



SUF Finance Facilities: What they are, why they are important & how they work

Contribution by Ruth McLeod
to
“Improving Slum Conditions through Innovative Financing”

Stockholm 17 June 2008

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Facility Functions - “Finance Plus”

Bring together key players involved in city & national slum upgrading strategies to address the challenge of financing slum upgrading

Catalyse the integration of commercial finance into slum upgrading

Provide a means to blend different forms of funding to maximise affordability

Provide a financial mechanism to blend different forms of funding to maximise affordability

Generate data & information for planning & monitoring slum upgrading

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The Facilities



COUNTRY	Ghana		Sri Lanka	Indonesia	
CITY	Tema & Ashaiman	Sekondi Takoradi	National	Solo	Yogja
SERVICES TO BE OFFERED					
Guarantees for wholesale loans	√	√	√	√	√
Guarantees for project loans	√	√	√	√	√
Technical assistance for project design	√	√	√	√	√
Technical assistance for loan negotiations	√	√	√	√	√
Grants for initiating projects	√	√	√	√	√
SOURCES OF FUNDS					
SUF PMU	√	√	√	√	√
Local Government	√	√		√	√
National Government			√		
TYPES OF INITIATIVES					
Planned home improvement programme		√	√	√	
Planned area improvement project	√		√	√	√

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Stakeholders



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Forms of Assistance



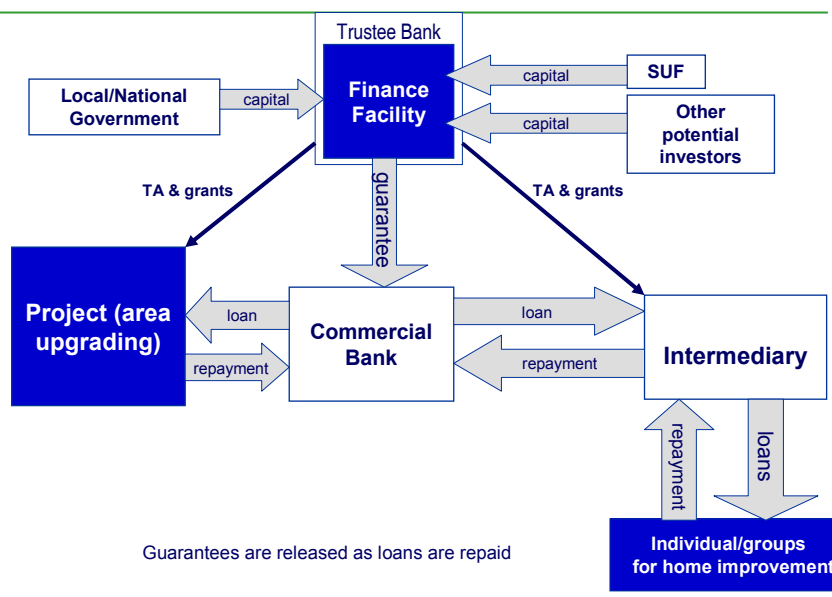
Loan guarantees to facilitate access to commercial bank loans

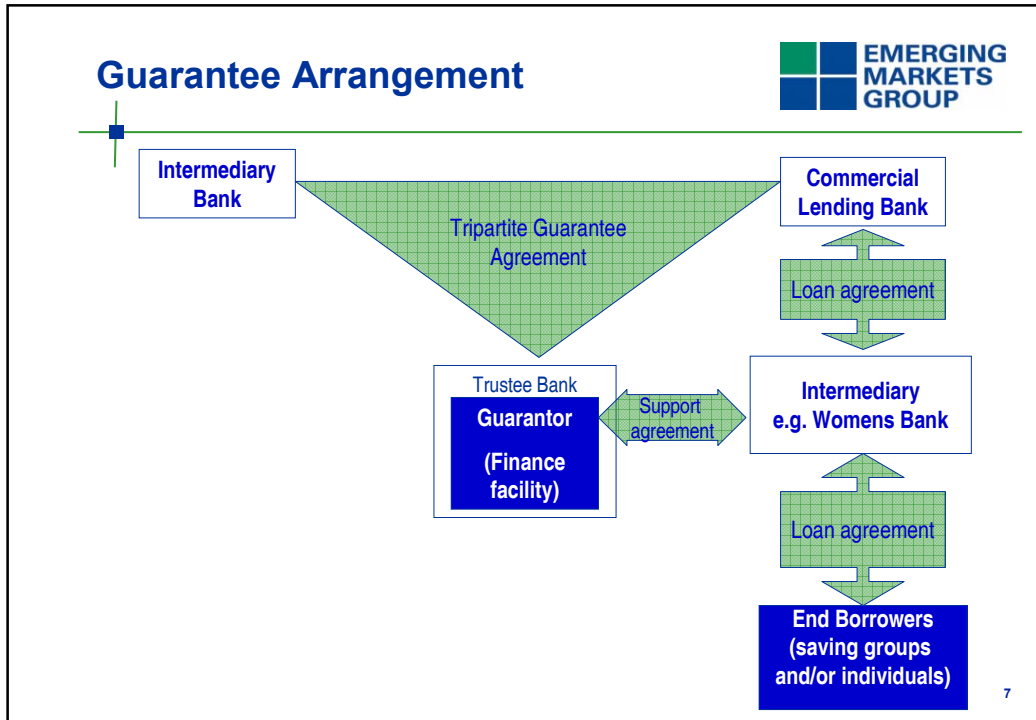
Technical assistance to ensure the development of bankable projects and programmes

Catalytic grants to provide critical inputs for successful project planning & implementation

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Financial Flows





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SUF Finance Facilities & Other Funds



Urban Poor Funds

CLIFF

SUF

GUARANTCO &
other PIDG
Facilities

SDI International
Urban Poor Fund

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Lessons Learned - Facilities



- Local Finance Facilities generate commitment and focus on city-wide slum upgrading
- Potential for long-term & more complex slum upgrading initiatives to be channeled through facilities using “Finance Plus” approach
- Local (both national and municipal level) facilities help to stimulate project ideas
- High delay & fall out rate between project concept and actual projects
- Rising interest rates interfering with affordability (a particular issue in Sri Lanka)
- Community savings and loan systems are a crucial element

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Thank you

