

memorandum

DATE: June 23, 1982

P. B.

REPLY TO
ATTN OF: *Joseph Nolan*
AMM U. Nolan, RHO, RHUDO/WA

JUL 12 3 34 PM '82

SUBJECT: Trip Report, May 10-12
Liberia Low Income Housing 669-0167/HG-002

A.I.D.
OFFICE OF HOUSING

TO: The Files

I. Purpose

To review project status, discuss Immediate Short Term Strategy with USAID and NHA; and to meet new Director of the NHA, Oscar Quiah.

II. Persons Contacted

USAID

- Remo Ray Garufi, Mission Director
- Fred Hagel, Multi-Sector Officer
- Isaac Roberts, Financial Analyst

U.S. Embassy

- William Swing, Ambassador
- Bonnie Lincoln, Economic Officer

U.S. Military Commission (Technical Assistance Field Team)

- Major Jack Weber
- Major Alfred Monahan

NHA

- Oscar Quiah, Director
- Luis Perez-Maldonado, NHA Team Leader

III. Activities

A. Official Meetings with Oscar Quiah, New NHA Director

Mission Director Garufi and I individually had meetings with Quiah. Garufi framed his discussion around prepared talking points (see attached) and emphasized in main the necessity for written commitments from GOL and NHA to the basic principles of affordability and cost recovery in an on-going low-income housing program. Quiah confirmed that he understands fully the low-income housing program and intends to carry it forward without significant change. He did propose increasing the core-unit size from 10x10 to 10x20 and enclosing the open kitchen and sanitary unit to which Garufi responded that any changes are possible which keep the basic core option still affordable.



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

Quiah indicated his intent to use for demonstration expanded core units' to sell the concepts of the project to the PRC. He feels the PRC did not understand that the core unit sites offer the possibility of "home ownership" to low-income Liberians and are designed for self-help expansion to a full house. NHA has already, in fact, completed one demonstration unit (L/D-K-B-3BR; 798.75 sqft) for a cost of \$10,089 or \$12.36 sqft. Another is under construction and two additional units are proposed for partial expansion. Quiah intends to invite C.I.C. Doe and top PRC members back to the site to inspect the unit upon their return from an Asian tour (about May 23). NHA is using its own funds to build the demo units and Quiah appealed to Garufi for reimbursement if possible under the 0167 grant.

Garufi also discussed with Quiah the concept of a core staff unit within NHA to be wholly and solely responsible for carrying out the USAID project and indicated USAID's willingness to reinitiate budget support for these specific positions.

Finally, Quiah requested that TA team leader Perez be permitted to stay on for a period to assist him as a point of continuity between his administration and that of Dogbeh and Garufi indicated that USAID is in basic agreement with this extension of Perez at least for 6 months.

In my own meeting with Quiah I outlined AID's proposed Immediate Short Term Strategy, the objectives of which would be to establish adequate project management and cost controls in NHA and USAID and to institute a program for NHA staff training and institutional development before going forward with new construction efforts beyond those activities required to make existing construction components operational (e.g. West Point septic system for sanitary units). This strategy is in keeping with Quiah's own top priorities, staff training and internal financial controls.

Before leaving Liberia, I prepared written notes to guide Mission preparation of a letter from Garufi to Quiah setting forth formally AID's position vis-à-vis a new short term strategy.

B. Official Meeting with Ambassador

The Ambassador asked for a briefing on the situation. He emphasized his solid support for the housing program because of its visibility as a infrastructure development project and his hope that everything was now smoothing out. He asked to be kept apprised of new developments.

C. Technical Assistance

In discussing the Clapp & Mayne Contract with the Mission, we agreed to terminate two long-term positions, the construction advisor - Nazario-Bey and the community development advisor - Gonzalez-Rodriguez, on schedule (July 31, 1982). Since the two advisors will take accumulated annual leave in advance of contract expiration, their ETD's from Liberia are June 13 and July 08, respectively. The financial advisor Delgado would be retained til the end of her contract (January 31, 1983) to assist the new NHA controller, Alfred Gdee and team leader Perez would be extended for six months through January 31, 1982.

Garufi asked that PSC housing advisor Hackman be fielded as soon as possible (optimally following the Africa Conference June 7, to begin organization and implementation of the short-term strategy. RHUDO will discuss the strategy in greater detail with Quiah during the Africa Conference and determine initial short term TA to be fielded.

D. U.S.-Financed Military Housing

Mission multi-sector officer, Hagel and I visited the US-financed military housing under construction in Camp Shefflin. This initial housing project for 1,9M to build 12 8-unit buildings is being financed by a mix of Foreign Military Sales Credits which represents an 8 year loan to the GOL at interest rates indexed to 6M US treasury bills and MAPS funds which are grant monies committed to reduce the cost of the FMSC to concessional rates. An additional \$40 million in FMSC is proposed over the next four years.

The housing plan under construction is for Liberian enlisted men and is an eight-unit building with a centrally located communal sanitary unit. The quality of materials and building standards are considerably higher and the size of completed unit smaller than the USAID project. An individual 2BR unit measures 490 sqft and is costing approximately \$18000 (excluding a water/sanitation system still to be installed) or at \$36.73 sqft.

The US.S Government is providing a 3-man US military technical assistance team to supervise the construction. The cost of the team is paid for by GOL (1.1M FMSC for 2 years). US military TA is required to used for all housing projects to be constructed using FMSC.

The GOL had wanted 3BR individual houses built for all the military and has gone forward on its own to construct some 900 units so far around the country at an estimated cost of \$26,000 / unit. The U.S. military will

permit construction under FMSC of higher standard housing for NCO's and officers but will not allow standards to surpass those of new military housing construction in the US. An additional 27 buildings will be started in June of which 9 will be for NCO's

E. Project Construction Progress

1. West Point Upgrading

A contract in the amount of \$117,137.47 has been awarded for four septic tank systems to service the three existing sanitary units and the one proposed toilet block (by the market). RHUDO advised mission to have NHA postpone building of septic system for the as yet non-existing toilet block to avoid unnecessary new construction activities at this time.

The rental units are fully occupied many by recent fire victims of West Point; NHA is awaiting first scheduled rental receipts. Note: there is as yet no account established by NHA to receive project reflows whether rents or cost recovery collections nor any determination on the use of such funds. For West Point, it may be advisable to create a reserve account for maintenance and replacement into which would flow rental receipts; school and market payments if realized; sanitary unit payments (if sold) or usage charges.

2. New Georgia West

- One demo unit is completed at a cost of \$10,089.00

- electrical drawings for sectors I,II,III have been completed by LEVOCUM and LEC approved but as yet not delivered to NHA due to lack of payment

- drawings completed for hook up of core units to septic tanks (4 units to be hooked to cement collection box them piped to septic tank). 25 cement collection boxes already ordered for existing 100 core units.

F. Miscellaneous

1. Africa Housing Conference (Botswana)

NHA Director Quiah plans to attend and will be accompanied by his new controller Alfred Gdee and the

Assistant to the Director for Administration,
Mrs. Magdalena Hanson.

<u>AID Grants</u>		<u>Balance</u>
n° 0167	LOP amount	\$5,000,000.
as of	disbursements	1,839,013.50
3/31/82	accruals	\$ 102,000.
	project balance	3,058,986.50
	average monthly	
	expend.	\$ 73,135.
n° 0146	project oblig.	\$1,348,000
as of	project exp.	\$ 738,662.51
3/31/82	accts. payable	23,000.
	net unliquidated	
	balance	\$ 586,337.49

* Per USAID Controller's account.

G. Actions to be taken

1. USAID Mission

- Issue letter from Garufi to Quiah setting forth points of discussion and reiterating AID's position and expectations regarding continuation of the low-income housing project.

2. RHUDO/WA

- Prepare scope of work and budget for 6M extension of Perez under Clapp & Mayne Contract.

- Field PSC Hackman as early as possible on TDY if necessary due to delayed receipt of GOL recommitment to the project.

3. GOL

- Issue letter to USAID reaffirming GOL commitment to principles of low-income housing represented by USAID project and requesting that work go forward on the project.

cc: Fred Hagel, USAID/Liberia
Luis Maldonado-Perez, NHA TA Team Leader
William Mann, PRE/HUD ✓
Peter Kimm