Early Warning System

ADB-51252-001

Housing Finance Sector Development Program

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Quick Facts

Countries	Bhutan
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	U
Borrower	Government of Bhutan
Sectors	Finance, Infrastructure, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	$ 17.00 million
Loan Amount (USD)	$ 17.00 million

Project Description

As of July 2, 2024, the project disclosure appears to have been removed from the ADB's website.

According to the bank website, ADB's proposed sector development program will help establish the underlying enabling conditions to facilitate a transition towards a market-driven sustainable housing market. It will focus on strengthening market growth and stability by addressing financing and other core constraints in the ecosystem.

The policy-based loan component of the program will strengthen the enabling environment and support broad-based development of the housing ecosystem. The investment loan component will enhance credit delivery through the establishment of a housing finance entity (HFE). The HFE will convene low-cost and medium- to long-term sources of financing and channel these into housing sector development through onlending to financial institutions to finance mortgage and housing construction loans. The HFE will lower the cost of funds for financial institutions and strengthen their capacity to introduce product segmentation and financing instruments that are better tailored to market demand and borrower risk profiles. In addition, the investment loan will support the introduction of a mortgage guarantee scheme to further reduce risk in the financial system through reduction of credit risk in financial institutions' portfolios and help build market confidence in underserved segments by introducing risk-sharing arrangements.

Investment Description

- Asian Development Bank (ADB)

Contact Information

Responsible ADB Officer Shah, Syed Ali-Mumtaz H.
Responsible ADB Department South Asia Department
Responsible ADB Division Public Management, Financial Sector and Trade Division, SARD
Executing Agencies
Ministry of Finance
Royal Government of Bhutan
Thimphu, Bhutan
Attention: Director

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

Bank Documents

- Project Disclosure PDF [Original Source]

Other Related Projects

- ADB-51252-003 Financial Market Development Program Subprogram 1
- ADB-51252-004 Financial Market Development Program (Subprogram 2)