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Public Sector Finance Innovation

Multi-Jurisdictional Lending Structure for Development Finance

Regulatory and Structural Challenge

The World Bank identified Tanzania's affordable housing finance gap as requiring immediate intervention but faced fundamental charter constraints prohibiting direct lending to non-sovereign entities. The challenge involved designing a compliant funding mechanism that would deliver targeted development finance while maintaining institutional charter compliance.

Our Structural Solution

We designed a sophisticated cascading loan structure that maintained World Bank charter compliance while achieving development objectives through multiple institutional layers.

Multi-Tier Architecture:

- **Tier 1:** World Bank to Tanzania Ministry of Finance (sovereign-to-sovereign compliance)
- **Tier 2:** Ministry of Finance to Tanzania Mortgage Refinance Company (specialized institution development)
- **Tier 3:** TMRC to Participating Financial Institutions (wholesale lending framework)
- **Tier 4:** PFIs to end beneficiaries (retail housing finance delivery)

Technical Framework Development: Our solution included comprehensive cash waterfall analysis, cost optimization modeling, legal compliance frameworks, and fiscal efficiency planning. Particular attention was devoted to minimizing tax frictions and maximizing fund utilization across all institutional layers.

Implementation Results

Our cascading structure provided the World Bank with a legally compliant, operationally efficient mechanism for targeted development finance delivery. The detailed technical planning minimized implementation complexity while optimizing development impact, enabling successful project advancement.

Complex multi-jurisdictional challenges require sophisticated structural solutions that balance regulatory compliance with operational efficiency and development impact.

Contact us to discuss how our expertise can accelerate your growth objectives across GCC, Eastern Europe, and Africa.



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