Habitat for Humanity®
Malawi

Strategic plan 2025

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FOREWORD FROM THE BOARD CHAIRPERSON

Since its establishment in 1986, Habitat for Humanity Malawi (HFH Malawi) has remained a steadfast beacon of hope for families in need of safe, decent, and affordable housing. Over nearly four decades, we have supported more than 133,600 families—providing not just shelter, but also access to essential services such as water, sanitation, and hygiene. Our work has been driven by an enduring vision: a Malawi where everyone has a decent place to live.

As we unveil this Strategic Plan for 2025–2030, we recognize that we stand at a critical juncture. Malawi continues to confront complex housing challenges—amplified by rapid urbanization, economic pressures, and the growing impact of climate change. In response, this strategy represents more than continuity; it reflects our renewed ambition to scale our impact, deepen our partnerships, and drive systemic change within the housing ecosystem.

Our strategy is built on three foundational pillars: **Building More and Better Homes, Transforming Housing Systems, and Inspiring Action for Housing**. These pillars reflect our commitment to not only providing shelter but also addressing the underlying causes of housing inequality through policy influence, market-based solutions, and community empowerment. Our approach is holistic, sustainable, and inclusive—designed to create lasting change far beyond the households we serve directly.

This journey would not be possible without the unwavering dedication of our staff, volunteers, partners, and donors. We extend our sincere appreciation to the government, civil society, private sector collaborators, and the communities we work with. Your support continues to fuel our mission.

I am confident that this Strategic Plan will serve as a transformative roadmap for HFH Malawi. Together, we will continue building a future where every Malawian can live with dignity, security, and hope.

Emmanuel Banda

Interim-Chairperson of the Board of Trustees
Habitat for Humanity Malawi

REMARKS FROM THE NATIONAL DIRECTOR

It is with deep gratitude and renewed purpose that I present Habitat for Humanity Malawi's Strategic Plan for the period 2025 to 2030. This plan emerges at a defining moment in Malawi's development journey—when our communities continue to grapple with housing deficits, climate shocks, economic vulnerability, and social inequalities that demand urgent and transformative responses.

The strategic plan builds on Habitat for Humanity Malawi's nearly four decades of commitment to ensuring that everyone has a decent place to live. In this next chapter, we reaffirm our dedication to working alongside communities, government, civil society, and the private sector to advance adequate, affordable, and climate-resilient housing for all, particularly the most vulnerable among us.

Grounded in the realities of Malawi's housing ecosystem and informed by rigorous analysis and stakeholder consultation, this plan outlines a bold and inclusive path forward. We will focus our efforts on three strategic pillars: **building more and better homes, transforming housing systems, and inspiring action for housing**. We will also invest in strengthening our internal capabilities and mobilizing the resources required to deliver sustainable impact at scale.

This strategy is more than a roadmap—it is a call to action. It reflects our collective belief that housing is foundational to human dignity, health, and opportunity. By 2030, we aim to support over 2 million Malawians through improved housing, better access to water and sanitation, policy influence, and volunteer engagement. Our vision is ambitious, but it is achievable with faith, partnership, and innovation.

I invite all our partners, stakeholders, and communities to journey with us over the next five years as we build hope, strength, and stability—one home and one family at a time.

Victor Chambayika Mhango

National Director
Habitat for Humanity Malawi

ACKNOWLEDGMENTS

Habitat for Humanity Malawi extends its deepest gratitude to all those who contributed to the development of this Strategic Plan (2025–2030). We sincerely thank the Government of Malawi, particularly the relevant Ministries, Departments, and Agencies, for their invaluable guidance, policy insights, and continued collaboration throughout this process.

Our heartfelt appreciation goes to our donors and development partners for their unwavering financial and technical support, which enables us to pursue our mission of transforming lives through affordable housing. Your generosity and commitment to our cause have made a significant impact on the communities we serve. We also acknowledge our local and international partners, civil society organizations, and the private sector for their shared commitment to improving housing conditions in Malawi. Together, we can address the pressing challenges faced by our communities.

Special thanks are due to the dedicated staff, management, and Board of Trustees of Habitat for Humanity Malawi, whose expertise and unwavering dedication shaped this comprehensive plan. Your tireless efforts and innovative ideas have been instrumental in crafting a strategy that is both ambitious and achievable. We also recognize the communities, volunteers, and beneficiaries who generously shared their experiences and aspirations with us. Your insights and feedback are invaluable, and they have helped to ensure that this plan is grounded in the real needs of those we serve.

Your collective efforts and partnership are the foundation of this strategy and our journey toward a Malawi where everyone has a decent place to live. We are excited about the future and look forward to working together to make this vision a reality for all Malawians. Thank you for being an essential part of this important mission.

ABBREVIATIONS AND ACRONYMS

AU	African Union
BEEM	Build on, Eliminate, Exploit, Mitigate
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung
CLTS	Community-Led Total Sanitation
CRM	Complaints Response Mechanism
CSOs	Civil Society Organizations
DR3	Disaster Risk Reduction and Response
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
ERP	Enterprise Resource Planning
FDH Bank	First Discount House Bank
GDP	Gross Domestic Product
HFHI	Habitat for Humanity International
HFHM	Habitat for Humanity Malawi
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome
IKC	Integrated Knowledge Centre
IMF	International Monetary Fund
JMP	Joint Monitoring Programme
MDA	Ministries, Departments, and Agencies
MEAL	Monitoring, Evaluation, Accountability, and Learning
MUBAS	Malawi University of Business and Applied Sciences
NCIC	National Construction Industry Council
NGO	Non-Governmental Organization
NDC	Nationally Determined Contribution
NUP	National Urban Policy
NSHS	National Sanitation and Hygiene Strategy
NSO	National Statistical Office
OD	Open Defecation
ODF	Open Defecation Free
OVG	Orphans and Vulnerable Groups
PASSA	Participatory Approach for Safe Shelter Awareness
P & CE	Partnerships and Community Engagement
PESTLE	Political, Economic, Social, Technological, Legal, and Environmental
PPP	Public-Private Partnership
PWD	Persons with Disabilities
SDG	Sustainable Development Goal
SMS	Short Message Service
SP	Strategic Plan
SSB	Stabilized Soil Block
SADC	Southern African Development Community
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TCIS	Terwilliger Centre for Innovation in Shelter
TEVETA	Technical, Entrepreneurial and Vocational Education and Training Authority
TV	Television
UN	United Nations
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
US$	United States Dollar
VSLA	Village Savings and Loans Association
WASH	Water, Sanitation, and Hygiene
WHO	World Health Organization

EXECUTIVE SUMMARY

Habitat for Humanity Malawi (HFHM) launches its Strategic Plan 2025–2030 amid mounting social, economic, and environmental challenges. The plan emerges as Malawi recovers from the devastating impacts of the COVID-19 pandemic, rising inflation, foreign exchange shortages, and recurring disasters such as Cyclone Freddy (2023) and a nationwide cholera outbreak (2022–2023) that claimed over 1,700 lives.

Malawi faces natural and human-made disasters that include floods, droughts, stormy rains, strong winds, hailstorms, landslides, earthquakes, pest infestations, disease outbreaks, fire, and accidents[1]. With climate change, population growth, urbanization, and environmental degradation, the frequency of these disasters has exponentially increased in recent years. For instance, Malawi has experienced climate change and climate variability in the last decades, which has contributed to various devastating climate shocks that have increased in frequency in the previous few decades. Most notable shocks include erratic rainfall, droughts, prolonged dry spells, and strong winds.

Malawi is particularly vulnerable to climate change because of its heavy reliance on rain-fed agriculture. The severity of the impact, of course, depends on the extent of adaptation and socio-economic pathways.

Disasters disrupt people's livelihoods, endanger human and food security, damage infrastructure, and hinder socio-economic growth and development. Also, disasters increase the poverty of rural and urban households and erode the ability of the national economy to invest in key social sectors, such as health which are important to reducing poverty.

The government has set up a policy, legal, and institutional framework to respond to disasters. For example, the government has put in place relevant policies, including the National Disaster Risk Management Policy and policies that address climate change, such as the National Environmental Policy (NEP), National Resilience Strategy 2018-2030, and a conducive legal framework in the Disaster Risk Management Act. The government has set up the Department of Disaster Risk Management (DoDMA).

The government has prioritized preparedness as the first step for a shock-responsive Disaster Risk Management (DRM) structure to safeguard the development gains in a country, achieve steady state economic growth, minimize expenditure on relief and recovery, and build resilience in the face of climate change. To do this, the Government has put in place a robust Policy, Legal, and Institutional Framework. Its institutional framework comprises both Ministries, Departments, Agencies (MDAs) of Government and Non-State Actors, including Civil Society Organizations.
Furthermore, housing remains a major problem in Malawi, with over half of existing housing units considered substandard. These conditions underscore the urgent need for safe, affordable, and resilient housing, especially for Malawi's most vulnerable populations.

HFHM's new strategy is grounded in a participatory and evidence-based approach. It draws from an extensive contextual scan drawing from global, regional, and national blueprints that include the United Nations Sustainable Development Goals (SDGs), the New Urban Agenda, the African Union's Agenda 2063, Malawi's Vision 2063, the National Housing Policy, the National Urban Policy (2019), the Land Act (2016) and the National Sanitation Policy. A comprehensive Housing Ecosystem Analysis, SWOT and PESTLE assessments, and consultations with staff, management, board members, government

1 Climate Knowledge Portal, World Bank

agencies, civil society, and community members were conducted to embed evidence and contextual relevance within the Strategic Plan. Further, the Strategic Plan is fully aligned with *Habitat for Humanity International's Global 50 for 50 Strategy (2025–2027)*, which provides a global framework for building homes, transforming housing systems, and inspiring action. The strategy adopts three programmatic focus areas—**Build More and Better Homes, Transform Housing Systems, and Inspire Action for Housing**—and two operational focus areas—**Develop Key Capabilities and Fund the Mission**. Faith remains the foundational value underpinning all actions.

Strategic Priorities

1. **Build More and Better Homes**
   HFHM will directly improve housing conditions for **12,000 people** through new construction (800 homes), repairs and upgrades (1,600 homes), upgrading of informal settlements (3 settlements), and training of 7,200 artisans. Over 22,500 people will gain access to clean and affordable water, while 7,600 will benefit from safe sanitation facilities. HFHM will also implement disaster preparedness initiatives in five high-risk districts and expand access to solar energy and climate-smart agriculture.

2. **Transform Housing Systems**
   HFHM aims to enhance housing market performance for **1 million Malawians** and contribute to policy changes that expand access to quality, affordable housing **for 2 million people**. Key activities include facilitating partnerships with financial institutions, conducting market research, establishing housing savings groups, and advocating for regulatory reforms and incentives that support housing affordability.

3. **Inspire Action for Housing**
   HFHM will mobilize **25,000 people** to champion housing advocacy and volunteerism. By expanding global and local volunteer initiatives, strategic partnerships with vocational institutions and private sector actors, and national campaigns, the organization will strengthen community ownership and multisectoral engagement on housing issues.

4. **Develop Key Capabilities**
   The organization will strengthen internal systems by implementing an Enterprise Resource Planning (ERP) system, restructuring governance bodies, reviewing core policies, and developing a strategy-aligned organizational structure. Staff development, a refreshed HR strategy, and a stronger brand identity will position HFHM to operate efficiently and grow its impact.

5. **Fund the Mission**
   To ensure sustainable financing, HFHM will pursue diversified fundraising strategies, strengthen donor relations, and expand its social enterprise operations. This includes growing transformational gifts, engaging bilateral and multilateral donors, and activating local and international partnerships.

Investment and Implementation

It is projected that the implementation of the SP will cost MWK 44.7 billion (USD 25.5 million) for the five years (excluding operational overheads). The largest allocation (63%) of the 2025-2030 Strategic Plan Budget will be towards the core Strategic Focus Area 1: Build More and Better Homes at MWK 82.1billion. Developing Key Capabilities is estimated to use MKW 11.5 billion (25.8% of the total budget for the 5 years). Transform Housing Systems, Inspire Action for Housing, and Fund the Mission will take MKW 1.5 billion (3.3%), MKW 3.3 billion (7.3%), and MKW 205 million (0.5%), respectively, of the total budget for the five years. Implementation will be guided by a detailed results framework, robust monitoring and evaluation mechanisms, and a risk management plan to ensure adaptability and resilience.

Vision for 2030

HFHM envisions "a Malawi where everyone has a decent place to live." This is based on the theory that "if affordable, sustainable, and quality housing solutions are developed and are accessible and if there is inclusive public, private, and sector participation, an enabling policy environment, and communities are empowered, then households will have access to adequate housing and improved living conditions."

1.0 Introduction

1.1 BACKGROUND

Malawi envisions "an inclusively wealthy and self-reliant industrialized upper-middle-income country" by 2063 as articulated in its long-term development blueprint, Malawi Vision 2063. Among the blueprint's key aspirations are world-class urban centres and tourism hubs across the country where socio-economic amenities necessary for a high quality of life are readily available.

Aligned with this national ambition, Habitat for Humanity Malawi (HFHM) envisions a Malawi where everyone has a decent place to live. Since 1986, HFHM has worked to improve housing conditions for low-income and vulnerable households through the provision of safe, affordable, and disaster-resilient housing, as well as access to water, sanitation, and secure tenure. Its work contributes to the realization of both Malawi Vision 2063 and global commitments such as the United Nations Sustainable Development Goals (SDGs), including Goal 1: No poverty, Goal 3: Good health and well-being, Goal 4: Gender equality, Goal 6: Clean water and sanitation, Goal 7: Affordable and clean energy, and Goal 11: Sustainable cities and communities directly connect to the housing agenda. SDG 17: Partnerships for the goals capture the multi-sectoral and multi-stakeholder approach necessary for sustainable solutions to the housing challenge.

Malawi continues to face a growing housing deficit, with more than 21,000 new housing units needed annually to meet demand. The effects of climate change, limited access to housing finance, and inadequate infrastructure in rural and urban settlements compound this challenge. HFHM's programs respond to these realities by supporting communities through integrated housing solutions, promoting community resilience, advancing policy and systems change, and strengthening collaboration with government and development partners.

This Strategic Plan outlines HFHM's priorities for the 2025-2030 period, building on past experiences and setting a clear roadmap to deepen impact, enhance local ownership, and contribute meaningfully to Malawi's sustainable development agenda.

HFHM Journey to date

The Habitat for Humanity Malawi (HFHM) was established in 1986 as a country program affiliated with Habitat for Humanity International (HFHI), a global nonprofit organization dedicated to eliminating substandard housing and homelessness. HFHI's inception dates to 1976 and has, over the years, empowered more than 39 million people worldwide to achieve strength, stability, and self-reliance through safe and affordable housing in over 70 countries. The vision of HFHI and by extension HFHM of "a world where everyone has a decent place to live" is well-aligned to a compelling global and local need. At the global level, Habitat for Humanity International (HFHI), the 50-50 Strategy has three (3) key pillars as outlined in Figure 1:

Figure 1: 50 for 50 strategy (Source: Habitat for Humanity International's FY25-27 Strategic Plan)

These broad pillars inform the country strategies and the strategic interventions, activities, and targets under each in a manner contextualized to each country's unique situation.

Since its establishment in 1986, HFHM has supported over 133,600 individuals in securing safe and sustainable housing. Initially, HFHM was focused on housing provision, and it began its operations by supporting families through house construction using a community-based, sweat-equity model in which homeowners contributed their labor alongside local volunteers. Early program areas included the southern districts of Mulanje and Phalombe, later expanding to Lilongwe and other parts of the country. In response to Malawi's evolving socio-economic and environmental context, including rapid population growth, natural disasters, and increasing urbanization, HFHM broadened its scope to incorporate an integrated human settlement approach. The organization now works across the following core areas:

- **Vulnerable Group Housing: Housing support for orphans and vulnerable groups:** Through the VGH program, HFH Malawi provides houses and sanitation facilities to orphans and other vulnerable groups, including persons with disabilities, in rural communities of Malawi. The program also offers complementary services such as malaria and HIV prevention, as well as property rights training to the targeted households. This project directly contributes to the achievement of the Vulnerable Group Housing Program. It aligns with Goal 11 of the Sustainable Development Goals (SDGs), which aims to ensure that human settlements are inclusive, safe, resilient, and sustainable. The thematic area emphasizes the need for accessible infrastructure that accommodates the diverse needs of community members, including those with disabilities. It also resonates with SDG 10 by focusing on reducing inequality, specifically by promoting non-discrimination and equal opportunities. To date, we have supported over 7,638 households.

- **Disaster Risk Reduction and Response (DR3)**, Habitat for Humanity Malawi's Disaster Risk Reduction and Response (DRRR) program is a strategic initiative that seeks to strengthen the resilience of vulnerable communities to climate-related shocks by prioritizing preparedness, risk mitigation, and sustainable recovery. Recognizing that disasters such as floods, droughts, and storms increasingly threaten lives and shelter security in Malawi, the DRRR program emphasizes community engagement, capacity building, and advocacy for safer construction practices. The program is grounded in the belief that safe, durable housing plays a critical role in reducing disaster risk and supporting long-term development. Through multi-sectoral collaboration with government institutions, local authorities, and humanitarian partners, HFHM integrates disaster-resilient approaches into its shelter solutions, empowering affected populations to rebuild stronger and safer homes while fostering local ownership and sustainability.

- **WASH (Water, Sanitation and Hygiene):** HFH Malawi helps improve the health and well-being of informal settlement residents and rural communities through constructing user-friendly, sustainable water, sanitation, and hygiene, or WASH, facilities. HFH Malawi builds communities' capacity to manage the WASH structures and conduct hygiene and sanitation campaigns to raise awareness. To date, 32,870 households have been served through our WASH interventions.

- **Policy influence and advocacy:** HFH Malawi advocates for increasing access to land and housing and promotes policies and systems that increase access to decent houses by vulnerable and low-income groups in Malawi. The organization advocates greater access to land and housing. HFH Malawi also promotes policies that increase access to decent housing for vulnerable groups and low-income families, including the enactment of the National Urban Policy and security of land tenure.

- **Housing Support Services:** Housing Support Services (HSS) aims to offer technical assistance to individuals who are obtaining home improvement loans from other organizations. HFHM is working in partnership with Select Financial Services.

HFHM's work has been shaped by key partnerships with the Malawi Government, donor agencies, faith-based organizations, private sector actors, and local communities. The organization has implemented projects across the country, with current projects in Mulanje, Zomba, Blantyre, and Thyolo in the southern region, Lilongwe and Dedza in the central region, and Mzuzu in the north. HFHM is directly supporting thousands of families with improved housing and integrated services.

The following is a timeline of significant moments in the journey of HFHM:

1986 – Inception: HFHM is established as part of the global Habitat for Humanity network.
1990s – Expansion of Housing Projects: Community-driven housing initiatives launched in southern Malawi; families contribute “sweat equity” to build homes.
2005 – Launch of Orphans and Vulnerable Groups (OVG) Housing Support Program: Providing secure housing and basic services for children orphaned by HIV/AIDS and other vulnerable populations.
2011 – Response to Natural Disasters: HFHM supports households affected by flooding with temporary and permanent shelter solutions.
2013 – Launch of Three House Strategy, incorporating household latrines, hygiene education, and clean water access.
2015 – Adoption of the DR3 Framework: Disaster Risk Reduction and Response formally became a strategic pillar following recurrent climate shocks such as Cyclone Chedza and subsequent floods.
2018 – Advocacy and Policy Engagement: HFHM steps into policy influence, working with government and partners to advocate for policies and systems that improve access to decent housing
2020 – COVID-19 Response: Construction of hand washing stations, provision of hygiene materials, and awareness campaigns in communities and schools.
2022 – Scaling of Climate-Resilient Housing Models: HFHM begins piloting low-carbon, disaster-resilient housing structures in high-risk areas.
2025 – Development of the new Country Strategy and supporting the **regularization of informal settlements in Area 27 in 2025.** In addition, HFHM is supporting the development of the **National Slum Upgrading and Prevention Strategy**.

1.2 METHODOLOGY USED FOR THE DEVELOPMENT OF THE SP (2025-2030)

The development of this SP involved a participatory process that entailed stakeholders’ mapping and engagement with partner organizations. Desk reviews of existing literature were conducted to understand HFHM’s operating context, strengths, weaknesses, opportunities, threats (SWOT), and political, economic, social/cultural, technological, legal/regulatory, and environmental factors (PESTLE). Stakeholders were identified and engaged. The stakeholders included all HFHM staff who were engaged in a 1-day workshop and an online survey, and Government Ministries, Departments, and Agencies (MDAs), civil society organizations (CSOs), and beneficiaries through physical and online Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs). The findings from desk reviews and stakeholders’ engagement were consolidated into a Housing Ecosystem Analysis (HEA) Report.

Further consultations with the management team, the HFHM SP Task Team, the Board, the HFH Area office, and other relevant stakeholders were conducted to generate inputs, which culminated in a first draft of the Strategic Plan. The first draft was reviewed and later validated into a final SP (2025-2030). Annex 1 presents a tabular summary of the methodology used in developing the HFHM SP (2025-2030).

2.0 Situation Analysis

The development of the HFHM's SP (2025-2030) entailed a detailed Housing Ecosystem Analysis that provided contextual information regarding Malawi's political, economic, social, technological, legal, and regulatory and environmental insights and their interplay with the HFHM's goal of a decent home for all Malawians. The global, regional, and sub-regional have also been analyzed. The Strengths, Weaknesses, Opportunities and Threats (SWOT) and the Political, Economic, Social, Technological, Legal and Environmental (PESTLE) factors tools have been used to analyze HFHM's operating context further.

2.1 GENERAL CONTEXTUAL ANALYSIS

Global Context

The UN-Habitat[2] estimates that 40% of the world's population will need access to adequate housing. This is an estimated 3 billion people. While 25% of the world's population live in conditions that are harmful and detrimental to their health, safety, and prosperity, 100 million people around the globe are homeless. The need for affordable and accessible housing is dire, with an estimated daily demand of 96,000 new housing units. It is worth noting that adequate housing is a human right enshrined in international human rights law. The UN-Habitat notes that failure "to recognize, protect, and fulfil the Right to Adequate Housing results in the violation of a plethora of fundamental rights including the Right to Work, Education, Health, and Security". This is because access to housing undergirds the propensity to access employment, education, health, and other critical social services. Provision of affordable, accessible, safe, and adequate housing, therefore, ought to be an imperative to governments all over the world while implementing their policies, including the sustainable development of both rural and urban areas.

The United Nations Committee on Economic, Social and Cultural Rights[3] has underlined that the right to adequate housing is broader than merely a roof over one's head and that it should be interpreted as the right to live in security, peace, and dignity. The right encompasses freedoms such as (a) protection against forced evictions and the arbitrary destruction and demolition of one's home; (b) the right to be free from arbitrary interference with one's home, privacy, and family; (c) the right to choose one's residence, to determine where to live, and to freedom of movement. For housing to be adequate, it must, at a minimum, meet the following criteria:

a. Security of tenure, hence a guarantee of legal protection against forced evictions, harassment, and other threats.

b. Availability of services, materials, facilities, and infrastructure: These include safe drinking water, adequate sanitation, energy for cooking, heating, lighting, food storage, and refuse disposal.

c. Affordability: Its cost should not threaten or compromise the enjoyment of other human rights by the occupants.

d. Habitability: It should guarantee physical safety or provide adequate space, as well as protection against the vagaries of weather such as cold, damp, heat, rain, wind, and other threats to health and structural hazards.

e. Accessibility: It should take the specific needs of disadvantaged and marginalized groups into account.

2 Housing (UN-Habitat)
3 The Right to Adequate Housing

f. Location: It should allow reasonable access to employment opportunities, health-care services, schools, childcare centres and other social facilities, and should be in areas free of pollution or dangers.

g. Cultural adequacy: It should respect and consider cultural identity and its expression.

The centrality of housing is demonstrated by its emphasis in the global frameworks including:

- **United Nations' Sustainable Development Goals (SDGs)**[4] - SDG 1: No poverty, 3: Good health and well-being, 4: Gender equality, 6: Clean water and sanitation, 7: Affordable and clean energy, and 11: Sustainable cities and communities directly connect to the housing agenda. SDG 17: Partnerships for the goals capture the multi-sectoral and multi-stakeholders' approach necessary for sustainable solutions to the housing challenge.

- **New Urban Agenda**[5] which promotes inclusive urban planning, sustainable housing, and integrated infrastructure development.

- **Paris Agreement**[6] which emphasizes the need for countries to implement climate-adaptation measures and actions to reduce their greenhouse gas emissions and build resilience to adapt to the impacts of climate change. This is especially relevant to Malawi due to its vulnerability to floods, cyclones and other climate-related shocks hence the need for resilient housing and disaster management readiness.

- **World Bank and IMF Policies** which Influence national housing strategies through loans, technical assistance, and financial incentives, shaping housing investment and affordability initiatives.

Regional Context

The African Union (AU) Agenda 2063[7]'s Aspiration 1 envisages "A prosperous Africa based on inclusive growth and sustainable development" where Goal 1 is "a high standard of living, quality of life and well-being for all ending poverty, inequalities of income and opportunity; job creation, especially addressing youth unemployment; facing up to the challenges of **rapid population growth and urbanization, improvement of habitats and access to basic necessities of life – water, sanitation, electricity; providing social security and protection".** The AU encourages member states to prioritize affordable housing and innovative financing mechanisms to tackle the continent's housing deficits.

Pillar 3 of the Southern African Development Community (SADC) Regional Indicative Strategic Development Plan (2020-2030)[8] recognizes the need for inter alia, **enhanced living conditions of the people through the promotion of sustainable cities in the region**, strengthened urban planning and management to build climate resilient cities and enhanced disaster risk management investments to facilitate climate adaptation and community resilience.

4 UN's SDGs
5 New Urban Agenda
6 Paris Agreement
7 Agenda 2063: The Africa We Want
8 SADC RISDP (2020-2030)

National Context

Socio-economic context

Malawi is a landlocked country in South-Eastern Africa with a population of approximately 20.3 million[9,10], and 4.1 million households[11] in 2023. Malawi had an annual population growth rate of 2.55% as of 2023[12]. 50.7% of the population lives below the poverty line ($2.15 per person per day[13]), where 56.8% of those living below the poverty line are female and 43.2% are male[14]. The age dependency ratio of Malawi is 78%[15] meaning that for every 100 people aged between 15-64, 78 people are below 15 and above 64 years old (dependent on the 100 who are working). An estimated 84% of Malawi's population lives in the rural areas, with their main economic activity being subsistence farming[16]. The urban population is growing at a rapid rate of 4.2-5% driven by population growth and rural-urban migration[17,18]. Malawi's Human Development Index (HDI) for 2022 was 0.508[19], placing it in the low human development category and ranking 172 out of 191 countries and territories.

Malawi's Gross Domestic Product (GDP) as of 2024 was estimated at $54 billion in Purchasing Power Parity (PPP) terms and US$10.844 billion in nominal terms, and an average GDP growth rate estimated at 1.5%[20]. With a population growth rate of 2.55%, the country's GDP per capita is declining, thus limiting the population's disposable income. Economic growth has been modest due to factors like climate shocks, exchange rate instability with the Kwacha registering a 25% and 44% devaluation in 2022 and 2023, high dependence on imports, high public debt accumulation (81.3% of GDP in 2023), and high inflation (32.7% in May 2024)[21]. Agriculture is considered the backbone of Malawi's economy, employing over 80% of the population[22] hence, adverse climatic shocks significantly affect most Malawians. 32% of Malawi's economy is considered informal.

The local governments enforce national policies and complement the central government through local programmes and activities, noting that the central government contributes to over 80% of the local government's annual budgets[23]. Table 1 shows some key statistics.

9 National Statistical Office of Malawi (March 2024)
10 World Bank (2023). Malawi data profile. https://data.worldbank.org/country/malawi
11 World Population Review
12 World Bank World Development Indicators (as at end of 2023)
13 Fact Sheet: An Adjustment to Global Poverty Lines
14 UNFPA.(2023)/Country programme document for Malawi
15 https://data.worldbank.org/indicator/SP.POP.DPND.OL?locations=MW
16 Centre for Affordable Housing Finance in Africa (CAHF) Yearbook 2024
17 World Bank (2023). Urban Population growth-Malawi (annual %).
18 City Population (2023)
19 https://hdr.undp.org/data-center/specific-country-data#/countries/MWI
20 https://www.worldeconomics.com/GDP/Malawi.aspx
21 CAHF Yearbook 2024
22 https://www.worldbank.org/en/country/malawi/overview
23 Guidebook (October 2013)

Table 1: Key Malawi Demographic Statistics

Statistic	Value	Source
Population	17.5 million	2018 Population and Housing Census Report
	2025 projections: 20.7 million	National Statistical Office (NSO) Malawi, 2025
	2030 projections: 24 million	UN World Population Prospects
Annual Population Growth Rate	2.9%	UNFPA.(2023)/Country programme document for Malawi.
Population living below the poverty line	50.7% By Gender: Female: 56.8%; Male: 43.2%	
Population by age	<15 years: 46% <35 years: 73%	Ministry of Finance and Economic Affairs. (2022). Annual Economic Report 2022. Malawi Government
Urban population/ Total population	2023: 20%	City Population (2023)
	2030 estimates: 7.2 million, i.e., 30% of the projected total population	Habitat III Malawi Statement at PrepCom3
Urbanization rate	>5%	City Population (2023)

Policies and regulations

There are several national policies and legislations that influence the housing ecosystem in Malawi, which include:

- **Malawi Vision 2063** - The nation's development blueprint envisions "An inclusively wealthy and self-reliant nation". Among the blueprint's key aspirations are world-class urban centres and tourism hubs across the country where socio-economic amenities necessary for a high quality of life are readily available. Malawi Vision 2063 aims to transform Malawi into an upper-middle-income country by 2063, with a per capita income of $4,000. An increase in per capita income would generally mean that more of the population would be able to afford decent housing as poverty levels decrease. Infrastructural development, as envisioned in the Vision, through the development of world-class urban centres and tourism hubs, will further increase access to basic services, create jobs, and further spur economic growth. The Vision also aims to increase industrialization, which may lead to lower costs, where construction materials are locally and affordably produced.

  While Vision 2063 presents many opportunities for the housing sector, there are many challenges that need to be surmounted for its success. Implementing Malawi Vision 2063 requires significant funding, which can be a challenge in resource-constrained settings like Malawi. Malawi's urban areas often lack adequate infrastructure, including roads, water, and sanitation facilities, making it difficult to develop world-class urban centres and tourism hubs. Existing policies and regulations may hinder the development of industries, tourism, and infrastructure, requiring policy reforms to support the vision's aspirations. Malawi's workforce may require training and development to support the vision's goals, particularly in areas like industrialization, tourism, and infrastructure development. These gaps require concerted efforts among stakeholders for the Vision 2063 to realize the envisaged benefits regarding the provision of decent and affordable housing.

- **The National Housing Policy** - Malawi's first National Housing Policy, ratified in 2000 and currently under review, initially focused on providing housing for public servants, public accommodation, and rural housing through the Department of Housing. It was later revised to broaden its scope to residential housing. The updated policy now aims to promote affordable and decent housing, support sustainable urban planning, enhance slum upgrading, and ensure disaster-resilient construction for improved housing quality.

  The policy provides a framework for delivering better housing at scale, guiding stakeholders on how to address housing challenges. The policy's focus on affordable and decent housing aligns with Habitat for Humanity Malawi's (HFHM) "Home Equals" approach, facilitating collaboration and support. The policy's emphasis on sustainable urban planning can lead to more efficient use of resources, reduced environmental impact, and improved quality of life.

  Despite several strengths presented by the National Housing Policy, the Department of Housing and other stakeholders may require training, capacity building, and institutional strengthening to effectively implement the policy. In addition, the existing policies and regulations may hinder the development of affordable housing, requiring policy reforms to support the National Housing Policy's aspirations. Further, there is a need to effectively structure and adequately provide resources for community engagement because the policy's success may depend on effective community engagement, participation, and education, which can be time-consuming and resource-intensive.

- **The National Urban Policy (NUP) of 2019**[24] - Malawi's National Urban Policy promotes coordinated urban development, rural-urban linkages, and sustainable infrastructure. It prioritizes affordable serviced land, housing for the urban poor, climate adaptation, and efficient delivery of water, energy, and sanitation services amid rapid urbanization. The policy presents opportunities for upgrading informal settlements and improving living conditions for thousands of urban residents. Further, by promoting rural-urban linkages, the policy can help stimulate economic growth and development in both rural and urban areas. In addition, the policy's focus on sustainable infrastructure can help reduce Malawi's environmental footprint and promote green growth.

  The implementation of the National Urban Policy of 2019 requires significant funding, which is a major challenge in resource-constrained settings like Malawi. The Institutional capacity for implementation of the policy needs to be strengthened, particularly at the local government level. There is a need to effectively engage the community and ensure their participation in the Policy's implementation: due to constraints on resources, including time, community engagement is a major gap in implementing the policy.

- **The National Sanitation Policy**[25] - The National Sanitation and Hygiene Strategy (NSHS) envisions a healthy and dignified environment for all Malawians by 2030. Its mission is to ensure accessible, affordable, and sustainable sanitation and hygiene services in rural and urban areas. Key targets include raising improved sanitation access to 75%, achieving 90% Open Defecation Free (ODF) coverage, increasing safe water access to 90%, and boosting hand washing with soap to 75% by 2030. The Ministry of Water and Sanitation also emphasizes coordination, financing, and advocacy for WASH. Relevant laws include the Land Act, Customary Land Act, Housing Corporation Act, Physical Planning Act, and Building Control Act.

24 National Urban Policy (April 2019)
25 National Sanitation Policy

- **The Land Act (2016)**[26] - The Land Act (2016, amended in 2022) governs land access in Malawi, aiming to address landlessness and enhance tenure security. Key reforms include limits on landholding, restrictions on sales to foreigners, and powers to reclaim idle land. Devolved land administration has improved access and aligned governance with international standards, strengthening rights for smallholders and women. The Land Act, 2016, provides an opportunity to strengthen tenure security for smallholders and women, promoting sustainable land use and reducing conflicts. The Act's provisions on devolved land administration and reclamation of idle land can increase access to land for marginalized groups and support agricultural development. The Land Act's alignment with international standards on land governance can attract foreign investment, promote sustainable development, and enhance Malawi's reputation.

  Effective implementation of the Land Act requires significant capacity building, institutional strengthening, and resources, which continues to be a challenge in Malawi's context. The Act's provisions on land reclamation and restrictions on sales to foreigners may lead to disputes and conflicts, requiring effective dispute resolution mechanisms. Limited awareness of the Land Act's provisions among smallholders, women, and other stakeholders hinders its effective implementation and impact.

- **Physical Planning Act of 2016 (amended in 2022)** - The Physical Planning Act (2016) provides a framework for zoning and orderly development across Malawi, now declared a national planning area. With rising urbanization and unplanned settlements, effective implementation and coordination are needed to promote planned development and support initiatives like slum upgrading.

  The declaration of the entire country as a planning area provides an opportunity to leverage this designation and promote integrated and coordinated development across Malawi. The Act's framework for zoning and orderly development can support initiatives like slum upgrading and promote more sustainable and equitable urban development. Effective implementation of the Act can enhance coordination among government agencies, local authorities, and stakeholders, reducing fragmentation and promoting more efficient development. Effective implementation of the Physical Planning Act requires significant capacity building among local authorities, planners, and other stakeholders, which can be a challenge in Malawi's context. Implementing the Act's provisions on zoning, planning, and development control may require significant resources, including funding, technology, and expertise. The success of the Act depends on effective community engagement and participation in planning processes, which can be time-consuming and resource-intensive.

- **The Local Government Act of 1998 (amended in 2017)**[27] - The Local Government Act empowers local authorities to promote development by setting construction and safety standards to ensure durable, disaster-resilient housing. They also oversee environmental health, sanitation, water services, and forestry within their jurisdiction. The Act's empowerment of local authorities can facilitate decentralized development, allowing local governments to respond to unique community needs and priorities. By overseeing environmental health, sanitation, water services, and forestry, local authorities can improve the quality of life for citizens and promote sustainable development. The Act's focus on setting construction and safety standards can help promote disaster-resilient housing, reducing the risk of damage and loss of life from natural disasters.

26 The Land Act (2016) amended in 2022
27 https://www.fao.org/faolex/results/details/en/c/LEX-FAOC138973/

Local authorities may require capacity building and training to effectively implement the Act's provisions and oversee development within their jurisdiction. Local authorities may face resource constraints, including limited funding, personnel, and equipment, which can hinder their ability to effectively implement the Act. Effective implementation of the Act requires coordination and collaboration among local authorities, central government, and other stakeholders, which can be challenging to achieve.

- **Water Policy** – The Water Policy in Malawi is guided by the revised National Water Policy which was updated in January 2022. This policy emphasizes the conservation, management, and utilization of water resources as a priority for the country's economic development and poverty reduction. Additionally, the policy aligns with the Malawi 2063 initiative which aims to enhance the country's water governance and sustainability.

  The revised National Water Policy provides an opportunity to strengthen water governance in Malawi, promoting transparency, accountability, and participation. The policy's emphasis on conservation, management, and utilization of water resources can help reduce water scarcity, improve water quality, and promote sustainable development. The policy's alignment with the Malawi 2063 initiative provides a framework for long-term water resources management, supporting the country's economic development and poverty reduction goals.

  The Water Policy poses several gaps: Effective implementation of the revised National Water Policy requires significant resources, including funding, personnel, and equipment, which can be a challenge in Malawi's context. In addition, the success of the policy depends on the capacity of institutions responsible for water resources management, which may require strengthening and capacity building. There is need to raise awareness among communities on the importance of water conservation, management, and utilization for the policy's effective implementation.

- **Disaster Risk Management Act** – This Act provides Malawi with a modern, comprehensive legal framework for disaster risk management. It is a multi-hazard, all-phases disaster law which establishes the institutional and financial architecture for Malawi's DRM system.

  The Act provides an opportunity to promote resilient housing, reducing the risk of damage and loss of life from natural disasters. The Act's comprehensive approach to disaster risk management can help reduce the impact of disasters on communities and promote sustainable development. The Act's establishment of institutional and financial architecture for Malawi's DRM system can help strengthen the country's capacity to prepare for and respond to disasters.

  The resourcing challenges including inadequate funding, human resource and equipment poses a critical challenge in the effective implementation of the Act. Awareness among communities of disaster risk management and the provisions of the Act is crucial for its effective implementation: awareness creation needs to be continuously intensified. The Act's success depends on effective coordination and collaboration among government agencies, local authorities, and other stakeholders, which can be challenging to achieve.

- **National Energy Policy** - The broad objectives of this Policy are: 1)) To strengthen the Electricity Supply Industry (ESI) and make it more efficient to support industrialization, rural transformation, sustainable economic development and wealth creation, as well as regional electricity trading; 2) To ensure adequate production and supply of petroleum and biofuels at affordable prices; 3) To ensure availability of LPG, **biogas and natural gas** in sufficient quantities at affordable prices for industrial and domestic use; 4) To promote a coal supply industry that is more efficient and competitive, and harnesses clean technologies that eliminate or greatly reduce harmful emissions; 5) To ensure biomass is sustainably used and carbon emissions are reduced through the use of energy efficient technologies; 6) To establish a vibrant, reliable, incentivized and sustainable private sector-driven Renewable Energy Technology industry; and 7) To promote energy programming, budgeting and monitoring that routinely address all aspects of social and economic development in energy programs and services.

Habitat for Humanity can address existing gaps in access amongst the low-income households by advocating for inclusive energy policies, promoting renewable energy technologies in shelter construction, supporting energy-efficient housing designs, empowering community-led energy initiatives, and pushing for policy reforms that prioritize energy access, affordability, and sustainability for low-income households and vulnerable communities.

Housing Demand in Malawi

Housing inadequacy in Malawi is a pressing challenge, with an estimated 58.9% of the 4.8 million housing units classified as substandard[28] and not climate resilient. A house is defined as substandard when it fails to meet the minimum requirements of the Housing Quality Standards (HQS) and the Minimum HFH Habitability criteria. The Centre for Affordable Housing in Africa report notes that 60% of the houses in the main urban centres are rented, while 30% of houses are owner-occupied[29] with 10% being houses used for commercial purposes. Malawi's housing demand is driven by rapid population growth and urban migration, leading to an increase in informal settlements and pressure on access to basic services like water, sanitation, and infrastructure. The country's population is increasing at an average annual rate of 2.9%, while urbanization accelerates at 4.3% per year, and the demand for housing continues to grow.

Using the 2018 baseline and applying NSO's intercensal population growth rate of 2.9% and the World Bank's urban growth estimate of 4.3%, national housing demand will grow from just under 4 million units in 2018 to approximately 6.8 million units by 2030. As such, Malawi requires approximately 21,000 new housing units annually to meet its annual housing demand[30]. Urban areas are expected to experience the steepest increase, with demand projected to more than double, from 536,950 units in 2018 to over 1.25 million by 2030, driven by rural–urban migration, economic shifts, and demographic changes. Rural housing demand will also expand, but will remain dominated by semi-permanent and traditional structures unless significant upgrading interventions are made, as shown in Table 2:

28 A house is also considered substandard if it lacks access to safe drinking water, a functional private toilet and bathing area, or a safe electrical system, and/or lacks a culturally appropriate design that is responsive to the community's needs, making it a priority for intervention. This includes deficiencies across several areas. For structural resilience, a home is considered substandard if it doesn't meet local structural codes, lacks a solid foundation, shows significant deterioration, or is built with materials that are not durable. The location is also a factor, as a house must be safely situated away from natural and man-made hazards and comply with local zoning codes. In terms of liveability conditions, a home is deemed substandard if it lacks accessibility features for people with different abilities, has insufficient living space (less than 3.5 square meters per person), or fails to provide adequate thermal comfort, air quality, or lighting.

29 Housing Finance in Malawi - Centre for Affordable Housing in Africa

30 https://www.habitat.org/sites/default/files/documents/Malawi_Country_profile.pdf

Table 2: Projected Housing Status up to 2030

Year	Area	Permanent	Semi-permanent	Traditional	Total Units	% Permanent	% Semi-permanent	% Traditional
2018	Rural	1,629,271	948,281	1,690,929	4,268,481	38%	22%	39%
	Urban	345,342	159,166	32,442	536,950	64%	29%	6%
2025	Rural	1,970,780	1,097,649	1,920,887	4,989,317	39%	22%	38%
	Urban	581,266	255,405	44,035	880,707	66%	29%	5%
2030	Rural	2,262,340	1,213,938	2,041,624	5,517,904	41%	22%	37%
	Urban	852,783	351,146	50,163	1,254,093	68%	28%	4%

Source: Data derived from projections based on the National Statistical Office (NSO, 2019) and the World Bank (2024)

The purchasing power for construction, purchasing or renting decent housing is low due to a push effect on cost of construction materials due to high inflation rates, unemployment and unequal distribution of incomes. Table 3 highlights some key statistics depicting the limited purchasing power for most of Malawi's population.

Table 3: Key housing demand-related statistics

<table>
<tr><th colspan="3">Key statistic</th><th>Source/Comments</th></tr>
<tr><td colspan="2">2024 Unemployment rate</td><td>20.4%</td><td>IITA</td></tr>
<tr><td rowspan="2">Workforce distribution by sector</td><td>Public</td><td>93%</td><td rowspan="2">Government of Malawi (2022). Report on Employment Statistics. November, 2022</td></tr>
<tr><td>Private</td><td>7%</td></tr>
<tr><td colspan="2">Average income of public servants (US$)</td><td>618</td><td>World Salaries (2024)</td></tr>
<tr><td rowspan="5">Average cost of a formal plot (450m²) in sampled areas (US$)</td><td>Lilongwe Area 43</td><td>17,319</td><td rowspan="7">Centre for Affordable Housing in Africa (CAHF): Africa Housing Finance (AHF) Yearbook 2024</td></tr>
<tr><td>Lilongwe Area 44</td><td>10,391</td></tr>
<tr><td>New Shire Area 49</td><td>5,196</td></tr>
<tr><td>Area 51/Dzenza</td><td>4,041</td></tr>
<tr><td>Peri-urban areas</td><td>477</td></tr>
<tr><td colspan="2">Average cost (US$) of informal plots (450m²)</td><td>242</td></tr>
<tr><td colspan="2">Average cost of the cheapest newly built 2-bedroom housing unit</td><td>10,391</td></tr>
<tr><td colspan="2">Average monthly rent (US$) for lower end urban markets[31]</td><td>10.5</td><td>Ablution facilities are shared, and the water source is a kiosk.</td></tr>
<tr><td colspan="2">Average cost of living (US$) – water, electricity, and housing (as of April 2024)</td><td>301</td><td>Centre for Social Concern (2024). Urban Basic Needs Data</td></tr>
</table>

With 50.7% of the population living below the poverty line (below US$2.15 per day or US$785 per year) and assuming that a person commits up to one third of his daily income to housing (up to USS$ 262), it means over 70% of the population have their annual income falling below the threshold of affording a formal plot and average mortgage of a newly built 2-bedroom housing unit while most of the population cannot afford the cost of an informal plot (US$242) with a third of their annual income. The cost of land ownership and construction of housing units would need to be lower for decent rentals in urban areas to be affordable for most of the population, given the low monthly income for most of them.

31 https://www.afdb.org/en/countries/southern-africa/malawi/malawi-economic-outlook

Housing Supply in Malawi

In 2018, Malawi had a total of 4,805,431 housing units against a population of 17,563,749 persons and 3,984,929 households. 85% and 12% of these housing units were owner-occupied and rented, respectively. 12% of the housing units (565,331) were in the Northern Region, while 44% (2,098,353) and 45% (2,141,747) were in the Central and Southern Regions, respectively. 58.9% of the 4.8 million housing units were classified as substandard and not climate resilient, with rural areas dominated by mud-walled and grass-thatched houses[32]. Table 4 shows the 2018 population, number of households, and total housing units by type and region.

Table 4: 2018 population, number of households, and total housing units by type and region

Population (2018 Census)		No. of Households (2018)	Total Housing Units (2018)			
			Permanent	Semi-permanent	Traditional	Total
Malawi	**17,563,749**	**3,984,929**	**1,974,613**	**1,107,447**	**1,723,371**	**4,805,431**
Northern	2,289,780	471,863	304,588	148,691	112,052	565,331
Central	7,523,340	1,713,490	704,277	463,829	930,247	2,098,353
Southern	7,750,629	1,799,576	965,748	494,927	681,072	2,141,747

Source: Statistical Yearbook 2023 (NSO)

Out of the 4.8 million housing units, 1.97 million (41.1%) are permanent, 1.1 million (23%) are semi-permanent, while 1.7 million (35.9%) are classified as traditional, indicating that the majority (over 50%) of the population lacks access to structurally stable and durable housing. As of 2018, the ratio of total housing units to the number of households is lowest in the Southern Region at 119%, highest in the Central Region at 122% while the national average was 121%. Projections indicate that, without significant policy and investment shifts, the composition of the housing stock will remain largely unchanged in quality terms. In rural areas, more than 59% of homes are expected to still be semi-permanent or traditional by 2030, perpetuating cycles of vulnerability to extreme weather, poor sanitation, and structural hazards. Urban areas, while relatively better in structural durability, will face intensified competition for land, escalating construction costs, and growing informal settlements as the supply of affordable housing lags behind demand. To meet the projected 2030 housing demand of 6.8 million units, supply will need to expand by approximately 2 million additional quality housing units, while also upgrading the existing substandard stock.

Apart from self-funded home construction, which continues to thrive among the middle and upper classes, due to unfavourable lending rates, the construction of affordable houses has been largely government-led. The private sector's participation in terms of the number of housing units it contributes has been minimal. As far back as 1980, the government implemented a Rural Housing Programme (RHP) whose goal was to motivate, encourage, and assist rural families to improve their housing conditions. By 1991, the RHP had benefitted 4,641 families and became a global success story[33]. In 2021, the government embarked on the construction of 10,000 houses for security and immigration officers near their duty stations in semi-rural and urban areas. By August 2023, a total of 1,023 units had been completed[34]. The government, through the Department of Housing, has also built an estimated 67 houses for persons with albinism over the past 5 years[35].

32 CAHF:AHF Yearbook 2023
33 https://unhabitat.org/sites/default/files/download-manager-files/Improving%20Rural%20Shelter%20In%20Developing%20Countries.pdf
34 CAHF:AHF Yearbook 2023
35 Interview with a representative from the Ministry of Lands on 19th March 2025

The Malawi Housing Corporation is constructing 250,000 housing units under a project named Project250, as an attempt to bridge the housing supply deficit. To illustrate the huge gap between the demand and supply of housing in Malawi, as an example of the huge demand for housing, there are approximately 20,000 house buyers, 15,000 plot applicants, and over 100,000 rental applicants, vis-à-vis 6,500 houses constructed by the Malawi Housing Corporation (MHC)[36].

Other key actors that have significantly contributed to the supply of affordable housing include Habitat for Humanity Malawi, Centre for Community Organization and Development (CCODE), Catholic Relief Services (CRS), and commercial banks which are implementing projects. HFHM through its various programmes on affordable housing construction and improvement, constructed over 1000 houses and improved 53 houses in 2020-2025. In addition, HFHM supported the regularization of informal settlements in Area 27 and is supporting the development of the National Slum Upgrading and Prevention Strategy in 2025.

There are about 500 housing units in Blantyre, 25 in Salima, 174 in Lilongwe, 25 in Kasungu, and 66 in Mzuzu that have been constructed or are at various levels of completion, by CCODE[37]. Private sector housing developers include Knight Frank, who mainly deal with commercial properties, Housing Investment and Development Co-operative (HIDCO)[38], which is using the co-operative model, and other real estate companies that sell plots for self-funded construction, especially around the urban and peri-urban areas. Due to the economic downturn, landlords and property managers are implementing rental increases of approximately 20-25% further worsening access to affordable and decent housing[39].

Based on the 2018 baseline, the decent housing deficit was at least 2.8 million units (semi-permanent and traditional). Projecting forward using the 2.9% annual population growth rate and applying rural–urban growth trends, the 2030 deficit is expected to reach approximately 3.9 million units. This includes about 1.25 million units of urban housing demand in 2030 (up from 536,950 in 2018), leaving an urban deficit of roughly 713,000 units, and a rural deficit of around 3.19 million units. These figures account for both replacement needs for substandard housing and the additional demand from population growth, noting that there have not been any significant and observable efforts to bridge the gaps for the last 7 years (by 2025).

Water, Sanitation, and Hygiene in Malawi

For housing to be considered adequate, access to potable water and adequate sanitation is crucial[40]. Although there has been a remarkable improvement in access and quality of WASH in Malawi, the cholera outbreak in 2022-2023, which was declared a public health emergency and affected all the 29 districts with over 59,000 cases and 1,772 deaths reported, underscored the country's vulnerability to WASH inadequacies, especially for poorly serviced informal settlements. Progress has been made in many aspects related to WASH, including a 20% reduction, from 1992 to 2018, in Open Defecation (OD) through concerted community-led total sanitation (CLTS) efforts across the country[41]. By 2021, over 138 traditional authorities were reported to have achieved ODF status[42]. In 2020, the government of Malawi estimated that 74% of the overall population, 91% of the urban population, and 71% of the rural population had access

36 Ministry of Lands (2024). Land Information Management System (LIMS).
37 Interview with an officer of CCODE on 19th March 2025
38 HIDCO
39 Knight Frank
40 Right to Adequate Housing
41 Hinton et al, 2023
42 Nzangaya, 2021

to basic drinking water. 46% of the overall population, 43% of the urban, and 46% of the rural population had access to basic sanitation, while 28% of the overall population, 50% of the urban, and 24% of the rural population had access to basic hygiene[43]. The goal across all three services is to reach 100% access by 2030, which is in line with the country's commitments to the Sustainable Development Goals (SDGs). The achievement of this goal necessitates significant investment in sanitation infrastructure.

HFHM has played a major role in Malawi's WASH context. Some of HFHM's interventions in the last 5 years (2020-2025) include the provision of 3 reticulated water systems, installation and rehabilitation of 92 water hand pumps, provision of potable water to 15,750 people, conducting community-led and school led total sanitation and hygiene promotions reaching 65,000 and 15,000 respectively[44].

Despite these achievements, significant gaps remain. Rural areas lag in all four areas of WASH, as represented in Table 4, and are below the national average, illustrating that the WASH challenge heavily affects the rural and urban informal settlement areas compared to the urban areas. Table 5 presents the urban-rural comparisons in key WASH aspects.

Table 5: WASH Access Rates in Urban vs. Rural Areas

Indicator	Urban	Rural	National
Households with access to basic drinking water	91%	71%	74%
Households with access to basic sanitation services	43%	46%	46%
Households with basic hygienic services	50%	24%	28%
Households practicing open defecation	1%	7%	6%

Source: Malawi Multi-Indicator Cluster Surveys 2019-2020 (NSO)

Housing Challenges in Malawi

Following the detailed discussion of the housing ecosystem in Malawi, including WASH, the technical challenges and some of the interventions that have been taken by HFHM and other stakeholders to address them are summarized in Table 6 based on the four program areas that guide Habitat for Humanity.

43 Malawi Multi-Indicator Cluster Surveys 2019-2020
44 Strategy 2025-2030 drafting workshop discussions (14-17 April 2025)

Table 6: Technical Area Challenges and interventions taken by HFHM and other stakeholders to address the challenges:

A: Affordability Decent housing is unaffordable for most Malawians. Among the key reasons are: • Poverty: With 61% of Malawi's population being multidimensionally poor and the country's 46% of the national income being held by 20% of the population, poverty becomes a major driver of housing unaffordability. Poverty underpins most of the challenges related to the provision of decent housing in Malawi, including the development of appropriate and affordable finance products targeted at decent housing and the affordability of construction materials necessary for decent and resilient housing. • High construction costs due to dependence on imported materials whose prices are subject to currency fluctuations. • High unemployment levels (20.4%). • Low household incomes limit (US$618 as the monthly average for a public servant). The target households for HFHM survive on US$2 per day. • High inflation levels push the prices of rentals, construction, and/or purchasing of houses. • Low access to affordable mortgages due to high interest rates, as well as low supply of customized housing loans for the most low-income populations[45]. *As discussed in Section 2.2.2, HFHM through its various programs on affordable housing construction and improvement (constructed over 1000 houses in 2020-202559), the Government of Malawi through various projects including the ongoing Project250 under the Malawi Housing Corporation, CCODE, CRS, and HIDCO are all making contributions towards bridging the gap.*
B: Habitability • Over 50% of houses in Malawi are substandard and not climate resilient. This is connected to poverty levels – most households have limited incomes such that they are unable to afford construction materials that are durable, strong and safe. The adoption of the available designs that would enhance habitability hence become impractical without addressing affordability concerns of most of the population. *HFHM has repaired and improved 53 houses for the period 2020-202559. In collaboration with government departments and civil society actors, HFHM has also supported the development of designs for decent housing. These designs can be easily accessible from Malawi's Department of Housing and other civil society organizations for free.*
C: Tenure security • Complex land tenure systems, including customary land arrangements, create barriers to land access (UN-Habitat, 2020). • With approximately 70% of Malawi's total land area being under the customary tenure, it is commonly passed down through families and managed by local chiefs. The process of formalizing can be time-consuming and complex hence creating barriers to formal ownership and development. • The land policy has failed to ensure equitable distribution of land, the key resource for inclusive growth and sustainable development, hence a negative net impact on income inequality in Malawi. The lack of complementary policies to enable the reconversion of leasehold to customary land upon the expiry of the lease agreement has resulted in the permanent loss of land for most smallholder farmers, which, coupled with population growth, has resulted in critical land constraints for most of them. With limited ability to adequately meet their food needs, most poor people in Malawi remain vulnerable to the increased volatility and prices of staple food[46], hence a vicious cycle of poverty which partly presents itself in deplorable housing conditions. *HFHM has supported the regularization of informal settlements in Area 27 and in 2025, it is supporting the development of the National Slum Upgrading and Prevention Strategy59.The government efforts in the last 5 years regarding tenure security have entailed the development and review of policies and laws including the National Water Policy, the National Urban Policy, the National Sanitation Policy, the amendments in the Land Act, the Physical Planning Act, among others.*

45 CAHF:AHF Yearbook 2023
46 Reducing inequality and poverty in Malawi: Policy analyses and options (United Nations, 2023)

D: Basic services

- Due to low-income, backyard rentals provide affordable accommodation in urban and high-density areas within proximity of the areas where these populations eke a livelihood. These backyard rentals are characterized by low access to sanitation, especially in informal settlements, due to inadequate implementation and enforcement of policies e.g. city zoning regulations which concentrate on formal settlements
- In some cases, there is lack of awareness on the importance of proper sanitation facilities, or the health risks associated with inadequate sanitation with both the landlords and the tenants.
- Inadequate road networks, water supply, and electricity connections especially in rural areas and informal settlements in the urban areas hinder housing development[47]. The high rate of urbanization and the expansion of the city boundaries has been happening faster than the authorities are able to plan for[48].

Some of HFHM's interventions in provision of basic services in the last 5 years (2020-2025) include the provision of 3 reticulated water systems, installation and rehabilitation of 92 water hand pumps, availing potable water to 15,750 people, conducting community-led and school led total sanitation and hygiene promotions reaching 65,000 and 15,000 respectively, and training 695 people on production of and use of energy-efficient cook-stoves and making and use of briquettes as an alternative source of energy[49]. HFHM has also started provision of solar lighting for partner families and to date, 8 families have been supported.

Summary of the Main Findings of the Housing Ecosystem Analysis

The following pertinent issues emerge from the Housing Ecosystem Analysis:

i. **Poverty is the biggest driver of housing inequalities in Malawi.** The poorer a person or household is, the higher their likelihood of being inadequately housed. The higher the level of income, the higher the access level to decent and affordable housing. It can therefore be concluded that more than 50% of the housing units in Malawi are substandard because of the high poverty levels (over 61% of Malawians being multi-dimensionally poor). The women, youth, and children, persons with disabilities, and the rural and urban informal settlement residents are major constituents in need of targeted affordable housing interventions due to their higher susceptibility to poverty.

ii. **The higher the level of informality, the higher the level of poverty and the lower the access to decent and affordable housing.** For example, most communities living in informal settlements lack piped water, sanitation, and wastewater systems, thus increasing their risk of waterborne diseases due to reliance on unsafe water sources and sanitation solutions. In addition, many Malawians live in rural areas and depend on rain-fed agriculture for subsistence farming (a level of informal employment), hence they lack a regular and stable source of income, making them unattractive to financial institutions that could facilitate them with credit to access decent and affordable housing.

iii. **There is limited research and innovation on affordable designs and construction materials, housing and WASH financing solutions, and sustainable housing-provision approaches that will work against a background of high levels of poverty among a higher proportion of the population.** For example, the importation of construction materials is not sustainable for most of Malawi's population; hence the need to develop durable and eco-friendly construction materials that are within what most of the population can afford.

iv. **There are limited housing finance solutions in Malawi.** There are few, if any, innovative housing finance solutions that target low-income populations. While several commercial banks and lending institutions have mortgage products, they are mostly accessible to public servants and those

47 Malawi Government: National Urban Policy (April 2019)
48 Interview with an officer in the Department of Urban Development (19th March 2025).
49 Strategy 2025-2030 drafting workshop discussions (14-17 April 2025)

in formal employment and/or regular sources of income[50]. With the average cost of the cheapest 40m2 newly built permanent house being US$10,391, the average monthly income of public servants being US$618, and the average monthly cost of living being US$301, it means that for 72% of the population living below US$2.15 per day, the average mortgage is not accessible[51,52]. Mortgage penetration is estimated to be around 1% of the population, with the low uptake being attributed to poverty, high interest rates, high unemployment, high levels of informal employment, high levels of inflation, and foreign currency shortages, which worsen the situation[53].

v. **The role of the government in both policy and implementation of catalytic housing interventions is critical.** The government needs to prioritize and allocate resources to rural and urban affordable housing interventions, adequately fund relevant institutions, and develop the required technical capacity to realize the affordable housing aspirations in its national development agenda. The provision of affordable housing in Malawi will not be successful if left to market forces alone. It has also been demonstrated that, rather than ameliorating the housing problems facing low-income households, the market approach to provision of housing in Malawi enforces capitalistic accumulation in the housing sector, supports exclusion based on economic stratification in the communities, and consequently worsens the housing situation in the country[54].

vi. **Climate change, mainly resulting in floods/cyclones, droughts, and strong winds, will remain a major factor that should be considered in the provision of affordable and decent housing.** Cyclone Jude, along with Cyclone Chido (2025), Cyclone Freddy (2023), Cyclone Anna (2022), and Cyclone Idai (2019), are just a few of the climate-triggered events that led to heavy rainfall, destruction of property and infrastructure, including housing, food insecurity due to destruction of crops, and deaths. Climate adaptation and mitigation measures should be integrated into policy and programming interventions.

vii. **There is urgent need for regular demand and supply-side data on the housing ecosystem.** The 2018 Population Census data is the most concrete demand-side data that is available; use of data that is almost 7 years' old may not help in effective planning for the sector as it is outdated. It is recommended that regular housing surveys or censuses are conducted for more current data.

50 Websites of FDH Financial Holdings, National Bank of Malawi, Wealthnet Finance PLC, Standard Bank Malawi, Select Africa, and First Capital Bank of Malawi
51 Centre for Affordable Housing in Africa (CAHF): Africa Housing Finance (AHF) Yearbook 2024
52 Centre for Social Concern (2024). Urban Basic Needs Data
53 Estimating the number of outstanding mortgages in Malawi (CAHF, 2020).
54 Zuka, S. (2024), "Market approach to provision of housing to low-income households in urban Malawi: a panacea or further dispossession?", International Journal of Housing Markets and Analysis

2.2 STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT) ANALYSIS

A SWOT analysis deepened the understanding of HFHM's operational context. The strategic implications derived using the SWOT analysis informed the strategic interventions that HFHM will implement, as detailed in the implementation matrix in Annex 5. Table 7 contains the consolidated SWOT analysis. The detailed SWOT analysis, including the strategic implications of each, is in Annex 2.

Table 7: SWOT analysis

Strengths	Weaknesses
• A leading NGO in housing, offering innovative, affordable, and resilient housing solutions, robust governance structures, a strong international and local brand, and a positive reputation. • Availability of physical assets, including land, a stabilized soil block (SSB) plant, and vocational training centres. • Strong partnerships with local corporates, beneficiary communities, government, and donors. • Adaptability and resilience, particularly in responding to disasters. • Dedicated, passionate, and committed staff. • A supportive and accessible management team. • Low staff turnover rate.	• Weak human resource strategy (inadequate staff capacity building initiatives, imbalanced workload, limited career progression, recognition, succession planning, and onboarding processes). • High donor dependency and absence of internal fundraising mechanisms • Slow procurement and finance systems delaying implementation. • Inadequate operational resources (e.g., laptops for field teams). • Weak programming: integration of livelihoods, DRR, and WASH; project scheduling, short-term vs. long-term projects; inadequate program implementation strategies. • Absence of digital monitoring and knowledge management tools, and weak accountability measures. • Limited media publicity and public engagement. • Minimal investment in research and evidence generation.
Opportunity	**Threats**
• SSB plant can increase project efficiency and align with NCIC standards. • Potential to sell sustainable construction materials as an income-generating activity. • Growing funding opportunities in WASH. • Potential partnerships with other housing NGOs, small local organizations, City Councils, and donors like USAID, World Bank, Innovation Africa, etc. • Local volunteer base and a youthful population. • Relationships built through policy influence to lead in bill/policy implementation. • Growing demand for decent housing. • Private sector interest in investing in decent housing. • Membership in the Habitat for Humanity International network.	• Political interference (e.g., politicization of developments, political capture) • Regulatory pressure (construction standards, NGO regulations, etc.) • Housing not prioritized in national policies (e.g., Malawi 2063) • Stringent match funding requirements by institutional donors • Rapid technological changes and rising material costs (e.g., 3D printing, low-cost substitutes) • Natural disasters (e.g., floods, cyclones) • High cost of housing units • Increased competition from other actors in the housing and development sectors • Unstable economic environment (e.g., currency devaluation) • Shifting donor focus and donor fatigue (some donors are less inclined to fund housing/infrastructure) • Globalization and geopolitical conflicts are affecting donor behaviour and resources • Socio-cultural influences (e.g., land tenure, gender dynamics) • Limited community participation and resistance to new housing ideas

2.3 PESTLE ANALYSIS

The operating context was further assessed using the political, economic, social, technological, legal and environmental factors' lens as summarized in Table 8.

Table 8: PESTLE analysis

Political	
1.	Political interference in development projects
2.	Politicization of housing sector policies
3.	Government prioritization of housing in national plans (e.g., Malawi 2063)
4.	Changing government regulations and policies affecting NGOs
5.	Public sector budget allocation for housing
6.	Political instability or shifts in power
Economic	
1.	Economic instability and inflation
2.	Currency devaluation (affecting international funding)
3.	Rising construction costs
4.	Availability of affordable financing for housing projects
5.	Unemployment and poverty rates
Social	
1.	Population growth and urbanization
2.	Increasing awareness of environmental sustainability
3.	High youth unemployment and migration
4.	Community participation and support for housing projects
Technological	
1.	Advancements in construction technology
2.	Digital tools for project management and monitoring
3.	Increased use of sustainable materials and green technologies
4.	Increased use of data analytics and AI in decision-making
Legal	
1.	Regulations on construction industry standards
2.	Land tenure and property rights laws
3.	NGO regulations and compliance requirements
4.	Local governance and zoning laws
Environmental	
1.	Climate change and extreme weather patterns
2.	Environmental sustainability regulations
3.	Availability of natural resources
4.	Urbanization and land use changes

2.4. EMERGING ISSUES TO BE ADDRESSED IN THE NEXT STRATEGIC PLAN

This section highlights key concerns identified during housing ecosystem analysis conducted to inform the development of Habitat for Humanity Malawi's new Strategic Plan. These emerging issues center around the following areas:

1. **Poverty and Housing Affordability**
   Approximately 61% of Malawi's population is multidimensionally poor. High construction costs, largely driven by dependence on imported materials, combined with a high unemployment rate (20.4%), low household incomes, and limited access to affordable mortgage financing due to high interest rates, severely constrain housing affordability. There is also a notable shortage of housing loan products tailored for low-income populations.

2. **Substandard and Non-Climate Resilient Housing**
   Poverty levels significantly influence the quality of housing. Many households cannot afford durable and safe construction materials, resulting in substandard homes that are highly vulnerable to climate-related risks.

3. **Complex Land Tenure Systems**
   Customary land arrangements often create barriers to land access and formalization, with lengthy and complex processes that delay or deter secure land tenure for housing development.

4. **Lack of and Inadequate Implementation of Enabling Policies**
   The absence of clear policies allowing for the reconversion of leasehold land to customary tenure upon lease expiry leads to permanent loss of land for original customary owners, limiting equitable land access. In addition, the implementation of the policies that would ensure access to decent housing is hindered by a lack of resources for implementation, inadequate human resource and technological capacity and low awareness on most policies by the communities.

5. **Inadequate Basic Services (Water, Sanitation, Hygiene, and Energy)**
   Many rural areas and informal settlements face significant shortages in water supply, sanitation facilities, and energy access – factors that directly hinder the development of adequate housing and sustainable communities.

3.0 STRATEGIC FRAMEWORK (2025-2030)

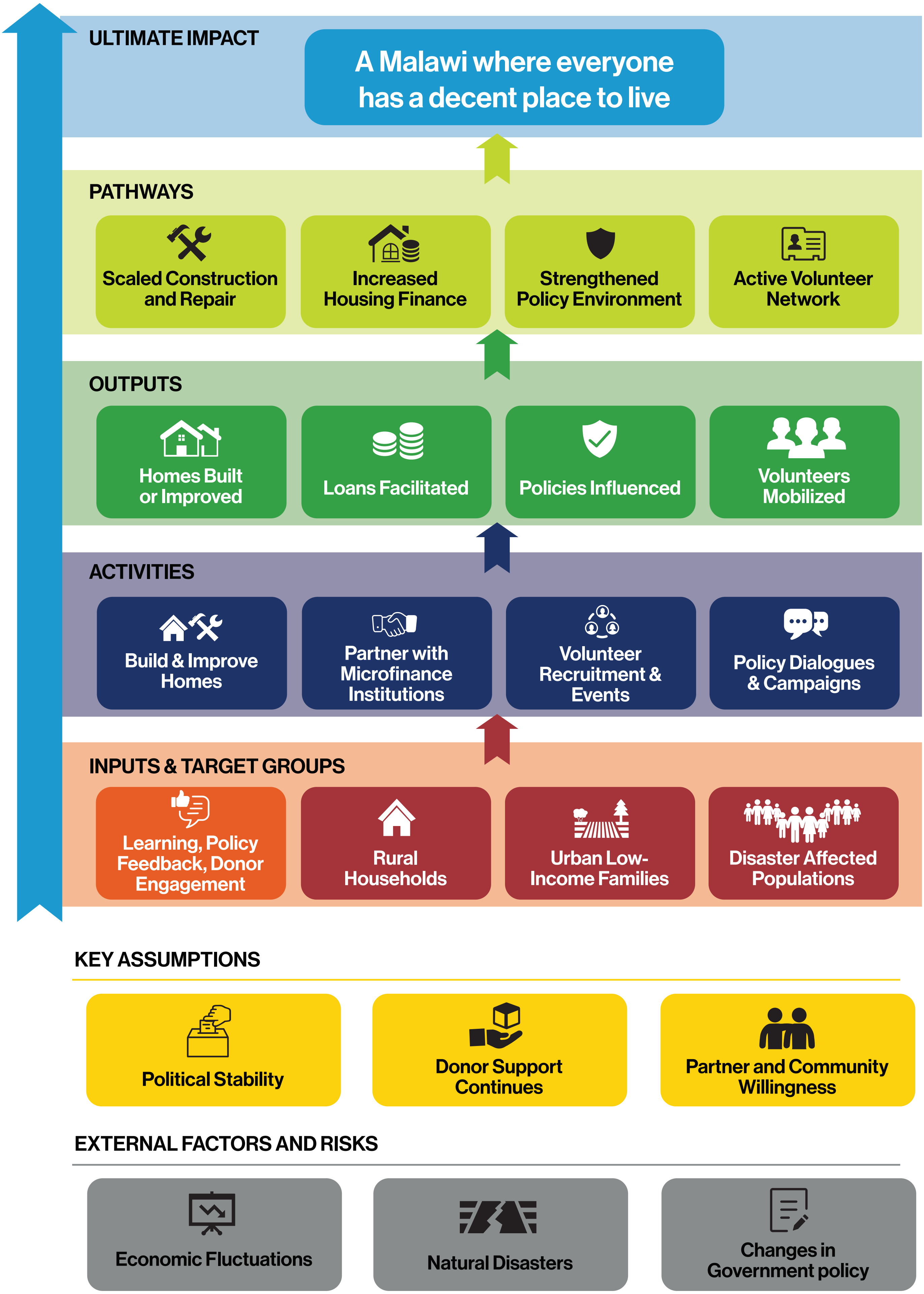
3.1. HABITAT FOR HUMANITY MALAWI STRATEGIC FRAMEWORK (2025-2030)

Malawi's Housing Ecosystem Analysis revealed critical issues in alignment with the HFH Global Strategy 50 for 50 (2025-2027). Malawi's contextual analysis further validated the need for each of the three strategic programmatic focus areas: "Build more and better homes", "Transform Housing Systems," and "Inspire Action for Housing," and the three operational focus areas. HFHM will have a balanced approach towards its interventions i.e. focusing its interventions on an equal basis to both rural and urban areas, noting that while there is a rapid rural-urban migration that increases the need for decent housing and access to basic services in the urban areas, the rural areas continue to be challenged by lack of infrastructure, high poverty levels and vulnerability to climate-triggered disasters. Consequently, Figure 3 shows HFHM's Strategic Framework for 2025-2030.

3.2. HABITAT FOR HUMANITY MALAWI - THEORY OF CHANGE (2025–2030)

HFHM's Theory of Change states as follows: "If affordable, sustainable and quality housing solutions are developed and are accessible and if there is inclusive public and private and sector participation, an enabling policy environment, and communities are empowered, then households will have access to adequate housing and improved living conditions". This Theory of Change articulates our strategic priorities for 2025–2030. It outlines the pathways through which the organization will contribute to achieving its vision: "A Malawi where everyone has a decent place to live." Figure 2 illustrates the theory of change for Habitat for Humanity Malawi's strategic plan.

Figure 2: HFHM Strategic Plan Theory of Change



HFHM Theory of Change Statement (2025–2030)

Habitat for Humanity Malawi believes that decent and affordable housing is not just about shelter—it is the foundation for health, dignity, resilience, and socio-economic opportunity. Malawi faces a severe housing deficit, with more than half of homes considered substandard, rapid urbanization creating unplanned settlements, and climate shocks further eroding already fragile livelihoods. Vulnerable households—especially women, children, persons with disabilities, and those living in poverty—are disproportionately affected by these conditions and require both direct housing support and systemic change.

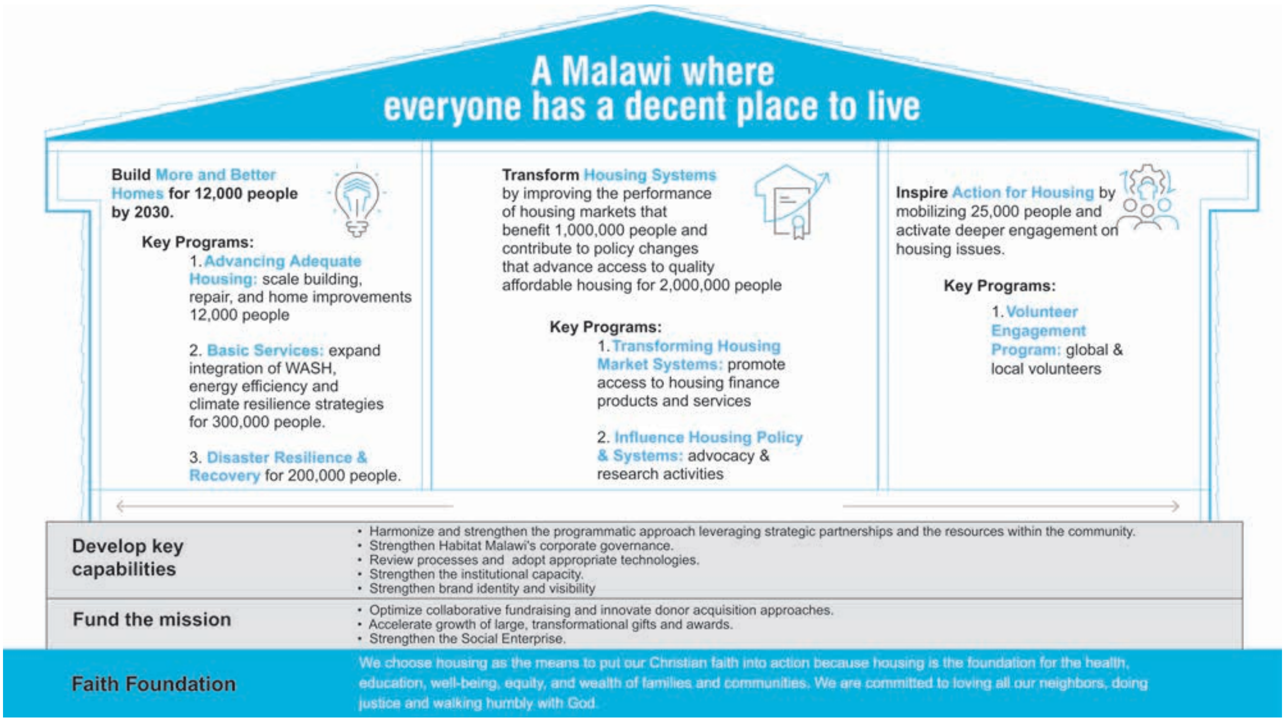
Our Theory of Change is anchored in the vision of *"a Malawi where everyone has a decent place to live."* It rests on the understanding that if affordable, sustainable, and quality housing solutions are developed and made accessible to low-income households, and if inclusive participation of communities, government, private sector, and civil society is fostered within an enabling policy and market environment, then Malawians will be able to secure adequate housing, safe water and sanitation, and resilient livelihoods.

Through three mutually reinforcing programmatic pillars—*Building More and Better Homes, Transforming Housing Systems, and Inspiring Action for Housing*—and supported by operational enablers such as stronger institutional capabilities and diversified financing, HFHM will generate tangible outputs: construction and upgrading of homes, expanded WASH facilities, artisan training, innovative financing models, and mobilized volunteerism. These outputs will lead to improved household living standards, enhanced resilience to climate shocks, broader access to affordable housing finance, stronger community voice, and policy reforms that prioritize inclusive housing. By 2030, HFHM's envisions that over 2 million Malawians will experience improved living conditions, strengthened resilience, and greater socio-economic opportunity through safe, affordable, and dignified housing solutions.

This Theory of Change is built on critical assumptions: that households will adopt affordable designs when accessible, that government and private actors will remain open to policy and market reforms, and that sustained partnerships will enable HFHM to leverage resources and influence at scale.

Our Theory of Change reflects both a service delivery and systems-change approach—delivering immediate improvements in shelter while catalyzing structural transformation in Malawi's housing ecosystem with a solid faith foundation.

Figure 3: HFHM Strategic Framework (2025-2030)



3.3. STRATEGIC FOCUS AREAS, STRATEGIC PRIORITIES, OUTCOMES, OUTPUTS, AND KEY ACTIVITIES

The strategic focus areas, as derived from the Global 50-for-50 Strategy, are divided into programmatic areas i.e. Build more and better homes, Transform Housing Systems and Inspire Action for Housing, and operational areas i.e. Develop key HFHM capabilities and Fund the mission.

3.3.1. Programmatic Focus Area 1: Build More and Better Homes - *Improving housing conditions for 25,000 people over the next 5 years through new construction and improvements.*

In 2025-2030, HFHM will increase access to decent housing for 12,000 people by building 800 new houses, repairing 1,600 houses, participating and collaborating in the upgrading of 3 slum areas and training 7,200 artisans in safe house construction techniques and linking the artisans to safe job sites. Of the 12,000 people who will benefit from new constructions and improvements of houses, 4,800 will be in the rural areas, while 7,200 will be in the urban areas. The other envisaged key results under this focus area include awareness creation on home improvement and repairs targeting 10,000 people, and 22,500 people having access to clean and affordable water through the establishment of solar-powered water reticulated systems, installation of new and repair of hand-pumps. HFHM will conduct sanitation marketing, community and school-led total sanitation and hygiene promotions, and construction and improvement of pit latrines. To increase resilience to climate change and disaster preparedness, five disaster-prone districts will be reached with Resilience Action Planning (CityRAP) interventions and supported with environmental conservation initiatives.

Table 9: Summary of Programmatic Area 1: Build More and Better Homes

PROGRAM	OUTCOMES	KEY RESULTS	KEY ACTIVITIES
Advancing adequate housing	Increased access to decent housing for 12,000 people	800 new houses built, including recovery homes covering 4,000 people	Construct new homes (400 recovery homes,200 GV, 200 other donors)
		1,600 houses repaired and improved, covering 8,000 people	Repair and improve 1,600 houses
		3 slums upgraded in 5 years	Promote and collaborate with other housing actors in planning for informal settlements
		7,200 artisans trained	Mobilize and train 7,200 artisans in safe housing construction techniques and link them to safe job sites
	Increased awareness on home improvement and repairs	10,000 people reached with housing repair awareness messages	Develop and circulate summarized brochures of key elements of a permanent house
Basic services	Increased access to safe and affordable water	22,500 people have access to clean and affordable water	Establish 3 solar-powered water reticulated systems.
			Rehabilitate 40 Afridev hand pumps
			Install 20 new Afridev handpumps
	Improved safely managed sanitation services	7,600 people have safely managed sanitation services	Conduct Sanitation Marketing
		1,000,000 people reached with good hygiene messages	Conduct CLTS and hygiene promotions
		500 lined pit latrines constructed	Construct 500 improved latrines
	Increased access to environmentally friendly energy solutions	5,000 people are trained in making energy cookstoves as an exploratory phase	Train 5,000 people on the production of energy-efficient cookstoves
		25,000 people are using energy-efficient cook stoves	Promote the adoption of efficient energy solutions
		Biogas use is explored in 1 rural community	1 biogas technology in 1 rural community
		1,000 people have access to energy-efficient lighting	Install 1000 solar home systems
		25,000 people trained in briquette making	Train 25,000 people in briquette making.
		Catchment management systems enhanced through the planting of 100,000 indigenous trees, and 5,000 farmers were trained in climate-smart agriculture	Engage in afforestation and reforestation efforts to enhance ecosystem resilience by planting 100,000 indigenous trees.
			Train 5,000 farmers in climate-smart agriculture
			5,000 Households have access to a solar energy home system

Disaster Preparedness, Resilience and Recovery	Increased resilience to climate change and future disasters	5 disaster-prone districts supported with environmental conservation initiatives	Conduct environmental conservation interventions in 5 disaster-prone districts to increase community resilience (Includes planting of 50,000 bamboo trees)
		5 disaster-prone councils supported with Early Warning systems	Install 5 improved Early warning systems in disaster-prone councils. (This includes capacity building on the use and maintenance of the EWS)
	Improved adaptive capacity to climate change and disaster preparedness.	Enhanced recovery for 1,000 people through the provision of transitional shelters and cash	Provide transitional shelters to 1,000 people
		200,000 people covered with disaster preparedness interventions (e.g., Contingency and Village Disaster Action Plans)	Support 5 district councils and communities in disaster preparedness through the development of Contingency and DRM plans
			Conduct a disaster simulation and implement community disaster preparedness activities
		1,500 people develop house improvement plans from unsafe to safe through youth and adult PASSA (Build Back Better)	Train 1,500 people on PASSA plus distribution of brochures
		75,000 Build Back Better (BBB) brochures are distributed	Distribute 75,000 BBB brochures
		1,000 people supported with livelihood recovery support	Implement livelihood interventions through vocational training and entrepreneurship to support 1,000 people.
		4 Cities in Malawi were supported with the construction of drainage networks as a preparedness activity	Construct drainage in 4 cities of Malawi

3.3.2 Programmatic Focus Area 2: Transform Housing Systems - *Contribute to the improvement in the performance of housing markets that benefit 1 million people and to policy changes that advance access to quality affordable housing for 2 million people*

Some of the key interventions that HFHM will implement to transform housing market systems include conducting research in partnership with entities like TCIS to identify gaps and opportunities for affordable housing products and services, establishing partnerships with financial service providers like microfinance institutions and commercial banks to increase access to affordable housing finance, and facilitating the development of affordable housing solutions. In recognition of the role of the government in creating necessary conditions for affordable housing investments, HFHM will lobby the government to implement measures geared at lowering the cost of construction materials, reducing interest rates for housing loans, and providing tax incentives for housing, in addition to the provision of affordable housing funding. Financial literacy training, mobilization of target populations into Housing Savings Groups, and developing housing profiles to inform policy and practice are among other key interventions planned for implementation in 2025-2030.

Table 10: Summary of Programmatic Area 2: Transform Housing Systems

PROGRAM	OUTCOMES	KEY RESULTS	KEY ACTIVITIES
Transforming Housing Market Systems	Increased affordable housing products and services promoted.	1 market research conducted to identify gaps and opportunities for affordable housing products and services	Conduct market research in partnership with TCIS to identify gaps and opportunities for affordable housing products and services
		5 partnerships established with financial institutions to offer affordable housing finance options.	Establish partnerships with financial institutions (e.g., banks and MFIs) to increase access to housing finance.
			Facilitate the development of new and improved affordable housing products and services
			Lobby the government to make construction materials more affordable by lowering loan interest rates and offering tax incentives on construction materials
		120 Housing Savings Groups are mobilized and strengthened	Promote the Housing Savings Groups and connect them to the Participatory Approach to Safe Shelter Awareness (PASSA) to promote housing solutions
		10,000 people trained in financial literacy, business development, and management training	Conduct workshops and training sessions on financial literacy and affordable housing financing
Housing Policy Influencing	Increased access to affordable housing solutions for at least 2 million people through policy influence.	Policy influence conducted to provide affordable housing solutions to at least 2 million people	Advocate for policies and regulations supporting affordable housing.
			Engage with government, MDAs, the private sector, and civil society to influence housing policy.
			Build coalitions with other organizations to amplify advocacy efforts.

3.3.3. Programmatic Focus Area 3: Inspire Action for Housing - *Mobilize 25,000 people and activate deeper engagement on housing issues.*

HFHM will expand and deepen global and local volunteering through conducting information sessions with Global volunteer teams to share standard operating procedures (SoPs), best practices, innovations, and enhance partnerships, engage 1,000 Global volunteers in construction, conduct digital campaigns, and publish newsletters to promote engagement of volunteers. Further, volunteer engagement will be diversified beyond global volunteers by developing an evidence-backed volunteer recruitment and engagement framework for individual and corporate volunteers, as well as the recruitment of 7,000 local volunteers engaged in construction and non-construction activities.

Evidence shows that decent and affordable housing is connected to outcomes related to health, education, equity, and economics; HFHM will increase the understanding of this connection through enhanced visibility, multi-sectoral partnerships with technical and vocational training institutions, the manufacturing industry and other corporates, awareness creation on housing through diverse information, education and communication materials and through print and electronic media channels.

Table 11: Summary of Programmatic Area 3: Inspire Action for Housing

PROGRAM	OUTCOMES	KEY RESULTS	KEY ACTIVITIES
Volunteer Engagement	Grow at 100% the Global Volunteer Engagement initiatives by 2030.	100 information sessions conducted with Global volunteer teams to share SoPs, best practices, innovations to grow and enhance partnerships	Conduct 100 information sessions with Global Volunteer teams to share SoPs, best practices, and innovations to grow and enhance partnerships.
		100 Global volunteers builds conducted	Conduct Global volunteer builds
		1000 Global volunteers engaged in construction	Engage Global volunteers in construction
		25 digital campaigns conducted to promote the engagement of people	Develop digital campaigns to promote engagement of people in the US, EME, and AFR regions
		10 newsletters developed to promote Volunteer Engagement Information	Develop bi-annual e-newsletters to promote volunteer engagement information.
	Diversify the volunteer engagement initiatives beyond the Global Volunteer program	A volunteer recruitment and engagement framework developed by the end of 2025/26	Develop a volunteer recruitment and engagement framework.
		100 informal and formal meetings to promote volunteer engagement are conducted	Conduct informal and formal meetings to promote the volunteer engagement programme.
		5,000 local volunteers engaged in construction	Engage local volunteers in construction-related activities
		2,000 local volunteers engaged in non-construction activities	Engage local volunteers during key local and calendar day events
		Annual staff builds conducted	Conduct bi-annual staff builds
		25 corporate builds on key calendar day events conducted	Conduct corporate builds on key calendar day events
	Expand HFHM footprint to enhance visibility and engagement across key programmatic	Evidence-based recruitment framework for local corporates and institutions developed.	Develop an evidence-based framework for mobilizing and recruiting local corporates and institutions (Research into housing issues linking to other outcomes)
			Develop a local volunteering database for enhanced knowledge management and evidence-based programming
		Build 25 local partnerships with technical vocational training institutions, corporates, manufacturing industries and like-minded organisations established.	Identify and engage stakeholders/partners for promotion of housing actions/initiatives
		450,000 people reached with information, education, and communication materials and community engagement meetings on local volunteering	Create awareness on local volunteering through distribution of 450,000 IEC materials on local volunteering

3.3.4. Operational Focus Areas

3.3.4.1. Developing Key Capabilities

HFHM will harmonize and strengthen the programmatic approach, leveraging strategic partnerships and resources within the community. To strengthen corporate governance, HFHM's Constitution will be reviewed, the Board Charter will be updated, and the Board and its committees will be restructured. The Board will be actively engaged, and its capacity will be built through corporate governance training and mentorship. A review and re-engineering of processes and adoption of appropriate technologies, including the implementation of an enterprise resource planning (ERP) system, will be conducted. In addition, selected key policies will be reviewed, while critical policies that are not in existence will be developed within the five-year plan period. An appropriate Monitoring, Evaluation, Accountability, and Learning (MEAL) framework will be developed and digital tracking technology embedded within it.

As additional strategic initiatives are geared towards developing key capabilities, the institutional capacity will be strengthened through the development of a strategy-aligned organizational structure, executive training, and coaching of senior management. In addition, HFHM will develop and implement an updated human resource strategy and a succession plan, train and develop staff, acquire key operational tools and equipment, and establish a performance and value-based corporate culture. Further, from the situation analysis, it was noted that HFHM's brand and visibility need to be promoted; this will be done through the development and implementation of a communication strategy and conducting brand awareness activities.

Table 12: Summary of Operational Focus Area 1: Develop Key Capabilities

INITIATIVES	KEY ACTIVITIES
Harmonize and strengthen the programmatic approach, leveraging strategic partnerships and the resources within the community.	Develop a partnership and community engagement strategy
	Develop a community engagement framework to include local resourcing (e.g., for labour and construction materials)
Strengthen HFHM's corporate governance.	Restructure the Board and its committees
	Engage and build the Board capacity
	Review the HFHM Constitution and update the Board Charter
Review processes and adopt appropriate technologies	Re-engineer the business processes
	Implement an ERP
	Review and/or develop the identified policies.
	Develop the MEAL framework and implement the MEAL digital tracking technology
Strengthen the Institutional Capacity	Develop and implement a strategy-aligned organizational structure.
	Develop the management team's capacity.
	Develop a Human Resource (HR) Strategy
	Train and develop staff
	Develop a value-based and performance-oriented culture
	Avail internal and external knowledge-sharing opportunities and establish platforms
	Enhance operational capacity through the acquisition of key working tools and equipment.
Strengthen brand identity and visibility	Develop a communications strategy
	Conduct brand awareness and promotion activities

3.3.4.2. Fund the mission

In the 2025-2030 plan period, HFHM will optimize collaborative fundraising and innovate donor acquisition approaches through mapping stakeholder engagement sectors, networks, and alliances, partner with CSOs, the private sector, government, multilateral and bilateral donors, and subscribe to sectoral networks. The acceleration of growth of large, transformational gifts and awards will be another key strategic initiative that will be pursued to mobilize resources for the mission. By establishing a dedicated donor relations function with HFHM, growing the basket fund (cash and in-kind), using advocacy for fundraising, and strengthening internal fundraising initiatives within Global Funding Networks (GFN) and affiliates, it is envisaged that HFHM will grow the funding for its work over the next five years. As an additional resource mobilization avenue, HFHM will strengthen the social enterprise (SE) through establishing clear SE governance and management structures, identifying and securing funding from diverse sources (e.g., impact investors), and developing the SE properties to generate resources.

Table 13: Summary of Operational Focus Area 2: Fund the Mission

INITIATIVES	KEY ACTIVITIES
Optimize collaborative fundraising and innovate donor acquisition approaches	Map stakeholder engagement sectors, networks, and alliances
	Partner with CSOs, the private sector, and the government
	Partner with multilateral and bilateral donors
	Subscribe to sectoral networks
Accelerate growth of large, transformational gifts and awards.	Grow the basket fund (Cash and in-kind)
	Use advocacy for fundraising
	Establish a dedicated donor relations function within HFHM
	Strengthen internal fundraising initiatives within Global Funding Networks (GFN) and Affiliates
Strengthen the Social Enterprise	Establish clear SE governance and management structures
	Identify and secure funding from diverse sources, e.g,. impact investors
	Secure and develop the SE properties

To facilitate the implementation, monitoring, review, and evaluation of the Strategic Plan (2025-2030), baselines, units of measure, annual targets, and functions responsible for the achievement of the planned key activities have been broken down and included in the detailed implementation matrix, which is in Annex 5.

4.0 IMPLEMENTATION & COORDINATION FRAMEWORK

4.1. ORGANIZATION STRUCTURE

The role of a fit-for-purpose organization structure for effective implementation of strategic plans is well documented. The implementation of HFHM's 2025-2030 SP will require human resources that are well-equipped with appropriate tools and a conducive work environment that will foster performance. During the consultative phase in developing and settling on the strategic direction of the HFHM, roles were identified and recommended as part of the strategic interventions under both programmatic and operational focus areas. A comprehensive strategy-aligned organizational structure review is recommended within this SP. The organizational structure changes will create a clear career progression pathway for the staff. Succession planning will also be embedded in the organizational structure changes.

The development of the SP has identified the following new or modified functions that will require resourcing for the successful implementation of the plan:

a. **Donor Relations:** A function dedicated to the effective management of donor relations is critical. The function will coordinate efforts towards broadening and harnessing potential local and international donors.

b. **Strategy:** The need for agility necessitates that non-profits remain nimble and responsive to emerging trends. In addition, diversification of funding and enhancement of programming through HFHM's social enterprise will require a unique blend of private and non-profit sector expertise. It will therefore be critical to expand the role of planning, monitoring, evaluation, accountability, and learning to encompass strategy and research. This function will also engage in actively scanning the internal and external environment, anticipate changes, and position the HFHM to respond appropriately and sustainably. In addition, it will oversee the regular review of the implementation of the strategic plan and adapt it to the emerging trends.

4.2. FINANCIAL RESOURCES AND REQUIREMENTS

It is projected that the implementation of the SP will cost MWK 56.3 billion (USD 32.2 million) for the five years, over and above HFHM's recurrent and administrative budget. The largest allocation of the 2025-2030 Strategic Plan Budget will be towards Strategic Focus Area 1: Build More and Better Homes at MWK 34 billion (59% of the total budget for the five years). Developing Key Capabilities is estimated to use MKW 14.1 billion (25% of the total budget for the 5 years). Transform Housing Systems, Inspire Action for Housing, and Fund the Mission will take MKW 1.5 billion (2.6%), MKW 7.3 billion (12.8%), and MKW 215 million (0.4%), respectively, of the total budget for the five years.

As HFHM implements the strategy, efforts will be put in place to ensure that it is sustainable and responsive to financial and operational shocks. We will continue to build strong relationships with our traditional funding partners, including HFHI affiliates for tithes and GFNs supporting the project implementation. Additionally, we shall also work to strengthen Global Volunteer activities. HFHM further builds new relationships with new funding partners from various sectors, including private donors and foundations, the EU, FCDO, USAID, Irish Aid, Embassies, and humanitarian donors. HFHM will also engage locally available funding streams through partnerships with other developing partners and NDAs. We will further invest in rolling out the Tinange Social Enterprise, which will contribute to the Strategic objectives and bring in some funding from profits expected to stream from the third year of the strategy.

Further efforts and investments will be made to improve operational efficiency and capacity, which will also enhance accountability to both the funding partners and beneficiaries.
The Malawi economic outlook for at least the first two years of the strategic period are expected to be volatile with the exchange rate being misaligned and inflation expected to remain high. It is expected that this will easy off towards the third year. HFHM will implement measures to minimize the impact of these risks through treasury management measures.

Further efforts and investments will be made in improving operational efficiency and capacity, which will also enhance accountability to both the funding partners and beneficiaries.

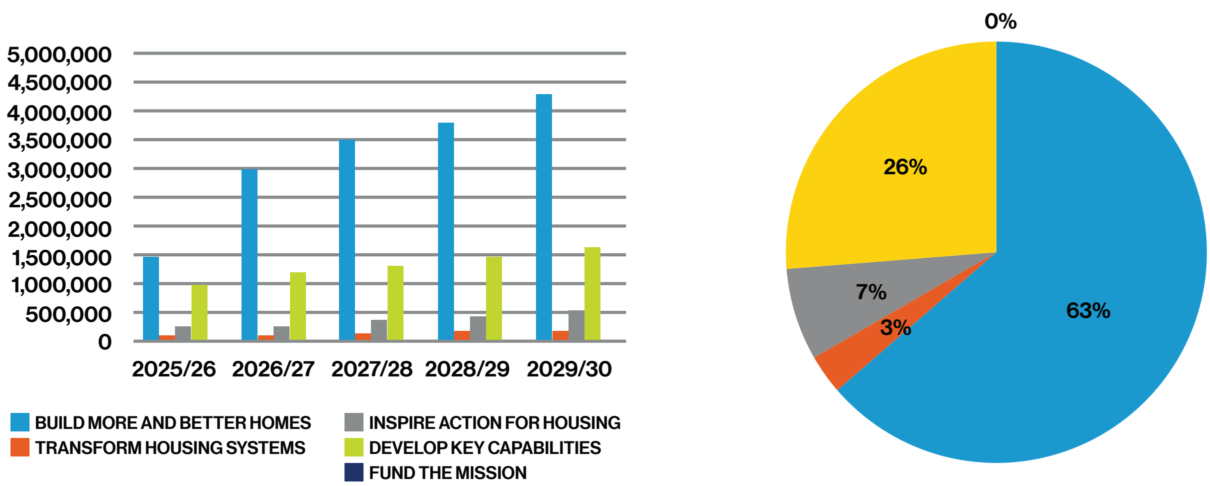
Table 14 shows the financial resources required for the implementation of the Strategic Plan for the period 2025 to 2030. The projections are both in Malawi Kwacha (MKW) and in USD at a rate of MKW 1751 to 1 USD.

Table 14: Annual Financial Projections per Strategic Focus Area (2025-2030)

FOCUS	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
	BUILD MORE AND BETTER HOMES					
PROGRAMMATIC	2,599,202,490	5,275,695,258	6,163,405,700	6,625,352,560	7,518,170,800	28,181,826,808
	TRANSFORM HOUSING SYSTEMS					
	159,000,000	248,500,000	286,000,000	360,000,000	409,000,000	1,462,500,000
	INSPIRE ACTION FOR HOUSING					
	460,360,000	491,617,500	642,465,000	793,312,500	944,160,000	3,331,915,000
	DEVELOP KEY CAPABILITIES					
ENABLE RS	1,729,000,000	2,121,355,000	2,298,451,000	2,556,174,950	2,838,253,753	11,543,234,703
	FUND THE MISSION					
	55,000,000	45,000,000	35,000,000	35,000,000	35,000,000	205,000,000
TOTAL	5,002,562,490	8,182,167,758	9,425,321,700	10,369,840,010	11,744,584,553	44,724,476,511
TOTAL (USD)	2,856,975	4,672,854	5,382,822	5,922,239	6,707,358	25,542,248

Figure 4 shows the proportion of each strategic focus area's budget for the five years out of the total budget for all five strategic focus areas for the five years.

Figure 4: Strategic Focus Areas' Budget out of the Total 5 Years' Budget



4.3. RISK ANALYSIS AND ASSUMPTIONS

4.3.1. Risk Analysis

There are risks that could derail the implementation of this SP. In the practice of prudence, the development of the SP entailed an analysis of the possible risks and consideration of precautionary measures to prevent effective execution of the planned strategic interventions. In this regard, HFHM has considered and identified relevant risks associated with the Strategic priorities as detailed in Table 15.

Table 15: Risk Management Matrix

Risk	Likelihood	Impact	Mitigation measure
Inadequate funding	High	High	• The leadership will proactively implement the contemplated strategies for resource mobilization. • There will be close monitoring of income vs. expenditure. • Revenue sources will be diversified. • The social enterprise will be aggressively operationalized to generate internal revenues.
Unfavourable changes in the regulatory landscape and politics.	Medium	High	• There will be proactive legal and regulatory scanning and engagement. • HFHM will align policies and processes to the changing legal environment. • Continuously scan the political landscape in Malawi. • Implement contingency measures based on areas of operation.
Technological risks/ rapid change in technology	High	High	• All staff will be equipped and encouraged to embrace new technology. • The ICT infrastructure will be strengthened, and risks mitigated.
Unfavourable micro and macro-economic conditions	High	High	• Research and implement innovative strategies e.g. hedging for key inputs and local-currency denominated bank deposits to deal with forex fluctuations and currency devaluations.
Poor Infrastructure	High	Moderate	• Continue advocating for infrastructure development. • Explore partnerships for infrastructure improvement and development.
Climate and environmental factors	Moderate	High	• Mainstream climate change adaptation and mitigation strategies in all projects.
Lack of community and stakeholder participation	Low	High	• Regularly engage the community and stakeholders.
Potential safeguarding and security incidents during project implementation	Low	High	• Regular sensitization of staff and contractors on safeguarding and security policies. • Review and monitor safeguarding and security practices during project implementation.
Occurrences of disease pandemics (globally and nationally)	Low	Moderate	• Regular monitoring of national and global occurrences. • Implement disaster recovery and business continuity plans.

5.0 MONITORING, EVALUATION, ACCOUNTABILITY, AND LEARNING

5.0 MONITORING, EVALUATION, ACCOUNTABILITY, AND LEARNING

The monitoring and evaluation function of this Strategic Plan will assist in assessing the progress, performance, and impact of the strategy. Its overall goal will be to provide quality information related to the performance of HFHM in line with the targets set as well as the continued relevance of the Strategic plan to result in timely and appropriate decisions. Monitoring and evaluation form the basis of any modification of interventions and verification of the quality of the activities being conducted.

The M&E framework consists of responsibilities, key performance indicators, timelines, and budgets as defined in the Implementation Matrix and the Budget of this Strategic Plan. The responsibilities of monitoring this plan are based on the following guidelines:

- It is the ultimate responsibility of the National Director to monitor the overall performance of HFHM in the implementation of this Strategic Plan.
- It is the responsibility of the senior management team, including heads of departments, to monitor the performance of their areas of jurisdiction in implementing this Strategic Plan.
- The Strategic Plan recommends the establishment of a Strategy function that will, inter alia, carry out the following strategy-related functions:
    a. Develop a reporting template and other strategy M&E tools in line with the detailed logical framework as per Annex 6 of this Strategic Plan.
    b. Collect/receive reports and analyze, consolidate, summarize, and forward them on a timely basis to the respective heads, per specific timelines.
    c. Report on consolidated quarterly and annual progress using the reporting templates in Annex 7.
    d. Develop mid-term, end-term, and ad hoc evaluations.

The targets will be derived from the implementation matrix in line with the outcomes, outputs, and units of measurement. The head of the strategy, monitoring, and evaluation function will analyze, summarize, and consolidate reports from the departments regarding their implementation of the SP commitments on a quarterly and annual basis to the senior management team. Thereafter, the organization-wide SP implementation report or sections thereof will be escalated through the National Director to the relevant Board Committee and ultimately to the Board for appropriate action. An end-of-year evaluation of the implementation of the Strategic Plan will be part of the development of the following year's annual operational plan. In case of significant unexplained variation in performance, especially on critical performance areas (either positive or negative), HFHM's leadership will take appropriate action.

This may include a deeper interrogation and adjustment of the relevance of the Strategic Plan and the contemplated deliverables. A mid-term evaluation on the implementation of this Strategic Plan will be facilitated by an external evaluator/consultant in July 2027. An end-term evaluation will occur at the end of the plan period as part of the development of the subsequent Strategic Plan.

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