



Since 1988, the AFD has been working to promote financial inclusion by supporting financial operators to develop affordable and tailored products to their clients, but also by supporting the development of appropriate public policies, regulatory frameworks and market infrastructure.

Housing microfinance is a priority within AFD's financial inclusion strategy. Indeed, one billion new homes are needed worldwide by 2025 and more than one billion people lack adequate housing. Furthermore, UN-Habitat estimates that only 3% of the population has viable income for a mortgage. Hence, microfinance is a necessary tool to provide housing to people who cannot access the formal market.

AFD's approach in housing microfinance is multi-dimensional and aims at providing better quality residential housing for low income:

- Support to financial institutions (MFIs, public or private banks or NGOs) to develop innovative housing products. The AFD provides long-term credit lines in local or hard currency to allow clients to benefit from tailored financial products. The AFD works with MFIs to develop a complete range of housing products from affordable homes to auto-construction or incremental products.

- Technical assistance provided to financial institutions to develop their housing portfolio but also to individuals to ensure sufficient quality of housing. To provide this technical assistance, the AFD works with both

is also partnering with the Center for Affordable Housing Finance in Africa to support the development of the housing finance sector in francophone Africa, through the provision of data and market intelligence, as



housing professionals and financial institutions. For instance, the AFD has worked with LAPO to promote auto-construction and housing renovation products with a technical partner to very safety and quality standards.

- Awareness and training. The AFD has helped organize two "Housing Microfinance Academies" in Nigeria which provide necessary tools to microfinance institutions for the development of housing products. The AFD

well as capacity building to support practitioner investment decisions and policy developments.

This effort is part of a broader strategy through which the AFD has bolstered the emergence of an inclusive financial ecosystem, by supporting more than thirty MFIs, ten investment funds, four professional associations, and six national policy reforms.