



PHOTO COURTESY OF HHH MACEDONIA

## Micro-loans help people improve safety, comfort and health of homes

Macedonia has struggled with political and economic transition since leaving the Yugoslav federation in 1992. Although it was the only former Yugoslav republic to gain independence peacefully, its transition from a centrally planned economy to a market economy has been riddled with problems. Growing fractures within Macedonian society flared into a brief but violent civil conflict that ended in late 2001. A political agreement is still in implementation.

Official statistics estimate that 12 percent of Macedonians live in substandard conditions, but the real figure is thought to be much higher. Since average families cannot afford to buy new homes due to the difficult financial conditions that need to be met, many families live in their parents' houses. The average age of buildings in most Macedonian cities is about 30 years, and due to the poor maintenance many of them are in need of immediate renovation.

### Partnership Enables Outreach

In partnership with the local affiliate of Opportunity International (Moznosti), Habitat for Humanity established a home improvement fund to help families renovate or repair their substandard housing. Families receive small loans from the fund, which they then repay over five years with subsidized interest rates. Habitat also provides free construction advice to families. To be eligible, the family's income should not exceed two average Macedonian salaries (approximately 400 euros, or US\$500).

By 2009, Habitat plans to serve 328 families through the micro-loans.

Dejan Bogdanovski represents one of those families. Bogdanovski used to live in the village of Aracinovo, close to Skopje, where three generations lived together in a house: his parents, he and his wife, and their 3-year-old son Stefan.

In the civil conflict that struck Macedonia in 2001, his house was badly damaged, so the family moved to another village and started building a new home. Due to lack of funds, they could not install a decent floor or toilet. When winter came and temperatures fell below freezing, it was impossible to stay. The family had to move to a state shelter until spring.

With the help of a Habitat micro-loan, Bogdanovski managed to renovate his home in just a few months. The entire family worked to replace the floor and build a bathroom. Their house is finally warm and ready for the new family member who is on the way.

### Contact

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