

Steve Giddens

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UNCLASSIFIED

PD MAU-052
ISN = 48818

~~CONFIDENTIAL~~

PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

<p>1. PROJECT TITLE</p> <p>GRANT FOR EMERGENCY HOUSING REPAIR AND RE-CONSTRUCTION</p>	<p>2. PROJECT NUMBER</p> <p>6640329 1977 TA Housing Grant</p>	<p>3. RHUDO/AID/W OFFICE</p> <p>Tunis/DS/H</p> <p>EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code; Fiscal Year, Serial No. beginning with No. 1 each FY) <u>268-80-4</u></p> <p><input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION</p>
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<p>5. KEY PROJECT IMPLEMENTATION DATES</p> <table border="0"> <tr> <td>A. IA Signed</td> <td>B. Final Disbursement Expected</td> <td>C. Final Input Delivery</td> </tr> <tr> <td>FY <u>77</u></td> <td>FY <u>82</u></td> <td>FY <u>82</u></td> </tr> </table>	A. IA Signed	B. Final Disbursement Expected	C. Final Input Delivery	FY <u>77</u>	FY <u>82</u>	FY <u>82</u>	<p>6. ESTIMATED PROJECT FUNDING</p> <p>A. Total \$ <u>4,500,000</u></p> <p>B. HG \$ _____</p> <p>C. DL \$ _____</p> <p>D. DG \$ _____</p> <p>E. OPG \$ _____</p> <p>F. IPUP \$ _____</p>	<p>7. PERIOD COVERED BY EVALUATION</p> <p>From (month/yr.) <u>6/77</u></p> <p>To (month/yr.) <u>9/80</u></p> <p>Date of Evaluation Review _____</p>
A. IA Signed	B. Final Disbursement Expected	C. Final Input Delivery						
FY <u>77</u>	FY <u>82</u>	FY <u>82</u>						

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR		
<p>A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)</p>	<p>B. NAME OF OFFICER RESPONSIBLE FOR ACTION</p>	<p>C. DATE ACTION TO BE COMPLETED</p>
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<p>9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS</p> <table border="0"> <tr> <td><input type="checkbox"/> Project Paper</td> <td><input type="checkbox"/> PIO/T</td> <td><input type="checkbox"/> Other (Specify) _____</td> </tr> <tr> <td><input type="checkbox"/> Project Delivery Plan</td> <td><input type="checkbox"/> PIO/C</td> <td>_____</td> </tr> <tr> <td><input type="checkbox"/> Project Planning</td> <td><input type="checkbox"/> PIO/P</td> <td><input type="checkbox"/> Other (Specify) _____</td> </tr> <tr> <td><input type="checkbox"/> Tracking Network PPTN</td> <td></td> <td></td> </tr> <tr> <td><input type="checkbox"/> Logical Framework</td> <td></td> <td></td> </tr> </table>	<input type="checkbox"/> Project Paper	<input type="checkbox"/> PIO/T	<input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> Project Delivery Plan	<input type="checkbox"/> PIO/C	_____	<input type="checkbox"/> Project Planning	<input type="checkbox"/> PIO/P	<input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> Tracking Network PPTN			<input type="checkbox"/> Logical Framework			<p>10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT</p> <p>A. <input checked="" type="checkbox"/> Continue Project Without Change</p> <p>B. <input type="checkbox"/> Change Project Design and/or Change Implementation Plan</p> <p>C. <input type="checkbox"/> Discontinue Project</p>
<input type="checkbox"/> Project Paper	<input type="checkbox"/> PIO/T	<input type="checkbox"/> Other (Specify) _____														
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<input type="checkbox"/> Tracking Network PPTN																
<input type="checkbox"/> Logical Framework																

<p>11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)</p> <p>Peter M. Cody, AID Representative, Lebanon</p> <p>Michael Murr, Minister, Housing & Cooperatives</p> <p>Fouad Zebian, Director General, Housing</p>	<p>12. RHUDO/AID/W Office Director Approval</p> <p>Signature _____</p> <p>Typed Name _____</p> <p>Date _____</p>
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13. SUMMARY

This Grant is composed of two portions; \$ 4.0 million for loans in support of the GOL's housing repair and reconstruction program, and \$0.5 million in technical assistance (TA) to the Ministry of Housing and Cooperatives (MHC). An evaluation of the loan portion was conducted in November, 1978 and is attached to this report. This evaluation focuses on the TA portion.

The primary Grant documents are the Grant Agreement, Implementation Plan (both dated June 23, 1977), and Technical Assistance Plan (dated June 25, 1977). No Project Paper was written and there is no "Logical Framework" sheet upon which the Project Evaluation Summary format is based. This fact makes it difficult to complete the PES, however, every attempt has been made to follow the format to the degree possible.

Currently, the Project Assistance Completion Date has been past with approximately \$80,000 unobligated. A request for an extension of the PACD to December 31, 1981, has been made along with the anticipated use^S of the funds.

14. EVALUATION METHODOLOGY

The purpose of this evaluation is to assess the implementation of the Grant for Emergency Housing Repair and Reconstruction (Grant). It has been prepared by reviewing Grant documents, project correspondence, and other documentation of project activities.

15. EXTERNAL FACTORS

The major event which has affected the implementation of the TA portion of this Grant was the installation of a new Minister of Housing and Cooperatives in August, 1979. Within days of his approval by Parliament, the new minister,

Michael Murr, reassumed all power previously delegated to the Director General for Housing (DGH), except for the most routine administrative matters. Until that time, the DGH had acted as the MHC person responsible for Grant activities.

Because the responsibility and authority for the Grant now rested with the Minister personally and he did not redelegate these powers and because it was difficult to gain access to him, progress on Grant activities began to slow significantly. In addition, the DGH expressed little, if any, interest in encouraging the Minister to continue Grant activities.

16. INPUTS

With the exception of one element, the feedback on all inputs to this project, workshops, commodities, etc. has been positive. The one area which has been less than expected has been in the provision of TA services to the National Housing Bank (HB).

Although the consultant to the HB developed an excellent rapport with HB officials and they were pleased with his efforts while in Lebanon, his report was delayed several months. When it did arrive, the HB expressed the opinion that it had hoped for a more detailed set of conclusions and recommendations.

The Phase II of the HB's TA has been delayed until November, 1980 and it appears that only one consultant is available, not two as requested, and he will be available for only two weeks, not four, as requested. Of the institutions with which AID has dealt in the Shelter Sector, the HB is the one which has shown the most sustained and enthusiastic efforts. Unfortunately, the TA furnished to the HB has, been untimely and, unless modified by November, quantifiably less than proposed and agreed to.

17. OUTPUTS

The Grant documents do not identify specific project outputs for either the loan or TA portion of the Grant. Hence it is not possible to measure progress toward them. The Field Survey attached to this evaluation should be reviewed for an analysis of the home loan repair and reconstruction portion of the Grant.

Section 18 of this report presents an analysis of progress toward the Grant purpose.

The table below is included for documentation purposes and lists the items identified for TA at the outset of the project (along with the amounts budgeted) and the items actually obtained. The first column of figures represents amounts budgeted in the MHC's Technical Assistance Plan of June 25, 1977. The second column shows amounts obligated during the project. Each of the figures in the last column is the amount of the budget estimate which remains unobligated.

<u>Item</u>	<u>Budgeted</u>	<u>Obligated</u>	<u>Unobligated</u>
Housing Workshops in country	\$ 40,000	\$43,334	
Technical Assistance Advisor to MHC	100,000	165,605	
Participant Training	60,000	82,200	
Housing Needs Study/Damage Survey	50,000		
Short Term Technical Assistance (6 pm) to MHC	50,000		
Housing Bank Assistance	80,000	62,495	17,505
TA - 6 pm	50,000	58,000	
Participant Training	30,000	4,495	

<u>Item</u>	<u>Budgeted</u>	<u>Obligated</u>	<u>Unobligated</u>
Special Training Programs (MHC)	20,000	14,200	
Technical Info, Exchange	20,000	29,320	
Reserve	80,000		
Emergency Travel Expenses		13,700	
Test Equipment		5,000	
Office Equipment		1,450	
Computer Study		3,104	
Computer Hardware			80,000
Advanced to MHC but un-spent		8,126	
TOTALS*	\$500,000	\$428,534	\$97,505

* The estimated cost of TA requirements exceeds budgeted funds by \$26,039.

18. PURPOSE

The \$ 4.0 million portion of the Grant is "... to assist the Government of Lebanon in financing and carrying out its program of repair and reconstruction of damaged housing, ...".

The \$ 0.5 million portion of the Grant is "... to assist the MOHC in various activities directly related to implementing the home repair and reconstruction loan program."

Because the Grant documents do not include specific End of Project Status conditions it is not possible to measure progress towards them. However, given the TA goal stated above and the expenditures of the project, a rough assessment of the purpose achievement can be made.

The types of obligations of the project assembled into eight major categories as shown below.

<u>Item</u>	<u>\$</u>	<u>%</u>
TRAINING	144,229	28.9
HOUSING ADVISOR CONTRACT	165,605	33.1
HOUSING BANK TA	58,000	11.6
LIBRARY	29,320	5.9
TEST & OFFICE EQUIPMENT	6,450	1.3
COMPUTER STUDY	3,104	0.6
EMERGENCY TRAVEL	13,700	2.8
UNOBLIGATED	105,631 (Only \$79,592 available)	15.8
	<u>\$ 526,039*</u>	<u>100%</u>

* Note that estimated expenditures exceed available funds by \$26,039.

The largest item is the Housing Advisor contract which provides TA services to the MHC, CDR, and the HB. The services provided under this contract as specified in the scope of work are quite broad and wide ranging - not specifically tied to the MHC or implementation of its repair and reconstruction program. The \$58,000 reserved for the HB is exclusively for its use and thus cannot be used by the MHC to implement what ultimately became the Decree Law 20 program. If the amounts for these two TA service items are added together, the total represents almost 45% of the total TA portion.

The training category is made up of expenses incurred for a number of seminars, conferences, and specially designed training courses attended by representatives from the MHC and HB. While all these activities dealt with various topics in the field of housing, none was specifically designed to improve the administrative or managerial capabilities of either the MHC, as an institution, or its personnel in implementing the DL 20 program. The expenditures for training are approximately 29% of all monies.

The third largest category is unobligated funds; totalling nearly 16% of the \$500,000 grant.

The test equipment is clearly and directly for use in the DL 20 program. The other office equipment can also be said to be indirectly employed in conjunction with the DL 20 program. The computer study was initiated to investigate the feasibility of using a computer to help manage the DL 20 program, in addition to other activities. If these three items are combined, the amount is roughly 2.0% of funds and is directly attributable to implementation of the repair and reconstruction loan program.

The library obligation is made up of expenses for books, microfilm and other equipment, shelves and carpeting. While these items do not contribute to the immediate short term goals of implementing the DL 20 program, they can, if well used, be contributory to the long term improvement of the Ministry and policy making, management, and administrative capabilities of its staff. Even though this end is not strictly within the purview of the grant per se, it certainly falls within the general goals of assistance to the MHC.

Because such a large portion of the grant (almost 16%) remains unobligated, it can be presumed that had the funds for emergency travel not been used for that purpose, they would still be unobligated. This would increase the unobligated amount to nearly 19%.

Based on the preceding, the following analysis is made:

<u>Item</u>	<u>%</u>	<u>Analysis</u>
Test and Office Equipment	1.3	DIRECT (1.9%)
Computer Study	0.6	

Housing Advisor Contract	33.1	
Training	28.9	INDIRECT (67.9%)
Library	5.9	

Housing Bank TA	11.6	
Emergency Travel	2.8	NOT DIRECT (30.2%)
Unobligated	15.8	

The project is now past the PACD and the unobligated funds are not available. The possibility of extending the PACD is being investigated so that the remaining monies may be used and the ultimate use of the funds will determine the degree to which the project was successful in achieving its purpose. At present, however, the status of the TA portion of the grant is as illustrated above; approximately 2.0% of the monies has been clearly used for the purpose intended; the remainder has been used in less directly related ways.

This analysis does not ^{imply} that the funds were not well spent; only that they were not directed toward the specific purpose contained in the grant documents. It may indicate however, that, given the procedures necessary to authorize obligation of the funds, the definition of the purpose was not initially accurately described.

19. GOAL/SUB GOAL

There is no goal or subgoal specifically defined in the Grant documents. There is however, the purpose of the Grant defined and this most closely resembles the intention of the goal statement. (See section 18 of this report for a discussion of progress toward purpose achievement).

20. BENEFICIARIES

The main beneficiaries of the TA monies have been the MHC and HB. Approximately 40 MHC participants have taken part in various training courses during the project. The MHC now has the basics of a well stocked library. The structural testing equipment will become more and more important as repair and reconstruction continue to become wide spread, and DL 20 activity increases.

The HB too has benefited from the Grant monies. An amount of \$80,000 has been earmarked for its use and \$58,000 has been obligated for TA in management and financial operations. Also three staff members have received special training courses.

21. UNPLANNED EFFECTS

"Not pertinent at this time".

22. LESSONS LEARNED

"Not pertinent at this time"

23. SPECIAL COMMENTS OR REMARKS

The Field Survey of 60 units which received Grant funding carried out in November, 1978, is attached to this report. It was conducted by a locally-hired engineering firm.

	<u>Schedule I</u>	<u>Dossiers</u> (cont'd)
18/9	30,000	32,500
88/9	30,000	42,000
311/9	30,000	35,000

Another discrepancy exists in the amount shown as disbursed, between schedule I and the dossiers. Schedule I states that 2,264,500 LL had been disbursed by 31/5/80 while the files recorded that 2,127,600 LL had been disbursed by that date. Seven loans differed as follows:

	<u>Schedule I</u>	<u>Dossiers</u>
286/4	116,000	11,600
13/5	11,500	0
103/5	30,000	3,000
18/9	30,000	32,500
88/9	30,000	42,000
311/9	30,000	35,000
738/10	26,000	13,000

c. Loan for Repair or Reconstruction

96% of the loans were made for repair. Only three percent was used for reconstruction of the houses. One dossier (1%) did not indicate if the loan was for repairs or reconstruction, but my observations lead me to believe that the loan was used for repairs.

d. Income Per Year

The dossiers of 65% of those selected for inspection indicated that the income per year was between 2,000 LL and 12,000 LL. 9% showed that the income was above 12,000 LL. 15% claimed no income (all but two in this category were housewives who had the property listed in their names). 11% of the dossiers had no record of the amount of income.

e. MHC Inspector's Description of Work Required

More than 96% of the loans had new plaster, doors, windows and painting done. 90% required electrical and telephone repairs. Between 58% and 66% sought to replace glass, concrete and walls.

Most of the funds (35%) were allotted to door and window frames. The second most expensive item (12%) was paint.

f. Loan Repayment Information

Not all dossiers contained loan repayment data. Only 20 files (27%) showed that the first repayment had been made. The data also indicated that 86% (64) missed two or more payments.

It should be noted that on January 8, 1980, the Government of Lebanon passed Decree No. 3754 which modifies the repayment of loans

made under Decree Law 20 in two ways:

(1) For loans under which construction was completed before December 31, 1980, the repayment period is extended 2 years without interest charges.

(2) For loans under which construction was not completed before December 31, 1980, the amount of time allowed for construction completion is extended up to 2 years from the date of the Loan Contract Agreement (rather than 6 or 18 months respectively for repair and reconstruction) and the loan repayment schedule is extended a similar period without interest charges.

The HG-001 loans were made in conjunction with the Decree Law 20 program. All loans reviewed by this survey, therefore, were given a two-year extension period if the borrower chose to take advantage of Decree No. 3754.

2. Section III - On Site Inspection

a. Construction Type

70% of the units were reinforced concrete with block infill. 15% were stone load bearing walls with concrete roofs. 12% were a combination of the above. 3% were reinforced^d concrete and/or stone load bearing

walls, with roof tiles.

b. Number of Stories

50 loans (60%) were for one floor buildings. 11 loans (15%) were for two floors. 5 loans (7%) were for three floors. 7 loans (9%) were for four or more floors. One loan (1%) was partly two floors and partly 6 floors.

c. Type of Living Units

56% of the loans were for multi-family buildings. 39% were for detached houses and the rest (5%) were for attached units.

d. Modern Facilities

95% of the units had electricity. 93% had sanitary toilet facilities. 92% used the municipal water system while 14% had their own wells. 4% had no apparent sources of water.

e. Work Performed by Contractor or Owner

84% of the owners said that they used contractors to do all of the work. 7% said that they worked with a contractor to make the repairs. There were no repairs in the remaining 9%.

f. Work Completed

88% of the units visited were completed.

12% were not. Of those which were not finished, only two more were about 40% complete. The remaining seven appeared not to have been repaired at all. Four of the owners claimed that the house had been repaired, but damaged again for a second time.

B. General Observations

My conclusions cover the whole range of the loan, from inception to termination:

1. The average income for the 74 cases studied just exceeds LL 10,000.- per year.
2. MHC's method of estimating costs appear inconsistent. Many seem to have been prepared in a haphazard manner showing no relationship between one or the other of the various repairs to be made. In one instance one would think that the house was mainly made of glass, while in others, glass is not even allowed for. One particular estimate was rather silly, showing LL 315.12 for painting. Another showed LL 788.45 for plaster.
3. The ratio of total loans to total annual income is 4:1, which would make the rate of repayment 27.4% of the income over a period of 15 years. While it is true that one's income may rise, it

looks to me like the repaying of the loan will take away quite a large slice of income.

4. I would like to add few words about the human angle of this survey. People in all walks of life have been interviewed, from the very rich to the very poor, from those who lost their properties to those who still enjoy them. One family (444/3) lost a son; another (200/6) has a maimed daughter, both due to the "incidents". In one instance (3/4) the owner of a flat, a woman, has an amputee husband and a son in a mental assylum. In another (494/9) the husband and one son were blind. Their house was completely destroyed and the loan was used to build one room for the family and one for the poultry. Several recipients have died, leaving the onus of repayment to their heirs who may or may not (as in case 273/6) be able to repay. One family in Hazritta (111/12) lives in ^abject poverty.

All this leads me to ask the question: Can anything be done for these poor people (12 out of 74 cases surveyed)? Could a study of their cases be made to convert their loans to grants? I strongly recommend this line of action and would be a very happy man if I know that something will be done about it. This survey then

would have produced a better result than just charts and tables.

IV. CONCLUSIONS

1. People have made good use of their loans

On the whole it was the more humble, country houses in need of repair that the repairs were carried out. Many said they have paid much more money for repairs than they received from the loan. 88% of the units visited were completed. Most (68%) were small, single floor, reinforced concrete dwelling units.

Flats in multistorey buildings occupied by their owners were sufficiently repaired but those that were meant to be just for renting were sometimes not quite fully attended to. Four property owners claimed that repairs had been made but the building had been damaged a second time and that now the flats were occupied by squatters and military.

Nine people, however, (including the four mentioned above) appeared not to have used all of the loan for repairs. See attachment D.

2. The Criterion of giving loans to people with an income of 12,000 LL or less per year was not always met

9% of the dossiers reviewed indicated that the income was above 12,000 LL.

15% claimed no income. All but two in this category were housewives who had the property registered in their maiden names.

11% of the dossiers had no record of the amount of income.

Based on my personal observation I believe that many people had a higher standard of living than their declared income would lead one to believe.

3. Loan repayments are not being made according to the original schedule

The section of the questionnaire dealing with loan repayment information (No. 29) was incomplete. The dossiers often did not contain the most recent bank report. A quarter of the files, however, showed that the first payment had been made. The remaining files made no mention that the loans due were being repaid.

The files did have a schedule of the total number of payments due by date for each loan. Based on that data, 86% of the borrowers have missed two or more payments. Decree No. 3754 which permits a two-year extension was issued on January 8, 1981 and may account for the high percentage on non-repayment.

In talking with the recipients, some said that they did not intend to pay back the loan.