

# The Forum

promoting dialogue among Habitat for Humanity's worldwide partners

A BOLD NEW VISION:

## Strategic Plan sets direction for organization's future

by Jonathan Reckford

As many of you know, Habitat for Humanity International has spent the past year generating, researching and evaluating the goals, objectives and initiatives that comprise our five-year strategic plan. The plan itself signifies an important step in the growth of our organization. It paints a picture of where we're going and provides a framework to align the diverse activities of our ministry to most effectively support our mission.

The plan lays out a bold new vision: "Mobilizing people, and financial and social capital, HFHI will demonstrate

families to build homes and adds to that new efforts necessary to significantly impact poverty housing. Since its inception, HFHI has gone about the business of creating new organizations at the national and local levels, each with the ability to deliver decent, affordable housing through a variety of innovative channels. And we've done quite well. In less than 30 years, we've served families in nearly 100 countries and impacted the lives of more than a million people. In the next five years, we will more fully leverage our global reach through more extensive partnerships, advocating for good housing policy and

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**Jonathan Reckford, CEO of Habitat for Humanity International, works on a house in Covington, Louisiana, an area that was devastated by Hurricane Katrina.**

the love and teachings of Jesus Christ by serving as a partner and catalyst for worldwide access to decent, safe, affordable housing." It recognizes that Habitat can never eliminate substandard housing by itself, but that through ever-expanding collaborations, our ministry will launch a more efficient, more effective fight against poverty and its causes.

One of the most exciting aspects of this plan for me is that it builds upon our core ministry of partnering with

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## Strategic Plan sets direction for organization's future

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resources, finding new sources of funding and developing our leaders.

This strategic plan marks a shift in the business model of HFHI. While we still recognize the importance of continued support for our covenant partners (national organizations and affiliates), we also want to begin maximizing the opportunities that our ministry's network really provides. A quick look at the initiatives reveals a plan for mobilizing the untapped capacity of this ministry at the international level. The strategic plan calls for global public awareness and advocacy campaigns such as the ONE Campaign; new financial services that will make



Jonathan Reckford greets neighborhood children outside a Habitat home in Ivory Park Township, near Johannesburg.

funds more easily available for affiliates and national organizations; and an emphasis on exploration of new partnerships that will allow us to reach a broader demographic than ever before.

For example we have already begun to develop new services through micro-finance institutions that are

improving the living conditions of families in many of the most impoverished areas in which we serve. This plan will effectively move what has been an exclusively supportive function for our local affiliates to one that not only supports them, but that also works alongside them in the fight against poverty housing around the world.

As we look toward the implementation of this plan in the coming years, there are many more challenges that lie ahead. For the ministry to operate as effectively as possible, we will need to place a heavy emphasis on prioritization of activity and strategic investment of our limited resources. I encourage our national organizations and affiliates to consider how they might align their operations to most appropriately support this new direction.

While this plan does lay out a bold new vision for our organization and this ministry, I take heart in the fact that in the center of that vision we find our work still driven by the love and teachings of Jesus Christ. I believe

strongly that this strategic direction is faithful to our core principles and increases the chance to make sustainable, transformational impact around the world. With God's leadership and direction, we step into the rushing waters toward the Promised Land—the land where every family has a decent, affordable home.

Our theme this year has been “much to celebrate, more to build,” which calls us to appreciate the remarkable ways God has worked through Habitat and focus on the future. To that end, the strategic plan lays an intentional groundwork that will position this organization to serve more families, through discipline, stewardship and a shared commitment to the core values that have sustained this work for three decades. For so long Habitat focused on expanding its geographic reach. In the next five years, together, we will begin to leverage the full potential of this truly global ministry.

Blessings to the entire Habitat family. 🏠

*Jonathan Reckford is the chief executive officer of Habitat for Humanity International.*

## The Forum

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### Mission statement

“The Forum” exists to enable the worldwide partners of Habitat for Humanity International to accomplish its mission by providing a means to:

- Promote discussion, the exchange of ideas and best practices, and knowledge sharing;
- Share concerns and challenge our standard ways of doing things; and
- Explore different methodologies and issues relating to housing and poverty worldwide.



121 Habitat St., Americus, GA 31709-3498 USA

# 'The Forum':

## A new venue to share ideas worldwide

Welcome to "The Forum," (the former "International Affiliate Update"). In response to feedback from our readers and the organization's changing needs, this publication will provide a way to explore ideas, share concerns, challenge our standard ways of operating and share the collective knowledge that we have gained through working every day to achieve Habitat's mission.

Each quarterly issue will focus on a particular topic and will continue to be published in English, Spanish and Portuguese. In addition, the publication is now available electronically through PartnerNet, and you can choose to receive either a printed copy or an electronic copy. Please e-mail us at [TheForum@habitat.org](mailto:TheForum@habitat.org) if you would like to receive an electronic copy of the publication—or if you have any questions, feedback or ideas.

We are excited about "The Forum" and look forward to hearing from you about how this publication can better serve your needs. 🏠

*Anita Mellott and Karan Kennedy*

[TheForum@habitat.org](mailto:TheForum@habitat.org)

From our

## Readers

If you have any ideas, suggestions or feedback on "The Forum," please e-mail us at [TheForum@habitat.org](mailto:TheForum@habitat.org). We'd like to hear from you!

I would like to receive the newsletter.... Our family has both emotionally and financially supported Habitat. It is certainly nice to have your newsletter on the table for others to read. You just never know whose interest you may spark.

Sincerely,

Alice Miller, founding president of HFH Southern Ocean County, USA

### IAU Volume 12 No. 3

#### Responding to Disasters

I recently became a national director of Habitat for Humanity Japan.... I would like to recommend and suggest that we work together to make a manual for disaster response by HFH. We... have registered as one of the NGOs of the Japanese Emergency Network (Japan Platform). They are always doing fund raising for disaster and post-conflict and emergency famine from our government and private sectors like Japanese companies.

—Stefano Tsukamoto, executive director of HFH Japan

#### Response from HFHI

Dear Stefano,

Thank you for your interest in Habitat's disaster response work. Your ideas and insights are exactly what we are working on right now with the International division here at HFHI headquarters. We are compiling and putting together a comprehensive disaster response manual that contains our policies, protocols and procedures for disaster response. It will describe our criteria for responding not only to disasters created by natural threats but also to complex humanitarian emergencies created by slow-onset conflicts. It will also describe the use of the "Disaster Response Fund" for which we could use some of the funding sources from Japan.

—Mario C. Flores, director of HFHI's Disaster Response Office

MIKEL FLAMINI



Sri Lanka



LEVERAGING YOUR LEARNING FOR A BROADER AUDIENCE:

# Inputs on strategic planning

by Emmanuel Kwaa

Over the years I have come to appreciate the importance of strategic planning in my life and my work. I have come to appreciate the fact that for any organization to operate effectively it needs a plan, and the more strategic this plan is, the better the organization will be able to operate. I have therefore always taken the strategic plans of my organization seriously and always known that if we as members of the organization imple-

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I HAVE COME TO APPRECIATE THE FACT THAT FOR ANY ORGANIZATION TO OPERATE EFFECTIVELY IT NEEDS A PLAN. THE MORE STRATEGIC THIS PLAN IS, THE BETTER THE ORGANIZATION WILL BE ABLE TO OPERATE.

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ment the strategic plan, it will help us move forward. Strategic plans have helped us take stock of our performance as an organization, and they also have helped us chart out our vision for the future. Strategic planning is therefore an important exercise that every organization has to take time to go through and make the effort to follow through.

## What is a strategic plan?

Allison and Kaye\* point out that “a strategic plan is a management tool, and like any management tool, it is used for one purpose only—to help an organization do a better job” (p. 1). Strategic planning is a systematic process through which an organization agrees on and builds commitment among key stakeholders to priorities, which are essential to its mission and responsive to the operating environment. Strategic plans help an organization sharpen its focus so that all organizational resources are optimally utilized in service of the organization’s mission (p. 1). A strategic plan usually discusses priorities for three to five years, with operational objectives identified for usually one year (p. 5).

## The need for and importance of strategic planning

As Allison and Kaye point out, planning alone does not produce results. A plan is a means, not an end in itself. Plans have to be implemented to produce results. However, a well-developed plan increases the chances that the daily activities of the organization will lead to desired results. Planning helps members of the organization focus on the right priorities, and it improves the process of people working together as they pursue these priorities.

Allison and Kaye further point out that in helping an organization focus, a strategic plan generates the following:

- An explicit understanding of the organization’s purpose, business and values among staff, board and external constituencies, which helps to increase the level of commitment of these stakeholders to the organization and its goals.
- A blueprint of action. The strategic plan is a conceptual framework that guides and supports the management and governance of the organization, a framework that orients board and staff as they go about doing the work of the organization.
- Broad milestones with which to monitor achievement and assess results.
- Information that can be used to market the organization to the public and to potential funders.

A successful strategic plan improves the process of people working together in that it:

- Creates a forum for understanding why an organization exists and the shared values that should influence decisions.
- Fosters successful communication and teamwork among the board of directors and staff.
- Lays the groundwork for meaningful change by stimulating strategic thinking and focusing on what is really important to the organization’s long-term success.
- Brings everyone together to pursue opportunities for better meeting the needs of clients.

## Developing a strategic plan

The process of developing a strategic plan can be as complex and detailed as the resources and the circumstances

of the organization may permit. The process of preparing the plan may take as few as one or two days of group meetings to as long as four to eight months to prepare (pp. 51-53). A typical strategic planning process may include key activities such as:

- Articulating the mission and vision.
- Assessing the environment, which may involve extensive information gathering.
- Agreeing on priorities, which may involve analysis of strengths and weaknesses, threats and opportunities, choosing criteria for use in setting priorities, selecting future core strategies, setting goals and objectives and long-range financial projections, etc.
- Putting together the plan itself.
- Developing annual operating plans for implementation.
- Monitoring and evaluation.

It must be noted that the process is not static but cyclical and continuous to ensure that the organization will continue to be in focus and perpetually functioning well.

### How to implement a plan

The process of implementing the strategic plan is that part of the process which calls for the development of annual operating plans or action plans. It is within these annual operating plans that specific responsibilities can be assigned and timelines allocated with budgetary provisions. Without an annual operating or action plan, the broad five-year strategic plan cannot be effectively implemented (p. 14). 🏠

*Emmanuel Kwaa is the national director of HFH Ghana.*

\*Allison, M., and Kaye, J., "Strategic Planning for Nonprofit Organizations: A Practical Guide and Workbook," John Wiley & Sons Inc., 1997.

*Editor's note: The information researched for this article was part of the course from the "Pathways to Leadership" program that HFHI offers in partnership with Eastern University and World Vision.*

A WINNING STRATEGY, BORN OUT OF NECESSITY:

## HFH Egypt's CBO partnerships

by Yousry Makar

In the early 1990s, Habitat for Humanity began working in Egypt as a result of a strategy being pursued by the Coptic Evangelical Organization for Social Services (CEOSS), an Egyptian-based NGO with long experience in community development. With well-developed programs in health, education and economic development, CEOSS was looking for a way to improve housing in El Motomedea, a garbage collectors' community on the outskirts of Cairo.

The project was implemented by CEOSS staff, which educated the community on Habitat principles, facilitated the development of the local committee and ensured that payments were made on time. Repayments were kept in a separate CEOSS bank account and used to fund additional houses in the community.

The houses that were constructed were in stark contrast to the existing crowded shacks, where families had been living amid the garbage, in close proximity to pigs, chickens and goats. Repayments were on time, and soon the revolving fund was able to support additional house building in the community.



DORAL CHENOWETH

**Strategic partnerships with organizations like Coptic Evangelical Organization for Social Services (CEOSS) have enabled HFH Egypt to provide better housing to as many as 6,700 families.**

While fairly unorthodox at the time, the strategy of working under the umbrella of a partner organization was clearly a "win" for both Habitat for Humanity and CEOSS. This successful project in El Motomedea never

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## A winning strategy born out of necessity: HFH Egypt's CBO partnerships

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would have been achieved if Habitat had followed the traditional model of engaging the community, registering locally and setting up a Habitat affiliate. In fact, Habitat for Humanity Egypt only received official registration as a branch of Habitat for Humanity International in 2004, after many years of following legal ups and downs.

In 1997 HFH Egypt started thinking of having its separate identity, forming a national office with a new national director. While exploring the need in Egypt, an overwhelming fact unfolded: An estimated 20 million Egyptians live in inhuman conditions. HFH Egypt made it its vision and goal to reach up to 10 percent of this number in 20 years using the existing resource of 17,000 community-based organizations (CBOs) working in Egypt.

Since that time, HFH Egypt has continued to expand its operations under the umbrella of CEOSS and established partnership arrangements with five additional CBOs. Even after its legal registration, HFH Egypt continues the strategy of working within these partnerships. These partnerships leverage limited resources while delivering greater impact to families who are struggling daily with the multiple and complex problems of poverty.

HFH Egypt determined its role in the communities through funding, training, evaluation, monitoring and technical support to and from its partner CBOs. The key to successful implementation has been setting clear criteria for the selection of the partner agency. In choosing a partner, HFH Egypt looks for organizations with the following:

- Experience in managing development projects, especially macro-loan programs.
- Technical, management and financial skills.
- Provision of complementary services or programs to the community.
- Legal registration with the government.
- An office in the community for directing the project.
- Clearly defined operations and administrative capacity.
- A defined geographic area for project implementation.
- Acceptance of Habitat parameters and regulations,

as defined in the partnership agreement.

- Acceptance of any changes to the organizational structure required to implement a housing project.

HFH Egypt has identified five primary reasons for the success of this strategy:

- Expanded networks. Local organizations and associations have access to funding, government resources and skilled consultants.
- Reduced administrative costs. The partner organizations already have offices in the community where they are working. Habitat has been able to share these facilities, equipment and staff.
- Local knowledge. Each CBO is already accepted within its community. The CBOs know the families and can make better decisions in family selection, ensuring that repayment rates remain high.
- Accelerated implementation. The CBO staff is trained in development work, legal structures are already in place, and families know and trust the organization.
- Comprehensive development. The local CBO is engaged in various projects that complement the housing component, including income generation, environmental issues, women's empowerment, education and health.

In addition, HFH Egypt seeks partners only in communities where there is a demonstrated housing need. In spite of not having an official presence until 2004, by the end of December 2005, HFH Egypt's methodology of working with partners had successfully reached 15 communities, helping as many as 6,700 families to better housing with repayment rates at 97 percent (current or paid within 90 days).

HFH Egypt has taken to heart the Bible verse "Two are better than one, because they have a good return for their work" (Ecclesiastes 4:9) and the traditional Egyptian saying "The basket that has two handles should be carried by two." HFH Egypt—by using an unorthodox strategy of working first under the umbrella of a partner organization, then independently contracting with other CBOs—has evolved into an example of one of the centerpiece initiatives of HFHI's strategic plan: to leverage resources through partnerships. 🏠

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*Yousry Makar is the national director of HFH Egypt and can be contacted at [no@habitategypt.org](mailto:no@habitategypt.org).*

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HFH EGYPT DETERMINED ITS ROLE IN THE COMMUNITIES THROUGH FUNDING, TRAINING, EVALUATION, MONITORING AND TECHNICAL SUPPORT TO AND FROM ITS PARTNER CBOs.

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# Sharing experiences with strategic planning methodologies

by Naresh Karmalkar

It is often said that what really determines the eventual success or failure of the planning process is not so much what you put in, but what you leave out. Oftentimes, seemingly well-made strategic plans give way at the seams because a key influencing factor has been ignored or, more often, not given the attention it deserved. While it is impossible to include every possible scenario into an exercise which, at best, seeks to approximate the future, it is possible to instill a sense of discipline in the process that helps increase the probability of the plan's success.

HFH Asia/Pacific has had varied experiences with creating and implementing strategic plans at various levels—from area-wide organizational plans to departmental plans and from individual country plans to homeowner group plans. This article provides a brief overview of how strategic planning has become an integral part of HFH Asia/Pacific.

## The three-year PME cycle

In the latter half of the 1990s, strategic planning truly became an intrinsic and integral part of program management at HFH Asia/Pacific. The creation of a Planning, Monitoring and Evaluation (PME) department undoubtedly served to underline the importance of planning as a crucial aspect of the program management cycle. Under its direction, a three-year PME cycle was adopted for national organizations and affiliate programs.

The cycle rolled out as follows: For a new program, the planning exercise consisted of short-range 18-month plans with a review after 12 months. The initial exercise relied on the experience and vision of the advisory group/board and was guided by Habitat for Humanity's vision, mission and principles. The experience was enriched by the international perspective of HFHI's representatives and the knowledge of the country and the housing situation contributed by the national Habitat leaders and partners. The 12-month review of the plan was an ideal opportunity to take stock, course-correct and move on,



ALICIA WAGNER

Through strategic planning, HFH programs in Asia/Pacific are able to make the dream of a decent house a reality to countless families in the area. A woman and her child are pictured outside their Habitat house in Nepal.

adjusting targets as necessary.

When the program, after a couple of such cycles, had gained enough experience about implementing Habitat's vision in the project area, it eased into the three-year cycle. The three-year cycle began with the creation of a three-year strategic plan. This plan, informed by the experiences of the past years and guided by a more realistic expectation of what was achievable, spelled out key strategies that would take the program close to achieving its three-year vision. This plan would then form the framework within which the annual plan for the first year was created. This annual plan would again provide the background for short three-month implementation plans that would be adopted by every department in the program. These plans were benchmarked by indicators of progress, which would be closely monitored to measure whether plan implementation was on track.

At the end of the first year, the program was encouraged to do a self-evaluation to measure how it had fared against the targets set out in the annual plan and against the larger goals of the strategic plan. Based on this self-

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## Sharing experiences with strategic planning methodologies

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evaluation, the program revised targets and created an annual plan for the second year. The same process of creating quarterly implementation plans, regular monitoring of the same and minor course-correction was carried out. At the end of the second year, again, the program undertook a self-evaluation exercise leading to an annual plan for the third year.

The end of the third year marked a transition to the next three-year cycle. At this point, programs were encouraged to undertake a full-fledged participatory evaluation of the program to measure its achievements and evaluate the efficacy and efficiency of the strategies employed in the last three years to bring the program closer to its vision. This evaluation was useful in giving the program a clear idea as to how the strategies adopted over the past three years had served the program in realizing its three-year vision. Armed with this knowledge and an updated environmental scan, the program could then proceed to develop its next three-year strategic plan.

This has been the broad approach that Asia/Pacific has adopted toward better program management for the past several years. It has worked extremely well with certain programs, while it has been less successful with others. A

few have modified the structure to better suit their reality while others have increased the rigor in the same.

## Methodologies adopted in strategic planning

While HFH Asia/Pacific has not prescribed any one methodology to be adopted for strategic planning, two approaches have been used over the years in several programs with fairly effective results.

### *The ICA strategic planning approach*

The Institute of Cultural Affairs (ICA) strategic planning method is a group process spread over two days. This workshop is designed to arrive at a consensus on key focus questions among large numbers of participants. The strategic planning exercise uses four workshop processes, two on each day of the program.

The workshops follow a logical sequence, with each one building on the results of the last:

- **Practical vision.** The group seeks to collectively define a common three- to five-year vision for the future that is based on reality and mirrors the aspirations of a multi-stakeholder group.
- **Contradictions.** The group seeks to articulate the blockages and the perceived obstacles to the attainment of this vision. Care is taken to word these obstacles not as the “lack of” or “absence of” anything, but as descriptions of blockages that can be overcome by taking certain actions.

KIM MACDONALD



## Keys to successful strategic planning

By Naresh Karmalkar and Besim Nebiu

- Budget for the strategic planning session at the beginning of the last quarter of the fiscal year, at the very latest; this will give ample time to create and upgrade implementation plans and monitoring systems and allow for feedback from stakeholders.
- Decide to use a participatory process right from the beginning—though it takes more time, it results in greater ownership by all of the stakeholders and leads to a greater understanding about the program and its direction.
- Conduct an in-depth evaluation or assessment of the program before the strategic planning session to give an

accurate update to all stakeholders and also outline key issues to focus on.

- Involve the key stakeholders (board and staff, actual and potential beneficiaries, experts, governmental representatives, donors and supporters, etc.) in the process.
- Design a process and communicate it to the main stakeholders; make sure you have a common understanding and agreement on the process.
- Send the background data to the stakeholders well in advance.
- Not all data is useful! Use relevant, sound, verifiable data during the needs assessment.
- As much as possible, use a neutral facilitator, preferably from outside Habitat. If someone from outside Habitat cannot be found, then use a facilitator from another office or country program.



- Strategic directions. The group comes up with three to five strategies that would not only address the contradictions but would enable the program to achieve its practical vision.
- Action planning. The strategic directions are further processed into the first-year action plan and further three-month action plans, fixing timelines and assigning responsibilities.

This approach has proved to be a systematic way to design a logical and articulate plan, which has within its structure the keys to good implementation and monitoring of the same.

### *Appreciative Planning and Action (APA)*<sup>1</sup>

Developed by Dr. Malcolm Odell Jr., from Appreciative Inquiry (AI), this approach utilizes AI's philosophy of "building on the positive" to strategic and action planning. The approach uses the "4 Ds of Appreciative Inquiry":

- Discovery: Discovering the best of what is.
- Dream: Dreaming of "even better."
- Design: Devising strategies to get there.
- Delivery: Detailing next steps.

Dr. Odell added three more Ds to the process, namely "Do It Now!"; "Discussion and Dialogue"; and "Dance and Drum" to give the approach a much-needed emphasis on immediate action to get started and to celebrate this achievement.

APA's exercises allow the use of creative methods in

outlining a plan including artwork, modeling, role play and group dialogue. This makes it adaptable at virtually any level of an organization from boards to homeowner groups. The discovery exercise is a key exercise as it seeks to uncover the successes of the past and what made it possible to create these successes.

APA was used extensively among homeowners in Sri Lanka and Nepal to create strategic plans for homeowners' associations and savings groups, based on celebrating success and dreaming bigger.

Recognizing the power of recounting the successes of the past and building on the same, the discovery module was used as an introductory module for a traditional ICA strategic planning workshop in Bangladesh. The difference it created was amazing. A high degree of excitement was visible among the participants as they relived the successes of the past three years and debated on the root causes of this success. The practical vision they came up with in the next session was based on what they had achieved in the past and were proud of, and displayed the willingness and ability to dream even bigger. 🏠

*Naresh Karmalker is a planning, monitoring and evaluation adviser for HFH in Asia and the Pacific.*

<sup>1</sup> For more details on the process of Appreciative Inquiry, please refer to the "International Affiliate Update," March/April 2001, on PartnerNet.

- Always begin with a review of the achievements of the program within the last plan period to provide a feeling of accomplishment in the team.
- The facilitator should challenge stakeholders to rethink strategies and expand horizons; keep the following question in mind: "Is this the best that we can do?" However, ensure that the plan remains something that can be achieved by the existing program with the appropriate upgradation of capacity.
- Develop no more than four to five key, broad strategies; these strategies should be enough to encompass the program and overcome any obstacles that may have been identified to reaching the target.
- Develop goals and objectives; make sure they are aligned with the mission and vision.

- Develop indicators to make goals and objectives measurable.
- Develop a resource plan to match the strategy. What human and financial resources need to be in place to achieve the goals and objectives? Make sure that the targets and the resources are well-aligned and achievable.
- Form multi-stakeholder task forces, each with a team leader, to carry forward the task of creating implementation plans. Each team should have a specific task and a deadline by which to submit plans.
- Commit to a monitoring and evaluation schedule to track the progress of plan implementation.
- Communicate the complete strategic plan and the implementation plans to all of the stakeholders and set a date for receiving feedback.

- Distribute all monitoring reports to all stakeholders to ensure participation in appropriate course correction.

*Naresh Karmalker is a program adviser for planning, monitoring and evaluation for HFH in Asia and the Pacific. Besim Nebiu is the program manager for HFH in Europe and Central Asia.*



MIKEL FLAMM

# The Philippines experience

by Nestor M. Pestelos

The Habitat for Humanity Philippines Foundation started operations in 1988 implementing community projects. In 1992, the Philippines national office was organized to facilitate program development; affiliate development; program evaluation; resource development; and to disburse funds to affiliates.

In 1993, the Philippines national office created affiliates, one for each of its four project sites, and phased out from directly managing community projects. By 1998, immediately prior to the Jimmy Carter Work Project, the number of affiliates had grown to nine. After the 1999 JCWP, the organization increased its staff and developed more affiliates.

From 1988 to 2002, the Foundation had built houses with 5,745 families belonging to the economically lowest 30 percent of the poor in various regions of the country through an expanded program of partnership with families, communities, affiliates and the corporate sector. With the JCWP, it was able to further position itself as a leading NGO partner in providing shelter in the Philippines. During this period, it established a network of 29 affiliates and 14 satellites<sup>1</sup> all over the country and gained recognition as a major private-sector provider of nonprofit and volunteer

labor-oriented socialized housing program for the poor.

During its fast-paced expansion from 1998 to 2002, while the Foundation focused on increased house construction and resource development, certain organizational problems became more visible and recurrent:

- High turnover of management and staff.
- Lack of system for the expansion, contraction, creation and dissolution of units.
- Misunderstanding and conflicts among the staff, between the national office and the affiliates.
- Factionalism at the board level.

On the eve of its 15th year of existence, the Foundation realized that while there were reasons to celebrate, specific areas for improvements needed to be addressed. The organization needed strategic direction in navigating through the expansion phase. It had to:

- Define institutional functions at various levels for more clarity in performance roles vis-à-vis planned expansion activities.
- Develop frameworks for expanded programs and functions.
- Consolidate, document and update policies in

## The major elements of the program-based strategic plan

<b>Goals</b>	<ul style="list-style-type: none"> <li>• Building homes</li> </ul>	<ul style="list-style-type: none"> <li>• Building communities (soft programs)</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency and fiduciary responsibility</li> </ul>
<b>Strategic Interventions</b>	<ul style="list-style-type: none"> <li>• Habitat Building and Resource Center</li> </ul>	<ul style="list-style-type: none"> <li>• Non-traditional alliances</li> <li>• Simple community self-diagnosis</li> </ul>	<ul style="list-style-type: none"> <li>• Mortgage management</li> <li>• Simplified bookkeeping</li> <li>• Fund for Humanity</li> <li>• External audit</li> </ul>
<b>Products and Services</b>	<ul style="list-style-type: none"> <li>• Building technology (concrete integrated blocks; compressed earth blocks; steel frame; multi-story housing complex)</li> <li>• Technical capacitation</li> <li>• Bulk sourcing of housing materials</li> <li>• Save &amp; Build</li> <li>• Best practices and lessons learned</li> </ul>	<ul style="list-style-type: none"> <li>• Community organizing and values formation</li> <li>• Livelihood</li> <li>• Education</li> <li>• Health, sanitation and environment</li> <li>• Culture of savings</li> <li>• Adopt a community</li> <li>• Working with partners—national and local governments; international funding agencies; NGOs and other organizations</li> <li>• Friends of Habitat</li> <li>• Volunteer programs—corporate builds; Youth Build; Peace Build; Building on Faith; Global Village</li> </ul>	<ul style="list-style-type: none"> <li>• Account management for partners and donors</li> <li>• Current within 90 days</li> <li>• Active payers</li> <li>• Collection efficiency</li> <li>• Action plan at community level</li> </ul>

response to expansion requirements.

- Install appropriate systems and procedures.
- Document experiences and disseminate lessons learned to capacities for initiating, expanding and consolidating house construction operations and complementary community development work.

### **Organizational diagnosis**

On the assumption that organizational effectiveness is a precondition to preparing and implementing a strategic plan, the Philippines national office sought from September 2002 to February 2003 to conduct a series of diagnostic workshops as part of the overall strategic planning activity.

The study focused on reviewing structures and processes rather than on the status of operations vis-à-vis existing plans. It looked at the following 10 organizational components and made recommendations accordingly:

- Purpose (vision, mission and core values)
- Organizational capability, including staff complement, staff capabilities, human resources and administration
- Resources (fund raising and sources, funds allocation and utilization, and safeguarding of funds)
- Systems, processes and procedures (planning, decision making and controlling, communication and coordination, information and files management)
- Operational functions and structures
- Culture and value systems
- Physical environment and facilities
- Technology
- External environment
- Leadership

The concerns of local Habitat affiliates were addressed in a separate but complementary study, the Program Assessment Survey. On the other hand, the Home Partner Impact Assessment Study concentrated on the impact of housing and other project-generated interventions on the development situation of beneficiaries and their local communities.

These three complementary studies, conducted over a six-month period, provided inputs to the draft HFH Philippines strategic plan for 2003–2008.

### **Strategic planning as an innovative process for organizational strengthening and program consolidation**

In 2004, the national board of trustees appointed as president and CEO Mr. Alberto L. Jugo, former bank executive and financial expert from the Ayala Group of Companies. Under his leadership, the strategic planning process took a different turn. Instead of regarding a “reinvigorated and

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## HFH PHILIPPINES:

### **Accomplishments to date for the past two years**

- Increased house-building capacity.
- HFH Philippines built 3,480 houses in FY05 compared to 1,315 in FY04 and 884 in FY03.
- In FY05, HFH Philippines ranked second to the United States among top 10 countries based on families served.
- If older Habitat communities with serious past due accounts are excluded, repayment rates would have registered an increase from 79 percent in FY04 to 86 percent in FY05. These older Habitat affiliates selected families without fully considering ability to pay.
- Local resource development revenues increased from Php86 million (US\$1.67 million) in FY04 to Php94 million (US\$1.83 million) in FY05, approximately a 10-percent increase.
- The number of Global Village volunteers increased from 174 in FY03 and 532 in FY04 to 946 in FY05.

These accomplishments were made possible through strategic focus on core products and realigning organizational objectives to the requirements of specific programs and projects. These were also achieved despite 54-percent reduction in staff during the past two years.

### **Challenges by FY10**

- To be able to serve 10,000 families per year.
- To maintain the Habitat family as cost-effective and committed multi-tasking teams with a high degree of project management skills.
- To keep raising the bar for standard setting and performance for the national organization, local affiliates and partner NGOs using program and project management requirements as basis for strategic goal setting and interventions.



THE STRATEGY OF BUILDING ALLIANCES:

# Shared funds for a shared vision

By Zoran Kostov

**B**ooks say that the outcome of strategic planning should be visionary, conceptual and directional. They also say that the preparation of a strategic plan is a multi-step process covering the vision, mission, values, strategies, goals, objectives and programs of the organization.

Thus, while exploring the possibility of developing a partnership program<sup>1</sup> with the global microfinance coalition Opportunity International (OI), HFH Macedonia was guided by knowing that Habitat for Humanity and OI share a number of common values and approaches to their work. Both organizations view their clients as responsible and accountable partners. OI treats its clients as entrepreneurs fully capable of repaying their loans and building their businesses. With a 98-percent repayment rate, OI can sustain its lending operations and recycle its loan portfolio to new clients. HFH clients not only invest sweat equity into their home, but over time repay HFH affiliates for their costs, enabling HFH to recycle its resources to new homeowners in the community.

Building a sustainable program was to provide both OI and HFH with the financial base and program infrastructure to continue to reach a growing number of poor families.

### Developing a common product

This partnership intended to address poverty housing on a larger scale than the regular HFH program in terms of the number of clients/partner families served.

Approaching a large number of clients was based on joining funds for the credit portfolio, their faster turnover, followed by an introduction of a moderate interest rate on the housing loans. These elements combined are aimed at providing long-term sustainability, thus

multiplying the number of those being served, while affirming, at the same time, the Habitat principle of simple, decent and affordable housing.

In this way, the newly developed product would contribute to HFH Macedonia's general goals and objectives. As described above, it fits the mission, the vision and the strategy of the organization, as well as the strategic objectives of the partnering organization. The added value of the partnership for HFH Macedonia was seen through its new methodology of serving those affected by poverty, as well as through their increased number. Added value for the microfinance partner was seen

in its extension of operations, through developing new products and reaching new categories of clients.

### Sharing tasks and responsibilities

After establishing the partnership framework and creating the joint Home Improvement Fund, tasks and responsibilities were shared on both the strategic and operational level. These were shaped to reflect on the governance, as well as on the management of the partnership.

In respect to the governance, there are two levels of engagement of the boards of the organizations involved.

On a strategic level, the boards set up the principles of cooperation through a written partnership agreement. In addition, the two boards are committed to evaluate the results of the partnership annually, and to project a mid-term and long-term strategy of further cooperation. Each board was given the discretion to decide to withdraw from the partnership after the contract term expires, or before, in case of its violation.

On an operational level, the two boards appoint

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APPROACHING A LARGE NUMBER OF CLIENTS WAS BASED ON JOINING FUNDS FOR THE CREDIT PORTFOLIO, THEIR FASTER TURNOVER, FOLLOWED BY AN INTRODUCTION OF A MODERATE INTEREST RATE ON THE HOUSING LOANS.

# Writing a strategic plan for Romania

By Zamfir Todor

For more than five years, I've participated in the efforts of Romanian Habitat affiliates to reduce construction costs and to find solutions that will allow the most needy families to own a decent house. Even so, we too often have been unable to help families living in inhumane conditions, families with no income or with an income so low they can't afford to pay the no-interest, no-profit mortgage.

An important change in HFH strategy came at an opportune time—when more than 150,000 Romanian families, whose income is barely enough for their food, are in urgent need of housing.

In my opinion, the main highlight of the new strategy is changing the focus from the number of “houses built” to the number of “families served.” This simple approach opens the way to innovative solutions to serve the families in greatest need first and offers a fertile ground for partnering with other organizations that are committed to solving the problem of poverty housing.

I asked my colleagues for their reactions about the process of developing the national strategy, and everyone agreed that there were many challenges: especially time constraints related to the overload from being involved with our Floods Relief Project, and lack of experience and knowledge regarding the elements of successful strategic planning and the process of developing a strategic plan.

According to Mario Demezzo, HFH Romania's Resource Development manager, “It was teamwork between the Communications, Resource Development and Program departments coordinated by the national director. The objectives were correlated in a way to complete each other and to be united.”

“The process was inceptive because of the surprise change in direction in HFH Europe/Central Asia and because change and innovation were permitted at a higher scale. It was specifically influenced by the scale of the 2005 flooding disaster across the country,” elabo-



By focusing on the number of families served, HFH Romania is able to develop innovative housing solutions to help those who live in substandard housing.

ADRIAN MAGDA

rated Adrian Ciorna, national director of HFH Romania. According to Ciorna, this change in strategic direction closely corresponds with his vision of a Habitat affiliate as a four-fold business model:

- A Christian charity raising money, cultivating donor relations, bridging the gap in the community between the affluent and the less fortunate, stimulating volunteerism.
- A construction organization/contractor.
- Hosting work teams (Global Village, volunteer programs, etc.).
- A financing organization/bank in the biblical manner (see Exodus 22:25).

Ciorna further explained, “To this structural vision I had initially a target vision of 3,000 families served in seven years. Very daring! But now, with the innovation and new methods in the new strategy and diversification of families to be served, it makes the initial vision very feasible, structurally and target-wise!”

The Program department, through information received from national directors at the Area Strategy Meeting in June 2005, helped make the plan more realistic. The Program department altered the strategic directions initially proposed in the process and also accepted the challenge for growth.

The Program department had an important role in introducing HFH E/CA's strategy to the seven affiliates, discussing it with the affiliates and gathering the information about each affiliate's capacity to increase its impact in the community. However, “all the steps of gathering information, the analysis and processing it into a long-term

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**Building with an open heart: Writing a strategic plan for Romania**

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strategic plan took place in too short a period of time. We lacked the needed period of time for brainstorming, which would have helped us get out of the existing patterns. The participation of the affiliates was limited.

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THE NEW NATIONAL STRATEGY...SHOWS AFFILIATES THAT THERE IS EXCITING GROWTH NURTURED BY THE NATIONAL ORGANIZATION SO THEY CAN DARE TO DREAM TO SERVE MORE FAMILIES.

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They were asked, in the first phase, to project the increase of the program from the point of view of the number of families served. This is their only contribution. A meeting with the representatives of all the affiliates would have been needed in order to generate new ideas and a first draft of the strategy," said Raluca Bunea, senior program manager of HFH Romania.

As a final conclusion, the new national strategy gives Romanian affiliates the opportunity to explore their com-

munity from a different angle in terms of the need—they will be better able to identify potential homeowners who might be helped with micro-credit financing, or the affiliates will feel better supported in case they want to partner with another NGO. Best of all, it shows affiliates that there is exciting growth nurtured by the national organization so they can dare to dream to serve more families. The following FY07 projections are a clear demonstration of “daring more”:

- Recognition by the public of Habitat for Humanity as a credible/key partner in the elimination of poverty housing in Romania; national awareness to increase to 50 percent of population that are connected to TV stations in the country.
- An extra 27 families served (over approved targets per FY07) during the EuroHabitat Blitz Build event.
- Tripling the local fund raising of the affiliates involved in the event compared to the end of FY05 figure.
- Increase in local/national volunteerism at all levels.
- Stronger and more fundable local programs and national program.
- Open door for financing and grants from the European Union (for infrastructure, Roma housing, etc.). 🏠

*Zamfir Todor is the Communications manager for HFH Romania.*

## Evaluating Romania’s strategic planning process

Major dangers that might affect the achievement of the strategic objectives	Main suggestions for the next process of elaborating the national strategy	HFH resources in Romania with the greatest potential for the future
<ul style="list-style-type: none"> <li>• Lack of public and government recognition of poverty housing as a severe issue in Romania.</li> <li>• Inclusion of some programmatic and financial innovations in the strategy without studying their feasibility.</li> <li>• Those who implement the strategy do not feel an affiliation to the strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• Allow a sufficient period of time (minimum three months).</li> <li>• Involve all the stakeholders in the process.</li> <li>• Evaluate the current strategy and all national office and affiliate programs.</li> <li>• Documentation/training on elaborating strategies for the national director and Program department (for moderating the process with the affiliates).</li> <li>• Involvement of government responsible for housing.</li> <li>• Involvement of high-potential (financial, media) at-large support group in view of better determining a deadline and resources for ending poverty housing in Romania.</li> </ul>	<ul style="list-style-type: none"> <li>• The number of HFH affiliates in all areas of the country and their increased capacity, especially of those who aligned with the new strategy.</li> <li>• The diversity of their housing solutions and the commitment to respond to housing problems in case of natural disasters.</li> <li>• Hosting capacity for international Global Village teams.</li> <li>• Dedication of the national office and affiliates’ staff and board of directors and the ability to deliver programs.</li> <li>• Partnerships with local authorities where they exist.</li> <li>• Recent experience in working with grants.</li> </ul>

### **The strategy of building alliances: Shared funds for a shared vision**

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corresponding members for the joint credit committee, which makes the final decision about the loans. In accordance with Habitat principles, the joint credit committee selects prospective clients/partner families on the basis of need, willingness to partner and ability to repay their loan, regardless of race, religion, gender or ethnic background. Priority is agreed to be given to low-income households.

The partnership is set to operate through the joint engagement of both management teams of the partner organizations as well, in different phases of loan processing. Generally, the microfinance partner is responsible for the financial effects/results, while HFH Macedonia is in charge of the provision of know-how in simple, decent and affordable reconstruction.

### **Synergy that is to be monitored**

The idea to promote holistic transformation of the poor through partnerships is not a new one. In fact, OI and

HFH work side by side in many communities across the globe and, indeed, share a remarkable program synergy while serving the same or very similar target groups.

However, it is very important that each of these partnerships be well-monitored and documented, including all of their successes and challenges. Drawing lessons, surveying the future potential and making recommendations for future development are essential.

Although most of the challenging aspects of the partnership had to be precisely defined prior to its implementation, the resulting impact should not be underestimated. Sustainable transformational development is what both organizations are dedicated to, and that vision requires not only considering what has been designed on paper but also adapting to the changing needs of the clients. 🏠

*Zoran Kostov is the executive director of HFH Macedonia.*

<sup>1</sup> See "Habitat partner families as 'clients': A challenge to the organization's traditional values?" in the "International Affiliate Update," Volume 12:4, for more information about this partnership. The issue is available on PartnerNet.

### **Strategic planning leads to sound organizational health: The Philippines experience**

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strengthened organization" as precondition to carrying out a strategic plan, his leadership repeatedly stressed that the entire organization could be further strengthened in the process of pursuing program goals.

Any effort to revise, modify or change existing policies, systems and processes related to organizational concerns must be viewed in the context of project development and management requirements. Otherwise, the Philippines national office would lose its mission focus of building homes and local communities while pursuing independent or single-motive administrative and personnel reforms. Instead of isolating organizational development as a separate concern, the present leadership contextualizes institutional and human resource development issues within program requirements.

Program goals, products and services, and innovative strategies are key features of the current strategic plan. Organizational and administrative issues are integrated within program-based activities designed to achieve specific goals directly related to products and services made

available to target clients through innovative approaches or strategies.

### **Restructuring for growth and sustainability**

The whole Philippines national office organizational setup shifted from functional-sectoral orientation to multi-tasking teams related to program support, i.e., Habitat Building and Resource Center (HBRC) technical support; marketing, communications and advocacy; resource development; finance and administrative support; and stakeholder relations.

While guidelines remain centralized, the execution of projects becomes the responsibility of each individual affiliate with technical support from the Philippines national office through the HBRC. The Fund for Humanity ensures that repayments are monitored at the affiliate level and transactions are documented and accessed promptly. This facilitates transparency and accountability at each level of the organization.

*Nestor M. Pestelos is HFH Asia and the Pacific regional program manager for Southeast Asia.*

<sup>1</sup> Local management councils, which operate like branches of an affiliate in certain areas.



FROM STRATEGIC PLANNING TO STRATEGIC THINKING:

## Modeling new processes in Latin America and the Caribbean

By Rosa Cheng Lo

**H**abitat for Humanity International's strategic plan for 2007–2011 is full of new opportunities and challenges to develop our work in areas that have not been fully explored in the past. Through the process of defining its strategic direction, Habitat for Humanity, as a global organization, has faced the challenge of selecting, among a broad range of existing possibilities, those strategies that are in keeping with the organization's five-year vision: "Mobilizing people, and financial and social capital, HFHI will demonstrate the love and teachings of Jesus Christ by serving as a partner and catalyst for worldwide access to decent, safe, affordable housing."

HFH's success has positioned it among the world's most recognized nongovernmental organizations in the mobilization of people and resources on behalf of shelter for low-income households. Since the organization's inception, the contextual dynamics and the demands of the social players have changed, so as we begin this next phase of organizational growth it is important to reconsider the role that HFH will want to play on the new political, economic, social and cultural scene.

For HFH Latin America and the Caribbean, the new strategic plan represents an invaluable opportunity to position ourselves in this new scene—something that will require a more efficient, effective and sustainable response from the organization when faced with the serious problem of housing that affects some 220 million Latin Americans who live in poverty.

With this in mind, in October 2005 the Latin America/Caribbean area office began an intense process of reconsidering its role and its strategies for making the new strategic plan viable. This process called for a reevaluation of the problem of housing in the region, in addition to rethinking the role the area office must assume to effectively carry out the strategic plan.

It would be impossible to adopt this new international strategic plan without taking into account the peculiarities of the problem of housing in Latin America and the Caribbean that are directly linked to the phenomenon of poverty.



DORAL CHENWETH

**Some 220 million people live in poverty in Latin America and the Caribbean. HFH LA/C through strategic initiatives is working hard to reach more families in need.**

Our continent is characterized by the greatest inequity in the distribution of wealth in the world. For example, the wealthiest 10 percent of the population receives 48 percent of income while the poorest 10 percent of the population only receives 1.6 percent. This gap in income levels also translates into unequal access to goods and services such as housing, property, clean water, sanitation and education, among other things.

In addition, slow economic growth in the region in recent years, high unemployment rates and a growing concentration of population in cities (nearly eight out of every 10 Latin Americans live in an urban area) have led to a deepening of poverty in cities, which are unable to provide services to meet the needs of this population.

More than 50 million people live on less than US\$1 a day, 60 million do not have access to clean water, 137 million do not have access to sanitation services and one out of every three city dwellers lives in a slum. This situation, along with a tendency toward a reduction in investment from local governments, and land ownership policies and housing credit systems that do not favor the poor, present us with many challenges.

Apart from analyzing this reality, HFH Latin America/Caribbean has become aware of the urgent need to refocus its work on those areas where it is possible to provide integral housing solutions to the greatest number of people while at the same time transforming the systems that



prevent or hinder access to decent, affordable housing.

From among the initiatives proposed by the international strategic plan, we have decided to focus our actions on three program areas:

- Provide housing solutions through alliances with HFH's national offices as well as other social players capable of making our investment more efficient, effective and sustainable, such as governments, the private sector and other civic organizations. We believe that it is fundamental to refocus our efforts on reaching the poorest, particularly those who live in urban areas, as well as increasing our capacity by taking advantage of state subsidies, alliances with existing land development initiatives, construction, housing finance and infrastructure improvement, among others. The slogan will be "achieving more with fewer resources," which implies exploring new technologies, developing new methodologies, and innovation in the way we partner with families and with those who want to join the cause.
- Diversify and develop the credit portfolio to make the Fund for Humanity sustainable and to finance even more housing solutions in each country.
- Influence public policies that prevent or hinder access to decent housing for the poorest sectors of society. This includes strengthening our current programs so that, in addition to attending to the target population's concrete need for housing, we are also contributing to the transformation of housing systems whether through the way they are formulated, implemented or monitored, or by evaluating those systems.

These strategic initiatives were defined based on the successes and strengths of HFH's national programs in the region and, therefore, do not constitute ideas that are radically different from those that HFH Latin America/Caribbean already has been developing and supporting over the past few years.

For example, HFH Brazil is working in partnership with Caixa Econômica Federal—the principal agency of the federal government dealing with social policy—to supplement the state housing subsidy with a guaranteed fund so families can access housing solutions that meet their needs. (See story on page 18 for more information.)

Central America has seen many advances in managing the Fund for Humanity, including the application of certain criteria from the credit sector to ensure transparency and efficiency in the administration of resources, as well as programmatic and financial sustainability. HFH Costa Rica, to name just one example, has signed an agreement with the cooperative Crédito Coopealianza for the purpose of improving credit management and

facilitating identification of the target population needing home improvement services.

HFH Chile has established a foundation that will allow people to access, in a more professional and effective manner, funding allocated by the government for housing. Thanks to this strategy, housing prices have been lowered by combining resources from HFH Chile with the state subsidy.

Finally, various countries have instituted changes in the organizational structure of their affiliates and national organizations to draw upon the strengths of their volunteers to be more effective in resource development, advocacy and social audit.

To carry out these strategies, our area office and national organizations will have to redefine and align some of the existing work systems to allow us to carry out our roles with greater flexibility and pertinence toward the needs of the population we serve and the partners with whom we work. With this in mind, we have defined some areas of improvement that need to be developed at the managerial level:

- Refine the system for making decisions so that there are clear, transparent and pertinent criteria, methodologies and procedures for deciding where and when to make investments that will have a significant and sustainable impact. This system should help us prioritize actions that would contribute to reducing the problem of housing.
- Access new donor segments to find new allies who are capable and ready to contribute their ideas and resources to our cause.
- Develop the leadership skills and abilities of all members of the Habitat family in order to serve the ministry in a more effective and pertinent way.

Those of us at the area office recognize that this new strategic plan implies new priorities and refocusing on the work. But the principal challenge is in changing the way we approach our work. It not only requires complying with a strategic plan, but also strategic thinking. Every action that we take, every investment that we make or every partnership that we sign must be preceded by an analysis of the context and the strengths and weaknesses of the organization in a way that will allow us to foresee the effect that these decisions will have on our ability to impact the problem of substandard housing in the region.

Although we have just begun, it is important to remember some of the principles and lessons learned that will help us move forward:

- We must keep HFH's mission and values in mind. It is

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# Alliance with Caixa Econômica and HFHI's new strategic vision inspire HFH Brazil to think big

By Manuel Mancuello

A recent alliance between Habitat for Humanity and Caixa Econômica Federal,<sup>1</sup> the Brazilian government's main division for social policies, will bring about important housing solutions in coming years.

"With Habitat Brazil's adequate structure and the Caixa alliance, we will be able to build 5,000 housing solutions each year," says Ademar Marques, director of HFH Brazil.

The alliance of technical cooperation will allow Habitat, with Caixa, to implement social housing policies.

Along with a government subsidy, families will receive credits for the resources necessary to solve their housing needs. But in order to obtain this aid, they must find a guarantee mechanism, such as a mortgage.



A recent partnership with Caixa Econômica Federal, will enable HFH Brazil to provide housing for the poorest of the poor.

## Opportunities for the poorest of the poor

Since the majority of families cannot provide guarantees for a loan, Habitat's role lies in offering them the guarantee required to access the credits and subsidy. The guarantee is a preliminary deposit that will assure families' credit costs.

"This deposit represents about 20 percent of the total cost of the house. This means that with the same resources we previously used to build 100 houses, through this alliance, today we can contribute to the construction of 400 to 500 houses," estimates Rodolfo Ramírez, director of Habitat's South American division.

"We will offer more opportunities for the obtainment of a decent house at a lower cost, and the return of the

loans will be in a shorter time period," adds Marques. According to HFH Brazil's director, the poor do not have the possibility of accessing traditional housing loans.

"This partnership will make it possible to assist the poorest of the poor. If the total cost of a house is 10,000 reais (US\$4,600), the family will return barely 2,000 reais (US\$920). They will pay a small loan and in less time," he says.

As families pay their loans, the Caixa Econômica will return the deposits so that HFH Brazil can reuse them and create more opportunities.

This success is an important step toward accomplishing Goal 1 of HFHI's 2007–2011 strategic plan, which seeks to duplicate, in the next five years, the number of housing opportunities at a reasonable cost.

## Opportunities for other NGOs

This important accomplishment makes HFH Brazil the first NGO to work jointly with Caixa.

"Habitat is opening doors so that in the future other NGOs can participate, but with a more flexible system," says Marques.

Habitat continues dialoguing with Caixa so that the federal bank will modify its traditional criteria and create relevant changes that will facilitate more opportunities for NGOs and families in need.

## Some of these changes are already in sight

"Before, only families could offer the guarantee deposit. As a result, thousands of families could not access housing loans and subsidies. Today, Habitat can do it instead of the families, and in the future, there will be other NGOs involved," explains Marques.

Another important accomplishment is the reduction of interest. Before, Caixa charged 4 percent (2.5 percent for profit and 1.5 percent for administrative costs), the same as the market price. For low-income families, this percentage was too high. After conversations with Caixa, it decided to lower the percentage to 2.5 percent (1.5 percent for profit and 1 percent for administrative costs).

The micro-credits that Caixa previously offered did not have a subsidy. Today, these micro-credits include subsidies. Habitat's efforts favor thousands of families that today and in the future will be able to access these credits.

## Previous steps

For Rodolfo Ramírez, “this alliance is the result of a series of strategic actions by Habitat Brazil.”

One of the first steps taken was to participate and be a part of the existing network of national and local organizations in favor of families without a decent house.

This made it possible for Habitat Brazil to represent the network’s member organizations at the National Conference of Cities, where public housing policies are discussed and more democratic urban development is sought to reduce the country’s social inequality.

Recently, HFH Brazil participated in the redesign of norms that regulate Law 460 that guarantees the right to housing. A few modifications were necessary in order to make it applicable to helping the poorest of the poor.

“Housing is established as a basic human right in Brazil’s constitution,” explains Ramírez. “As a result, it is not controlled by the laws of the market, as a product or an object, rather as a basic human right. Our participation in changing some of the law’s articles is vital so that this right can become a reality.”

## Necessary changes

To reach this point, important changes were necessary, including an internal restructuring of the organization.

“One of the changes made was in the organizational model, by way of directing activities to strengthening existing local organizations and not creating new ones (committees and affiliates), as we have traditionally done,” explains Ramírez.

Today, HFH Brazil gives recognition to existing community organizations and works on strengthening them, becoming promoters of the community’s own development.

Victor Hugo Cusicanqui, specialist in organizational development, identifies another change: “Our products and services were redesigned and changed. We no longer only offer an entire house through a long-term loan. Today, we also offer families loans for additions and improvements to their houses and productive micro-credits.”

The Chico Mendez project is proof of these changes. HFH Brazil started a project in the Chico Mendez community, in Recife, with new services: micro-credits for additions and improvements in house construction, and micro-credits for the development of small productive businesses for families.

“It is our interest that housing be recognized as a human right and become a reality for thousands and thousands of Brazilians,” assures Ramírez.

For more information, contact Ademar Marques, director of HFH Brazil, at [ade.marques@habitatbrasil.org.br](mailto:ade.marques@habitatbrasil.org.br). 


## From strategic planning to strategic thinking: Modeling new processes in Latin America and the Caribbean

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important to acknowledge what we have done so far and to utilize these strengths as a basis for adding value to the new initiatives.

- The strategic plan covers such a broad spectrum that there are many possibilities for taking action. It is important to make decisions that promote specialization, keeping in mind the strengths of each national program and conditions within the country. For example, it will be necessary to respond to questions such as: Are there other partners that can do certain tasks more effectively and efficiently than HFH? How can we maximize the impact of these partners? What role can and should HFH play in the local context? How can we maximize our resources to reach a larger number of people without losing sight of our mission to transform lives?
- Any institutional change is a process that requires commitment to a vision, willingness to leave behind practices that are no longer relevant and the formation of new habits that make sense within the context of the strategic plan.
- We must continue to build upon the strong base that we have developed over the years: the mission and values of HFH. Our practices can change, but the mission and values must remain constant.

We are aware that changing the way we think and operate will be a difficult process, so we must be sure that the action steps we define through this process of strategic thinking will positively impact the lives of the greatest number of low-income families in Latin America as possible.

At HFH Latin America/Caribbean, we have faith that with God’s help and the commitment of everyone who is part of this ministry, we will be able to provide decent housing for even more families—allowing these families to grow and develop to the fullest extent possible. 

*Rosa Cheng Lo is the planning, monitoring and evaluation manager for HFH Latin America and the Caribbean.*

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*Manuel Mancuello is a writer for HFH in Latin America and the Caribbean.*

<sup>1</sup> La Caixa Econômica Federal (<http://www.caixa.gov.br>) is the federal government’s main division for social policies. It prioritizes the housing sector, basic hygiene, infrastructure and loan services. It exercises a fundamental role in the promotion of urban development and social justice in the country and contributes to a better quality of life, specifically within low-income populations. Toward the end of 2004, its commercial portfolio held more than 32 million deposit and basic accounts. Its database is capable of presenting socioeconomic profiles for approximately 53.5 million people below the poverty line.

## HFHU supports HFHI's strategic plan

By Jane Gruler-Johns

Responses to a recent survey of area vice presidents, regional directors, area HR managers and area training staff revealed three strong themes around what staff members in the field think Habitat for Humanity University should focus on in the coming years:

1. HFHU should have a role in knowledge/information sharing as a "document clearinghouse," "catalyst" and "facilitator."
2. HFHU should have a role in capacity building through focused course development. Advocacy, microfinance and innovative housing solutions were specifically mentioned as topics around which capacity building is needed.
3. HFHU should have a role in seeking out and forming strategic learning partnerships that would help link HFH staff in the field with key learning opportunities through partners.

To address these themes, HFHU is currently in the planning, design and information-gathering phase for a project that will create a knowledge-sharing space, both online and on regularly updated CD-ROMs, focusing on four key topics that align closely with the new HFHI strategic plan. This knowledge-sharing space is meant to provide HFH staff and volunteers with the information they need to effectively implement the new strategic plan.

The four key topics are:

1. Innovative housing solutions (which relates to Goal 1 of HFHI's strategic plan)
2. Innovative financing solutions (Goal 2)
3. Sustainability and advocacy (Goal 3)
4. People development (Goal 4)

Because these topics are quite broad, HFHU envisions having several categories within each topic. For example, for "innovative financing solutions," information can be organized into categories such as credit

management, microfinance, etc. Information shared could include internal and external research, guidelines and policies, innovations being tried in the field, links to helpful Web sites, recommended reading, contact information for internal and external experts, and more. Various communities of practice within HFH, as some of the main users of this knowledge-sharing project, are providing input on how the knowledge-sharing space should be organized and what it should contain so that the end result best meets the users' needs.

If you have ideas for how this knowledge-sharing space should be set up and/or what should be included within it, please e-mail [jgruler@habitat.org](mailto:jgruler@habitat.org)

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### "The Forum" needs

# You!

If you are interested in writing an article for "The Forum" on any of the topics below, or if you have any ideas for future topics, please e-mail [TheForum@habitat.org](mailto:TheForum@habitat.org) or [AMellott@habitat.org](mailto:AMellott@habitat.org) for further information.

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