



Uzbekistan: Mortgage Market Sector Development Program (Additional Financing)

Project Name	Mortgage Market Sector Development Program (Additional Financing)
Project Number	51348-005
Country / Economy	Uzbekistan
Project Status	Approved
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	<div>Loan 4245-UZB: Mortgage Market Sector Development Program (Additional Financing)</div> <div>Ordinary capital resourcesUS\$ 150.00 million</div>
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development
Sector / Subsector	Finance / Housing finance
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	<p>The Asian Development Bank (ADB) approved the Mortgage Market Sector Development Program on 28 November 2019. It was designed to increase the availability of affordable market-based residential mortgage credit by establishing the premise for improved access to long-term market-based funding and enhanced development of competitive housing finance products, as well as reforming the inefficient housing subsidy framework and some of its programs. The program's impact is living standards improved for the population of Uzbekistan. The program has three outputs. The additional financing will expand the scope of output 3 to include supplementary long-term funding to the Mortgage Refinancing Company of Uzbekistan (UzMRC) to make long-term local currency resources available to identified eligible participating financial institutions (PFIs) to fund (i) residential mortgage loans, (ii) housing improvement loans, and (iii) green renovation loans (a new loan product). Further improvements are also supported, including the establishment of an information and technology system in UzMRC, enhanced gender access to UzMRC funding, the operationalization of the green renovation loan tool kit, and UzMRC's adoption of a strategic business plan.</p>
Project Rationale and Linkage to Country/Regional Strategy	<p>Given the good progress under output 3, the government requested ADB support to scale up the FIL component of the program - bringing significant improvements by providing additional long-term funding for UzMRC to make long-term local currency resources available to identified and eligible PFIs. The additional financing is consistent with the government's National Development Strategy, 2022-2026 and ADB's country partnership strategy for Uzbekistan, 2019-2023, which supports inclusive and sustainable economic growth through financial market development, access to finance, private sector development, and domestic resource mobilization. The additional financing supports key operational priorities of ADB's Strategy 2030 such as addressing remaining poverty and reducing inequalities through broader access to housing finance, which will contribute to improving living standards, gender equality, and women's empowerment through women's enhanced access to mortgage loans; tackling climate change through enhancing environmental sustainability by introducing a green renovation loan product; and strengthening the governance and institutional capacity of UzMRC.</p>
Impact	Living standards improved for the population of Uzbekistan
Project Outcome	
Description of Outcome	Availability of affordable market-based residential mortgage credit increased
Progress Toward Outcome	In May 2021, the functions of HAU have been shifted to the Ministry of Economic Development and Poverty Reduction who will be responsible for developing housing policy of Uzbekistan.
Implementation Progress	
Description of Project Outputs	<div>Policy, regulatory, and legal framework for the mortgage finance industry strengthened (under the policy-based loan)</div> <div>Housing finance strategy and subsidy framework strengthened (under policy-based loan)</div> <div>The establishment and operationalization of the mortgage refinancing company supported with long-term funding (under the financial intermediation loan)</div>
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Nation-wide
Safeguard Categories	
Environment	FI-C
Involuntary Resettlement	FI-C
Indigenous Peoples	FI-C
Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible ADB Officer	Shah, Syed Ali-Mumtaz H.
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, CWRD
Executing Agencies	Ministry of Finance

Timetable

Concept Clearance	30 Dec 2023
Fact Finding	07 Jun 2022 to 22 Jun 2022
MRM	09 Aug 2022
Approval	07 Nov 2022
Last Review Mission	-
Last PDS Update	07 Nov 2022

Loan 4245-UZB

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	150.00	Cumulative Contract Awards			
ADB	150.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page	https://www.adb.org/projects/51348-005/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=51348-005
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