Asia

Revolving Loan Fund Programme
Current Deals
ACTIVE PROJECTS

1. Habitat for Humanity International Nepal

Habitat for Humanity International’s branch in Nepal has established a Save & Build programme, consisting of providing a package of building technical assistance and housing finance to groups of 8 to 12 low income families at a time, for incremental building and renovation.

Habitat for Humanity International Nepal has requested from UN-HABITAT a loan of USD 250,000 equivalent in Nepalese rupees to finance extensions of credit to 15 credit cooperatives/village banks, which in turn will on-lend to Save & Build groups. UN-HABITAT loan would enable Habitat for Humanity International Nepal to extend its current activities to new communities. Agreement concluded in March, 2010.

2. Laos mortgage programme

UN-HABITAT would partner with International Finance Corporation to provide long term financing to banks in Laos interested in developing a mortgage product. The objective of the project would be to promote the establishment of a sustainable housing finance market in Laos, accessible to mid and low income urban households. Banks that have expressed interest to participate in this project are Lao Development Bank and Phongsavanh Bank.

TRANSACTION UNDER REVIEW

3. Community Organizations Development Institute (CODI), Thailand

UN-HABITAT would participate in the current International Finance Corporation project with CODI in Thailand. This project aims at providing housing finance to 2,000 families. UN-HABITAT credit enhancement would support a tranche of financing to be provided by local Thai banks to CODI projects (local banks do not presently participate in any CODI projects, and it is a longstanding objective of CODI to bring local banks in as funding partners.)

OTHER PROJECTS IN ASIA

Indonesia Local Finance Facilities

Two Municipal Finance Facilities are being established in Solo and Yogyakarta, Indonesia. They are both quasi-government bodies housed in the municipality with a direct mandate to meet local and national government slum upgrading objectives. Expected government contributions are significant, both through staff and office support and in terms of direct cash contributions to a range of upgrading projects.
The 15 projects under development range from progressive upgrading to infrastructure hook-ups that are expected to reach over 3,500 people in the next four years. Innovative financing mechanisms such as Community Real Estate Investment Trusts will be piloted through the Indonesia Local Finance Facilities.

Sri Lanka National Finance Facility

The Lanka Financial Services for Under-served Settlements (LFSUS) facility is a national non-bank financial institution that provides credit enhancement to a growing number of projects across Sri Lanka. So far loans and guarantees have been negotiated for four projects. One project in Kirulapone, Colombo, has completed upgrading construction for 31 households. A loan was provided by HSBC Bank in February, 2009, and the project is managed by project partner, South Asia Partnerships Sri Lanka (SAPSRI), which is actively involved in the community. There are zero non-performing loans thus far. Three other projects are set to begin construction soon. The Lanka Financial Services for Under-served Settlements has attracted commitments from national government in further capitalisation, and has helped confirm secure land tenure so far for over 100 households in three projects. High land values in Colombo mean this secure tenure is a significant realised asset for low income communities. The Lanka Financial Services for Under-served Settlements is expected to reach over 1,000 households by 2014, with expected leverage of over 6:1 of project value to credit enhancement funds.
## ASIA PIPELINE and PROSPECTS

<table>
<thead>
<tr>
<th>Transaction data</th>
<th>Loan proposed project data</th>
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<tbody>
<tr>
<td>Transaction name</td>
<td>Country</td>
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<tr>
<td>1 HFHI Nepal</td>
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<td>2 LAOS</td>
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### INITIAL TRANSACTIONS

**SUB TOTAL**

|  |  |  |  |  | 750,000 | 16,450,000 | 4,400 |

### TRANSACTION UNDER REVIEW

|  |  |  |  |  | 750,000 | 16,450,000 | 2,000 | Community |

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Front page cover photos:
Left: Life in an informal settlement in Indonesia. Photo © Suzi Mutter
Right: Women in Solo, Indonesia carrying materials for upgrading their houses. Photo © Ruth McLeod

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UN-HABITAT

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