

PROJECT APPRAISAL REPORT (PAR)

PD-AAB-970-D1

PAGE 1

1. PROJECT NO. 527-11-130-065	2. PAR FOR PERIOD April 1975 to May 1976	3. COUNTRY PERU	4. PAR SERIAL NO. PRM 76/1
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5. PROJECT TITLE

HOUSING AND URBAN DEVELOPMENT

5p.

6. PROJECT DURATION: Begin FY <u>62</u> Ends FY <u>77</u>	7. DATE LATEST PROP July 27, 1973	8. DATE LATEST PIP -	9. DATE PRIOR PAR April 10, 1975
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ <u>1,818,000</u>	b. Current FY Estimated Budget: \$ <u>-.-</u>	c. Estimated Budget to completion After Current FY: \$ <u>1,818,000</u>
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME Foundation for Cooperative Housing (FCH) (for period April 1975-March 31, 1976)	b. CONTRACT, PASA OR VOL. AG. NO. Contract AID-csd/3396
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I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
		X	The Ministry of Housing and Construction (MOHC) technical division and the National Engineering University (UNI) should continue to advise on the plans for Cayalti II (stabilized adobe) and should provide assistance to Cayalti I and Nepeua projects until their completion.	December, 1976
		X	The Public Works Division of the MOHC should complete feasibility plans for the Flood Zone projects.	September, 1976
		X	Selected Manpower Training Activities initiated.	August, 1976
		X	Construction of the Trujillo Training Center to be completed.	November, 1976
		X	Additional courses initiated after the Trujillo Training Center is built.	December, 1976.

D. RE PLANNING REQUIRES

REVISED OR NEW:

PROP

PIP

PRO AG

PIO/T

PIO/C

PIO/P

E. DATE OF MISSION REVIEW

June, 1976

PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE

David Olinger

MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE

Donald Finberg

APR 1975 TO MAY 1976 PAGE 2 PAR	PROJECT NO. 527-11-830-065	PAR NO. April 1975 TO May 1976	COUNTRY PERU	PAR SERIAL NO. PRM 76/1
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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	D. SATISFACTORY		SATISFACTORY			OUTSTANDING		LOW		MEDIUM		HIGH	
	1	2	3	4	5	6	7	1	2	3	4	5	
1. Foundation for Cooperative Housing						X							X
2.													
3.													

Comment on key factors determining rating

The services of one FCH specialist, to assist and advise ORDEZA in carrying out the self-help housing portion of the urban reconstruction program, were provided under the subject grant through March, 1976. Additional FCH services will be funded from other sources. The specialist has been of great value both to ORDEZA and to USAID, especially in helping to organize ORDEZA's internal management of the Program.

4. MANPOWER TRAINING	1	2	3	4	5	6	7	1	2	3	4	5
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Comment on key factors determining rating

None

5. COMMUNITIES	1	2	3	4	5	X	7	1	2	X	4	5
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Comment on key factors determining rating

Training equipment for the new Manpower Training Center being built in Trujillo has been ordered and some delivered. All equipment should be delivered by October 1976. The three vehicles to be used by the Employment Service and Training Centers in Chimbote, Trujillo and Huaraz have been delivered and are in use.

6. OPERATIONS COUNTRY	A. PERSONNEL	1	2	3	4	X	6	7	1	2	3	4	X
	B. OTHER												

Comment on key factors determining rating

Many of the individual projects under the 055 program are now in construction, and coordination amongst the participating GOP agencies is generally acceptable. The technical division of the Ministry of Housing and Construction and the National Engineering University are providing important advisory services in connection with the stabilized adobe program under ProAg 11. The Public Works Division of MOBC is receiving funds to develop projects in the Flood Zone under ProAg 9. The performance of this Division has generally been slow.

The contributions of ORDEZA and the Ministry of Labor on the Employment Service and Manpower Development Project have been satisfactory; personnel and other operating costs have been picked up by the GOP as scheduled and the construction of the new Training Center in Trujillo, financed by the GOP, is underway.

7. OTHER DONORS	1	2	3	4	5	X	7	X	2	3	4	5
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(See Next Page for Comments on Other Donors)

AID 1029-25110-701	PROJECT NO. 527-11-830-C65	PAR FOR PERIOD April 75 to May 76	COUNTRY PERU	PAR SERIAL NO. PRM 76/1
PAGE 3 PAR				

II. 7. Continued: Comment on key factors determining rating of Other Donors

IIB's infrastructure program is now being implemented in various cities around the country. The World Bank has just authorized a \$21.6 million loan with matching counterpart for sites and services and basic and local infrastructure, as well as for industrial parks, access roads and health centers in selected areas of Lima and Arequipa. These programs are, and will be, complementary to AID's present and future efforts in the shelter sector.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMU- LATIVE PRIOR FY	CURRENT FY 76		FY 77	FY _____	
			TO DATE	TO END			
Unit programmed self-help housing (reduced to 937 units) (in construction)	PLANNED	470	467	467	-	-	937
	ACTUAL PERFORMANCE	470	467				
	RE PLANNED			-	-	-	
Self-help housing offices (Two regional offices in addition to the coordinating office in Lima)	PLANNED	1	1	1	-	-	2
	ACTUAL PERFORMANCE	1	1				
	RE PLANNED			(See B. 1., below)			
Building materials/construction components - 132 units. Further experimentation with stabilized adobe.	PLANNED	97	97	97	-	-	194
	ACTUAL PERFORMANCE	97	35				
	RE PLANNED			-	62		194
Manpower Training (450 in basic skill courses, 700 in special skills courses, and 390 skills up-grading courses provided by (Cont'd page 5))	PLANNED	400	600	600	540		1540
	ACTUAL PERFORMANCE	360	560				
	RE PLANNED				620		1540
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT: ORDESA now has 13 housing projects containing 937 units, in construction. An additional 1,250 units were actually identified by the self-help Housing Offices but could not be built because of lack of funds. Now that the projects are in construction, technical (Cont'd Page 5)					
1.	Strengthening GOP Housing Institutional Capacity						
2.	Building Materials	COMMENT: Nopena and Cayalti I are nearing completion. Second stage of Cayalti being processed. Material has been accepted locally. Technical units are working with the projects, have improved the block, changed reinforcement, constructing model in Lima area. MOHC technicians and UNI are involved in design of Cayalti II.					
3.	Manpower Training	COMMENT: All outputs for the Huaraz Training Center and Chimbote Employment service have been achieved. The construction of the Trujillo Training Center was started on April 1976 and is scheduled for completion in the 4th quarter of 1976. The Employment Service in Trujillo (Cont'd Page 5)					

AID 1029 25 10 761	PROJECT NO. 527-11-030-065	PERIOD PERIOD: April 75 to May 76	COUNTRY PERU	PAR SERIAL NO. PRM 76/1
PAGE 4 PAR				

IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged.

2. Same as in PROP? YES NO

Develop a housing construction and financing system in the public and private sectors, which is responsive to shelter and employment needs of low income groups in the Disaster Zone.

a. 1. Conditions which will exist when above purpose is achieved.

2. Evidence to date of progress toward these conditions.

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|---|---|
| <ol style="list-style-type: none"> 1. ORDEZA and BVP with increased capacity for project promotion coordination and execution. 2. A credit and financing network capable of reaching low income families. 3. Increased capacity in IOH and UNI for research, design of materials for low cost antiseismic housing. 4. Strengthen private communities and local organizations (coops, etc.). | <ol style="list-style-type: none"> 1. Fifty projects with a total value of \$16.75 million have now received final approvals. Of these, 44 projects are in construction. An additional 21 projects (completing the program) are in the later stages of processing and should be approved shortly. 2. Low income families are receiving financing through the USAID 055 Loan program. All of the legal mechanisms should be established shortly. Experiences gained in the program will greatly benefit other Peruvian efforts, as well as the new low income HIG, presently being negotiated. 3. Technical support and research activities are now in place and providing assistance both to the two projects in construction as well as to the new project being designed. Improvements in the use of stabilized adobe have resulted. 4. Community organizations are actively involved in the planning of all of the self-help housing projects and were involved in the data collection |
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(Continued on Page 5)

V. PROGRAMMING GOAL

A. Purpose of the programming goal

To increase the supply of adequate housing, supporting infra-structure and utility services in the Disaster Zone, promoting by this process the maximum utilization of locally available financial and human resources.

B. Will the achievement of the project purpose make an important contribution to the programming goal, given the magnitude of the national problem?

The May 1970 earthquake completely destroyed or rendered uninhabitable about 160,000 homes sheltering approximately 300,000 people, most of whom were poor. As a result of USAID and other donor emergency assistance, nearly every homeless family in the Disaster Zone was provided with some type of temporary shelter. As time went on, it became clear that reconstruction, particularly with respect to the provision of utility services and permanent housing to lower economic groups, would be unreasonably slow. Unemployment and underemployment coupled with high materials and construction costs put the purchase of a permanent housing unit outside the reach of a majority of the people in the Zone. Also, modern utility services were not available for most of the lower

(Continued on Page 5)

PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

Page 3.

III.A. Block 4 - Manpower Training ... May 1975. The establishment of employment service offices in Chimbote and in the Flood Zone (Trujillo) were targeted for 1974 and 1976. See Item III.B.3.

III.B.1. - Comment - ... assistance is being provided by the Zonal offices which have absorbed the work of the former self-help offices. The MOHC is developing some water and sewer projects in the Flood Zone.

III.B.3 - Comment - ... was established in early 1976 and is now in full operation. Due to the delays experienced in initiating construction of the Training Center, the courses to be carried out with partial USAID financing will not be completed until the end of FY-77.

Page 4.

IV.B.1 & 2

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|---|--|
| 4. | and preparation of many of the provisions of services sub-projects. |
| 5. Strengthened building materials, construction industry and increased employment opportunities. | 5. The value of stabilized adobe as improved building material has been demonstrated but to date adoption of this improved product is still somewhat limited. Persons trained under the program, who previously had no skills, have in almost all instances become fully employed. |

V.B. - ... income housing. USAID strategy is to alleviate these conditions by strengthening local community based institutions, developing new low-cost building materials and technology, training and employing local residents in construction skills needed in the area as well as establishing an effective technical assistance, credit and financing network responsive to the housing and utility needs of low-income families. Progress has been noted in completing the goals set forth in this strategy and the Program Goal of increasing the availability of utility services and the supply of low income housing in the Zone, is now being met. It is expected that the AID and GOP experience in this limited geographic area may have broader application throughout Peru where it is estimated that about 50,000 new housing units per year are required to satisfy the housing needs of lower income level people.

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