

PRODUCT UP-SCALING SUPPORT – FACTSHEET

Product Up-scaling Support	2018-07: Building capacity to strengthen access to housing microfinance in Ecuador - COAC JA
Country / Region	Ecuador
Partner Financial Institution/s	Calculadora de Ahorro y Credito – Jardín Azuayo (COAC JA)
Grantee	Nadacia Habitat for Humanity International (NHFHI)
Overall Budget	CHF 113,905 (32% self-contribution)
SCBF Contribution	CHF 77,925 (68% co-funding)
Date of Approval	15.11.2017
Duration	2.2018 – 1.2020
Context	According to recent studies, Ecuador ranks on the 4 th place in housing deficit in South America, meaning that 45% of 3.8 million homes are in an inadequate condition (36% qualitative and 9% quantitative deficits). Currently 35% of Ecuador's population lives in poverty and 59% in rural areas. Most housing loans are restricted to mortgages with an interest rate cap of 11% by regulation and limiting financial institutions to serve the needs of the base of the pyramid.
Current Status of the MFI	COAC JA is the 2nd largest cooperative in Ecuador and it ranks fourth among 48 MFIs in the microfinance sector. Nationwide it has excellent brand recognition, and strong social ties in the regions of Azuay, Canar, Morona Santiago, Loja and El Oro serving ~380,000 members and ~81,673 clients through a network of 44 branches. Its portfolio represents 98% individual lending and 2% village banking methodology. It has operational self-sufficiency at 121.9% and PAR 30 is 3.1%, with its clients comprised of 50.1% women and 74% rural inhabitants. 38% of its gross loan portfolio (GLP) is in housing, including about 14% in land acquisition. The rest of its GLP comprises consumer loans at USD 184.1M (39.9%), microcredit loans at USD 99.5M (21.6%) and commercial loans at USD 2.9M (0.6%). COAC JA focuses its efforts on client development to rescue clients' economy with low interest rate and offers special services to improve clients' life conditions. In addition, it has accessible conditions and lower average credit amounts than traditional banks. It makes intentional effort annually to place financial inclusion credits. COAC JA places financial education as a strategic part of its financial services.
Objective and Main Activities	<p>This project will provide institutional technical assistance lead by Habitat's Terwilliger Centre for Innovation in Shelter (TCIS) to COAC Jardin Azuayo and will focus on expanding their product range with a new housing micro-mortgage product.</p> <p>This project will be implemented though the following phases: (1) diagnostic, analysis and preparation, (2) designing the new micro-mortgage product, (3) identification of strategic sub-partners and definition of marketing strategy, (4) training of staff and sub-partners and piloting, and (5) monitoring, evaluation and reporting.</p> <p>Upon project completion, approximately USD 8,000,000 capital for home improvements will be mobilised. At least 2,000 clients/families will have access to housing microfinance (HMF) loans in 24 months and by year 4 at least 6,000 HMF loans will be disbursed to serve 25,000 people in a new home (5,000 HMF loans x 5 members on average per family).</p> <p>More importantly the newly created and designed micro-mortgage product will reach at least 500 clients/families at the end of the project (24 months) and 1,200 clients/families by year 4. This will in turn improve the living conditions of 6,000 people (1,200 loans x 5 members on average per family). 75% of the clients will be from the rural areas and women shall comprise 46% of all clients.</p> <p>To achieve this, Habitat's TCIS will train at least 20 loan officers and/or sub-partners on micro-mortgages and proper disbursement of the new product.</p>