Report Number: ICRR0022122

1. Project Data

Project ID	Project Name
P117242	TZ-Housing Finance
Country	**Practice Area(Lead)**
Tanzania	Finance, Competitiveness and Innovation

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-47120,IDA-55900	31-Dec-2015	95,551,802.89
Bank Approval Date	**Closing Date (Actual)**	
09-Mar-2010	28-Jun-2019	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	40,000,000.00	0.00
Revised Commitment	99,257,208.81	0.00
Actual	95,551,802.89	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
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2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) as stated in the Financing Agreement (Schedule 1, page 5) and the Project Appraisal Document (page 7):

" To develop the housing mortgage finance market through the provision of medium and long-term liquidity to mortgage lenders".

The revised PDO following the Additional Financing (AF) for the project on February 2, 2015, (the main difference was the deletion of "mortgage" from " "housing finance" market).

" To facilitate the development of the housing finance market through the provision of medium and long-term liquidity to lenders".

b. Were the project objectives/key associated outcome targets revised during implementation?
Yes

Did the Board approve the revised objectives/key associated outcome targets?
Yes

Date of Board Approval
02-Feb-2015

c. Will a split evaluation be undertaken?
No

d. Components
There were three components at appraisal (PAD, pages 7 - 9).

1. Development of the Mortgage Market. The estimated cost at appraisal was US$33.0 million. With AF, the revised estimate was US$73.8 million. The actual cost was US$73.8 million.

This component aimed at developing a financial intermediary - the Tanzania Mortgage Refinancing Company (TMRC) - for providing medium and long support to mortgage lenders. The IDA credit aimed at supporting the initial, start-up phase of the TMRC's operations as a second-tier facility, for refinancing long-term residential mortgage loans (The second tier mortgage lenders are the non deposit taking and specialized wholesale lenders, whose financing enables primary lenders to offer lower mortgage rates and longer tenors than otherwise possible). The TMRC was expected to begin issuing bonds in the capital market for sustained funding of its operations. This component included, capacity building of the mortgage lenders for developing a mortgage credit line, and helping the TMRC issue its first bonds. Funding for this component was increased with AF, to support a more reliable source of longer term funds to mortgage lenders including, through allowing TMRC to pre-finance the mortgage portfolio, in addition to refinancing mortgages (discussed in section 2e), and to support a gradual move from IDA financing to full market-based funding for TMRC.

2. Development of Housing Microfinance. The estimated cost at appraisal was US$5.0 million. With AF, the revised estimate was US$20.5 million. The actual cost was US$20.5 million.

Given that a vast majority of Tanzania's population worked in the informal sector, housing microfinance was deemed to be more appropriate than traditional mortgages to the needs of many borrowers. This component aimed at financing an initial study to develop this product, and develop a

feasibility study for setting up a Household Microfinance Fund (HMFF). This study was to be followed by setting a HMFF for providing loans directly to Housing Microfinance institutions. The scope of this activity was scaled-up with AF.

3. Expansion of Affordable Housing Supply. The estimated cost at appraisal was US$2.0 million. With AF, the revised estimate for this component was US$4.3 million. The actual cost was US$4.3 million.

This component aimed at developing the private developer industry. Activities in this component included, conducting a housing market study to identify the constraints facing the housing market, capacity building of the National Housing Corporation (NHC) and the banks to provide real estate developer finance, and promoting the use of low-cost construction technologies for affordable housing. Activities were scaled up with AF for the project. The following actives were added: (i) setting guidelines for low-income housing: (ii) setting a Housing Information Center: (iii) Information Communication Technology (ICT) requirements for Watumishi Company Limited Design team: and (iv) strengthening the National Housing and Building Research Agency (NHBRA).

The following component was added with AF.

4. Project Management. The estimated cost at appraisal was US$0.0 million. The actual cost was US$1.4 million.

This component provided project management support, including support for monitoring and evaluation and providing funding for a mortgage finance specialist and a procurement specialist.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project cost. The estimated project cost at appraisal was US$42.0 million. With AF, the estimated project cost was US$102.4 million. The actual project cost was US$97.9 million.

Project financing. The original project was financed by an IDA credit of US$40.0 million. AF of US$60.0 million was approved on February 2, 2015. With this, the total project cost was US$100.00 million. The total amount disbursed was US$95.5 million.

Borrower contribution. The borrower contribution was estimated at US$2.0 million at appraisal. Their contribution was more than planned at US$2.4 million.

Dates. The original project, approved on March 2010, became effective on January 21, 2011. AF was approved on February 2,2015. The project closed on June 30, 2019.

Other changes. The project was restructured three times, with two Level 2 restructurings and one Level 1 restructuring. The following changes were made with the first Level 2 restructuring on February 12, 2013, when 6% of the original IDA credit was disbursed.

- The project faced a slow start due to the time it took to meet the credit effectiveness and disbursement conditions, which included establishing the TMRC, as a fully licensed entity. TMRC

became operational only in 2011. Further, the initial demand for the mortgage refinance facility was low, due to the reluctance on the part of primary mortgage lenders to use the refinancing facility. This was exacerbated by deteriorating macroeconomic conditions (doubling of inflation during the first two years of the project), making the banks reluctant to extend credit (including for mortgages). To address these constraints, the government and the Bank agreed to restructure the project, to allow TMRC pre-finance mortgage portfolios, in addition to refinancing mortgages.

- Targets were revised to: (i) strengthen attribution: and (ii) strengthen measurement of outcomes within the influence of the project, as opposed to its catalytic impact on the broad market (discussed in section 9a).

The following changes were made following the approval of AF, through a Level 1 restructuring on February 2, 2015:

- The PDO was revised to better align the PDO with the existing project scope. The change from "housing mortgage finance" to "housing finance", ensured that the PDO more fully captured both instruments - mortgages and housing microfinance -that were financed under the project.
- The PDO indicators and targets were revised in order to take account of the activities that were added with AF (mainly scaling up funding for the housing microfinance funding facility).
- The closing date for the original project was extended by two years (from March 31, 2015, to March 31, 2017).

The project closing date for the AF project was extended by 15 months from March 31, 2018, to June 28, 2019, for completing the scaled-up AF activities, through the second Level 2 restructuring on March 28, 2018..

Split rating. The original PDO specified mortgages explicitly, and implied coverage of housing microfinance as specified in the legal agreement. The revised PDO ensured that the PDO captured both instruments - mortgages and housing microfinance - and reflected the entire project scope. Although targets were revised following the first restructuring of the project discussed above, only 6% of the credit had been disbursed by then. Given that the revised PDO was representative of the project activities and the project scope was expanded with AF, this review does not use a split rating of objectives, and this assessment is based on the revised PDO.

3. Relevance of Objectives

Rationale

Country context. The urban population in Tanzania, increased from a low-base of 6% to 23% between 1967-2002. The total housing deficit was over 2.2 million units in 2000, (with average annual demand for plots in Dar es Salaam at 20,000 units, far outstripping average annual supply at 700 units). The financial markets for refinancing mortgages remained low, with the mortgage to Gross Domestic Product (GDP) ratio at 0.3%, as compared to 0.5% in Nigeria, 1% in Uganda and 34% in South Africa. The housing finance market was at a nascent state, for a combination of factors including, lack of access to finance, lack of

technical and managerial capacity in the real estate sector, high cost of construction and lack of land titles. The PDOs of supporting improvements in the incentive structure for market participants, supporting development of multifamily residential apartment complexes and affordable single residential homes through expanding the mortgage market, and housing finance products for the financially underserved population who would not be able to afford traditional mortgage finance, were important for the government strategy.

Government strategy. The PDO's were well-aligned with Tanzania's Second Poverty Reduction Strategy (SPRS) called the "*National Strategy for Growth and Reduction of Poverty*" (or MKUKUTA) for 2005-2010, at appraisal. The first cluster of the strategy articulated the need for sustaining growth and reducing poverty, specifically through "deepening financial sector reforms". In the years before approval, the government had also enacted legislation for improving the environment of lending for the housing sector, such as through the Mortgage Finance (Special provisions) Act in 2008, for strengthening the ability of creditors to enforce collateral, and Unit Titles Act of 2008, aimed at the titling process for improving the prospects for mortgages.

Bank strategy. The PDO was well-aligned with the Bank strategy. The first objective of the Country Assistance Strategy (CAS) for 2012- 2015, articulated the need for promoting inclusive and sustainable private sector-led growth, including through improving financial intermediation. The CAS also explicitly stated the need for supporting the nascent mortgage market, and creating jobs in housing construction-related activities. The first focus area of the Country Partnership Framework (CPF) for 2018 - 2022, articulated the need for " enhancing productivity and accelerating equitable and sustainable growth ", through increasing access to credit for micro, small and medium enterprises and women.

While the original PDO explicitly mentioned mortgage financing, the revised PDO more fully captured both instruments financed under the project. Both mortgage financing and housing microfinance addressed the needs for the vast majority of Tanzanians in the informal sector who not afford conventional mortgage finance, and were also aimed at alleviating the excess demand for housing, the relevance of PDO is rated as High.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To facilitate the development of the housing finance market through the provision of medium and long-term liquidity to lenders.

Rationale

Theory of change. The results framework was logical. Establishing the TMRC for providing long-term mortgage financing, supporting the mortgage literacy program, technical assistance to mortgage lenders and to the TMRC for issuing bonds, were expected to aid in developing mortgage lending. Setting a HMFF facility and capacity building of the participating microfinance institutions, were aimed at improving access to affordable housing to the low and middle-income segment of the population. While the above-mentioned activities aimed at increasing access to housing finance, activities such as, financing a housing market study, capacity building for real estate developers and the National Housing Company (NHC) to facilitate the availability of titled land and guidelines for low-income housing, aimed at addressing supply-side constraints of the housing sector. The combination of these activities were expected to contribute to the long term development outcome of improving the livelihoods of Tanzanians. The links between the project activities, the outputs and outcomes were clear, and the intended outcomes were measurable.

Outputs (ICR, pages 26 - 36 and pages 50 - 56).

Mortgage financing.

- The TMRC - a private sector owned and operated entity - was set up in 2011, for providing refinancing of mortgages and pre-financing mortgages (to be converted into refinancing in three years). The TMRC stakeholders (private sector banks and mortgage companies), increased from an initial five in 2011 to 17 by mid 2019. At project closure, the number of financial institutions providing mortgages increased from four at the baseline, to 33 in mid-June 2019. The interest rates for mortgages reduced from over 21% in 2011 to 15% in mid-2019, and mortgage volumes increased at a compound annual growth rate of 29% over the course of the project. The mortgages were available at a longer maturity, from a maximum of 10 to 15 years before the project to 25 -30 years by mid-2019.
- The mortgages of fifteen financial institutions were refinanced by TMRC, exceeding the target of four
- There were three indicators on the outstanding volume of loans by TMRC: (i) Refinanced mortgages increased from 5.6 billion Tanzanian Shillings (TZS) in 2014, to 61 billion TZS in mid-2019: (ii) Pre-financed eligible loans increased from 3.8 billion TZS in 2014, to 16 billion TZS in mid-2019: and (iii) Pre-financed loans increased from 17 billion TZS in 2014, to 69 billion TZS in mid-2019.

Housing Microfinance loans.

- The HMFF, a state-owned special fund, was set up in 2015, with the Bank of Tanzania (BOT) as the executing agency. The housing microfinance product was intended to provide housing loans for those who could not afford or qualify for conventional mortgages, but needed access to finance for housing construction or housing improvements.

Expansion of Affordable Housing Supply.

- Technical assistance was provided to the National Housing Corporation (NHC) for devising an overall plan to encourage market-based solution, to address the large and growing housing deficit in Tanzania, as targeted.
- ICT resources were provided to Watumishi Housing Company (a public entity established in 2013, as a property developer and licensed fund manager for managing the Watumisti Housing Real Estate Investment Fund (WHC-REIT). WHC-REIT was licensed in 2015 by the Capital Market Securities Agency (CMSA), as the first real estate investment fund to be established in Tanzania and East Africa.

The mandate of WHC-REIT was to mobilize resources for constructing houses for low and medium income earners.

Outcomes.

Mortgage financing.

- The outstanding volume of eligible housing loans financed by the TMRC increased from a baseline of zero to approximately 146 billion TZS at project closure in mid 2019. This represented a 51% increase, relative to the target of 95.9 billion TZS.
- The number of financial institutions offering mortgage products increased from four at the baseline to 33 financial institutions, exceeding the target of 31 financial institutions.
- The cumulative mortgage loan volume increased from 76.72 billion TZS in 2011, to 421.0 TZS billion and the number of household mortgage beneficiaries increased from 579 to nearly 5,200 beneficiaries during the same time period. According to the gender-disaggregated data provided by TMRC, about 28% of the beneficiaries were women and in an additional seven percent, women were listed as joint beneficiaries.
- While TMRC initially relied on the IDA credit line, it was expected to mobilize private sector financing through multiple issuance of bonds, during the lifetime of the project for expanding its business. The outstanding loan volume of bond issued by TMRC increased from a baseline of zero to 25.7 billion TZS in mid 2019. This represented 65% of the target of 39.5 billion TZS. The ICR (paragraph 54) notes that although bond issuance by TMRC was conceived from early years of operation, the first bond issuance did not take place until 2017, due to the deteriorating macroeconomic condition in 2011-2012 (doubling of inflation between 2011 and 2012, which made the banks reluctant to extend credit, including for mortgages), and again in 2016-2017, due to the credit crunch. The two public bond issuances (one in 2018 and another in 2019) took place successfully and both were oversubscribed, raising the total to 25.7 billion TZS, as compared to the target of 39.5 billion TZS.

Housing Microfinance loans.

- The outstanding volume of housing microfinance loans financed by the project, increased from a baseline of 0.35 billion TZS in 2015, to 30.0 billion TZS financed by the project by mid-2019, as targeted.
- The cumulative loan volume provided by HMFF increased from one billion TZS in 2015, to 29.billion TZS, and the number of household beneficiaries increased from 83 in 2015 to 1,575 beneficiaries in mid 2019. 34% of the beneficiaries were women, with male and female beneficiaries accounting for an additional two percent of the portfolio.

Given that outcomes of the PDO indicators were either exceeded or realized and that in one case, the indicator was partly realized owing to the deteriorating macroeconomic conditions, outcome is rated as substantial.

Rating
Substantial

OVERALL EFFICACY

Rationale

The outcomes were for the most part realized. This review concludes that the project substantially contributed to increasing the number and volume of mortgage financing, and housing microfinance loans to the low and medium income segment of the population.

Overall Efficacy Rating

Substantial

5. Efficiency

Economic analysis. The project activities aimed at providing financial resources to boost housing market finance to catalyze growth of the financial sector. The project benefits were assumed to come from, expansion of the mortgage market and expansion of the financial and construction sectors. These in turn were expected to contribute to GDP growth. A simple economic analysis of project benefits conducted at appraisal, showed that the incremental GDP attributed to the product, ranged from 0.5 percent in the first year of project implementation, to almost one percent in the last year (PAD, paragraph 65). The ICR (paragraph 79) notes that given that the project was extended twice, comparisons were not made to those conducted at design, given that those analyses were conducted with different parameters. An economic analysis was conducted at closure for activities associated with development of the mortgage market. This component accounted for 73% of the total project cost at closure. The Economic Internal Rate of Return (EIRR) was estimated at 49% and the Net Present Value (NPV) was US$6.2 million at 15% discount rate.

Administrative and Operational issues. The project effectiveness condition - establishing the TMRC - was only met in January 2011, about ten months after the IDA credit was approved. There were delays in delays in disbursements for HMFF, due to the strict conditions imposed by the Bank of Tanzania for participating Micro Finance Institutions. The project's long project period of nine years resulted in staff turnover both at the Project Implementation Unit (PIU) and the Bank team.

Further, the outcome targets were revised downwards, even as the project's lifetime and cost allocation increased with AF. The ICR (paragraph 86) notes that, the number of microfinance loans was initially targeted at 8,000, and revised downwards to 600 in 2013. This indicator was reformulated into a loan volume indicator. Although the loan volume was met, the number of loans did not meet the original target set in 2010, indicating that the outcomes were not efficiently achieved. Likewise, while the number of mortgages exceeded the 2010 targets by 50%, the cost allocation for component one activity had more than doubled with AF (from US$30.0 million to US$73.8 million).

In sum, despite the high EIRR for component one activity at closure, given that the targets were not scaled up, even as the project's lifetime was extended to 2019, and the funding for the project more than doubled with AF, efficiency is rated as modest.

Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐ Not Applicable
ICR Estimate	✓	49.00	73.00 ☐ Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Relevance of the revised PDO for both the government and the Bank strategy for Tanzania is rated as High. Efficacy of the revised PDO - to facilitate the development of the housing finance market through the provision of medium and long-term liquidity to lenders - is rated as substantial, as the outcomes were realized for the most part. Efficiency is rated as modest. Despite the high EIRR at closure, given that the targets were not scaled up, despite the extension to the project closing date and more than doubling of the credit. Taking these ratings into account, outcome is rated as moderately satisfactory.

a. Outcome Rating

Moderately Satisfactory

7. Risk to Development Outcome

Financial risk. Due to the small equity base, TMRC has to rely on bond issuance for financial sustainability, and its ability to expand refinancing mortgages (ICR, paragraph 120). While the bond issuance had been delayed, given that the two bonds issued since then were oversubscribed, the risk to development outcome

is modest. Likewise, the future prospects for the HMFF are unclear, given that there was no agreement when the project closed.

8. Assessment of Bank Performance

a. Quality-at-Entry

This project was the first of its kind in countries with nascent capital markets and relatively underdeveloped financial markets. The analytical underpinnings of the project drew on the work done by the Bank of Tanzania and the government, with the support of the Bank-financed Financial Sector Support project. The project was prepared based on the Bank-finance mortgage projects in Mexico, Egypt and Jordan. Lessons incorporated at design included, the notion that in emerging mortgage finance systems, it would be better to set up second-tier financial institutions with basic financial products, in order for them to better manage risks in relatively new and untested product markets. Several risks were identified at appraisal, including substantial fiduciary risks, given the lack of staff with experience in addressing fiduciary issues. With mitigation measures, the project risk was rated as modest at appraisal (PAD, page 16). The implementation arrangements were appropriate, with the Bank of Tanzania (BOT) overall in charge of project management, and a Project Administration Team, in charge of day-to-day implementation. The arrangements made at appraisal for safeguards and fiduciary compliance were appropriate (discussed in section 10).

There were significant shortcomings in M&E design (discussed in section 9). Further, while the PDO change from "mortgage financing" to housing finance market with AF was in the right direction, it could have been made even more precise if the PDO had been further refined to state " to develop housing finance in the targeted beneficiary financial institutions", instead of the market.

Quality-at-Entry Rating
Moderately Satisfactory

b. Quality of supervision

Eighteen Implementation Status Results Reports were archived over the project lifetime of nine years, and twice a year supervision missions were held as per the norm. The supervision team included in addition to the Task Team Leader, technical experts and financial management, procurement and social development specialists. The supervision worked proactively and closely with the Bank of Tanzania (BOT) and the Project Implementation unit to restructure the project when faced with slow demand from the financial institutions, and with the BOT in developing an action plan to accelerate implementation of HMFF.

The knowledge transfer of the project was undermined, with as many as four Task Team Leaders (TTLs) over the project lifetime of nine years.

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

Although the results framework was logical, the original key outcome indicator (such as mortgage to GDP ratio, the mortgage interest rate and the number of new housing units approved), were market wide, rather than project-specific indicators. The M&E indicators changed extensively between 2010 and 2019. However, the indicators, whether original or revised, still lacked indicators on portfolio quality for TMRC and HMFF. Likewise, as discussed in section five, the targets for the indicators were low - to modest, in terms of the level of ambition, especially so given that IDA credit for the project more than doubled with AF.

b. M&E Implementation

The ICR (paragraph 108) notes that data was collected systematically by the PIU is standard formats and guidelines for data collection. The ICR (paragraph 37) acknowledges that the extensive changes to the indicators, made the tracking of outcomes throughout the project more difficult than necessary and especially given that the scope of activities did not alter extensively.

c. M&E Utilization

Data collected was used to inform decision makers on the status of activities. This aided in addressing the slower progress and limited results in the early years of the project. The ICR (paragraph 109) notes that an in-depth assessment of the impact, effectiveness and value for money of the mortgage financing facility is now underway for internal government review.

In sum, given that the M&E indicators at design were not project specific and that targets for the indicators were low-to-modest in terms of the level of ambition, overall M&E is rated as Modest.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

The project was classified as a Category B project, under World Bank Safeguard policies. Three safeguard policies were triggered at appraisal: Environmental Assessment (OP/BP 4.01): Physical Cultural Resources (OP/BP 4.11): and Involuntary Resettlement (OP/BP 4.12).

The PAD (paragraph 82) notes that although component one activities were not subject to any safeguards, component two and three activities could involve resettlement and land acquisition. An Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) was prepared and publicly-disclosed at appraisal to address safeguard issues. The ESMF and RPF were revised in December 2014 to reflect the activities added with the AF for the project. The ICR (paragraph 111) notes that compliance with safeguards was deemed to be satisfactory. The ICR however provides no details on whether there were environmental issues, physical cultural resources or involuntary resettlement issues during implementation. The ICR (paragraph 111) notes that although the Grievance Redress Mechanism was introduced to all World Bank / IDA financed projects under the project's AF period, the mechanism was not in place when the project closed.

b. Fiduciary Compliance

Financial management. A financial management assessment was conducted at appraisal to assess the ability of the Bank of Tanzania's (BOT) ability to address financial issues (PAD, paragraph 71). The assessment concluded that the financial management arrangements of the BOT, were adequate. The financial management risk was however, rated as substantial, in view of the lack of staff with financial management expertise. Mitigation measures incorporated at design, included adequate financial supervision during implementation (PAD, paragraph 74). The ICR (paragraph 76) notes that there was compliance with financial management during implementation. The final audit was submitted in time and with a clean opinion by the National Audit Office, the statutory auditor of all government resources and projects in Tanzania.

Procurement. As assessment of the BOT's capacity to conduct procurement was conducted at appraisal (PAD, paragraph 77). The procurement risk was rated as substantial at appraisal. Mitigation measures incorporated at design, included training procurement staff during implementation. The ICR (paragraph 112) notes there was compliance with procurement. The ICR (paragraph 113) however notes that there were considerable delays in processing procurement activities, during implementation.

c. Unintended impacts (Positive or Negative)

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d. Other

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11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Quality of M&E	Modest	Modest	
Quality of ICR	---	Substantial	

12. Lessons

The ICR draws the following three lessons from the experience of implementing this project, with some adaptation of language.

1**. There could be great benefits to taking on relatively riskier projects aimed at creating financial markets, by combining judicious public investments, and catalyzing private investments, to reach new market segments.** While the government does have a strategic role in creating financial markets, for sustainable development of these markets, they must leverage private finance and investment, as was the case in this project. The lesson from this project is that private capital even in countries with less developed financial markets, can be mobilized through judicious public investments.

2. Developing microfinance for low and medium segment of the population, requires dedicated efforts, especially in new markets. While this project applied microfinance development in Tanzania at a time while the government tended to play a large role in the market, it took a while for the financial sector to align incentives for market development through injecting liquidity in the market. The lesson is that extensive efforts may be required with government stakeholders for developing housing microfinance projects.

3. Various options need to be considered for financial sustainability of mortgage finance companies. In this project, this aspect was addressed through issuance of bonds by TMRC. An alternative method would have been to allocate part of the project fund to inject Tier II capital to TMRC at an early stage of the project, and enable issuance of bonds later on. The ICR notes that this was an important lesson reflected in subsequent housing finance projects in other countries.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR does a commendable job of explaining financial concepts. The ICR candidly discusses the problems associated with monitoring indicators (both at design and during implementation), and the value for money (efficiency) aspects of the project. The ICR is consistent with the guidelines, and draws good lessons from the experience of implementing this project.

The ICR is however excessively long (the main body of the text at 49 pages is more than three times the recommended length of 15 pages) and would have benefitted through better editing and eschewing repetitions throughout the text.

a. Quality of ICR Rating

Substantial