

AUHF Conference

- **DATE: October 9th 2012**

Venue: BOT Conference Facilities

Housing Microfinance Working Group Tanzania

Members and Formation

- The Housing Microfinance Working Group Tanzania was formed in November 2009 at a meeting of representatives from
 - Centre for Community Initiatives (**CCI**),
 - Habitat for Humanity Tanzania,
 - Tanzania Gatsby Trust (**TGT**) now FANIKIWA Microfinance and
 - WAT-Human Settlements Trust (**WAT-HST**)

Members and Formation ...

- The group has since been expanded but active organizations include
 - Habitat Forum Tanzania (**HAFOTA**),
 - Presidential Trust Fund (**PTF**),
 - Tanzania Financial Services for Under Served Settlements (**TAFSUS**),
 - **WAT SACCOS**
 - Representatives from the **Bank of Tanzania** and
 - **Ministry of Lands, Housing and Human Settlements Development.**

HMFWDG Purpose and Objective

THE PURPOSE

- To promote and advance the practice of sustainable housing microfinance in Tanzania

THE OBJECTIVES

1. **NETWORKING**-some members of HMF group Participated in the Study commissioned by the World Bank about the current Status of HMF in Tanzania
2. **IDENTIFYING, DOCUMENTING AND DISSEMINATING HMF BEST PRACTICES**

HMFWGTT Purpose and Objective...

3. **PROMOTING**

- We convened a HMF workshop in 2011....as a result we have seen ACB launching its HMF Products

4. **ADVOCATING AND LOBBYING**

- Involved in developing (input) in the National Housing Policy to ensure Housing microfinance is reflected well in the policy
- -Commented in the on going HMF market study

5. **ENCOURAGING** members to share client credit references (on going discussion is what should be shared for what purposes)

HMWGT Purpose and Objective...

- **LINKING**

- Participated in the Housing Microfinance Workshop in April 2010
- Attended a Housing Finance workshop in Nairobi under the sponsorship of World Bank in April 2011
- Hosted and organized a stakeholder's consultative workshop for "Sustainable Housing Microfinance in Sub-Saharan Africa: A Regional Support Initiative" in December 2011

CHALLENGES

- *Inadequate capital funds:* Housing finance is expensive
- *Liquidity Issues:* Longer loan terms preferred by the clients
- *Housing Support Services (TA) to Clients:* When should it be provided? What is the value added? Will clients pay for it?
- *Institutional Adjustments:* Organizational, personnel and methodological adjustments requirements
- *Legal:* Land, construction permits, and asset repossession
- *Pricing:* Product cannibalization when loan terms are more attractive.

Achievements- Housing

- > 200 Houses Built
- > 500 Houses Improved
- > 650 Surveyed and Serviced Plots
- > 1,000 House Holds Benefiting
- > 3,000 Number of Loans
- > USD2 Million Amount of Loans

On field example I

WAT-HST: Construction



On field example 2

TAFSUS: House Improvement



BEFORE: the house was not plastered in the outside, no ceiling or painted

AFTER receiving a loan of 5,000,000 from Azania Bank guaranteed by TAFSUS – the loan was used to

- put new roof
- New windows and doors
- Ceiling and Floor tiles



Conclusions

- *HMF* can help with “qualitative” but has limited impact addressing “quantitative” housing deficits
- Long term refinancing or subsidies of non-bank MFIs remains an issue
- Mortgage Financing and Housing Microfinance operate in different markets and address different clientele needs.
- HMF is not a threat, but compliment other players to ensure that Tanzania Housing deficit is addressed. That institutions with bigger ‘muscles’ should look to this as an opportunity build on HMF initiatives.

HMFWG Tanzania Contact

Chairperson: Judith Sando

CEO, WAT-Human Settlement Trust

Email: HMFWGTZ@gmail.com.

Also see the Working Group Blog at:

- <http://hmfwgtz.blogspot.com/>

- Thank you
 - Asante