







## GREEN MORTGAGES FOR HOUSEHOLDS – FONDO MIVIVIENDA

PERU

<b>Objective</b> 	Promoting sustainable development and access to sustainable housing for low- and middle-income urban households	<b>Target group</b> 	Developers Low- and middle-income urban households
<b>Building type</b> 	Urban residential buildings	<b>Duration</b> 	March 2015 - ongoing
<b>Partners</b> 	Fondo MiVivienda AFD, KfW Peruvian real estate developers and financial institutions	<b>Volume</b> 	270 million EUR







Fondo MiVivienda (FMV) is a state-owned bank dedicated to improving homeownership access for Peruvian low- and mid-income households. It refinances local financial institutions that provide mortgages to households and channels state-funded grants dedicated to social housing.

In 2015, AFD and Fondo MiVivienda launched a new grant product (Bono MiVivienda Sostenible), which allows households to benefit from a subsidy if their home is certified to meet the water and energy saving criteria. This grant reduces the price of certified green social housing to levels comparable to the prices of conventional housing. The subsidy was complemented in 2018 by an interest rate reduction (Bono MiVivienda Verde) on mortgages dedicated to acquiring certified green housing.

AFD provided a first 120 million EUR credit line to FMV for this green mortgage, complemented by technical assistance support. A second 150 million EUR credit line co-financed with KfW and a 10 million EUR grant of the European Union's Latin American Investment Facility (LAIF) aims at improving the eligibility criteria and the funding mechanisms, at supporting an ambitious technical assistance programme and at supporting the financial effort necessary to continue with the MiVivienda Verde policy.

The eligibility criteria for projects benefiting from the MiVivienda Verde programs were developed by AFD and FMV, based on Peru's sustainable construction market as well as the regulatory and technical context. The current criteria are based on the Peruvian sustainable building code and include among others water and energy savings, biking spaces, building strategies adapted to local bioclimatic conditions, capacity building for real estate developers, and a solid waste management plan during the construction phase. Projects have to be located less than 55 km from the city centre of a city of more 100,000 inhabitants for the Lima region, or less than 30 km from the city centre of a city of more than 50,000 people elsewhere in the country.

Developers must comply with these criteria to have their project certified and, in the current phase of the project, interest rate reductions vary depending on the levels of ambition of the housing projects. This certification is carried out ex-ante and ex-post by independent auditors.

<b>Jobs</b> 	8000 (estimated)	<b>CO<sub>2</sub> emissions reductions</b> 	Nearly <u>130 tCO<sub>2</sub>e</u> per year per accommodation, on average 3.144 tCO <sub>2</sub> e avoided per year
<b>Energy savings</b> 	General improvement of the technical characteristics of peri-urban and urban housing: energy and water savings estimated at <u>10 kWh/year/m<sup>2</sup></u> and <u>0.5 m<sup>3</sup>/year/m<sup>2</sup></u> for sustainable housing.	<b>Health and socio-economic benefits</b> 	Improved accessible housing Creation of a dynamic market that has attracted all major real estate developers, equipment providers and state authorities
<b>Certification system</b> 	Own system, based on National Sustainable Construction Code		
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