



**REPORT**

**FOR**

**HOUSING MICROFINANCE  
WORKSHOP – WEST AFRICA 2012**

*Developing and Integrating a Housing Microfinance  
Proposition*



# REPORT – HOUSING MICROFINANCE WORKSHOP – WEST AFRICA 2012

25th – 27th April, 2012

Accra, Ghana

## **Introduction**

All over the world, people at every income level need a home where they and their families can live in security and comfort. This has been one of the major problems in Africa today with a large percentage of Africans in the lower class bracket who are unable to acquire their own homes, as a result are forced to rent, live in slums, squat or remain homeless. Housing solutions in Africa address mostly the upper-middle to upper class, and financial institutions tend to ignore the lower class as they are deemed high-risk and are perceived not to offer any beneficial and consistent rate of return. Thus mortgage lenders and housing developers in most developing countries are scarce and focus on the middle and upper market segments, which are unaffordable and inaccessible for households with informal incomes and informal titles specifically those in the lower end of the housing pyramid. Though some Government programs are available, it reaches only a fraction of those in need. Again, most Microfinance companies in Africa do not provide any specific solutions that meet the housing needs of the lower to middle class bracket.

Based on these realities, there is the need to equip, up-skill and train the various stakeholders in the low-cost housing value chain in Africa to be able to deliver more housing through housing microfinance solutions. To achieve this feat, a Housing Microfinance (HMF) workshop was organized in Ghana, at La Palm Royal Beach Hotel in Accra from the 25th – 27th April, 2012 by Anthill Bees Limited and its support partners - Sinapi Aba Trust, among others in Ghana.

Anthill Bees is a boutique consulting firm that specializes in supporting business owners, companies and NGO's, missions with their vision. This is done through training, consulting, and in-sourcing. Anthill Bees aims to foster pulsating growth, by helping people in business and institutions to dream and realize their dreams in wholesome ways. For the year 2012, Anthill Bees sought to address some of the major challenges in Africa, and Housing needs is one of the biggest challenges especially for the bottom of the pyramid. This marks the birth of **Housing Microfinance Workshop for Africa**. This report thus looks at the HMF workshop in Accra, Ghana.



25th – 27th April, 2012

Accra, Ghana

**The Housing Microfinance Workshop, Accra - Ghana**

The main theme and focus of Housing Microfinance workshop: *‘Developing and Integrating a Housing Microfinance Proposition’*. The objectives of the HMF Training workshop were:-

- Basic Understanding of HMF
- Knowledge of the current housing situation in-country and Africa
- Understand various HMF Models
- Understand stakeholders in housing
- Understanding the critical support services in the housing value chain
- Understand how to develop a HMF product
- Understand the financial models of HMF
- Understand Benefits - Business Proposition
- Understand sources of funding

The target audience of the workshop included individual participants from, but not limited to, West Africa and neighbouring regions, as well as potential partners in:-

- Microfinance Institutions
- Commercial Banks
- Development Finance Institutions
- Savings and Credit Cooperative Societies
- Housing NGO’s and Foundations
- Technology and Building Materials providers
- Housing Developers
- Local Municipalities and Governments
- Investment/ Advisory/ Environmental Consultancies

## REPORT – HOUSING MICROFINANCE WORKSHOP – WEST AFRICA 2012

25th – 27th April, 2012

Accra, Ghana

### **Facilitators**

The program demanded facilitators who have much experience in the housing industry, microfinance delivery and support services providers. Two facilitators and three speakers were contacted to deliver on various topics which helped in achieving the objectives set. They were:

- Paul Kihui- An experienced housing microfinance practitioner and a seasoned workshop facilitator – Select Africa Limited – Kenya
- Joyce Owusu Dabo- A marketing specialist with much experience in microfinance delivery and product development – Sinapi Aba Trust
- James Ayando- Programs manager in charge of Housing support services – Habitat for Humanity – Ghana.
- Dr. Alexander Tweneboah- A real estate developer with experience in low cost housing – GREDA.
- Erika M. Osae – Partner – The Urban Associates Limited

### **Participants**

A total of 12 participants attended the program in Accra. The 12 consisted of 6 Nigerian nationals, 5 Ghanaians and one Kenyan National. The participants were a representation of mainly microfinance practitioners and housing developers.

### **Workshop Delivery Methodology**

The Facilitators combined lectures, discussions, group assignments and presentation to share with all present on the various topics. Since all participants were from English speaking countries, the delivery was all made in the English language. Again the facilitators allowed the participants to share from their experiences from their respective countries, thus Kenya, Nigeria and Ghana, which made the discussions very rich, exciting and very informative.

In order to achieve the set objectives, the issues were broken down into several topics of which a number of them were treated each day.

# REPORT – HOUSING MICROFINANCE WORKSHOP – WEST AFRICA 2012

25th – 27th April, 2012

Accra, Ghana

## Day 1

The first training session was handled by the main facilitator, Paul Kihui who took the participants through the following discussions

- Understanding the housing situation and customers.
- Understanding housing value chain and Ecosystem
- Challenges to Housing provision

The issues were discussed based on statistics pertaining in the various countries, specifically Ghana, Nigeria and Kenya. The participants also contributed to the discussions with practical examples which made the discussions very lively. The facilitator also introduced modules and concepts that can be adopted, which was well accepted by the members.

During the discussion on the first day, the President of the Ghana Real Estate Developers Association (GREDA), Dr. Alexander Tweneboah also joined the discussions. He led the group through very practical housing situations in Ghana, challenges faced by housing developers and financiers, how his outfit has managed to override some of the challenges and introduced his idea of housing microfinance, Low Cost Housing, to all present.

The first day ended with an assignment for all participants to come up with different ways to solve some of the challenges in the housing industry with practical and workable solutions.

## Day 2

The second day started with the presentation of solutions that the participants had come up with to curb some of the housing problems.

The main issues for discussion for the day were facilitated by two people, Paul Kihui and Joyce Owusu Dabo. The second day's discussions centered on

- Understanding Housing Microfinance
- Understanding Housing Support Services.



## REPORT – HOUSING MICROFINANCE WORKSHOP – WEST AFRICA 2012

25th – 27th April, 2012

Accra, Ghana

- Developing and Marketing Housing Microfinance Products

The first two topics were facilitated by Paul while Joyce dealt with the last topic.

Paul in his presentation took the participants through what is, and what is not Housing Microfinance. The purpose of this was to give a deeper understanding of the concept to the participants to help them start right, progress and sustain the new housing microfinance concept. Paul continued to explain to the participants on how to guide their clients into making the right decisions as their businesses progress. The idea was that when low income entrepreneur's businesses progress and profits increase, they always think of investing into housing, one of the most basic necessities of life and may end up using all their working capital in the venture. He continued with the need to provide housing support services which was an important aspect of housing. It was iterated that this support is very technical and needful, all present must have such a service in their outfit if they really want to succeed in Housing microfinance.

The third topic of the day facilitated by Joyce Owusu Dabo walked all present through the possible types of housing products using the housing value chain and the process that one has to go through in developing and marketing Housing Microfinance products. She also took the opportunity to explain the characteristics of a good housing microfinance product and importance of being able to design products that actually meet a need. The second day ended with an assignment to participants to develop a Housing microfinance product and plan a product marketing strategy for it.

### Day 3

For the third and final day of the program, participants had the opportunity to discuss the following

- Funding and Business rationale for Housing Microfinance
- Exploring Housing innovations and the future
- Finding appropriate Housing microfinance delivery partners



## REPORT – HOUSING MICROFINANCE WORKSHOP – WEST AFRICA 2012

25th – 27th April, 2012

Accra, Ghana

Paul Kihiu facilitated the first half of the workshop with the reasons why financial institutions must have a housing microfinance product and its importance. He iterated the reasons which suggested how profitable and sustainable the housing microfinance product can be when the right things are done. He took time to compare the characteristics of an enterprise loan and that of Housing microfinance and all participants saw that Housing microfinance can do better than other loan products.

Also, James Ayando, programs manager of Habitat for Humanity – Ghana, gave a presentation on micro housing which delved deeply into housing support services in relation to the housing value chain. He based his discussions on the following issues which pertain in the housing industry spread across Africa with particular experiences from Ghana.

- Housing professionals (such as architects, land surveyors and engineers) and technically competent NGOs are in short supply in developing countries, and especially in poor communities.
- Housing professionals are poorly regulated in many developing countries, leaving their clients vulnerable.
- Due to their scarcity, such professionals are mainly only used when essential.
- Skilled builders and artisans are more accessible and a bit more affordable, but not to lower income groups. The lower the cost, the lower the quality of their work.
- The poor cannot afford to waste precious resources by doing housing interventions that are inappropriate and/or of poor quality.

He stressed the need to use the support systems available in the various countries such that many people, especially those within the low income brackets could own their own homes. The participants on their part also had the opportunity to identify the type of support systems available in their own countries with the promise to contact them for their services to support housing microfinance.

## REPORT – HOUSING MICROFINANCE WORKSHOP – WEST AFRICA 2012

25th – 27th April, 2012

Accra, Ghana

Another speaker, Erika M. Osae, who gave insight on working in slums and dealing with government authorities to help give participants a fair overview of things to know and expect in their plans towards working in slum areas in the cities/towns in their countries.

A cocktail followed after the workshop with the opportunity for members to network, liaise with each other and have a look at the products exhibited by participants, or rather participating organizations. In addition, participants had the opportunity to look at modules developed by others, which would allow them the chance of replicating them in their various countries.

Finally, a dinner night to celebrate tomorrow's housing success followed the cocktail. Participants shared experiences and knowledge acquired at the program, their good relationship and networking established with each other, and lessons learnt during the three days.

In conclusion, the three day workshop was very insightful, discerning and experiential as participants shared and declared a great deal of knowledge acquired and skills upgraded which has propelled them to start planning, developing and implementing a housing microfinance product for their target market in their respective companies. "Next time my company will register more staff to come and share in this valuable knowledge to enable my company excel much more in housing micro finance delivery" says a participant.