

PD-AAU-279
47120



AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES AID MISSION TO PERU

C/O AMERICAN EMBASSY

LIMA, 1 PERU

TELEPHONE: 286200

CABLE: USAID/LIMA

June 25, 1986

Arq. Eduardo Orrego Villacorta
President
Habitat Peru Siglo XXI
Ricardo Palma 116
San Isidro
LIMA 27

SUBJECT: Habitat Forum on the Private Sector and
the Production of Social Interest Housing
Grant No. 527-0000-G-00-6563-00

Dear Arq. Orrego:

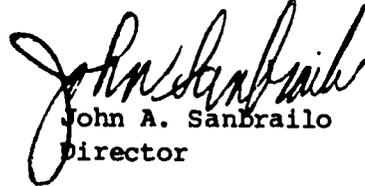
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to Habitat Peru Siglo XXI, (hereinafter referred to as "Habitat" or "Grantee") the amount of \$61,200 to support Habitat to carry out an intensive analysis, evaluation and forum on the "Private Sector and the Production of Social Interest Housing" in collaboration with other private sector institutions and professionals such as the Universidad del Pacifico, Cámara Peruana de la Construcción, Cámara Peruana de Mutuales de Vivienda and others, as more fully described in Attachment No. 1, "Schedule", and Attachment No. 2, "Program Description".

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending October 31, 1986.

This Grant is made to Habitat on the condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, "Schedule", Attachment 2, "Program Description", Attachment 3, "Mandatory Standard Provisions" for Non US Non Governmental Grantees AID-1420-53 (1/85) and Attachment No. 4, "Optional Standard Provisions" for Non US Non Governmental Grantees AID-1420-54 (1/85) which have been agreed to by your organization.

Please sign all six (6) copies of this letter to acknowledge your receipt of the Grant, and return Five (5) copies to A.I.D.

Sincerely yours,

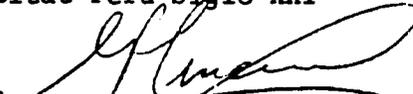

John A. Sanbrailo
Director

Attachments:

1. Schedule
2. Program Description
3. Mandatory Standard Provisions (AID-1420-53-1-85)
4. Optional Standard Provisions (AID-1420-54-1-85)
5. Habitat Proposal

ACKNOWLEDGED:

Habitat Peru Siglo XXI

By: 

Dr. Gino Mario Pinasco Pinasco

Title: Vice President

Date: June 27, 1986

By: 

Pedro Kun Bodansky

Title: Technical Director

Date: June 27, 1986

FISCAL DATA:

Appropriation	: 72-1161021
Budget Plan Code	: LDAA-86-25527-DG13
Project Number	: 527-0000 (0169)
Total Estimated Amount	: \$61,200
Total Obligated Amount	: \$61,200
Funding Source	: USAID/Peru

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SCHEDULE

A. Purpose of the Grant

The purpose of this Grant is to support Habitat, in collaboration with institutions and professionals (such as Universidad del Pacifico, CAPECO, Cámara Peruana de Mutuales de Vivienda), to carry out an intensive analysis, evaluation and Forum on the Private Sector and the Production of Social Interest Housing designed to stimulate specific action to increase private sector efforts in the construction and delivery of affordable shelter solutions to Peru's lower and middle income families.

The principal factors affecting private sector shelter initiatives such as the regulatory constraints, availability of financial resources, real market demands, and appropriate technology and construction methods will be analyzed, discussed and conclusions reached leading to a longer term plan for private sector action to increase their role in the sector.

B. Period of the Grant

1. The effective date of this Grant is the date of its signature. The expiration date of this Grant is October 31, 1986.

C. Amount of Grant and Payment

1. AID hereby obligates the amount of \$61,200 for purposes of this grant.

2. Payment shall be made to the Grantee in accordance with procedures set forth in Section 1, entitled "Payment - Periodic Advance" of Attachment 4, "Optional Standard Provisions."

D. Financial Plan

The following is the Budget for this Grant, including local cost financed items. Revisions to this Grant Budget shall be made in accordance with Mandatory Standard Provision 4 of this Grant, entitled "Revision of Grant Budget."

Grant Budget

1. Staff Support (Director Assistants, Secretarial)	340 person days	\$ 6,500
2. Consultants & Specialists (legal, financial, technical social)	1,045 person days	40,900
3. Other Direct Costs (office supplies, equipment rentals, copies, printing, local travels)		6,300
4. General Administration Costs		<u>7,500</u>
TOTAL GRANT FUNDS		<u><u>\$61,200</u></u>

Additional project inputs, both financial and in kind, will be provided by Habitat and the various private sector groups participating such as the Universidad del Pacífico, CAPECO, S&L Mutuals and others. These inputs, including personnel time, are estimated to reach \$15,000.

E. Reporting and Evaluation

1. Grantee shall submit a monthly Progress Report within 15 days of completion of each month indicating the status of progress and any problems, changes or other information that will affect the outcome of the program.

2. Within 30 days of completion of the Forum financed under this Grant, Grantee shall submit five copies of a published report of findings, recommendations and conclusions along with a written evaluation of the effectiveness of the Forum as a mechanism for discussion of key policy issues affecting the Housing Sector.

3. Within 15 days of completion of the program, the Grantee shall submit to USAID five copies of a report outlining the plans of action of the various participating groups including the Grantee for follow-on activities leading to the accomplishment of the project purpose.

4. Grantee shall also provide monthly financial reports stating amounts of funds received, expended and liquidated in accordance with budget categories.

F. Required Accounting Records

Habitat agrees to keep separate accounting records for the funds under this Grant, separate and apart from records kept by Habitat for any other funds held for similar projects or other purposes.

G. Release of Funds

Release of funds under this agreement shall be in accordance with Section D, Financial Plan, of the Schedule and Article 1 of Attachment 4. Optional Standard Provisions.

H. Special Provisions

The following Optional Standard Provisions, Attachment 4, are applicable to this Grant: 1, 5, 6, 8, 17 and 20.

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PROGRAM DESCRIPTION

A. Goal and Purpose of the Grant

The overall goal to which this program will contribute is to increase the production and delivery of appropriate housing solutions in Peru. The purpose is to establish a sound and economically feasible basis for increasing the private sector's efforts in providing shelter for Peru's lower and middle income families. This Grant will support Habitat in carrying out a short term, intensive analysis and evaluation of the role of private sector initiatives in housing and the constraints to increasing these initiatives. This will be followed by an open Forum to discuss the findings of these evaluations and to reach consensus and conclusions on appropriate courses for future action and policy dialogue. The analysis, evaluations, forum conclusions and future courses of action will be published following the conclusion of the Forum.

B. Objectives

The specific objectives of this program include but are not limited to:

1. Defining the private sector's most appropriate role considering both current and future supply and demand conditions.
2. Develop profitable operational models for private sector production of housing, both conventional and non-conventional, for the lower income groups.
3. Evaluate the types and amounts of the resources in the private sector's financial institutions available for housing finance, both formal and informal, and formulate credit facilities appropriate to the buyers, builders and bankers.
4. Develop operational models for construction of housing that are in accord with the realities of the demand population and their resources to resolve their shelter needs.
5. Develop operational methods for private sector efforts in self-help and mutual-help construction of shelter projects.
6. Evaluate the various non-conventional (appropriate technology) construction methods and develop practical means for the promotion and diffusion of these methods to the users and builders alike.
7. Identify and promote the participation of mid-level, small builders (maestro-de-obra) in the construction of appropriate housing solutions in coordination with the users.

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8. Design channels of communications between the users (beneficiaries) and the promotor/builders for the construction of social interest housing.

9. Develop technical standards and administrative procedures for project approval directed at eliminating or lowering the constraints to project development and the additional costs to the users these constraints represent in the shelter development process.

10. Establish the basis for the creation of a private sector national level housing organization (similar to the U.S. National Association of Home Builders) made up of both individuals and other groups working in the housing sector including builders, bankers, regulators and user groups. This organization would serve as both a national lobby group and a service organization to its members.

C. Program Implementation

Habitat, in collaboration with private and public sector institutions such as CAPECO, the S&L Mutuals, Universidad del Pacifico and others, will implement the Program as described above during the period specified in the schedule. Habitat will be specifically responsible for: 1) Selecting and contracting a qualified staff to manage and administer the program, 2) Identify, select and contract qualified high level and other required professional consultants, technicians and specialists, 3) Provide all logistic and material support including purchase or rental of all equipment or supplies, 4) Enter into collaborative arrangements with other public or private institutions participating in the program, 5) Make all arrangements with appropriate public and private agencies to obtain all data, reports, evaluations, legislation, regulations, etc. required for a thorough analysis of the program objectives, 6) Publish or otherwise make available the results of the analysis and conclusions to all interested private or public institutions or individuals, and 7) Comply with the reporting requirements stated in Attachment 1, Section E.

The proposal contemplates establishing four principal analysis and evaluation groups headed by a leading professional in each speciality and staffed by other professionals and technical specialists. These four work groups will represent the production processes (builders/promoters), the finance process (bankers/S&L Executives), the regulatory processes (public officials/legislators), and the beneficiary groups (users, cooperatives associations). Each group working both independently and with other organizations in the sector, will compile the principal analysis and evaluation documents to be used during the forum to be held in the facilities of, and in collaboration with, the Universidad del Pacifico or other facility.

During the Forum, each subject area will be intensively discussed based on the working group's output. Conclusions as to the most appropriate set of actions will be based on the group consensus and discussion.

During the final stage of the program, the results and conclusions of the Forum will be completed and published, specific future action responsibilities delineated and the establishment of a national level private sector housing organization initiated.

The project implementation schedule is as follows:

Project Duration: June 27 to October 31, 1986 (PADC 10/31/86)

Project Stages:

- | | |
|--|---------|
| 1. Project Preparation/Staffing | 3 weeks |
| 2. Investigation, analysis and document preparation by work groups | 6 weeks |
| 3. Project Forum | 1 week |
| 4. Preparation of final documents, development of future action plans publication of proceedings | 4 weeks |

D. Publication of Results and Follow-Up

The purpose of this Grant contemplates the publication and distribution of the overall analysis & evaluation reports as well as the proceedings and conclusions of the Forum. Habitat will prepare and publish the documents and make all efforts for their distribution to all interested parties.

Additionally, Habitat will develop a plan, in conjunction with other private or public sector agencies, for follow-up action on the findings, conclusions and policy or regulatory issues resulting from this program. Specifically, Habitat will prepare a course of action based on the recommendations agreed to during the Forum for the establishment of a national level Private Sector Housing Organization.

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