

The Built Environment and the 2030 SDG's and Agenda 2063:

The Role of the Multi Sectoral
Stakeholders in the Industry

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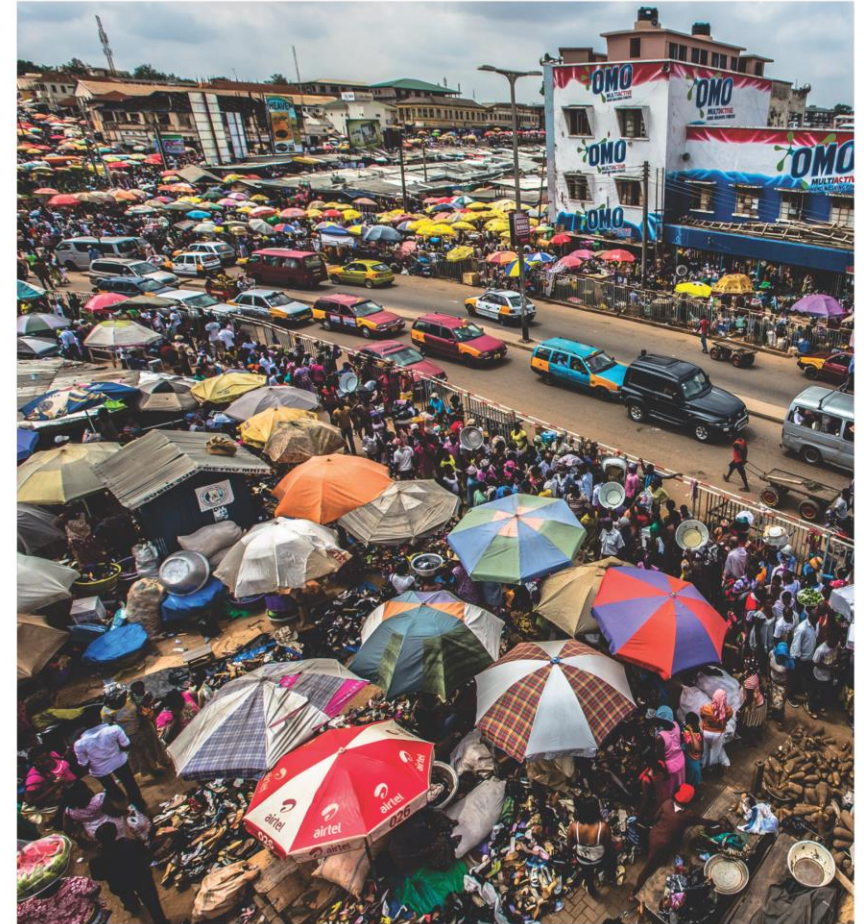
SHELTER AFRIQUE
Financing Affordable Housing for Africa

Presentation Outline

- Urbanization Facts and Figures in Africa and Nigeria
- The Context for Housing Africans
 - Public Fiscal Constraints
 - The Building Green Agenda
 - AU Agenda 2063 and the UN SDGs
- Delivering Housing in Nigeria and Africa – Some Perspectives
- Progress so Far
- Closing Remarks

The Case for Housing – Africa is Urbanising Fast

- Built Environment can generally be described as the man-made or modified structures that provide people with living, working, and recreational spaces.
- It is projected that the number of Africa's urban residents will increase to 1.5 billion by 2050, and that Africa will pass the tipping point of 50% urban population around 2035
- According to UN Habitat, about 47% of Africa's population lived in slums or informal settlements, which translates into about 257 million people across the whole of Africa.
- The exponential population growth rate in African Cities has resulted to an ever-growing need for decent & affordable housing in the region, with an estimated deficit of 56 Million units.
- Urbanisation is already a big factor in Nigeria, with an annual urban population growth of estimated 4.3%
- 40 of Nigeria's cities have a population between 300,000 and 1 million inhabitants in 2018.



BUT – New Homes will need to be provided in a challenging Environment



- According to the World Bank, projected global economic growth for 2023 is 1.7% and emerging Market and Developing Economies (EMDE) growth rate is expected to average 2.3% in 2023-24.
 - This arises from high commodity prices, continued monetary tightening, growing stagflation pressures, rising financial instability, continuing supply pressure, and worsening food insecurity.
- Adverse impact of COVID-19 on food and energy prices, which has already increased inequality, poverty and marginalisation, these price increases can trigger new domestic unrest and instability;
 - Instability threatens the conducive environment that spurs social and economic development.
40 of Nigeria's cities have a population between 300,000 and 1 million inhabitants in 2018.



Climate Change – Opportunity or Threat to our effort at housing Africans

- According to a report by the African Development Bank, Eastern and Western Africa could experience an estimated **15 per cent decline in GDP by 2050** owing to a lack or failure of adaptation and/mitigation strategies responding to the impacts of climate change.
- Enhancing resilience and sustainability strategies across Africa is crucial in enabling Africa achieve its set development goals. Key to this strategy is the development of **Green/Sustainable** Housing.



If Africa is to meet its commitment to the UN Sustainable Development Goals and the Africa Union Agenda 2063, resolving the **Housing** and **Urban Development** challenge must be a major priority.

Housing delivery in Nigeria and Africa - Some Perspectives

Supply Side Perspectives:

- What kind of homes can the average Nigerians afford? Are we building right? Do we know what people want?
- Nigeria like most African Countries will have strong fiscal constraints in the medium term, what are the strategic options for providing new housing in this context?
- How does Government and the Private Sector work together?

Demand Side Perspective:

- Most Nigerians (as well as Africans) are on relatively low income. With house prices up to 55X average income in some cities like Lagos, how do we address affordability?
- Most focus continues to be on Housing for Sale. Is this still real?
- Are Nigerians prepared to rent rather than buy initially?



Making Housing Happen in Nigeria – A Joint Effort



Strategic Initiatives

Addressing Institutional Challenges – Role of Government

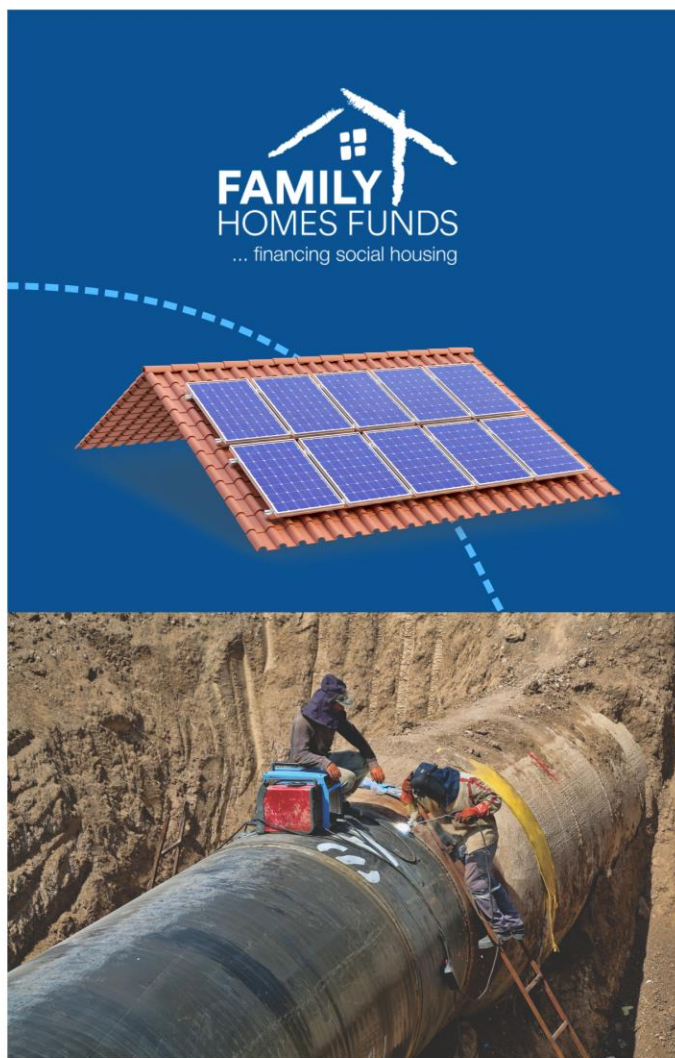
- Address challenges relating to adopting and implementing foreclosure laws
- Enhancing masterplan review and effective compliance
- Land reforms

Enhancing Access to Finance – Role of Private Sector

- Providing stimulus funding for housing towards creating affordable mortgages
- Utilizing opportunities for Green Funding, through climate financing and Green Bonds

Sensitization and Awareness – Role of Communities and CSO's

- Awareness on complying with regulations and masterplan
- Sensitization on the adoption of Green and Sustainable Building materials



Nigeria's Progress to Date

- Family Homes Fund (FHF) was registered in 2017 and its operations commenced in 2018. This is the largest housing fund in the entire Sub-Saharan region whose focus is on creating affordable homes for people in Nigeria especially those with low-income status.
 - Currently, FHF has impacted the lives of Nigerians positively by creating about 83,883 jobs, completing the building of estimated 15,793 housing units whilst the construction of over 21,000 housing units are still ongoing.
- The Solar Homes Systems Project through the Economic Recovery and Growth Plan (EGRP), to install solar home systems for up to 5 million households, serving about 25 million individual Nigerians who are not currently connected to the national grid.
- The \$2.8bn Ajaokuta – Kaduna – Kano (AKK) pipeline project, which is being developed as part of Nigeria's Gas Master Plan to utilise the country's surplus gas resources for power generation which will consequently enhance industrialization in the housing delivery value chain.

Closing Remark

- Africa Needs Housing
- But, the homes we need will need to be provided in a challenging fiscal environment across the continent with added pressure from our obligation to reduce CO2 gas emissions and work towards the AU's Agenda 2063;
- We need to rethink our approach to housing delivery across the Continent. It is unlikely that the traditional approaches will work.
- We need to access data to get a real perspective of the problem: How do you deliver affordable housing for people earning less than US\$10/day?
- New Partnerships like the AfCta offers real opportunities to reconfigure the housing supply chain;
- Also, we must have a new commitment to making PPPs work. Most African Governments are unlikely to have the necessary resources.
- And Finally, let's look at promoting Rental Housing as an option for our people.

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**Thank
You**