



**25<sup>th</sup>** SESSION OF THE  
GOVERNING COUNCIL  
17 - 23 APRIL 2015 ♦ NAIROBI

**UN HABITAT**  
FOR A BETTER URBAN FUTURE

*Housing Unit  
Housing and Slum Upgrading Branch  
P.O. Box 30030, Nairobi 00100, Kenya  
Tel: (254-20) 7623141 Fax: (254-20) 7624265  
[www.unhabitat.org](http://www.unhabitat.org)*



**AFRICAN DEVELOPMENT  
BANK GROUP**  
Building today, a better  
Africa tomorrow



**SHELTER AFRIQUE**  
Financing Affordable Housing for Africa

*SIDE EVENT - 25th Session of the UN-Habitat Governing Council*

**PROMOTING HOUSING FINANCE INCLUSION:  
Roles, Innovations and Main Gaps to be addressed**

UN-Habitat in collaboration with  
Shelter Afrique and the African Development Bank

*Monday, 20 April 2015 - Conference Room 11  
Venue: 6:00 p.m. - 6:45 p.m.  
Nairobi, Kenya*

## **Background**

Global housing needs are growing fast with urbanization. The urban population is already above 50% and is expected to rise to 60% by 2030. Every day, as people move to urban centres in search of opportunities, the demand for housing grows. Globally, a billion new houses are needed by 2025 to accommodate 50 million new urban dwellers per year; costs are estimated at USD650million per year, or USD 9 to USD 11 trillion by 2025 (McKinsey, 2014).

The role of housing finance is critical to address this challenge. Construction using household savings alone cannot reach the required scale or density in rapidly urbanizing developing countries. However, governments, in their role of facilitators, have faced challenges to induce private entrepreneurs and finance institutions to invest in, construct and lend for the poor and community-based initiatives. Housing finance has been essentially promoted through mortgages, restricted to those with formal titles, and aimed at the middle and high income segments rather than the neediest 60 to 80% of the population. In spite of notable improvements in the reach and depth of the housing finance sector in several developing countries, access to finance for the poor majority is still limited and expensive. Community-based financial institutions such as financial cooperatives, credit unions and micro-finance institutions are a viable option but have not reached scale.

More inclusive mortgage and non-collateralized lending for housing need to be expanded and made accessible to all segments of society. Equally important, access to finance needs to be achieved without compromising other individuals' and families' basic needs. The role of government is critical in this context. Policy directives and interventions shall work to respond both to the social and political concerns over housing and the desire for an efficient financial system. Addressing finance demand in a sustainable manner is a prerogative for building cities that are economically viable and socially inclusive.

## **Objective of the Side Event**

This Side Event briefly addresses roles, innovations and main gaps to be addressed to increase financial inclusion for housing. Presentations from Development Finance Institutions and Government Finance Institutions will focus on specific set of supply and demand constraints as well as opportunities to improve access to housing finance, and some of the specific policy and subsidy measures that have proven to be effective. The main objective of the Side Event include:

- a) Allow for the sharing of experiences on the main trends, tools, innovations and practices in inclusive finance for low-income households;
- b) Facilitate a consensus understanding with regards to the main challenges to be addressed and priority areas for future work in promoting inclusive finance; and
- c) Point to ways forward for reinforcing the work of UN- Habitat in promoting inclusive housing finance in preparation for Habitat III.

Concurrently, the Side Event will also contribute to continued repositioning of financial inclusion as a priority focus area within UN- Habitat's work and support the Habitat III Conference preparatory process.

<b>Provisional Agenda</b> <b>Monday 20th April 2015</b> <i>Conference Room 11 - 6:00 p.m. - 6:45 p.m.</i>		
5 Min	<b>Introduction and Welcome Message – UN-HABITAT</b>  <b>Repositioning ‘Housing at Centre’ of the New Urban Agenda for the 21<sup>st</sup> Century</b>	<b>Raf Tuts</b> UN-Habitat Coordinator HSUP Branch
10 Min	Shelter Afrique - Dr. James Mugerwa	<b>Managing Director</b> Shelter Afrique
10 Min	African Development Bank - Dr. Issa Faye	Director EDRE African Development Bank
10 Min	Mexican Housing Subsidy Fund - Mrs. Paloma Silva de Anzorena (TBC)	Director General CONAVI, Mexico
10 Min	<b>Plenary discussion and closing remarks</b>	Moderation UN-Habitat
6:45pm	<b>Cocktail sponsored by Shelter Afrique</b>	

**Participants:**

Official participants are to be confirmed, but will be composed of UN Member States, partner institutions and UN- Habitat Agenda partners attending the third Preparatory Conference and 25<sup>th</sup> Session of the Governing Council.

**Language:**

Presentations will be in English.

**Contacts:**

For all matters pertaining to this Side Event, please contact the Housing Unit, Housing and Slum Upgrading Branch UN-Habitat project team Christophe Lalande ([Christophe.Lalande@unhabitat.org](mailto:Christophe.Lalande@unhabitat.org)) and Fernanda Lonardoni ([Fernanda.Lornadoni@unhabitat.org](mailto:Fernanda.Lornadoni@unhabitat.org)).