for good health, improved education and livelihood outcomes, security, social protection and resilience to shocks and hazards.**

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Equitable access to adequate housing is an essential input to achieving the U.N.'s Sustainable Development Goals (SDGs) by 2030. There is strong alignment with SDG 11, which aims to ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums. Adequate housing also aligns with many other SDGs focused on water and sanitation, climate action, women's rights, and reducing poverty overall. However, a recent report prepared by Habitat for Humanity found that slow progress against achievement of SDG Target 11.1 is being exacerbated by the lack of prioritization of housing in development programs, including the lack of adequate funding, lack of recognition of the complexity of the housing ecosystem, and lack of coordination and collaboration between stakeholders, including at different levels of governance.[1]

Addressing the need for adequate housing contributes to other global agreements to which Australia is a signatory including the New Urban Agenda, the Paris Climate Agreement and the Sendai Framework for Disaster Risk Reduction. Failure to adequately address the complexities of housing and its intersections with urbanisation, climate change and disaster risk (amongst others) will impact our ability to achieve the important targets set out in these agreements.

What development capabilities will Australia need to respond to these challenges? How can Australia best utilise its national strengths to enhance the impact of our development program and address multidimensional vulnerabilities?

The Australian International Development program must take a multi-disciplinary systems-based approach to addressing the complex development needs in our region. Australia must invest in integrated and long-term solutions. Rather than designing sector specific programs, the Australian International Development program should look to how existing strengths of the program – such as expertise in gender equality and disability inclusion, social protection, and a commitment to localisation – can be applied across a broad range of investments.

The Australian International Development program should consider opportunities to integrate housing into cross-sectoral international development programming. For example:

- **Gender and social inclusion** programs can strengthen inclusion of women, vulnerable groups and indigenous groups in housing and urban development policy and practice, considering their unique experiences of urbanisation and with a focus on securing land and property rights.

- **Social Protection** programs can consider the important role of shelter and settlement design in reducing gender-based risk and vulnerability.

- **Climate resilience** programs can ensure inhabitants of informal settlements are enabled to adapt to the increasing impacts of climate change and contribute to building resilience, while mitigating the impacts of the built environment.[2]

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[1] SDG Progress Report, Goal 11, Target 11.1. Habitat for Humanity International, March 2021

[2] More detail is provided in Habitat's COP27 Submission.

- **Humanitarian** programs can consider the spectrum of shelter needs from immediate relief to longer-term recovery, with a greater emphasis on building back safer.

- **Governance** programs can support strengthening of local governance towards inclusive urban planning and delivery of housing solutions to informal settlement families. Promoting adoption of rights-based approaches to housing and urban development policies helps empower the most vulnerable while minimizing inequalities and discrimination in the housing sector.

- **Infrastructure development** programs with a resettlement component can be used as an opportunity to build capacity of national and local actors in delivering housing programs which support inclusive and empowered engagement of stakeholders, ensure equitable expansion and integration of basic services and provide secure land and housing rights.

- **Market development** programs can facilitate access to affordable housing finance and green locally made construction materials.

In devising solutions to the global housing crisis, we must acknowledge the critical factors that are preventing the most vulnerable from accessing adequate housing in different contexts. Addressing the barriers to adequate housing allows for opportunity and agency in improving housing, creating inclusive neighbourhoods, questioning long-held power dynamics, and contributing to the security, ecology and sustainability of the wider community.

How should the new policy reflect the Government's commitments to build stronger and more meaningful partnerships in our region, founded on mutual trust and respect and shared values of fairness and equality?

The widening gap between demand and supply of affordable housing has provided an opportunity for both the public and private sector to find innovative ways to increase the supply of affordable housing. Creative and inclusive people-public-private partnerships are proving to be crucial in addressing the affordable housing challenge.

The Australian International Development program should continue to promote inclusive and participatory approaches at every stage of the development process from decision making through to implementation, monitoring and evaluation of results. Inclusive forms of governance, including representation and engagement of multi-stakeholder coalitions and networks (including public, private and civil society) should be fostered to ensure positive outcomes.

These diverse coalitions broaden perspective and facilitate lateral and unconventional thinking as well as improving awareness and adoption. They can catalyse regional and global replication leading to impact at scale.

Key Recommendations
To address the challenges that will shape Australia's engagement in our region and globally, the Australian International Development program must take a systems-based approach if it is to bring about meaningful change. This means the Australian International Development Policy must facilitate integrated and

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complementary action incorporating the key drivers of vulnerability like housing, rather than designing siloed sector specific programs. Accordingly, the Urban CoP makes the following key recommendations:

Recommendation No 1: Housing must be prioritised as a key enabler of resilience and development as part of a wider integrated settlements approach. Inadequate, insecure, and unaffordable housing is a key driver of vulnerability, reducing people's capacity to cope with and adapt to climate change and disaster risk. Associated insufficient and inequitable access to essential services contribute to poor health, gender and social inclusion outcomes and, in combination with climate change, can increase morbidity and mortality. Lack of access to safe and appropriate housing and settlements also impacts the ability of people to secure and maintain livelihoods and build wealth. The relationship between inadequate, insecure, and unaffordable shelter on long-term health and wellbeing of vulnerable populations needs to be acknowledged through policy and programming and should be a key part of an integrated multi-sectoral approach.

Recommendation No. 2: Integration and coordination is needed across sectors to bring about transformational change. Responding to the challenges associated with rapid urbanisation in combination with climate change and disaster risk in the different contexts requires integrated and coordinated action to bring about long-term change. The ADB's 'Resilience for the Urban Poor'[3] identifies a need for a change in approach by governments to six key policy areas to bring about transformational change and strengthen the resilience and contribute to the sustainability – urban planning and development, social protection, housing, livelihoods, health, and integrated infrastructure. Australian International Development Policy must support governments in our region to take an inclusive, integrated, and coordinated approach to addressing the key drivers of vulnerability if it is to contribute to strengthening resilience and the long-term sustainability and stability of our region.

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[3] Asian Development Bank (2022), Building Resilience of the Urban Poor: Recommendations for Systemic Change, Asian Development Bank, Manila, Philippines.