FOCUS AREA 5

Strengthened Human Settlements Finance Systems
Focus Area 5: Activities

- Two Operational Programmes managed by Urban Finance Branch (UFB):
  - ERSO – Revolving Loan Programme
  - Slum Upgrading Facility (SUF) – Grant/Guarantee Programme

- Two Normative Programmes managed by Urban Economy and Social Development Branch:
  - Urban Economic Development Programme
  - Local Government Finance Programme
Urban Finance Branch (UFB) Programmes

- **ERSO – Revolving Loan Programme**
  Experimental finance initiative making loans to support domestic bank/IFI/MFI/NGO investment in affordable housing and related infrastructure projects

- **Slum Upgrading Facility (SUF) Programme**
  Grant-based guarantee program working to promote public–private partnership investment in community–led neighborhood improvement projects in Asia and sub-Saharan Africa
ERSO Programme results:
- 5 loans disbursed in 2010 to institutions in Nicaragua, Nepal, Uganda, Tanzania and Palestine
- Total lent to date: USD 2.75 million
- Loan portfolio repayment rate is currently 100%
- Estimated 5,000 individuals already benefitting from new/improved housing or related infrastructure through ERSO–financed projects

SUF Programme results:
- 6 Local Finance Facilities (LFFs) capitalised and operational in 4 countries (Ghana, Tanzania, Indonesia and Sri Lanka)
- Currently 15 projects active across all 6 LFFs, benefitting approximately 1,200 individuals
ERSO-Financed Project Example, Nicaragua

Incremental Housing Improvements with Loans

Maria Luisa Zamora and family - financed with loans from PRODEL (ERSO made a loan to PRODEL)
ERSO-Financed Project Example, Nicaragua

Local Infrastructure Improvements:

BEFORE

AFTER
ERSO-Financed Project Example, Nicaragua

Local Infrastructure Improvements:

BEFORE

AFTER
ERSO-Financed Project Example, Nicaragua

Local Infrastructure Improvements:

BEFORE

AFTER
Urban Economy and Social Development Branch Activities

Urban Economic Development Programme:

• Productive Cities – Explore how to make cities, towns and villages more economically productive; expand jobs and business opportunities; increase incomes; improve quality of life.

• Poverty Reduction – Raising awareness about poverty in urban development; analysing the nature, characteristics, trends and distribution of urban poverty; devising policies and strategies to tackle urban poverty problems;

• Urban Economic Development and Finance Strategies – develop strategies for urban economic development and follow–up investment plans;

• Mainstream Gender, Youth, Environmental Issues in Urban Economic Development
Urban Economy and Social Development Branch
Activities

Local Government Finance Programme:

- To explore options, mechanisms and strategies of improving municipal revenue;

- To explore and design new policies, strategies and instruments of municipal management in order to improve effectiveness, efficiency and equity in municipal finance systems;

- To undertake studies and evaluations on municipal finance systems and instruments;

- To promote reforms and policy changes to adjust the inter-governmental fiscal relationship to balance the municipal responsibilities with adequate resources;
Normative Programmes: Results to Date

- Global Urban Economic Dialogue Forum to advance current debate on urban economy and finance;
- Global Urban Economic Dialogue Publication Series
- Human Settlements Finance Systems and Tools Publication Series
- Produced more than 35 publications in less than 3 years with over 158,000 downloads/reads. Recent publication with over 5,000 downloads/reads in less than a month. Received high praise from international organisations and become reference aid for policy development
- In collaboration with India, Thailand financial institutions and ESCAP, jointly established Asia Pacific Union of Housing Finance
- The “Impact of the Global Financial Crisis on Housing Finance” workshop brought together Ministers, Architects of Fannie Mae, Development Banks and Academics
- Provide support to main inter-governmental conferences such as Ministerial Conferences on Urban and Regional Development
THANK YOU

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