Early Warning System

IFC-603966

Tajikistan HMF

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Quick Facts

Countries	Tajikistan
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	U
Voting Date	2020-04-22
Borrower	Government
Sectors	Construction
Investment Type(s)	Advisory Services, Fund
Investment Amount (USD)	$ 1.05 million
Project Cost (USD)	$ 1.05 million

Project Description

The proposed budget- 1, 050 million USD is provided by IFC to Government of Tajikistan with a purpose of improving the housing in rural areas of Tajikistan. Housing finance has so far been mainly available to the urban middle class, due to the high cost of property and building construction. The key change in the approach towards making housing finance also available for the poor builds upon two principles: a) renovating existing housing (rather than financing new construction), and b) breaking down house improvements into components, thereby focusing on the immediate needs, and thus bringing down the financing needs to what can be afforded.

The project covers 3 components and has been designed to cover current gaps in achieving improved housing conditions of the low-income households in rural areas.

COMPONENT 1: Standardize and Develop Technical Construction Services

Non-financial services are the key component of HMF product and are important to ensure sustainable promotion of this innovative product in the market. Under the project, non-financial services will be standardized and produced in the form of Technical Construction Services (TCS) tools that do not incur any costs in their usage. The services developed in Kyrgyz Republic need to be adapted to Tajikistan – language, type of buildings, available building materials, building code.

COMPONENT 2: Support local financial institutions in the development of innovative HMF product.

This component involves working with at least two partner financial institutions to develop and pilot the HMF loan product and improve their internal capability. Activities under this component covers adapting lending procedures and developing/conducting training modules for FI staff in basics of engineering for utilizing TCS tools and in sales techniques to provide combination of financial and non-financial services.

COMPONENT 3: Awareness raising.

The project will support partner FI to conduct on-site workshops to promote HMF lending innovative product to the beneficiaries. This component is closely aligned to Component 2 and will contribute to demand stimulation to HMF lending product from the potential customers.

People Affected By This Project

The developmental impact of the Project will be in improved living conditions of low-income households and reduction of EE costs of low-income households. The impact will be reached through the development, and introduction to local financial institutions, of a Housing Microfinance lending product adapted to the Tajik environment and through the introduction of EE related lending. It is expected that at least two financial institutions will be providing HMF product by the end of the Project.

Investment Description

- International Finance Corporation (IFC)

Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/