

Quarterly Report  
for the  
Foundation for Cooperative Housing  
Development Program Grant  
for the period of  
1 May through 31 July 1977

I. Accomplishment

The DPG Second and Third Year Work Plan and the preceding Quarterly Report listed various activities to be continued and undertaken during the present reporting period. A description of each activity and a resume of the action taken is given below.

A. Assemble and review material related to low income, self-help shelter programs.

This is an on-going DPG activity.

B. Prepare and disseminate DPG Publications.

The publication, Shelter and the Poor: Guidelines for a Cooperative Approach, was distributed to a limited number of professionals working with shelter programs in LCD's for their information and comment.

C. Develop contact with international development agencies and local institutions.

This is an on-going DPG activity.

D. Workshops

The Tentative Second Year Work Plan projected a Washington Workshop during the reporting period. However, no DPG sponsored workshop was held.

E. Demonstration projects

1. Honduras

The Tentative Second Year Work Plan projected that as of the end of the reporting period that FCH would have submitted the OPG Proposal to USAID and RIIJDO for their approval. Actually, the development of the OPG

for Honduras is more advanced.

FCH prepared a draft OPG Proposal for Honduras to assist the National Housing Institute (INVA), the Federation of Housing Cooperatives (FEHOOVIL) and the Municipal Council of the Central District of Tegucigalpa (MCCD) in the planning and development of three site and service projects. The draft was reviewed by SER/H and forwarded to the USAID Mission for review. Based on the Mission's comments, the OPG was revised and resubmitted. Dick Owens, FCH, traveled to Honduras from 27 through 29 July to discuss the OPG with the Mission and make final revisions to it that resulted in the Mission's approving the proposed project. Owens also met with the three Honduran institutions to discuss the agreement between them and FCH for the project. As the result of these meetings, some changes were made to the agreement.

## 2. Peru

The Tentative Second Year Work Plan projected that as of the end of the reporting period FCH would have a grant agreement for the Peru OPG Proposal and be in the process of placing the resident technician in country. Actually, this project is behind schedule for the reason described below.

FCH was advised in mid-July that the Ministry of Housing and Construction (MOHC) had informed USAID Peru that it had decided not to undertake the Canto Grande Integrated Urban Development Project for which the FCH OPG Proposal had been prepared. The MOHC's reason was lack of water supply in the area. Dick Owens, FCH, visited Peru from 2 to 9 August to meet with the MOHC, which reiterated its position on Canto Grande, and to discuss with the National Housing Bank FCH OPG assistance for its home improvement loan program. As the result of meetings with the Bank staff, areas of technical assistance were identified and incorporated in a draft

agreement between the Bank, AID and FCH. The Bank's Board of Directors approved the agreement on 9 August. The agreement now must be concurred with by the National Planning Institute, the Ministry of Economy and Finance and the Ministry of Foreign Relations in order for the Bank to be officially authorized to receive such assistance. USAID Peru approved the agreement in principle.

### 3. Botswana

#### a. Self-help Housing Agency

The Tentative second Year Work Plan projected that at the end of the reporting period that FCH would have received the grant agreement for the SHHA OPG and the resident technician would be in country. This project is behind schedule.

An FCH team of Jack Edmondson and Hank Boldrick visited Botswana in early June to make final modifications to the OPG Proposal for the SHHA activity. The revised OPG was presented to the USAID Mission on 12 June and was later submitted to OSARAC. In July, both USAID Gabarone and OSARAC indicated their approval of the OPG Proposal from the Security Supporting Assistance funds allocated for Botswana.

#### b. Production Center

In May, USAID advised FCH that the GOB had stated that it was not ready to proceed on the OPG Proposal to fund technical and capital assistance for a buildings' materials production facility. This was subsequently confirmed by a letter to FCH from the GOB observing that a suitable local administrative framework could not be identified at that time.

FCH has decided to pursue this project further, after the inception of the SHHA project, to determine if GOB interest can be regenerated. In an interim period, funds for short-term technical assistance in the field

of local building materials production has been added to the SHHA OPG Proposal to enable an investigation of this activity in connection with the SHHA project.

#### 4. Lesotho

The Tentative Second Year Work Plan projected that at the end of the reporting period FCH would have presented an OPG Proposal and it would have been reviewed by AID/W. This project is essentially on schedule.

Following final definition of issues arising out of the PID-type project document by the African Bureau, an FCH team of Edmondson and Boldrick visited Lesotho in June to draft the OPG document and submit it to the USAID Mission in the field. The OPG Proposal was submitted to USAID Maseru on 17 June and the OSARAC in Mbabane a few days later. The project was approved by the Mission and OSARAC in July.

#### 5. Korea

The Tentative Second Year Work Plan projected that as of the end of the reporting period FCH would have received the grant agreement for Korea and would be in the process of placing the resident technician in that country. Actually, the USAID Mission has indicated that it will not support the project.

Dick Owens, FCH, was in Korea from 23 May to 7 June to discuss an OPG Proposal with USAID Korea, the Korean National Housing Corporation (KNHC) and the Housing Bureau of the Seoul City Government. As the result of these discussions, a draft OPG Proposal was left with RIUDO for review and transmittal to USAID and an agreement was worked out between KNHC and FCH for the latter's technical assistance to the former's squatter and slum improvement program. The observations made by USAID on the draft were taken into consideration by FCH in a revised OPG Proposal draft that was presented to the USAID Representative and to the Korean Desk Officer on 20 July. At that

meeting, the USAID Representative advised FCH and SER/H that he would support the Proposal. However, FCH was advised on 9 August that USAID Korea had stated in a letter that it would not support the OPG Proposal.

Larry Salmen, FCH, was in Korea from 11 to 29 July to assist the Housing Bureau of the Seoul City Government and KNHC in their evaluation work.

## II. Activities Projected for the Next Quarter

- A. FCH will present a workshop in Washington on DPG related subject.
- B. Honduras. AID will approve the OPG Proposal and prepare the grant agreement for this project. FCH will assign the resident technician.
- C. Peru. The Bank will receive approval of the GOP to acquire FCH technical assistance and AID will approve the OPG Proposal and prepare the grant agreement for this project.
- D. Botswana. AID will prepare the grant agreement and FCH will assign the resident technician.
- E. Lesotho. AID will prepare the grant agreement and FCH will assign the resident technician.
- F. SER/H and FCH will select countries to be visited by FCH to identify alternative demonstration projects.

## III. Comments on the DPG

A. FCH's experience with the OPG Proposal for Peru and Korea illustrates the problem of getting demonstration projects identified, the different parties in agreement and the OPG Proposal prepared and approved by the USAID Mission and AID/W. In the case of Peru, the local housing institution belatedly advised USAID Peru and FCH that it had decided that it was not feasible to undertake the proposed demonstration project. In Korea the USAID Mission informed AID/W

that it would not support the proposed project after FCH has received the Mission's approval to travel to Korea to prepare an OPG Proposal. The resources used to develop the Canto Grande Integrated Urban Development OPG Proposal for Peru and the squatter and slum area OPG Proposal for Korea would have been directed to other DPG activities.

The lesson learned from these two projects can best be corrected by FCH acquiring from the local institutions and the USAID Missions an indication, preferably in writing, of their interest in and support of the proposed OPG project during the first visit of the FCH team. This could be in the form of a letter or a memorandum of understanding. Until such a commitment is acquired by FCH, it would seem prudent not to initiate work on the preparation of the OPG Proposal.

B. During the past fourteen months, FCH has identified, in consultation with AID, seven demonstration projects and prepared OPG type documents or OPG's for them: Honduras, Peru (2), Korea, Botswana (2) and Lesotho. Of those seven, as of the end of the reporting period only four, Honduras, Peru, Botswana and Lesotho, were still active. This indicates that for every two projects identified only one will eventually result in an approved OPG Proposal, definitely something to take into consideration in the selection of alternative demonstration projects.