



FOUNDATION FOR COOPERATIVE HOUSING

2101 L STREET, N.W. WASHINGTON, D.C. 20037 • (202) 857-4100

W. H. H. H. H.

August 17, 1977

9120005004461

Mr. Peter Kimm
Director
Office of Housing
S.A. 12, Room 625
SER/H, AID
U.S. Department of State
Washington, D.C. 20523

PD-AAH-706

①

Dear Mr. Kimm:

This is to transmit to you our revised Worldwide Operational Program Grant Proposal for \$600,000 for your approval. Our first proposal for an inter-regional OPG was submitted to your office in July 1976.

Over the past fifteen months, FCH has, under its Development Program Grant (DPG), visited nine countries in order to identify demonstration projects for which OPG's could be prepared. Five countries, Honduras, Peru, Korea, Botswana and Lesotho, were selected, in consultation with USAID Missions and your office, as locations for demonstration projects. We prepared OPG Proposals for five projects which we thought would be funded with the SER/H allocation for FCH OPG's.

Because of subsequent decisions made by AID, of the five selected projects only two, Honduras and Peru, are still scheduled to be funded with the SER/H allocation for FCH OPG's. Botswana was declared a Security Supporting Assistance country and will be funded separately. Lesotho will be financed by the African Bureau and USAID Korea has recently withdrawn its support for the OPG Proposal for that country.

The Honduras OPG has been concurred with by the USAID Mission and the agreement between the local housing institutions and FCH has been approved by all parties. The Peru agreement between the National Housing Bank, AID and FCH has been approved by the Bank's Board of Directors and by the USAID Mission in principal. These two Proposals total \$400,321 (see the budgets in Attachments 2 and 3 to the Worldwide OPG Proposal).

There are a number of additional potential demonstration projects under consideration which meet the criteria of the DPG. Final selection of the third project will be made with AID concurrence.

Please let us know if you need further information.

Sincerely,

CF Dean
Charles F. Dean
Director
International Programs

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OPERATIONAL PROGRAM GRANT

SHELTER FOR THE URBAN POOR

August 1977

August 1977

OPERATIONAL PROGRAM GRANT

Amount: \$600,000

Project Title: Shelter for the Urban Poor
Project Locations: Worldwide
PVO Name & Location: Foundation for Cooperative Housing, Washington, D.C.
Central Headquarters: 2101 L Street, N.W., Suite 409, Washington, D.C. 20037
Contact Person: Mr. Charles F. Dean
Director of International Programs

A. PROJECT PURPOSE AND DESCRIPTION

1. Purpose:

The purpose of this project is to demonstrate the use of new techniques for assisting the urban poor to obtain improved shelter and community services, resulting in a general upgrading of their quality of life. It is anticipated that the successful demonstration of new approaches in selected countries strengthen the local housing institutions' ability to deal with low income families and will encourage them to consider changes in their shelter policies in working with such families.

2. Target Group of Beneficiaries

The direct beneficiaries of the proposed project will be urban families with incomes below the median family income for their respective city. Such families are characterized as living in squatter areas and slum areas in the major cities.

3. General Description of Project

The Development Program Grant (DPG) signed in February 1976 has enabled FCH to continue to expand its capacity to assist local institutions in LDC's in the development of programs for low income urban families. Under the DPG, FCH

has been able to travel to selected countries in Asia, Africa and Latin America in order to identify demonstration projects in which DPG identified techniques can be applied and evaluated. Several countries have been chosen for demonstration projects and discussions with the local housing agencies and USAID Missions have been conducted and have resulted in agreements for FCH's technical assistance under OPG funding.

The proposed worldwide OPG will enable FCH to assist local housing and cooperative institutions in the planning, programming, implementation and evaluation of shelter programs for low income families. The programs will include squatter and slum improvement, site and service and home improvement. The FCH OPG assistance and support to the local institutions will be in the general areas of self-help construction, finance and community organization in response to a request from and an agreement with the local housing institution(s) and/or other institutions interested in shelter.

4. Conditions Expected at End of Project

At the end of the project, the local institutions in the IDC's that receive FCH assistance under this proposed project will have developed and/or increased their institutional capacity to plan and develop shelter programs for low-income urban families, will have staff trained in the specific areas/specialties in which they requested FCH technical assistance, will have guidelines and model documents prepared for those areas/specialties and will have developed, implemented and evaluated at least three demonstration projects serving at least 7,000 families.

B. PROJECT BACKGROUND

1. History of Proposal: In 1972 FCH prepared a two volume study for AID titled "Cooperative Housing and the Minimum Shelter Approach in Latin America." The major recommendations of the study were that AID should no

longer fund any housing activity for middle and upper income families but rather focus its attention on low income families and that shelter programs should be designed to fit the economic capability of low income groups. The study also recommended maximum participation by the residents in project implementation and the use of cooperative techniques to provide a variety of services in addition to shelter. In 1973 AID issued a new shelter policy directing its efforts in shelter programs to the poorest majority. As a result, new AID funded shelter programs (Housing Guaranty, Loan and Grants) are all directed at families with incomes below the median income level of the particular areas in the host country.

In February 1976, AID granted FCH a Development Program Grant to enable it to develop its capability to work with shelter programs for low income families.

In order to identify at least three demonstration projects that will receive FCH technical assistance under Operational Program Grants (OPG's) to use the techniques and approaches identified under the DPG, FCH surveyed from April through December 1976 nine countries: Guatemala, Honduras, El Salvador, Panama, Colombia, Peru, Botswana, Lesotho and Korea.

Based on the reports of the visits to each country and consultation with SER/H, five potential demonstration projects were selected: Honduras, Peru, Botswana, Lesotho and Korea. Reports on all of the trips were submitted to AID.

Attachments 1 and 2 are the Honduras and Peru OPG Proposals, respectively. Botswana was to have been funded with the SER/H allocation, but it was declared a Security Supporting Assistance country and the OPG will be financed with those monies. Lesotho is to be financed by the African Bureau. USAID Korea has announced that it does not support the OPG Proposal for that country.

2. FCH Prior Experience

FCH has unique experience in LDC's in the development of cooperative housing activities, much of which has been for moderate and middle income families. FCH also has experience with rural housing programs, self-help efforts, disaster relief shelter and integrated urban improvement programs. FCH has assisted both public and private local housing institutions in LDC's in planning and developing their shelter programs. See Attachment 3 for a description of FCH's activities.

C. PROJECT ANALYSIS

1. Statement of Economic Effects

The proposed project will affect the institutional capabilities of the local institutions that will receive assistance and support in the planning, programming, implementation and evaluation of shelter programs for low income urban families. Although the proposed project will not have a direct economic effect on the group of beneficiaries, it will affect programs, those sponsored by the local institutions that will have such an effect. For example,

a. On intended beneficiaries

Families will be able to secure tenure to the land that they occupy and on which they have constructed. This will encourage investment in home improvement and maintenance which will result in increased equity for the home owner. Improvement of the urban infrastructure will increase the property value in the area serviced. Efforts will be made to promote economic development activities such as job employment, job training, etc., among the beneficiaries of the program.

b. On related groups

The demonstration projects that the local institutions will undertake with the assistance of this proposed project will enable those institutions to develop the guidelines and systems and have staff trained in their application, plus have the actual experience to replicate such projects for sheltering low income urban families.

2. Technology to be used

The technology to be used in the proposed project will consist of working with and the training of counterpart staff of the local institutions in the areas for which technical assistance has been requested. Written materials such as manuals and model documents will be prepared. In some cases participant training the US and in third countries will be provided to key staff members of the local institutions.

3. Impact of Project on Sociocultural Factors

The societies in which the proposed project will be directed are those in which land tenure and home ownership are aspired by the majority of the populace. The type of demonstration programs that this proposed project will assist, such as squatter and slum improvement and site and service will enable low income urban families to achieve these objectives. The home improvement programs will enable families to make their shelter more livable in accordance with their family needs and resources.

The proposed project will provide assistance to the local institutions in developing shelter programs for low income urban families and by so doing improve the environment of those families. It will also assist local institutions in social and economic development programs that will, in more instances be promoted with the shelter programs. Such programs have the potential of

affecting a large number of the residents in the programs.

4. Project Impact on Poorest Majority

This project will expand the institutional capacity of the local institutions to design, program, implement and evaluate low income shelter programs. The experience acquired from the demonstration projects will serve as the basis for planning and implementing a replicable shelter delivery system with the necessary social aspects for low income families.

The demonstration projects will also have a direct impact on the residents by helping to improve the shelter, community services and general wellbeing.

D. PROJECT DESIGN AND IMPLEMENTATION

1. Implementation Plan

a. How project will be carried out

FCH, under its DPG, has visited countries that have been selected in consultation with SER/H in order to identify possible demonstration projects.

The criteria for a demonstration project are

1. Availability of long term shelter financing. The local institution must have, or be in the process of acquiring, financing for the project. AID's HG funds are one of the potential sources of such financing.
2. Project is directed at low income families. The target group of beneficiaries must have incomes below the median family income for the city.
3. Interest by the local institutions in using new approaches in its low income shelter programs and in receiving technical assistance. The local institutions must request and specify what type

of assistance it wants from FCH in its low income shelter program and be prepared to contribute local resources to the project.

4. The program to be assisted by FCH has the support and approval of the appropriate USAID Mission. The USAID Mission approves the project proposal that FCH prepares.
5. The program to be assisted by FCH fits the DPG guidelines. A review is made of the possible demonstration projects by FCH and SER/H to determine if they meet the guidelines of the FCH DPG activity.

Submitted herewith, Attachments 1 and 2, are copies of OPG Proposals that have been prepared for Honduras and Peru. ON FILE DS/H: FCH/OPG 1583

No sub-grants or contracts are contemplated for this project. FCH will provide the technical assistance described herein through its professional staff and consultants.

b. FCH management and availability of resources

FCH will be providing professional services and training under the project. FCH has, through the course of international development work over a fourteen year period, acquired considerable experience in project management and the DPG is strengthening this capability.

c. Disbursement procedure

After a demonstration project has been approved and the funds committed, FCH will follow the accepted AID procedures for the disbursement of the OPG funds from its Washington office.

d. Schedule of actions required

The FCH resident technician(s) and short term technician(s) and consultant(s) will assist and support the local institution(s) in the areas

for which FCH's assistance has been requested. Such assistance will be described in the OPG Proposals and the agreements between the local institution(s) and FCH (see Attachments 1 and 2).

Tentative targets have been established for two of the subprojects, for example,

Honduras

1. First Year Targets (Tentative)

a. INVA (National Housing Institute)

- mortgage servicing procedure for site and service projects developed
- application of secondary mortgage for site and service projects investigated
- procedures for development and implementation of site and services developed
- guidelines to establish a land bank at the national level developed
- system to coordinate site and service projects at inter-institutional level developed
- guidelines for programs for community organization and community activities developed
- one site and service project planned, programmed and in the implementation stage
- one in-country workshop held on OPG activity related site and service programs

b. FEHCOVIL (Honduran Federation of Housing Cooperatives)

- methods and technologies for expansion of the core houses developed
- criteria for design of site and house plan for site and service project developed
- procedures to promote and implement community development /improvement project developed
- two site and service projects planned, programmed and in the implementation stage

c. MCOO (Municipal Council of the Central District of Tegucigalpa)

- procedures for social programs for beneficiaries of site and service projects developed
- guidelines to establish a land bank system in Metropolitan Tegucigalpa developed

2. Second Year (9 months) targets (tentative)

a. INVA

- mortgage servicing procedure for site and service projects
- secondary mortgage systems for site and service projects proposed
- procedures for the development and implementation of site and service projects tested
- guidelines for a land bank utilized
- system to coordinate site and service projects at institutional level tested
- guidelines for programs for community organization and activities tested
- one site and service project completed and evaluated
- one in-country workshop on OPG activity related to site and service programs

b. FEHCOVIL

- methods and technologies for expansion of core houses tested
- criteria for design of site and house plans for site and service projects tested
- procedures to promote and implement community development/improvement projects tested
- two site and service projects completed

c. MCOO

- procedures for social programs for beneficiaries of site and service projects tested
- guidelines for a land bank utilized

Peru

1. First Year Targets (Tentative)

- develop criteria for selection of borrowers
- develop loan priorities, terms and conditions
- develop group organization criteria and procedures
- develop appropriate construction methods
- develop inspection criteria and procedures
- develop loan repayment criteria and procedures
- develop an evaluation system
- train staff
- select an S & L in Lima to develop a demonstration project
- assist in planning and programming of demonstration project
- present one workshop on topics related to home improvement loan

2. Second Year (six months) Targets (Tentative)

- test and finalize a through g above
- one demonstration project underway
- present one workshop on topics related to home improvement loan program

e. Measurement and Evaluation of Project Accomplishment

1. Conditions at start of project

The local institutions for which this project is being prepared meet the criteria established above for identifying demonstration projects. They need and have requested assistance in planning, programming, implementing and evaluating shelter programs for low income urban families. FCH will provide the assistance under this project.

2. Planned accomplishments

The planned accomplishments will be based on the "Schedule of Actions Required." (see Section D-1(d) above)

3. Evaluation of Project

FCH will evaluate the project periodically based on the project targets of the work plans prepared for each demonstration project. The evaluation process will follow the guidelines set forth by the Office of Development, Program Review and Evaluation of AID.

AID will evaluate the project in accordance with its established procedures.

--Logical Framework Matrix, see Attachment 4--

E. FINANCIAL PLAN

Illustrative Budget

A. AID Funds

	<u>Honduras</u>	<u>Peru</u>	<u>Third Demonstration Project</u>	<u>Total</u>
Salaries	\$79,400	\$60,760	\$75,000	\$215,160
Overhead	53,286	40,776	50,332	144,394
Consultants	- 0 -	3,080	- 0 -	3,080
Travel & Trans	16,965	24,846	19,668	61,479
Allowances	37,805	26,835	32,000	96,640
Other Direct Costs	16,875	8,500	13,000	38,375
Participant Training	3,990	8,034	8,000	20,024
Workshops	- 0 -	15,532	- 0 -	15,532
Contingencies	2,000	1,817	1,679	5,496
Total	210,321	190,000	199,679	600,000
B. Local Contribution	158,500	80,000	164,500	400,000

F. CONDITIONS

1. Evidence of supportive resources for project

Agreements will be entered into by FCH and the local institution(s) that will describe the nature of the technical assistance that FCH will provide and the priority(ies) of the local institution(s) and their supportive resources for the demonstration project. Attachments 1 and 2 are illustrative of the type of agreements that will be prepared.

2. Evidence of approval of project by the local institution(s)

The agreements will constitute the evidence of the local support for the project.



FOUNDATION FOR COOPERATIVE HOUSING

2101 L STREET, N.W. WASHINGTON, D.C. 20037 • (202) 857-4100

January 18, 1978

Mr. Paul Vitale
 Cognizant Officer
 Office of Housing
 SA 12 - Rm. 625
 SER/H, AID
 U.S. Department of State
 Washington, D.C. 20523

Fig 1-100

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FBI - WASHINGTON	

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Vitale / Pita

✓

Subject: AID/otr-G-1583
 Global OPG

Dear Paul:

The referenced grant identifies two projects that will receive FCH's assistance to demonstrate the use of new techniques to assist the urban poor obtain improved shelter and community services. The grant states that FCH will designate and that the AID Office of Housing will concur in the designation of a third project. We hereby propose that the third project to be funded by the referenced grant be Jamaica.

FCH began investigating the possibility of an OPG project in Jamaica last year and obtained an agreement in principle to assist the Jamaica Mortgage Bank (JMB), the Ministry of Local Government (MLG), the Ministry of Housing (MOH) and the Jamaica Co-op Credit Union League (JCCUL). (See Attachment 1). As the result of a visit by FCH to Jamaica in October and November, 1977, and detailed discussions with representatives of all of the local institutions involved in the proposed AID HG Urban and Rural Shelter Improvement Loan Program and with USAID Jamaica, an Agreement (Attachment 2) was prepared describing the program, the responsibilities of all of the parties to the Agreement with the areas of the needed FCH technical assistance and the background of the program and the project.

The MLG is responsible for the tenement upgrading sub-project of the AID HG loan. In accordance with the Agreement, FCH will assist the Urban Upgrading Unit of the MLG in the development of guidelines for preparing the urban plan for the selected areas to be upgraded, taking into account the physical, social and economic data of the yard area and the urban center in which it is located; the development of guidelines for the financial management of the program and the development of guidelines for the review and evaluation of socio-economic surveys to identify employment generation, job training programs and income improvement opportunities that could be undertaken by appropriate public and private sector agencies.

The MOH is responsible for the squatter settlement improvement sub-project of the AID HG loan. In accordance with the Agreement, FCH will assist the Sites and Services and Urban Upgrading Unit of the MOH in the development of project management guidelines, the development of communication guidelines and techniques for promoting and explaining the program and the development of training

Mr. Paul Vitale
SER/H, AID

January 18, 1978
Page Two

guidelines and materials to educate the project participants in general managerial and supervisory responsibilities and roles.

The JCCUL and the credit unions are responsible for the rural home improvement sub-project of the AID HG loan. In accordance with the Agreement, FCH will assist the JCCUL and credit unions in the development of parameters for the program taking into consideration such matters as size of rooms, materials, cost and type of construction and the development of forms that can be used by the credit unions in the review and approval of applications for the program.

The Agreement has been signed by all of the Jamaican institutions and FCH and reportedly is in the process of being signed by USAID Jamaica.

Attachment 3 is our proposed budget for the Jamaica project.

We are nominating Mr. Jesse Jones, Jr., for the position of resident technician in the Jamaica project. Mr. Jones has considerable experience in working with urban rehabilitation projects in the New York City area and previously served with the Peace Corps in Nigeria where he worked with an urban shelter program. Mr. Jones' resume is Attachment 4.

We request AID's concurrence with Jamaica being the third project under the referenced grant and with our nomination of Mr. Jesse Jones, Jr., as our resident technician for that project.

Please advise us if you need any more information.

Sincerely,



Dick Owens
Community and Cooperative Advisor

DO:lb

cc: M. Pita, SER/H
C. Dean, FCH

SEE ATTACHMENTS IN FCH OPG 1583 FILE



FOUNDATION FOR COOPERATIVE HOUSING

2101 L STREET, N.W. WASHINGTON, D.C. 20037 • (202) 857-4100

January 26, 1978

Mr. Paul Vitale
Cognizant Officer
Office of Housing
SA 12, Room 625
SER/H, AID
U.S. Department of State
Washington, D. C. 20523

Subject: AID/otr-G-1583
Global OPG

Dear Paul:

Pursuant to my conversation with Mr. Mario Pita, attached is a revised proposed budget for the referenced Operational Program Grant (OPG) proposal for Jamaica. The attached proposed budget replaces attachment 3 in my letter to you dated 18 January on the referenced grant.

Please advise us if you need any additional information.

Sincerely,

Dick Owens
Community and Cooperative Advisor

DO:lb

cc: M. Pita, SER/H
C. Dean, FCH
B. Woolaver, FCH

Log 1-136 *b/c*

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JAMAICA OPG
REVISED BUDGET PROPOSAL

I.	<u>Salaries</u>	<u>MM</u>	
	FCH Resident Advisor.	19	\$52,535
	Short-term Advisors	2	4,335
	Wash. Office Project Mgr.	2	<u>7,815</u>
		Total Salaries	\$ 64,685
II.	<u>Overhead</u>		
	60% of Salaries		38,811
III.	<u>Travel and Transportation</u>		
	4 RT NY/Kingston-Resident Advisor and Family		1,041
	9 RT Wash./Kingston-Short-term Advisors		3,123
	3 RT Wash./Kingston-Proj. Mgr.		1,041
	1 RT Kingston, Wash. for Consultation		347
	In-Country Travel for Resident Tech.		1,425
	Misc. Travel Expenses		1,500
	RT HHE NY/Kingston		10,942
	RT Unacc. Baggage NY/Kingston		1,962
	RT POV NY/Kingston		<u>1,856</u>
		Total Transportation	23,237
IV.	<u>Allowances</u>		
	Housing		7,939
	Temporary Lodging		6,300
	Education		2,900
	Post Differential		5,254
	Foreign Transfer Allowance		2,633
	Per Diem		<u>18,792</u>
		Total Allowances	43,818
V.	<u>Consultants</u>		
	6.5 MM		24,050
VI	<u>Other Direct Costs</u>		
	Workmen's Comp.		4,597
	Physicals and Immunizations		500
	Phones, Cables, Postage, Xerox		2,950
	Rent-Proj. Mgr.		225
	Miscellaneous		<u>1,500</u>
		Total O.D.C.	<u>9,772</u>
		Grand Total	<u>\$204,373</u>

PD-AAH-706

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

AUG 31 1977

J.F.S.
A
FILE FCH/DPG
CONTRACT
FILE 1583

Mr. Charles F. Dean
Director, International Programs
Foundation for Cooperative Housing
2101 L Street, N.W.
Washington, D. C. 20037

Subject: AID/otr-G-1583

Dear Mr. Dean:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby grants to the Foundation For Cooperative Housing, (hereinafter referred to as "FCH" or "Grantee") the sum of Six Hundred Thousand Dollars (\$600,000) in partial support of the program to enable FCH to demonstrate new techniques for assisting the urban poor in the areas of improved shelter and community services. The program is more fully described in the Attachment "A" to this grant entitled "Program Description".

The grant is effective as of the date of this letter and shall apply to commitments made by the Grantee during the period September 1, 1977 through August 31, 1980. This grant is made in support of a three-year program.

This grant is made to FCH on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment A entitled "Program Description", Attachment B entitled "Standard Provisions" and Attachment C entitled "Payment Provision" all of

which have been agreed to by your organization.

Please sign the Statement of Assurance of Compliance, enclosed herein, and the original and seven (7) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted. Please return the Statement of Assurance of Compliance and the original and six (6) copies of this grant to my office. Please return all copies stamped "Funds Available". Additionally, in order to establish a letter of credit, please sign and return the three enclosed signature cards, SF1194, and furnish the following information: (1) Name, address, and account number of FCH's commercial bank, (2) Federal Reserve Bank or branch serving the commercial bank.

Sincerely yours,



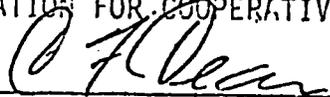
L. E. Stanfield
Grant Officer
Chief, OTR Branch
Central Operations Division
Office of Contract Management

ATTACHMENTS:

- A. Program Description
- B. Standard Provisions
- C. Payment Provision

ACCEPTED:

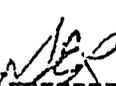
FOUNDATION FOR COOPERATIVE HOUSING

BY: 

TYPED NAME: Charles F. Dean

TITLE: Director, International Programs

DATE: 9 September 1977

FUNDS OBLIGATED	
Approp. No.	<u>72-11X1026</u>
Allot. No.	<u>12-12-097-00-69-71</u>
Obl. No.	<u>1278002</u> Obj. Cl. <u>2590</u>
Amount	<u>\$ 600,000.00</u>
Proj. No.	<u>913-0005</u>
By: <u></u>	FM/CSD
Date:	<u>8/31/77</u>



PROGRAM DESCRIPTION

PURPOSE

The purpose of this program is to demonstrate the use of new techniques for assisting the urban poor to obtain improved shelter and community services and to develop local interest and capacity to maintain such activities.

SCOPE OF WORK

In accordance with its proposal, dated August 17, 1977, as amended, August 23, 1977, the Grantee will enter into agreements with local housing institutions in Peru, Honduras, and one other location to be designated by the Grantee and concurred in by the AID Office of Housing to assist those institutions in developing shelter and related programs for low income, urban families.

A general description of the two projects initially selected follows:

I. Honduras

Honduran housing organizations are shifting their housing programs, as part of a national priority, toward sites and services in an effort to direct the resources of the housing sector to reach a larger number of lower-income families. The sites and services projects will include economic and social activities and sponsorship of some type of community organization. This grant to FCH will fund technical assistance to local housing institutions in planning programming, implementation and evaluation of the sites and service activities.

Specifically, the Grantee will provide technical assistance in mortgage servicing procedures for low income families, and in the development of procedures or guidelines for project implementation, community organizing, programs to improve the economic and social conditions of the target beneficiaries, and establish a land bank system.

II. Peru

The Grantee will provide technical assistance to the National Bank of Peru (BVP) in the development and implementation of a home improvement loan program for low income families. It will also assist one savings and loan association to develop a demonstration project. From the assistance to these institutions, the Grantee will help develop and/or revise systems and procedures, and forms and criteria that can be used by S&L associations nationwide to provide home improvement loans.

Each demonstration project will be developed to fit local conditions. The Grantee will strive to incorporate the following elements in the technical assistance to be provided:

- (1) Work with community based organizations, allowing local participation in establishing the priority needs for their neighborhoods, such as shelter, urban infrastructure, health services, credit unions, day care center, nutrition programs, etc.
- (2) Employment generating activities such as the promotion of loans for small industries and vocational training programs.
- (3) Promotion of self-help construction of expandable shelters, home improvements, and production of building materials for use in the community.
- (4) Development of local technical service organization (TSO) to help manage the new project initiatives.

SPECIAL PROVISIONS

1. Availability of construction financing: The local housing institution



must have, or be in the process of acquiring financing for the project. AID's HG funds may be considered as a source of such financing.

2. Project is directed at poor majority: The target group of beneficiaries must have income below the median family income for the city.
3. Demonstrated interest by the local housing institution in using new approaches and external technical assistance in its low income shelter programs: The local housing institution must request and specify the assistance it wants from the Grantee in their low income shelter program and demonstrate that it has the resources and staff available to properly implement the demonstration project.
4. The Grantee must demonstrate that the program to be assisted follows the guidelines developed under the related Developmental Project Grant.
5. In the event prior host country commitments or promises are not complied with before the demonstration project agreement is signed, alternate projects in the same or different countries may be substituted.
6. In no event will the non-AID contributions to the selected projects be less than 25% of the total program costs.
7. For each project site, the Grantee will employ one resident Housing and Community Specialist and short-term consultants as required in the agreement with the host country institutions.
8. The Grantee will obtain the approval of the cognizant technical representative of the AID Office of Housing (SER/H) on each of the proposed demonstration projects before its implementation. The Grantee will also obtain the concurrence of the cognizant USAID Mission on agreement with host country housing institutions before implementation of the agreement.

REPORTING REQUIREMENTS

The Grantee will submit semi-annual progress reports for each project during the period of the grant and a final report upon conclusion of the grant period. These reports will be submitted, five (5) copies in English and five (5) copies in the language specified by the cognizant USAID Mission, to both SER/H and the USAID Mission. One copy in English of each report will be submitted to both the AID Reference Center and the Grant Officer. The above reports are in addition to any that may be contained in the Grantee - host country housing institution agreement.

EVALUATION INDICATORS

The Grantee resident technician will prepare, with the collaboration of the local institution(s), a detailed work plan for the period of the grant funded technical assistance for each demonstration project. The plan will be prepared within 60 days after the resident technicians' arrival in country and will incorporate the specific areas of technical assistance that have been requested by the local institution(s) from the Grantee as indicated in the agreements plus the training of local staff. The work plan will be submitted to the USAID Mission and shall be reviewed periodically, at a minimum every twelve months, by the local institution(s), the USAID Mission and the Grantees.

For each project funded by this grant, systems and procedures related to the planning, implementation, administration and evaluation of low income shelter program will be developed by the Grantee that will result, if accepted by the local institution(s), in operational manuals. One workshop for each twelve month period will be held for a minimum of fifteen participants, one counterpart staff member shall be trained by the resident technician



and other counterpart staff members shall be trained by the short-term technician.

BUDGET ESTIMATE

<u>Item</u>	<u>Project I Honduras</u>	<u>Project II Peru</u>	<u>Project III</u>	<u>Total</u>
Salaries	\$79,400	\$ 60,760	\$ 75,290	\$215,450
Overhead	47,592	36,420	45,129	129,141
Consultants	-0-	11,480	3,000	14,480
Travel & Transportation	18,465	29,358	22,274	70,097
Allowances	33,305	28,675	32,300	94,280
Other Direct Costs	10,625	10,917	12,005	33,547
Participant Trng.	<u>15,240</u>	<u>13,390</u>	<u>14,375</u>	<u>43,005</u>
	<u>\$204,627</u>	<u>\$191,000</u>	<u>\$204,373</u>	<u>\$600,000</u>

The Grantee may adjust the above line items as reasonably necessary to accomplish the purposes of this grant, but no adjustment shall be made between projects.