



*Addressing poverty housing  
in the second poorest country in Europe*

# Where East Meets West



# Republic of Macedonia

- *Small, landlocked country of 2 mil. population*
- *Region troubled by interethnic conflicts during the past years*
- *Weak economy, poorly maintained infrastructure, impoverished people*



# Poverty update

- *GDP per capita US\$ 2,900; average salary US\$ 380 per month*
- *36% unemployed, 28% live below the national poverty line*
- *40% consider themselves as poor*





# Poverty housing

- *1990 to date: new constructions per 1000 inhabitants dropped from 5 to 1.6 units*
- *110,000 homes (16% of the existing housing stock) need immediate reconstruction, due to unsafe construction, poor maintenance and lack of sanitation*





- *Non governmental, not-for-profit association established in 2004*
- *Focus on sustainable housing microfinance models developed as partnerships with entities sharing similar mission and vision*



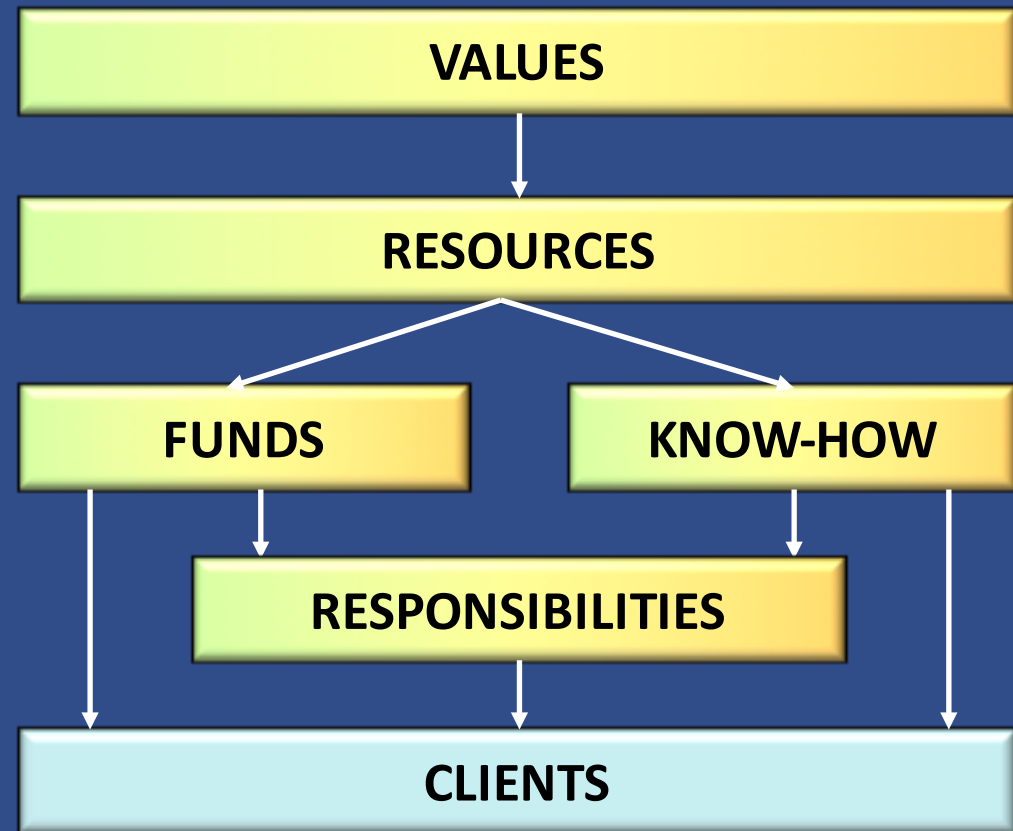
# Program structure



# Developing partnership

*Multi-step process  
covering  
organizational:*

- *Vision & Mission*
- *Values*
- *Strategies*
- *Goals & objectives*





# Sharing values

- *Commitment to sustainable programmes that enable partners to recycle its resources*
- *Viewing families as responsible and accountable clients, fully capable of repaying their loans*

**PROVIDERS'  
SUSTAINABILITY**

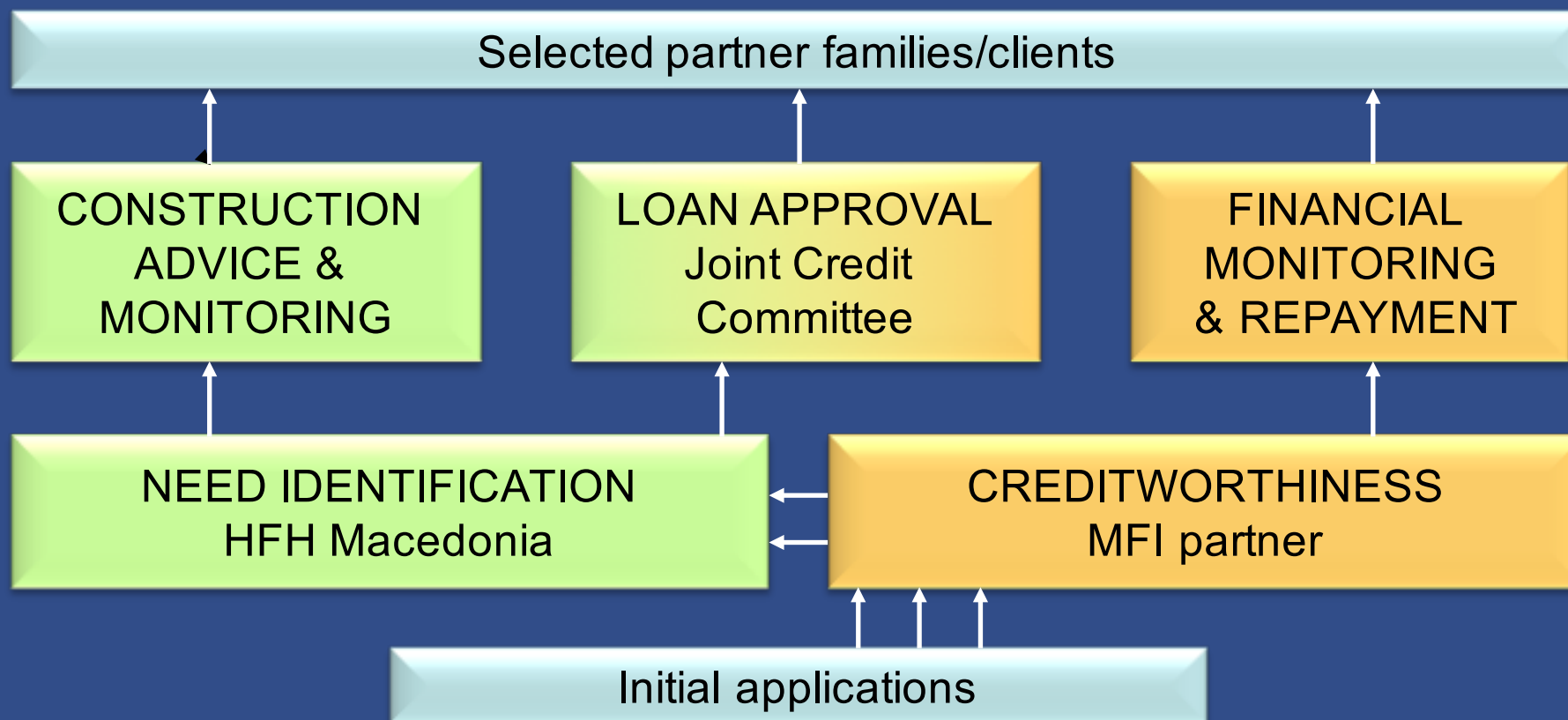


**CLIENTS'  
ACCOUNTABILITY**





# Housing microfinance



# New Builds

- *Traditional Habitat program that brings visibility and recognition*
- *First project in Veles: 90 homes in 11 buildings, total of 4698 m2 in three years*

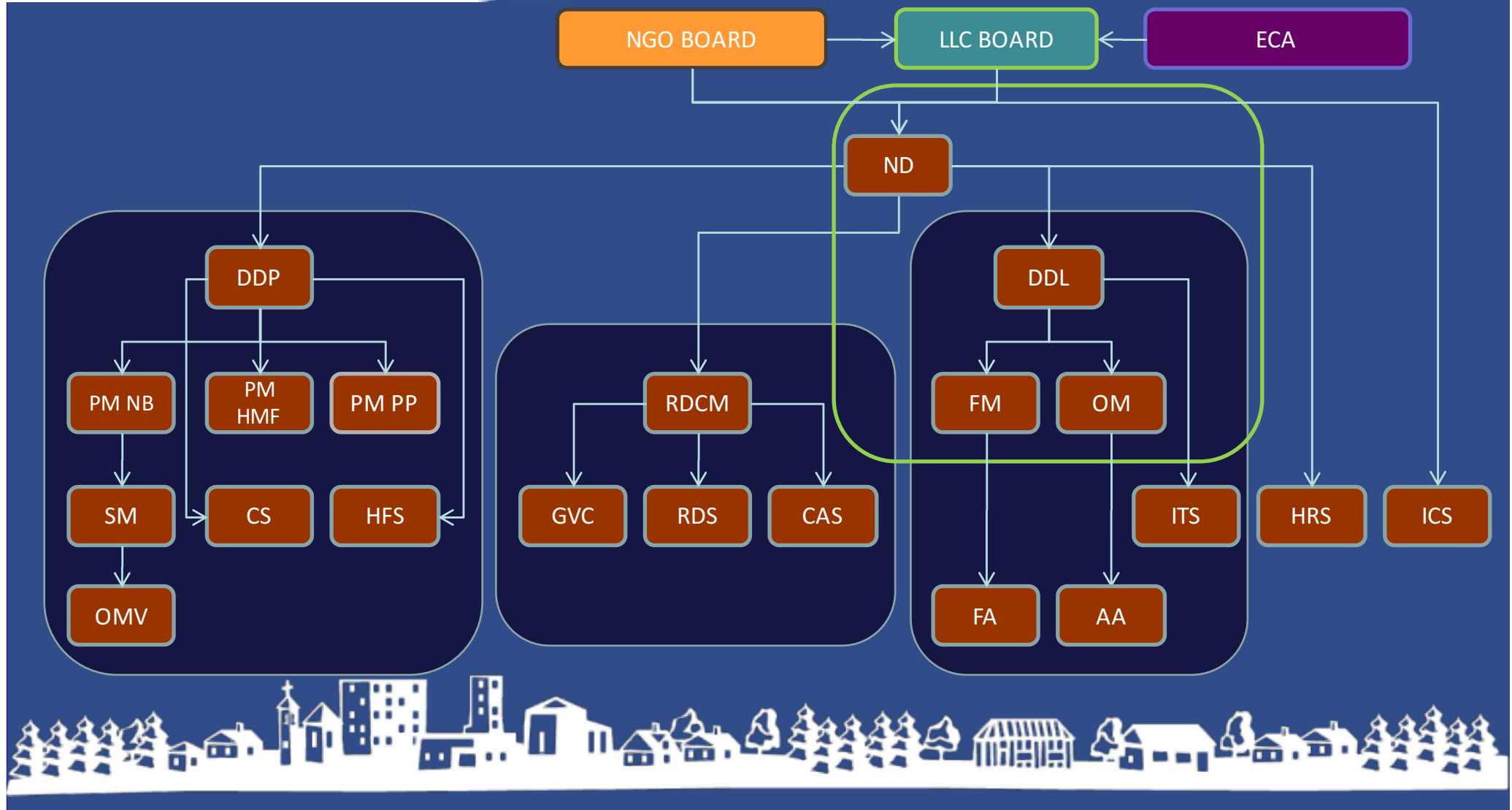


# WSS pilot project

- *Households' connection to newly developed public water supply and sanitation networks*
- *In partnership with local governments*
- *Project initially implemented in three communities, scaling up expected during FY2010*



# Organizational chart





# Challenges HIF, RHF, WSS

- *Mission alignment*
- *Developing sustainable non-financial services (Habitat component)*
- *Not suitable for GV hosting*
- *Conflicting interest of the partners: creditworthy vs. needy*
- *Dualism in measuring outputs: loans disbursed vs. reconstructions completed*
- *Misuse of loans, definition and sanctions?*
- *Software synchronization with MFIs?*



# Challenges NBV

- *Planning/budgeting vs. affordable long-term financing*
- *Harmonizing the interests of volunteers and sub-contractors*
- *Harmonizing CTW initiative with the ongoing project*
- *Continuing changes in the legislation*
- *Software that tracks payment schedules (repayments due)?*
- *Future new builds?*



# Challenges Finance & HR

- *Variety of programs/projects, models and entities*
- *Partner's contribution to joint funds invisible in financial reports and program/costs ratios*
- *Strong dependence on US\$, policies of reallocating the funds available due to US\$ fall?*
- *Standardizing the Monthly report?*
- *Lack of qualified professionals*
- *Non-financial compensation/benefits?*

