



## SHELTER AFRIQUE AND AGENCE FRANCAISE DE DEVELOPPEMENT (AFD) SIGN A EUR 3,770,000 LOAN AGREEMENT AND A EUR 500,000 GRANT

Nairobi.....25<sup>th</sup> March 2014

Shelter Afrique welcomed the French Ambassador, *H.E Rémi Maréchaux*, and the Regional Director of AFD, Mr, Yves Terracol and members of the press to formally announce the signing of a long term line of credit by the AFD of EUR 3,770,000 and a grant of EUR 500,000 to SHELTER AFRIQUE. The signing ceremony was held to shed more light on Shelter Afrique's partnership with AFD and its social housing activities.

In recent years, the Pan-African mortgage financier has increased its efforts to make low-income housing a strategic priority; It's Social housing programme was designed specifically to provide mortgage facilities and housing to low-income earners and people at the bottom of the pyramid.

The Line of Credit will contribute to developing access for low income households to housing loans. The line of credit will be on-lent to selected Microfinance Institutions (MFIs) providing special housing products combined with technical assistance to support households with their projects to either buy, extend or renovate their houses. The expertise of the MFI is key in this pilot project to develop innovative financial products. The project, which is initially being piloted in Kenya to better estimate its impact, shall later be replicated at a larger scale in other African countries

The grant aims at supporting Shelter Afrique in the implementation of its social housing programme by providing capacity building to the institution as well as Microfinance institutions entering the housing segment: feasibility studies in relationship with social/affordable housing financing scheme, policy dialogue for the implementation of a sponsored social housing fund and the organization of an international social housing conference.

The objective is to set up a sustainable mechanism permitting lower income households to access home ownership and to improve their living conditions by expanding or renovating their homes at an affordable cost

In his remarks the Managing Director of Shelter Afrique, Mr. Alassane Ba, reiterated Shelter Afrique's commitment to social housing and to providing for the bottom of the

pyramid, "We are restless when it comes to providing affordable and accessible housing finance solutions to low-income earners". Mr Ba also continued to call on government to scale up efforts on providing infrastructure that would make locked areas accessible and to support policies that made mortgage products more accessible.

### **About Shelter Afrique**

Shelter Afrique is the only Pan-African development finance institution that exclusively promotes the development of the housing and real estate sector in Africa. It is backed by 44 member countries, the African Development Bank (AfDB) and the African Reinsurance Company (Africa RE).

It currently has an active portfolio of projects in more than 30 African countries and it offers a wide range of financial products and advisory services to support the efficient delivery of affordable housing.

[www.shelterafrique.org](http://www.shelterafrique.org)

### **About the AFD**

Agence Française de Développement (AFD) is a public development finance institution that has been working to fight poverty and foster economic growth in developing countries and the French Overseas Communities for seventy years. It executes the policy defined by the French Government.

In Kenya, AFD Group's support primarily focuses on:

- Developing infrastructure, particularly for energy and transport with a specific focus on environmental issues
- Supporting urban development by financing integrated urban programs with a focus on the water and sanitation sector
- Supporting economic growth by promoting the private sector

Over the past decade (2004-2013), AFD's financing in Kenya has reached over 1.125 billion and has mainly been in the energy sector.

<http://www.afd.fr/lang/en/home>

**For further Information or to arrange for interviews with Shelter Afrique or AFD please contact:**

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