

PROJECT:

Promoting sustainable social housing in Peru

LEAD INSTITUTION:

KfW

PARTNERS:

AFD

EU-LAIF

TOTAL COST:

€ 398 400 000

LAIF CONTRIBUTION:

€ 10 400 000

TYPES OF SUPPORT:

Technical assistance

DURATION PERIOD:

Mar 2019 – Mar 2024

CURRENT STATUS:

Ongoing

DESCRIPTION:

This project will consolidate the ongoing means to offer an increased access to affordable yet formally certified “sustainable” quality social housing (10 500 households beneficiaries) by ensuring the transfer of the interest rate subsidy to the final beneficiaries; introducing new and more stringent sustainability criteria in the Mivivienda Verde Program; incorporating green criteria in mainstream operations of the Fund Mivivienda Verde (FMV); developing and, if possible, introducing urban planning measures; reducing the environmental impact and the vulnerability of the current Peruvian development path.

EXPECTED RESULTS:

- FMV will have changed the regulation (“reglamento”) of the Bono del Buen Pagador and of the Bono Habitacional Familiar, incorporating sustainable criteria, which will therefore have to be integrated by real estate developers to benefit from FMV’s support.
- Thanks to awareness programs on climate change and to attractive financial conditions, the demand by eligible householders will shift from classic social housing dwellings towards green social housing, forcing banks and developers to improve their offer.
- Peruvian developers will have implemented one or more green social real estate projects, allowing them to comply more easily with the future compulsory legislation on Sustainable Construction.
- Prices of “sustainability related” equipment linked to the program (LED lightbulbs, water saving devices, etc.) will have gone down as a result of the increased demand and will be accessible to the whole population.
- The regular dialog with real estate promoters and Ministry MVCS will have allowed setting a realistic and applicable construction certification process over some basic sustainability standards, which will be transcribed in the new Sustainable Construction Code.
- Thanks to the reduced mortgage interest rate, more low-income households will have benefited from FMV loans, demonstrating to the banks the capacity of “good payers” of such sector of the population.
- LAIF resources will have helped having a better understanding of the market failures in the Peruvian market and will have help identifying the best policy proposals to keep the current dynamics in favour of the sustainable construction sector.