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# Initiating HFH - Macedonia Program

In January 2003 a group of committed people from all over Macedonia expressed a willingness to start up a Habitat for Humanity affiliate in Macedonia. Inspired by Habitat's mission, oriented towards community building and being ready to put in their values, experience and time to help those in need of a simple, decent place to live, the interest group passed the affiliation process and has been officially recognized as an HFH affiliate in June 2004.

HFH - Macedonia has been registered as an NGO few months later, while the first, innovative project has been launched in early spring 2005. In partnership with a local microfinance institution Moznosti, HFH - Macedonia has established a Home Improvement Fund that provides micro-loans for

reconstruction and renovation of the substandard housing in Macedonia. This program established a credit line that provides small loans for reconstruction and renovation of the substandard homes. The credit line is a disbursement tool of the Home Improvement Fund, established through joint contribution of HFH - Macedonia and Moznosti.

The Home Improvement Fund provides loans for those economically weak but still working and active, living in improper conditions. Although the needs of the poorest and homeless are the most recognizable, our target group are families that demonstrate capability for economic activeness and can guarantee repayment of the loan from their personal income, thus contributing to the possibility for disbursing loans to others in need.



## Fund promotion

On April 1, 2005, HFH - Macedonia and Moznosti formally signed the agreement for establishing the Home Improvement Fund.

The event was addressed by Don Haszczyń, Vice-president of Habitat for Humanity International for Europe and Central Asia and Stefco Jakimovski, Minister of Labor and Social Policy in the Government of the Republic of Macedonia.

# Poverty housing in Macedonia

Sub-standard housing has multiple dimensions in Macedonia and cannot be adequately defined through simple parameters. However, basic understanding of the sub-standard housing includes absence of property rights and housing titles, followed by lack of proper connection to water and sewage networks and solid waste collection.

Although sub-standard quality dwellings have been officially estimated as 12% of the dwelling stock in Macedonia, it is wide known that the number of families living in sub-stan-

dard conditions is much higher.

Since the purchasing of a new apartment/house for the average family cannot be seen as feasible solution due to the hard financial conditions to meet, many families live in their parents' houses. More generations living in one house is a frequent phenomenon. Given the fact that the most intensive construction period has been during 1970s and 1980s, the average age of buildings in Macedonia is about 30 years and, due to the poor maintenance, they are in need of immediate reconstruction/re-

>>> The situation inside these dwellings can be evaluated as "miserable" due to the broken windows, doors, old and bad quality woodenware, yellow walls not being varnished for years, etc.

novation. The situation inside these dwellings can be evaluated as "miserable" due to the broken windows, doors, old and bad quality woodenware, yellow walls not being varnished for years, etc.

Therefore, the principal type of need HFH - Macedonia is addressing is that for reconstruction/renovation of the existing dwelling stock, especially targeting low-income families that were unable through the years to maintain/ improve their living conditions.

>>> The number of families living in sub-standard conditions is much higher than the estimated 12%.



## HFH - Macedonia Board

"This is a letter of intent", was stated in the first contact of the Macedonian interest group with the HFH Europe and Central Asia office, sent in January 2003. It was aimed to express the initiative for opening Habitat for Humanity operations in Macedonia. Initially, the letter has been signed by a group of 16 motivated people with different professional, educational, social and ethnic background, inspired by the Habitat's mission and oriented towards local community building.

Of the initial interest group, seven members have been elected in the HFH - Macedonia's Governing Board: Tetjana Lazarevska (Chairperson),



Tomislav Stefoski, Milorad Stefanovski, Dime Velkovski, Irena Percuklievska - Pal, Kristina Karcarska and Nikolaki Miov.

Several months later the Board has been expanded for one additional ex-officio member.

## Training of the advisers

Within the frames of the program Home Improvement Fund, HFH - Macedonia organized one day training in which representatives of the firms accredited for performing of advisory services took part.

The training was held by Lucija Popovska, Director of Program of Habitat for Humanity International for Europe and Central Asia and Zoran Kostov, Acting Executive Director of HFH - Macedonia.

In the course of the training the advisers were introduced with the mission, vision and the goals of Habitat for Humanity International, the principles of the simple, decent and affordable homes, the methods of delivering the appropriate services and the procedures for their reporting.

At the end of the training the ad-

visors signed the agreement, under which in future they will provide advisory services for the partner families of HFH - Macedonia.



## Summer-time volunteers

It was an innovative way of how to spend summer holidays for JoEllen Pedereson and Oliver Bugariski of Berea College, Kentucky, US. Both volunteers for HFH Berea College, JoEllen and Oliver arrived in Macedonia at the end of May, 2005 and stayed until August.

During their stay in Skopje, Macedonian capital, they spent most of their time with HFH - Macedonia. Being engaged in both office and field work, they had an opportunity to witness the new affiliate's very first successes and challenges.

It was of particular interest for them to visit the first partner families of the newly launched Home Improvement Credit Line, to attend the training for the providers of the non-financial component of the programme and to assist HFH - Macedonia in its initial fundraising efforts.

Their energy and commitment during the first months of HFH - Macedonia's existence have been highly appreciated



## Our supporter Jere Humphreys

Since April 26, 2005 HFH - Macedonia's Board has been expanded for one additional, ex-officio member: Dr. Jere Humphreys, our strong supporter based in Arizona, USA.



Jere Humphreys is a professor at Arizona State University who has authored more than ninety publications and presented research, taught, and consulted in twenty countries on six continents.

Since September 1998 he has led eight Habitat for Humanity house builds in Phoenix, one for a Jimmy Carter Work Project in Georgia (USA), and worked with HFH in Belfast. He serves on the Phoenix affiliate's fundraising and construction committees, gives speeches regularly to civic clubs and other groups, and serves as faculty advisor to his university's student HFH chapter - all as a volunteer.

He travels often to the Balkans for business and family, and has considered it a great honor to support HFH - Macedonia through various contacts as an ex-officio member of the Board of Directors. He is also on the Board of Directors for the Macedonia American Friendship Association-Arizona and The Fulbright Association-Arizona.

## First family served

Karanfilovski family from Kocani, a small town in Eastern Macedonia, is the first partner family to HFH - Macedonia. We are very proud to present them as they are the first beneficiaries of the so far unique HFH - Macedonia program, the Home Improvement Fund.



Their house is a typical case of the majority in the region. Old, not reconstructed for years, with very weak construction base, leaking roof, and very old and demolished woodenware.

Five close family members use the three-room house. Elizabeta, the loan user, lives in one room with her husband, Zoran. His parents live in the room which is used as living room and as a kitchen at the same time. The third room is used by Zoran's brother who's going to marry soon.

This loan will help them to reconstruct the house base which will allow them to repair the damaged roof, and build an indoor toilet.

HFH - Macedonia is looking forward to see the first improvement towards the overcoming substandard housing within this month.

## Simple start for decent and affordable home

The target group of the Home Improvement Fund are the families that demonstrate capability for economic activeness and can guarantee the repayment of the loan from their personal income. The general criteria of the Fund are:

- The applicants are required to have regular monthly income or to be self-employed;
- The overall income of the families applying should not exceed the amount of two average monthly salaries (roughly 24,000 MKD);
- The effective interest rate of the loans is set at 0.5% per month;
- The loan range is between 120,000 and 250,000 MKD;
- The monthly repayments are calculated based on the total household income; up to 1/3 of the monthly income, but not less than 1,800 MKD;
- The maximum repayment period is 60 months.

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