



FOSTERING INCLUSIVE, AFFORDABLE AND SUSTAINABLE HOUSING FINANCE (IASHF) INNOVATION: GLOBAL SURVEY OF AFI MEMBERS TO ADVANCE IASHF PRACTICES



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This survey report is a product of the Financial Inclusion strategy Peer Learning Group (FISPLG) & the Inclusive Green Finance Working Group (IGFWG), and its members.

Contributors:

FISPLG Members: Nangi Massawe (Bank of Tanzania), Aishath Asna Hamdi (Maldives Monetary Authority), Ibtissam El Anzaoui (Bank Al-Maghrib), Mohanad Salous (Palestine Monetary Authority), Gernaldo Afonso do Rosário (Banco Central de São Tomé e Príncipe), Haneen Almuhaissen (Central Bank of Jordan), and Prudence Mnisi (Ministry of Finance Eswatini).

IGFWG Members: Jorge Moncayo (Superintendencia de la Economía Popular y Solidaria de Ecuador), Chowdhury Liakat Ali (Bangladesh Bank), Violet Ndoro (Reserve Bank of Zimbabwe), Avzalshoh Davlatov (National Bank of Tajikistan), and Oswald K. Mungule (Bank of Zambia).

From the AFI Management Unit: Dieter De Smet (Policy Manager, Financial Inclusion Strategy), Laura Ramos (Policy Manager, Inclusive Green Finance), and Audrey Hove (Senior Policy Manager, Gender Inclusive Finance).

From Habitat for Humanity: Patrick McAllister (Senior Advisor, Terwilliger Center for Innovation in Shelter, Habitat for Humanity).

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INTRODUCTION

Inclusive, Affordable, and Sustainable Housing Finance (IASHF)¹ focuses on expanding housing accessibility for low-income and vulnerable populations who often face exclusion from traditional mortgages and homeownership. Ultimately, IASHF's purpose is to level the playing field within the housing market. It aims to increase homeownership opportunities and financial stability for those traditionally underserved. This is crucial, as safe and affordable housing is a basic human need that underpins stability, economic opportunity, and overall well-being.

¹ The concept of IASHF was clarified in the survey: Inclusive, Affordable, Sustainable Housing Finance is a financial approach that aims to provide everyone with access to safe, decent housing at a reasonable cost, while also considering the environment and community well-being. Here's a breakdown of the key aspects:

- > **Inclusive:** Ensures everyone, regardless of income, gender, or background, has the opportunity to secure financing for appropriate housing.
- > **Affordable:** Makes housing costs manageable for low- and moderate-income earners, allowing them to spend a reasonable portion of their income on housing.
- > **Sustainable:** Promotes environmentally friendly construction practices, energy efficiency, and minimizes the environmental impact of housing development. It also considers the long-term social and economic sustainability of communities.

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SURVEY OBJECTIVES

- > **Gauge Interest:** Determine the level of interest in IASHF among AFI's FISPLG members and gather their perspectives.
- > **Identify Needs:** Understand the specific challenges and opportunities faced by members regarding IASHF.
- > **Inform Future Actions:** Shape the development of a future IASHF Knowledge Hub within AFI, tailoring resources and initiatives to members' needs.
- > **Promote Knowledge-Sharing:** Use the survey findings as a basis for discussion and knowledge exchange among FISPLG members during the FISPLG Working Group Meeting in Eswatini (20-23 May 2024).

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METHODOLOGY, SAMPLE SIZE, DATA COLLECTION AND RESPONDENT DEMOGRAPHICS

This survey was designed by the AFI Policy Manager for Financial Inclusion Strategy, with collaborative input from the Core Task Team and Habitat for Humanity. The questionnaire was distributed to all 64 member institutions of AFI's Financial Inclusion Strategy Peer

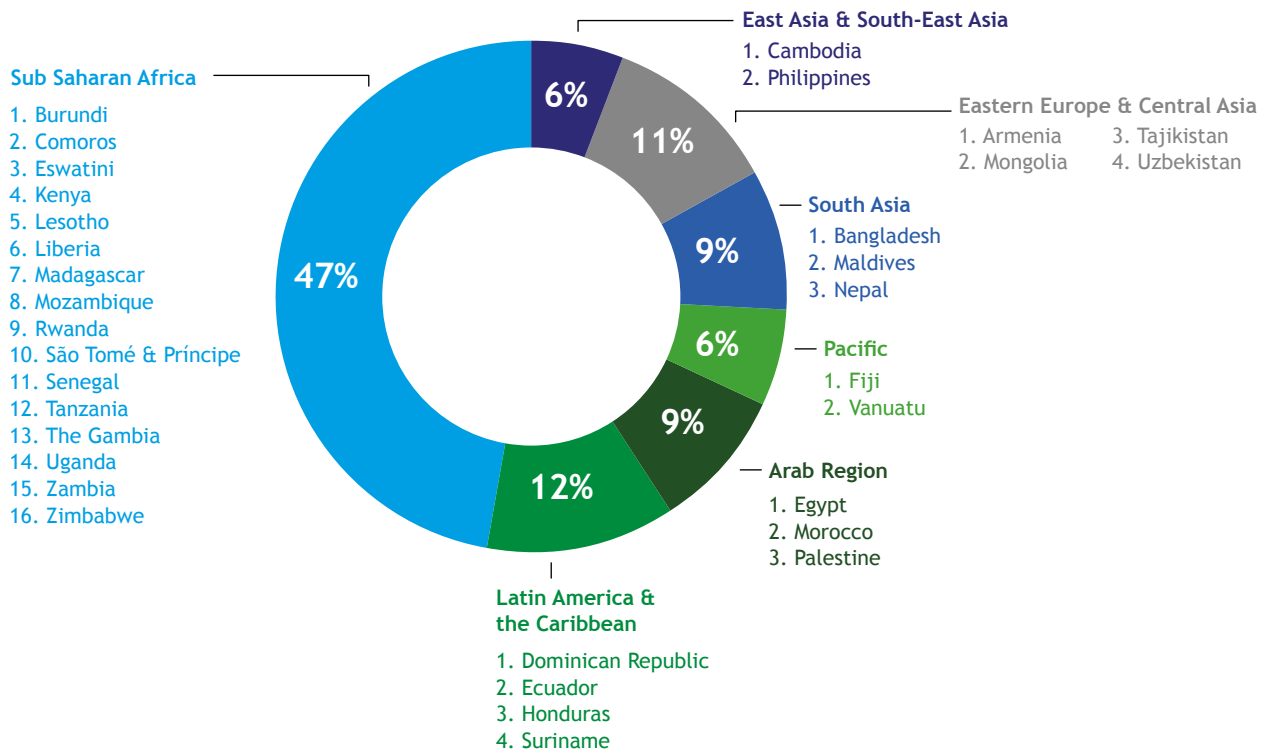
Learning Group (FISPLG) and the Inclusive Green Finance Working Group (IGFWG) members who comprise the Core Task Team.

The total sample size for this survey was 47 member countries (42 from FISPLG and 5 from IGFWG). The strong response rate within FISPLG (72.5%) indicates a high level of interest in the topic.

Using SurveyMonkey, data was collected online between March 18, 2024, and April 4, 2024.

Respondents represented a diverse range of countries. See Figure 1.

FIGURE 1: NUMBER OF RESPONDENTS PER REGION WITH LIST OF COUNTRIES



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EXECUTIVE SUMMARY

CHAPTER I: MEASURING THE NEED FOR IASHF AND OPENNESS TO POLICY REFORMS.

Respondents overwhelmingly agree that there is an urgent shortage of IASHF options. They stress that inclusivity and accessibility must be central to new solutions, alongside affordability. Finally, there's a strong desire for housing development that prioritizes sustainability and environmental responsibility.

There is a strong support for policy reforms designed to increase financial institution involvement in affordable housing, with minimal opposition. While some respondents express a desire for more detailed explanations of potential reforms, the results signal a willingness to collaborate with stakeholders across the financial sector, housing industry, and community groups to create effective change.

CHAPTER II: THE CURRENT IASHF LANDSCAPE

While some respondents are unsure about existing programs, the survey indicates that countries have existing initiatives addressing affordable housing. These initiatives likely focus on affordability, employing strategies like lowering interest rates for certain income groups, government-backed construction programs, and credit support. Additionally, there may be overarching national policies promoting affordable housing access.

A decentralized housing finance landscape exists across member countries, with no single institution dominating responsibility. While the National Housing Agency/ Authority received the most votes among specified options, the majority of respondents selected "Other." Many of those "Other" responses consistently highlighted the significant involvement of various government ministries. This suggests a complex system potentially involving public-private collaborations.

Financial institutions are reluctant to serve low-income communities primarily due to perceived lending risks, the lack of traditional credit history for borrowers, and limited knowledge of this market segment. These findings suggest a need for strategies that reduce the risk perception of financial institutions, support them in understanding the low-income market, and promote alternative credit scoring methods. Importantly, the



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survey also highlights broader economic concerns (like inflation) and the mismatch between short-term deposits and long-term housing finance needs, indicating that addressing these barriers may require more holistic solutions.

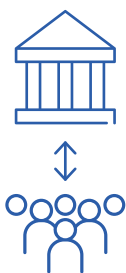
Financial institutions view credit guarantees (backed by the government) as the most effective way to reduce the risk of lending to low-income borrowers. Interest rate subsidies are also seen as helpful, while technical assistance and deposit insurance received less support. These results highlight the importance of government-led risk mitigation measures and suggest that financial incentives play a key role in encouraging lenders to serve low-income communities.

This survey highlights critical regulatory IASHF hurdles. Respondents primarily emphasize the lack of policies explicitly promoting IASHF development and the widespread issue of unclear land titles, which prevents the poor from using property as collateral. While less dominant, restrictive lending regulations and inefficient property registries also create significant obstacles. These findings underscore the urgent need for legal reforms to establish secure property rights, proactive policymaking that directly supports IASHF, a careful review of regulations to balance risk management with accessibility, and investment in streamlining land administration systems.

Securing suitable funding poses major challenges for IASHF. A reliance on short-term funding sources for long-term mortgages is the primary concern, along with the burden of high interest rates that affect both borrowers and investors. Additionally, limited access to dedicated

IASHF funding and lack of private sector investment further hinder progress. These findings underscore the need to address the mismatch between funding sources and mortgage terms, implement measures to lower interest rates, establish specialized IASHF funds, and develop strategies to attract private investment.

This survey reveals that lenders face significant hurdles in serving low-income borrowers within the IASHF sector. The primary challenge is verifying income within the context of widespread informal employment. Additionally, low financial literacy among potential borrowers limits their ability to understand and access IASHF products. Furthermore, many eligible individuals remain unaware of available support options. These findings highlight the need for alternative income verification methods suitable for informal workers, targeted financial education campaigns to empower borrowers, and expanded outreach efforts to increase awareness of IASHF programs.



There are significant difficulties in developing financial products that effectively address the unique needs of low-income borrowers. Respondents highlight issues in tailoring existing products and a lack of expertise when it comes to designing innovative IASHF solutions. This indicates a critical need for deep understanding of the target population's financial realities, fostering of collaboration to build expertise, and proactive research into successful IASHF models to guide product development.

IASHF initiatives face significant operational challenges, primarily a lack of skilled personnel, outdated technology, and limited physical accessibility. These hurdles highlight the need for substantial investment in staff training specifically for IASHF work, alongside modernization of technological infrastructure. Expanding physical branch networks where feasible, and prioritizing technology-driven outreach solutions are critical for increasing accessibility for low-income beneficiaries.

There are severe data gaps hindering the development of effective IASHF solutions. Respondents overwhelmingly cite a lack of data to understand housing demand, accurately assess lending risks for low-income borrowers, and evaluate the financial returns of IASHF investments. Additionally, understanding the impact of green housing features is hampered by insufficient data. These gaps, along with limited

expertise in sustainable building practices, underscore the urgent need for targeted data collection, risk analysis to address lender perceptions, and comprehensive studies on the economic impact of IASHF, including the benefits of green building approaches.

CHAPTER III: INCLUSIVE GREEN FINANCE AND INCLUSIVE, AFFORDABLE AND SUSTAINABLE HOUSING FINANCE

There is strong support for incorporating eco-friendly practices into affordable housing finance, with the majority finding it very important. However, a smaller yet significant portion views it as somewhat important. This suggests that while there's widespread recognition of the value of sustainable building, there's room to further educate stakeholders on the long-term benefits that green housing offers—not only for the environment but also for the affordability and sustainability of housing solutions.

Regarding key priorities for boosting energy efficiency within the affordable housing sector, respondents overwhelmingly emphasize promoting green building standards alongside financing solutions for energy-efficient upgrades to existing homes. While less dominant, there's a growing recognition of incorporating long-term energy savings into loan evaluations. These findings suggest that success lies in a holistic approach addressing both new construction and retrofits, alongside financial incentives and policies that recognize the critical link between energy efficiency and affordability.

Critical priorities to increase the climate resilience of affordable housing include emphasizing the promotion of resilient construction using robust materials and techniques alongside facilitating access to climate-related insurance products. While less dominant, there's also a notable focus on financing options specifically designed for disaster-resistant housing construction. These findings show a clear understanding of the need for both proactive resilience measures to minimize potential damage and financial protection mechanisms to mitigate the risks associated with climate-related hazards.

The survey results also reveal a broad focus on environmental sustainability within the affordable housing sector. Respondents prioritize financing for green materials and construction, minimizing the environmental impact of development, and promoting renewable energy sources. This indicates a recognition of the need for a holistic approach - one that considers sustainability throughout the entire building lifecycle. The strong support for green solutions highlights the

importance of financial incentives and policies to drive widespread transformation of the sector.

This survey highlights key priorities for fostering social sustainability within affordable housing. Respondents strongly endorse mixed-income housing to promote inclusion, emphasize the importance of locating housing near essential services, and recognize the value of community participation in decision-making. These findings point to the understanding that affordability is just one piece of the puzzle; social sustainability requires creating inclusive communities, ensuring access to opportunities, and empowering residents to shape their living environments.



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This survey reveals that respondents believe the most effective incentives for boosting green affordable housing prioritize lowering financing costs and reducing risk. Interest rate subsidies, tax benefits, and government guarantees are the top choices, highlighting the need for direct financial incentives alongside risk-sharing mechanisms to foster a market for affordable green housing. Additionally, a notable portion of respondents values liquidity facilities, suggesting a need to ensure stable funding sources for the sector.

CHAPTER IV: GENDER INCLUSIVE FINANCE AND INCLUSIVE, AFFORDABLE AND SUSTAINABLE HOUSING FINANCE

Affordability is the primary obstacle hindering women's access to housing, highlighting the impact of income inequality. Additionally, limited financial inclusion, the lack of financial products designed for women's needs,

and insufficient data on women's housing challenges pose further barriers. These findings point to a need for a multi-pronged approach that addresses economic disparities, develops women-centric financial solutions, and prioritizes data collection to drive policy and product development that meets the specific needs of women.

CHAPTER V: SUPPORT REQUESTED BY AFI MEMBERS

This survey results highlight a strong preference for collaborative and interactive knowledge-sharing approaches within the IASHF sector. Respondents overwhelmingly favour peer-to-peer learning, workshops, conferences, and webinars. While online platforms and databases are also valued, direct interaction and practical learning opportunities are seen as the most effective ways to foster knowledge exchange. These findings suggest that prioritizing networking, hands-on learning experiences, and curated online resources will be key to successful knowledge-sharing within the field.

Respondents primarily seek technical assistance in three key areas: creating effective legal and regulatory frameworks, accessing specialized IASHF expertise, and finding suitable technological solutions to enhance efficiency. These findings highlight the critical need for support in crafting an enabling policy environment, tapping into the knowledge of IASHF specialists, and identifying technological tools to improve the delivery and impact of IASHF programs.

There's a focus on diversifying funding for IASHF initiatives. Respondents prioritize securing traditional funding sources like grants and loans, actively seeking partnerships with private investors, and support in developing specialized investment vehicles. These findings underscore the need for a multifaceted funding approach involving both public and private sources, as well as innovative financing mechanisms specifically designed to attract investment into the affordable housing sector.

Capacity building needs are focused on practical skills, resources, and specialized expertise within the IASHF sector. Respondents strongly favour training programs to enhance staff knowledge, the development of toolkits and resources for effective implementation, as well as support for creating dedicated IASHF teams within institutions.

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KEY TAKEAWAYS

OVERALL LANDSCAPE

Urgent need for IASHF Solutions and positive sentiment for policy reform: A clear recognition of the severe shortage of affordable housing and a strong emphasis on accessibility and inclusivity are core principles for new initiatives. The positive sentiment for policy reform and stakeholder collaboration points to a ready environment for change. This creates opportunities for working groups and advocacy efforts to shape new policies.

SPECIFIC TRENDS AND CHALLENGES

Policy and Regulatory Gaps:



There is a lack of Supportive Policies. Existing policies don't specifically promote IASHF, hindering sector growth. This highlights the need for proactive legislation focused on Inclusive, Affordable, and Sustainable Housing Finance. Unclear land titles are a major barrier, preventing the use of property as collateral. Land tenure reform and streamlining land registration are crucial.

Risk Aversion & Funding Mismatch:



Financial institutions perceive lending to low-income communities as high risk, primarily due to informal income and lack of traditional credit history. There's a mismatch between short-term deposits used for funding and long-term mortgages needed by borrowers.

Financial Products and Knowledge Gaps:



There is a need for tailored solutions. Existing financial products are ill-suited to low-income needs, necessitating innovation and alternative approaches. Lenders and low-income borrowers have limited knowledge of IASHF, leading to missed opportunities and underutilization of resources.

Operational and Data Challenges:



Institutions lack staff with specialized IASHF expertise. Outdated systems hinder efficiency and outreach. There's a lack of reliable data for decision-making, especially on understanding demand, lender risk assessment, and the economic impacts of IASHF.

Emphasis on Green and Sustainable Housing:



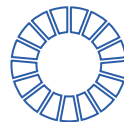
There is strong support, but awareness efforts are needed. Stakeholders recognize the merits of green housing, but further education could boost widespread adoption.

Holistic Approach Required:



Success will depend on addressing new construction as well as energy-efficient retrofits for existing housing.

The Importance of Social Sustainability:



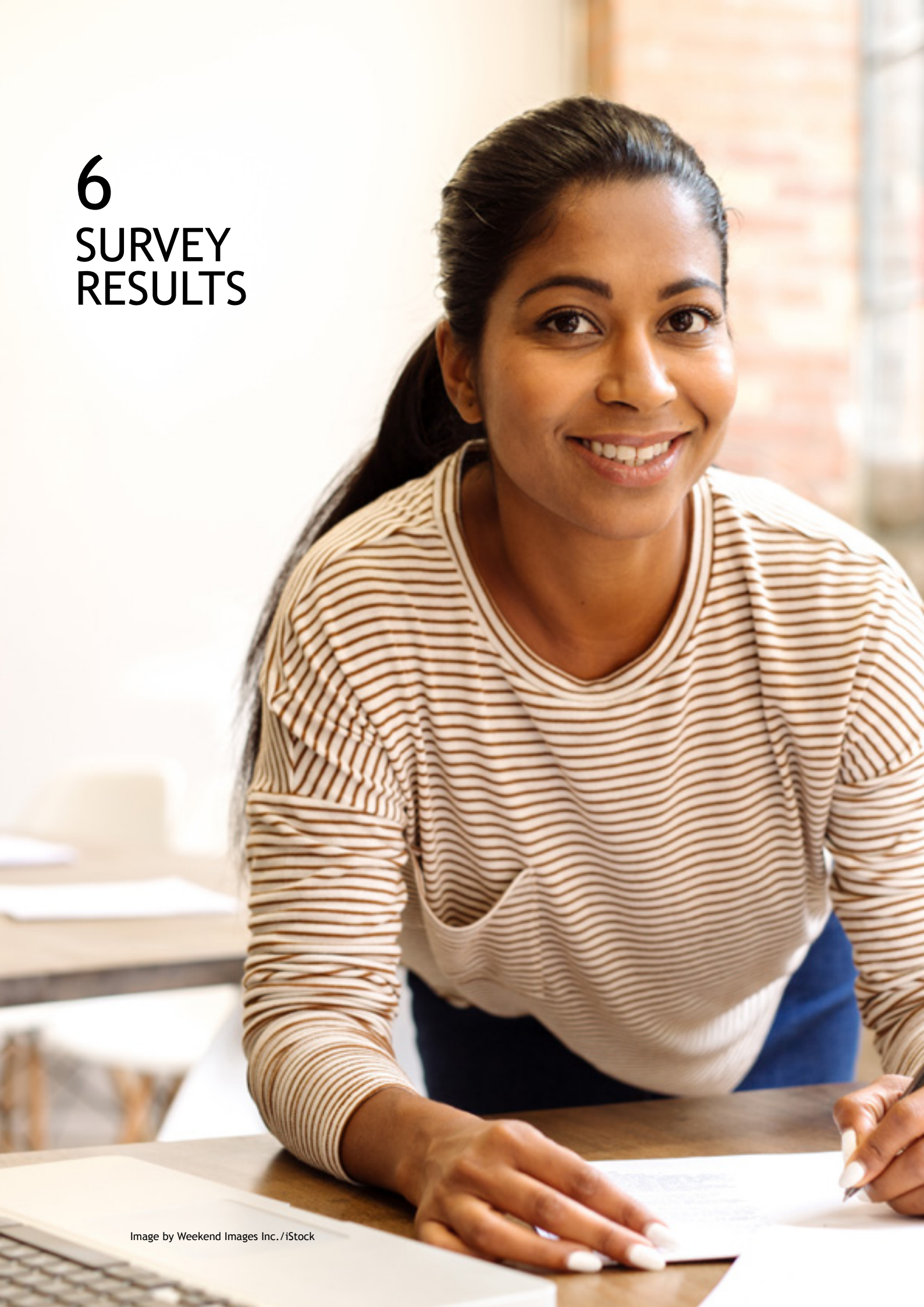
Respondents recognize that true affordability extends to inclusive communities, access to essential services, and having a voice in housing decisions.

Gender Dimension:



Income inequality is a key barrier for women accessing housing. Women require financial products tailored to their circumstances, but these products are currently lacking.

6 SURVEY RESULTS



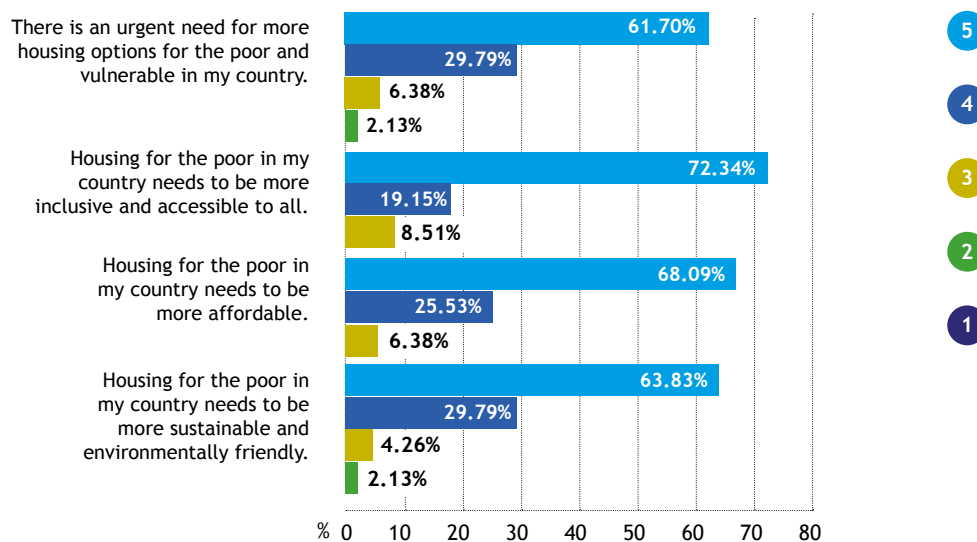
1.1 Participants were asked to evaluate the importance of various aspects of housing for low-income and vulnerable populations in their country. They rated the following statements on a scale of 1 to 5, where 1 means 'Not Important at All' and 5 means 'Extremely Important'...

- > There is an urgent need for more housing options for the poor and vulnerable in my country.
- > Housing for the poor in my country needs to be more inclusive and accessible to all.
- > Housing for the poor in my country needs to be more affordable.
- > Housing for the poor in my country needs to be more sustainable and environmentally friendly.

FIGURE 2

Please rate the following statements on a scale of 1 to 5, where 1 means "Not Important at All" and 5 means "Extremely Important".

Total respondents: 47



KEY TAKEAWAYS

- > **Urgent Need:** A significant majority of respondents believe there's an urgent need for more housing options for the poor and vulnerable (61.70%).
- > **Inclusivity and Accessibility:** Respondents strongly emphasize the importance of making housing for the poor inclusive and accessible to all (72.34%).
- > **Affordability:** Housing affordability for the poor is another major concern highlighted by the survey (68.09%).
- > **Sustainability:** A strong majority of respondents indicated that housing options for the poor should prioritize sustainability and environmental friendliness (63.83%).

OVERALL INSIGHTS

This survey clearly demonstrates the following:

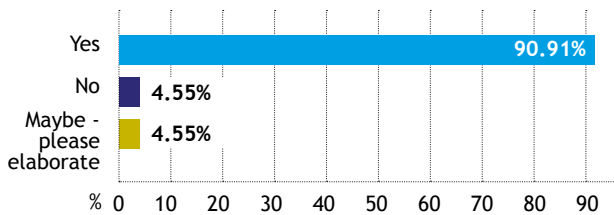
1. **Critical Shortage:** There's an urgent need to address the lack of housing options for the poor and vulnerable in the surveyed country.
2. **Focus on Accessibility and Inclusivity:** New housing solutions must prioritize making living spaces accessible and inclusive to all individuals regardless of their abilities or backgrounds.
3. **Affordability as Key:** Housing solutions need to be designed with affordability in mind.
4. **Environmental Responsibility:** Sustainability and environmental concerns should be a significant consideration in housing development for the poor.

1.1 Participants were asked whether they would be open to exploring policy reforms to encourage greater participation from financial institutions in the affordable housing sector?
(Yes/No/Maybe)

FIGURE 1.1

Would you be open to exploring policy reforms to encourage greater participation from financial institutions in the affordable housing sector?

Total respondents: 44



KEY TAKEAWAYS

- > **High Openness for Reform:** The vast majority of respondents (90.91%) indicated a willingness to explore policy reforms to boost financial institution participation in affordable housing.
- > **Limited Opposition:** Only a small fraction of respondents (4.55%) expressed opposition to policy changes.
- > **Need for Nuance:** While the general sentiment is positive, a small portion (4.55%) requested further elaboration on potential policy reforms, indicating a potential need for clarity and careful consideration.

INSIGHTS:

- > **Strong Support for Proactive Change:** The results suggest a high level of support and recognition that policy reforms could play a significant role in increasing the participation of financial institutions in affordable housing.
- > **Potential for Collaboration:** This widespread openness presents an opportunity for policymakers to engage with stakeholders in the financial sector, housing industry experts, and community groups to design effective reforms.
- > **Addressing Concerns of the "Maybe" Group:** The elaboration requests highlight the importance of tailoring policy changes to address concerns around feasibility, cost implications, sustainability, and long-term impact.

Additional Notes on "Maybe - please elaborate" responses:

- > Concerns about affordability, cost, supply, and subsidies suggest potential focus areas for policy changes.
- > Acknowledgment of limited experience reveals the need for education and involvement of diverse stakeholders in policy discussions.

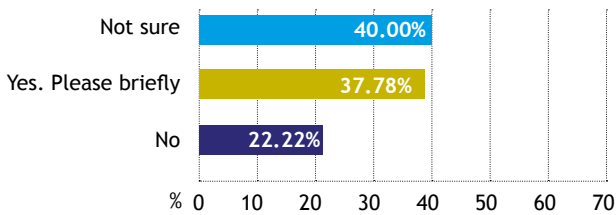
CHAPTER II: THE CURRENT IASHF LANDSCAPE

2.1 Participants were asked whether their country currently has any existing policies or programs related to IASHF? (Yes/No/Not Sure)

FIGURE 2.1

Does your country have any existing policies or programs related to IASHF?

Total respondents: 45



- > **Some IASHF Initiatives Exist:** While a portion of respondents remain unsure or indicate the absence of programs, the provided descriptions from the "Yes" category suggest there are at least some policies or initiatives in place.
- > **Focus on Affordability:** Responses indicate a focus on making housing more affordable, with mechanisms like:
 - > Lower interest rates for specific income groups
 - > Affordable housing construction programs
 - > Government-backed credit programs
- > **National-Level Policies:** Some respondents mention national-level strategies and overarching frameworks (e.g., Plan Sénégal Emergent, National Housing Strategy) promoting access to decent housing.

INSIGHTS

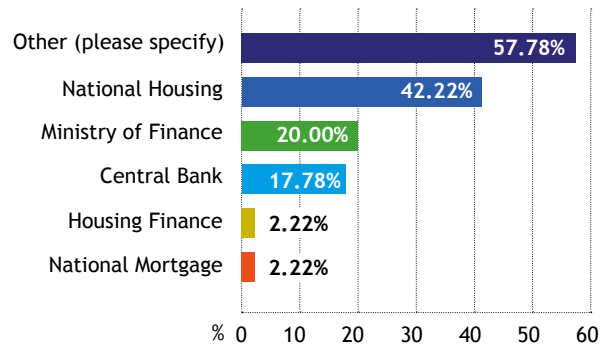
- > **Varied Approaches:** The responses indicate the country may utilize various mechanisms to promote housing affordability, including interest rate adjustments, construction programs, and credit support.

2.2 To understand the housing finance landscape, participants were asked to identify the institutions within their country that handle housing finance. Options included: Central Bank, Ministry of Finance, Housing Finance Regulator, National Housing Agency/Authority, National Mortgage Association, Other (please specify)

FIGURE 2.2

Please select the institution(s) in your country that handle housing finance.

Total respondents: 45



KEY TAKEAWAYS:

- > **No Clear Leader:** There is no single, dominant institution responsible for housing finance. Responses were dispersed between several options.
- > **"Other" Dominates:** The majority of participants (57.78%) selected the "Other" category, needing to specify their answers.
- > **National Housing Agency/Authority Favoured:** Among the specified institutional choices, the National Housing Agency/Authority emerged as the most frequently selected (42.22%).

INSIGHTS

- > **Diverse and Decentralized Landscape:** The survey results suggest that housing finance in this country might involve a complex network of institutions rather than being centralized under one specific authority.

- > **Important Role of Ministries:** The responses within the "Other" category consistently point to various Ministries (Lands, Infrastructure, Housing, Public Works, even Land Reform) having significant involvement in housing finance matters.
- > **Potential for Public-Private Collaborations:** Some responses within "Other" mention organizations like the Housing Development Finance Corporation, suggesting possible partnerships between government institutions and private or semi-private bodies.

IMPORTANT CONSIDERATIONS

The high number of "Other" responses necessitates further investigation to get a comprehensive picture. Here are some points to consider for greater clarity:

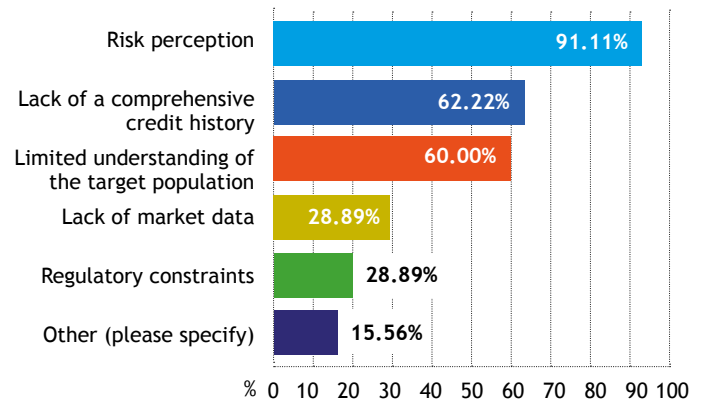
- > **Specific Roles of Ministries:** Understanding the exact roles each listed Ministry plays in housing finance will provide better context.
- > **Nature of Other Institutions:** Investigating the non-governmental or semi-private organizations mentioned in the "Other" category can shed light on potential public-private collaborations in the housing sector.

2.3 Participants were asked to rank the top 3 barriers preventing financial institutions from expanding services to low-income communities? Choices included: Risk perception by market players, Regulatory constraints, Lack of market data, Limited understanding of the target population, Lack of a comprehensive credit history, Other (specify)

FIGURE 2.3

What are the top 3 barriers preventing financial institutions from expanding services to low-income communities?

Total respondents: 45



The top 3 barriers identified in the survey for financial institutions to expand services to low-income communities are:

- > **Risk perception:** Financial institutions perceive loans to low-income borrowers to be riskier (91.11% of respondents).
- > **Lack of a comprehensive credit history:** Low-income borrowers often lack a comprehensive credit history, making it difficult for financial institutions to assess their creditworthiness (62.22% of respondents).
- > **Limited understanding of the target population:** Financial institutions lack expertise in serving low-income clients (60.00% of respondents).



Image by chameleonseye/iStock

KEY TAKEAWAYS

- > Financial institutions are hesitant to expand services to low-income communities due to perceived risks and a lack of understanding of the target population.
- > The absence of a comprehensive credit history for low-income borrowers further complicates the assessment of their creditworthiness by financial institutions.

INSIGHTS

The survey findings highlight the need for initiatives that address the risk perception of financial institutions and improve their understanding of the low-income market. Additionally, exploring alternative credit assessment methods that go beyond traditional credit history could be beneficial.

It's important to note that a significant portion of respondents (15.56%) selected "Other (please specify)" and provided various reasons.

These reasons included: Low income and high inflation environment, deposits are mainly short-term, while housing requires long-term financing, low-income population is not a targeted market.

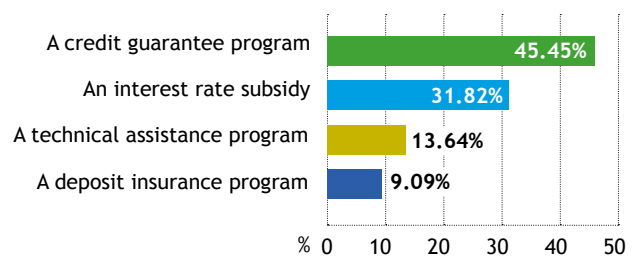
These additional insights suggest that even beyond the top 3 mentioned barriers, there might be broader challenges related to the economic environment and overall financial institution strategies that need to be considered when expanding services to low-income communities.

2.4 Participants were asked which government program would likely be MOST effective in reducing the initial financial risk for a lender considering a loan to a low-income borrower. Choices included: An interest rate subsidy that lowers the borrowing cost for the low-income individual, a credit guarantee program that promises to repay the lender a portion of the loan if the borrower defaults, a technical assistance program that trains lenders on assessing low-income borrowers, a deposit insurance program that protects the savings of microfinance institution depositors.

FIGURE 2.4

Which government program would likely be MOST effective in reducing the initial financial risk for a lender considering a loan to a low-income borrower?

Total respondents: 44



KEY TAKEAWAYS:

- > **Preference for Credit Guarantees:** The majority of respondents (45.45%) believe a credit guarantee program, where the government promises to partially repay defaulting loans, would be most effective in reducing lender risk.
- > **Substantial Support for Interest Rate Subsidies:** Interest rate subsidies, aimed at lowering borrowing costs for low-income individuals, were a close second choice with 31.82% support.
- > **Limited Confidence in Other options:** Technical assistance (13.64%) and deposit insurance (9.09%) received far less support for risk reduction.

INSIGHTS:

- > **Risk Mitigation is Key:** Lenders primarily see government guarantees as the most direct way to mitigate financial risk when dealing with a demographic perceived as higher risk.
- > **Indirect Support for Borrowers:** Interest rate subsidies make lending to low-income borrowers more attractive by effectively reducing loan costs.
- > **Technical Assistance Alone is Not Enough:** While training lenders on assessing low-income borrowers can be helpful, the results suggest it's not seen as a primary solution for risk reduction.

ADDITIONAL CONSIDERATIONS:

- > **Cost Implications:** Government guarantees, and interest rate subsidies can have significant financial implications for public budgets.
- > **Program Design:** Careful design of such programs is crucial to ensure they effectively address risk without encouraging irresponsible lending practices.

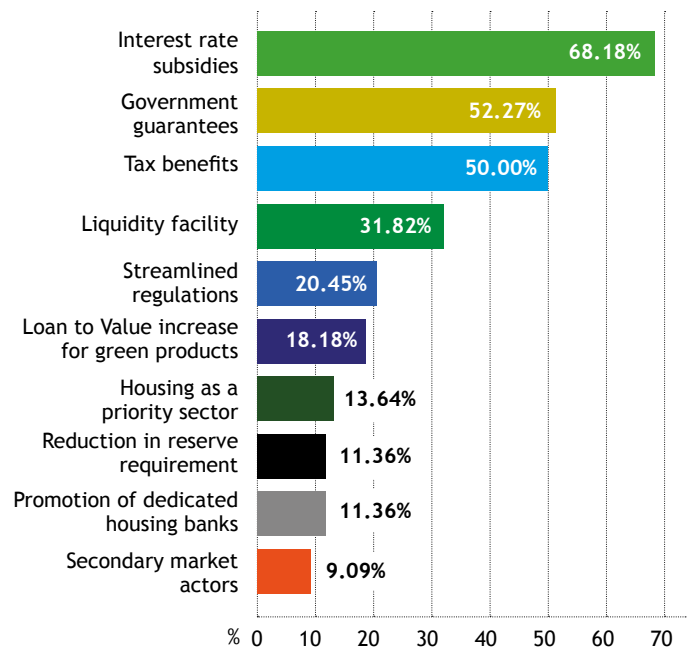
2.5 Participants were asked to identify the biggest challenges your country faces in promoting IASHF regarding the Regulatory Framework, Funding, Target Population, Product Development, Infrastructure and Capacity.

FIGURE 2.5.1: REGULATORY FRAMEWORK

Which incentives would be most effective in stimulating green finance for affordable housing?

Please select three (3) that would be most effective.

Total respondents: 44



TOP REGULATORY CHALLENGES

- > **Lack of Supportive Policies:** The most significant challenge identified by 69.05% of respondents is the absence of clear laws and regulations actively promoting IASHF development.
- > **Lack of Clear Titles:** A vast majority (73.81%) highlight the widespread lack of clear titles for land and property as a major issue, particularly affecting the poor.
- > **Restrictive Regulations & Ineffective Property Registry:** While less prominent, both restrictive lending regulations (21.43%) and an ineffective property registry system (26.19%) are seen as significant obstacles.

KEY TAKEAWAYS

- > **Enabling Policy Environment Lacking:** The regulatory framework does not provide a conducive environment for IASHF to thrive, with a lack of specific policies and laws.
- > **Secure Ownership is Crucial:** The absence of clear land titles and property ownership rights significantly restricts the ability of the poor to access housing finance.
- > **Need for Flexible Regulations:** Restrictive lending rules can hinder financial institutions from extending loans suitable for low-income borrowers.
- > **Efficient Registration Matters:** A poorly functioning property registration system increases transaction complexity and may add to lenders' risk perception.

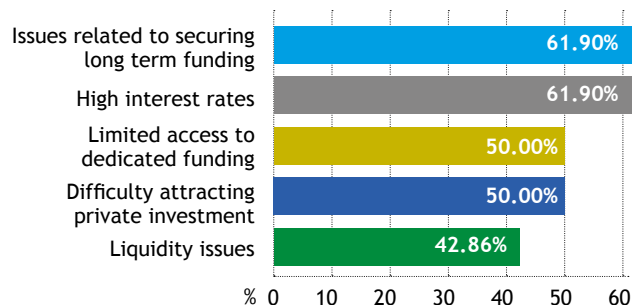
INSIGHTS

- > **Legal Reforms are Vital:** Addressing land titling, providing collateral for the poor, and increasing security of tenure are essential to unlock housing finance.
- > **Proactive Policymaking Needed:** Regulations specifically designed to support IASHF are needed, alongside broader affordable housing initiatives.
- > **Balancing Risk & Accessibility:** Regulatory adjustments are necessary to strike a balance between risk management for lenders and accessibility for low-income borrowers.
- > **Streamlining Land Administration:** Investing in efficient property registration systems can increase transparency and potentially reduce barriers in the lending process.
- > **Regulatory Review:** Existing regulations should be reviewed for potential restrictions that might create unnecessary barriers.

FIGURE 2.5.2: FUNDING

What are the biggest challenges your country faces in terms of funding IASHF?

Total respondents: 42



TOP FUNDING CHALLENGES

- > **Long-term Funding:** A significant majority (61.90%) cite difficulty in securing long-term funding for mortgages as a major challenge.
- > **High Interest Rates:** Similarly, 61.90% of respondents flag high interest rates as an obstacle, impacting both loans and investments.
- > **Lack of Dedicated Funding & Private Investment:** Half of the respondents (50% each) indicate limited access to specialized IASHF funds and challenges in attracting private investors.

KEY TAKEAWAYS

- > **Mismatched Maturities:** The top issue highlights a mismatch between the long-term nature of mortgages and the reliance on short-term funding sources.
- > **Cost Barriers:** High interest rates significantly impact affordability for borrowers and limit the financial feasibility of IASHF projects.
- > **Need for Targeted Resources:** Specialized funds dedicated to IASHF are lacking, creating barriers to accessible financing.
- > **Limited Private Sector Participation:** Challenges in attracting private investors suggest a need for incentives or innovative financing models.

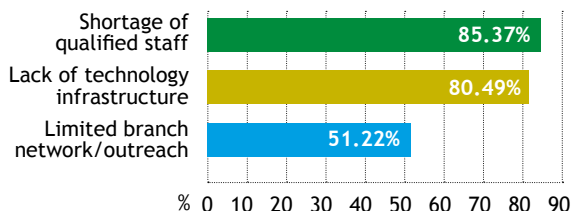
INSIGHTS

- > **Addressing Term Mismatch is Key:** Stable, long-term funding mechanisms are crucial to overcome the sector's structural problem and promote affordability.
- > **Holistic Approach:** Efforts are needed to tackle high interest rates through both macroeconomic policies and targeted IASHF interventions.
- > **Expanding Funding Sources:** Developing dedicated funding streams specific to IASHF, combined with strategies to attract private investment, is essential to increase capital availability.

FIGURE 2.5.3: TARGET POPULATION

What are the biggest challenges your country faces in promoting IASHF?

Total respondents: 41



KEY CHALLENGES

- > **Difficulty Verifying Income:** The top challenge identified by a vast majority (85.37%) of respondents is the difficulty in verifying income due to informal work, common among low-income individuals.
- > **Low Financial Literacy:** A significant 80.49% of respondents cite low financial literacy, limiting understanding of financial products, among potential borrowers.
- > **Lack of Awareness:** Over half of respondents (51.22%) point out a lack of awareness about available IASHF options among potential beneficiaries.

KEY TAKEAWAYS

- > **Informal Economy Obstacle:** Traditional income verification methods are inadequate for the informal sector, a major demographic of the target population.
- > **Financial Education Gap:** Limited financial knowledge among low-income borrowers poses a significant barrier to understanding and leveraging IASHF programs.
- > **Outreach Needed:** Many potential beneficiaries are unaware of available support mechanisms, emphasizing the need for effective awareness campaigns.

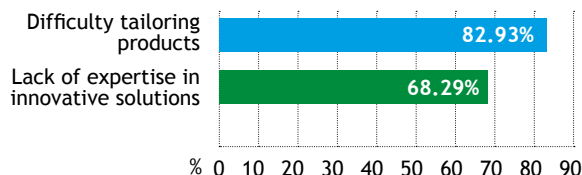
INSIGHTS

- > **Need for Alternative Verification:** Developing innovative income verification methods, tailored to the realities of informal work, is crucial to serve this demographic.
- > **Targeted Financial Education:** Proactive financial literacy campaigns specific to IASHF are needed to increase understanding and utilization.
- > **Wider Communication:** Expanding outreach efforts, utilizing diverse channels, is essential to spread awareness about existing IASHF programs.

FIGURE 2.5.4: PRODUCT DEVELOPMENT

What are the biggest challenges your country faces in promoting IASHF?

Total respondents: 41



TOP PRODUCT DEVELOPMENT CHALLENGES

- > **Difficulty Tailoring Products:** A vast majority (82.93%) of respondents indicate challenges in designing loans and financial products suitable for the unique needs of low-income populations.
- > **Lack of Expertise on Innovative Solutions:** A significant portion (68.29%) highlights shortcomings in knowledge and expertise on creative, new IASHF models.

KEY TAKEAWAYS

- > **One-Size-Fits-All Doesn't Work:** Traditional financial products are ill-suited for low-income borrowers, demonstrating the need for tailored solutions.
- > **Innovation Gap:** There's limited capacity in developing creative IASHF models that address specific challenges and opportunities in this sector.

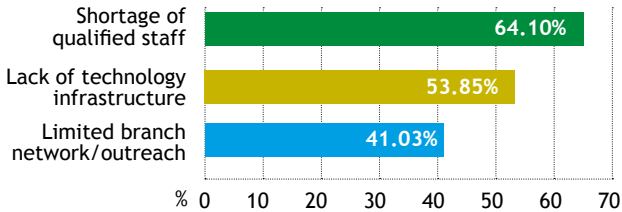
INSIGHTS

- > **In-Depth Understanding Required:** Success hinges on deeply understanding low-income communities' financial needs and constraints to develop relevant product offerings.
- > **Need for Collaboration:** Expertise can be built through partnerships with community organizations, research institutions, or international bodies specializing in IASHF innovation.
- > **Learning from Best Practices:** Research into existing successful IASHF models can provide valuable knowledge and inspiration.

FIGURE 2.5.5: INFRASTRUCTURE AND CAPACITY

What are the biggest challenges your country faces in promoting IASHF?

Total respondents: 39



KEY CHALLENGES

- > **Shortage of Qualified Staff:** The top challenge identified by 64.10% of the respondents is the lack of trained personnel specifically for IASHF initiatives.
- > **Lack of Technology Infrastructure:** Over half of the respondents (53.85%) highlight outdated technological systems or limited use of technology as a significant obstacle.
- > **Limited Branch Network/Outreach:** A considerable 41.03% cite the lack of adequate bank branches or ways to connect with low-income individuals in need.

KEY TAKEAWAYS:

- > **Skills Gap:** There's a critical shortage of qualified staff with the expertise required for handling the unique needs and challenges of IASHF.
- > **Outdated Technology:** Inefficient or technologically outdated systems hinder efficient operations and outreach in the sector.
- > **Accessibility Limitations:** Limited physical reach due to a lack of bank branches and limited outreach efforts significantly reduce access for potential beneficiaries.

INSIGHTS:

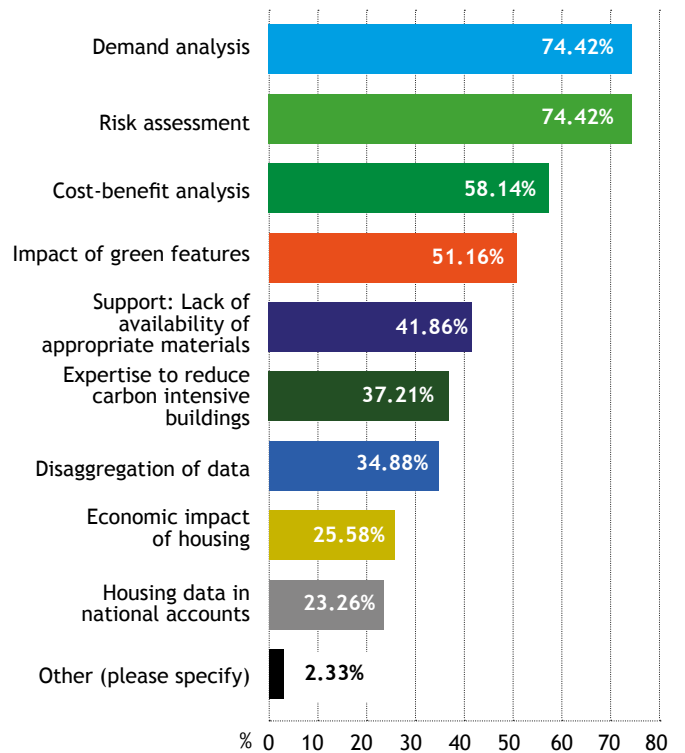
- > **Investment in Training:** Prioritizing investment in training and development for IASHF-specific skills is crucial to address the shortage of qualified staff.
- > **Technological Upgrade:** Modernizing technology infrastructure is essential for streamlining processes, data management, and enhancing customer outreach initiatives.
- > **Expanding Accessibility:** Expanding physical reach through strategic branch locations and leveraging technology for remote services is vital for increased accessibility.

2.6 Since relevant data is crucial in addressing these challenges, participants were asked to identify data gaps which prevented them from making appropriate decisions about inclusive housing finance?

FIGURE 2.6

Where do you feel there is a lack of reliable data when making decisions about inclusive housing finance? Select all that apply.

Total respondents: 44



TOP AREAS WITH DATA GAPS

- > **Demand Analysis & Risk Assessment:** A resounding majority (74.42% each) indicate a severe lack of data on both understanding the exact need for affordable housing and assessing the risks of lending to low-income borrowers.
- > **Cost-Benefit Analysis:** Clear data on financial returns of IASHF investments is lacking according to 58.14% of respondents.
- > **Impact of Green Features:** Over half the respondents (51.16%) highlight a lack of data on the cost savings and benefits associated with green housing features.

OTHER NOTABLE PROBLEM AREAS:

- > **Disaggregation of Data:** 34.88% report insufficiently disaggregated data, hindering targeted approaches to various demographics.
- > **Expertise & Support:** A significant portion noted the lack of expertise in reducing carbon-intensive buildings (37.21%) and limited availability of appropriate materials for mitigation and adaptation (41.86%).

KEY TAKEAWAYS

- > **Fundamental Data Gaps:** Decision-makers face major challenges due to the scarcity of reliable data in understanding housing demand, risk profiles, and the economic impact of housing investments.
- > **Barrier to Green Initiatives:** Limited data on the benefits of green features hampers a compelling case for sustainable housing finance.
- > **Need for Specific Data:** Disaggregated data is crucial to tailor solutions for diverse population segments facing housing insecurity.
- > **Holistic Approach:** Expertise and support gaps surrounding sustainable building practices need to be addressed to make green housing a viable option.

INSIGHTS

- > **Urgent Need for Data Collection:** Targeted data collection and analysis initiatives are critical across a wide range of areas to facilitate effective housing finance solutions.
- > **Addressing Risk Perception:** Data-driven risk assessment can help shift lender perceptions of low-income borrowers and stimulate affordable housing funding.
- > **Cost-Benefit Studies:** Investing in studies on the economic impact of IASHF, including green components, can attract further investment in the sector.

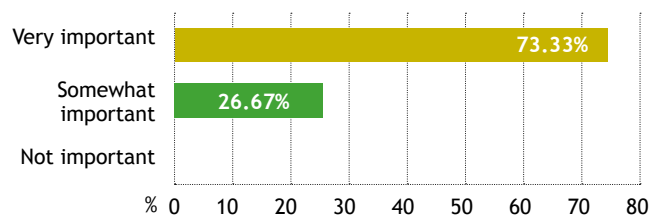
CHAPTER III: INCLUSIVE GREEN FINANCE AND INCLUSIVE, AFFORDABLE AND SUSTAINABLE HOUSING FINANCE

3.1 Participants were asked how important incorporating eco-friendly building practices into affordable housing finance initiatives is in their country.

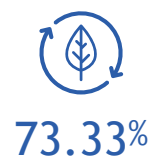
FIGURE 3.1

How important is incorporating eco-friendly building practices into affordable housing finance initiatives?

Total respondents: 45



KEY TAKEAWAYS



The survey suggests that a significant majority (73.33%) considers incorporating eco-friendly building practices into affordable housing finance initiatives to be very important.

However, there is also a portion of respondents (26.67%) who believe it is somewhat important.

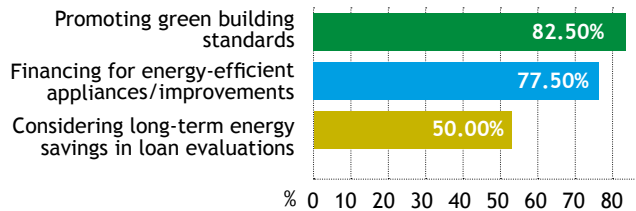
This highlights the potential need for further education and awareness campaigns about the benefits of eco-friendly building practices, not just for the environment but also for the long-term sustainability and affordability of housing units.

3.2. Participants were then asked what the most relevant aspects of 'sustainable' housing finance for your institution/ country? The question addressed energy efficiency, climate resilience and environmental and social sustainability.

FIGURE 3.2.1: ENERGY EFFICIENCY

What are the most relevant aspects of 'sustainable' housing finance for your institution/ country?

Total respondents: 40



TOP PRIORITIES FOR ENERGY EFFICIENCY

- > **Promoting Green Building Standards:** The highest priority, with 82.50% of respondents, is encouraging sustainable construction practices that prioritize energy and resource efficiency.
- > **Financing Energy-Efficient Improvements:** A significant 77.50% focus on providing financial solutions for upgrades like appliances or retrofits that reduce energy consumption in existing homes.
- > **Considering Long-Term Savings:** While selected less, half of respondents still value incorporating long-term energy savings assessments into loan evaluations.

KEY TAKEAWAYS

- > **Strong Emphasis on Construction:** Respondents see promoting green building codes and standards as the most effective way to increase energy efficiency in housing.
- > **Appliance and Retrofit Support:** Financing solutions tailored to energy-saving home improvements are recognized as an important factor in making housing more affordable.
- > **Emerging Focus on Life-Cycle Analysis:** While a smaller percentage, there's recognition that factoring energy savings into loan assessments can benefit borrowers and lenders.

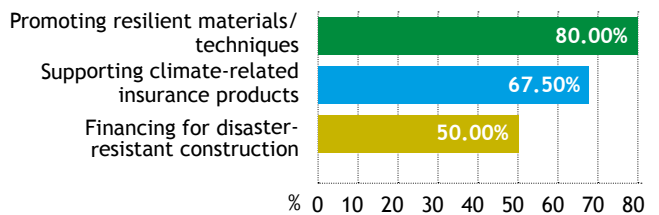
INSIGHTS

- > **Holistic Approach:** Successful strategies involve both green construction practices and targeted financing for existing homes.
- > **Addressing Affordability:** Supporting energy-efficient improvements reduces housing operation costs, impacting long-term affordability for low-income households.
- > **Need for Financial Incentives:** Policies and financial products that value long-term savings can stimulate the market for energy-efficient housing.

FIGURE 3.2.2: CLIMATE RESILIENCE

What are the most relevant aspects of 'sustainable' housing finance for your institution/ country?

Total respondents: 40



TOP PRIORITIES FOR CLIMATE RESILIENCE

- > **Promoting Resilient Materials/Techniques:** The top priority (80% of respondents) is encouraging the use of construction materials and methods that enhance the ability of homes to withstand climate-related hazards.

- > **Supporting Climate-Related Insurance Products:** A strong 67.5% of respondents see value in providing access to insurance solutions that protect against climate-related damages.
- > **Financing Disaster-Resistant Construction:** Half of the respondents highlight the importance of providing financing options specifically tailored to more robust, disaster-resistant housing construction.

KEY TAKEAWAYS

- > **Focus on Construction Practices:** Respondents prioritize proactive solutions like resilient materials and techniques to minimize damage from climate-induced events.
- > **Financial Protection is Key:** Insurance products specific to climate change impacts are seen as an important way to mitigate financial risk for low-income households.
- > **Tailored Construction Funding:** While less of a priority than the other two, there's still significant interest in financing options designed for disaster-resistant housing construction.

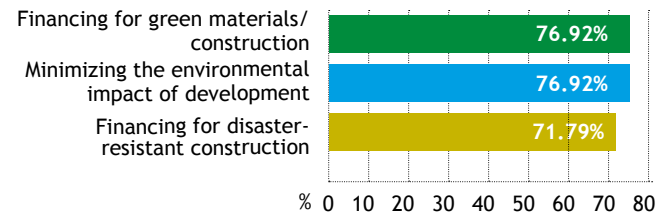
INSIGHTS

- > **Prioritizing Prevention:** The sector recognizes that investing in robust housing reduces vulnerability and long-term costs for communities.
- > **Risk-Sharing Mechanisms:** Insurance tailored to climate risks can be a valuable tool for financial security, particularly for low-income populations.
- > **Need for Financial Innovation:** Specialized financing products and incentives for disaster-resistant construction could stimulate investment in climate-resilient housing.

FIGURE 3.2.3: ENVIRONMENTAL SUSTAINABILITY

What are the most relevant aspects of 'sustainable' housing finance for your institution/country?

Total respondents: 39



TOP PRIORITIES FOR ENVIRONMENTAL SUSTAINABILITY

The survey reveals that respondents are almost equally focused on three primary areas:

- > **Financing Green Materials/Construction:** A significant 76.92% prioritize providing funding for environmentally conscious building materials and methods.
- > **Minimizing Environmental Impact:** The same percentage (76.92%) emphasize construction practices that reduce harm to the environment throughout the development process.
- > **Encouraging Renewable Energy Sources:** Over 70% (71.79%) support the integration of renewable energy sources into homes.

KEY TAKEAWAYS

- > **Wide-Ranging Sustainability Focus:** The sector recognizes the multiple dimensions of environmental sustainability in housing, from construction materials to long-term impact and energy sources.
- > **Emphasis on Construction Practices:** Respondents see minimizing the environmental footprint of housing development and construction as a central concern.
- > **Strong Support for Green Solutions:** There's significant interest in financing that encourages the use of sustainable building materials and renewable energy.

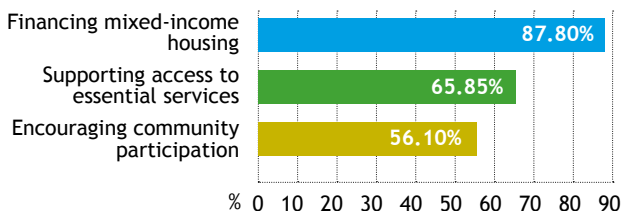
INSIGHTS

- > **Holistic Approach Needed:** Successful strategies prioritize environmental concerns at all stages, from construction practices to long-term energy consumption.
- > **Beyond Construction Materials:** Sustainable practices need to address other environmental impacts including water usage, waste management, and site selection.
- > **Incentives for Transformation:** Financial solutions and policies that encourage green construction and renewable energy solutions are crucial.

FIGURE 3.2.4: SOCIAL SUSTAINABILITY

What are the most relevant aspects of 'sustainable' housing finance for your institution/country?

Total respondents: 41



TOP PRIORITIES FOR SOCIAL SUSTAINABILITY

- > **Financing Mixed-Income Housing:** The strongest support (87.80%) lies in promoting housing solutions that cater to a diverse range of income levels, fostering inclusive communities.
- > **Supporting Access to Essential Services:** A significant majority (65.85%) highlight the importance of ensuring affordable housing is strategically located within reach of vital services like transportation, healthcare, and education.
- > **Encouraging Community Participation:** While selected less often, a clear majority (56.10%) still recognize the value of involving residents and communities in the decision-making process for housing development.

KEY TAKEAWAYS

- > **Focus on Inclusion:** Respondents prioritize mixed-income housing models as a key pillar to address both affordability and social segregation.
- > **Beyond Affordability to Liveability:** Accessibility to essential services is emphasized, highlighting that affordability alone does not ensure quality of life or social sustainability.
- > **Community Engagement Matters:** Respondents recognize the importance of residents having a voice in shaping their communities and housing solutions.

INSIGHTS

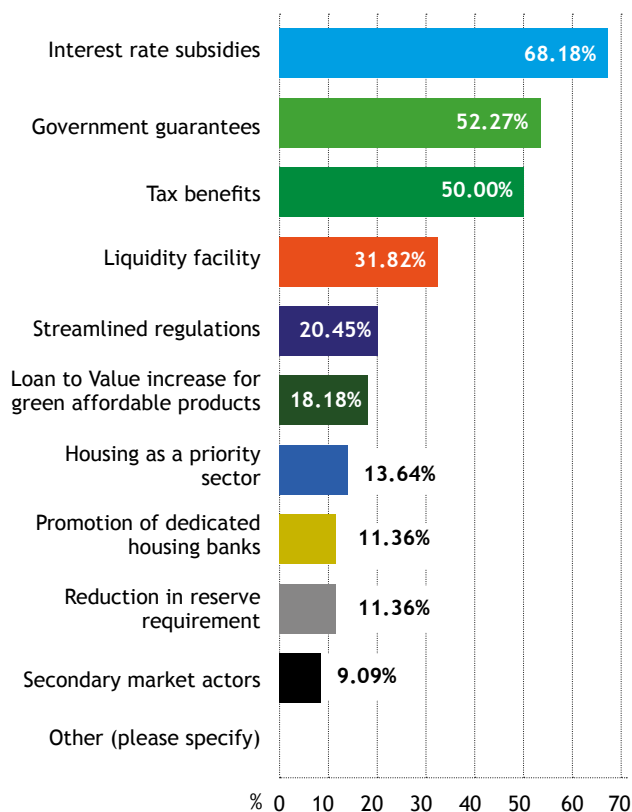
- > **Mixed-Use Development is Key:** Integrated housing, combining affordable and market-rate units, can break down socio-economic barriers and foster more vibrant communities.
- > **Location and Accessibility:** Sustainable affordable housing requires thoughtful consideration of proximity to opportunities and amenities.
- > **Participation for Ownership:** Engaging communities builds sense of ownership, potentially improving both housing project design and maintenance.

3.3 Finally, participants were asked which incentives would be most effective in stimulating green finance for affordable housing?

FIGURE 3.3

Which incentives would be most effective in stimulating green finance for affordable housing? Please select three (3) that would be most effective.

Total respondents: 44



TOP 3 INCENTIVES

1. **Interest Rate Subsidies:** The most popular choice, with 68.18% of respondents highlighting interest rate subsidies as the most effective incentive.
2. **Government Guarantees:** 52.27% of respondents favour the added security of government guarantees to reduce risks in the green affordable housing sector.
3. **Tax Benefits:** 50% of respondents select tax breaks for lenders or developers involved in green projects.

KEY TAKEAWAYS

- > **Direct Financial Impact:** The top choices directly impact the cost of financing for both lenders and borrowers. Interest rate subsidies make green loans more affordable, while tax benefits offset costs for participants.
- > **Risk Mitigation:** Government guarantees reflect a desire to offset the risk perception for lenders and encourage them to enter or expand within the green affordable housing sector.
- > **Diverse Approaches:** The range of selected incentives demonstrates that a multifaceted approach is needed. It's important to address cost, risk, and market liquidity.

INSIGHTS

- > **Priority on Affordability:** The focus on interest rate subsidies reveals that lowering financing costs is crucial to making green housing affordable for low-income communities.
- > **Collaboration as Key:** There's strong support for public-private risk-sharing mechanisms like government guarantees and tax benefits.
- > **Need for Liquidity:** A significant portion of respondents (31.82%) value liquidity facilities to provide a stable funding source, enhancing the overall stability of the housing finance market.

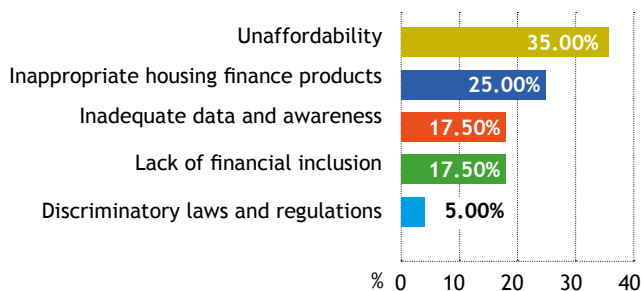
CHAPTER IV: GENDER INCLUSIVE FINANCE AND INCLUSIVE, AFFORDABLE AND SUSTAINABLE HOUSING FINANCE

4.1 Participants were asked which poses the **BIGGEST** obstacle to women accessing inclusive, affordable, and sustainable housing finance?

FIGURE 4.1

In your opinion, which poses the BIGGEST obstacle to women accessing inclusive, affordable, and sustainable housing finance?

Total respondents: 40



TOP OBSTACLE: UNAFFORDABILITY



35%

The most selected obstacle is high housing costs, with 35% of respondents. This emphasizes that economic factors play a major role in limiting women's access to affordable housing.

OTHER SIGNIFICANT BARRIERS

- > **Inappropriate Housing Finance Products:** 25% of respondents identified the lack of financial products specifically tailored to women's needs as a major issue.
- > **Lack of Financial Inclusion & Inadequate Data:** Both these factors received 17.5% each, indicating limited access to banking and credit, as well as a shortfall of reliable data, posing further obstacles.



Image by Nem Malosi/Unsplash

KEY TAKEAWAYS

- > **Economic Disparity:** Underlying income inequality and the gender pay gap make housing unaffordable for many women. This fundamental issue must be addressed.
- > **Need for Women-Centric Finance:** Traditional financial products often don't consider the realities of women's financial situations, creating a significant barrier.
- > **Data-Driven Solutions:** Reliable data on women's housing needs and financial realities is crucial to inform policies and design impactful products.

INSIGHTS

- > **Multi-Faceted Approach Needed:** Overcoming these obstacles requires tackling economic disparities, developing targeted financial solutions, and investing in better data collection.
- > **Holistic Housing Policies:** Affordable housing initiatives require greater attention to the specific challenges women face and must ensure inclusivity

CHAPTER V: SUPPORT REQUESTED FROM AFI MEMBERS

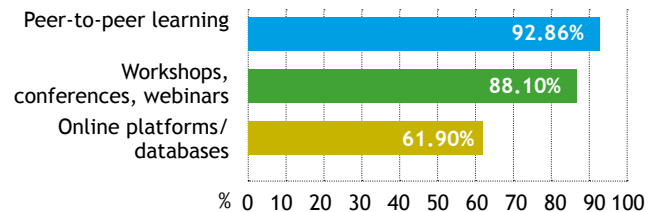


5.1 Participants were asked what type of support would be most helpful in advancing IASHF in their country?

FIGURE 5.1: KNOWLEDGE SHARING

What type of support would be most helpful in advancing IASHF in your country?

Total respondents: 42



TOP KNOWLEDGE SHARING PREFERENCES

- > **Peer-to-Peer Learning:** The most preferred method is peer-to-peer learning with other AFI members, selected by 92.86% of respondents.
- > **Workshops, Conferences, Webinars:** 88.10% of respondents favor workshops, conferences, and webinars for knowledge exchange and dissemination.
- > **Online Platforms/Databases:** Online resources offering best practices and case studies received support from 61.90% of respondents.

KEY TAKEAWAYS

- > **Emphasis on Collaboration:** Respondents strongly value direct interaction and collaboration with peers as the most effective way to share knowledge in this field.
- > **Value of Practical Events:** Workshops, conferences, and webinars offering hands-on learning and networking are highly preferred.
- > **Importance of Accessible Resources:** Online platforms provide a valuable repository of information and case studies.

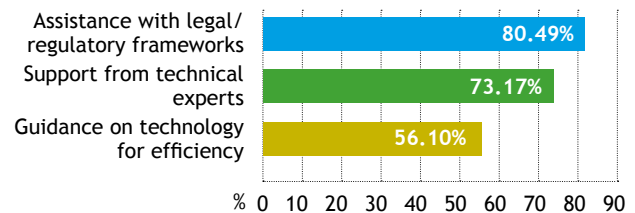
INSIGHTS

- > **Prioritize Network Building:** Facilitating peer-to-peer interactions and exchange opportunities is crucial for IASHF stakeholders.
- > **Focus on Interactive Learning:** Workshops and conferences with practical elements, problem-solving, and case studies offer significant value.
- > **Curated Online Content:** Well-maintained online platforms providing best practice guides, research, and lessons learned are a helpful additional resource for the sector.

FIGURE 5.2: TECHNICAL ASSISTANCE

What type of support Would be most helpful in advancing IASHF in your country?

Total respondents: 41



TOP TECHNICAL ASSISTANCE NEEDS

- > **Assistance with Legal/Regulatory Frameworks:** The most sought-after support area is related to developing effective policies and regulatory environments, with 80.49% of respondents highlighting this need.
- > **Support from Technical Experts:** Guidance and advice from specialists with in-depth IASHF knowledge is considered crucial by 73.17% of respondents.
- > **Guidance on Technology for Efficiency:** Finding suitable technological solutions for efficiency is a priority for over half of respondents (56.10%).

KEY TAKEAWAYS

- > **Policy Guidance is Key:** There's a significant need for expert assistance in establishing robust legal and regulatory frameworks that enable effective IASHF initiatives.
- > **Specialized Knowledge Needed:** The sector values input and direction from IASHF specialists to navigate unique challenges and design impactful solutions.
- > **Seeking Technological Efficiency:** Assistance in identifying and implementing suitable technological tools to streamline processes is a growing focus area.

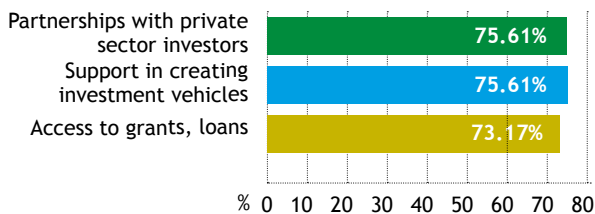
INSIGHTS

- > **Enabling Environment is Crucial:** Robust legal and regulatory structures are the foundation upon which IASHF strategies are built.
- > **Mentorship and Consulting:** The need for specialized expertise suggests opportunities for mentoring programs or targeted consulting services within the IASHF space.
- > **Tech for Impact:** Technological solutions can significantly improve service delivery and efficiency. Guidance on these solutions is increasingly important.

FIGURE 5.3: FUNDING OPPORTUNITIES

What type of support would be most helpful in advancing IASHF in your country?

Total respondents: 41



TOP FUNDING RELATED PRIORITIES

The survey reveals that respondents are almost equally focused on three primary areas:

- > **Access to Grants, Loans, etc.:** A significant 73.17% prioritize gaining access to grants, loans, and other financial resources.
- > **Partnerships with Private Sector Investors:** 75.61% of respondents value support in establishing connections and collaborations with private sector investors.
- > **Creating Investment Vehicles:** A similar number (75.61%) see the development of new investment vehicles designed specifically for IASHF as another key priority.

KEY TAKEAWAYS

- > **Diverse Funding Needs:** The sector recognizes the need for various funding sources, including traditional grants and loans as well as innovative investment models.
- > **Strong Interest in Private Sector:** There's significant interest in fostering collaborations and attracting investment from the private sector.
- > **Enabling Investment:** Respondents see a need for support in creating attractive and accessible investment vehicles specific to the needs of IASHF.

INSIGHTS

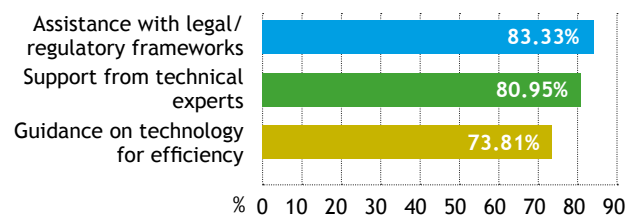
- > **Need for a Multi-Faceted Approach:** Successful funding strategies require a combination of traditional financial resources, private sector involvement, and the development of tailored investment models.

- > **Bridging the Gap:** There's an opportunity to facilitate connections between the IASHF sector and private investors, addressing both financial needs and knowledge sharing.
- > **Unlocking Investment Potential:** Creating specialized investment vehicles can attract new funding sources and increase the scale of IASHF initiatives.

FIGURE 5.4: CAPACITY BUILDING

What type of support would be most helpful in advancing IASHF in your country?

Total respondents: 42



TOP CAPACITY BUILDING NEEDS

- > **Training Programs:** The most cited need is for training programs designed to enhance staff skills and knowledge, chosen by 83.33% of respondents.
- > **Toolkits and Materials:** A similar number (80.95%) prioritize the development of practical toolkits and resources to effectively support institutions serving this market.
- > **Specialized Teams:** Over 70% (73.81%) see value in supporting the creation of dedicated IASHF teams within financial institutions.

KEY TAKEAWAYS

- > **Skill Development is Critical:** Training for staff is identified as the primary way to enhance the sector's ability to address the unique needs of low-income populations.
- > **Need for Practical Resources:** Toolkits and reference materials offering guidance are crucial for institutions to implement effective IASHF strategies.
- > **Specialized Focus:** Respondents recognize the value in fostering focused expertise by building dedicated IASHF teams within institutions.

INSIGHTS

- > **Prioritize Comprehensive Training:** Capacity building initiatives need to offer tailored programs addressing specific challenges and opportunities in IASHF, covering areas like risk assessment, product design, and community outreach.

- > **Emphasis on Practical Tools:** Resource development should go beyond theory and provide detailed implementation guides, checklists, and case studies.
- > **Dedicated Units for Impact:** Specialized teams with deep understanding of IASHF can drive better service design, risk management, and innovation within institutions.

ADDENDUM

INCLUSIVE, AFFORDABLE, SUSTAINABLE HOUSING FINANCE (IASHF) SURVEY

Inclusive, Affordable, Sustainable Housing Finance is a financial approach that aims to provide everyone with access to safe, decent housing at a reasonable cost, while also considering the environment and community well-being. Here's a breakdown of the key aspects:



Inclusive: Ensures everyone, regardless of income, gender, or background, has the opportunity to secure financing for appropriate housing.



Affordable: Makes housing costs manageable for low- and moderate-income earners, allowing them to spend a reasonable portion of their income on housing.



Sustainable: Promotes environmentally friendly construction practices, energy efficiency, and minimizes the environmental impact of housing development. It also considers the long-term social and economic sustainability of communities.

This survey helps us understand the challenges, priorities, and opportunities surrounding IASHF in your region.

RESPONDENT INFORMATION:

COUNTRY _____

ORGANIZATION TYPE
(Financial Institution, Government Agency, NGO, Other)

YOUR FIRST AND LAST NAME _____

EMAIL ADDRESS _____

ROLE _____

Please rate the following statements on a scale of 1 to 5, where 1 means "Not Important at All" and 5 means "Extremely Important":

- There is an urgent need for more housing options for the poor and vulnerable in my country.
- Housing for the poor in my country needs to be more inclusive and accessible to all.
- Housing for the poor in my country needs to be more affordable.
- Housing for the poor in my country needs to be more sustainable and environmentally friendly.

Would you be open to exploring policy reforms to encourage greater participation from financial institutions in the affordable housing sector?

- Yes
- No
- Maybe - please elaborate

Does your country have any existing policies or programs related to IASHF?

- Yes (Please briefly describe)

- No
- Not Sure

Please select the institution(s) in your country that handle housing finance:

- Central Bank
- Ministry of Finance
- Housing Finance Regulator
- National Housing Agency/Authority
- National Mortgage Association
- Other (please specify)

What are the top 3 barriers preventing financial institutions from expanding services to low-income communities?

- Risk perception (lenders believe loans to low-income borrowers are riskier) by market players
- Regulatory constraints (laws or banking regulations that make it difficult)
- Lack of market data (limited information on low-income housing needs)
- Limited understanding of the target population (lack of expertise in serving low-income clients)
- Lack of a comprehensive credit history
- Other (please specify)

Which government program would likely be MOST effective in reducing the initial financial risk for a lender considering a loan to a low-income borrower?

- An interest rate subsidy that lowers the borrowing cost for the low-income individual.
- A credit guarantee program that promises to repay the lender a portion of the loan if the borrower defaults.
- A technical assistance program that trains lenders on assessing low-income borrowers.
- A deposit insurance program that protects the savings of microfinance institution depositors

What are the biggest challenges your country faces in promoting IASHF? (Select all that apply)

Regulatory Framework:

- Dominance of state bank
- A single financial institution that dominates the market
- Lack of clear and supportive policies (laws and regulations that promote IASHF)
- Restrictive regulations (loan-to-value, etc.) (rules that limit how much can be lent relative to the property's value)

- Difficulty complying with regulations (complex or burdensome rules)
- Lack of availability of title for security (Lack of clear titles for land severely limits the poor's ability to secure decent housing. Without legal ownership, they cannot obtain loans to improve homes, face constant risk of eviction, and live in areas where investment in better housing is discouraged.)
- Ineffective property registry
- Lack of a property registry

Funding:

- Issues related to securing long term funding (Securing long-term funding is a challenge for housing finance institutions because mortgages are long-term assets, but their funding sources are often short-term. This creates the risk of capital shortages and makes institutions vulnerable to interest rate fluctuations, forcing them to seek creative or alternative long-term funding solutions.)
- Liquidity issues (Liquidity issues in housing finance occur when there's not enough money readily available for lenders to fund new mortgages or when it becomes difficult to buy and sell mortgage-related assets. These issues can lead to higher interest rates, less available credit, and instability in the housing market.)
- Limited access to dedicated funding (lack of specific financial resources for IASHF)
- Difficulty attracting private investment (challenges in getting businesses to invest in IASHF)
- High interest rates (making both loans and investments expensive)

Target Population:

- Low financial literacy (limited understanding of financial products among potential borrowers)
- Difficulty verifying income (informal work) (challenges in proving income stability for many low-income borrowers)
- Lack of awareness (people not knowing about available IASHF options)

Product Development:

- Difficulty tailoring products (creating loans and financial tools specifically fit for low-income needs)
- Lack of expertise in innovative solutions (limited knowledge of creative new IASHF models)

Infrastructure and Capacity:

- Limited branch network/outreach (not enough bank branches or ways to connect with people in need)
- Shortage of qualified staff (lack of trained personnel in IASHF)
- Lack of technology infrastructure (outdated systems or limited use of technology)
- Other (please specify)

Where do you feel there is a lack of reliable data when making decisions about inclusive housing finance?

- Demand analysis (understanding the exact need for affordable housing)
- Risk assessment (accurate data on the risk of lending to low-income borrowers)
- Economic impact of housing
- Disaggregation of data
- Housing data in national accounts
- Impact of green features (data on cost savings and benefits of green housing)
- Cost-benefit analysis (clear information on the financial returns of IASHF investments)
- Expertise to reduce carbon intensive buildings.
- Support: Lack of availability of appropriate materials for mitigation and adaptation
- Other (please specify)

How important is incorporating eco-friendly building practices into affordable housing finance initiatives?

- Not important
- Somewhat Important
- Very Important

Understanding "Sustainable" Housing Finance What are the most relevant aspects of 'sustainable' housing finance for your institution/country? (Select all that apply)

Energy Efficiency:

- Financing for energy-efficient appliances/ improvements: Provides funding for upgrades that reduce household energy costs.
- Promoting green building standards: Encourages construction practices that conserve energy and resources.
- Considering long-term energy savings in loan evaluations: Assesses the financial benefits of energy efficiency for both borrowers and lenders.

Climate Resilience:

- Financing for disaster-resistant construction: Supports building methods that withstand extreme weather events.
- Promoting resilient materials/techniques: Encourages the use of construction materials and designs that minimize potential damage.
- Supporting climate-related insurance products: Offers financial protection against climate-induced losses.

Environmental Sustainability:

- Financing for green materials/construction: Funds the use of environmentally friendly building components and methods.
- Encouraging renewable energy sources: Supports the transition to clean energy within homes.
- Minimizing the environmental impact of development: Prioritizes construction practices that reduce harm to the environment.

Social Sustainability:

- Financing mixed-income housing: Supports the development of housing accessible to people of varying income levels.
- Supporting access to essential services: Ensures affordable housing is located near necessities like transportation and healthcare.
- Encouraging community participation: Involves residents in decision-making about housing development in their area.
- Other (please specify)

Which incentives would be most effective in stimulating green finance for affordable housing?

- Tax benefits (tax breaks for lenders or developers involved in green projects)
- Interest rate subsidies (government helps lower interest rates for green housing loans)
- Government guarantees (government promises to partially repay the lender if a borrower defaults on a green housing loan)
- Streamlined regulations (simplified rules specifically for green affordable housing)
- Promotion of dedicated housing banks
- Secondary market actors (Secondary market actors are crucial for housing finance for the poor because they increase the flow of money into the lending system and help spread out risk. This allows lenders to offer more loans to low-income borrowers and can lead to lower interest rates, improving affordability.)
- Liquidity facility (Liquidity facilities are vital for housing finance for the poor as they provide lenders with the stable funding needed to reduce risk and offer more affordable loans to low-income borrowers. This increased access to capital promotes homeownership opportunities for those who might otherwise be excluded from the market.)

- Housing as a priority sector (mandated)
- Loan to Value increase for green affordable products
- Reduction in reserve requirement (Reducing reserve requirements can indirectly benefit housing for the poor by increasing the money available for lending and potentially leading to lower interest rates.)
- Other (please specify)

Barriers for Women In your opinion, which poses the BIGGEST obstacle to women accessing inclusive, affordable, and sustainable housing finance?

- Discriminatory laws and regulations: Laws might limit women's property rights or access to finance based on gender.
- Lack of financial inclusion: Women may have less access to banking services and formal credit options.
- Unaffordability: High housing costs disproportionately affect women, who often earn less than men.
- Inappropriate housing finance products: Existing financial products may not be designed to meet women's specific needs or circumstances.
- Inadequate data and awareness: Limited information about women's housing needs and financial capacity can hinder effective solutions.

Support

What type of support would be most helpful in advancing IASHF in your country? (Select all that apply)

Knowledge Sharing:

- Online platforms/databases (best practices, case studies)
- Workshops, conferences, webinars
- Peer-to-peer learning with other AFI members

Technical Assistance:

- Support from technical experts (advice from specialists in IASHF)
- Assistance with legal/regulatory frameworks (help in developing good policies)
- Guidance on technology for efficiency (finding the right tech solutions)

Funding Opportunities:

- Access to grants, loans, etc.
- Partnerships with private sector investors (connections to potential investors)
- Support in creating investment vehicles (help in designing ways for people to invest in IASHF)

Capacity Building:

- Training programs for staff
- Toolkits and materials (resources to help financial institutions better serve the market)
- Support building specialized teams (help in creating dedicated IASHF teams within institutions)
- Other (please specify)

Thank you for your valuable input!

Alliance for Financial Inclusion

AFI, Sasana Kijang, 2, Jalan Dato' Onn, 50480 Kuala Lumpur, Malaysia
t +60 3 2776 9000 e info@afi-global.org www.afi-global.org

 Alliance for Financial Inclusion  AFI.History  @NewsAFI  @afinetwork