

World Bank Interventions in Housing Deliveries in Third World Countries: A Case Study of Nigeria

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Abstract:

This study undertakes a comprehensive examination of the World Bank's intervention in housing delivery in Nigeria, adopting a qualitative case study approach to investigate the efficacy of the initiatives. The study delves into impact of World Bank –funded housing projects on three pivotal areas: access to affordable housing, housing finance and housing policy, the findings of this study reveal that the World Bank's interventions have yielded positive outcomes in Nigeria housing sector. Notably; these initiatives have enhanced access to finance thereby increasing the availability of affordable housing units. Furthermore, the study observes that the world Banks' intervention have contributed to the strengthening of housing policies in Nigeria. However, the study also identifies several challenges that hinder the effectiveness of world bank's intervention in Nigeria housing delivery. These challenges include: inadequate funding, sluggish implementation and overwhelming demand for affordable housing units. To address these challenges, the study proposes several recommendations. Firstly, it advocates for increased funding to support the World Bank housing initiatives in Nigeria. Secondly it emphasizes the need for improved implementation strategies to ensure the timely and effective delivery of housing projects. Finally, the research suggests strengthening housing market institutions is crucial to enhancing the efficiency of the World Bank's intervention in Nigeria housing delivery.

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Introduction

Housing is universally recognised as a fundamental human necessity and a core component of human development. While it was traditionally ranked second only to food in the hierarchy of needs, Ebie (2009) argues that housing has become the first and most important of all rights, given its centrality to human dignity, security, and social inclusion. Housing extends beyond the provision of shelter; it encompasses the social services and utilities that make neighbourhoods liveable and sustainable. For this reason, access to adequate housing is now widely regarded as a basic right and an essential foundation for individual well-being and societal progress. The United Nations Universal Declaration of Human Rights affirms the right to adequate housing, yet hundreds of millions of people worldwide continue to live in substandard conditions with limited or no access to decent accommodation. As urbanisation and population growth persist, the demand for housing solutions continues to rise, particularly in developing regions (Doling, Vanderberg, & Tolentino, 2013).

Global projections underscore the magnitude of this challenge. The United Nations Human Settlements Programme (UN-Habitat) estimates that, in the absence of decisive action, the global slum population could reach 900 million, with Asia and Africa facing the most severe pressures due to rapid urbanisation. Housing is frequently unaffordable to all but the highest income earners, and a major affordability gap persists. The McKinsey Global Institute (2014) estimates that 330 million households are affected by housing unaffordability worldwide, with approximately 200 million households in developing countries living in slums. These conditions have profound implications not only for individual welfare but also for social stability, public health, and national development.

Empirical evidence demonstrates that improved housing significantly enhances the welfare of occupants. Homeownership is associated with greater residential stability, civic engagement, and financial security in later life, while improvements in housing quality generate broad economic benefits (Malpezzi, 1999). Housing construction and home improvement stimulate demand for skilled and unskilled labour and support the growth of micro and small enterprises. At the macroeconomic level, the housing market constitutes a major component of national economies, and fluctuations in housing activity can exert substantial influence on financial systems and economic cycles (Zhu, 2014). Central to the functioning of housing markets is housing finance. Housing represents a large capital investment that most households cannot afford outright, and developers depend on debt financing to leverage equity for rental and owner-occupied housing. Sustainable housing delivery therefore requires long-term funding mechanisms for both developers and households, which are often underdeveloped in emerging markets. Government interventions in housing and housing finance have evolved considerably over time. Prior to the 1990s, many countries relied on state housing banks as direct lenders, but these institutions frequently performed poorly, leading to declining confidence in state-dominated models (Chiquier & Lea, 2009). Policy attention subsequently shifted toward the development of secondary mortgage markets, capital market funding, and public-private partnerships that leverage private-sector expertise and capital. Governments also focused increasingly on strengthening legal and regulatory frameworks, particularly mortgage laws and property rights systems. Subsidy regimes evolved from institutional support, such as below-market funding for lenders, toward targeted household subsidies designed to minimise market distortions. Within this evolving paradigm, the World Bank has emerged as a key actor in promoting housing sector reform and finance system development across low- and middle-income countries.

In third world countries such as Ghana, Nigeria, South Africa, Congo, Namibia, and Liberia, World Bank interventions have encompassed a wide range of instruments, including

securitisation conduits, liquidity facilities, second-tier lenders, and mortgage-backed securities issuers. The Bank has supported guarantees to lenders, mortgage insurance schemes, interest-rate subsidies, tax incentives, and credit buy-downs, alongside efforts to strengthen legal and regulatory infrastructure and foster competitive lending environments. These interventions aim to expand access to affordable housing, mobilise long-term capital, and enhance market efficiency. Within this broader context, Nigeria represents a critical case for examining the effectiveness of international housing interventions.

Housing delivery is a central challenge in Nigeria's urban development trajectory. The country faces an estimated housing deficit exceeding 20 million units (Abole, 2017; Adeleye, 2022), with a substantial proportion of the population residing in informal settlements and slums. Rapid urbanisation, widespread poverty, weak policy frameworks, and limited access to housing finance exacerbate the problem (Olotuah, 2022). Although successive Nigerian governments have implemented housing policies and programmes, progress has been constrained by limited resources, inefficient housing markets, and institutional weaknesses (Federal Government of Nigeria, 2022). In response, the World Bank has been actively involved in Nigeria's housing sector, providing financial and technical assistance to support housing development and market reform (World Bank, 2019; 2022). The World Bank's interventions in Nigeria are designed to increase access to affordable housing, strengthen housing finance systems, and improve the efficiency of housing markets. However, the effectiveness of these initiatives remains contested among scholars and practitioners. While some argue that World Bank-supported programmes have contributed to institutional reform and capacity building, others contend that their impact on affordability, accessibility, and inclusiveness has been limited, particularly for low-income households (Adeleye, 2022; Olotuah, 2022). The persistence of Nigeria's housing deficit despite sustained external intervention raises critical questions about the appropriateness, design, and implementation of these strategies.

This study is situated within this debate and seeks to examine the nature and outcomes of World Bank interventions in housing delivery in Nigeria. It explores the scale and character of the housing deficit, the specific mechanisms through which the World Bank engages the housing sector, and the extent to which these interventions have addressed issues of affordability, accessibility, and sustainability. Despite the scale of external involvement, there remains a dearth of rigorous empirical research assessing the effectiveness of World Bank-funded housing projects in Nigeria, particularly regarding their impact on low-income households (Taiwo, 2022). The limited monitoring and evaluation of these projects has generated significant knowledge gaps, making it difficult to assess performance, identify constraints, and inform future policy design. Notwithstanding substantial investments and policy reforms, Nigeria continues to grapple with a housing deficit estimated at over 20 million units (Adeleye, 2022). World Bank interventions aimed at improving housing delivery and affordability have produced mixed outcomes, with evidence suggesting that benefits have not consistently reached the most vulnerable segments of the population (Olotuah, 2022). The persistence of housing shortages, the expansion of informal settlements, and the limited penetration of formal housing finance underscore the urgency of systematic evaluation. Understanding why these interventions have yielded uneven results is essential for refining strategies, enhancing institutional effectiveness, and ensuring that international support contributes meaningfully to inclusive urban development.

By interrogating the scope, mechanisms, and outcomes of World Bank interventions in Nigeria's housing sector, this study seeks to contribute empirically and analytically to the literature on housing delivery in developing contexts. It provides a foundation for evidence-

based policy recommendations aimed at strengthening housing finance systems, improving market efficiency, and advancing equitable access to adequate and affordable housing in Nigeria. The aim of this study is to investigate the impact and effectiveness of World Bank – funded housing initiatives in Nigeria, focusing on their contribution to increasing access to affordable housing for low –income household. Specific objectives of the study were:

- i. to assess the outcomes of world bank-funded housing projects in Nigeria;
- ii. to identify the challenges and limitation of world bank intervention on housing delivery in Nigeria; and
- iii. to what extent have these projects improved access to housing finance and mortgage facilities for low –income household.

Literature Review

Conceptual Review

Good housing is essential for standard living. It provides physical framework in which man's socio-economic and cultural resources are related, enriched and integrated. Housing is important because it provides one of the basic needs of the society which is shelter (Borne, 2007). Housing embraces all the social services and utilities that go to make a community or neighbourhood a liveable environment. Prior to colonial rule in Nigeria, houses were built or constructed essentially to provide simple shelter from rain, excessive heat or cold (Agbola, 2005). However, housing, more than this, is now regarded as a symbol of socioeconomic status and a part of the traditional system of social security. Secondly, housing has been regarded as the foundation of healthy social well-being.

Concept of Housing

Housing offers a mix of services, the first and most fundamental being the shelter that the living area offers. The share of housing spending is linked directly to the income level of the individual and vice versa (Roseland, 2012). Housing was a pillar of satisfaction for the person and was regarded 'as a factor of health and quality of life (Kayode, Muhammad & Bello, 2021). Housing is one of humanity's three fundamental necessities. Its performance should fulfil both technical requirements and general user pleasure. Home influences the lives of both people and the country; the function it plays in bringing about human convenience via nature and society is thus of significant importance (Musa, Bello, & Kayode, 2021).

The term "housing" has been interpreted variously by many professions in its role of providing security and comfort to its residents, but it is important to each definition (Dalil & Yamman, 2013). A shelter or lodge for human occupancy is what housing is commonly referred to as. It is a building built to house one or more people (Daramola, Alagbe, Aduwo, & Ogbiye, 2005). In the individual, local, and national economy, housing as an investment has a vital role to play. It constitutes the first significant capital outlay and life aspiration of individuals in most situations (Migdal, 2018). Housing is a substantial portion of a family's or business's budget, but the built environment is the most apparent material asset of a person in terms of private and governmental investment (Stone, 2010).

Housing has been universally accepted as the second most important essential human need, after food. Housing in its entire ramification is more than shelter since it embraces all the social services and utilities that go to make a community or neighbourhood a liveable environment (National Housing Policy, 2006). Peterside (2003) also stated that every inhabitant truly deserves a decent and affordable housing, acquiring a home is arguably the largest investment most families would make in their lifetime. National Housing Policy (2006) defined housing as the process of providing functional shelter in a proper setting in a

neighbourhood supported by sustainable maintenance of the built environment for the day to-day living and activities of individuals and families within the community.

Housing is one of the three fundamental human necessities, along with food, that are required for physical life (Jiboye, 2014). A residential environment is the physical building used for shelter, as well as any relevant services, facilities, equipment, and gadgets required or wanted for the physical and mental health and social well-being of the family and people (Omole, 2010). To break it down, Housing, together with its supporting infrastructure, is thus regarded as more than just a source of shelter (four walls and a roof), but also as an evolving and participative approach. In terms of structure, there are more than four walls and roofed structures. It also involves the development of infrastructure services such as water, power, motorways, retail malls, and housing, as a healthy environment need. Housing, together with its supporting infrastructure, is thus regarded as more than just a source of shelter (four walls and a roof), but also as an evolving and participative approach (Nazire, 2017).

Nigeria's National Housing Policy (2012) defined housing as "the *process* of providing safe, comfortable, attractive, functional, affordable and identifiable shelter...for the daily living activities of individuals/families..." (Nigeria's National Housing Policy, 2012 p2) (Emphasis added). The document however, pointed out that this definition is more acceptable and applicable to affordable housing. It explained that the Presidential Technical Committee on Urban Development and Housing defined housing as "the process of providing a large number of residential buildings on a permanent basis with adequate physical infrastructure and social services in planned, decent, safe and sanitary neighbourhood to meet the basic and special needs of the population." (Jiboye, 2014; p3).

Two concepts of housing relevant to this study can be identified in the literature – the product concept and the process concept. Ferguson and Navarret (2003) have argued that housing is quite different between the advanced and the developing countries. They stated that in the high-income industrialised countries housing is a product purchased with the support of a sophisticated network of institutions including mortgage lenders. In contrast, they said, in developing countries, the great bulk of families gain access to home ownership through the progressive housing process whereby they build their own homes gradually over a period largely unassisted by formal sector institutions. To them, housing in the advanced countries is the 'product' approach while in the developing countries; it is the progressive building process approach. They noted however, that the housing of the small upper-middle and upper class in developing countries functions somewhat similar to the industrialised countries but at a much-reduced sophistication and scale.

Concept of Housing Delivery

Housing delivery is a multifaceted concept that encompasses the process of providing safe, affordable and accessible housing to individuals and families (United Nations, 2020). It involves a range of activities, including planning, construction, management and maintenance of housing units (World Bank, 2019). Effective housing delivery is critical for ensuring the health, wellbeing and productivity of individuals and communities (WHO, 2018). The concept of housing delivery is closely linked to the idea of housing as a human right (UN-HABITAT, 2019). It recognises that housing is a fundamental need that is essential for human dignity and well-being (Joint centre for housing studies, 2020). It is also closely tied to the concept of sustainable environment as it requires consideration of environmental, social and economic factors (UN-HABITAT, 2019). Despite its importance, housing delivery faces several challenges, including funding constraints, regulatory barriers and environmental considerations (World Bank 2019). Addressing these challenges require a comprehensive approach that takes into account the complex interplay of factors that influence housing

delivery(UN- Habitat, 2019). The process of housing delivery involves a range of stakeholders, including government agencies, private developers and community organizations (Harvard University, 2019). It requires careful planning and coordination to ensure that housing is delivered in a way that is efficient, effective and equitable (World Bank, 2019).

Housing delivery is critical concept that is essential for ensuring the health, well-being and productivity of individuals and communities. It requires careful planning, coordination, and consideration of range of factors including environmental, social and economic consideration. A comprehensive review of the outcomes of World Bank-funded housing projects in Nigeria requires an in-depth analysis of various factors, including project design, implementation, and evaluation. The World Bank's Independent Evaluation Group (IEG) conducts Project Performance Assessment Reports (PPARs) to assess the performance of completed projects, including housing projects in Nigeria. The PPAR evaluates project outcomes, impact, and sustainability, as well as the World Bank's performance and the borrower's performance (World Bank, 2020).

Studies have shown that World Bank-funded housing projects in Nigeria have had mixed outcomes. While some projects have achieved their intended objectives, others have faced challenges and limitations. For instance, a study found that the World Bank's housing finance program in Nigeria improved access to housing finance for low-income households, but its impact was limited by inadequate funding and poor implementation (Adeleye, 2022). Another study found that the World Bank's Lagos Urban Development Project had improved urban planning and transportation in Lagos State, but had limited impact on housing development (Olotuah, 2022). Several challenges and limitations have been identified in the implementation and evaluation of World Bank-funded housing projects in Nigeria. These include inadequate funding, poor implementation, lack of community participation, and inadequate monitoring and evaluation (Taiwo, 2022). Many projects have been plagued by inadequate funding, which has limited their impact. Poor implementation has been a major challenge facing World Bank-funded housing projects in Nigeria.

Many projects have been criticized for lacking community participation and input. The monitoring and evaluation frame works used to assess project outcomes have been criticized for being inadequate. Despite the challenges and limitations, several lessons have been learned from the implementation and evaluation of World Bank-funded housing projects in Nigeria. Community participation is crucial for the success of housing projects. Adequate funding is essential for the effective implementation of housing projects. Effective monitoring and evaluation frameworks are necessary to assess project outcomes and identify areas for improvement (World Bank, 2020). Based on the lessons learned, several recommendations have been made to improve the outcomes of World Bank-funded housing projects in Nigeria. Increase community participation in project design, implementation, and evaluation. Provide adequate funding for project implementation and ensure that funding is aligned with project objectives. Strengthen monitoring and evaluation frameworks to assess project outcomes and identify areas for improvement (Adeleye, 2022).

The outcomes of World Bank-funded housing projects in Nigeria have been mixed. While some projects have achieved their intended objectives, others have faced challenges and limitations. To improve the outcomes of these projects, it is essential to increase community participation, provide adequate funding, and strengthen monitoring and evaluation frameworks. The World Bank's efforts in Nigeria's housing sector have been ongoing, with various projects aimed at improving access to affordable housing. According to the World Bank's report, "Results and Performance of the World Bank Group 2023," the organization

has been working to address the country's housing challenges (World Bank, 2023). One of the key challenges facing housing development in Nigeria is the lack of adequate funding. The World Bank has been providing financial support to the Nigerian government to address this challenge. For instance, the World Bank's Lagos Urban Development Project aimed to improve urban planning, transportation, and housing development in Lagos State (World Bank, 2015).

In addition to funding, the World Bank has also been providing technical assistance to the Nigerian government to improve its capacity to deliver housing projects. This includes support for the development of housing policies and regulations, as well as training for government officials and other stakeholders (World Bank, 2013).

Some of the notable World Bank-funded housing projects in Nigeria include:

- i. Lagos Urban Development Project: Aimed at improving urban planning, transportation, and housing development in Lagos State.
- ii. Nigeria Housing Finance Program: Seeks to improve access to housing finance for low-income households.
- iii. Urban Development Project: Focuses on improving urban planning, transportation, and housing development in selected states.
- iv. These projects demonstrate the World Bank's commitment to supporting Nigeria's efforts to address its housing challenges.

The World Bank's intervention in Nigeria's housing sector has faced several challenges and limitations. One of the primary challenges is the inadequate funding for housing projects. The World Bank has provided financial support, but the funds are often insufficient to address the massive housing deficit in Nigeria (Moore, 2019). Another challenge is the ineffective implementation of housing projects. Corruption, bureaucratic delays, and lack of transparency have hindered the success of these projects (Ekpo, 2019). The World Bank has emphasized the need for good governance and institutional reforms to address these challenges. The high cost of housing finance is another limitation. The World Bank has supported the establishment of the Nigerian Mortgage Refinance Company (NMRC) to provide affordable housing finance. However, the high cost of borrowing and the lack of long-term funding have limited the effectiveness of this initiative (Aliyu, 2019).

Furthermore, the rapid urbanization and population growth in Nigeria have put pressure on the existing housing stock. The World Bank has estimated that Nigeria needs 700,000 housing units annually to accommodate the growing population (Ekpo, 2019). Overall, the World Bank's intervention in Nigeria's housing sector has faced significant challenges. Addressing these challenges will require a concerted effort from the Nigerian government, the private sector, and development partners like the World Bank (Moore, Ekpo & Aliyu, 2019). The World Bank has been actively involved in supporting the development of housing finance markets worldwide, with a particular focus on increasing access to affordable housing finance for low-income earners (World Bank, 2020). This review aims to provide a comprehensive overview of the World Bank's efforts in this area, with a focus on the global, African, and Nigerian contexts. The World Bank's Housing Finance Development Program is a key initiative that aims to develop and deepen resilient and affordable housing finance markets that are accessible to lower- and middle-income households (World Bank, 2020). This program provides support to client countries in developing and implementing housing finance solutions, including mortgage finance, housing microfinance, and rental housing. One of the key strategies employed by the World Bank to increase access to housing finance is to support the development of mortgage refinancing companies (Morduch, 2017). These companies provide financing to mortgage lenders, enabling them to offer longer-term

mortgage loans to borrowers. For example, the Nigerian Mortgage Refinance Company (NMRC) was established with the support of the World Bank to provide mortgage refinancing facilities to mortgage lenders in Nigeria (NMRC, 2022).

The NMRC has been successful in providing mortgage financing to thousands of Nigerians, helping to increase homeownership rates in the country (Adeyemi, 2020). Similarly, the World Bank has supported the establishment of mortgage refinancing companies in other African countries, including Kenya, Tanzania, and Ghana (World Bank, 2020). In addition to supporting the development of mortgage refinancing companies, the World Bank has also provided support for the development of housing microfinance products (Ledgerwood, 2013). Housing microfinance provides small loans to low-income households for housing-related purposes, such as home improvement or purchase. For example, the World Bank has provided support to the Microfinance Bank in Nigeria to develop and implement housing microfinance products (Microfinance Bank, 2022). The World Bank has also recognized the importance of rental housing in providing affordable housing options for low-income households (World Bank, 2020). To this end, the Bank has provided support for the development of rental housing programs in several African countries, including South Africa, Morocco, and Egypt (World Bank, 2020).

In Nigeria, the World Bank has supported the development of the Nigerian Affordable Housing Program, which aims to provide affordable housing options for low-income households (World Bank, 2020). The program involves the construction of affordable housing units, as well as the provision of mortgage financing and housing microfinance products to beneficiaries. The World Bank's efforts to increase access to housing finance have shown promising results, particularly in Africa and Nigeria (Adeyemi, 2020). However, more needs to be done to address the significant housing finance gaps that remain in these regions. To this end, the World Bank will need to continue to work with governments, private sector entities, and other stakeholders to develop and implement innovative housing finance solutions that are accessible to low-income households.

Furthermore, the World Bank's efforts to increase access to housing finance must be accompanied by efforts to address the underlying factors that contribute to the housing finance gap (Morduch, 2017). These factors include poverty, inequality, and lack of access to formal employment opportunities. Addressing these underlying factors will require a comprehensive approach that involves not only the World Bank but also governments, private sector entities, and civil society organizations.

Research Method

This study employed a qualitative method of data collection using case study approach, utilizing secondary and primary data collection method to examine World Bank interventions on housing delivery in Nigeria.

Case Study 1: National Affordable Housing Programme (NAHP)

Table 1: Case Study 1

BACKGROUND	OBJECTIVES	METHODOLOGY	OUTCOMES	CHALLENGES
NAHP was launched in 2013 with the support of the world bank to provide to provide affordable housing options for low income	World bank aimed to provide 10,000 affordable housing units, improve access to housing finance and strengthened	The programme involved the construction of affordable housing and training of housing	The programme has provided over 5000 affordable housing units , improved access to housing	The program faced challenges including limited funding, slow implementation and high demand for

household in Nigeria. (World bank, 2020)	the housing market. (Federal Government of Nigeria ,2013	professionals (World Bank , 2020)	finance for low income household and strengthened the housing market(Adeyemi 2020)	affordable Housing. (Ogunleye, 2020)
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Source: researcher's analysis, 2025.

Table 1 presents the National Affordable Housing Programme (NAHP) as a major World Bank-supported intervention aimed at addressing Nigeria's housing deficit among low-income households. Launched in 2013, the programme was designed to expand access to affordable housing while strengthening the broader housing market (World Bank, 2020). Its core objectives included the delivery of 10,000 housing units, improvement of access to housing finance, and the enhancement of institutional and professional capacity within the housing sector (Federal Government of Nigeria, 2013). Implementation focused on the direct construction of affordable housing units alongside the training of housing professionals, reflecting a dual strategy of physical delivery and capacity building (World Bank, 2020). By 2020, the programme had delivered over 5,000 housing units and improved access to housing finance for low-income households, indicating measurable progress toward its stated goals and demonstrating the potential of externally supported interventions to contribute to housing delivery (Adeyemi, 2020).

Despite these achievements, the NAHP also illustrates the structural constraints confronting housing interventions in Nigeria. The programme was hindered by limited funding, slow implementation processes, and an overwhelming demand for affordable housing that far exceeded supply (Ogunleye, 2020). These challenges constrained the scale and pace of delivery, leaving a substantial proportion of intended beneficiaries unreached. The gap between the initial target of 10,000 units and the approximately 5,000 units delivered underscores the difficulty of translating policy ambition into tangible outcomes within resource-constrained and institutionally complex environments. The NAHP therefore reflects both the promise and the limitations of World Bank-supported housing programmes: while capable of generating concrete outputs and market improvements, their impact is often diluted by fiscal, administrative, and structural barriers that impede scalability and long-term sustainability.

Case Study 2: Nigeria Mortgage Refinance Company (NMRC)

Table 2: Case Study 2

BACKGROUND	OBJECTIVES	METHODOLOGY	OUTCOMES	CHALLENGES
NMRC was established in 2013 with the support of the word Bank to provide mortgage refinancing facilities to mortgage lenders	NMRC aimed to improve access to mortgage financing, increase the availability of affordable housing units and	It provided mortgage refinancing facilities to mortgage lenders, which enabled them to offer longer term mortgage loans to	The (NMRC has provided over N100 billion naira in mortgage refinancing facilities , improved access to	The programme faced challenges in the area of high risk, limited liquidity and high interest rate. (Ogunleye. 2020)

in Nigeria(World bank 2020)	strengthened the housing market(NMRC,2020)	borrower(World bank, 2020)	mortgage financing for low income household and strengthened The housing market	
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Source: researcher's analysis, 2025.

Table 2 highlights the Nigeria Mortgage Refinance Company (NMRC) as a landmark institutional intervention supported by the World Bank to strengthen housing finance in Nigeria. Established in 2013, NMRC was designed to provide mortgage refinancing facilities to primary mortgage lenders, thereby enabling them to offer longer-term and more affordable mortgage products to borrowers (World Bank, 2020). Its core objectives include improving access to mortgage financing, increasing the supply of affordable housing units, and deepening the housing market (NMRC, 2020). Through its refinancing model, NMRC mobilises long-term funds from capital markets and channels them to mortgage lenders, allowing these institutions to extend loan tenures and reduce repayment pressures on households. By 2020, NMRC had provided over ₦100 billion in refinancing facilities, significantly expanding access to mortgage finance, particularly for low-income households, and contributing to the stabilisation and formalisation of Nigeria's mortgage market.

However, the effectiveness of NMRC has been constrained by persistent structural challenges within the Nigerian financial and housing systems. High levels of credit risk, limited liquidity in capital markets, and elevated interest rates continue to restrict the affordability and reach of mortgage products (Ogunleye, 2020). These conditions undermine the capacity of lenders to extend mortgages to lower-income groups, who constitute the bulk of those affected by the housing deficit. While NMRC has strengthened institutional frameworks and introduced greater depth into the mortgage market, its impact remains moderated by macroeconomic instability and weak financial inclusion. The case therefore illustrates that institutional innovation alone is insufficient to resolve housing finance constraints without complementary reforms in interest rate policy, risk management, and income stability. NMRC represents an important structural advancement, yet its transformative potential depends on broader economic and regulatory conditions that shape the accessibility of mortgage finance in Nigeria.

Case Study 3: Lagos State Housing Programme (LSHP)

Table 3: Case Study 3

BACKGROUND	OBJECTIVES	METHODOLOGY	OUTCOMES	CHALLENGES
Lagos state Housing program was launched in 2015 with the support of the world Bank to provide affordable housing options for low in Lagos	The aim of the program was to provide 10,000 affordable housing units, improve access to housing finance and strengthened the housing market	The programme involved the construction of affordable units, provision of mortgage financing and training of housing professionals	The programme has provided 2,000 affordable housing units, improved access to housing finance for low income house hold and strengthened the	Some of the challenges faced by the program are: limited funding, slow implementation and high demand for affordable housing units (Ogunleye, 2020)

State (Lagos state Government, 2015)	(Lagos state Government, 2015)	(World Bank, 2020)	housing market (Adeyemi, 2020).	
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Source: research's analysis, 2025.

Table 3 presents the Lagos State Housing Programme (LSHP) as a sub-national housing intervention supported by the World Bank and tailored to the unique urban pressures of Lagos State. Launched in 2015, the programme was designed to expand access to affordable housing for low-income households within Nigeria's most densely populated and economically dynamic state (Lagos State Government, 2015). Its objectives centred on the delivery of 10,000 affordable housing units, improved access to housing finance, and the strengthening of the state's housing market (Lagos State Government, 2015). Implementation combined the construction of affordable housing units with the provision of mortgage financing and the training of housing professionals, reflecting an integrated approach that linked physical delivery with institutional capacity building (World Bank, 2020). By 2020, the programme had delivered approximately 2,000 housing units and improved access to housing finance for low-income households, demonstrating tangible progress toward its goals and reinforcing the potential of state-level initiatives to complement national housing strategies (Adeyemi, 2020).

Notwithstanding these achievements, the LSHP has been constrained by familiar structural challenges. Limited funding, slow implementation processes, and exceptionally high demand for affordable housing have significantly restricted the scale and pace of delivery (Ogunleye, 2020). The wide gap between the initial target of 10,000 units and the 2,000 units delivered underscores the magnitude of Lagos's housing deficit and the difficulty of meeting urban housing needs within resource-constrained policy environments. Rapid population growth, rising land values, and infrastructural pressures further compound these constraints, making large-scale affordable housing provision particularly complex in Lagos. The LSHP therefore illustrates both the promise and the limitations of decentralised housing interventions: while capable of generating measurable outputs and strengthening local housing markets, their impact remains circumscribed by fiscal limitations, administrative bottlenecks, and demand pressures that exceed available supply.

Conclusion

These in-depth case studies demonstrate the impact of World Bank interventions on housing delivery in Nigeria. THE NAHP, NMRC and Lagos state housing program have improved access to housing finance, increased the availability of affordable housing units and strengthened the housing market. However, these programs also faced challenges, including limited funding, slow implementation and high demand for affordable housing units.

Recommendations

1. The Federal Government of Nigeria, in collaboration with state governments and development partners, should substantially increase budgetary allocations to housing programmes in order to address the country's significant housing deficit and expand the supply of affordable units nationwide.
2. Relevant housing agencies at the federal and state levels, particularly the Federal Ministry of Housing and Urban Development and state housing corporations, should strengthen project management and monitoring frameworks to improve the pace and effectiveness of programme implementation in response to slow delivery and escalating demand for affordable housing.
3. The Federal Government, through institutions such as the Nigeria Mortgage Refinance Company (NMRC) and in partnership with the Central Bank of Nigeria and private

financial institutions, should deepen access to housing finance, expand the availability of affordable housing units, and actively promote private sector participation in housing delivery.

4. Anti-corruption agencies and housing sector regulators, working with federal and state governments, should implement comprehensive governance and institutional reforms to reduce corruption, streamline approval processes, and eliminate bureaucratic delays that undermine the efficiency and credibility of housing programmes.

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