



## Rwanda Housing Finance Project (P165649)

AFRICA | Rwanda | Finance, Competitiveness and Innovation Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2019 | Seq No: 3 | ARCHIVED on 18-Mar-2020 | ISR39835 |

Implementing Agencies: Development Bank of Rwanda, Ministry of Finance and Economic Planning

### Key Dates

#### Key Project Dates

Bank Approval Date: 29-Nov-2018

Effectiveness Date: 10-Apr-2019

Planned Mid Term Review Date: --

Actual Mid-Term Review Date:

Original Closing Date: 31-Dec-2023

Revised Closing Date: 31-Dec-2023

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To expand access to housing finance to households and to support capital market development in Rwanda.

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

No

### Components Table

Name
Provision of Long-Term Finance to Expand Housing Finance:(Cost \$147.00 M)
Technical Assistance and Implementation Support:(Cost \$3.00 M)

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial

### Implementation Status and Key Decisions

- The project became effective on April 10, 2019 with the first disbursement (\$7.66 Million) made on June 27, 2019. Five banks have signed participation agreements with the implementing agency - the Development Bank of Rwanda (BRD) to join the project and access long-term funding for mortgage financing. The level of disbursement and budget execution remains at 5.3% and 0.6% respectively due to delays in construction of housing units within the project's eligibility bracket with only 200 units expected in June 2020 (vs. target of 1,193 units) from Rugarama project. This has resulted in slow uptake by financial institutions (FIs) who prefer to wait for availability of the houses to have a draw-down from the line of credit. To speed-up housing supply, the BRD is supporting real estate developers in addressing the main challenges including accessing finance and speeding-up infrastructure provision by government. Moreover, the IFC financial investment in one affordable housing development - Kinyinya project - is at advanced stage.
- A technical assistance to support the creation and operationalization of the Rwanda Mortgage Refinance Company (RMRC) was launched in July 2019 and a Business Plan for the RMRC finalized in December 2019. A regulation governing the RMRC activities was approved by the central bank (BNR) in the same month and is planned to be gazetted in March 2020. Key immediate milestones to expedite the



establishment process are appointment by MINECOFIN/BRD of a transaction advisor to lead the RMRC equity raising, RMRC incorporation, and appointment of an interim management.

- The Bank team is supporting the BRD with hiring a housing finance expert who will be deployed as long-term technical advisor to strengthen and enhance capacity of the PIU team.

## Risks

### Systematic Operations Risk-rating Tool

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

## Results

### PDO Indicators by Objectives / Outcomes

Number of housing loans financed by this project				
▶ Number of housing loans financed by this project (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6,000.00
Date	31-Dec-2017	28-Aug-2019	27-Feb-2020	31-Dec-2024
Comments:	This indicator measures the number of housing loans financed by this project.			

Number of housing loans financed by financial institutions



▶ Number of housing loans financed by financial institutions (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00
Date	29-Dec-2017	28-Aug-2019	27-Feb-2020	31-Dec-2024
Comments:	This indicator measures the percentage increase of housing loans financed by Rwandan financial institutions (increase in the total number of housing loans issued by Rwandan financial institutions compared to baseline (number of housing loans issued in 2018)			

Number of bonds issued by RMRC				
▶ Number of bonds issued by RMRC (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2.00
Date	29-Dec-2017	28-Aug-2019	27-Feb-2020	29-Dec-2023
Comments:	This indicator measures the number of bonds issued by the RMRC on the capital market.			

Volume of bonds issued by RMRC				
▶ Volume of bonds issued by RMRC (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	35,000,000.00
Date	31-Dec-2018	28-Aug-2019	27-Feb-2020	29-Dec-2023
Comments:	This indicator measures the volume of bonds (USD) issued by the RMRC on the capital market.			

### Overall Comments

Five banks have signed participation agreements with the BRD.

### Intermediate Results Indicators by Components

Provision of Long-Term Finance to Expand Housing Finance				
▶ Number of Participating Financial Institutions (LoC) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	0.00	0.00	5.00
Date	29-Dec-2017	28-Aug-2019	27-Feb-2020	31-Dec-2025
Comments:	This indicator measures the number of financial institutions which access the line of credit for mortgage financing under this project.			
<b>► Number of Participating Financial Institutions (Shareholders of RMRC) (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	29-Dec-2017	28-Aug-2019	27-Feb-2020	31-Dec-2025
Comments:	This indicator measures the number of financial institutions which become shareholders of the RMRC.			
<b>► Average maturity of housing loans financed by the project (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10.00
Date	31-Dec-2018	28-Aug-2019	27-Feb-2020	29-Dec-2023
Comments:	This indicator measures the average maturity of housing loans financed by the project.			
<b>► Project beneficiaries satisfied with access to housing finance (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	80.00
Date	31-Dec-2018	28-Aug-2019	27-Feb-2020	31-Dec-2024
Comments:	This indicator measures the satisfaction of project beneficiaries with access to housing finance. The definition of project beneficiaries for this indicator extends beyond direct project beneficiaries to cover a wider range of relevant public and private stakeholders. This indicator will build on the successful and tested format of thematic roundtable discussions which were held with key stakeholders within the GoR, developers, financial sector representatives, and nongovernmental organizations engaged in housing development and finance to seek their feedback on project design and implementation arrangements. The team will maintain these consultations throughout the lifetime of the project through annual roundtable discussions and report on their outcomes in supervision reports.			

Technical Assistance and Implementation Support

**► Number of entities receiving technical assistance (Number, Custom)**

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	2.00	8.00



Date	29-Dec-2017	28-Aug-2019	27-Feb-2020	31-Dec-2025
Comments:	This indicator measures the number of entities receiving technical assistance and capacity building under the project.			

### Data on Financial Performance

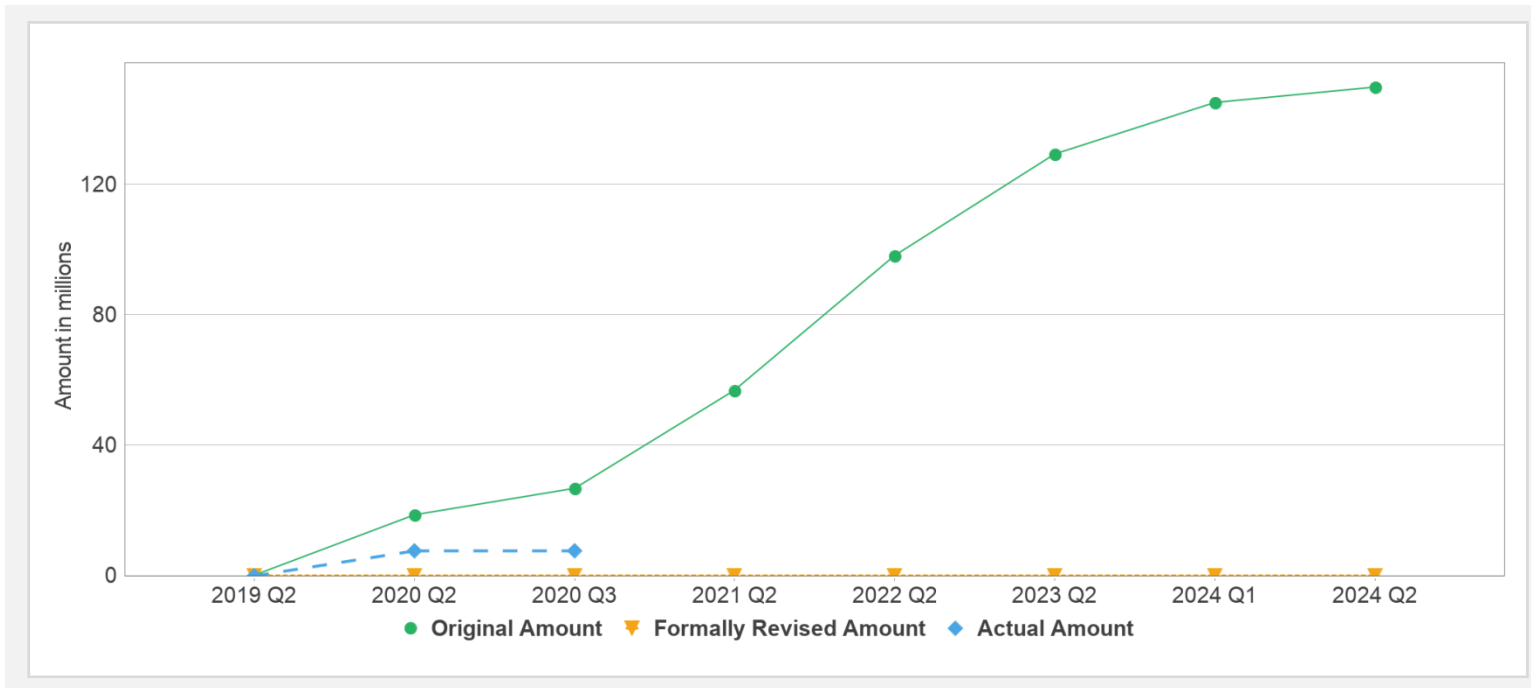
#### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P165649	IDA-63430	Effective	USD	150.00	150.00	0.00	7.66	136.72	5.3%

#### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P165649	IDA-63430	Effective	29-Nov-2018	12-Dec-2018	10-Apr-2019	31-Dec-2023	31-Dec-2023

#### Cumulative Disbursements





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### **Restructuring History**

There has been no restructuring to date.

### **Related Project(s)**

There are no related projects.

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