

PROGRAM DESCRIPTION

USAID has initiated the Eco-Housing Mainstreaming Partnership in collaboration with the International Institute of Energy Conservation (IIEC) with the objective of institutionalizing sustainable Eco-Housing practices in the country. The partnership expects to create a long-term shift in the quality of life within the rapid economic growth in the country. To begin with the program will be focused in the western region of India and will include a business model for subsequent geographic extension.

The primary goal of this partnership is to initiate a **market development** process for Eco-Housing in India. In order to bring together the supply and demand side of housing, the program has engaged key institutional partners from India, which include the progressive Pune Municipal Corporation, associations of builders and architects in India (Builders Association of India and Indian Architects Association), representatives of eco-friendly product and process suppliers and the leaders in housing financing products. Involvement of stakeholders at the early stages was a key step in this initiative.

GOALS AND OBJECTIVES

The main objectives of this initiative in the first year are

- To *establish baselines* for Eco-Housing practices,
- Support the formation of eco-friendly *financing packages*,
- Showcase a model Eco-Housing *residential sector project*.

The subsequent objectives of this initiative is to develop a long term plan for partnering with other organizations, to build capacity of architects and developers so as to support entrepreneurship in Eco-Housing.

The primary objectives will be achieved by:

- Creating an enabling environment for Eco-Housing through strategic stakeholder partnerships on the supply and demand side of the housing and finance market,
- Capturing the benefits of Eco-Housing designs and financial mechanisms by integration into a demonstration project, and
- A time-bound scale-up and mainstreaming plan with adequate financial institutional support.



Scope of Eco-Housing Activities

ECO-HOUSING-DEFINITION

The term 'Eco-Housing' stands for environmentally benign and energy efficient buildings, sustainable construction practices, and healthy and productive indoor environment, with lowered use of natural resource.

The Eco-Housing program is aimed at residential construction, and will include both new buildings, as well as existing ones. The Figure above shows the spread of scope of Eco-Housing activities and their environmental impacts. A successful Eco-Housing initiative is expected to reduce the impacts at construction sites, communities and cities.

PROPOSED INTERVENTIONS AND TECHNICAL APPROACH

To implement this initiative the partnership proposes some key interventions. The proposed approach aims at achieving the following subtle but important changes in the Indian market mindset.

- ⇒ Demonstrating sustainability credentials for housing for “first mover” planning authorities (PMC) and mortgage financing institutions
- ⇒ Demonstrating “green” credentials to investors helping to minimize investment risk and increasing the appeal to ethical investors by getting them to demand such quality housing.
- ⇒ Demonstrating superior environmental design to customers, resulting in reduced running and maintenance cost, healthy environment, and access to local amenities.

Some of the proposed interventions to make this task possible are as under:

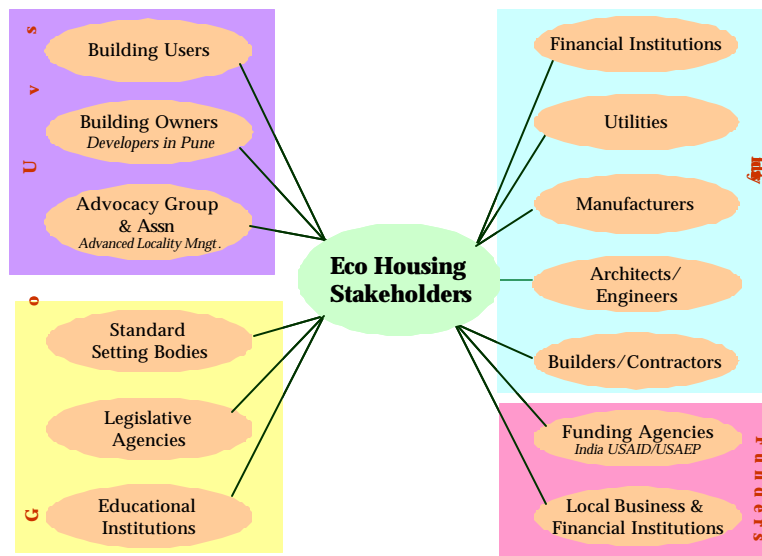
- ⇒ **Engagement of Stakeholders** - The stakeholders would include professionals from different

backgrounds of the Building Industry having varied expertise and hence would contribute to make the program sound in every aspect related to efficient building, energy conservation and environment impact reduction.

- ⇒ **Development of Eco Housing Performance Assessment Tools** - Eco-Housing program will develop a set of environmental qualifying criteria for including a project in its fold. These criteria will be based on local environmental issues and will have a simplified checklist of measures aimed at architects, builders, financial institutions, and owners.

- ⇒ **Effecting Policy Changes** - In order to institutionalize green buildings through any market mechanisms, a strong constituency and educating the public officials becomes a key requirement, and the program will help create policy changes to mobilize such initiatives.

- ⇒ **Fiscal/Financial Incentives** - The Eco-



Housing team will work towards instituting recognition and financial awards for incorporating green building technologies and products. Integration with the mortgage finance market will be one of the important tools for scaling up the Eco-Housing program.

⇒ **Developing a sustainable Institutional Mechanism** - Developing a lasting institutional mechanism through partnerships is the most important goal of the Eco-Housing program.

⇒ **Demonstration Projects** - A demonstration becomes important for creating a revolution in the market or acceptance of the idea amongst the public. Eco-Housing project will use demonstration projects as a key tool at various stages of the program development to advocate the program objectives and create awareness.

⇒ **Training and Capacity Building** - The Program will assist community based organizations to promote green building and provide public information and related education and training functions.

⇒ **Promotion** - A public awareness campaign will be organized as part of the program to disseminate to the public, technology resource and directives of the program.

THE TECHNICAL APPROACH

Program activities in this partnership are classified under five broad categories in order to achieve and mobilize the above mentioned interventions and strategies.

⇒ **Definition of Policy Environment (regulation and finance)**

- ✓ Evaluation of policy environment linked with Eco-Housing concepts
- ✓ Evaluation of housing sector financing

⇒ **Benchmarking Methodology (indicators of Eco-Housing)**

- ✓ Developing and finalizing performance indicators
- ✓ Defining macro benefits for stakeholders

⇒ **Capacity Building (technical and programmatic)**

- ✓ Training workshops for the stakeholders
- ✓ Establishing long-term capacity building partnerships

⇒ **Demonstration of Model Eco-Housing Complex**

- ✓ Assisting Pune Municipal Corporation in site selection and scoping
 - ✓ Design assistance for the proposed model complex
 - ✓ Construction supervision guidelines
 - ✓ Financial packaging for the Eco-Housing complex
- ⇒ **Plan for geographic extension of Eco-Housing**

BENEFITS TO STAKEHOLDERS

To home-owners

- ✓ Reduced electricity and water charges
- ✓ Reduced monthly maintenance charges
- ✓ Higher life-cycle for plumbing and electrical equipment

To municipal corporations/utilities

- ✓ Reduced costs of water supply and electricity subsidies
- ✓ Reduced expenses on sewage treatment and solid waste management

To home-financing institutions

- ✓ Ability to recover more (increase in net disposable income for home-owners)
- ✓ Additional branding of mortgage products
- ✓ Higher life-cycle of housing financed – beneficial in re-financing
- ✓ Meet Corporate Social Responsibility

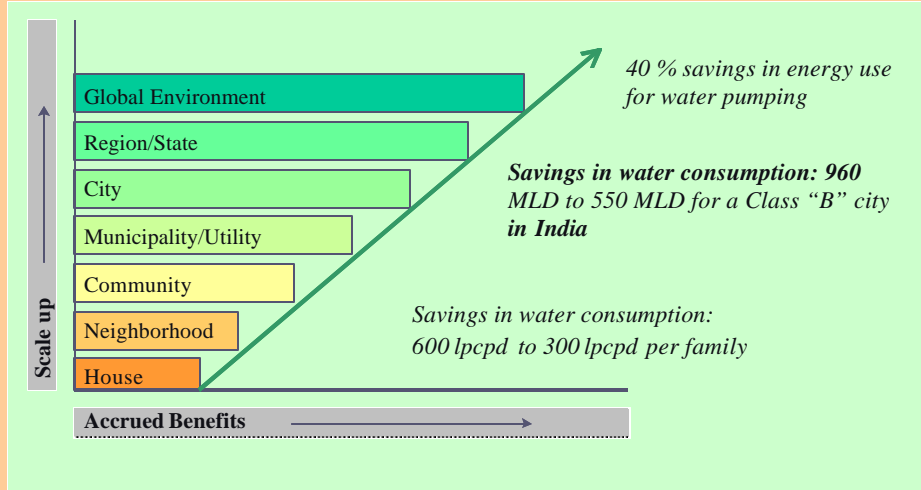
The Program will produce a Business Model, which could be extended to other parts of the country and eventually to other developing nations.

DURATION

First year of this activity is spread over October 2004 to September 2005 and builds on the USAEP/USAID activities over the last three years. This activity will expand in larger effort spread over three years with a target to demonstrate the Eco-Housing concepts in other parts of the country and other regions.

EXPECTED IMPACT OF THE PROGRAM

This effort is expected to demonstrate impacts for stakeholders at different levels. The figure illustrates the envisaged benefits for different stakeholders.



Increasing benefits with engagement of expanding value chain

CONTACT INFORMATION

IIEC

➔ Mahesh Patankar
Senior Project Manager

Tel: +91 22 55031021- 24

mpatankar@iiec.org

➔ Tanmay Tathagat
Senior Program Manager – EE

Tel: +91 11 5166 1646

ttathagat@iiec.org

➔ Veena Dharmaraj
Project Manager

Tel: +91 22 55031021- 24

vdharmaraj@iiec.org

USAEP

➔ Suneel Parasnis
Regional Director – Western Region

Tel: +91 22 2262 2178

parasnissn@state.gov

USAID

➔ Dr. Archana Walia
Program Officer

Tel: +91 11 2419 8153

awalia@usaid.gov