



Uzbekistan: Mortgage Market Development Program

Project Name	Mortgage Market Development Program
Project Number	51348-002
Country	Uzbekistan
Project Status	Active
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	TA 9479-UZB: Mortgage Market Development Program Technical Assistance Special Fund US\$ 225,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Knowledge solutions Partnerships Private sector development
Sector / Subsector	Finance - Housing finance
Gender Equity and Mainstreaming	No gender elements
Description	<p>The small-scale technical assistance (SS-KSTA) will provide important knowledge input and background information for the conceptualization of a mortgage market development program and input for a project concept paper. ADB will aim to assist in the development of the market-based mortgage finance sector, improve access to mortgage finance and expand product availability to the commercial banking sector, improve access to mortgage finance and expand product availability to the commercial banking sector. This is expected to develop private sector, deepen financial intermediation and benefit all population groups including low- and middle-income householders. The TA will also look for ways to leverage collective savings to reduce interest rates by exploring ways to (i) introduce new instruments such as contractual saving schemes, rental or co-operative schemes, (ii) mobilize long-term investments from institutional investors through covered bonds or mortgage-backed securities and (iii) identify alternative ways to provide subsidies to low-income families and improve access to long-term finance for underserved borrowers.</p> <p>The SS-KSTA will formulate recommendations for required reforms to strengthen the enabling environment in the real estate markets of Uzbekistan and thereby address the various gaps in the legal and regulatory environment that hamper the development of the mortgage lending in the country, including the conceptualization of a Mortgage Consumer Protection Law for the first time in the country. Furthermore, the SS-KSTA will advise on (i) the operationalization of an Uzbekistan Mortgage Refinancing Company (UMRC), and (ii) establishment of a housing assistance unit (HAU) under the auspices of the Ministry of Finance and (iii) formulation of recommendation to form a coherent government housing strategy and improvements to the existing subsidy programs of the Government.</p>
Project Rationale and Linkage to Country/Regional Strategy	<p>Uzbekistan is facing a growing unmet demand for housing, both in rural and urban areas. While the government is addressing some of the key challenges on the supply side of the housing market, especially in the rural areas, with the assistance of international donors, notably the ADB, its fiscal resources are not sufficient and need to be supplemented through the mobilization of market-based mortgage finance products provided by commercial banks (public as well as private institutions). There is therefore a need for commercial banks to play a larger role in the mortgage finance sector to address market demand. However, the banking sector in the country is characterized by low mortgage finance intermediation due to limited internal capacity and lack of access to long-term funding. Although the Government recognizes the importance of the housing sector for the economic and social development, Uzbekistan does not have a comprehensive unified housing policy framework. The present housing policy structure is dominated by various worthwhile, but isolated government programs state affordable rural housing program, young families and youth programs, other housing programs for active duty government personnel which are not always consistently designed and not cost effective in their targeting which may lead to inefficient use of scarce fiscal resources.</p>
Impact	Living standards for majority of population are improved.
Project Outcome	
Description of Outcome	Mortgage Finance Sector strengthened

Progress Toward Outcome

Implementation Progress	
Description of Project Outputs	A review of the policy, regulatory, and legal framework for the mortgage finance sector is carried out A draft comprehensive housing sector strategy is prepared Business plan for the establishment of UMRC developed
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Nation-wide

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design
During Project Implementation

Business Opportunities

Consulting Services	ADB will recruit a consulting firm or individual staff consultants to provide 5.5 person-months of international and 4 person-months of national consulting services. Consultants will be recruited, using the consultants' qualification selection (CQS).
Procurement	All TA financed Goods and training and workshops shall be procured in accordance with ADB Procurement Policy (2017, as amended from time to time) and the associated PAIs/TA Staff Instructions.

Responsible ADB Officer	Marro, Peter
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, CWRD
Executing Agencies	<i>Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines</i>

Timetable

Concept Clearance	23 Nov 2017
Fact Finding	27 Nov 2017 to 05 Dec 2017
MRM	-
Approval	19 Dec 2017
Last Review Mission	-
Last PDS Update	19 Jan 2018

TA 9479-UZB

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
19 Dec 2017	-	19 Dec 2017	31 Dec 2018	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
225,000.00	0.00	0.00	0.00	0.00	0.00	225,000.00	19 Dec 2017	116,465.38

Project Page	https://www.adb.org/projects/51348-002/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=51348-002
Date Generated	09 November 2018

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.