

~~Case (10086)~~
Peta P.
file, Liberia Dept.

PO AMU-603
15N-47254

UNITED STATES GOVERNMENT

memorandum

DATE: September 27, 1982

REPLY TO ATTN OF: Amy U. Nolan, Regional Housing Office, A.I.D.
Cynthia Nolan
OCT 19 10 38 AM '82

SUBJECT: Trip Report September 6 - 14, 1982
Liberia Low-Income Housing 669-0167 OFFICE OF HOUSING

TO: The Files

I. PURPOSE

To undertake regular project supervision and briefing of incoming short term consultants, Don Thompson (Training Advisor) and Frank Connors (Financial Management Advisor).

II. PERSONS CONTACTED

National Housing Authority

- Oscar Quiah, Director
- Tody, Deputy Director for Administration (new)
- Roderick Lewis, Chief, Planning and Research
- Alfred Gbedee, Controller
- Lynn Uttah, PCV Architect, Planning and Research
- Claudius Jonah, Sanitary Engineer, Operations
- Luis Perez, Maldonado, Management Advisor, Clapp & Mayne
- Magdaleine Hansen, Administrative Assistant to the Director
- Nerida Delgado, Financial Advisor, Clapp & Mayne

National Investment Commission (Small and Medium Business Dept.)

- Jalawru, Acting Director
- Teetee L. Weisel, Coordinator
- Kristian Tev Khosla, UNDP Advisor
- Edward W. Pinkard World Bank Advisor

National Housing and Savings Bank

- Charles Minor, Special Assistant to the President
- Miata Beyselow, Vice-President, Credit

USAID

- Louis Richards, Director
- John Peilemeir, Deputy Director
- Robert Leonard, Controller
- Harry Harris, GSO
- Robert Hackman, Housing Advisor (HA)
- Fred Hagel, Multisector Officer



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

OPTIONAL FORM NO. 10
(REV. 7-78)
GSA FPMR (41 CFR) 101-11.6
5010-112

Short Term TA

- Donald Thompson, Training Advisor
- Frank Connors' Financial Management Advisor

II. ACTIVITIES

A. Sub-Project Highlights of Problem Areas

West Point Upgrading

1. Septic Tank for Sanitary Units

Of four small contractors selected to undertake 90 day contracts for construction of septic tanks, only one began the work within the contract period. The major problem indicated was lack of working capital to obtain materials. NHA had let contracts without provision for any advance and counting on the verbal agreement of selected local suppliers to extend credit to the contractors. NHA was advised by AID to either recontract immediately with the single "performing" contractor or a larger firm capable of assuming all four septic tanks or to issue a legal amendment to extend existing contracts tying down a delivery schedule with provision for contract cancellation at any time, if the incremental percentage of planned completion, is not reached. The completion of these septic systems is of highest priority as the existing sanitary units are inoperable and incurring some damage as a result of vandalism.

2. Disposition (Cost Recovery) Plan for Community Facilities

The costing exercise on these facilities has essentially been completed by the NHA and the HA is working with NHA staff to develop a disposition plan, which parties agreed would be ready October 1. This plan would include the school, market, site office, rental units and sanitary units. Some problems in achieving turnover of facilities and cost recovery include the following:

a) Market - The MCC, the potential buyer, is insisting that NHA reduce the purchase price of \$127,000 by the value of an abandoned MCC market structure used as a structural base for the West Point School. The MCC affixes value at \$69,000. NHA and AID are searching for documentation to determine the original arrangement with MCC permitting conversion of the old market structure. MCC has no plans or costs on the structure.

b) School - The NHA has executed a purchase agreement with the Ministry of Education for the school, but has as yet received no downpayment or

*Procedural, necessity is that there's a break.
Surrender, many need to tie payment to AID
disbursement on some other sure money*

subsequent payments as called for in this document. The NHA Director will write once again to the MOE Minister to press this matter and if no action, escalate it to the level of the PRC.

c) Rental units - The rental units were allocated to West Point residents and ready for occupancy when a fire destroyed several homes in the neighborhood and the fire victims and some others taking advantage of the opportunity moved into the vacant units, becoming unauthorized squatters. NHA agreed to permit them to stay if they would sign rental agreements which most have refused to do. A letter of complaint was filed by Presidency who has favorably recommended the matter to the PRC for action.

New Georgia Sites and Services

1. First 100 Core Units

The first 100 core units are approximately 98% complete. The five small Liberian contractors stopped work in April when GOL temporarily shut down the project and their contracts have subsequently expired. NHA proposes to let a new contract for the remaining work in conjunction with contracting adjustments to the sewerage system.

*forced to stop? ? to P? ?
w/ no contract
extended to PRC
contracts?*

2. Sanitary Sewer System

NHA plans for adjustments to the sewerage system have been two months in the USAID Engineer's office without review. At HA request, RHUDO will provide the services of RHUDO engineer Johnson to review and approve these documents so that construction on item 1 and 2 can go ahead.

3. Median Income Limitation and Beneficiary Qualification

Most of the beneficiaries approved by NHA/NHSB are at or above the estimated median urban income for Monrovia of \$228.00 (1982). Background on this problem was provided in trip report dated March 16, 1982 for TDY February 19-26, 1982.

After some discussion, RHUDO is advising HA to go forward and complete processing on the first 100 core units using the approved NHA/NHSB listing since a long standing commitment has been made to these beneficiaries and most of the processing has been completed on approximately 98 cases to the point of signing the promissory note. TA to undertake a median income figure update and to review household expenditure patterns is scheduled for first quarter FY83. Beneficiaries for serviced lots or core units beyond

the first 100 will be income qualified based on the results of this TA.

4. Future Core Units Construction

HA asked clarification of AID's position (USAID and RHUDO) regarding Implementation Plan proposal to move forward with new core unit construction in November. RHO recommended conditioning construction start for new units to:

- a) completion of first 100 core units with supportive infrastructure,
- b) move-in of beneficiaries with operational program for core expansion, and
- c) AID-approved planning and documentation for next tranche of construction. The basic argument presented by RHUDO was that NHA does not have the capacity to handle more than one activity at a time and the opportunity for new construction would likely distract NHA from the serious task of establishing a community of beneficiaries in New Georgia. USAID Deputy Peilemeir was in agreement and asked the HA to prepare memo to this effect.

Small Business Loan Program

The RHO and HA visited the sites of the 18 existing loans with NIC's staff and met with some of the business owners. Most of the loans have been given to small merchandising establishments, a use not intended by the sub-project. Supervision of loan expenditures and beneficiary training were not provided by NIC as originally intended. Follow-up by NIC and NHSB on loan collection has been very weak. Most of the loans are presently in arrears to some degree though most beneficiaries are paying something. NIC is handicapped by high staff turnover, an insufficient staffing level and inexperience of its extension officers. Apparently NHSB looks to NIC for total program management including collections. Clarification of NHSB responsibilities particularly in collections is necessary.

After considerable discussion with NIC staff and resident advisors to NIC from UNDP and World Bank, it was decided that for the existing loans, AID financial management advisor Connors would work with NIC and NHSB staff to evaluate each loan and to restructure as necessary to make monthly repayment levels realistic to their ability to pay. This may involve writing off

the worst loans. Secondly, Connors and Training Advisor Thompson would work with NIC staff to strengthen applicant screening and selection criteria and procedures, to restructure the financial terms with the NHSB to establish a more affordable credit program for small businesses, to establish a system for loan monitoring and collections and in all this to try to complement the structure of other donor loan programs. Thirdly, NIC was asked to prepare a proposal for future loan processing and monitoring to be considered for AID financing. AID staff emphasized the need to commit one staff member (selection approved by AID) who would received AID salary and training support to manage full time the AID small business loan program.

AID staff recommended that any loans in process in NIC or NHSB but not yet approved by AID for disbursement be resubmitted once revised loan program criteria and procedures have been established. Since the West Point sub-project is drawing to a close, only one active sub-project area remains for new loans, New Georgia, and this community is not yet established to attract and support new businesses. In this sense, few new loans are likely in the near future under the small business loan program.

B. Short Term TA Activities

Training Advisor (Thompson August 30-October 8)

RHO and HA reviewed a partial draft of a training needs assessment and NHA staff training approach prepared by the consultant. The major recommendation is to establish an internal NHA training unit headed by a resident training advisor and composed of one Liberian training officer each for:

- a) management and general office administration;
- b) finance and estates management;
- c) vocational skills including building skills and maintenance, construction management, and self-help construction training.

Each training officer would be responsible for the development and management of training programs for all departments and their employees in their particular training area, making maximum use of local training programs and resources. The resident training advisor would be primarily responsible for the formation and development of this training unit and to oversee and guide the training officers to develop and implement a comprehensive NHA staff training program.

Thompson was asked to undertake periodic briefings and discussions with NHA Director Quiah as he develops and refines this proposal to ensure that the proposal reflects Quiah's criticism and is acceptable to him.

Thompson is under consideration as a candidate to fill the long-term training advisor position. He is precisely qualified to fill the job. As a British citizen, he will be offered the position as a third country national personal services contractor, if an alternative US candidate with equally suitable qualifications cannot be found.

Financial Management Advisor (Connor's September 13-October 22)

Connors scope of work in main is to design a limited audit of the project accounts in NHA and AID and to assist them to engage the services of a qualified local audit firm to perform it. This effort is being well received by NHA Director Quiah who recently had an audit of the NHA produced by a local Liberian firm rejected by the GOL Bureau of Audits, evidently due to lack of suitable qualifications by the staff of the firm that undertook the audit.

Connors has former experience in establishing a small business loan program in the Carribbean and therefore the work on the small business loans sub-project mentioned above has been added to his scope.

Future Short-Term TA

Implementing the Sites and Services sub-project and Roxby (November 15-December 4) to develop construction management procedures and on-site construction TA scheme for promoting self-help construction with follow-up visit in January to make these procedures operational.

C. Mission Housing Advisor Posting

Robert B. Hackman arrived at post August 16. He was assigned housing promptly by the Mission, but the furnishings provided are not the RHUDO-purchased ex-Benson furniture and generally in very poor condition. Since USAID is obligated by contract to provide the same or comparable quality in furnishings, GSO Monrovia is going to make the necessary adjustments.

Hackman's contract needs to be adjusted per Abidjan 11336 to reflect \$20,000 annual budget available to the USAID Mission for housing. This amount was reflected in the PIO/T budget, but inadvertently no mention was made in the contract.

Sam

RHUDO has agreed per Abidjan 11337 to reassign the Paying and Voucher office responsibilities to the USAID Mission with copies of the vouchers to be sent to RHUDO for project files.

IV. ACTIONS TO BE TAKEN

USAID

1. Preparation SOW for assessment of median urban income. ^{T.04E}
2. Preparation memorandum of AID position regarding future construction in New Georgia (refer to Garufi/Quiah letter June 18, 1982).

NHA

1. Preparation disposition plan for community facilities in New Georgia.
2. Preparation of Sales Plans for first 100 core units in New Georgia.
3. Undertake amendment to extend existing contracts for West Point septic tanks based on strict scheduling and measures of performance.

NIC

1. Draw up proposal for future loan processing and monitoring under the AID small business loan program to include budget and staff requirements in addition to description of services to be provided.

cc: William Mann, PRE/HUD ✓
Robert B. Hackman, USAID Monrovia
Luis Perez, Clapp & Mayne, Management Advisor