



*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\$ 4,664; average salary US\$ 450 per month*
- *36% unemployed, 31% 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 2005*
- *Focus on sustainable housing microfinance models developed as partnerships with entities sharing similar mission and vision*



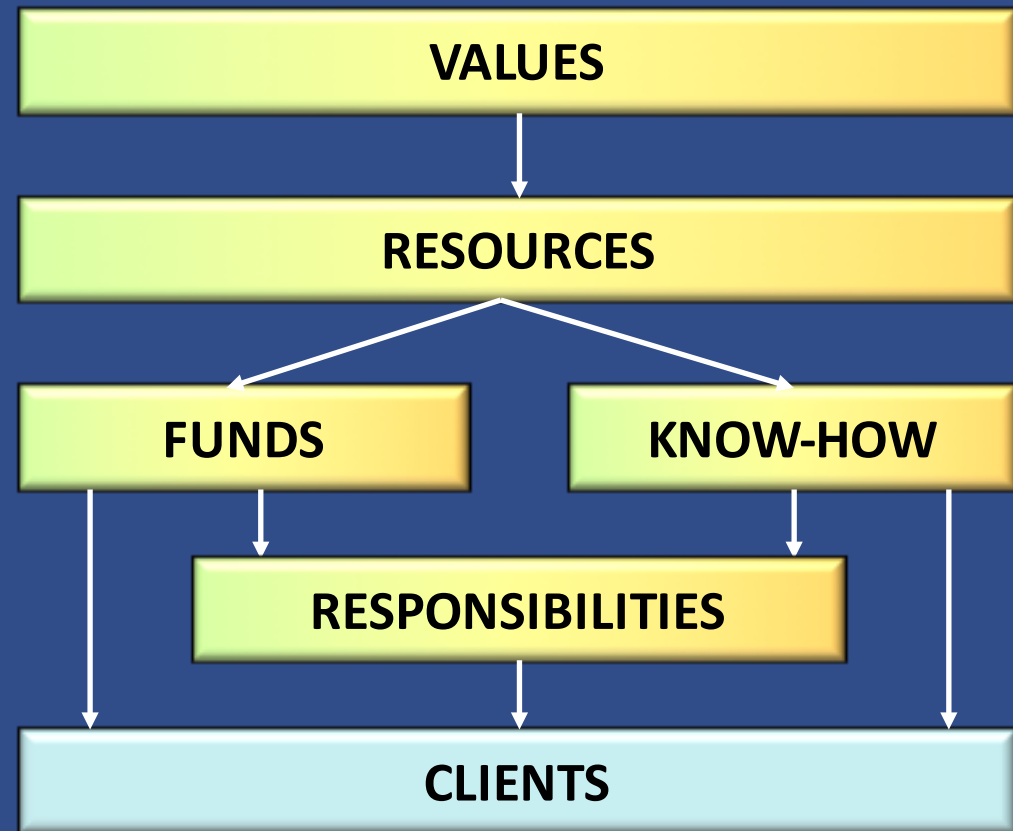
Program structure



Developing partnerships

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**



Sharing funds

- *Partners contribute to the jointly established funds, HIF and RHF*
- *HIF: Moznosti contributes twice of HFH Macedonia's input*
- *RHF: Horizonti matches HFH Macedonia's input*
- *In 2008 DIGH committed € 1 million to the joint fund with Moznosti*



■ Moznosti ■ HFH Macedonia



■ Horizonti ■ HFH Macedonia

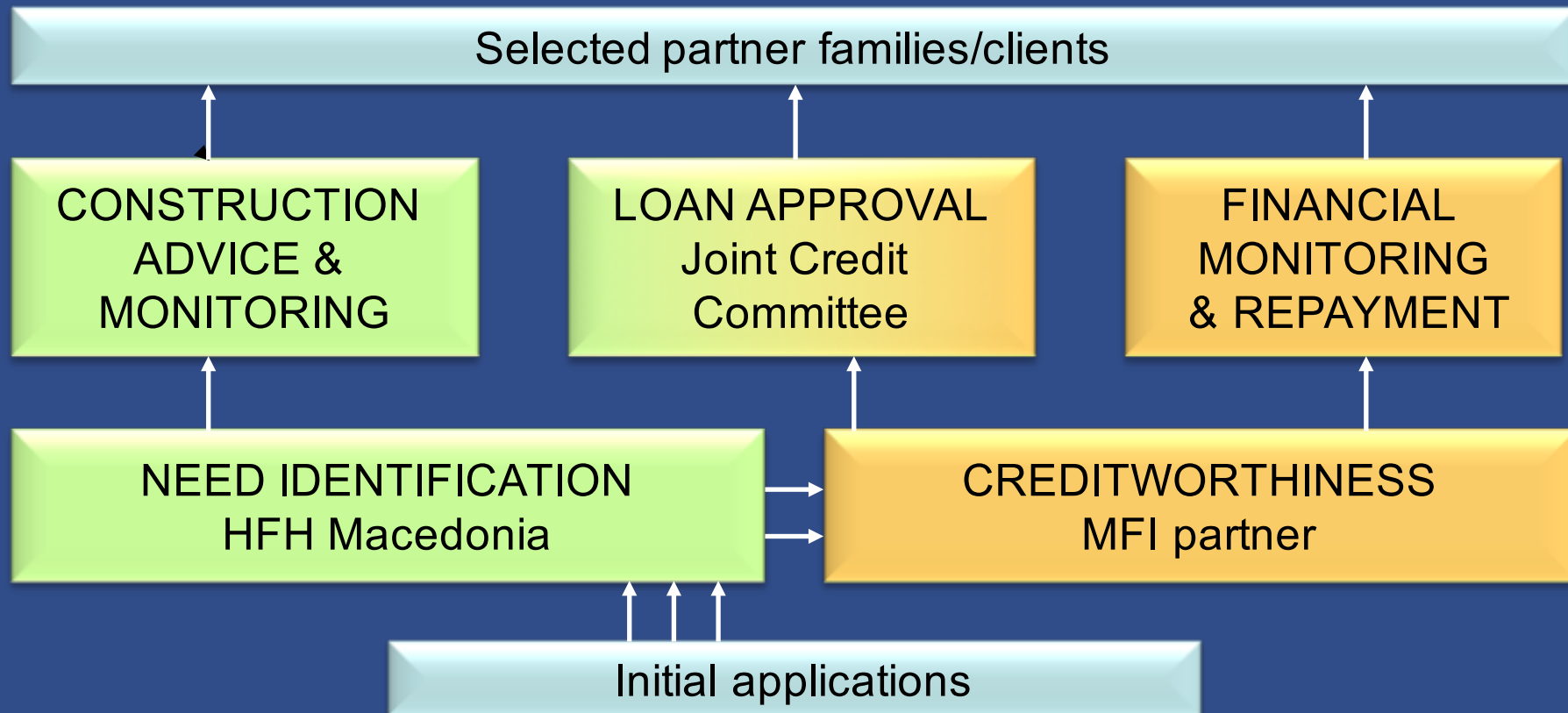


Sharing responsibilities

- ***HFH Macedonia:***
 - determines the target group
 - provides construction advice
 - does construction monitoring
- ***Microfinance partner:***
 - does screening of the client's financial reliability
 - process the loans
 - is responsible for repayments



Process flow



New Builds

- *Traditional Habitat program that brings visibility and recognition*
- *Project in Veles: 102 homes in 11 buildings, total of 5674 m² in three years*



Water supply

- *Households' connection to existing public water supply and sanitation networks*
- *In partnership with local governments*
- *Cheapest intervention per family served*
- *Scaling up expected during FY2011*



Energy efficiency

- *Energy efficient interventions for low income families*
- *Savings in energy costs to justify the cost of the intervention*
- *Multiple modelling phases, including USAID pilot project*



Programs performance

| | Families served/housing improvements completed | | | | | | Average loan per intervention (US\$) |
|---------------------|--|-----------|------------|------------|------------|-------------|--------------------------------------|
| | FY06 | FY07 | FY08 | FY09 | FY10 | TOTAL | |
| HIF | 32 | 54 | 92 | 122 | 170 | 470 | 4,759 |
| RHF | | | 24 | 40 | 75 | 139 | 2,554 |
| HB/NB | | | 2 | 1 | | 3 | 11,786 |
| WSS | | | 61 | 115 | 203 | 379 | 378 |
| EEH | | | | 12 | 71 | 83 | 1,643 |
| All | 32 | 54 | 179 | 290 | 519 | 1074 | |
| As of June 30, 2010 | | | | | | | |



HFH IBoD 2008

- *HFH context and strategic commitment to scale with a special focus on Macedonia, ECA's leading program in housing microfinance*
- *Housing & Microfinance – Reaching the Poor at Scale*
- *Forum for discussion and exchange*



Recognition

- **Area Vice President Award for Partnership Development**
- **Edit Kaslik Award for Housing Finance and Microfinance**
- **Eszter Award for Communications and Advocacy**
- **Millard Fuller Award for Families Served & Homes Built: Highest % increase in families served (233%)**
- **Solomon Award for Resource Development: Highest US designated income % increase (436%)**
- **HFH IBoD Award for Board Development**
- **World Bank Award – GDN's Most Innovative Development Projects Worldwide**



How you can help?

- *Come and build with us!*
- *Recommend us to supporters!*
- *Hold us in your prayers!*

Thank you

