

HOUSING

building a better future

Holcim, the construction materials company, has used its know-how to encourage self-build projects as a way of tackling housing shortages in poor parts of the world. At the same time it has begun to open up future markets for itself in areas of need such as Latin America and south east Asia

Ciudad Bolivar is a socially deprived area of Colombia's capital, Bogotá, and one of the most densely populated places in the world. Most of the 160,000 houses there have been poorly built by the residents themselves, usually with four cinder block walls and a corrugated metal roof. As a result, more than three-quarters of the homes would be destroyed if a severe earthquake or landslide were to hit the area. There is also heavy overcrowding, leading to friction in families, pushing children onto the street, and increasing violent crime.

While the Colombian government and other agencies have made efforts to address the housing problem, much still needs to be done, especially for those at the bottom of the pyramid. And that's where the construction materials company Holcim has felt it can play a role in making things better.

Holcim has set up a partnership with Fedevivienda, a local NGO that specializes in housing in Bogotá, and the government housing agency, Caja de Vivienda Popular, to run a pilot programme focused on improving the structure of 78 houses in Ciudad Bolivar, while building 22 new homes for very low income families. The programme also aims to encourage the self-build skills that local people have already developed by offering training to workers and residents in construction and maintenance techniques.

While Holcim has charged residents for the cement it has provided, it has offered a 20 per cent discount on other building materials for the reinforced and new houses, with residents able to pay for this through government subsidy or micro-credit options set up for them via Fedevivienda.

Fedevivienda provides the architects to work with the families, and employs the construction workers on the building and reinforcing of the homes. The 78 houses selected for the pilot have been given external reinforcement to help protect them from earthquake damage, with external walls reinforced, roofs properly installed and sanitary improvements made.

Great care has been taken to work closely with the families by showing them the mistakes made in the design and construction of the original houses. Once the plans have been approved by all concerned, a construction license is acquired by the family, and building begins.

Holcim has also made sure the labourers working on the project are from Ciudad Bolivar, so that the money paid for the building work stays in the community, and so that local people can raise their

the company

Building materials and cement company Holcim, which is based in Switzerland, employs 90,000 people and is active in more than 70 countries, with a turnover in 2006 of 24 billion Swiss francs (£10bn). It:

- is on target to reduce its global average net specific carbon dioxide emissions by 20 per cent by 2010, using 1990 as the base year
- runs the \$2million (£1m) Holcim Awards for Sustainable Construction, which support innovative building projects throughout the world
- is a member of The Cement Sustainability Initiative, a project run by the World Business Council for Sustainable Development that commits corporate members to making significant improvements in their social and environmental performance
- works with GTZ to implement guidelines on using waste as an alternative fuel in cement production, and on sustainable construction projects
- has signed a partnership agreement with the World Conservation Union to support a variety of

■ Holcim's efforts to promote self-building of homes on the tsunami-hit Indonesian island of Aceh (below) have mobilised ordinary people and are beginning to bear fruit



skill levels to help them gain future employment. The whole process has not been easy: Holcim and Fedevivienda have had to coordinate with two different parts of the government housing agency, and bureaucracy has slowed things down to the point where the length of the pilot extended from one year to three.

But it's been a small start for Ciudad Bolivar, and a valuable one that has built the foundations for a future programme on a larger scale. Improving the homes will also have beneficial effects for local economic activity, for many houses in Ciudad Bolivar feature some kind of business, such as a shop or a hair salon, that provides income for the families that live in them.

For Holcim there have also been benefits, quite apart from the revenue it has generated on selling cement to build and reinforce the houses. 'It's improved our reputation as a company committed to providing value for society and enabling a better future for this community,' says Barbara Dubach, head of corporate social responsibility and sustainable development co-ordination at Holcim.

'We're not just giving a discount to families for the materials, nor just building a house, but actually increasing the living standard of the citizens of Ciudad Bolivar and their quality of life. It's not about giving things away; it's about generating capacity and increasing opportunity.'

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Holcim's work in Colombia is one of a dozen low cost housing projects in Latin America and south east Asia that often include partnerships based on local needs.

On the tsunami-hit Indonesian island of Aceh, for instance, Holcim has created a partnership with GTZ, the German Technical Co-operation, a government-owned corporation that helps developing nations, and the Indonesian Institute of Architects.

Among other things, the company invested SFr300,000 (\$248,000, £124,000) to set up a resource centre for contractors, home-owners and others involved in reconstruction. The Architectural Clinic, as the centre is known, offers practical advice to anyone wishing to build their own home, and has produced a comic book which provides a step-by-step explanation of construction techniques.

In Mexico, where there is a housing shortage of more than four million homes, Holcim has established 140 local 'Mi Casa' centres selling affordable building materials. Over the past five years it has also run a parallel Mi Casa scheme to equip people with the skills to build their own houses, leading to the construction or improvement of more than 200,000 homes since 2000.

And in Sri Lanka, where lack of credit is one of the main barriers to better housing, Holcim has become involved in a partnership with Ceylinco Grameen, a microfinance provider, to help people borrow money

to improve their homes. The company invested SFr60,000 to set up the fund, which will ultimately be self-financing.

As with all its housing projects, Holcim is building sustainability into the Sri Lankan scheme. Working with the country's National Building Research Organisation, it has identified a range of local building products to complement the cement that the company itself provides. By creating markets for locally-sourced tiles, clay bricks and steel, for example, it is directly benefiting local producers and distributors.

The global market opportunity in low-cost housing is enormous. In Latin America alone, an estimated 100 million dwellings are substandard. By its own admission the company has barely scratched the surface. Finding sustainable ways to expand its work in developing countries remains a challenge for the company.

For that to happen, Holcim and others will need to work with governments to cut the red tape that frequently stifles housebuilding in much of the world. The lack of access to sound sources of credit for people building their own homes is also one of the biggest barriers to expansion. As a producer of cement, aggregates and concrete, Holcim recognizes that it does not have the skills needed to provide credit facilities at local level, so the company intends to pursue its strategy of partnering with specialist organizations that do. That approach is already bearing fruit, as the work in Sri Lanka shows.

In principle, however, Holcim believes it has struck on a 'win-win' situation by addressing social needs but also, potentially, creating a new market of long-term, loyal customers. 'As Holcim gets better at delivering low-cost housing solutions, there's no reason that it will not be able to spread them around the world,' maintains Grant. If the company can also help its own business prospects in the process, then so much the better.

■ Further information: Barbara Dubach at sustainable.development@holcim.com

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Holcim has successfully married its core business as a construction material provider with a programme to assist in the provision of low-cost sustainable housing in the developing world. This is a company using social responsibility as a business opportunity to great effect, both for its own development of a new market, and the provision of housing in poor areas of the developing world.

Points of interest include:

- the significant investment and long term commitment the company has made
- the partnerships Holcim has formed with aid and government agencies and other bodies to broaden the impact of the programmes
- the empowerment of communities to help themselves with initiatives
- the imaginative collaboration with local experts and microfinanciers to alleviate financial barriers to housing
- the emphasis on alternative building materials and construction methods

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