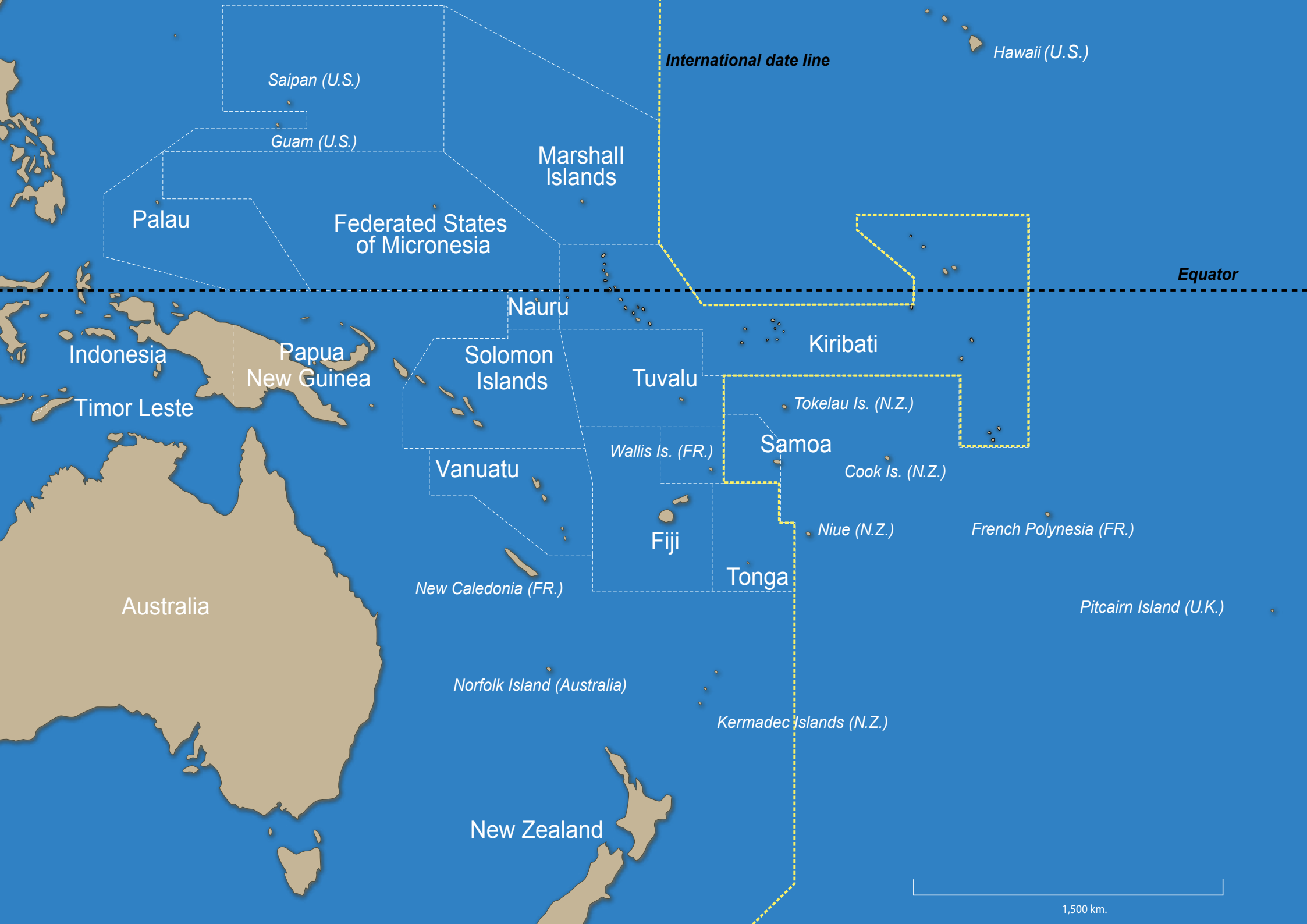




POVERTY HOUSING

IN THE DEVELOPING NATIONS OF THE PACIFIC ISLANDS

An analysis of housing for poor and low-income households in
Cook Islands, Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tonga, Vanuatu



AT A GLANCE

- In the majority of the developing countries of the Pacific islands, a high proportion of people live in inadequate housing, severely limiting prospects for economic and social development.
- Over 40 percent of the population of these nations – 4 million people – live in poverty housing in towns and cities, squatter settlements and rural villages.
- These countries are hugely diverse in terms of geography, resources, populations, cultures, languages and economic development. Nevertheless, they share many of the same challenges:
 - small domestic markets and limited economic growth;
 - increasing poverty and declining living standards;
 - rapidly increasing populations and high rates of rural-to-urban migration;
 - growing squatter settlements in urban and periurban areas;
 - poor infrastructure and housing regulatory mechanisms;
 - land conflicts and ethnic tensions;
 - limited land resources and poor management of resources; and
 - extreme vulnerability to natural disasters.
- While Pacific island nations receive substantial development assistance, governments and communities cannot keep pace with the increasing number of households living in inadequate housing.
- Keys to successfully addressing the problems of inadequate housing include:
 - recognizing that squatter settlements are permanent and require basic infrastructure and social services;
 - integrating housing with improvements in basic infrastructure, including access to safe drinking water, improved sanitation, solid waste management, affordable and reliable electricity and all-weather roads;
 - balancing assistance between rural and urban areas to help stem the flow of people to urban areas and the slow depopulation of rural communities;
 - identifying safe and suitable land for housing for poor and low-income households, coordinating urban planning and embarking on land reform to establish a system of secure land title; and
 - finding ways to give low-income people access to housing finance.





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Executive Summary

Acceptance of the universal right to "adequate housing" – a place to live in peace and dignity – has proved to be a powerful catalyst for economic and social development. The United Nations International Covenant of Economic, Social and Cultural Rights recognizes that adequate housing is fundamental to improving living standards among poor and low-income households. Without adequate shelter, families are condemned to poverty, poor health and low educational attainment. Without adequate shelter, families lack security and are vulnerable to natural disasters and the chaos of civil conflict. Adequate housing can be viewed as a valuable goal in its own right and as a critical ingredient in addressing the broader challenges of poverty.

The development challenges confronting Pacific island nations are similar to those confronting developing countries elsewhere. These include:

- limited economic growth and rapidly increasing populations;
- poverty and declining living standards;
- high rates of migration from rural to urban areas;
- poor resource management;
- growing squatter settlements in urban and peri-urban areas;
- inadequate serviced land and poor housing regulatory mechanisms; and
- lack of political stability and weak governance structures.

Across the Pacific island nations, these challenges are compounded by land conflicts, ethnic tensions and extreme vulnerability to natural disasters. For the Pacific's smaller island nations, the challenges are compounded still further by isolation, resource-poor land areas, small domestic markets

Developing Sovereign Nations of the Pacific Islands

Sovereign states	Population ¹	Level of development ²
Papua New Guinea	5.9m	Small island developing state ³
Timor Leste	1.1m	Least developed country
Fiji	932,000	Small island developing state
Solomon Islands	581,000	Least developed country.
Samoa	217,000	Small island developing state
Vanuatu	215,000	Least developed country
Tonga	119,000	Small island developing state
Kiribati	110,000	Least developed country
Nauru	14,000	Small island developing state
Tuvalu	12,000	Least developed country
Sovereign states in free association⁴		
Federated States of Micronesia (with USA)	108,000	Small island developing state
Marshall Islands (with USA)	63,000	Small island developing state
Palau (with USA)	21,000	Small island developing state
Cook Islands (with New Zealand)	12,000	Small island developing state
Niue (with New Zealand)	1,400	Small island developing state

¹ The World Factbook. <https://www.cia.gov/library/publications/the-world-factbook/geos/pp.html>

² UN Statistics Division, 2008. <http://unstats.un.org/unsd/methods/m49/m49regin.htm#least>. Kiribati, Samoa and Solomon Islands are listed as both "small island developing states" and "least developed countries." The selection of the description in this table is based on information from The World Factbook.

³ More accurately categorized by WHO as a "least developed country." PNG is not a small island state in terms of either population or land mass and is a very poor country in terms of GDP per capita.

⁴ Free association with the United States provides defense and access to funding grants and United States social services. Free association with New Zealand confers citizenship.

with little potential for economies of scale and low capacity to absorb major investment.

While national and international organizations have directed substantial resources toward poverty alleviation, they have paid little direct attention to improving the conditions in which families live and work. In most Pacific island nations, poor and low-income households are left to find their own housing solutions in overcrowded accommodation or as squatters in informal settlements.

This report examines the causes, extent and consequences of poverty housing across the developing sovereign nations of the Pacific islands listed in the box above. This group includes some of the world's poorest and wealthiest developing countries. The report identifies structural, organizational and environmental impediments to poor and low-income households accessing adequate shelter and canvasses strategies and policy options to improve living conditions.

Developing nations of the Pacific islands typically are charac-

terized by:

- substantial levels of development assistance, measured as a proportion of GDP;
- an accelerating movement of people from traditional rural villages to cities and towns; and
- an inability of governments and communities to keep pace with the consequences of such movements, particularly the increasing numbers of households living in inadequate housing.

Over 40 percent of the population of these countries – 4 million people in 570,000 households – lives in poverty housing in overcrowded towns, squatter settlements and rural villages. There is an urgent need for national and local governments, multilateral organizations, bilateral donors, and non-governmental and civil society organizations to work together with urban and rural communities to address problems that include:

- **A piecemeal approach to improving living standards:** Programs typically provide only selected services (usually safe drinking water or improved sanitation), often on an unsustainable basis, while leaving unaddressed other essential services, such as solid waste management, affordable and reliable electricity and all-weather roads, and even more importantly, the means by which people can increase their capacity to generate cash incomes.
- **Assistance focussed on urban areas:** Perceptions, real or imagined, among rural villagers that more assistance is provided in urban areas, reinforce incentives to leave. In urban areas, villagers add to population pressures, threatening to overwhelm whatever assistance is available. In rural areas, depopulation is accelerated, hastening the decline of communities.

- **Failure to recognize that squatter settlements are permanent:** For authorities to acknowledge the existence of informal settlements means they must acknowledge the need for basic infrastructure and social services.
- **No access to housing finance.**
- **Absence of secure land title:** Without land title, people cannot borrow against the value of their property to invest in improvements. Secure land title would also reduce post-disaster chaos.
- **A lack of suitable land for housing poor and low-income families:** That is, land with secure title, space for food gardens, access to markets, and not subject to tidal flows, flooding or land slides, or abutting town dumps.

Fuelled by population pressures and perceptions of greater opportunities in towns and cities, rural people will continue to migrate to cities. If living standards are to be improved, people living in poverty housing – in both urban and rural areas – need a greater understanding of their rights to adequate housing and basic services, and communities must participate, alongside national and local governments, in planning and management. This report is intended as a step towards achieving these goals.

Chapter 1 describes the geography of the Pacific region and its ethnic and cultural diversity, and examines the influences of these factors on economic and social development. It also tracks mounting pressures as economic growth struggles to keep pace with the rapid and unplanned growth of towns and cities, and increasing poverty and inequality.

Chapter 2 reviews definitions of poverty housing and their applicability to Pacific island nations.

Chapter 3 draws on these definitions to present estimates of the number of people and households living in poverty housing in the developing countries of the Pacific islands. These estimates suggest that the problem is at least as severe in the Pacific islands as it is in Southeast Asia and Sub-Saharan Africa.

Chapter 4 looks at the consequences for economic and social development as well as national and regional security when a high proportion of a country's population lives without adequate shelter and access to basic services.

Chapter 5 analyses impediments to improving housing for poor and low-income households and examines differences in impacts between countries. Critical impediments include low levels of economic growth, high population growth, an absence of appropriate housing policies and frequent natural disasters coupled with a lack of planning to lessen impacts and speed recovery.

Chapter 6 canvases actions to address these impediments. This list includes the need for land reform (encouraging economy-wide investment), coordinated urban planning and housing policies, and greater regional cooperation. In 1999, the United Nations Economic and Social Commission for Asia and the Pacific claimed that many international human settlement programs bypass Pacific countries because of "distance and the relative smallness of the problems." If this remains the reason why many programs continue to bypass the region, it fails to recognize that:

- in the majority of the developing countries of the Pacific islands, a high proportion of the population lives in poverty housing, severely limiting prospects for economic and social development; and
- the "smallness of the problems" means fewer resources are needed to address them, and as a

result, sustainable solutions are potentially more tractable at the country level than in Southeast Asia or Sub-Saharan Africa – even allowing for limited access to economies of scale.

The Appendix presents information on economic and social developments and their implications for housing conditions and housing policies in nine countries broadly representative of the developing nations of the Pacific islands: Cook Islands, Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, Timor Leste and Vanuatu.

¹ United Nations Economic and Social Commission for Asia and the Pacific, 1999, *Managing the Transition from the Village to the City in the South Pacific*. <http://www.unescap.org/huset/pacific/pacific2.htm#3b>





1 INTRODUCTION

The nations of the Pacific are mythologized as island paradises – palm-fringed, sandy white beaches, crystal clear lagoons teeming with fish and resource-rich volcanic mountains rising out of the sea.

For many Pacific islanders the reality of everyday life is very different. This diverse region contains some of the world's smallest and most isolated island nations. It also contains some of the world's poorest countries – as well as some of its most prosperous economies. The rankings of the region's developing countries included in UNDP Human Development and Human Poverty Indices are shown in Figure 1.

Timor Leste, Kiribati and Papua New Guinea are ranked among the world's least developed and poorest countries. Samoa, Tonga and Cook Islands have achieved greater levels of development.

In parts of the Pacific, socio-economic indicators are

Figure 1 Among the Poorest and Wealthiest Developing Countries

Country	Human Development Index (Ranking: n=179)	Human Poverty Index (Ranking: n=178)
Timor Leste	0.483 (158 th)	41.0 (122 nd)
Kiribati*	0.515	
Papua New Guinea	0.516 (149 th)	40.1 (116 th)
Marshall Islands*	0.563	
Federated States of Micronesia*	0.569	
Tuvalu*	0.583	
Solomon Islands	0.591 (134 th)	22.4 (79 th)
Vanuatu	0.686 (123 rd)	23.9 (83 rd)
Fiji	0.743 (103 rd)	21.2 (78 th)
Samoa	0.760 (96 th)	na
Tonga	0.774 (85 th)	na
Cook Islands*	0.822	

Note: na: not applicable. Index values for 2006 except for countries marked * where Index values are for 1998. These countries are ranked in the table on the basis of the 1998 index values. Source: UNDP Human Development Reports 1999 and 2008. <http://hdr.undp.org/en/statistics/>

Figure 2 Economic Growth Among Pacific Nations Lag

Region	Real GDP Growth (%)	
	Annual Average 1995-1999	Annual Average 2000-2002
Pacific island developing countries*	1.08	(0.05)
Southeast Asia	3.62	4.16
Sub-Saharan Africa	3.40	3.06

Note: # Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Papua New Guinea, Solomon Islands, Samoa, Timor Leste, Tonga, Vanuatu Data source: Asian Development Bank, 2004. Responding to the priorities of the poor: A Pacific strategy for the Asian Development Bank 2005-2009. <http://www.adb.org/Documents/CSPs/PAC/2004/pcf-rcsp0100.asp>

approaching those of Sub-Saharan Africa. Increasing numbers of people live in poverty. They experience difficulties in meeting basic needs such as adequate shelter and health care. The diseases of poverty – malaria, tuberculosis and diarrhoeal diseases – thrive.

Over the past two decades, most developing countries of the Pacific islands have experienced low or negative economic growth, in sharp contrast to the neighboring countries of Southeast Asia or to Sub-Saharan Africa, as shown in Figure 2. Most Pacific islanders are semi-subsistence farmers or fishermen. Economic development is vulnerable to fluctuations in world markets for primary products, such as fish, timber, palm oil and sugar, and to trends in international tourism.

Across the region, living standards are threatened as economic growth struggles to keep pace with population growth. The impact on GDP per capita – a marker of living standards – is shown in Figure 3, with the developing countries of Southeast Asia experiencing significantly higher rates of growth than most Pacific island nations.

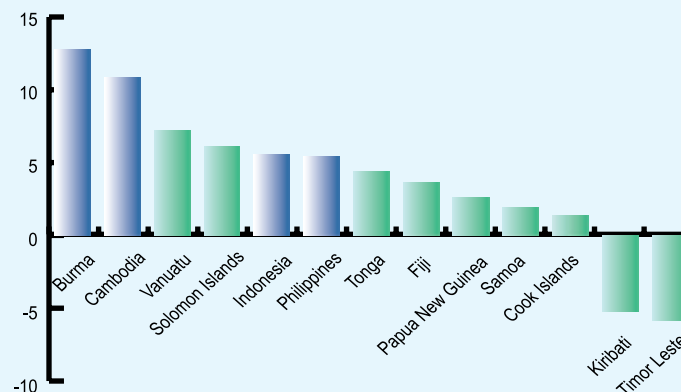
The development challenges confronting the region are similar to those confronting developing countries elsewhere:

- limited economic growth and rapidly increasing

populations;

- poverty and declining living standards;
- high rates of migration from rural to urban areas;
- growing squatter settlements in urban and peri-urban areas;
- inadequate serviced land;
- poor resource management;
- low levels of education and job skills;
- lack of political stability; and
- poor governance structures.

Figure 3 Lower Rates of Growth in Pacific Island Nations (Percent)



Source: ADB Key Indicators for Asia and the Pacific, 2008. http://www.adb.org/Documents/Books/Key_Indicators/2008/default.asp

Across the Pacific island nations, these challenges are compounded by land conflicts, ethnic tensions and extreme vulnerability to natural disasters. For the Pacific's tiny island nations, the challenges are compounded still further by isolation, resource-poor land areas, small domestic markets with little potential for economies of scale and low capacity to absorb major investment.

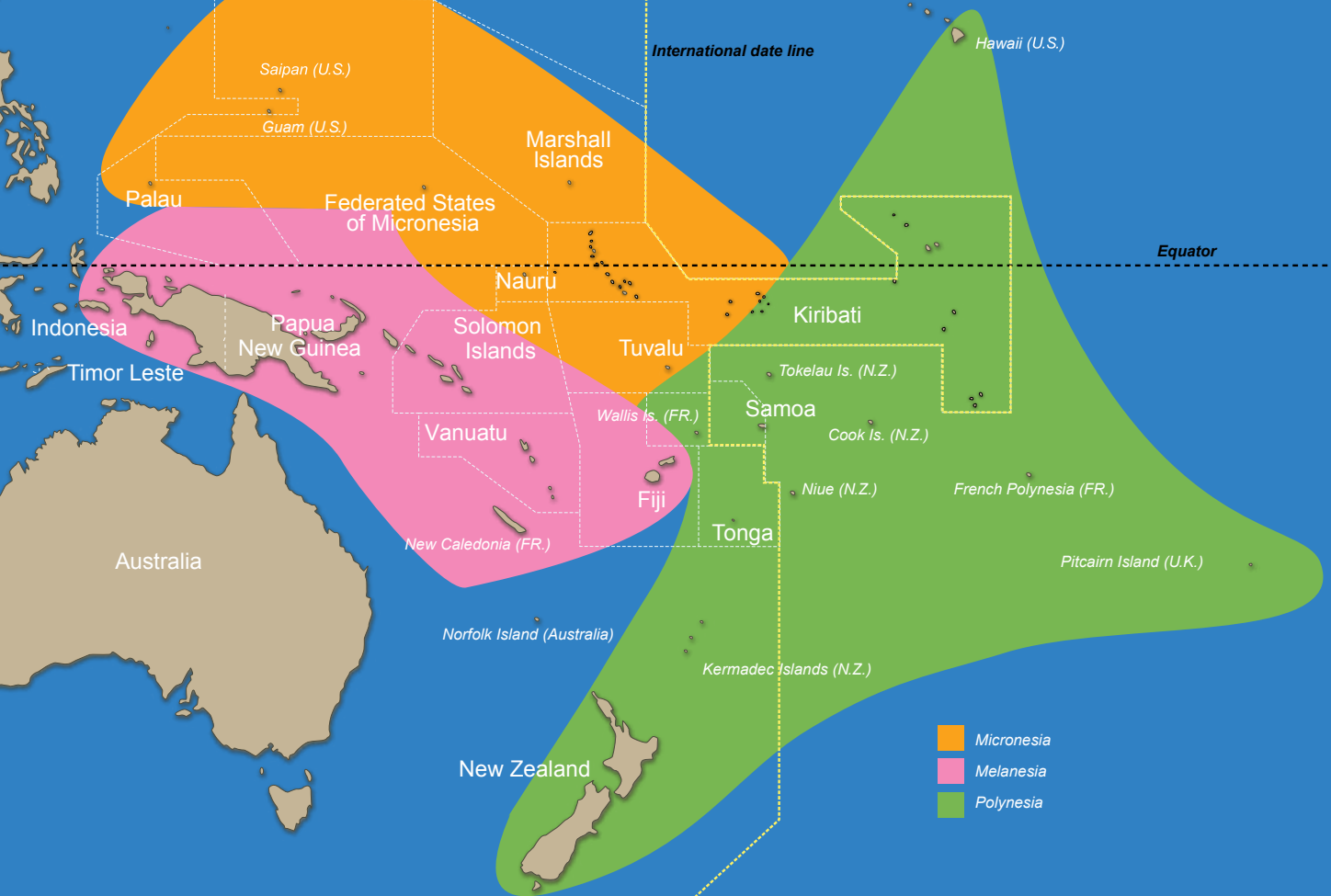
A region of great diversity

The developing sovereign countries of the Pacific island include 15 nations and territories scattered across thousands of kilometers and spanning three geographic divisions: Melanesia, Micronesia and Polynesia. These divisions, and the countries within each division, are shown on Figure 4.

Melanesia curves down from Papua New Guinea to the Solomon Islands, Vanuatu, New Caledonia and Fiji, and contains the largest islands in the South Pacific.² The thousands of islands and coral atolls that make up Micronesia lie between Hawaii (to the east) and the Philippines (to the west). Polynesia stretches across the Pacific Ocean from New Zealand to Easter Island and north to Hawaii, covering an area greater than Melanesia and Micronesia combined.

The region is prone to natural disasters including cyclones, tidal surges, floods, droughts, volcanic eruptions and tsunamis. These impose a heavy economic toll, diverting funds away from all forms of development. Some countries, most notably the small atoll nations of Kiribati and Tuvalu, are already experiencing the seriously detrimental impacts of climate change and rising sea levels, including higher tides and coastal flooding.

The countries of the Pacific have a huge diversity of geography, resources, environmental conditions, populations, traditions, cultural norms, languages, social conditions and



Australia, New Zealand and the United States.

Population pressures and rapid urban growth

Population pressures vary dramatically between different island groups. In the Polynesian and, to a lesser extent, Micronesian countries, emigration is an important population safety valve. Although these countries have high fertility rates, the steady stream of people moving to Pacific Rim countries – predominantly New Zealand, Australia and the United States – keeps resident population growth low. By contrast, Melanesian people seldom emigrate. The countries of Melanesia are experiencing high rates of rural to urban migration, and their cities are among the fastest growing in the world. Growth rates for selected countries are detailed in Figure 5.

High rates of rural to urban migration also characterize Polynesian and Micronesian countries. To varying degrees, all developing countries of the Pacific islands are facing the consequences of rapid, unplanned population shifts, including unemployment, poverty and deteriorating living conditions with the growth of overcrowded slums and squatter settlements. In a number of countries, large populations of unemployed people live in squalid squatter housing: in Fiji, in Suva, Nadi and Lautoka; in Papua New Guinea, in Port Moresby, Lae, Mount Hagen and Rabaul; Port Vila and Luganville in Vanuatu; Honiara in the Solomon Islands; on South Tarawa in Kiribati; and in Tonga's Nuku'alofa.

Squatter settlements are often located on marginal land, ill suited to habitation. Honiara's squatter settlements are on steep slopes that are vulnerable to landslides.⁹ In Nuku'alofa squatter settlements are located on former mangrove swamps, leaving people vulnerable to storm flooding, water borne diseases and sanitation problems.¹⁰ As populations

economic development. Other than their proximity on the globe, small atoll states like Tuvalu, with a population of 12,000 and land area of 26 sq. km., have little in common with the largest country in the region, Papua New Guinea, with a population of 5.9 million and vast endowments of arable land, forests and minerals.³

Despite this diversity, long-standing economic and cultural connections encourage a regional view, as do other geopolitical ties enhanced through regional institutions and organizations such as the Pacific Islands Forum,⁴ the Pacific Community,⁵

the Council of Regional Organizations of the Pacific⁶ and the University of the South Pacific.⁷ In August 2008, the Pacific Region. Infrastructure Facility was launched to help countries develop and maintain infrastructure for transport, water, sanitation, waste management, energy and communications in rural and urban areas.⁸ However, the ability of these organizations to contribute to overcoming the challenges of development is undermined by governance and structural weaknesses across member states. In addition, their agendas are often limited by heavy dependence on aid from multilateral and bilateral donors, most notably

Figure 5 Melanesia's Cities are Growing Rapidly

Country	Annual rate of population growth	Growth of capital cities
Solomon Islands	3.4%	6.2% pa (Honiara)
Vanuatu	2.8%	7.3% pa (Port Vila)
Papua New Guinea	2.3%	approx. 4% pa (Port Moresby) [#]

Sources: Ministerial Conference on Environment and Development in Asia and the Pacific 2000. Review of State of the Environment of the Pacific Islands. <http://www.unescap.org/MCED2000/pacific/SoE-pacific.htm>. Note: [#] Chand, S. Yala, C. Reconciling Customary Ownership and Development, Informal land systems within urban settlements in Honiara and Port Moresby. http://www.ausaid.gov.au/publications/pdf/MLW_VolumeTwo_CaseStudy_5.pdf (1)

increase, additional stress is placed on limited natural resources, including food, fuel and water. Added costs of education, health care, housing and basic infrastructure place extra demands on already constrained government and donor budgets. The movement of people is also contributing to the spread of HIV.¹¹

In rural areas, as the exodus of young workers leaves behind communities of the very old and the very young, farming and fishing productivity declines and traditional support systems break down.

The degree of urbanization in each country, set in the context of urbanization in some of the developing countries of Southeast Asia, is shown in Figure 6.

Increasing poverty and inequality

Across the developing countries of the Pacific islands, poverty and inequality are increasing, with income disparities wider in most Pacific nations than in developing countries of Southeast Asia (see Figure 7). Rural areas are generally worse off in terms of people's capacity to generate cash incomes and access basic services, but poverty and inequality are more obvious in urban areas, with overcrowded and inadequate housing and growing health problems. The rapid growth of informal settlements creates tension between customary land holders and

new settlers, and new settlers have limited opportunities for economic and social advancement.

While people's decisions to move to cities and towns is generally prompted by the search for work, there are few jobs.¹² Across the Pacific nations, formal paid work occupies only about 20 percent of the labor force, mostly in administrative or service jobs.¹³ Particularly among young people, unemployment and underemployment are rife, and crime and violence are widespread.

In addition, the traditional support systems provided by extended families and village networks break down.¹⁴ Governments can refuse to provide even the most basic infrastructure, including water and sanitation, as a deliberate strategy to discourage the expansion of squatter settlements.

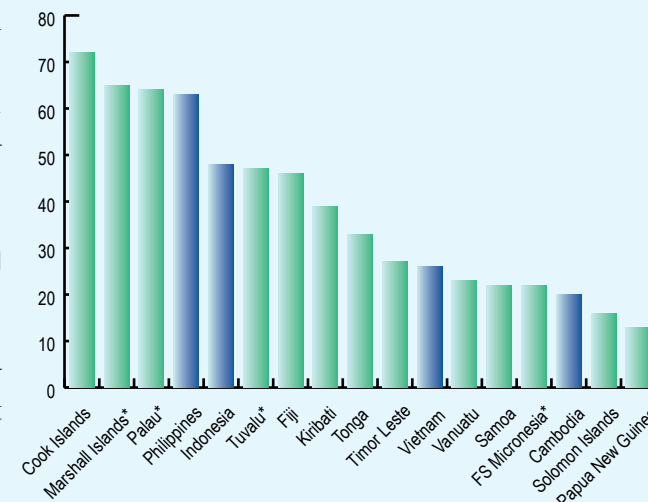
Despite this, people remain tied to cities and towns and children raised in settlements go on to bring up their own families in the same location. This underscores the permanency of the settlements and the need for squatter communities to participate in planning and management alongside national and local governments if housing conditions and living standards are to be improved.

Unfortunately, governments in the region lack the resour-

ces or the commitment – or both – to improve conditions for people living in inadequate housing in either urban or rural areas. Neither do governments have the resources to develop programs to help the poor help themselves.¹⁴ Most countries lack even a basic low-income housing policy¹⁵ despite evidence from other developing countries that improving housing conditions can be a powerful economic catalyst for both individual households and the broader community.¹⁶

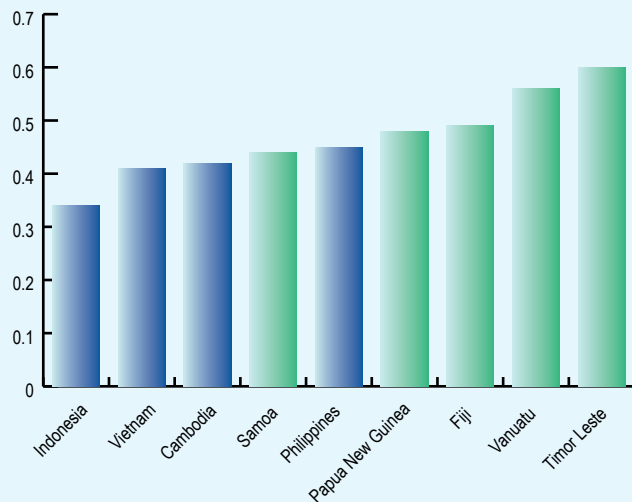
As a consequence of their limited propensity to act, governments are facing increasing threats to internal security. Confronting these challenges will require significant and sustained responses from governments working in partnership with multilateral organizations, bilateral donors, civil society and non-governmental organizations and the private sector. In financial terms, resources should be available. A 2006 AusAID report noted: "On a per person basis,

Figure 6 Percentage of the Population Living in Urban Areas Varies



Sources: For the countries of Southeast Asia, data drawn from UNESCO Asia-Pacific in Figures, 2006 (updated January 2008). For countries marked * data drawn from Secretariat of the Pacific Community. For other countries, refer to Country Profiles.

Figure 7 Pacific Island Nations Face Greater Income Inequality



Note: Gini Coefficients (0= perfect equality; 1= total inequality)

Source: UNDP, Human Development Report 2007/2008. <http://hdrstats.undp.org/indicators/147.html>

the Pacific islands receive the most aid of any group in the world. It is unlikely that aid volumes will fall in the near future."¹⁷

Progress towards Millennium Development Goal 7: improving the lives of people living in slums: Based on the UN-Habitat definition (see Figure 8), the slum dwellers of the Pacific islands are found mainly in urban and periurban squatter settlements and in poor rural villages. While all eight of the UN's Millennium Development Goals (MDGs) (see Figure 9) have the potential to contribute to improved living conditions, Goal 7 relates to improving the lives of people living in slums. Target 10 of Goal 7 is for each country to "reduce by half the proportion of people without sustainable access to safe drinking water and improved sanitation by 2015." Target 11 articulates the commitment to improve the lives of at least 100 million slum dwellers by the year 2020. If these targets are to be

achieved, there is an urgent need to provide adequate resources and remove barriers to policies and regula-

Figure 8 Basic Definitions

Overcrowding: UN-Habitat defines overcrowding as more than three persons per room, although locally accepted standards for sufficient living area vary greatly.

Slums: A slum household, as defined by UN-Habitat, is a group of individuals living under the same roof in an urban area that lacks one or more of the following:

- **Durable housing:** non-hazardous location, structure that protects inhabitants from climatic conditions;
- **Sufficient living area:** maximum three people per room;
- **Access to improved water:** a sufficient amount for family use at an affordable price, available to household members without extreme effort;
- **Access to sanitation:** private toilet or public toilet shared with reasonable number of people; and
- **Secure tenure:** right to effective protection against forced eviction.

Squatter settlements: Households lack legal tenure to their house and/or household plot.

Urban: Urban agglomeration is defined by UN-Habitat as "The built-up or densely populated area containing the city proper, suburbs and continuously settled commuter areas. It may be smaller or larger than a metropolitan area: it may also comprise the city proper and its suburban fringe or thickly settled adjoining territory."

Source: as cited in Duncan J., 2007. *The Right to a Decent Home, Mapping Poverty Housing in the Asia Pacific Region*, Habitat for Humanity International, Asia-Pacific Office. http://www.habitat.org/ap/pdf/Poverty_Housing_In_The_Asia_Pacific_Rpor_Cover.pdf

tory mechanisms directed towards improving housing for poor and low-income households. Some indication of the scale of the task is provided by reports on progress towards attaining Target 10. However, the accuracy of assessment is hampered by the lack of up-to date information; the most recent data relate to 2004.

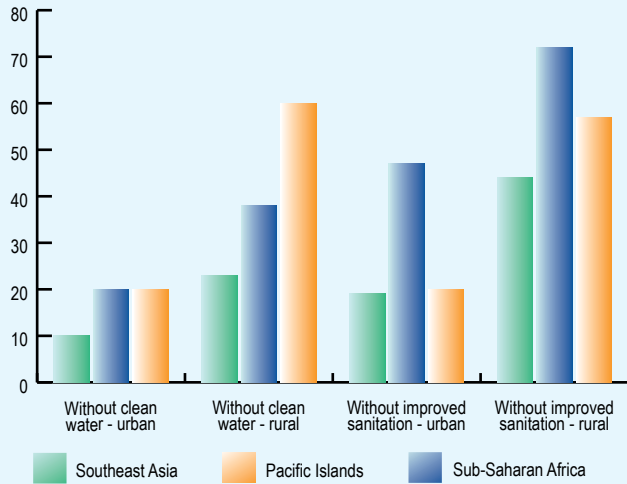
As shown in Figure 10, in terms of the proportion of the population without access to improved basic services, the task in the Pacific islands is greater than in Southeast Asia and similar to or greater than that in Sub-Saharan Africa – with the possible exception of access to improved sanitation facilities in urban areas.

While it is estimated that up to 4.5 million people across all Pacific islands are without access to clean water and/or basic sanitation compared to approximately 200 million in Southeast Asia and over 500 million in Sub-Saharan Africa,¹⁸ the impact on the health and well-being of the people is just as severe. Even more significantly, lower absolute numbers in the Pacific mean fewer resources can be concentrated to achieve Target 10, even allowing for limited access to economies of scale.

Figure 9 UN Millennium Development Goals

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

Figure 10 Less Safe Drinking Water and Basic Sanitation in the Pacific (Percent)



Source: <http://www.unescap.org/stat/mdg/08.TableA-B-MDG-goals-MDGreport2007-P33-51.pdf>
UNESCAP 2007. *The Millennium Development Goals: Progress in Asia and the Pacific 2007*



² The island of New Guinea, with Papua New Guinea located on the eastern side, is the second largest island in the world, after Greenland.

³ Tuimalea' ifano, P. 2006. NHDR Write-Up: VDA Practitioner Course on Human Development Pacific Islands NHDR. http://hdr.undp.org/en/media/Pacific_HDR_2006.pdf. Even these perceptions of proximity can be misleading: the distance between the two countries is roughly the same as the distance from France to Iraq.

⁴ The Pacific Islands Forum is the region's principal political institution. The Forum brings together the independent and self-governing states of the Pacific in an annual leaders summit.

⁵ The Pacific Community is a non-political organization delivering development assistance to the territories and countries of the region.

⁶ The Council encourages and promotes co-operation and collaboration between Pacific regional organizations.

⁷ The University of the South Pacific is one of the premier providers of tertiary education in the Pacific region and an international center of excellence for teaching, research and consulting on all aspects of Pacific life.

⁸ For details of the Facility refer to http://www.ausaid.gov.au/hottopics/pdf/prif_flyer.pdf

⁹ Chand, S. Yala, C. Reconciling Customary Ownership and Development, Informal land systems within urban settlements in Honiara and Port Moresby. http://www.ausaid.gov.au/publications/pdf/MLW_VolumeTwo_CaseStudy_5.pdf

¹⁰ Ministerial Conference on Environment and Development in Asia and the Pacific 2000, op cit

¹¹ ADB, 2006. HIV/AIDS in the Pacific <http://www.adb.org/Projects/HIV-AIDS/Documents/>

¹² HIV-AIDSprn2.pdf

¹² UNESCAP, 2004, Economic and Social Commission for Asia and the Pacific, Sub Committee on Socially Vulnerable Groups. http://www.unescap.org/esid/committee2004/SVG_2E.doc

¹³ The World Bank, 2004, Cities, Seas and Storms: Managing Change in the Pacific Islands, Volume II Managing Pacific Towns. <http://siteresources.worldbank.org/INTPACIFICISLANDS/Resources/2-Chapter+1.pdf>

¹⁴ ibid

¹⁴ UNESCO, 2004, op cit

¹⁵ Nations Economic and Social Committee for Asia and the Pacific, 2005, Committee on Poverty Reduction. http://www.unescap.org/pdd/CPR/CPR2005/English/CPR2_12E.pdf

¹⁶ Duncan J., 2007. The Right to a Decent Home, Mapping Poverty Housing in the Asia Pacific Region, Habitat for Humanity International, Asia-Pacific Office. http://www.habitat.org/ap/pdf/Poverty_Housing_In_The_Asia_Pacific_Report_Cover.pdf

¹⁷ AusAID, 2006, Pacific 2020: Challenges and Opportunities for Growth. <http://www.ausaid.gov.au/publications/pdf/pacific2020.pdf>

¹⁸ These estimates are based on data presented in the UNESCAP report: MDGs Progress in Asia and the Pacific, 2007 (<http://www.unescap.org/stat/mdg/08.TableA-B-MDG-goals-MDGreport2007-P33-51.pdf>). It is assumed that the majority of people without access to clean water also lack access to basic sanitation.



2 POVERTY HOUSING

Despite evidence that improved housing can prove a powerful economic and social catalyst for households and communities, and despite the substantial resources directed towards Pacific island nations from multilateral organizations and bilateral donors to alleviate poverty, very little direct attention is paid to improving housing for poor and low-income families. While on the list of government priorities in some countries, few have implemented policies with this specific aim and municipal governments remain starved of funds. This lack of attention is reflected in limited research on the causes, scale and consequences of poverty housing and out-of-date numbers.

The results of policy neglect are all too evident:

- growing squatter settlements in towns and cities and on their outskirts;
- families living for years in temporary shelter following natural disasters and civil conflict;
- rural communities comprised only of the very

old and the very young, without the resources to maintain adequate shelter;

- a lack of security of land tenure and occupancy rights in urban and rural areas; and
- poor and low-income households unable to access finance to improve their living conditions.

In terms of absolute numbers, fewer people live in "inadequate housing" in Pacific island nations than in the developing countries of Southeast Asia or Sub-Saharan Africa. However, in terms of the proportions of populations living without adequate shelter – and the consequent impacts on economic development, social breakdown and ethnic tensions – poverty housing is one of the major issues facing the governments of the developing nations of the Pacific islands.

Poverty housing defined

No standard definition of "poverty housing" is applied across

this region. The most widely accepted definition of "adequate housing"¹⁹ is as defined by the UN International Covenant of Economic, Social and Cultural Rights: "The States parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions."

Minimum housing requirements are listed as "tenure security, affordability, adequacy, accessibility, proximity to services, availability of infrastructure, and cultural adequacy".²⁰

Other definitions explicitly recognize adequate housing as the right to "a place to live in peace and dignity" and acknowledge that this is often "...inextricably bound to the workplace, child raising, education, health care for the elderly and personal security, as well living conditions as a whole, including also emotional and psychological security for the family, particularly women and children."²¹

In 2004, a meeting of Pacific island community and women's organizations on the right to land and housing²² identified the following themes as needing to be addressed:

- land tenure systems;
- indigenous land rights and discrimination;
- women's housing rights and problems related to domestic violence;
- inadequate housing conditions;
- urbanization and squatter settlements;
- civil conflict;
- legal, cultural and traditional barriers; and
- water and basic sanitation.

These themes can be construed as reflecting participants' requirements for adequate living conditions.

The conditions in which the majority of poor and low-income households live in the Pacific island nations are unlikely to meet the minimum requirements inherent in the UN Covenant.

The rest of this section reviews the minimum requirements in the context of conditions in the developing countries of the Pacific islands and against the background of the themes needing to be addressed, as identified by Pacific island community and women's organizations.

Tenure security

Across the Pacific island nations, tenure security can be a complex problem in both urban and rural areas. In some countries, this is increasingly so for women.

Over 80 percent of land is under some form of customary tenure.²³ The only country in which there is no form of customary land title is Tonga, where all land belongs to the king.

In Timor Leste, conflicts persist between traditional, Portuguese and Indonesian land regimes. Where land ownership records did exist, most were destroyed in 1999.

While systems of customary tenure vary across the region, common characteristics are detailed in Figure 12. Although land is often described as "owned" by a group, not all members have equal access to customary land and usage rights can vary.²⁴

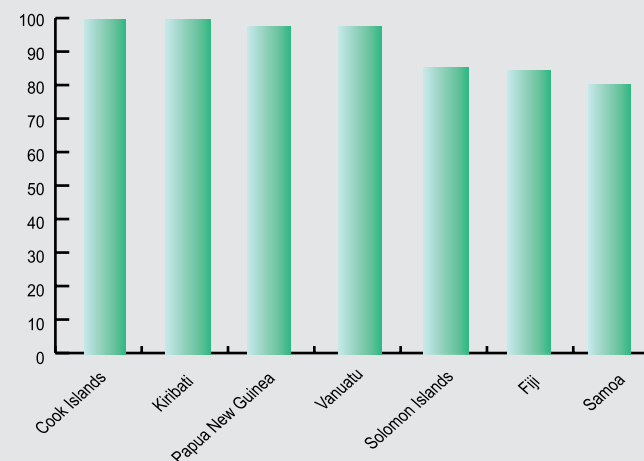
In urban areas, informal settlements are based on different forms of occupancy, from squatters on state, customary or disputed land to quasi-legal renting of customary lands.

Squatters are illegal occupiers of the land and have no security of tenure, even where an area has been occupied by successive generations of the same families. While squatters have no rights, they can be forced to pay rent or fees for services such as drinking water.²⁵ House construction can take place with the explicit or implied consent of the landowner, but these arrangements are insecure and can lead to misunderstandings²⁶ and evictions.

Even in traditional rural villages, where security of tenure through customary land holdings is greatest, the right to land is increasingly under challenge.²⁷ This is occurring both because many people move between urban settlements and traditional villages and lose the connection forged by working the land, and because working the land becomes unviable as population pressures lead to further subdivision of already small plots.²⁸

The resulting shifts in the distribution of rights to agricultural land are contributing to increasing rural poverty. This limits resources available for housing in rural areas and adds to pressures for migration from rural to urban areas.²⁹

Figure 11 Percentage of Land Held Under Customary Title



For those still living on traditional village lands subsumed by urban development, customary land holdings are also under challenge.

Disputes over land, including illegal squatting and use of customary lands; commercialization of land; pressures resulting from rapid population growth; and poor management of urban growth, were at the core of the 1999-2003 civil conflict in the Solomon Islands.³⁰ In Timor Leste, disputed land ownership is a significant obstacle preventing internally displaced persons returning home.³¹

In Vanuatu and the Solomon Islands, gender inequality is leading to unequal rights to property,³² as households headed by women have no access to secure land title. In Tonga, heredity estates granted by the king pass only to males, and it is only males over 16 who are entitled to agricultural land and a small allotment on which to build a house.

Affordability

While there is no consistent data on household incomes and housing costs across the Pacific island nations, available information indicates that poverty – defined as lack of access to basic needs, including shelter, health care and education – is a serious problem.³⁴ In Vanuatu, Kiribati, Papua New

Figure 12 Characteristics of Customary Land Tenure Systems Across Pacific Islands

- Access to land primarily stems from birth into a kinship group. Groups based on kinship or other forms of relationship are the main land holding (or "owning") units.
- Main land using units are individuals or small household units. Men, particularly chiefs, elders or senior men within the customary group have the main say in decisions over the group's land matters.
- As well as being a source of power, land is a focus for many social, cultural and spiritual activities.
- There are usually ways to accommodate the land needs of anyone accepted into the group.
- Outsiders – for example, refugees from tribal fights – are sometimes adopted by a group and gain the privileges of group membership.
- Land can be transferred only within existing social and political relationships.
- Rights to access land are constantly adjusted to take account of changes in group membership, with some groups increasing and some dying out, and the need to redistribute land.

Source: AusAID, 2008, *Making Land Work, Volume 1 Reconciling Customary Land and Development in the Pacific*. http://www.ausaid.gov.au/publications/pdf/MLW_Volume-One_Bookmarked.pdf

Guinea, Solomon Islands and Timor Leste an estimated 40 percent to 50 percent of the population lives in poverty, and in Fiji, 30 percent. Even in the wealthier island nations, Tonga and Samoa, approximately 20 percent of the population is assessed as living below a basic needs poverty line.

In the rapidly growing cities, high land prices (exacerbated by the lack of suitable land with secure title), imported building materials, high construction costs and rising expectations of housing standards combine to make housing unaffordable. In Vanuatu, the rents charged for one room in Port Vila, with no water or electricity, and with access to a shared pit latrine, frequently cost the occupants 50 percent of their income.³⁵

The high cost of housing affects not only the very poor. UNESCAP reports that most migrants to cities across the Pacific island nations build houses in informal settlements – an indication of low incomes even among people with jobs and the relatively high cost of living in many Pacific island cities.³⁶

Adequacy

In urban areas, housing in squatter settlements is overcrowded and makeshift – generally not places in which families can live in peace and dignity, with women and children protected from domestic violence. In the squatter settlements around Port Vila, it is reported to be common to find between 5 and 11 people sharing a single small rented room.³⁷ And on South Tarawa in Kiribati, population densities are among the highest in the world.³⁸ Very few houses have access to piped water or waste disposal systems and even where septic tanks are in place, they are overused and contribute to water pollution. Most households cook over wood fires. The resulting health and environmental problems are all too evident.

Accessibility

Many poor people in urban and rural areas lack easy, year-round access into and out of settlements or villages. Unsealed roads are impassable in wet weather and often narrow and unsuitable for most forms of public transport. Where public transport is available, catching it can involve a long walk, and it can be costly and unreliable.³⁹

In a squatter settlement in Port Moresby, Papua New Guinea, the majority of working-age residents are unemployed and only a few primary-age children attend school.⁴⁰ A limited ability to move around means that people cannot work, children cannot attend school regularly and families cannot obtain health care, particularly in emergencies.

In rural areas, access to markets is essential for people to sell their produce. If access is difficult and transport costly, people have little incentive to plant at levels beyond subsistence requirements.⁴¹ In Vanuatu, rural communities rely on private transport services to market their produce, although the cost is about one-third of gross sales. During the rainy season roads become inaccessible or dangerous,⁴² and little produce gets to market.

Availability of infrastructure

The majority of households in squatter settlements and rural villages have very limited access to even the most basic services – safe drinking water, sanitation and solid waste disposal systems. As noted in Chapter 1, data assembled to monitor progress towards achieving MDG 7 indicates the enormous scale of the task facing governments and donors in most Pacific island nations if Target 10 is to be met: to halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation. The exceptions are the Cook Islands, Samoa and Tonga. The proportions of people without access to improved water and

sanitation facilities, in rural and urban areas, on a country by country basis, are shown in Figures 13 and 14.

In Papua New Guinea, close to 70 percent of people living in rural areas do not have access to improved drinking water and 60 percent do not have access to improved sanitation. In Fiji, approximately 60 percent of urban dwellers do not have access to improved water sources and 45 percent of rural villagers do not have access to improved sanitation. In the Federated States of Micronesia and Solomon Islands, over 80 percent of rural dwellers do not have access to improved sanitation. Although these figures relate to 2004 (the most up-to-date data), the situation is unlikely to have changed dramatically over more recent years.

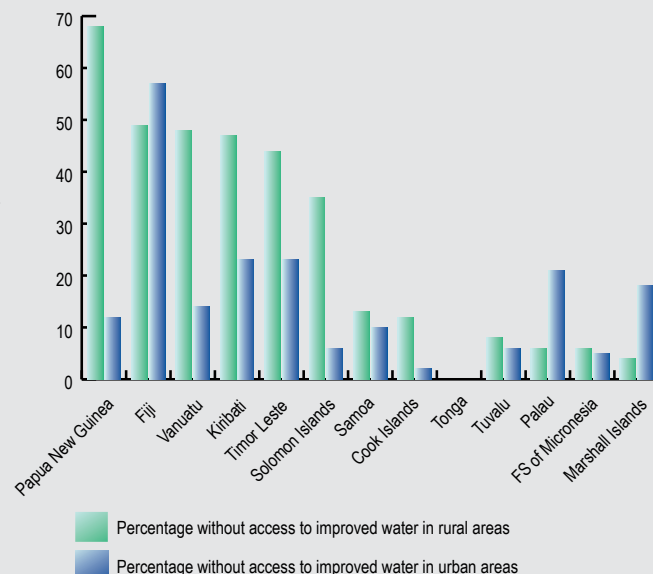
In urban areas, the most widespread utility is electricity, with local authorities running trunk services to the edges of settlements. Alternative technologies such as solar photovoltaic cells are used to provide electricity on the outer islands of tiny nations such as the Cook Islands.⁴³

Cultural adequacy

Adequate housing should allow for the expression of cultural identity and cultural diversity.⁴⁴ The cultural dimensions of housing include construction materials and methods as well as the supporting policies, such as land use plans and building codes,⁴⁵ which should reflect community norms.

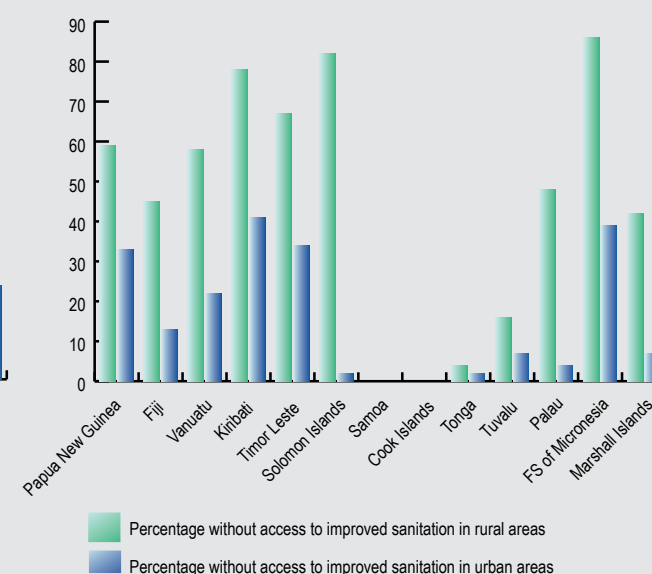
However, cultural adequacy can be difficult to judge because it relates not just to comparisons with traditional housing standards and living conditions but also to the choices available to poor people. For example, many people in squatter settlements have left rural villages where customary land rights were under challenge, roads impassable during the wet season and access to safe drinking water, sanitation, electricity, education and health services limited and un-

Figure 13 Few People Have Access to Improved Water



Note: Data is for 2004.
Sources: UNESCAP, 2007. The Millennium Development Goals: Progress in Asia and the Pacific 2007. United Nations Statistics Division, Environment Statistics Country Snapshot, 2007.

Figure 14 People in Rural Areas Have Less Access to Improved Sanitation



Note: Data is for 2004.
Sources: UNESCAP, 2007. The Millennium Development Goals: Progress in Asia and the Pacific 2007. United Nations Statistics Division, Environment Statistics Country Snapshot, 2007.

reliable. Living conditions in a squatter settlement may be no better than in a rural village – and may be more overcrowded and with less personal security. However, being in or close to a town or city offers the potential for employment within a larger, and more diverse economy, the possibility of access to housing assistance and, in many cases, a richer set of social, cultural and other opportunities.

- ¹⁹ In this report, the terms poverty housing and inadequate housing are used interchangeably.
- ²⁰ UN Special Rapporteur on Adequate Housing 2005: par. 11, citing to General Comment No. 4 on the Right to Adequate Housing, adopted by the UN Committee on Economic, Social and Cultural Rights in 2001. This is the definition used in Duncan, op cit.
- ²¹ Habitat International Coalition, Women and Adequate Housing. <http://www.hic-net.org/indepth.asp?PID=29>
- ²² Habitat International Coalition, Pacific women heard on right to land and housing. <http://www.hic-net.org/articles.asp?PID=190>
- ²³ AusAID, 2008, Making Land Work, Volume 1 Reconciling Customary Land and Development in the Pacific. <http://www.ausaid.gov.au/pub>
- ²⁴ ibid
- ²⁵ United Nations Economic and Social Committee for Asia and the Pacific, 2004. Special Body on Pacific Island Developing Countries, Experiences and Challenges in Urban Management Issues in Pacific Island Countries. http://www.unescap.org/60/E/PIDCG_1E.pdf
- ²⁶ United Nations Economic and Social Committee for Asia and the Pacific, 2003. Managing the transition from the Village to the City in the South Pacific. <http://www.unescap.org/huset/pacific/pacific2.htm>
- ²⁷ United Nations Economic and Social Commission for Asia and the Pacific, 2004. op cit
- ²⁸ The World Bank, 2004, op cit
- ²⁹ United Nations Economic and Social Commission for Asia and the Pacific, 2004, op cit
- ³⁰ Larden, D. & Sullivan, M. 2008, Policy Reform and Administration, Strengthening Land Administration in Solomon Islands. http://www.ausaid.gov.au/publications/pdf/MLW_VolumeTwo_CaseStudy_15.pdf
- ³¹ International Crisis Group, 2008, Timor Leste's Displacement Crisis. <http://www.crisisgroup.org/home/index.cfm?id=5355&l=1>
- ³² Asian Development Bank, 2004. Responding to the priorities of the poor: A Pacific strategy for the Asian Development Bank 2005-2009. <http://www.adb>
- ³³ Global Property Guide, Tonga: Overview. <http://www.globalpropertyguide.com/Pacific/Tonga>
- ³⁴ AusAID, 2006, Pacific 2020, op cit
- ³⁵ The World Bank, 2004, op cit
- ³⁶ Storey, D. 2006. State, Society and Governance in Melanesia Project: Urbanisation in the Pacific. http://www.unescap.org/epoc/documents/R3.12_Study_2.pdf
- ³⁷ The World Bank, 2004, op cit
- ³⁸ United Nations Development Assistance Framework Kiribati (2003-2007), 2002. <http://www.undp.org/execbrd/word/UNDAF-Kiribati.doc>
- ³⁹ AusAID, 2006, Pacific 2020, op cit
- ⁴⁰ ibid
- ⁴¹ Asian Development Bank, 2003. Priorities of the people: Hardship in Vanuatu. http://www.adb.org/Documents/Reports/Priorities_Poor/VAN/van0500.asp
- ⁴² ibid
- ⁴³ Renewable Energy and Energy Efficiency Partnership, Cook Islands. <http://www.reeep.org/index.php?id=9353&text=policy-db&special=viewitem&cid=70>
- ⁴⁴ National Law Center on Homelessness and Poverty, 2008, Legal Tools For Economic Justice. <http://wiki.nlchp.org/display/Manual/Cultural+Adequacy>
- ⁴⁵ ibid





3 HOW MANY PEOPLE LIVE IN POVERTY HOUSING?

There are no consistent data on people or households living in poverty housing across the developing nations of the Pacific islands. This in part reflects a lack of focus from governments, multilateral organizations and donors on specific policies to improve housing conditions for poor and low-income households. While the MDGs encourage reporting on progress towards providing access to improved water and sanitation, the data on which this is based are often out of date. There are no consistent statistics relating to numbers living in slum or inadequate housing.

Estimates of the proportion of households in each country living in poverty housing are shown in Figure 15. Estimates of the number of households living in poverty housing in each country are given in Figure 16.

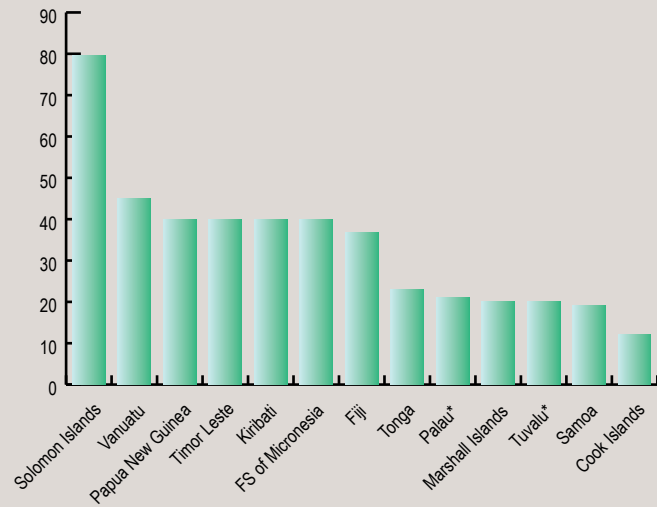
These estimates are based on the reported proportion of the

population in each country living below the poverty line, calibrated against reported proportions living without access to improved water or sanitation, adjusted for household size.

In the Solomon Islands, almost 80 percent of households are estimated to live in poverty housing. In Vanuatu, Papua New Guinea, Timor Leste, Kiribati, Federated States of Micronesia and Fiji around 40 percent of households endure inadequate living conditions.

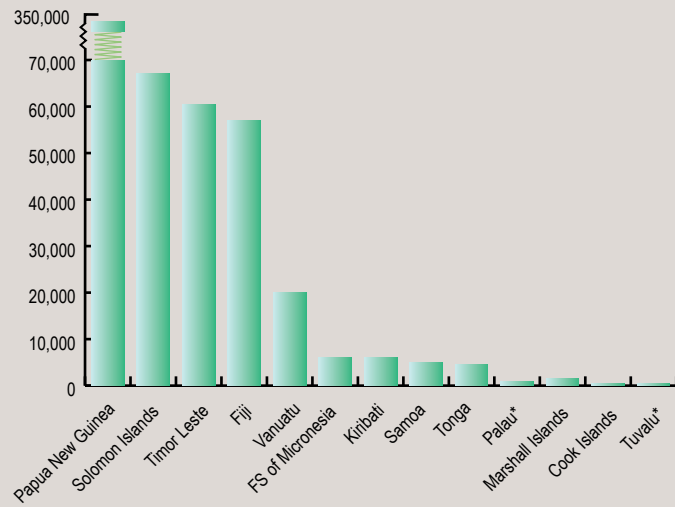
In total, this represents over 570,000 households – 4 million children, women and men – living without adequate housing. These families require assistance to improve their housing through new, relocated, renovated or repaired houses. The highest number is in Papua New Guinea (340,000+), followed by Solomon Islands (67,000+), Timor Leste (60,000+), Fiji (57,000+) and Vanuatu (20,000)

Figure 15 Percentage of Households Living in Poverty Housing



Note: Estimates of the number of people per household varies from 4.4 (urban households in Palau) to 8 (in Samoa).
 * As a result of limited data, estimates are based only on proportions without access to improved sanitation.
 Sources: Refer to Country Profiles for data sources

Figure 16 Number of Households Living in Poverty Housing



Note: Estimates of the number of people per household varies from 4.4 (urban households in Palau) to 8 (in Samoa).
 * As a result of limited data, estimates are based only on proportions without access to improved sanitation.
 Sources: Refer to Country Profiles for data sources





4 CONSEQUENCES OF POVERTY HOUSING

Living in inadequate housing creates disadvantages at many different levels. It limits a household's ability to break out of poverty because money and time spent on house maintenance and repairs are not spent on food, health, education or income generation. The lack of security associated with inadequate housing, through threat of eviction, fear for personal safety, concern for the security of possessions or fear of natural disasters, further limits a household's capacity to generate cash income.

The lack of adequate shelter results in poorer health, affecting the survival of infants, the ability of children to learn and adults to work. Building inadequacies, such as poor light and ventilation, lack of protection from rain and inadequate clean flat surfaces, can limit the scope for commercial activities to be undertaken in the house. Inadequate housing also robs households of respect and recognition in their society.

This section outlines the consequences of poverty housing

across the Pacific island countries. The country specific impacts are discussed in the Appendix.

Restricts ability to join formal economy

Without adequate housing, opportunities for economic advancement are limited. People have no place to work and no place to produce or store goods for sale in local markets; children have no place to study. The hardships associated with living in crowded conditions, without adequate protection from the elements, which include lack of sleep and susceptibility to sickness and disease, make it difficult to find and keep a job or attend school regularly. These difficulties are compounded by a lack of access to cheap reliable public transport. Where land title, or even occupancy, is insecure, people have no incentive to invest in improving their living conditions and limited capacity to access microfinance to establish small businesses.

And all too often, people living in either traditional rural vil-

lages or informal housing settlements have to rebuild their lives. Across the Pacific island nations, villages and settlements are subject to natural disasters and the chaos of civil conflict. Villages that use traditional construction materials and methods and settlements with make-shift construction techniques and found materials are vulnerable to damage. A lack of clear land title and occupancy rights increases post-disaster chaos.⁴⁶

Reduces personal security

Inadequate housing leaves residents, particularly women and girls, vulnerable to violent crime. Problems are greatest in towns and cities. In squatter settlements they can be aggravated by the unwillingness of law enforcement agencies to enter the settlements. In Port Moresby, police are reported to be reluctant to enter squatter settlements for all crimes short of murder.⁴⁷

Results in poor health

Poverty housing poses high risk of death and disease. Pneumonia and tuberculosis are related to overcrowding and poor ventilation; diarrheal diseases to unsafe drinking water and poor sanitation, especially pit latrines shared by dozens of households; and higher mortality rates, particularly among children, result from the hazardous location of many slums.⁴⁸ On South Tarawa in Kiribati, for example, high-density housing and overcrowding facilitates the transmission of infectious diseases: the incidence of tuberculosis is the highest among Pacific island countries and most reported cases are in the settlement of Betio in South Tarawa.⁴⁹

Women and children are disproportionately affected by inadequate living conditions. Many women deliver babies at home in unsafe environments, with their babies at high risk of infection due to unsanitary conditions.⁵⁰

The Pacific region's lowest social indicators – low life expectancy and high infant and maternal mortality – are in Papua New Guinea,⁵² the Solomon Islands and Vanatu,⁵³ where high proportions of urban populations live in overcrowded squatter settlements that lack basic services.

Creates environmental damage

Across the developing countries of the Pacific islands, the growth of urban areas, particularly informal settlements, has led to widespread environmental damage, including:

- air pollution from cooking fires, burning waste (including plastics) and (unregulated) vehicle emissions. As a result, respiratory problems are common, particularly among women and children;
- pollution of fresh water catchments as a result of inadequate wastewater treatment and solid waste collection, and increased runoff from deforested slopes;

- decline of fisheries from pollution of harbors and the destruction of mangroves and wetlands.⁵⁴ In Port Vila and South Tarawa, for example, contamination has resulted in an increase in the number of fish poisoning cases.
- land degradation, most evident where populations and economic activity are concentrated around towns and where resources such as timber (for domestic consumption and for export) and minerals are overexploited.⁵⁵

Environmental damage threatens not only the health and social well-being of Pacific islanders but also economic development by reducing the productivity of farming and fishing resources and limiting the appeal of Pacific islands as clean, green tourist destinations.

Threatens national and regional security

Inequality is increasing across the Pacific island nations due to population pressures. Tensions are rising as a result of:

- disparities between those in rural areas with access and usage rights to land, and those without;
- urban vs. rural disparities over access to opportunities to participate in the formal economy, health and education services, and assistance to improve living conditions; and
- disparities in urban areas between the employed and the unemployed and those with access and usage rights to land and those without.

For squatters in urban or periurban settlements, contrasts between "haves" and "have nots" are stark, and political tensions often develop in settlements.⁵⁶ As uncontrolled and unplanned population shifts continue, poverty and inequality deepen and threats to national and regional security increase. In turn, social unrest and insecurity reduce in-



centives for private sector investment and force governments and donors to divert resources to security that might otherwise have been used for more productive purposes, including community infrastructure.⁵⁷

⁴⁶ International Crisis Group, 2008, op cit

⁴⁷ AusAID, 2006, Pacific 2020, op cit

⁴⁸ UN-Habitat, 2006, State of the World's Cities 2006/7

⁴⁹ World Health Organization, Regional Office for the Western Pacific, Kiribati: Health Situation and Trend, 2005. http://www.wpro.who.int/countries/2007/kir/health_situation.htm

⁵⁰ UN Office for the Co-ordination of Humanitarian Affairs, 2007, Nepal: Impoverished urban squatters face high risk of poor health. <http://www.irinnews.org/Report.aspx?ReportId=72319>

⁵¹ AusAID, 2006, Solomon Islands: Transitional Country Strategy 2006-mid 2007.

http://www.ausaid.gov.au/publications/pdf/solomons06_07.pdf

⁵² New Zealand Agency for International Development and Government of Papua New Guinea, 2008, Country Program Strategy 2008-2018. <http://www.nzaid.govt.nz/library/docs/nzaid-png-strategy-2008-2018.pdf>

⁵³ Asian Development Bank, 2004, Country Strategy and Program Update, 2005-2006

Vanuatu. <http://www.adb.org/Documents/CSPs/VAN/2004/csp0300.asp>

⁵⁴ United Nations Economic and Social Commission for Asia and the Pacific, 2004, op cit

⁵⁵ United Nations Environment Program, 1999, Pacific Islands Environment Outlook.

<http://www.unep.org/geo2000/region/pieo.pdf>

⁵⁶ Commonwealth Local Government Forum Economic and Social Commission for Asia and the Pacific, Pacific Islands Forum Secretariat, 2007, the Second Pacific Regional Workshop on Urban Management. http://www.forumsec.org.fj/_resources/artide/files/2007%20PUA%20Workshop%20Outcomes%20Report4.pdf

⁵⁷ UN-Habitat, State of the World's Cities 2008/2009, Harmonious Cities.





5 IMPEDIMENTS TO IMPROVING HOUSING

Common impediments hinder progress towards improving housing for poor and low-income households although impacts vary between countries. These impediments include:

- **Low levels of economic growth:** All Pacific island developing countries will feel the impact of the decline in world economic activity over the next few years. Timor Leste, Fiji, Papua New Guinea, Solomon Islands and Kiribati are likely to be the hardest hit.
- **Absent or inappropriate housing policies.**
- **Imbalances in assistance:** actual or perceived imbalances in assistance add to incentives for people to move from rural areas.
- **Insecure land title or occupancy rights.**
- **Lack of access to housing finance:** Partially linked to the absence of secure land title but alternative approaches can be devised, as in Fiji and Samoa.
- **High building costs and shortages of materials.**

- **Civil conflict and violence:** A particularly strong impediment in Papua New Guinea, Solomon Islands, Timor Leste and potentially in Tonga.
- **Disasters:** frequent natural disasters and lack of planning to lessen impacts and speed recovery.

Strained budgets and overreliance on donors

Low economic growth reduces the capacity of governments to address the housing needs of the poor, makes for more reliance on donors and increases the number of people facing hardship and needing assistance.

Governments across the region are finding it difficult to provide educational and employment opportunities for their growing populations; to meet mounting public health challenges arising from changing life styles (such as obesity, diabetes and cardiovascular disease) as well as from HIV and AIDS, tuberculosis and malaria; and to deal with potential

threats from climate change. At the same time, governments need to address problems created by rapid urbanization and the decline of rural populations.

The next few years are likely to be even more difficult. With the possible exception of Samoa, the developing countries of the Pacific islands are facing a period of slowing or negative economic growth. High food prices and a slowdown in the growth rate of remittances – or even falling remittances – will add to pressures on household budgets. This, in turn, will increase demands for government assistance. An ADB estimate that an additional 5 percent of households would slip into poverty in 2008³⁸ could well prove a gross underestimate, and the increase in households experiencing hardship or poverty could be still higher in 2009.

Difficulties tapping land tax base: Land revenue is a potential source of funding for the development of local government services. This resource is largely untapped because

of political and practical problems in securing revenue owed from property rates or taxes on freehold land, customary lands and lands occupied by squatters.⁵⁹ As a result, infrastructure development is a financial burden on stretched national and local budgets.

Absent or inappropriate housing policies

Effective housing policy requires both well-defined property rights and a well-functioning legal framework for housing finance, as well as political will and community involvement. To effectively implement these policies, nations need well planned investment in infrastructure such as water, sewerage, electricity, roads and solid waste disposal, secured through cooperation between national and local governments.

Effective implementation also requires that housing policies be integrated with other development and social programs. These integrated building blocks are not present across the developing countries of the Pacific islands, and the gap between policy and practice is wide. For example, in Kiribati, a national shelter strategy developed in the mid-1990s remains largely unimplemented.

None of the developing countries of the Pacific islands has adequate policies or strategies in place to address the needs of the increasing numbers of families living in poverty housing. Reportedly, there is little capacity for the task in either the public or private sector.⁶⁰

One potentially inappropriate policy response is using housing codes to force an increase in housing standards in squatter settlements. Referring to Papua New Guinea, UNESCAP reports that "...the fear is that if nothing is done, very soon the informal settlements will dominate the scenery of the

towns and cities and eventually cannibalize the formal planned towns and cities."⁶¹ This ignores the implications of the codes for housing affordability, and the probability that they would either be ignored by squatters or force households to establish new settlements in areas outside the reach of the codes.

Conflicting government agendas also hamper response to the issue. For example, in Fiji, the government accepts the permanency of squatter settlements and recognizes the need to improve living conditions. It is working to formalize official leases, upgrade settlements, relax building standards and provide more land. At the same time, it seeks to discourage the creation of new settlements by giving low priority to assistance, issuing eviction notices to new entrants, demolishing buildings and withdrawing rights to essential services.

Lack of donor focus: The lack of commitment by governments to improve housing for poor and low-income households may also feed through to a reluctance by multilateral organizations and bilateral donors to work directly with communities to help families living without adequate shelter.

MDGs focus on improved water and sanitation: The MDG reporting process focuses on monitoring progress towards increased access to improved water and sanitation. While these are obviously essential to improved living conditions, the lack of specific reporting on slum upgrading may have diverted attention from the need for direct action to improve shelter.

Imbalance in assistance to urban and rural areas

In Fiji, it is argued that by focusing housing assistance on urban areas – although at very low levels in relation to need – the government has added to the flow of people from

rural areas by sending the unintended message that housing assistance is available in urban areas.⁶² The government recognized this and in late 2008 agreed to divide money allocated to improve housing between squatter settlements and rural villages.⁶³ While this is unlikely to stop the flow of migrants from rural areas, it might slow it, and there is the possibility that it might persuade some disillusioned migrants to return to their villages.

An imbalance in assistance between urban and rural areas – actual or perceived by rural dwellers – is repeated across the developing countries of the Pacific islands. In the tiny atolls such as Kiribati and Tuvalu, and small island nations such as the Cook Islands and the Marshall Islands, the imbalance occurs between inner and outer islands. It reflects the greater visibility to governments and donors of the problems resulting from uncontrolled, unplanned development in urban areas. In rural areas, the consequences of inadequate living conditions are generally less obvious – and in terms of policy or program responses, out of sight is out of mind.

This imbalance is adding to population pressures in urban areas (or inner islands) while at the same time accelerating population drift from rural areas (or outer islands), compounding problems associated with maintaining even basic services and living standards as population declines. For example, in the Cook Islands over the past 10 years, the loss of people, skills and paid jobs has hastened the decline of the outer island economies, taking some communities to the point where they are no longer self-sustaining.⁶⁴

In urban areas, the accelerating inflow of people can overwhelm any assistance meant to improve living conditions. For example, schemes to upgrade water supply can be out-paced by increasing demand and pollution of water sources. These difficulties are often compounded by the lack of sup-

port given to local governments by national governments, multilateral organizations and donors.

In Apia, the capital of Samoa, population growth in recent years has far exceeded development. The town is described as having "...no reticulated sewerage system, water systems need upgrading, unemployment and youth problems are visible, sewerage effluent pollutes rivers and the bay of Apia, roads need major maintenance and in many cases reconstruction, foreshore heritage buildings are under pressure of redevelopment, disputes for subdivision continue to escalate as boundaries and owners are unclear."⁶⁵

Insecure land title limits investment

Over 80 percent of land in Pacific island nations is under some form of customary tenure. However, not all members of a community have equal access to the land or equal usage rights.⁶⁶ This can affect the ability of individual households to build a house on customary land or to use land as security in borrowing to build a house.

For people living in informal urban settlements and landless rural dwellers, lack of secure tenure is a disincentive to make a permanent investment in housing or basic community infrastructure. People expand houses incrementally, often with found materials. In settlements, corrugated iron shacks are the standard method of construction.⁶⁷ Governments are discouraged from investing in basic services by concern about the political implications of legitimizing informal settlements.

Where customary land holders believe that their rights to land are threatened by squatters, the squatters can be evicted. UNESCAP⁶⁸ reports that in urban areas, owners of customary land have evicted settlers born on their lands, with no arrangements for resettlement. The irony is that evicted

squatters have to settle elsewhere. In most cases, provincial or national governments have been unable to offer permanent solutions.

Lack of access to finance

Constraints on development on customary lands and insecurity of tenure have resulted in a general absence of functioning home loan financing mechanisms.⁶⁹ In most Pacific island countries, poor and low-income households are left to find their own housing solutions in overcrowded, shared accommodation or as squatters in informal settlements.⁷⁰

Samoa and Fiji are possible exceptions: in these two countries limited alternative approaches have been devised. In Samoa, the Housing Corporation, which functions mainly as a housing finance institution, accepts assurances from senior clan members as security for housing loans.⁷¹ In Fiji, many village housing schemes on customary lands that cannot be leased or mortgaged are backed by legally accepted guarantees from approved individuals or organizations.

However, the experience of the Fiji Housing Authority over the past 30 years shows that the formal housing market caters only to upper income groups: approximately 70 percent of the applicants for loans from the Authority are unable to afford the repayments for the purchase of low-cost houses. And in Samoa, the Housing Corporation requires borrowers to meet commercial loan requirements.

High building costs

Across the small isolated Pacific island countries, building costs, particularly in urban areas, are high; most building materials are imported and in scarce supply, and in some countries (for example, the Cook Islands), wage rates are high. Although building codes are in place in some countries, they are either not enforced or not legally binding. The



consequent difficulties in following "proper" construction procedures add to construction costs.⁷²

In Vanuatu, leases for housing cannot be issued until plots have been adequately serviced, requiring compliance with a variety of statutes. The resultant costs of registering land and of building have removed any incentive for private sector involvement in the provision of low cost housing.⁷³

Rising expectations about acceptable housing standards, and the understandably strong desire to build cyclone-resistant houses to modern western designs, using modern materials, are also adding to building costs.

Civil conflict and violence

Poverty and inequality are not only caused by civil conflict and violence but also can be at the root of that conflict as in the Solomon Islands, Papua New Guinea and Timor Leste.

Across the Pacific island nations, civil conflicts and violence have had a significant impact on the living conditions of poor people. Housing and infrastructure are destroyed, and house maintenance and building stalled during and after periods of conflict. People forced to seek safety away from their homes can continue to live in temporary shelters for years, often in informal settlements without access to basic necessities. Governments and donors divert resources to reconstruction, reducing funding that could have been directed at sustainable solutions to inadequate housing.

Civil conflict and violence also reduce the willingness of commercial banks to extend mortgage finance even to individuals holding secure land title.

In Papua New Guinea, crime is one of the most serious problems affecting urban development and management.

Crime has seriously eroded the social fabric of Port Moresby and other cities and brought many aspects of normal life to a standstill.⁷⁴ In one Port Moresby settlement, the health clinic was closed after twice being broken into and trashed, and women's representatives report that women live in fear.⁷⁵

Frequent natural disasters

Natural disasters and inadequate housing are intricately linked. Poverty causes people to live in unsafe houses in unsafe areas, and the inevitable disasters sink residents more deeply into poverty. And across small island states, natural disasters have disproportionately high economic, social and environmental impacts.⁷⁶ Scientists predict that climate change is likely to result in more frequent and intense weather events such as cyclones, storm surges, droughts and floods.⁷⁷

Between 1950 and 2006, natural disasters across the Pacific islands, excluding Papua New Guinea, affected more than 3.4 million people and resulted in approximately 2,000 deaths.⁷⁸ In Papua New Guinea in 1998, a tsunami killed more than 2,200 people and rendered tens of thousands homeless.⁷⁹ In 2007, a tsunami caused major damage to infrastructure in the Solomon Islands and left many people homeless. In late 2008, a tidal surge hit the northern provinces of Papua New Guinea, affecting more than 45,000 people.⁸⁰ And, in early 2009, a tropical depression brought floods to Fiji, displacing over 8,000 people and damaging infrastructure.⁸¹

A recent report on disaster prevention in the Pacific region noted a continuing lack of preparedness.⁸² Another concluded that development efforts are constrained by disasters, with countries "...in a constant mode of recovery."⁸³ All too often, poor and low-income households are forced to start again, rebuilding shelter, reestablishing access to safe drink-

ing water, replanting crops or restarting small businesses in struggling communities.

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<http://timorleste.livejournal.com/134287.html>
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- 78 Magick, S. 2006. What Disaster Planning? The World Banks Plan for the Pacific Pacific Magazine, May 2006. www.pacificislands.cc/pm32006/pmdefault.php?urlarticleid=0012
- 79 The West Australian, 11 December, 2008. <http://www.thewest.com.au>
- 80 ibid
- 81 World Health Organization, Regional Office for the Western Pacific, 2009, Fiji Tropical Depression: Situation Report. http://www.wpro.who.int/sites/eha/disasters/2009/fiji_tropical_depression/fiji_tropdep_19012009.htm
- 82 Magick, S. 2006, op cit
- 83 UN Food and Agriculture Organization, Secretariat of the Pacific Regional Environment Program and the University of the South Pacific, 2008, Climate Change and Food Security in Pacific Island Countries., <http://www.fao.org/docrep/011/i0530e/i0530e00.htm>





6 SUSTAINABLE SOLUTIONS TO POVERTY HOUSING

Adequate shelter is an essential component of improved living conditions. However, where funds are available, they are most often directed to improving basic infrastructure, occasionally to improving shelter, but rarely to both. There also can be imbalance in assistance provided between urban and rural areas. Developing and implementing sustainable solutions to poverty housing requires a coordinated approach to improving all aspects of living conditions, including housing. This needs to involve:

- national and local governments;
- multilateral organizations, bilateral donors and non-governmental organizations;
- private sector providers of finance, housing and infrastructure;
- customary owners of land in urban and rural communities; and
- poor and low-income households.

Just as importantly, it also requires a regional approach. Given the small population and geographic isolation of most

Pacific island countries, opportunities for economies of scale and scope are limited and the transaction costs of delivering programs to individual countries are high. Regional and sub-regional initiatives provide "...the opportunity to deliver assistance to benefit a number of countries which might otherwise be less cost effective to deliver on an individual basis."¹³⁴

This section reviews several measures that could contribute to improved living conditions for poor and low-income households across the developing countries of the Pacific islands.

Multilateral organizations and bilateral donors generally accept that land reform is the key to unlocking land as an economic resource and, incidentally, to addressing disincentives to invest in improved housing. As a consequence, they pressure governments to free up land held under customary title. However, evidence of the advantage of land reform is not unambiguously clear, as the cost of establishing clear title often

outweighs any benefit.⁸⁵ Alternative approaches have shown the potential of providing security based on long-term leases.

Land reform

Governments and other organizations have made many attempts to resolve land issues, but lack of adequate resources and political will have hampered progress.

A recent report prepared for AusAID noted: "Given the importance of customary ownership to the Pacific island countries and the sensitivity of land tenure reforms, a guiding principle for land reform should be to change land tenure only to the extent necessary. The blending of ownership at the group level with long-term leases covering the rights to use and develop land at the individual level points the way forward. Under this approach, customary groups are protected and individuals are given the security they need for investing in land development."¹³⁶

The report listed the following priorities:

- **Improving land administration services:** Weak land administration was identified as probably the main constraint on land tenure reform. Extending the involvement of government to recording interests and dealings in customary land requires confidence in both the mechanics and probity of land administration services.
- **Improving the recording of land rights:** The suggested approach is to record the rights of land developers, including who granted the rights, how benefits will be shared and what controls will apply to the development.
- **Establishing an effective legal framework for land dealings:** Governments could establish and oversee a framework for land dealings that allows customary landowners and developers to deal directly with one other, with the state playing a regulatory role rather than a direct, intermediary one.
- **Establishing dispute settlement machinery:** For example, involving special land courts and procedures and relying heavily on mediators and arbitrators.

An AusAID supported pilot project in Honiara⁸⁷ demonstrated the possibility of converting small pieces of land occupied by households in squatter settlements to a more secure form of long-term lease. An important aspect of this pilot project is that residents pay an initial fee for land conversion and then an annual rent, potentially creating a useful revenue stream that governments could use to improve services such as water, sanitation, electricity and roads.

Coordinated urban planning and housing policies

Specific issues needing attention include:

- the division of responsibilities between central governments and local authorities; and
- the lack of legal authority, financial capacity and staff in local authorities to undertake the role of planner and coordinator of local and central government initiatives.

In some of the smaller nations, local governments lack of legal authority stems from concern over duplication. In others, it reflects the relative newness of democratic processes and the continuing evolution of local governments. However, overall, political support for local governments is reported to be limited,⁸⁸ with preference for traditional local leadership structures.

Local governments lack of financial capacity reflects the limited financial support received from central governments and their inability to tap the land tax base. In addition, donors seldom direct aid towards local governments.

Balancing assistance between urban and rural areas

Reducing incentives for people to move from rapidly depopulating rural areas (or outer islands) requires a balance in the actual and perceived assistance provided to the rural and urban populations.

In rural areas, people need the means to improve their living conditions while continuing to live in their villages. This requires integrated development programs addressing land tenure, availability of suitable finance, opportunities to generate cash incomes, and access to health services, education, markets and basic services.

Regional cooperation in urban planning and housing policy

In addressing the problems of rapidly growing urban populations, Pacific island countries largely work in isolation, with limited exchange of information and experiences between countries within the region or with other developing countries. Exceptions are the Pacific Regional Workshops on Urban Management held in 2003 and 2007. The workshops pooled national and regional experiences, shared initiatives and case studies addressing urban governance, land, security, squatter settlements and environmental concerns. While they developed and agreed a Pacific urban agenda proposing actions to address urban management and governance issues, there is little evidence that the agenda has been implemented. It has been reported that many international programs bypass Pacific countries because of distance, the relative smallness of the problems (which ignores the possibility that this makes solutions more tractable) and the absence of a regional voice on human settlements issues.⁸⁹

Regional collaboration on urban planning and housing policies could:

- increase awareness of the problems of urbanization and the opportunities for economic and social development that sound urban management can generate;
- enable a collaborative approach to seeking solutions;
- provide information on successful experiences to improve national responses; and
- provide a unified position at global and regional forums.⁹⁰

Specific issues on which regional collaboration could yield substantial benefits include:

- urban planning and development;
- local government administration, particularly in urban areas;
- development of customary land;
- waste management; and
- development of indicators for assessing improvements in living conditions⁹¹

Slum settlement upgrading

UNESCAP⁹² reports increasing pressure on national governments from international organizations such as UNDP, UNCHS (United Nations Center for Human Settlements) and The World Bank to upgrade informal settlements (defined in Figure 17), introduce enabling strategies and alleviate poverty. In part, this reflects:

- recognition that potential savings of poor and low-income households are diverted by shelter maintenance and are not available for direct income generation;
- awareness of projects where squatters have improved their living environments after acquiring security of tenure; and
- growing recognition of the right to adequate housing promoted by the UNCHS and major international non-governmental organizations such as the Habitat International Coalition and Habitat for Humanity.

Community participation

In rural areas and villages, community participation in decision making under the traditional leadership structures is still common and has proven effective over many generations.

In urban areas, particularly in informal settlements, the social cohesion of rural areas is no longer present. Opportunities for community participation are rare. Problems are often

Figure 17 Slum Upgrading Defined

Slum upgrading consists of physical, social, economic, organizational and environmental improvements undertaken cooperatively and locally among citizens, community groups, businesses and local authorities.

Physical improvements: These include streets, water, electricity, sanitation and other facilities.

Economic improvements: These can include ensuring land security as well as increasing economic opportunities for residents.

Organizational improvements: These can include institution building to ensure continuity of the improvement process.

Source: Cities Alliance Cities Without Slums.
<http://www.citiesalliance.org/activities-output/topics/slum-upgrading/slum-upgrading.html>

complex and can involve the conflicting interests of different groups.⁹³ Building and strengthening community could help residents resolve issues constructively and peacefully.

Strong communities can also take control of their own housing and living conditions without waiting for governments.⁹⁴ In some developing countries, community development funds are an increasingly important means for poor and low-income households to access finance to build and repair housing⁹⁵ and basic infrastructure.

Members elect committees; collect money through savings (no matter how small the weekly contribution from each family); initiate income-generating activities; establish markets for their produce; and lobby governments to gain

greater security of tenure. Before long, they accumulate enough savings to begin investing in better housing or basic infrastructure such as water, sewerage, drainage, electricity and access roads. Members might establish solid waste disposal and recycling services, creating healthier living environments. Communities working together can also establish and maintain social facilities such as kindergartens and schools, health facilities, and religious and community buildings. And they can help each other, using a small proportion of group savings to assist the most needy families.

Community-specific models

Different types of programs across developing countries have demonstrated that improving housing can involve repair and renovation as well as building new houses.⁹⁶ This is important for poor communities, particularly in rural areas, where populations are falling and permanent residents are made up of the old and very young, with limited income-generating capacity and changing housing needs.

Improving living conditions can be as simple as providing people with the skills to repair or renovate their houses with materials at hand. Providing garden plots may be more complicated given land access issues, but research indicates that landless households would "...significantly decrease poverty by bolstering food supply, increasing social status, improving access to credit and better insuring families against risk."⁹⁷

New technologies for shelter and infrastructure

In Pacific island nations, the relatively high cost of house construction and installing and maintaining conventional infrastructure can be major impediments to improved living conditions. This is compounded by the perception that alternative technologies are even more expensive. But

small-scale, alternative technologies can be cost-effective in providing shelter and delivering basic services.⁹⁸

More knowledge about appropriate and sustainable technologies could contribute to keeping infrastructure projects affordable. Such knowledge could also help the Pacific islands deal with some of the immediate consequences of climate change.⁹⁹ The current focus is on the threat to coastal areas by rising sea levels, but possibly more critical is freshwater quality and availability, compounded by contamination as unplanned urban settlements expand.

Increasing access to housing finance

With worldwide credit markets contracting, poor and low income households may have even less access to housing finance over the next few years. This should not preclude developing housing finance systems that can function in the current environment and strengthen as world credit markets pick up.

Housing finance – through formal financial institutions and informal savings and loans schemes (under different forms of land title security) – is critical to develop and improve housing. Commercial banks, insurance companies and national provident funds could play a greater role in mobilizing capital for low-cost housing. There is also greater potential for community-based saving schemes. Introduced in the developing world, microfinance institutions have shown their capacity to give poor and low-income households the opportunity to improve their own housing conditions.

In 2007, an Asia-Pacific regional forum on urban management identified steps governments could take to increase access to finance by poor and low-income households. These included:

- set appropriate policies and incentives that

encourage households in all income groups to save;

- support NGOs in establishing community-based savings groups for specific purposes such as housing and livelihood improvement;
- encourage the private sector to establish and strengthen institutions to facilitate savings and the use of savings for housing finance, and to lend for housing development and improvement;
- governments, in consultation with the private sector, to develop mechanisms that facilitate access by low-income groups to formal financial institutions for saving and borrowing for housing;
- national planners meet with housing finance institutions to improve co-ordination between the housing finance and development sectors and local authorities;
- establish national social security funds (or similar institutions) that mobilize funds for financing housing, in particular for vulnerable families; and
- review application procedures and eligibility criteria to ensure optimal access by low- and middle-income groups for housing loans.¹⁰⁰

In Pacific island nations, where tradition and customs remain strong, financing mechanisms need to take account of family and cultural obligations and different forms of land tenure. The experience of Habitat for Humanity in Fiji (outlined in Figure 18) provides a clear demonstration of the hazards of ignoring these obligations and the potential to develop workable solutions.



Figure 18 Case study: Habitat for Humanity Meets the Challenges of Housing Loans in Fiji

One of the challenges of providing credit in the Fijian context is that under Fijian customs, a family partner's first financial obligation is to their extended family. As a result, the financial needs of family are often considered a higher priority than a debt owed to a business or a non-governmental organization like Habitat for Humanity Fiji. When this cultural value was combined with the effects of generally low levels of financial planning and management, the result was that some Habitat mortgages, even though designed without a profit element, were not paid on time.

HFH Fiji's Community Revolving Credit Program (CRCP) was designed and implemented to increase mortgage repayment rates by offering credit in a way that uses family and cultural obligations to get mortgages paid, instead of competing with them. From the start, CRCP is brokered by and through traditional or community leaders, with communities that want to build or renovate homes and/or water sanitation systems.

The community decides which of the several homes and/or systems will first receive HFH Fiji financial assistance, knowing that the others will only be built or renovated when the mortgage for the first intervention is paid off.

Communities can pool their collective resources to pay off the first mortgage quickly, and then those mortgage funds revolve to the second home or system selected by the community, then the third and so on, until all the designated homes or systems are built.

A community can therefore decide how quickly it wishes to build its projects, rather than waiting for an individual family partner to repay the mortgage on the first project before the others can be started.

By working with this kind of soft equity – community-based social pressure mechanisms – family partners have compelling social, family and cultural pressures to make mortgage payments a priority.

Source: Habitat for Humanity New Zealand

⁸⁴ Statement by the Hon. Natan Teewe at the 2008 annual meeting of the Board of Governors for the IMF and The World Bank Group, Washington, October 2008. <http://www.imf.org/external/am/2008/speeches/pr31e.pdf>

⁸⁵ Buckley, R and Kalarickal, J, 2008, Building Better Housing policies for the Developing World's Poor, weekly Policy Commentary, Resources for the Future. http://www.rff.org/Publications/WPC/Pages/03_17_08_Housing_Policies_Buckley.aspx

⁸⁶ AusAID, 2006, Pacific 2020, op cit

⁸⁷ Chand and Yala, op cit

⁸⁸ United Nations Economic and Social Commissions for the Asia-Pacific, 2004, op cit

⁸⁹ United Nations Economic and Social Commission for Asia and the Pacific, 1999, op cit

⁹⁰ ibid

⁹¹ ibid

⁹² ibid

⁹³ ibid

⁹⁴ For example, as reported in United Nations Office for Co-ordination of Humanitarian

Affairs, 2007, op cit

⁹⁵ Duncan, op cit

⁹⁶ For example, Habitat for Humanity programs in many countries involve house repair and renovation as well as building new houses, either as complete houses or incrementally, depending on the financial capacity of home partners.

⁹⁷ Duncan, op cit. Research by the Rural Development Institute applied to landless rural households, but would also apply to landless urban households.

⁹⁸ The Poverty Housing Report (Duncan, op cit) identified the need for more research to better understand the impact of privatization on the poor and how to ensure that their interests are appropriately represented, while noting that privatization in itself is neither good nor bad for poor communities. Results depend on structure, implementation and regulation.

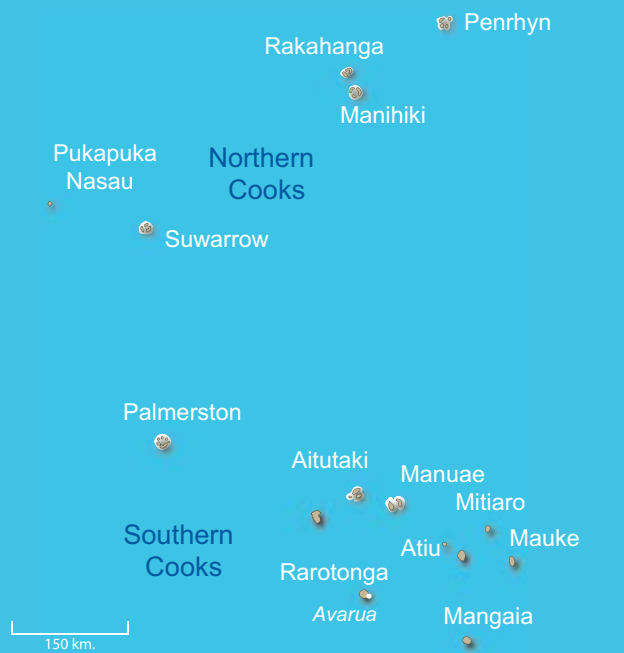
⁹⁹ Tilley, E. et al, 2008, Compendium of Sanitation Systems and Technologies. Swiss Federal Institute of Aquatic Science and Technology. This book is primarily addressed to engineers and planners dealing with delivery of sanitation infrastructure, but is also designed to allow non-experts to understand the main advantages and limitations of different technologies and the appropriateness of different system configurations, to allow all stakeholders to be involved in selecting improved sanitation technologies and to help promote people-centered solutions to real sanitation problems. http://www.wssc.org/fileadmin/files/pdf/publication/Compendium_of_Sanitation_Sys_and_Tech_2008.pdf

¹⁰⁰ Commonwealth Local Government Forum Economic and Social Commission for Asia and the Pacific, Pacific Islands Forum Secretariat, 2007, op cit

7 APPENDIX: COUNTRY HOUSING PROFILES



COOK ISLANDS HOUSING PROFILE



- 12 percent of people live below a “basic needs” poverty line.
- Communities on the outer islands and some on Rarotonga — mainly migrants from the outer islands — are experiencing hardships due to unemployment and lack of access to basic services such as health, education, water and sanitation.
- Impending expiration of land leases on Rarotonga will affect migrants from some outer islands because the resulting uncertainty of tenure will reduce incentives to repair or upgrade houses.
- Continued depopulation of outer islands means that basic services are provided to fewer and fewer residents, raising issues of affordability and, in turn, the viability of some island communities.

THE COOK ISLANDS are spread across almost 2 million sq. km. of ocean northeast of New Zealand. The islands cover a land area of just 237 sq. km. Thirteen islands are inhabited and two uninhabited. The North Cook Islands are atolls; the South Cook Islands volcanic and comparatively fertile.

The Cook Islands became a self-governing nation in free association with New Zealand in 1965 and all Cook Islanders are New Zealand citizens.¹

The country is characterized by a higher level of development than some other Pacific island countries. Recent strong economic growth is based on the development of a tourist industry as well as pearl farming on Rarotonga and Aitutaki. However, there is a marked disparity in develop-

ment between Rarotonga and Aitutaki and the outer islands. Continued economic growth is vulnerable to limited opportunities for diversification.

The population of the Cook Islands is just over 12,000², two-thirds³ of whom live on Rarotonga. Population loss, especially from the outer islands, is of concern. Between 1996 and 2001, the worst affected islands — Penrhyn, Rakahanga and Atiu — experienced a population reduction of more than one-third, with most islands experiencing population decline of at least one-quarter.⁴

Migration from the outer islands is prompted by limited access to basic services such as health, education, transport and potable water, and few opportunities for employment

within the formal economy. The majority of people living on the outer islands are reliant on subsistence activities, such as fishing.⁵ The main sources of cash income are welfare payments and a small number of public service jobs. Over the past 10 years, the loss of people, skills and paid jobs has hastened the decline of the outer island economies, taking some communities to the point where they are no longer self-sustaining.⁶

While ADB found “...no hunger or poverty...in terms of people living on less than \$1 per day”⁷ in the Cook Islands, NZAID estimates that 12 percent of Islanders live below a basic needs poverty line. Vulnerable social groups include the elderly and people with disability.⁸ Major development issues include the need for more equitable distribu-

tion of the benefits of economic growth, rundown infrastructure and rising energy costs, vulnerability of economic growth to external shocks and natural disasters, and the long-term effects of climate change.⁹

A 10-year (2008-2017) joint strategy between NZAID, AusAID and the Cook Islands Government aims to build prospects for sustainable growth through support for infrastructure development (including universal access to clean drinking water¹⁰), improvements in the delivery of basic social services and more effective governance.¹¹

Housing adequacy and availability of infrastructure

There is relatively little migration from the outer islands to Rarotonga or Aitutaki, with most migrants going to New Zealand or Australia. ADB reported that in 2008, there were no large groups of squatters in Rarotonga. However, ADB considers that the impending expiration of land leases in Rarotonga will affect some residents, originally from outer islands, because the resulting uncertainty of tenure will make repairing or upgrading houses difficult.¹²

Those people already living in squatter settlements are experiencing hardship because of a lack of access to basic social services such as health, education, water and sanitation. Of the estimated 12 percent of households in Rarotonga that do not have access to piped water inside their dwelling, the majority are likely to be in squatter settlements,¹³

On the outer islands, many communities lack access to basic social services, a situation contributing to population loss.

Impediments to improving housing

Population loss, particularly from outer islands: The de-population of the outer islands means that the government

is providing basic services to fewer and fewer residents, raising issues of affordability and the viability of some islands. At the same time, the movement of people, particularly young people, is weakening traditional family support systems, which increases reliance of government welfare services¹⁴

Natural disasters: The Cook Islands is particularly vulnerable to natural disasters,¹⁵ including cyclones.

In 2004 and 2005, cyclones caused over US\$10 million worth of damage. In response, the government, in association with NZAID, developed a package of disaster planning projects, mainly for the outer islands. This package includes harbor reconstruction, community cyclone shelters, a Red Cross center to act as a store for emergency supplies and base for emergency action, as well as support for disaster planning and management.¹⁶ However, package details include no reference to rebuilding or repairing houses.

Complexities of land ownership: On the outer islands in particular, a growing number of houses have been abandoned by owners who have emigrated. The houses are left in a state of disrepair but cannot be purchased by others because of the complexities of the customary ownership system.¹⁷

Lack of effective governance on outer islands: Effective governance in the outer islands remains a challenge. Most government functions that were transferred to the islands in the mid-1990s have reverted to Rarotonga. Central government-appointed island secretaries and Konitara Tutara (central government representatives) now exert more authority than the elected Island Councils or Konitara.¹⁸

Lack of commitment to urban planning: As in other Pacific Island countries, the idea of a western-style local gov-

ernment is contrary to the traditional systems of leadership and customary land ownership patterns. While consideration has been given to establishing a local authority for the urban area of Rarotonga, no concrete action has been taken.¹⁹

Country facts

Population: 12,271

Capital: Avarua (on Rarotonga)

Area: 237 sq. km.

Ethnic groups: Cook Island Maori (88 percent), part Cook Island Maori (6 percent)

Languages: English, Maori

Religion: Christian

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- 6 ibid
- 7 Asian Development Bank, Cook Islands, 2008. <http://www.adb.org/cookislands/country-info.asp>
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- 9 ibid
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- 17 United Nations Economic and Social Committee for Asia and the Pacific, 2000. Managing the transition from the Village to the City in the South Pacific - Housing. <http://www.unescap.org/huset/pacific/pacific2.htm#3b>
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- 19 United Nations Economic and Social Committee for Asia and the Pacific, 2000. op cit.

FIJI HOUSING PROFILE



- **Rapid growth of squatter settlements reflects increasing poverty, accelerated by the non-renewal of Indo-Fijian land leases, contraction of the garment industry, restructuring of the sugar industry, and lack of alternatives for many urban residents.**
- **Rural-to-urban migration and inadequate urban housing, particularly in the squatter settlements, are constraining social and economic development.**
- **By focusing housing assistance on urban areas — although at low levels in relation to need — the government has added to the flow of people from rural areas.**

THE REPUBLIC OF THE FIJI ISLANDS occupies an archipelago of 322 islands, 2,100 km. north of New Zealand. Just over 100 islands are permanently inhabited, and the two major islands, Viti Levu and Vanua Levu, account for 87 percent of the population.¹

The urban population of Fiji is estimated at 450,000, about half the total population. Urban population growth rates are double the national rate and in periurban areas, growth rates are higher still: 3.7 percent per annum versus 2 percent in urban areas.²

The pace of migration to cities has increased over the past 10 years following non-renewal of land leases held by Indo-Fijians (the majority cane farmers), perceptions of greater opportunities in urban areas and security concerns following

the 2000 coup. This has resulted in rapid, unplanned growth in informal squatter settlements, especially in the capital, Suva, on Viti Levu, and Lautoka. Greater Suva sprawls over 6,500 ha., with an estimated population of more than 210,000.³ Over 60 percent can find work only in the informal sector.⁴

In recent years, two mainstays of the Fijian economy — the garment and sugar industries — have faced mounting difficulties as a result of loss of preferential access to US markets for clothing, footwear and textiles, and EU markets for sugar.⁵ In 2006, economic and social problems were compounded by a fourth coup, ousting the democratically elected government and puncturing business confidence.

Though informal squatter settlements have a long history

in Fiji, recent growth reflects increasing poverty, particularly among Indo-Fijians, and the lack of alternatives for an increasing proportion of urban residents. Settlements are home to both Indo-Fijian former cane farmers who have no customary rights to land, and Fijians moving to cities in search of work or greater access to health and education, even when they hold entitlement to rural land. The government has focused on providing housing assistance in urban areas, and some believe this adds to the flow of people from rural areas.⁶

In 2006, there were some 185 squatter settlements across Fiji, housing a population of close to 100,000, over 10 percent of the country's total.⁷ Over the next 20 years (to 2028), 5,225 land leases are projected to expire.⁸ If these leases are not renewed, more people will end up in squatter settlements.

Housing adequacy and infrastructure availability

The overcrowded settlements consist of makeshift shelters on very small lots (as small as 40 to 50 square meters)⁹, with no water supply, sporadic access to electricity, poor access and very limited rubbish collection. A UNESCAP/POC study of informal settlements in Nasinu (an outlying area of greater Suva) found that only 19 percent of households had their rubbish collected, 52 percent either burned or buried their rubbish and 21 percent reportedly dumped their rubbish into nearby rivers or land.¹⁰ In Lautoka, sizeable scavenger communities are based at the city's dumpsite.¹¹

A US\$47 million ADB-Fiji Suva-Nausori Water Supply and Sewerage Project aims to provide access to safe drinking water for the poor in periurban communities.¹²

Consequences of poverty housing

About one-third of urban households live below the poverty line. For people living in informal settlements, there are very limited opportunities to generate cash incomes.¹³

In the squatter settlements, an estimated 80 percent of people fall below the poverty line, with average incomes of between F\$90-100 per week (US\$50-55), even though at least one adult works full time and most families have a second source of income. In these household, families are unable to afford such basic needs as food and clothing.

Social problems are magnified in squatter settlements: broken marriages, fragmented extended families, crime and community disputes, prostitution, drugs and poor health are common.¹⁴

Already degraded environmental and health conditions in settlements are deteriorating still further under the pressure

of population growth.¹⁵ In Suva, studies have shown dangerously high levels of air pollution around Nasinu ("Squatter Town").

Impediments to improving housing

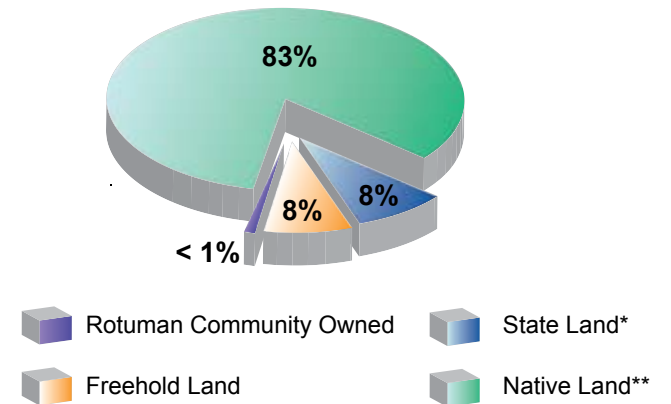
Lack of affordable housing: Government housing authorities have generally failed to provide affordable housing for all except the relatively well off and until recently seemed unaware of alternative low-cost housing solutions.¹⁶

The Fiji Housing Authority's houses are typically priced at F\$12,000-15,000 (US\$6,600-8,300), with mortgages offered at interest rates of 5-6 percent. The Authority estimates that over the past 30 years, some 70 percent of applicants were unable to afford repayments on low-income housing which conformed to legal requirements.¹⁷

Lack of secure land tenure: Security of tenure varies according to form of land title and, where land is leased, the formality of the arrangements. In general, squatters target State (Crown) Land, where they know that it is difficult for the government to remove them and that local politicians give them strong support. The distribution of land by form of title is shown in Figure 1.

Over 80 percent of land is held as native title, with the Native Lands Trust Board (NLTB) responsible for administration and development. Where development is proposed in rural or urban areas, the Board obtains consent from landowners, subdivides the land and leases it, usually for 99 years. However, at times customary lands can be obtained for urban uses through ad hoc arrangements with landowners, without the involvement of NLTB and without security of tenure.¹⁸ In the Greater Suva area, people move into settlements, or *vakavanua*, with the consent of the native landowners on payment of an up-front premium of around

Figure 1 Distribution of Land by Form of Title



* Most squatter settlements are on State Land where occupants assert the right to the land
** Residents of settlements on Native Lands do not have secure tenure unless the NLTB is involved
Source: Ministry of Information, Communications and Media Relations, Fiji Today 2004/2005
<http://www.fijiembassydc.com/downloads/figitoday2004-5.pdf>

F\$500 (US\$300) and weekly rentals ranging from F\$2 (less than US\$1) to F\$5 (US\$3).¹⁹

In 2007, it was estimated that 12 percent of the total population of Fiji lived on land to which they had no legal title or customary rights.²⁰

Conflicting government agendas: The government's ability to act is hampered by conflicting agendas. On one hand, it accepts the permanency of squatter settlements and recognizes the need to improve living conditions. It is working to formalise lands with official leases, upgrade settlements, relax building standards and provide more land. On the other hand, the government wants to discourage the creation of new settlements by giving low priority to assistance, issuing eviction notices to new entrants, demolishing houses and withdrawing rights to essential services.

A Squatter Upgrading and Resettlement Program commenced in 1992 but the complex development process and lack of funds mean that progress has been significantly out-paced by the growth of the squatter population. However, since 2006 progress has been assisted by NZAID (see next section for details). Overall, a more effective program requires greater coordination as well as active support from the departments of Town and Country Planning, Environment, Lands, Public Works, Finance and the Tender Board for the quick approval of tenders.²²

The Public Rental Board, which was established in the late 1980s, does not have the financial capacity to undertake a building program of sufficient scale to respond to the need.

Natural disasters: Fiji, like other Pacific island nations, is prone to tropical cyclones. In February 2008, Cyclone Gene hit Fiji and left some 450,000 people (half the population) without access to basic services.

Efforts to address inadequate housing

2008 Budget allocations: The national government allocated F\$5 million (US\$3 million) for squatter upgrading and resettlement in the 2008 Budget. In 2004,²³ the Minister for Housing is reported to have estimated that F\$50 million (US\$28 million) would be required over the subsequent 10 years to keep pace with demand. Since 1992, the government has committed just F\$15.5 million (US\$8.5 million) to providing decent housing to people living in squatter settlements.²⁴ Details of current programs are given in Figure 2.

Squatter resettlement: In 2006, the New Zealand Government announced that it would contribute up to NZ\$2.1 million in that year and up to NZ\$10 million (US\$5.3 million) over the next three years to support programs for squatter resettlement.²⁷

The Housing Authority undertook a large-scale housing project that involved considerable settlement upgrading and

squatter resettlement at the Vitogo and Drasa scheme at Lautoka.

A National Squatter Council comprises representatives of relevant government departments, Native Land Trust Board, Methodist Church, Rotary Club, Housing Authority, Suva City Council, Central Board of Health, Nasinu Land Purchase Co-operative Society Limited, Public Rental Board and the Ministry of Fijian Affairs. The Council meets on a regular basis and discusses squatter upgrading and policing work undertaken by the various organizations, and monitors progress on squatter upgrading work.

Access to mortgage finance in absence of tenure security: In the absence of tenure security, Fiji has devised alternative approaches that include village housing schemes on lands that cannot be leased or mortgaged and are backed by legally accepted guarantees from appropriately resourced persons or bodies.

Figure 2 2008 Housing Programs for Low-income Households

- The government provided Habitat for Humanity Fiji with F\$321,000 (US\$177,000) to assist 55 urban and rural families to obtain decent housing, which included 30 new homes and 25 renovations. The costs — about F\$13,000 (US\$7,000) for new one bedroom homes and around F\$5,000 (US\$2,700) for upgrades — will be covered through a combination of government funding, HFH Fiji funds and family partner financial contributions, range from a minimum of F\$500 (US\$270) for upgrades to F\$1,000 (US\$550) for new homes, depending on need and financial resources.²⁵
- The Public Rental Board issued EOIs to architectural firms to provide schemes for 400 replacement units and the Housing Authority of Fiji has issued EOIs for 1,700 new housing units.²⁶
- NLTB conducted a pilot project to develop serviced land for 300 lower income families, on 99-year leases. The national government has committed to providing part of the cost of building the houses on these lots: about F\$5,000(US\$2,700) per home, representing 20-40 percent of the cost of a new home.



Country facts

Population: 931,741

Capital: Suva

Area: 18,270 sq. km.

Ethnic groups: Indigenous Fijian (57 percent),
Indo-Fijian (37 percent)

Languages: English (official), Fijian (official),
Hindustani

Religion: Christian (52 percent) Hindu (33 percent),
Muslim (7 percent)

Source: The World Factbook - Fiji. <https://www.cia.gov/library/publications/the-world-factbook/geos/fj.html>

- ¹ United States Department of State - Fiji, 2008. Available: <http://www.state.gov/r/pa/ei/bgn/1834.htm>
- ² UPAP presentation. Available: http://www.unescap.org/epoc/documents/R3.2_Fiji.pdf
- ³ Storey, D. 2006. State, Society and Governance in Melanesia Project - Urbanisation in the Pacific. http://www.unescap.org/epoc/documents/R3.12_Study_2.pdf
- ⁴ Hannan, K. Sugar and Sweatshirts, migrants and remittances. http://epress.anu.edu.au/ssgm/global_gov/mobile_devices/ch10.html
- ⁵ ibid
- ⁶ Personal communication, Richard Counts, HFFH, 2008
- ⁷ Lingam, D. 2007. The Shanty Towns of Fiji.
- ⁸ Estimated based on data presented by Lingam, op cit
- ⁹ Lingam, op cit
- ¹⁰ Storey, op cit
- ¹¹ ibid
- ¹² ibid
- ¹³ Lingam, op cit
- ¹⁴ ibid
- ¹⁵ Storey, op cit
- ¹⁶ Personal communication, Richard Counts, HFFH, 2008
- ¹⁷ ibid
- ¹⁸ Storey, op cit
- ¹⁹ Lingam, op cit
- ²⁰ Chand, S. Yala, C. Reconciling Customary Ownership and Development, Informal land systems within urban settlements in Honiara and Port Moresby. Available: http://www.aid.gov.au/publications/pdf/MLW_VolumeTwo_CaseStudy_5.pdf
- ²¹ UNESCAP reports that people living within town boundaries are under the jurisdiction of municipal councils, periurban populations may be either under the jurisdiction of 15 rural authorities under the Ministry of Health or 14 provincial councils under the domain of the Ministry of Fijian Affairs.
- ²² Lingam, op cit
- ²³ Government of Fiji, National Budget 2008. <http://www.fiji.gov.fj>
- ²⁴ Calculated from figures presented in Lingam, op cit
- ²⁵ Personal communication, Richard Counts, HFFH, 2008
- ²⁶ Personal communication, Masi Latianara, HFFH, 2008
- ²⁷ Media Release from the Minister for Foreign Affairs, Fiji aid to focus on squatter settlements, February 2006. <http://www.beehive.govt.nz/node/24888>

KIRIBATI HOUSING PROFILE



- **Rapid urban population growth is putting pressure on the fragile environment and limited resource base.**
- **Betio islet has a population density of 8,000 per square kilometer, one of the highest in the world.**
- **The population is expected to double over the next 20 years, exacerbating already serious environmental, urban management and health problems.**
- **People's priorities include improvement in town planning and strengthening the building code.**

KIRIBATI consists of 33 low-lying atolls, 21 of which are inhabited.¹ Ocean-rich and land-poor, these equatorial islands are scattered over millions of square kilometers of the central Pacific Ocean, with a total land area of about 800 sq. km. and fishing rights over 4.5 million sq. km. of rich fishing grounds.

Kiribati is one of the most isolated countries in the world and one of the most vulnerable to climate change and rising sea levels. Most of the land is only about two meters above sea level and only a few hundred meters wide, making escape from disaster almost impossible. The country's vulnerability is heightened by the high rate of population growth, increasing concentration in urban areas, accelerated coastal

development, coastal erosion and environmental degradation. Although lying outside the cyclone zone, the atolls are exposed to periodic storm surges and droughts, particularly in La Nina years.²

The combination of high population growth and lack of employment opportunities and access to educational and health services on the outer islands is prompting population drift to South Tarawa, the capital atoll. About 40 percent of the population of 110,000 live on South Tarawa, where the population density is approximately 2,400 people per square kilometer. On Betio, one of the islets of Tarawa, density is approaching 8,000 people per square kilometer, one of the highest rates in the world.³ The population of Kiribati

is expected to double over the next 20 years, exacerbating already serious environmental, urban management and health problems.⁴

Ocean resources are the mainstay of the economy, although Kiribati has substantial offshore investments. These are dominated by the Revenue Equalization Reserve Fund, established under the British colonial government in 1956 using royalty income from phosphate sales.⁵ About 80 percent of households make a living through fishing. A significant proportion of the country's income is derived from fishing license fees and remittances from sailors employed on overseas ships.⁶ The public sector is the major employer.⁷ Agricultural opportunities are limited, although most ru-

ral families have food gardens. The remote and dispersed geography of Kiribati, the small size of the economy and limited international and internal transport links restrict opportunities for economic development. While overall living standards are improving, social indicators remain weak by regional standards.⁸

Based on the 1996 Household Income and Expenditure Survey, approximately 40 percent of the population lives below the National Basic Needs Poverty Line,⁹ split broadly 50/50 between urban and rural areas. Living below the Basic Needs Poverty Line does not mean that families go hungry or experience absolute poverty, but rather that they are regularly unable to meet the demands for cash to satisfy basic needs. With little paid employment available, one person often supports a large family network.

A high proportion of young people do not complete secondary school, and social problems, particularly among the new urban population, are increasingly a cause for concern. Women do not have the same status as men and there is a high incidence of domestic violence.¹⁰

Housing adequacy and availability of infrastructure

Urban pressures in South Tarawa have been evident since the 1990s, and living conditions are now worse in the capital than on the outer islands. For poor and low-income households, life in South Tarawa is characterized by:

- lack of access to housing and land, forcing families to become squatters;
- informal housing, constructed of salvaged materials;
- poor access to settlements;
- overcrowding, lack of privacy and personal security;
- lack of access to clean water, sanitation and power;
- unemployment; and

- poor health caused by smoke from wood fires and the nuisance of noise.¹¹

The areas of Santo Betero, Temakin Betio, Teteunene, Buairiki and Temaiku are characterized by improvised dwellings, scarcity of potable water and toilet facilities, and poor access in the event of fire or medical emergencies.¹² Across the country, access to improved water and sanitation is low.¹³

Consequences of poverty housing

In South Tarawa, high population density combined with a lack of basic services has led to major environmental problems:¹⁴ poor water quality; accumulation of solid waste and sewerage; and pollution of the lagoon which affects fish stocks. A high proportion of the population uses the beach or the bush as a toilet and the majority of well water is not safe for drinking. Although public awareness messages are regularly made on the need to boil water before consumption, rates of diarrhoeal diseases are high and contribute to high infant and under-five mortality.¹⁵ Living conditions in areas of high population density are reported to be declining.¹⁶

By contrast, in the outer islands, where water wells can be dug at a safe distance from dwellings, the prevalence of diarrhoeal diseases is lower¹⁷ and, with access to food gardens and the sea for fishing, basic living conditions may be higher than in urban areas.

Impediments to improving housing

The ability to improve living conditions, particularly among poor and low-income households, is severely constrained both by inadequate financial and human resources and lack of political will¹⁸ and by social values and traditions that restrict the development of markets for land and capital.¹⁹ The relatively wealthy and powerful tend to benefit the most from co-operatives and village banks.²⁰

Lack of access to safe drinking water: There is a scarcity of fresh water on the islands of Kiribati, and the limited supplies are increasingly affected by contamination.²¹ In urban areas, there is an urgent need to improve access to safe drinking water. To date, government response has been constrained by a lack of materials and high costs.

Because most well water on outer islands is relatively safe, the immediate priority in these areas is to improve accessibility.

Lack of access to sanitation services: Progress on improving sanitation facilities on overcrowded South Tarawa and Betio has been minimal despite the 2005 completion of Sanitation, Public Health and Environment, an ADB funded sewerage project. The end-of-project report noted that 30 percent of water supply systems were not functioning well – an essential component of a sanitation system. In 2007, the report on progress towards achieving the MDGs reported: "This is not surprising considering widespread tampering of the water system by private households and individuals, and the apparent lack of enforcement and maintenance by the responsible ministry."²²

Lack of enforcement of a building code: The 2007 report on progress towards achieving the MDGs identified people's priorities as including improved town planning and a strengthening of the building code.²³ Although a building code has been developed, it is not enforced. The MDG report states that the code should require that every home, private or Government, local or permanent, must be built on ample space, be accessible, and must have potable water and a toilet, before it can be declared habitable.²⁴

Restrictions of customary land ownership: Although pressure on land in South Tarawa has led to land being

transferred to freehold title,²⁵ the majority of land ownership is governed by customary law. While there are circumstances under which an owner may dispose of land to persons other than next of kin, these are complicated and account for incessant land litigation.

Under customary inheritance law each child receives a share of the parents' land. This has led to continuous subdivision, resulting in some holdings now consisting of only three or four coconut trees. In addition, this form of subdivision has resulted in widespread fragmentation of individual holdings, both within an island and between islands. The result is that despite land hunger, the general standard of cultivation and development is low.²⁷

The government has tried to alleviate these problems by encouraging owners to consolidate holdings through exchange or leasing, and by advising lands courts to avoid the customary practice of subdividing every plot of land and instead to share the plots between the next of kin.²⁸

Natural disasters: Although Kiribati lies outside the cyclone zone, the atolls are exposed to storm surges and droughts. High population growth and concentration in urban areas are increasing the country's vulnerability to rising sea levels associated with climate change.

Efforts to address inadequate housing

Sustainable towns program: NZAID has recently begun a Sustainable Towns Program (STP). This long-term support program is designed to assist Kiribati address the challenges it faces in its rapidly growing urban areas, particularly on South Tarawa.

The STP will support the country's three urban councils and

their communities to develop local solutions to problems of overcrowding, poor housing, lack of access to basic services such as water and sanitation, weak local government and poor urban planning and the consequent social problems.²⁹

Country facts

Population: 110,356

Capital: Tarawa

Area: 811 sq. km. (land area);

Ethnic groups: Micronesian 98.8 percent, other 1.2 percent (2000 census)

Languages: i-Kiribati, English (official)

Religion: Christian (close to 100 percent) , Muslim (very small proportion)

Source: *The World Fact Book Kiribati*. <https://www.cia.gov/library/publications/the-world-factbook/geos/kr.html>

- ¹ The World Fact Book Kiribati. <https://www.cia.gov/library/publications/the-world-factbook/geos/kr.html>
- ² Republic of Kiribati, Millennium Development Goals Report 2007. http://www.undp.org/fj/_resources/main/files/Kiribati%20MDG%20Report%20Final11.pdf
- ³ *ibid*
- ⁴ AusAID Kiribati. <http://www.ausaid.gov.au/country/country.cfm?CountryId=20>
- ⁵ UNESCO Country Profile. <http://www.unesco.or.id/apgest/pdf/kiribati/kiribati.pdf>
- ⁶ NZAID Kiribati. <http://www.nzaid.govt.nz/programs/c-kiribati.html> A negative consequence of the employment of men on these ships is their contribution to the incidence of HIV.
- ⁷ United Nations Development Assistance Framework Kiribati (20032007), 2002. <http://www.undp.org/execute/word/UNDAF-Kiribati.doc>
- ⁸ AusAID Kiribati. *op cit*
- ⁹ A Household Income and Expenditure survey was undertaken in 2006 but no detailed analysis of households by income group is available.
- ¹⁰ NZAID Kiribati. *op cit*
- ¹¹ Based on factors listed by Connell, J and Lea, J. 2002. Urbanisation in the island Pacific. Towards sustainable development. Routledge Pacific Rim Geographies.
- ¹² Republic of Kiribati, Millennium Development Goals Report 2007. *op cit*
- ¹³ *ibid*
- ¹⁴ United Nations Development Assistance Framework Kiribati (20032007), 2002. *op cit*
- ¹⁵ Republic of Kiribati, Millennium Development Goals Report 2007. http://www.undp.org/fj/_resources/main/files/Kiribati%20MDG%20Report%20Final11.pdf
- ¹⁶ *ibid*
- ¹⁷ *ibid*
- ¹⁸ Connell and Lea. *op cit*.
- ¹⁹ UNESCO Country Profile. *op cit*
- ²⁰ United Nations Development Assistance Framework, Kiribati. *op cit*
- ²¹ UNESCO Country Profile. *op cit*
- ²² Republic of Kiribati, Millennium Development Goals Report 2007. *op cit*
- ²³ *ibid*
- ²⁴ *ibid*
- ²⁵ UNESCO Country Profile. *op cit*
- ²⁶ Women are able to inherit and own land although their rights are commonly inferior to those of male family members, especially the eldest male who has control over family lands.
- ²⁷ Gateway to land and water information, Kiribati National Report, 2002. http://www.fao.org/ag/agL/swlwpnr/reports/y_pa/z_ki/ki.htm#hla
- ²⁸ *ibid*
- ²⁹ NZAID Making a difference in Kiribati, July 2008. <http://www.nzaid.govt.nz/library/docs/factsheet-kiribati.pdf>

PAPUA NEW GUINEA HOUSING PROFILE



- **Poverty is a significant and growing issue in urban and rural areas, with approximately 40 percent of the population living on less than US\$1 per day.**
- **Traditional systems are breaking down with many people regularly moving between traditional villages (where land is owned communally) and unplanned and unserviced settlements on the outskirts of towns (with no secure land title).**
- **In many squatter settlements, lack of secure land tenure plus the congregation of people from different language groups makes it difficult to build strong communities.**
- **Squatters compete with town dwellers for scarce jobs, creating tension. Within squatter settlements, rates of crime and violence are high.**
- **ADB identifies people's priorities as access to clean water and strengthening law enforcement agencies to increase personal security.**

PAPUA NEW GUINEA (PNG) has the largest land area and largest population of the Pacific island countries. PNG's 5.9 million people are geographically and culturally diverse with over 700 cultural and language groups, many in remote areas. Service delivery is logistically challenging and expensive and most communities have difficulty accessing quality health care, education and adequate transport¹ as well as basic infrastructure.

PNG's population has suffered significant declines in living standards in recent years due to the country's worsening economic performance. Approximately 40 percent of people

live in poverty, defined as living on less than US\$1 a day. The majority of the population lives in rural communities based on traditional village structures and is dependent on subsistence farming, supplemented by cash cropping. Less than 15 percent of the population lives in urban areas. However, poor rural conditions have accelerated the rate at which people are moving to urban centres, where poverty, unemployment and civil unrest are growing.²

The demand for shelter far exceeds supply, fuelling the growth of squatter and informal settlements.³ The fastest growing provinces are Southern Highlands, West New Brit-

ain, National Capital District and Western, with population growth rates over 3 percent per annum.⁴

In 2003, the government set the goal of ensuring that all Papua New Guineans have access to decent housing at affordable cost. The government recognized that to achieve this would require upgrading, relocating and formalizing urban settlements, including providing tenure security. It also recognized that given the severity of the problem of poverty housing, success would require a concerted effort between the government, financial institutions, donors and city/town authorities.⁵

Housing adequacy and availability of infrastructure

There are reported to be more than 100 squatter settlements in Port Moresby⁶, with a population of 53,000 at the time of the 2000 census (20 percent of the city's population).⁷ This number is likely to have since grown significantly. According to one estimate, the informal settlement population in Port Moresby will double every nine years while the population of the city as a whole will take twice as long to double.⁸ Squatter households accommodate, on average, 15 to 20 people.⁹ Large squatter settlements have also developed around Lae, Mount Hagen and Rabaul.

Settlements have developed on land which is state-owned, customary-owned and where title is disputed.¹⁰ Few households have access to secure land title or basic infrastructure. While more than 70 percent of houses in established suburbs have access to piped water, in settlements the proportion is very low. Of the one-third of urban households that use a traditional pit toilet, almost all are in squatter settlements.¹¹

Lack of access to basic infrastructure is also a characteristic of rural areas. Approximately 70 percent of households use untreated drinking water from a spring, river, stream, pond, lake or dam. Less than 10 percent of households have access to piped water. Approximately 76 percent of households still use traditional pit toilets and 16 percent have no toilet facility.¹² In some regions there is a total lack of electricity.¹³ An estimated 17 percent of the population does not have access to any sort of road and 35 percent live more than 10 km from a national road.¹⁴

With economic hardship increasingly affecting the middle class, many paid workers are opting to live in urban squatter settlements, without the requirement to pay rent or utility bills.¹⁵ They are joined by public sector employees, forced

to find their own shelter as the state can no longer meet its traditional commitment of accommodating employees.¹⁶

These workers are likely to be among the residents who build permanent structures in squatter settlements, some even with septic toilets, television antennae and electricity generators. Land and houses are bought and sold, without formal land title and without the consent and/or knowledge of the landowners. Prices vary considerably between settlements but there is reported to be no discernible difference in prices paid between the three land tenure types. Similarly, there is no significant difference in the level of investments made by squatters whether the land is state-owned, customary-owned or had disputed ownership.¹⁷

Consequences of poverty housing

PNG has the poorest social indicators in the Pacific region,¹⁸ with low life expectancy and high infant and maternal mortality.¹⁹ Squatter settlements are overcrowded, and combined with the lack of safe drinking water, sanitation and solid waste disposal, create unsafe living conditions and pose a danger to public health.

Impediments to improving housing

Constrained government budget: Despite setting the goal of ensuring that all Papua New Guineans have access to decent housing at affordable cost, the country's declining economic prosperity has meant that the government has not had sufficient resources to make the necessary investment in housing stock.

Constrained household incomes: Just 15 percent of Papua New Guineans are employed within the formal sector, and 90 percent of these earn less than K250 per week (US\$98). This income is shared by a household²⁰ consisting on average of nearly seven people.²¹ Food and accommo-

dation costs are high in many parts of the country, and spending on house maintenance or improvements is difficult. People earn just enough to feed and clothe themselves and secure basic shelter.

Inalienability of customary land: In PNG, 97 percent of land is held under customary tenure (and hence outside the existing system of land law), 2 percent is state-owned and 1 percent private and conditional freehold.²²

The majority of Papua New Guineans live on customary land and the pressure of population growth on traditional land settlement and systems of inheritance is contributing to rural-urban migration.²³

Formally, customary land cannot be sold outright or mortgaged, effectively disqualifying the use of the land as collateral for loans and reducing incentives to conserve land.²⁴

However, in some areas, landowners are resorting to informal (non-legally binding) methods to acquire economic benefits over their lands, for example, through informal sub-divisions and the leasing of land to settlers.²⁵ In other cases, as noted above, squatters assume ownership of the land on which they are living, without the knowledge of the landowner.

Lack of personal security: Over the past 10 years, conflict and violent crime have become increasing features of PNG society, hindering not only economic and social development but also causing significant damage to social trust and interaction. In turn, this limits incentives for individuals, communities and NGOs to invest in improved living conditions.

Efforts to address inadequate housing

Tenure security: Many attempts have been made to resolve

the issue of land tenure but without adequate resources and political will, no effective progress has resulted.²⁶ However, there is growing recognition that the rapid expansion of urban squatter settlements now demands an effective response by government, working constructively with customary landholders.

Housing policies: The National Housing Corporation's policies are:

- to develop serviced plots for leasing on a self-financing basis;
- to sell existing housing stock while increasing rents on remaining houses to market levels; and
- to leave rental housing construction to the private sector.²⁷

None of these policies addresses the inadequate housing conditions in which poor people live and work in urban and rural areas.

Another potentially inappropriate response is to use housing codes to force an increase in housing standards in squatter settlements. UNESCAP reports that the fear is that "if nothing is done, very soon the informal settlements will dominate the scenery of the towns and cities and eventually cannibalize the formal planned towns and cities."²⁸ This ignores the implications of the codes for housing affordability, and the probability that they would either be ignored by squatters or force households to establish new settlements in areas outside the reach of the housing codes.

Country facts

Population: 5.9m

Capital: Port Moresby

Area: 462,840 sq. km.

Ethnic groups: Papuan (84 percent),
New Guinea Melanesian (15 percent)

Languages: English, Tok Pisin, Hiri Motu

Religion: Christian (96 percent)

Source: *The World Fact Book* PNG. <https://www.cia.gov/library/publications/the-world-factbook/geos/pp.html>

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SAMOA HOUSING PROFILE



- **Approximately 20 percent of Samoans lack basic necessities.**
- **Rural-urban disparity is increasing, with rural areas experiencing significantly greater hardship and poorer services, including education, health, electricity and water.**
- **Access to housing assistance and clean water are among the priorities of the poor, as identified by ADB.**

SAMOA is a small, isolated country north of New Zealand. Approximately 217,000 people live on two volcanic islands, with rugged mountainous interiors and narrow coastal plains.¹ Twenty percent of the population lives in the capital, Apia, and 50 percent in coastal villages.² As elsewhere in the Pacific, these coastal villages are exposed to the long-term threat of rising sea levels resulting from global warming.

Although the country has limited natural resources and trade is difficult, Samoa is cited as a Pacific success story, with one of the fastest growing economies in the region and relatively low population growth (1.2 percent per annum³). Growth in gross domestic product per capita has averaged around 3 percent per annum since 1995.⁴

Many Samoans live and work in New Zealand, Australia and the United States, and remittances comprise a significant portion of the economy.⁵ However, inequality is emerging as

a challenging issue. Following growth in the formal economy, rural-urban disparity has increased. Rural people experience significantly greater hardship and poorer services, including lack of access to education, health, electricity and water. Only one in three households in rural areas has a waged worker compared with three in four in urban settlements.

Despite the high level of remittances, ADB estimates that around 20 percent of Samoans live below the basic needs poverty line. The obligation to give substantial cash and in-kind donations to church and village ceremonies is reportedly worsening hardship.⁶

Housing adequacy and availability of infrastructure

ADB estimates indicate that approximately 23 percent of the urban population and 18 percent of the rural population live below a basic needs poverty line.⁷ While the definition of

basic needs does not specifically include access to adequate housing, it does reflect factors associated with inadequate living conditions:

- lack of access to basic services such as primary health care, education and potable water;
- lack of opportunities to participate fully in the socio-economic life of the community; and
- lack of access to adequate resources (including cash) to meet the basic needs of the household or the customary obligations to the extended family, village community and/or the church.⁸

In recent years, Apia's growth has far exceeded development. The town is described as having "no reticulated sewerage system, the water system needs upgrading, unemployment and youth problems are visible, sewerage effluent pollutes rivers and the bay of Apia, roads need major maintenance and in many cases reconstruction, foreshore

heritage buildings are under pressure of redevelopment, disputes for subdivision continue to escalate as boundaries and owners are unclear."⁹

The concentration of inadequate housing is in Apia. Squatter settlements are emerging on customary and freehold lands in the middle of Apia and on its fringes. Development within these settlements is totally unregulated and the government provides few or no services.

By contrast, most rural areas have access to electricity and water, the latter achieved through a combination of donor funded projects (these include a rural water supply project funded through the European Union and community level projects to maintain freshwater quality funded through the International Waters Program) and civil society organisations.¹⁰ However, the ADB noted that, as in urban areas, supply can be unreliable and prices unreasonable.¹¹

Consequences of poverty housing

Outbreaks of dengue fever are increasing as a result of the continued growth of the already overcrowded squatter settlements. Lack of sanitation means that pools of still water form throughout the settlements, providing ideal breeding grounds for mosquitoes.¹²

Impediments to improving housing

Lack of secure land tenure: Over 80 percent of land in Samoa is customary land, owned and administered by families in accordance with Samoan customs and usage. Some 11 percent is public land, that is, land held by the government and not subject to customary title. Less than 10 percent of land is freehold.¹³

Land titling projects, which would facilitate leasehold access

to customary land, have been initiated but UNESCAP reports that owing to lack of adequate resources, little progress has been made.¹⁴

Severe weather events: Like other Pacific island nations, Samoa is periodically hit by cyclones, which cause huge damage and severe disruption to economic development.¹⁵

Efforts to address inadequate housing

Samoa Housing Corporation: The Samoa Housing Corporation, which functions mainly as a housing finance institution, accepts assurances from senior clan members as security for housing loans.¹⁶ For those able to meet commercial loan repayment requirements, this overcomes the immediate limitation of the absence of tenure security for access to mortgage finance.

Work of church groups: Samoan church groups provide housing for rural migrants. However, as is the experience of NGOs throughout the Pacific, work is often hampered by legal and procedural constraints. Greater support is required from national and local governments to enable church groups to deliver assistance to those in need.¹⁷

Development plan for Apia: There are long standing proposals to establish a municipal authority in Apia with powers to control land use, improve services and promote economic and social development.¹⁸ However, a western-style local government is contrary to the traditional systems of leadership and customary land ownership patterns, and progress is reported to be slow.¹⁹

Country facts

Population: 217,083

Capital: Apia

Area: 2,944 sq. km.

Ethnic groups: Samoan (Polynesian) (93 percent)

Languages: Samoan (Polynesian), English

Religion: Christian

Source: *The World Factbook - Samoa*. <https://www.cia.gov/library/publications/the-world-factbook/geos/ws.html>

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- ¹⁷ *ibid*
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- ¹⁹ United Nations Economic and Social Commissions for the Asia-Pacific, 2004. Managing the transition from the Village to the City in the South Pacific, III Housing. op cit

SOLOMON ISLANDS HOUSING PROFILE



- Solomon Islands is one of the poorest countries in the Pacific.
- Houses and infrastructure destroyed during five years of civil conflict (1999–2003) have not been fully replaced or repaired.
- Approximately 40 percent of urban households live in inadequate housing, lacking access to piped water, sanitation and electricity, and 85–90 percent of households in rural areas.
- Approximately two-thirds of households do not have access to secure land tenure and gender discrimination results in unequal property rights for women.
- Some families left homeless by the 2007 tsunami that hit the Western and Choiseul provinces still reside in the temporary camps.

SOLOMON ISLANDS is an archipelago of 922 islands located 2,000 km. northeast of Brisbane, between the equator and the Tropic of Capricorn. Most of the population of 580,000 live on six islands; the most populous islands are Malaita and Guadalcanal. The capital, Honiara, is located on Guadalcanal.

Over 80 percent of people live in rural areas and 75 percent rely on subsistence farming and fishing for their livelihoods.

At the core of the 1999-2003 civil conflict was disputes over land: illegal squatting and use of customary lands; commer-

cialisation of land; pressure resulting from rapid population growth (2.7 percent per annum); and poor management of urban growth. The country is still recovering from years of conflict and faces many challenges to achieve stability and social cohesion — as well as sustainable development.

Rapid population growth, low population density and limited access to transport all put significant pressure on access to health and education as well as on the provision of basic infrastructure. Urban unemployment, especially among young people, is a major challenge.

Housing adequacy and availability of infrastructure

The 2005-2006 Household Income and Expenditure Survey provides a basis for assessing the number of households living in inadequate housing in urban and rural areas across the Solomon Islands, as set out in Figure 1.

Using access to basic infrastructure structure, including electricity, safe drinking water, sanitation and a smoke-free method of cooking, as the basis for assessing housing adequacy, approximately 40 percent (5,000) of urban household and 85-90 percent (63,000-67,000) of rural households

Figure 1 Indications of housing inadequacy

	Urban % of households	Rural % of households
Corrugated Iron/Improvised outer walls	2	1
Traditional house	13	50
Thatched/traditional outer walls	18	61
Kerosene or spirit lamp	36	88
Water not piped into house/yard	36	85
Non flush toilet	38	93
Open fire	49	92
Total number of households	12,488	74,246

Source: 2005-2006 Household Income and Expenditure Survey. <http://www.spc.int/prism/country/sb/stats/Social/Soc-Index.htm>

are living in inadequate housing.

Honiara's squatter settlements: Squatter settlements on the fringes of Honiara pre-date the onset of civil conflict but have expanded rapidly since the arrival of the Regional Assistance Mission in July 2003. In the three years to July 2006, the number of people living in settlements grew, on average, by 26 percent, to total 20,000 — one-third of the city's population.⁷ A recent study undertaken for AusAID⁸ estimated that Honiara's settlement population was likely to expand by around 6 percent per annum, largely as a result of a lack of employment opportunities in the rest of the country. At this rate of growth, population densities would increase and settlements extend further into customary land.

The post conflict settlements are characterized by temporary or semi-permanent structures built without municipal approval, without access corridors and without basic services. The poor standard of building, combined with the location of some settlements on steep slopes, creates major risks in the event of natural disasters, such as earthquakes or landslides following prolonged rain. Houses could collapse onto each

other or cascade down steep slopes, causing major loss of life and property.

Post April 2007 tsunami: An earthquake and tsunami hit the Western and Choiseul provinces in April 2007, causing substantial damage. More than 6,000 houses and buildings were destroyed and approximately 24,000 people seriously affected. Twenty months later, some 4,000 families still reside in temporary camps set up by the government or NGOs immediately following the disaster, or are staying in their own temporary shelters.¹⁰

Consequences of poverty housing

The consequences of lack of access to basic infrastructure and services are reflected in health and educational outcomes in the Solomon Islands that are among the worst in the Pacific:

- 21 percent of children under five are underweight;
- infant mortality is 66 per 1,000 live births; under-five mortality is 73 per 1,000 live births; and
- primary school enrolment is 56 percent and the literacy rate 77 percent.¹¹

In turn, poor health and low levels of educational attainment are reflected in increasing poverty and inequality.

Environmental damage: The rapid growth of squatter settlements is accelerating environmental damage through deforestation and soil erosion. With many of the country's surrounding coral reefs already dead or dying, this is likely to put further pressure on the fisheries resources which form the basis for the subsistence living of a large number of Islanders.

Impediments to improving housing

Constraints on economic growth: Corruption and poor governance, weak infrastructure, expensive and unreliable utilities, and land tenure issues all constrain economic growth.¹² This, in turn, limits the ability of national and local governments to improve conditions.

Lack of local funding and inappropriate donor funding policies are also cited as constraints on the provision of adequate shelter.¹³

Lack of secure land tenure: Approximately 85 percent¹⁴ of land is held under customary law and is not surveyed, recorded or registered. Boundaries are recorded by oral tradition and marked by natural features such as rivers, mountains, rocks, trees or shrines. Although customary owners claim to know their boundaries, in practice this proves difficult because landmarks can change as a result of natural forces. Examples of boundary disputes abound, in and out of court.¹⁵

Across the Solomon Islands, almost two-thirds of households do not have secure land tenure.¹⁶ In Honiara, households living in unauthorized settlements (on either state or custom-

ary land) have no land title.¹⁷

Efforts to address inadequate housing

Tenure security: Existing laws and regulatory procedures are widely acknowledged as inadequate for enabling efficient registration of customary land, and there are demands for reform from a range of government and community stakeholders.¹⁸

In 2007, AusAID supported a pilot project in Honiara to demonstrate a way of converting the small pieces of land occupied by households in squatter settlements to a more secure form of long-term lease, known as fixed-term estates (FTEs). All survey and registration processes were completed over several months, suggesting that there are no inherent barriers in the land administration system.

By the end of 2007, approximately 350 FTEs (on 50-year leases) had been offered to squatters in the pilot areas, and this process is continuing. Residents pay an initial fee for the conversion and subsequently an annual rent, potentially creating a useful revenue stream for the government and the City Council that could be used to improve services such as water, sanitation, electricity and roads.¹⁹

Affordable housing vs. adequate housing: The Solomon Islands government sought to address the high costs imposed on households by the provision of infrastructure by creating traditional housing areas, without access to basic facilities.

In practice, this approach adds to the stock of inadequate housing featuring open drains, no sewerage systems, shared water supplies and gravel roads.²⁰

Country facts

Population: 581,318

Capital: Honiara

Area: 28,450 sq. km.

Ethnic groups: Melanesian (95 percent), Polynesian (3 percent), Micronesian (1 percent)

Language: English*, 120 indigenous languages

Religion: Christian

Source: *The World FactBook Solomon Islands*. <https://www.cia.gov/library/publications/the-world-factbook/geos/bp.html>

Note: *While English is the official language, only 2 percent of the population speaks English; the lingua franca is Solomon's Pijin

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TIMOR LESTE HOUSING PROFILE



- 40 percent of the population lives in poverty.
- Population growth, at 5.36 percent per annum, is among the highest in the world, and is adding to pressure on resources, particularly housing and basic services.
- Tens of thousands of people remain displaced: many live in camps in Dili and an unknown number live with families and friends in rural areas.

TIMOR LESTE is located 640 km. northwest of Darwin and geographically is part of Asia. It comprises the eastern half of the island of Timor, the nearby islands of Atauro and Jaco, and Oe-cusse, an exclave¹ on the northwestern side of the island, within Indonesian West Timor. Approximately 90 percent of the population lives in rural areas. An estimated 40 percent² to 50 percent live in poverty,³ and an even higher proportion of people do not have enough to eat at some point each year. Population growth is a massive 5.36 percent per annum,⁴ adding to pressures on resources, particularly housing and basic services.

Timor Leste became an independent nation in 2002, following a referendum for independence from Indonesia in 1999. In the years following the referendum, the country was sys-

tematically destroyed. Over two-thirds of the population was displaced and 40 percent of the housing stock destroyed (approximately 68,000 houses). Dili, the capital (population 120,000), was hardest hit, with over 50 percent of buildings destroyed and extensive damage to infrastructure.

Further displacement occurred in 2006 following civil unrest, sparked by poverty, lack of economic opportunities, and unresolved social and political tensions.⁵ Nearly three years later, tens of thousands of people remain displaced with 7,000-12,000⁶ living in camps in Dili. Many more are living with family and friends in rural areas.

Most internally displaced persons (IDPs) who had the chance to return home have already done so; for those remain-

ing, return will depend largely on the effectiveness of reconstruction and reconciliation processes as well as significant improvements in the political, economic and security environment. This was borne out in August 2007 when the announcement of the formation of the new government triggered civil unrest, mainly in eastern districts traditionally loyal to the former ruling party, FRETILIN. This resulted in the displacement of more than 4,000 people.⁷

The International Crisis Group argues that "successive governments and their international partners have failed to bring about the conditions in which (displaced people) might return home or to prevent further waves of displacements. The...national recovery strategy needs to be properly funded and accompanied by a number of other crucial elements,

most significantly the creation of a fair and functioning land and property regime (and) an increase in overall housing stock.⁸

Housing adequacy and infrastructure availability

The majority of people in Timor Leste live in inadequate housing, lacking protection from the elements as well as access to basic infrastructure. United Nations figures show that half the population does not have access to safe drinking water and 60 percent of people lack adequate sanitation facilities.

For people living in IDP camps, these issues are made more urgent by overcrowding and concerns about personal security.

Since the civil unrest in 2006, numerous international agencies and organizations have delivered food aid, medical supplies, water supply and sanitation systems and shelter items to vulnerable households, including IDPs. However, while most assistance has been directed to people in the camps in Dili, the most vulnerable people are reported to be in the eastern districts where the influx of IDPs has placed great strain on the very limited resources available to host communities.⁹

Impediments to improving housing

Low economic growth: Timor Leste is one of the world's poorest countries, with one of the highest rates of population growth. Addressing poverty housing will rely entirely on aid but cannot be solved by money alone.

Lack of secure land title: Timor Leste needs new land laws, a land register and a system for issuing titles, and

mediation and dispute-resolution mechanisms. Most land ownership records were destroyed in 1999, but many people never had them. There are also conflicts between traditional, Portuguese and Indonesian land regimes. These problems underlie many displacements – people took advantage of the 2006 chaos to chase neighbors out of disputed properties – and risk undermining long-term stability and economic growth.

Draft land laws have been prepared, but successive governments have considered them too controversial to progress.¹⁰

Obstacles to IDPs returning home: For those in the countryside, Dili offers the prospect of more economic opportunities. More fundamentally, many do not have homes to go back to. Destroyed or damaged houses have not been rebuilt, and others are subject to ownership disputes that cannot be settled under the incomplete and inadequate system of land law. More generally, there is not sufficient housing stock for the population.¹¹

Efforts to address inadequate housing

Encouraging IDPs to return to their communities: A priority of the National Recovery Strategy, launched in 2007, is to help IDPs return to their communities. Families are provided with either a cash grant of up to US\$4,500 to rebuild their homes or a new government built basic house plus US\$1,500 in cash if their house is beyond repair. Support is limited to IDPs who registered damage or destruction that occurred between April 2006 and October 2007.¹²

Dili City Upgrading Project: The Dili City Upgrading Project provided the first city-wide assessment of housing conditions. Areas with acute housing problems were mapped and

analyzed, based on criteria such as infrastructure, socio-economic status and vulnerability, and security of land tenure.

Twelve projects, including the creation of local roads, rehabilitation of drainage systems, rubbish collection points, a community hall, water supply and sanitation facilities, were completed in October 2005. The projects assisted about 3,000 people living in the pilot areas.

UNESCAP regional project Housing the Poor in Urban Economies: Timor Leste is one of four countries involved in this UNESCAP project, initiated in 2007. The aim is to increase the capacity of governmental and civil society policy makers and operational officials to initiate more effective housing programs for urban poor.¹³

Improving access to safe drinking water: Numerous agencies and organizations are working to improve access to safe water and sanitation in rural districts. For example, through a five year AUD\$30m project (US\$20m) AusAID had provided access to clean water to 60,000 people in 77 rural communities by June 2008.¹⁴

Country facts

Population: 1,108,777

Capital: Dili

Area: 15,007 sq. km.

Ethnic groups: Malayo/Polynesian and Papuan/Melanesian

Languages: Tetum and Portuguese (official languages); English and Indonesian (working languages)

Religion: Christian (99 percent) Muslim (1 percent)

Source: the World Fact Book Timor Leste. <https://www.cia.gov/library/publications/the-world-factbook/geos/tl.html>



- ¹ An exclave is a territory legally attached to a larger territory with which it is not physically contiguous.
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- ³ Speech by His Excellency Prime Minister Kay Rala Xanana Gusmao on the occasion of the presentation of the Bill for the 2009 State General Budget, National Parliament 14 January 2009 (part 2).
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TONGA HOUSING PROFILE



- **Growth of informal urban settlements with poor living conditions is contributing to a widening hardship gap.**
- **Limited land resources and recurrent flooding, combined with the growing population, are increasing pressure on living conditions in the capital, Nuku'alofa.**
- **Government acknowledges that sustained economic growth will require improvements in health, education, water and sanitation, physical infrastructure and the environment.**

THE KINGDOM OF TONGA (the only monarchy in the Pacific) is an archipelago in the south Pacific, comprising 169 islands—36 of them inhabited—stretching approximately 800 kilometers north-south. The migration of people to the main islands, particularly Tongatapu, is steadily depopulating the outer islands and increasing the dependency of remaining residents. At the same time, the growing population in urban areas is generating social tensions because of the increase in landless or land-poor people.¹ Over one-third of Tonga's population of 119,000 lives in the capital, Nuku'alofa.²

In contrast to other Pacific island countries, there is no customary land title in Tonga. All land belongs to the King and the King may grant nobles and titular chiefs hereditary estates.

The ownership of these estates is passed only to male members of the family or clan. Traditionally, every male over 16

years old is entitled to 8.25 acres of agricultural land and a small allotment to build a house.³

The natural rate of population growth is around 1.7 percent per annum, but with a high level of external migration, net population growth is close to zero.⁴ Remittances represent a significant component of the local economy (estimated to be as high as 40 percent of GDP⁵), providing income support for much of the population, improving living standards and alleviating poverty at the household level.⁶ Despite this, ADB estimates that approximately 23 percent of households experience periodic difficulties in meeting basic needs—the result of lack of income-earning opportunities as well as limited access to basic social services.⁷

The growth of informal urban settlements with poor living conditions is contributing to a widening urban hardship gap.⁸

Housing adequacy and availability of infrastructure

In Nuku'alofa, land is limited and informal settlements, home to recent migrants from outer islands, have developed in low-lying areas, subject to flooding and unsuitable for habitation.

The standard of housing in the settlements is poor, and water and sanitation systems inadequate.⁹ A squatter settlement developed alongside the Popua dump, located between the sea and a lagoon. People and pigs scavenged in the rubbish, and waste water flowed into the lagoon and back into the village, creating a major health hazard.¹⁰ In March 2008, NZAID assisted with the closure of the dump and its rehabilitation to create a public reserve.

ADB reports that the further a community is from Nuku'alofa, the lower its access to services such as water, power and markets. As a result, the concentration of hardship is greatest in rural areas and on outer islands.¹¹ In 2004, a report prepared for WHO estimated that almost 40 percent of people living in rural areas did not have access to a water supply,¹² although a report on progress towards achieving the MDGs indicates that all rural dwellers had access to an improved water supply by 2000.¹³

Consequences of poverty housing

While urbanization is relatively new in Tonga, the problems associated with unplanned and uncontrolled development are already evident¹⁴ and health and social indicators are declining.¹⁵

Disadvantage is greatest in squatter settlements, where living conditions are poor and people have few opportunities to participate in economic activities.¹⁶

For the government and local authorities, the health and envi-

ronmental problems resulting from the development of these settlements are creating demands for additional expenditure from already stretched national and city budgets.

Impediments to improving housing

Potential for civil unrest: The potential for civil unrest reduces incentives for private investment in housing and related infrastructure and diverts expenditure by the government, bilateral donors and NGOs to security measures.

In 2006, riots followed a 20 percent cut in the civil service. A large part of the business district of Nuku'alofa was destroyed. Following the April 2008 elections, pro-democracy groups are likely to continue to push for reforms and a recent European Union report noted that the domestic political scene would remain tense. The state of emergency declared for the main island of Tongatapu in 2006 was still in force in early 2009.¹⁷

Lack of access to land: There is no longer sufficient land to support the custom of young men receiving a plot of land from the local noble on turning 16, and this, combined with land held but not used by Tongans residing overseas, has forced many people to enter into informal tenant arrangements and/or farm poor land, while fertile land is unused.¹⁸

This creates uncertainty of land tenure and reduces both opportunities and incentives to invest in improving income-generating capacity and living conditions.

Natural disasters: Like many Pacific island countries, Tonga is vulnerable to tropical cyclones. In 2001, tropical cyclone Waka devastated the North Island groups, wrecking commercial fishery, tourism facilities and farms. The estimated total cost of damage was approximately US\$50 million.

In 2002, The World Bank funded a project to help upgrade Tonga's emergency and risk-management capacity by improving nationwide resilience to natural hazards, including the effects of climate change.¹⁹

Efforts to address inadequate housing

Infrastructure development: In May 2008, ADB approved a US\$11.3 million grant to meet the demand for better infrastructure as a result of rapid urbanization and population growth. The project is intended to contribute to improved living standards in Nuku'alofa, especially in the squatter settlements, where work will focus on the redevelopment of roads and drainage systems.²⁰

Country facts

Population: 119,009

Capital: Nuku'alofa

Area: 748 sq. km.

Ethnic groups: Tongan (Polynesian) (98 percent)

Language: Tongan, English

Religion: Christian

Source: The World Factbook: Tonga. <https://www.cia.gov/library/publications/the-world-factbook/geos/tn.html>



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VANUATU HOUSING PROFILE



- **Poverty is a significant and growing issue in urban and rural areas, with 40–50 percent of the population estimated to be living in poverty or experiencing hardship.**
- **Internal migration is fueling the expansion of urban squatter settlements as well as contributing to high levels of unemployment in urban areas.**
- **ADB has identified resolving land disputes and access to clean water as people’s priorities.**

VANUATU is a small island nation in the South Pacific, comprised of four main islands and 80 smaller islands. Vanuatu's population is approximately 215,000 and growing rapidly – over 2 percent per annum.

An estimated 70-75 percent of people live in rural areas¹ and most depend on subsistence agriculture for their livelihoods.

Agriculture and tourism are central to Vanuatu's economic growth, and these sectors employ more than 70 percent of the country's working population and account for approximately one-third of GDP.² However, economic growth has failed to keep pace with population growth and the rural population has seen few benefits of development.³

Recent estimates indicate that 40⁴-50 percent⁵ of people experience poverty or hardship. While income poverty is more widespread in rural areas, levels of extreme poverty are over-

represented in urban areas.⁶ However, Vanuatu's participation in New Zealand's Recognised Seasonal Employer (RSE) scheme is generating substantial remittances and preliminary research suggests that RSE will benefit poor households.⁷

Costly and unreliable transportation is a major impediment to growth and poverty reduction. Planned infrastructure spending, directed at rural areas, and funded by a US\$65.9 million US Millennium Challenge Corporation Compact,⁸ should, at least in part, address this issue over the next four years.

Housing adequacy and availability of infrastructure

Internal migration continues to fuel the expansion of urban squatter settlements.

Settlements in the capital Port Vila, on Efate island, and in Luganville, on Espiritu Santo island, are reported as "...some

of the more dramatic examples of rapidly growing squatter settlements in the Pacific.¹⁹ Around 37 percent of the country's urban population live in slums and squatter settlements, lacking basic services.¹⁰

Port Vila is already facing a significant shortage of affordable shelter and land, high levels of youth unemployment and problems of pollution.¹¹ Its population is continuing to grow, with a high proportion of newcomers likely to join the already overcrowded squatter settlements.

Housing conditions in Port Vila's squatter settlements are poor. Problems described more than 10 years ago¹² remain, including inadequate or nonexistent waste disposal and sanitation, and septic tanks (where they exist) overused in the crowded conditions, polluting Vila lagoon.¹³

Renters are particularly vulnerable. Rent for one room, with no water or electricity, and with access to a shared pit latrine, frequently cost the occupants 50 percent of their income.¹⁴

While it is difficult to estimate the number of renters, it appears to be increasing. In some of the settlements surrounding Port Vila almost 80 percent of people rent and a landlord class is emerging within the settlements. Those renting on customary land often have the least protection in terms of legal redress for their housing conditions or tenancy. They are also more likely to have insecure living status and conditions, constantly moving from settlement to settlement to avoid paying high rents, which are volatile and rarely subject to negotiation.¹⁵

Poor people living in settlements, asked to prioritize their needs, gave these responses:

- finding a house to rent;
- access to finance;

- having land to live on;
- having access to education;
- having adequate toilet facilities;
- finding a way to start a business;
- transportation; and
- accessing electricity.¹⁶

The general lack of access to infrastructure among urban and rural populations in Vanuatu is shown in Figure 1. For poor households, these difficulties are compounded.

There is no public service provider for sanitation and there are no sanitation master plans for either Port Vila or Luganville. Informal settlements depend on shared pit toilets, sometimes very close to water courses and subject to flooding.

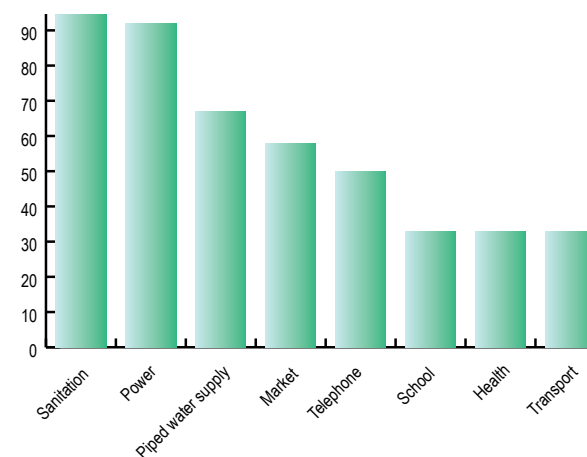
A significant issue in relation to accessing power is affordability. Even where power lines have been installed it is reported that in some communities, most households continue to use kerosene lamps, coconut oil, dry coconut shells and firewood to light their homes because they cannot afford the connection fees and other charges.

Approximately two-thirds of households have no access to piped water supply. In some areas, many families share communal standpipes and water quality is poor.

Communities with access to markets for their products were generally located within urban centers or less than 30 minutes away by public transport. Outside this radius, people found it difficult to market their produce which in turn discouraged farmers from planting additional crops.

Limited and decreasing access to education is cited as the most common hardship affecting children, particularly those

Figure 1 Percentage of communities reporting lack of access to services



Notes:

1. Sanitation ranges from bush to pits to septic tanks and flush toilets. Estimated proportion of communities with access to modern sanitation (septic tanks or flush toilets).

2. In Port Vila, water is supplied by a private company and in Luganville by the Department of Public Works. In rural areas, village water supply committees are responsible for water supply systems, where they exist.

Sources: Data derived from: http://www.adb.org/Documents/Reports/Priorities_Poor/VAN/van0500.asp. Comment on water from: <http://www.wpro.who.int/NR/rdonlyres/9BB1DFC8-B591-4D9B-A22B-A02ADFCFB0D0/0/Vanuatu.pdf> Also Kingston, P. 2004. Surveillance of Drinking Water Quality in the Pacific Islands Situation Analysis and Needs Assessment

in rural areas. Distance and affordability increase drop-out rates, while some children are pushed out of the school system when there are too few schools.

Health facilities, particularly in rural areas, are generally located far from communities. Sick patients have to travel by boat or walk an average of 5 km. or more to reach the nearest hospital or dispensary.

While most communities have access to transport services, they are usually expensive and schedules irregular due to bad road conditions. Rural communities rely heavily on private transport services to market their produce, and transport can cost about one-third of gross sales. During the rainy

season, roads become either inaccessible or full of holes, making travel dangerous for most vehicles.

Consequences of poverty housing

In Port Vila, overcrowded and unhygienic living conditions have resulted in:

- a significant increase of water borne disease, such as scabies;
- an increase in cases of pneumonia affecting babies and young children;
- a high prevalence of tuberculosis; and
- an increase of fish poisoning cases as a result of contamination to Port Vila harbour,¹⁷

In Luganville, poor households are concentrated in a swampy area, leading to high incidence of malaria, gastric disorders and other health problems.

UNESCAP notes: "Without positive intervention, environmental conditions in informal settlements will deteriorate and threaten the health of residents and ultimately environmental and health conditions in the wider urban area."¹⁸

Impediments to improving housing

Lack of planning: Vanuatu has no specific national planning policies or strategies for managing urban growth and according to UNESCAP, "...little capacity...in the public or private sector for this task."¹⁹ The parliament has not endorsed building codes, the national housing policy or the urban re-development and renewal policy.²⁰

With the demise of the expensive housing schemes of the National Housing Corporation (which built just 49 houses) Vanuatu has no national scheme to provide affordable housing for low and middle-income families.²¹ In addition, for-

mal subdivisions are beyond the financial reach for the vast majority of urban residents, adding to the growth of the informal settlements.

Lack of secure land tenure: According to UNESCAP, "Sensitivity over land around urban areas plays a great part in the haphazard manner in which both Port Vila and Luganville are developing and explains the lack of response to these trends."²²

At independence in 1980, the government declared all land to be customary-owned, apart from a small amount retained as government-owned. The Department of Lands registers title on request for any land for which there is no dispute, and has numerous leases on customary land, including parcels of customary land with multiple owners. However, for many parcels of customary land there are ownership or boundary disputes and the land is not registered.²³

Complex planning regulations and high building costs: No leases for housing can be issued until the plots have been "adequately" serviced. This requires compliance with all of the following statutory instruments: Municipalities Act 1980, Land Leases Act 1983, Physical Planning Act 1986, Decentralization Act 1994, Public Health Act 1994, Customary Land Tribunal Act 2001.²⁴ The costs of registering land and buildings in compliance with these requirements have removed any incentives for private sector involvement in the provision of low-cost housing.

Efforts to address inadequate housing

Resolving land disputes: A government Land Tribunal Office provides capacity-building, training and support to regional non-government land tribunals. These Tribunals operate at the clan land level to define boundaries and identify landowners, in preparation for land registration.²⁵

Legal challenges to the declaration of public ownership over parcels of urban land are being addressed.²⁶ This opens up the possibility of the government providing secure title to squatters and/or assuming responsibility for the provision of basic infrastructure to settlements.

Country facts

Population: 215,446

Capital: Port Vila

Area: 12,200 sq. km.

Ethnic groups: Ni-Vanuatu (98.5 percent)

Language: local languages (more than 100)

(73 percent), Pidgin (Bislama or Bichelama)

(23 percent), English (2 percent), French (1 percent)

Religion: Christian

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POVERTY HOUSING

IN THE DEVELOPING NATIONS OF THE PACIFIC ISLANDS



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