



2021 SHELTER AFRIQUE DEVELOPMENT IMPACT REPORT

May 2022



Foreword

The 2021 Shelter Afrique Development Impact Report is a mandate of the organization towards reporting the impact of its operations, projects, and programmes (OPP) in line with its strategic goals, specifically Strategic Goal 2 which seeks to enhance shareholder value and Impact.

The report is a testimony of the organization's commitment towards becoming the preeminent solutions provider to the affordable housing delivery and urban development challenges in Africa.

As a responsive Development Finance Institution, the report seeks to ensure the continuous improvement in the organization's activities through feedback from clients on their projects as well as identifying and addressing the knowledge gaps and most importantly, learning lessons from successful and unsuccessful initiatives. This is towards contributing to delivering impactful projects that will enable Africa to achieve its set development goals.



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SHELTER AFRIQUE - OUR IMPACT IN 2021

Institutions across the world continue to strive to deliver impact – be it through jobs, empowering communities, improving access to core facilities.

The value of learning and applying these learnings and lessons learnt to future programs and projects to ensure enhance our financing mechanisms – assess the value and where necessary re-direct/re-assess the nature of our current strategy.

This impact reporting exercise is particularly crucial following the recently ratified Yaoundé Declaration where Shelter Afrique alongside policy makers across Africa, policy experts and professionals in the housing and built environment sectors made a commitment to enhancing housing delivery across the continent through a range of mechanisms.

In a similar vein, Shelter Afrique being a Development Finance Institution continually strives to deliver impact through its project and financing activities. This impact report details the responses of our counterparties on a range of topics relevant to the metrics which the organisations uses to measure its impact across its various

products and services. Through Shelter Afrique's Impact Assessment exercises, we are able to monitor the.

With Agenda 2030, the Sustainable Development Goals, and the New Urban Agenda, we must constantly assess our strategy as Africa's premier pan-African housing institution in order to ensure we are meeting our targets and also that these targets are in line with the continent's development goals. Given the large housing deficit which our dear continent is faced with, understanding, and measuring impact must be a core strategy to understand.





2021 Development Impact Indicators

The development Impact assessment was conducted to determine the impact of Shelter Afrique's operations, projects, and programmes (OPP) as of the reporting date of December 2021.

Shelter Afrique had achieved the following results of development activities in support of affordable housing delivery and urban development in Africa for projects active in the indicated period.

These development activities indicate how the organization leveraged on its resources to support Africa's development agenda by delivering on the following development indices.

The Shelter Afrique Impact Report uses the following indicators to assess the organisations impact and business strategy.

- Number of housing units delivered
- Affordability of projects delivered
- Jobs Created through Project Delivery
- Social Sustainability of Projects Delivered
- Women Empowered through Project Delivery
- Environmental Sustainability





Assets Created

A total of 2632 housing units were delivered as at Q4 2021.

As Africa's foremost housing finance institution, Shelter Afrique continually strives to deliver impact. This is foremost through the number of units delivered and the number of projects financed across various African countries. As at 2021 Q4, Shelter Afrique, through its various financing and project mechanisms, delivered a total of **2632** projects across **7** countries.

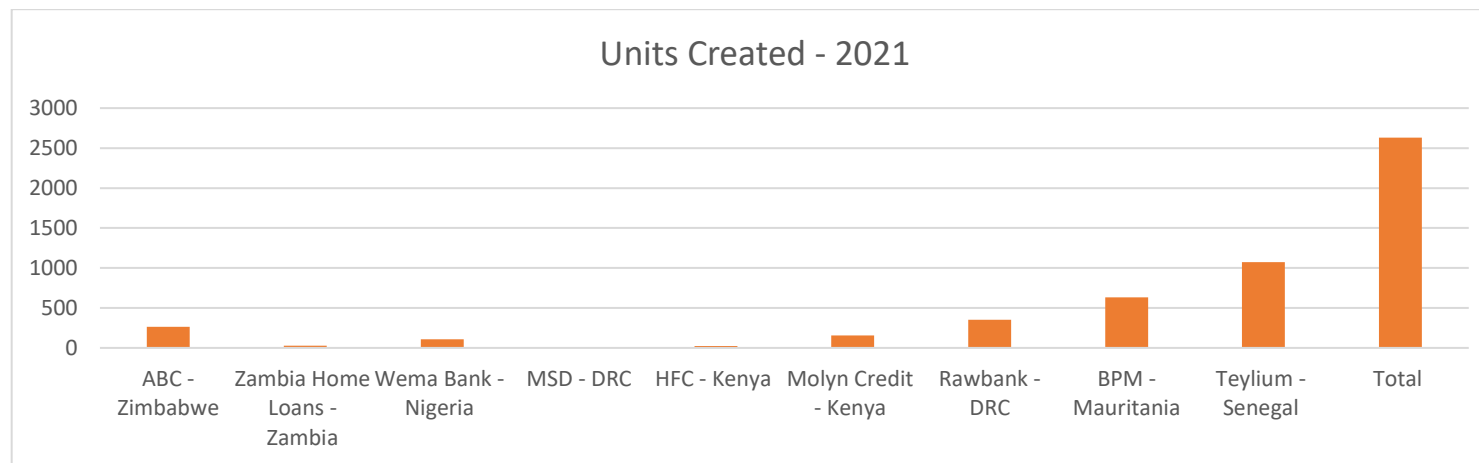


Figure 1: Graphic representation of total houses created in 2021



Assets Delivered by Countries

Shelter Afrique delivered a total of **2632 projects across 7 countries** in 2021 as shown in Figure 2 below. The spread of Shelter Afrique's projects is in line with its Pan-African spread and well aligned with the current strategic goals of the organization. Cumulatively since inception, **Shelter Afrique have delivered 34,217 units, housing 171,085 people.**

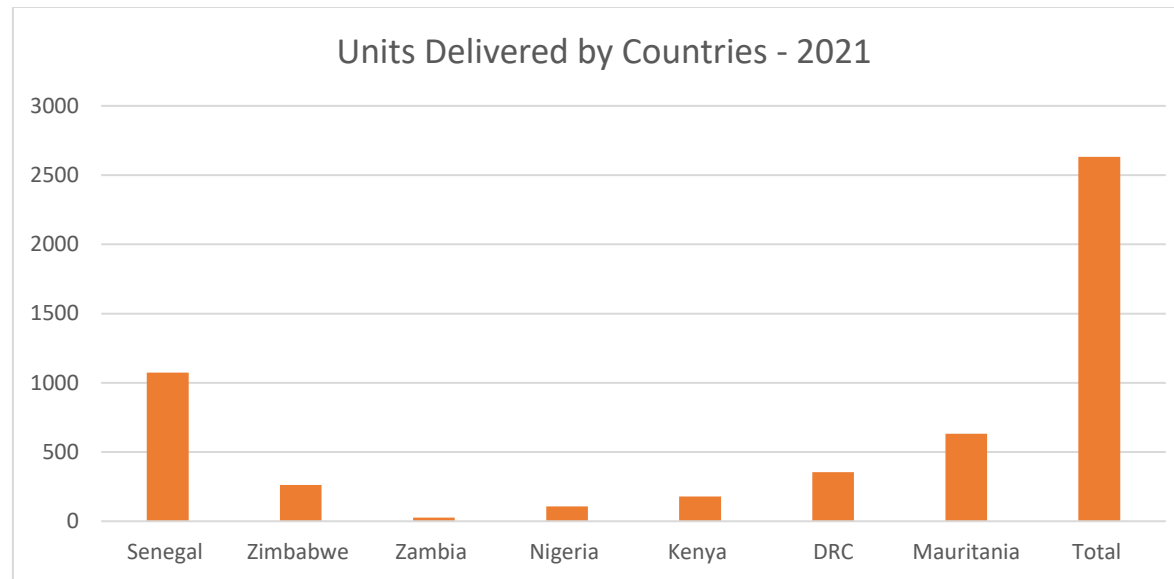


Figure 2: Graphic representation of total houses created by countries - 2021





Affordability of Projects Delivered

Affordability is a significant factor in enhancing access to decent and quality housing across Africa. Addressing problems around affordability is key to ensuring lower- and middle-income groups are able to participate actively in Africa's housing markets. Given the varying nature of policies, laws, cost of land and construction materials across countries in Africa, it is often difficult to adequately assess issues relating to housing affordability. In this context, Shelter Afrique aims to continuously contribute towards attending to the increasing need for housing in Africa. **As at Q4 2021, the average selling price/mortgage of a housing unit delivered through Shelter Afrique's financing initiatives was US \$ 59,443.** Figure 3 below provides a breakdown of the average selling price of the housing units in the respective countries.

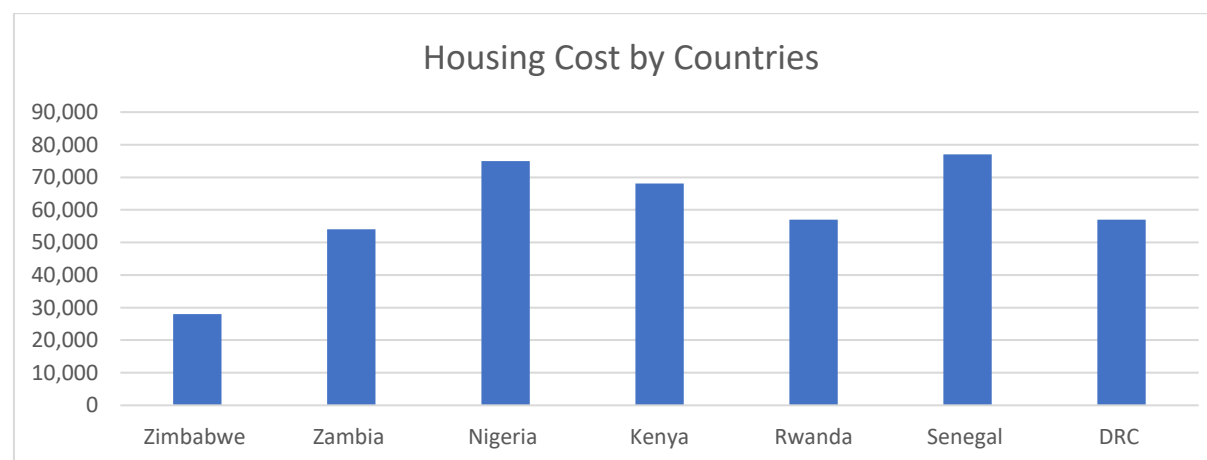


Figure 3: Graphic representation of housing cost by country - 2021





Jobs Created through Housing Delivery Initiatives

Job creation is one of the linkages which housing development has with the economy.

Shelter Afrique created a total of **20,769** jobs across the projects executed in 2021. Out of the 20,769 jobs created, **11,423 were direct jobs** and **9,346 were indirect jobs**. This breakdown is shown in Figure 4. These jobs constitute of employment resulting from construction activity as well as jobs created as a result of final project delivery. This is part of the organization's commitment to supporting Africa's social and economic development.

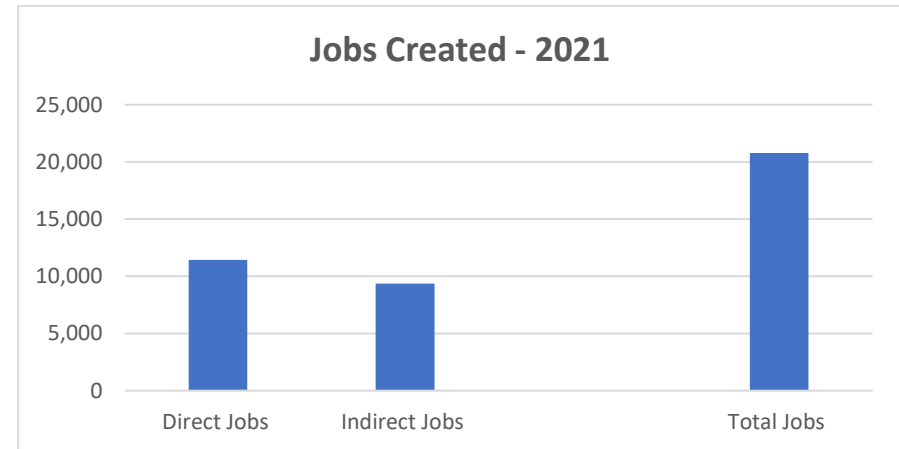


Figure 4: Graphic representation of direct and indirect jobs created in 2021





Distance of the Housing Development to the Main Road

The location of housing relative to the main road has a direct implication for transport and mobility, and hence accessibility for disadvantaged groups as well as enhancing access to opportunities for women, low-income groups. In ensuring housing developments take

these factors into account, Shelter Afrique being a socially and economically responsible development finance institution seeks to enhance access to opportunities through its financing activities as such, ensures it reports on the distance of housing developments to the main road.

The 2021 Impact assessment indicates that the counterparties reported an average distance of 1.5 KM from the main road across all housing developments.



Gender Empowerment

Sustainable Development Goal 5 focuses on Gender Equality and the need to empower women and girls. The housing value chain provides various means to achieve this goal. This could be through job provision, enhancing credit access to women, improving the access of women to title deeds and home ownership.

As a socially and economically responsive organization, Shelter Afrique is fully committed to enhancing women empowerment by ensuring the increased participation of women in the housing delivery initiatives offered by the organization.

Empowering women is a crucial component in achieving a sustainable future and more so, a sustainable Africa. Affordable and decent quality housing is a basic condition for the economic and social well-being of women and largely their related household.

Enhancing secure property rights for women can improve the access of women to, and their distribution of income (through rental, sale, use of the home as collateral, and access to employment), and largely enhancing their role and status in the community.

In 2021, 139 women were empowered with housing units through Shelter Afrique's initiatives.



Violation of Human rights, Involuntary Resettlement/Expropriation of Indigenous People or Other Vulnerable Groups

Involuntary resettlement is the “permanent or temporary removal of individuals, families and/or communities from the homes and/or land which they occupy, against their will, and without the provision of, and access to, appropriate forms of legal or other protection.” The obligation of projects to refrain from, and protect against, forced evictions from home(s) and land arises from several international legal instruments that protect the human right to adequate housing and other related human rights such as the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights (art. 11, para. 1).

The 2021 Impact assessment indicates that the counterparties have no record of the violation of human rights through the involuntary resettlement/expropriation of indigenous people or other vulnerable groups.

Shelter Afrique considers housing delivery as an integral component of achieving socio-economic development in Africa and thus, only finances projects which align with its mandate and incorporate ethical, sustainable, social, and environmental considerations into their financing and/ or development practices.

Integration of Social and Environmental Concerns into Construction Financing and Mortgage Acquisition Activities

The rise of Environment, Sustainability and Governance (ESG) frameworks – to ensure that organisations factor in certain considerations in their business activities.

The 2021 Impact assessment indicates all counterparties have factor in social and environmental considerations into their construction financing and mortgage acquisition activities:

These considerations are factored in across various stages in both construction activities and mortgage financing. Considered at the analysis and approval stage of the loan application.

- Conducting Environmental Impact Assessments prior to construction activities
- Implementation of SHSE policies
- Appointing Environmental, Social, Occupational Health and Safety Consultants and property managers to monitor policy implementation and adherence
- Adhering to National Environmental Agency policies and guidelines



Sensitization of Staff and Key Partners on Environmental and Social Impact Requirements

Promoting awareness of environmental and social impact requirements is an important aspect of driving sustainability. Similarly, ensuring compliance with these laws is of equal importance. Given the level of waste and emissions which accompany building development, there is a significant need for sensitisation, awareness, and capacity building programmes to support policy implementation within the construction sectors across Africa. The ownership of these awareness programs is not restricted to organisations in housing and the built environment sectors, but must include project and site developers, planners, designers to enhance the entire housing value chain. **The 2021 Impact assessment indicates that all counterparties have put in place measures to sensitize staff and key partners of environmental and social impact requirements.**

These measures include:

- Integration of environmental and social impact considerations into corporate Health, Safety and Environmental (HSE) policies
- Engaging customers periodically during the construction phase to encourage them to use environmentally friendly fixtures.
- Training and awareness sessions for staff and site workers on the ecological impacts of construction activities



Guidelines and Policies on Environmental and Social Impact Requirements

Implementing policies and guidelines on environmental and social impact enables organisations align their projects with sustainability principles and guide them on best practice and to limit environmental impacts. The objectives outlined in these policies can further be achieved by ensuring compliance with the set rules and regulations that promote green practices and social responsibility.

The 2021 Impact assessment indicates a significant number of counterparties have environmental and social impact policies in place to guide their developments. The following measures have been put in place to guide policy implementation and compliance:

- Appointing program and property managers to monitor policy implementation and compliance and render regular reports.
- Adhering to guidelines of local and national environmental agencies
- Obtaining necessary certification on environmental and social impact management

Promoting Biodiversity & the Creation of Green Spaces Near Homes

Growth in urban populations is often accompanied with increased environmental hazards such as congestion, air and noise pollution as well as unsustainable development practices to attend to the need for houses and other forms of infrastructure. Ensuring that housing developments integrate green spaces and other nature-based solutions which promote biodiversity is key to increasing the quality of life in urban settings and an important factor in enhancing resilience to climate impacts.

The 2021 Impact assessment indicates the following measures have been put in place by the counterparties in or near their developments to increase the creation of green spaces and biodiversity:

- Integrating green spaces and recreational areas/parks into developments
- Preserving existing green spaces
- Following guidelines on environmental conservation according to the Environmental Impact Assessments conducted
- Implementing monitoring frameworks to track delivery of green spaces.



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Conservation of Natural Habitat or Legally Protected Areas

SDG11 speaks to the need to create liveable and sustainable cities and communities. To achieve this, it is important that natural habitat including green areas and green belts as well as legally protected areas are conserved to ensure communities are truly habitable as green areas and biodiversity more broadly are important in creating sustainable communities.

The 2021 Impact assessment indicates the following measures have been put in place by the counterparties in their housing developments to manage the degradation of natural habitats or legally protected areas e.g., mangroves from coastal zones.

- Engaging in nature conservation through tree planting exercises
- Complying with regulations and laws on environmental conservation
- Sensitizing clients to environmental conservation practices and to discourage harmful activities such as tree felling
- Monitoring and enforcing conservation through project monitoring teams and in line with local and national laws.
- Executing Environmental Impact Assessments prior to construction to address issues related to the degradation of natural habitat.



Approach to Managing Soil Degradation and/or Extraction, Diversion or Containment of Surface or Ground Water

Sustainable housing delivery must factor in crucial aspects such as land management to ensure issues such as soil degradation and/ extraction, erosion, and containment of ground water as well as practices to manage their occurrence. Integrating these factors into construction activities further ensures that impact on soil quality can be minimised and as such, instances of soil erosion, managed.

The 2021 Impact assessment indicates the following measures have been put in place by the counterparties in their housing developments to address soil degradation and/ or extraction, diversion or containment of surface or ground water:

- Complying with local and national environmental guidelines on environmental conservation
- Development of adequate drainage systems to capture storm water, channel water flows, and prevent soil erosion
- Creation of retention areas for surface and ground water during construction phase

Managing the Release of Pollutants into the Environment

Limiting or managing the release of pollutants in housing delivery can take the form of ensuring proper waste collection mechanisms, prohibiting activities such as littering, burning, and encouraging residents to limit use of fossil fuels where possible. Implementing practices to manage the release of pollutants into the environment also ensures that the area is livable and significantly improves the standard of living.

The 2021 Impact assessment indicates the following measures have been put in place by the counterparties in their housing developments to manage the release of pollutants to the environment:

- Implementation of policies regarding irresponsible waste disposal such as burning
- Regular collection of waste by local authorities and implementation of proper waste management disposal and collection systems in the absence of alternative means of waste disposal
- Creation of water treatment plants
- Regular reporting and data collection on waste disposal within the developmen



Managing the Release of Significant Greenhouse Gas Emissions

Globally, the building sector contributes significantly to CO₂ emissions. Thus, ensuring building projects integrate climate considerations across all phases of planning and delivery is key to ensuring that these developments aim to reduce greenhouse gas emissions. The 2020 Global Status Report for Buildings and Construction indicates that the building sector accounts for **38%** of all energy-related CO₂ emissions globally.

The 2021 Impact assessment indicates the following measures have been put in place by the counterparties in their developments to manage the release of significant greenhouse gas emissions:

- Incorporation of sustainable building principles and practices into projects to reduce environmental impacts
- Using alternative building technologies such as sun dried/cured bricks in projects with the aim of limiting negative environmental impacts.

Responsible Management of Waste Generation

Responsible waste management is crucial for protecting the health of local communities. Ensuring that waste which cannot be recovered or reused is disposed of in an environmentally & socially just manner further enhances the standard of living in those communities and protects the environment from degradation. These objectives can be achieved by

installing drainage systems, dry utilities, facilities for solid waste collection, wastewater collection and treatment.

The 2021 Impact assessment indicates the following measures have been put in place by the counterparties to ensure the effective management of wastes:

- Ensuring appropriate waste collected methods are provided in developments including skip bins, solid waste management systems
- Ensuring waste is disposed of responsibly either through waste disposal contractors or local authorities



- Sensitizing clients of the methods to reuse materials and reduce waste generation which cannot be recovered
- Donating extra site materials to local communities to reduce waste generation

Managing the Vulnerability of the Area to Environmental and Climate Impacts

Integrating environment and climate change considerations into building projects is crucial for enhancing the resilience of communities to landslides, soil erosion, flooding, earthquakes.

This is particularly crucial given the growing vulnerability of communities across Africa to the effects of climate change.

Use of Responsibly Sourced Materials for Building Development

The method in which products are sourced forms a crucial aspect of the housing value chain. A responsible and sustainable approach to the procurement of materials for building development ensures that the company is aware of the origins of the materials used in delivering their projects. It also means that the production of these materials, right from the procurement of the raw materials in no way negatively

The 2021 Impact assessment indicates the following measures have been put in place by the counterparties in their developments to manage the vulnerability of the community/area to environmental and climate impacts:

- Carrying out relevant assessments prior to project development through regulated agencies – considering seismic zones, extreme conditions to a reasonable or required level, as well as soil erosion and flooding issues.
- Aligning their projects with local and national environmental authority guidelines
- Implementing environment impact assessments and building inspections to target and measure the effectiveness of these measures.

impact humans or the environment. Re-orientating our methods of building development – right from the sourcing of materials - towards more ethical and sustainable development methods is crucial to ensure sustainability considerations including waste reduction, reducing carbon emissions are integrated into the housing value chain.



The 2021 Impact assessment indicates the following measures have been put in place by the counterparties to enhance the use of responsibly sourced materials for building works:

- Sourcing and utilizing local building materials and technologies.
- Ensuring their materials are sourced from legally registered organisations.
- Using sustainable and alternative building technologies such as sun dried/cured bricks with the aim of limiting environmental impacts of construction activity.

- Complying with in-house supplier policies.



IMPACT CASE STUDIES

Zanzibar Masterclass

Beyond the financing activities of Shelter Afrique, the organization is also committed to enhancing capacities of the public and private sector-built environment professionals to support the delivery of sustainable, affordable, and decent housing in Africa. On the 14th of August 2021, Shelter Afrique, through its Center of Excellence, and in partnership with the Ministry of Lands and Human Settlements of the Revolutionary Government of Zanzibar (RGoZ) delivered a masterclass under the theme 'Exploring Opportunities in Zanzibar's Built Environment for Effective Housing Delivery'.

Tanzania is estimated to have an estimated backlog of 3 million units with an annual increase of 200, 000 units. Whereas the housing backlog in urban Tanzania is estimated to be 1.2 million units¹. The housing deficit is put into context when viewed alongside the urbanisation rate; estimated at 66 percent. This is twice the national average of 33 percent².

The masterclass was organized to speak to the peculiar housing and urbanization challenges of Zanzibar, as well as to achieve the following objectives:

- Provide practical lessons on the overall affordable housing value chain.
- Support the RGoZ in enhancing a resilient approach with regards to affordable housing delivery.
- Deepen co-operation between the relevant players in the Zanzibar built environment industry.
- Leverage on Shelter Afrique's Unique Selling Point which are, Shelter Afrique's expertise in the fields of housing and the built environment.
- Demonstrate superior shareholder value.

¹ Habitat for Humanity in Tanzania <https://www.habitat.org/where-we-build/tanzania>

² The World Bank Boosting Inclusive Growth for Zanzibar: Integrated Development Project (P165128), 2020 <https://documents1.worldbank.org/curated/en/907391595530402909/pdf/Project-Information-Documents-Integrated-Safeguards-Data-Sheet-Boosting-Inclusive-Growth-for-Zanzibar-Integrated-Development-Project-P165128.pdf>



This masterclass as well as previous ones, demonstrate Shelter Afrique's commitment to ensuring various stakeholders across the housing value chain and equipped with the necessary skills to attend to the continents housing and urbanization challenges. Participants at the masterclass. The event evaluation consisting of 37 participants conducted following the masterclass indicated that the event fully met its set objectives. The study involved feedback. In particular, the use of case studies and the balance of theory and practice was welcomed by the participants.

Images from the Zanzibar Masterclass



Images from the Zanzibar Masterclass

(From L-R: Masterclass Participant receiving a certificate of participation, Head of New Business, Yankho Chitsime, Manager, Policy Research & Partnerships, Dr., Muhammad Gambo)





Images from the Zanzibar Masterclass

(From L-R: Managing Director of Shelter Afrique MD with the Hon. Riziki Juma Pembe, Minister of Lands and Housing Development, Zanzibar; Mwanaisha Ali Said, The Director General Zanzibar Housing Corporation; Mr Joseph Kilangi, Principal Secretary Ministry of Land and Human Settlements Development, Revolutionary Government of Zanzibar engaging before the start of the masterclass, Attendees at the Masterclass, Attendees at the Masterclass)



Shelter Afrique's debut ₦46 billion bond issuance in Nigeria's capital market

The Company for Habitat and Housing in Africa (Shelter Afrique), the pan-African development finance institution has successfully completed its debut ₦46 billion (US\$110.7 million) Series 1 Fixed Rate Senior Unsecured Bond Issuance in Nigeria's capital market under its ₦200 billion (US\$481.3 million) bond issuance programme in April 2022.

The dual tranche bond issuance was 60.7% oversubscribed with the order book peaking at ₦64.3 billion (US\$154.6 million), enabling Shelter Afrique to exercise the 'green shoe' option and raise an additional ₦6 billion (US\$14.4 million) more than the original ₦40 billion plan (US\$96.3 million).

The bond issuance attracted participation from a diverse range of institutional investors including pension funds, banks, and insurance companies, supported by an AA rating from GCR Ratings and an A+ rating from Augusto & Co. The high oversubscription demonstrates investors' confidence in Shelter Afrique's mandate to enable housing development in Africa, its strong management team, business strategy and credit profile.

The issuance of the Naira-denominated bonds reflects the organisation's desire to focus on tailor-made, long-term funding solutions for the provision of affordable and adequate housing in Nigeria and across Africa.



Images from the signing event of the Nigerian Series 1 Bond in Lagos, Nigeria



The bond issuance is aimed at attending to the volatile foreign exchange rate regimes in most member countries, thereby reaffirming the role of the institution in correcting market failures in the housing and built environment industry.

The proceeds from the bond issuance is expected to deliver an estimated 1,100 housing units and create estimated 5,000 jobs in the country. This is a testament to Shelter Afrique's commitment to supporting Nigeria achieve its social and economic development objectives.



Launch of the Affordability Calculator

As part of the deliberations at the 2021 Africa Union of Housing Finance Conference (AUHF) which held in Kigali, Rwanda on the 2nd – 4th of November 2021, The Shelter Afrique Centre of Excellence (CoE) launched the 'Housing Affordability Calculator' which was developed by CoE in partnership with the Centre for Affordable Housing Finance in Africa (CAHF).

Poor affordability targeting limits the accurate and appropriate methods for determining the target price for units in an affordable housing project that is within the reach of the low income households and also at same time, feasible to the developers.

The affordability calculator aims to support Shelter Afrique and other stakeholders in the built environment industry to better address issues of housing affordability, in order to improve the targeting and viability of affordable housing projects in Africa.

The objectives of the affordability calculator includes:

- To determine the most feasible, accurate and appropriate methods for determining the target price for units in an affordable housing project targeted at low-income households in Africa;
- To determine the factors and approaches which enable affordable housing developers to produce units at this price.

The affordability calculator and project report are available on both Shelter Afrique and CAHF websites.

Kindly click the links below to access:

Affordability Calculator Dashboard: <https://lnkd.in/dzGxwY6s>

Project Report:

<https://lnkd.in/dcy2kAqN>



Shelter Afrique Impact Report 2021



Images from the launch of the Affordability Calculator at the 2021 Africa Union of Housing Finance Conference, Kigali, Rwanda

