



Housing Finance Development Program (P131973)

AFRICA | Nigeria | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Investment Project Financing | FY 2014 | Seq No: 11 | ARCHIVED on 19-Dec-2018 | ISR35230 |

Implementing Agencies: Central Bank of Nigeria, Federal Ministry of Finance of Nigeria, Nigeria Mortgage Refinance Company

Key Dates

Key Project Dates

Bank Approval Date: 26-Sep-2013

Effectiveness Date: 05-Mar-2014

Planned Mid Term Review Date: 21-Sep-2016

Actual Mid-Term Review Date: 21-Sep-2016

Original Closing Date: 31-Dec-2018

Revised Closing Date: 31-Dec-2018

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective is to increase access to housing finance by deepening primary and secondary mortgage markets in the Federal Republic of Nigeria.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

1. Mortgage Refinance Company:(Cost \$250.00 M)
2. Mortgage Guarantee:(Cost \$25.00 M)
3. Housing Microfinance:(Cost \$15.00 M)
4. Technical Assistance and Capacity Building:(Cost \$10.00 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Unsatisfactory	● Moderately Unsatisfactory
Overall Implementation Progress (IP)	● Moderately Unsatisfactory	● Moderately Unsatisfactory
Overall Risk Rating	● High	● High

Implementation Status and Key Decisions

- While overall implementation progress towards achieving the PDO has been slow and substantial turnaround in terms of outcomes remains uncertain before the project closure in December 2018, there has been an effort towards revival of some key activities that can reinforce further development of the housing finance market.
- Most notably, this includes NMRC's renewed access to capital markets and refinancing operations after approximately two years of dormancy due to unfavorable market conditions, completion of the feasibility assessment and business plan development for the design of the mortgage insurance product, and activities related to small-scale piloting of Housing Microfinance (HMF).

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● High	● High
Macroeconomic	--	● High	● High
Sector Strategies and Policies	--	● Substantial	● Substantial
Technical Design of Project or Program	--	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	--	● High	● High
Fiduciary	--	● Moderate	● Substantial
Environment and Social	--	● Moderate	● Moderate
Stakeholders	--	● High	● High
Other	--	--	--
Overall	--	● High	● High

Results

PDO Indicators by Objectives / Outcomes

Increase access to housing finance by deepening primary and secondary mortgage markets				
▶ Number of new mortgages below NGN5 million (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1,050.00	2,948.00	2,948.00	7,500.00
Date	31-Dec-2013	31-Dec-2017	31-Dec-2017	31-Dec-2018
Comments:	The reported number of new mortgages below NGN5mn refers to the period January 1 - December 31, 2017. The PAT has not provided updated indicators.			
▶ Proportion of mortgage debt outstanding refinanced by NMRC (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.97	1.97	20.00
Date	31-Dec-2013	31-Dec-2017	31-Dec-2017	31-Dec-2018



Comments:	The proportion of mortgage debt outstanding refinanced by NMRC is based on the volume of past refinancing from 2015. The PAT has not provided an updated following additional volume of refinancing from July 2018.			
►Number of new mortgage loans provided (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4,200.00	4,102.00	4,102.00	50,000.00
Date	31-Dec-2013	31-Dec-2017	31-Dec-2017	31-Dec-2018
Comments:	The reported number of new mortgages refers to the period January 1 - December 31, 2017. The PAT has not provided updated indicators.			

Overall Comments

The project has not provided updated PDO indicators for the results framework as of the date of preparation of this ISR. The most recent reports are as of December 31, 2017.

Intermediate Results Indicators by Components

1. Mortgage Refinance Company				
►NMRC New Bond issuance volume (years 3 - 5 are without sovereign guarantee) Billion Nigerian Naira (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	11.00	19.00	50.00
Date	31-Dec-2013	26-Dec-2017	12-Jul-2018	31-Dec-2018
Comments:	NMRC issued a total of N19bn with sovereign guarantee as at June 2018.			
►NMRC Efficiency Indicator - Cost to Income Ratio (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	57.76	54.00	42.00
Date	31-Dec-2013	31-May-2018	31-Oct-2018	31-Dec-2018
Comments:	NMRC reported cost to income ratio of 54 percent during the mission.			

2. Mortgage Guarantee				
►Number of Guarantees (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	0.00	0.00	900.00
Date	31-Dec-2013	26-Jun-2018	03-Dec-2018	31-Dec-2018
Comments:	The guarantee company has not been established and no guarantees were issued under the project.			

3. Housing Microfinance

►3 - 5 pilot MFBs develop/adapt/adopt housing Microfinance loan products, access project credit line and establish first cycle of micro financing lending programs (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	7.00	7.00	5.00
Date	31-Dec-2013	26-Jun-2018	03-Dec-2018	31-Dec-2018

►Volume (USD millions) of HFM loans disbursed (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	1.55	8.00
Date	31-Dec-2013	26-Jun-2018	31-Oct-2018	31-Dec-2018

Comments: On the basis of reports provided by the PAT out of the total volume of \$1.82 million Naira equivalent disbursed to 7 MFB, around \$1.55 million was disbursed to final borrowers.

►Number of HMF loans disbursed (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	664.00	2,860.00
Date	31-Dec-2013	26-Jun-2018	31-Oct-2018	31-Dec-2018

Comments: According to a report submitted by PAT there were 664 sub-borrowers/clients who received HMF loans.

►Portfolio at risk for housing microfinance (HMF) pilot (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	2.50
Date	31-Dec-2013	26-Jun-2018	31-Oct-2018	31-Dec-2018

Comments: The Project Administration Team has not provided a clear update on this indicator applicable to all MFBs. The reported actual value below (zero) is entered as the system requires actual value to be entered, though in practice portfolio at risk has not been reported and actual value is not clear. Also, "zero" value for portfolio at risk would be the best outcome which cannot be confirmed in absence of data. Therefore, the value entered should be interpreted as absence of data on this indicator, as opposed to "zero" value.

Overall Comments



The project has not provided updated complete aggregate results as of the time of preparation of this ISR. The available updates are based on documents submitted by PAT or reported by the Nigeria Mortgage Refinance Company.

Data on Financial Performance

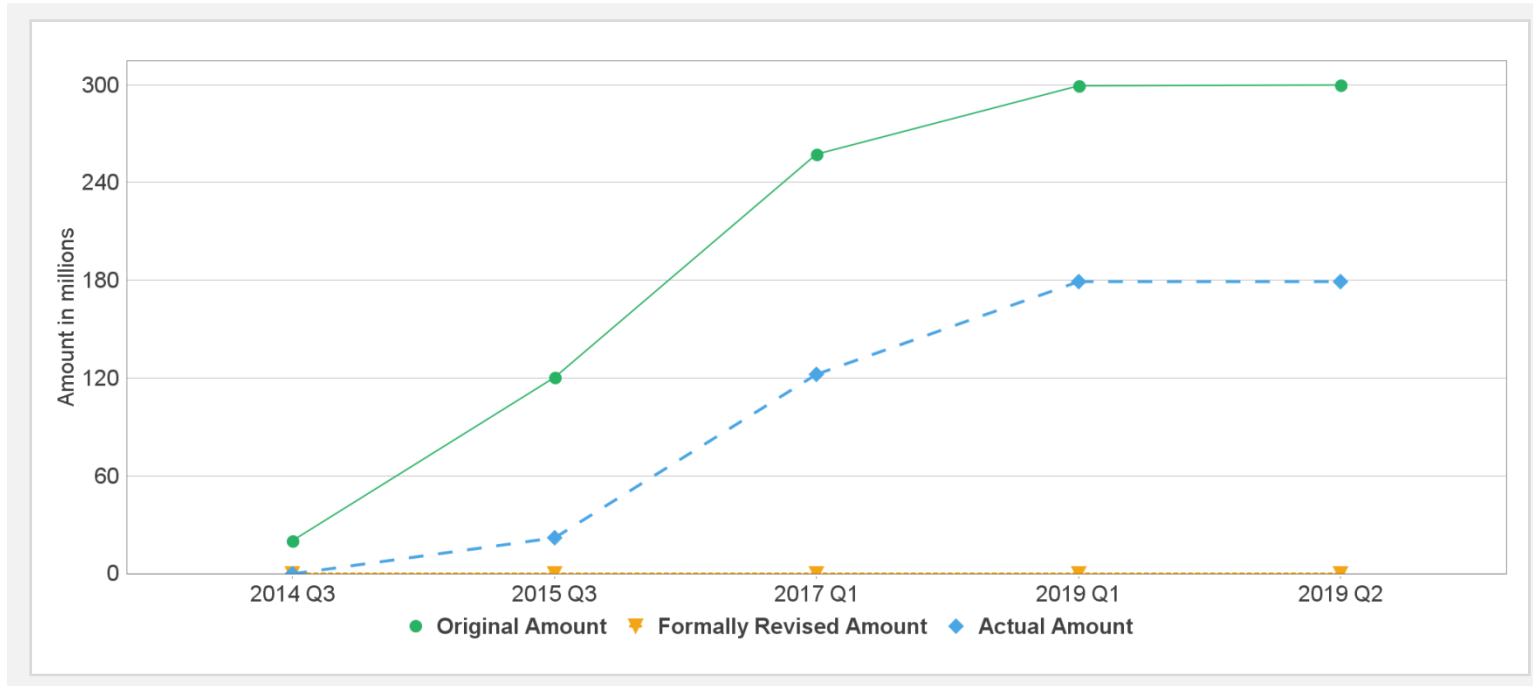
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P131973	IDA-52920	Effective	USD	300.00	300.00	0.00	179.20	101.71	64%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P131973	IDA-52920	Effective	26-Sep-2013	18-Dec-2013	05-Mar-2014	31-Dec-2018	31-Dec-2018

Cumulative Disbursements





Restructuring History

Level 2 Approved on 25-Apr-2018

Related Project(s)

There are no related projects.
