Focus Area 5

Strengthening Human Settlements Finance Systems

4 March 2011

Housing Finance Challenges

- How big is the current African housing finance market?
Local Government Finance Challenges

- What is the local government finance situation?
Our Response -->
Normative and Operational

- Normative Programme – Knowledge Development and Capacity Building

- Operational Programme – Pilot Projects
  - Slum Upgrading Facility (SUF) – Grant Programme
  - ERSO – Lending Programme

UN–HABITAT Normative Programme

- Knowledge development in human settlements finance
  - Human Settlements Finance Systems and Policies series
  - Human Settlements Financing Tools and Best Practices series

- Organising Finance/Policy Dialogue workshops

- Analyzes financial and economic conditions and policies at country/regional/city level
SUF Grant Programme

- Designed 6 Local Finance (Grant) Facilities
  - Ghana, Indonesia, Sri Lanka, Tanzania
  - Reviewed over 90 slum upgrading projects

- Other Types of Grants made
  - To launch urban poor funds and an MFI
  - To pay for construction projects (Tawlat, Mavoko)

ERSO Lending Programme

- Government of Spain: USD 2,879,597
- Government of Bahrain: USD 500,000
- Rockefeller Foundation: USD 250,000
- Total Donor Contributions: USD 3,629,597

- Loans disbursed totalling USD 2,750,000 to 5 different projects:
  - Uganda (USD 500,000)
  - Tanzania (USD 500,000)
  - Occupied Palestinian Territories (USD 1,000,000)
  - Nicaragua (USD 500,000)
  - Nepal (USD 250,000)

- Portfolio Reserves: USD 550,000 (20% of disbursed funds)
Can Finance Solve all the problems?

“The persistence of urban poverty is largely the results of weak urban economies and finance.”

Ban Ki Moon, Secretary-General of the United Nations

Thank you very much