

PROJECT FACTSHEET

Title of project	SCBF 2013-11: Building Capacity to Expand Housing Microfinance in Central America
Country / region	Honduras & El Salvador
Financial Intermediary(ies)	COMIXMUL (Honduras), Fundacion Campo (El Salvador), and Enlace (El Salvador)
Competence Centre mandated for execution	Habitat for Humanity International – Centre for Innovation in Shelter and Finance (CISF)
Overall project budget	CHF 141,856.32 (28% self-contribution by partner)
SCBF contribution	CHF 102,458.64 (72% SCBF funding share)
Date of project approval	28.11.2013
Project period	12.2013 until 03.2015
Context	<p>In Honduras, the regulatory framework for microfinance is relatively well developed and includes a definition of the activity and one type of specialised institution, whereas in El Salvador there is no formal, legal definition of microcredit or of a microcredit institution – this has not been a major obstacle to the sector’s development to date. The relative maturity and stability of these markets is good for developing new products.</p> <p>For MFIs in the region, it is difficult to expand their portfolio allocated to social housing due to a combination of factors, incl. difficulty finding wholesale funds with appropriate conditions for the development of social housing programs and insufficient equity to finance long-term regulatory frameworks that prevent access to public funds for housing.</p> <p>El Salvador has a population of almost 6 million, with an estimated housing deficit of 400,000 units, where 360,000 are related to qualitative aspects, like the lack of proper roof, floors, walls or lack of basic services as potable water, electricity. Honduras reported, that the housing deficit in the country has reached one million dwellings, 60 percent of which need to be repaired, and the remaining 40 percent need to be built.</p>
Current status of the MFI	<p>COMIXMUL, Honduras – Credit Union, \$37M GLP, 14’500 female credit clients, 27’500 female savers, average loan size of USD 2’600, desiring to expand and enhance a housing product.</p> <p>FUNDACION CAMPO, El Salvador – Non-profit unregulated, \$15.4M GLP, 11’200 clients, average loan size of USD 1’260, seeking to expand and enhance a housing product offering. It is an institution specialized in rural microfinance.</p> <p>ENLACE, El Salvador – Non-profit unregulated, \$14M GLP, 40’000 clients, seeking to re-design and expand a housing product. Has a particular focus on a very low-income population.</p> <p>A capacity building grant from the SCBF would enable Habitat’s CISF to provide the needed technical assistance required by the identified financial institutions to design/redesign their HMF products.</p>
<i>There are two pre-selected institutions in El Salvador. However the technical assistant (TA) will be provided to only one. If funds become available TA will be provided to the second one</i>	
Objective and main activities	<p>This project aims in cooperation with the MicroBuild Fund¹, to build capacity in two financial institutions in Central America (one in Honduras, and one in El Salvador), already serving the poor, to diversify their products by the design, pilot test, and roll-out of HMF products with non-financial housing support services (HSS)², according to the needs, preferences, and capacities of the BOP. Demand-driven products will be taken up by the target market enabling the acquisition of improved shelter and the accumulation of durable shelter assets, and as a consequence improve their quality of life. <u>Main activities:</u></p> <ol style="list-style-type: none"> 1. Market Mapping, 2. Market Research, 3. Product Development 4. Pilot preparation and Launching, 5. Monitoring and Evaluation

¹ MicroBuild (MB) is a social investment fund to mobilize capital to invest, primarily debt, in sustainable housing finance products designed for the base of the pyramid in developing countries. The fund is a separate company (LLC) and is majority-owned by Habitat for Humanity International.

² HSS are demand-driven products or services designed to help low-income households to reach adequate housing quality standards, or to make essential health, safety, or livelihood-related housing improvements, in affordable stages.