



OPPORTUNITIES *for the* MAJORITY

Patrimonio Hoy: Bringing a Successful Housing Solution to Scale

A Proven Model Expands in the Region

Mexico-based multinational cement producer CEMEX has been a pioneer in the business world for over a decade. By launching Patrimonio Hoy (PH), a program through which low-income consumers can access microloans for the purpose of buying construction materials, it became one of the first Latin American companies with business models that engage with the base of the pyramid. In the years since its launch, Patrimonio Hoy has helped 300,000 Mexican families build or improve their homes. CEMEX treats its BOP projects as part of its core business strategy; and the company has established other such programs, such as Mejora tu Calle, an urban infrastructure financing program.

Now, with the support of a partial credit guarantee from the IDB's Opportunities for the Majority Initiative, CEMEX will stay on the leading edge of inclusive business by expanding Patrimonio Hoy into an additional five countries, and offering new kinds of loans and products that increase the program's flexibility and effectiveness. The program is now on track to reach a total of a total of 750,000 families within the next five years.

Building on a Solid Foundation

Patrimonio Hoy, founded by CEMEX S.A. de C.V. in 1998, provides low-income individuals with access to microloans, materials, labor and technical assistance for the purpose of building or renovating homes. These credits and housing supports would be virtually impossible for these clients to access otherwise, because of a variety of factors, including high rates of "unbanking" and lack of credit history among the majority of low-income families; the expense of reaching BOP clients for traditional commercial banks; and shortages of low-income housing construction. To date, some 300,000 families throughout Mexico have participated in Patrimonio Hoy.

In order to bring this proven model to additional communities and countries, the Inter-American Development Bank's Opportunities for the Majority initiative has established a partial credit guarantee of up to US\$10 million, through which it will share risk with CEMEX in order to scale its existing savings-credit program, as well as to introduce new value-added products. Over the next three years, CEMEX plans to expand Patrimonio Hoy into four additional countries: Colombia, Costa Rica, the Dominican Republic and Nicaragua.

New Features Strengthen a Long-Established Program

Since launching Patrimonio Hoy over a decade ago, CEMEX has piloted a range of products to be able to offer customized value-added housing solutions that better meet the needs of different low-income households. Besides the PH Traditional Product, with the support of the new risk sharing facility, CEMEX is adding three more options to its credit portfolio: PH Lower-Income Product, which allows clients to access loans through a savings credit mechanism; PH Labor Credit, which finances skilled labor support for families without self-construction know-how; and PH Materials Credit, which allows families with better credit scores or who have participated in a savings credit program to access full credit in the form of materials.

CEMEX has become an international leader in demonstrating that BOP business models can be a sustainable and valuable part of a company's core business strategy. It has been deliberate and responsible in piloting its models to ensure their commercial and social viability and scalability. Additionally, Patrimonio Hoy provides benefits to low-income communities that go beyond increasing access to housing loans: it has created hundreds of jobs for the mostly-female "promotoras" who work to enroll their neighbors in CEMEX programs, and its newer labor credit programs also are employing skilled contractors and builders. Now, in partnership with the IDB, CEMEX has set a goal of reaching 750,000 new families through Patrimonio Hoy within the next five years.



For more information about the program, contact: OM-IDB@iadb.org



Copyright © 2011 Inter-American Development Bank. This work is licensed under a Creative Commons IGO 3.0 Attribution-NonCommercial-NoDerivatives (CC-IGO BY-NC-ND 3.0 IGO) license (<http://creativecommons.org/licenses/by-nc-nd/3.0/igo/legalcode>) and may be reproduced with attribution to the IDB and for any non-commercial purpose. No derivative work is allowed.

Any dispute related to the use of the works of the IDB that cannot be settled amicably shall be submitted to arbitration pursuant to the UNCITRAL rules. The use of the IDB's name for any purpose other than for attribution, and the use of IDB's logo shall be subject to a separate written license agreement between the IDB and the user and is not authorized as part of this CC-IGO license.

Note that link provided above includes additional terms and conditions of the license.

The opinions expressed in this publication are those of the authors and do not necessarily reflect the views of the Inter-American Development Bank, its Board of Directors, or the countries they represent.

