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**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**

ANNUAL BUDGET SUBMISSION

FY 1982

**DEVELOPMENT SUPPORT BUREAU
OFFICE OF HOUSING**

MAY 1980

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
WASHINGTON, D.C. 20523

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Annual Budget Submission, FY 1982

Office of Housing

Strategy Narrative

The Problem

Shelter is a basic human need as well as a critical sector for capital formation and economic growth. Shelter problems in the developing world are linked to dizzying rates of urban growth both from natural increases in population and from persistent rural to urban migration.

Continuing unprecedented growth of urban centers at all levels from small towns to large primate cities is certain throughout out the planning period and for the remainder of the century regardless of efforts in the rural sector. A failure of development agencies to begin to address the urban problems now while there is still some time to manage this predicted growth will no doubt be regarded in future years as an example of short-sightedness.

In the developing nations (LDCs) hundreds of millions of desperately poor people live in crowded, unsanitary and otherwise unsatisfactory shelter. Among these people one finds the world's highest infant mortality rates. Not having secure land tenure, adequate shelter or basic services, these people survive from day to day with a profound sense of insecurity that breeds destruction of existing social and political foundations.

While LDCs are increasingly giving shelter a higher priority, most have not developed strategies that are adequate to deal with the problem. Most existing programs are

inadequate either to improve existing inner-city slums and squatter areas that ring cities, or to provide for the many new families that these areas will have to support. Governments of many LDCs are burdened with costly policies in their attempt to provide "adequate" shelter resulting in misallocations of limited financial resources, lack of institutions or institutional capacity to finance or implement the needed programs, limited trained personnel and experience to develop programs and enormous backlogs of unmet shelter needs and dilapidated existing housing stock.

Combined with employment and productivity, shelter and related community facilities are central to the ongoing urban crisis and are very much the heart of the Office of Housing (DS/H) development strategy.

The Program

The growth and magnitude of the developing world's shelter problems prompted AID in the early sixties to experiment with a new concept, the Housing Guaranty Program. Since AID's New Direction in 1973, this program has facilitated the transfer of more than half a billion dollars in U.S. private capital resources and appropriate technologies and technical assistance to developing countries for shelter, basic infrastructure and related community facilities and services.

This unique AID activity enables major U.S. private sector lenders to provide long-term financing for a broad range of shelter programs and related activities in the developing countries. The United States Government underwrites these loans pledging a guaranty of repayment to compensate lenders for any losses. The term of the loans is generally for 30 years with up to a 10-year grace period on payments of principal and at

fixed rates of interest which approximate the cost of long-term money to U.S. Government agencies.

These loans are typically made to LDC government housing institutions or banks which relend the funds to individuals who are qualified by income and need. Projects are structured to offer affordable alternatives for shelter to a range of beneficiaries below the median urban family income. All projects are developed and implemented under the management of the AID Office of Housing working closely with Regional Bureaus and AID Missions.

It is reasonably accurate to describe all Agency shelter activities as joint ventures between DS/H, the Mission and the Regional Bureau. Technical expertise is provided by DS/H, while policy decisions on country programs are made by the Missions and Bureaus.

The goal of the HG program is to assist developing countries to alleviate shelter deficiencies among the poor through the development and strengthening of national shelter institutions and programs. Under existing policy, the kinds of programs financed by the Housing Guaranty Program are:

1. Slum upgrading, including facilities for water, sewage, electricity, access roads, etc., as well as building materials for self-help home improvement;
2. Sites and services, including preparing vacant areas for productive shelter use by surveying and plotting the land, installing water and sewage lines and roads, providing building materials loans and technical assistance for self-help shelter construction;

3. Core housing, involving basically a sites and services project approach with the addition of a rudimentary housing shell on each lot (perhaps four walls, a roof, and water facilities) designed to be improved by the owner; and
4. Low-cost housing units for sale or rental.

All these types of projects are financed in the context of supporting the growth and development of national shelter policies and shelter institutions, such as national housing banks and national housing agencies which consider the shelter needs of low-income people.

These "basic-needs" projects include, in addition to shelter, provision of basic utilities such as potable water, sewerage and electricity, access roads and community facilities and services. Securing land tenure and the generation of employment opportunities through assistance to small enterprises are important goals in each country strategy. In summary, the program now looks toward the total development of a community with self-help or mutual help an important feature of virtually all projects.

The Office of Housing further provides technical assistance and services to borrowing and implementing institutions under the Housing Guaranty Program, to other AID programs needing technical support and to countries willing and able to reimburse AID for these professional services. This assistance covers a range of areas including the planning of shelter and related community facilities, social surveying, social and economic community programming, housing policy formulation, land tenure and public utility valorization analyses and project financing, implementation, and management skills. Assistance is provided by short-term individuals or teams and long-term resident advisors under the management of the individual Regional Housing Offices.

Despite the substantial size of the program, the HG program is administered by a small professional staff of approximately 40 U.S professionals, primarily Foreign Service, circulating between Washington and seven regional field offices. The HG direct-hire staff manages a program now active in 38 developing countries with non-HG shelter related activities in several additional countries. There are resident housing advisors, direct-hire or contract-hire, in 24 LDCs.

The Strategy

DS/H has found as the relationship between AID and the LDC grows, there should be increasing understanding of the situation, and increasing mutual confidence and trust. A theoretical hierarchy of priorities would probably start with development of a national shelter policy, followed by the institutional framework, a set of national programs, and then specific projects. In practice, in most countries it has been necessary to reverse these priorities and to begin with a specific project or projects, (which reflect some understanding of the existing policy and institutional situation, derived from a shelter sector analysis), and then to proceed to define and develop clearer institutional and national policy goals over a period of time.

Many LDCs have not made a realistic analysis of the shelter sector, and are pursuing policies of providing relatively high-standard housing solutions as part of the national housing program. Frequently, an analysis will show that such efforts cannot possibly be replicated in sufficient quantity to deal with the magnitude of the problem which a country is certain to face. Accordingly, low cost per capita solutions are encouraged, such as slum upgrading, sites-and-services and core housing. Obviously, DS/H also recommends a review of subsidies in the sector, with a general predilection towards reduction or elimination of subsidies whenever feasible.

While the initial pursuit of lower-cost solutions and self-sufficiency are reasonably simple concepts, there is great political resistance, and reluctance to accept the notion that more cannot be done for each family. Nevertheless, a consensus in favor of the minimum-cost solutions is growing in the development community, and at the technical level in LDCs.

Another set of problems is considerably more complex. An analysis of the shelter investment requirements will probably show that an LDC's government shelter budget is itself inadequate to meet the demand, and that a national housing finance system and institutional structure must be developed or improved. Cost recovery frequently requires administrative capacity that is not really there without significant personnel development. Land ownership, land prices and taxes are difficult problems requiring country-specific solutions.

To promote dialogue with LDC officials to understand these realities is a key part of DS/H strategy. In those parts of the developing world where the financial underpinnings are missing, DS/H has focused its technical and capital resources on the development of national shelter finance systems including the development of savings and loan systems and the creation and/or strengthening of regional banks. The most notable examples have been in Latin America, where individual country S&L systems were created and regional banks such as BIAPE and CABEI now serve as conduits to assist member nations finance their housing needs. This strategy has been important to the DS/H program in that it has developed a viable model which carries nations toward self-sufficiency and it takes advantage of the natural economic generation activities of the housing sector.

Accordingly, the DS/H strategy is to offer technical assistance in the shelter sector to LDCs who are interested in the needs of their lower-income families, to finance an

initial round of projects that benefit these families, and to assist the government to define more sharply the additional steps required to meet policy, institutional and program needs in the shelter sector.

New Program Elements

Urban Employment

Since AID New Directions, DS/H has directed HG Program resources into projects where shelter solutions, public infrastructure and community services are carefully designed to be affordable to poor families below the median urban family income. Urban employment opportunities therefore are an essential element of affordable, replicable shelter programs.

DS/H recognizes that urban employment and shelter go hand in hand, and is laying increasing emphasis on employment generation in its projects. Initial project consideration includes such things as seed loan capital for small business development; credit access to small scale entrepreneurs; technical assistance and project design to enhance or expand employment opportunities; and training to develop employment skills.

Training and Research

The Office is increasingly involved in training and research initiatives. In FY 80 an annual one-month Shelter Training Workshop for senior level LDC professionals was instituted by DS/H in Washington. The course is designed and delivered by DS/H staff and a selection of experienced contractors and consultants. The content focuses on the preparation and implementation of shelter policies, programs and projects for urban settlements in developing countries. In its first year the workshop was attended by 33

participants from 17 countries in Asia, Africa and Latin America. During FY 80 and 81 the Office expanded its field-based training activities beyond the sponsorship of regional conferences for information exchange to the design and delivery of sub-regional training seminars for technical skills development.

Recent research activities have included studies in energy conservation and appropriate energy technology for low-cost shelter, generic survey instruments to identify AID shelter target populations, and project design alternatives incorporating women more fully into development initiatives. The publication of an occasional paper series highlighting current research and project activities in the area of shelter and related community development is being planned.

Current Events

In the past year several events have occurred to focus greater attention on the HG Program resource.

A task force within AID completed a discussion paper on urban policy in October, 1979, encouraging AID's recognition of the shifting base of the world's poor to urban areas and the interdependence of rural and urban development strategies. This resulted in a cable from the Administrator to the field noting that existing AID policy permits a variety of urban activities, and that the HG Program provides a significant source of capital assistance for urban shelter activities which can and should be integrated into country development strategies.

In addition, the International Development Cooperation Agency prepared a staff concept paper in October proposing a major expansion of the HG Program as an example

of "an option for a significant increase in U.S. assistance flows" with minimum additional staff and appropriation requirements. AID was asked to establish a task force to investigate the feasibility of such an option. This task force has been constituted and is currently reviewing a program expansion proposal with growth alternatives of 50M and 100M per year. It is projected that a significant expansion of this magnitude would require a staff increase of 13 by FY 83 and total supplemental grant fund allocations of an estimated \$5 million in FY 83 to support perhaps 20 new projects that year.

Annual Budget Submission, FY 1982

Office of Housing

Program Narrative

The basic goal of the HG Program is to assist qualifying countries develop the institutional, technological and financial capacity to provide shelter and related infrastructure under reasonable conditions with emphasis on government actions to meet the needs of the poor. The principal work of the Office of Housing is the administration of the Housing Guaranty (HG) Program. The Office contains most of the shelter skills of the Agency and also administers or backstops shelter and related urban infrastructure activities funded with AID loans and grants and through reimbursable development programs. All HG projects are subject to the standard documentation and review process of the Agency and are developed in close coordination with Regional Bureaus and Missions.

Program Resources

DS/H is moving a large development assistance program annually with a small direct-hire staff and limited program support from appropriated resources. Minimum program projections are for \$225 million in new development projects in FY 82 with an annual program expansion of \$25 million per year rising to \$325 million by FY 86. The program expansion currently under discussion in the Agency could increase program growth by 50M to 100M annually.

The source of these long-term resources is the U.S. capital market. Fees generated by the U.S. government guaranties on these loans cover the basic operating costs of the Program, but not the related resident technical assistance.

An experienced and technically qualified staff of 40 (includes 3 GC and 3 FM) professionals located in both Washington and the seven Regional Housing Offices,

supplemented by contractors and consultants, run the program. This staff is working near maximum capacity now and must be expanded as the program grows. The cost of staff expansion would be met from increased fee income from a larger program.

Program Size

By 1982, DS/H will manage 175 HG projects in 54 countries amounting to approximately 1.9 billion dollars. This assumes 16 FY 82 authorizations and 35 projects from FYs 79, 80 and 81 which will be in various stages of implementation. DS/H is also assisting the Regional Bureaus to manage a growing number of DG, DL and ESF projects in the area of shelter and related urban development. As the Agency more clearly articulates programming priorities in urban areas of LDCs, the number of these projects will increase. By the end of FY 82, HGs should reflect the levels shown below by geographic area without taking into consideration the major program expansion under review.

HG Program Levels
(No. of Countries and Projects By Region)

<u>Region</u>	<u>Authorizations as of 9/79</u>		<u>FY 80</u>		<u>FY 81</u>		<u>FY 82</u>		<u>TOTAL</u>	
	<u>Countries(C)</u>	<u>Projects(P)</u>	<u>C</u>	<u>P</u>	<u>C</u>	<u>P</u>	<u>C</u>	<u>P</u>	<u>C</u>	<u>P</u>
Africa	9	15	2	4	1	1	5	5	17	26
Asia	3	13	-	-	1	2	1	2	5	17
Latin America	22*	88	-	5	-	9	1	5	23	104
<u>Near East</u>	<u>6</u>	<u>17</u>	<u>-</u>	<u>3</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>4</u>	<u>9</u>	<u>26</u>
TOTALS	40	133	2	12	3	14	9	16	54	175

*Includes 3 regional banks (CABEL, BIAPE, CDB).

Development Grant and Loan Support

Shelter projects have grown in complexity since AID New Directions requiring significantly increased levels of technical assistance for institutional development, community organization, beneficiary training and identification and delivery of essential community services. This more integrated and comprehensive approach in HG program

design has evolved largely as a result of DS/H working in very low-income communities where basic physical and social amenities are inadequate or absent and where beneficiary resources are minimal.

The growth of HG fee income (See Annex I) has been adequate to meet project development costs and standard project management costs in terms of monitoring and evaluation but is not sufficient to fund the higher level of resident technical assistance required for 'New-Direction' type projects. The HG program has received limited support from two centrally-funded multi-year grant projects, the Integrated Improvement Program For the Urban Poor (IIPUP) and the Foundation For Cooperative Housing (FCH) OPG, both initiated in 1978. The level of grant support funds from these projects will have been \$4.5 million over 3 years by the end of FY 80 to support almost \$500 million in new HG project authorizations during the FY 78-80 period.

Mission and Bureau allocations of DL and DG resources in support of HG projects is less encouraging relative to the levels of concessional funds available for allocation. There are exceptional cases such as Egypt, Liberia, Lebanon, Somalia and the Azores where for reasons of foreign policy or disaster relief the Agency has committed large grants for housing. Of these countries, however, only Liberia has a HG Program. Large development loan commitments, where they exist, have been supportive of HGs but there are only three--Costa Rica, Panama, and El Salvador. Apart from these exceptional and country specific commitments, there has been limited Agency allocation of DL and DG funds in support of HG project development and implementation. In fact, for the period FY 78-80, the total concessional resources including centrally-funded IIPUP and OPG allocated in support of HGs less the exceptional cases noted above represents only 3% in relation to HG authorizations or approximately \$13.6 million in concessional resources to support \$467 million in new HG projects. Most of these funds have been country-specific, which leaves very small amounts for allocation to new country programs.

Program Expansion

A decision by the Agency to undertake any major expansion of the HG Program to incrementally achieve by FY 85 an annual project authorization level of \$400 to \$600 million will require an Agency commitment by FY 83 of up to 13 new staff positions and annual grant support allocations of \$5 million. While such a decision has not yet been made, DS/H has had to take the implications of such a decision into consideration in its proposed planning levels for the FY 82 ABS.

Opportunities for program expansion are significant, particularly in Africa and Asia. In recent years the Congress and the GAO has suggested greater commitment of HG resources to a broader range of countries to include the poorer developing countries and the advanced developing countries. Slim staff and grant resources have limited the response:

The Office's order of priority for selection of new program activities under any program expansion would likely follow current practice:

1. Countries which already have some HG activity, typically moderate income developing countries such as Panama, Tunisia, Thailand, Kenya.
2. Moderate income developing countries with no previous (or recent) HG activity but which have a resident AID mission and the existing institutional infrastructure through which to absorb HG loans. This category while including smaller countries such as Dominican Republic would also cover high-absorption countries such as India which have large urban poor populations, serious shortfalls in shelter, basic infrastructure and essential services and an existing base of institutions which could with some technical assistance take large annual loans (\$50-\$100 million) for use in their shelter sectors.
3. Poorer developing countries subject to a significant allocation of grant funds for lengthy TA activities. The HG program has not generally been considered for

countries such as Mauritania, Mali, Upper Volta, Bangladesh, Chad, Nepal now receiving exclusively U.S. concessional assistance. Yet the 1978 GAO report on the HG program recommended use of Housing Guaranties along with substantial concessional funds for technical assistance so that these poorer countries could be reached. These countries do not offer high absorption potential as most have underdeveloped finance systems and housing institutions. Existing shelter policies and practices are frequently costly. Their strained public resources could, however, be eased or better allocated through rationalization of policies and improved efficiency of housing programs. Comprehensive technical assistance in policy and institutional development would enable AID to get involved at the crucial early planning stages for national development with the opportunity for significant impact. Finally, despite the 'concessional status' of these countries in AID terms, they continue to require foreign exchange borrowing often only available to them at high cost, short-term rates. The long-term untied foreign exchange lending opportunity of the HG would likely be an economic plus to many of these countries. The opportunity, therefore, to serve these countries well through the HG program exists if concessional funds are available to support the effort.

4. Advanced developing countries when foreign policy considerations permit or dictate. In 1979, Congress struck FAA language restricting HGs to countries receiving developing assistance. The clear intent of this change initiated by the House Subcommittee on Latin American Affairs was to reach the large numbers of urban poor living under severe, inhumane conditions in the highly urbanized middle-income countries. In most of these countries there are capable existing institutions but they lack the capital or the program orientation to maximize project benefits to the poor. Again, there is potential for high loan levels over a period of time.

As a matter of priority and established procedure, DS/H would continue under any magnitude of expansion to respond to mission and Bureau requests and to countries seeking HG resources through established Agency channels. Countries with ongoing HG programs and moderate income developing countries with established institutional infrastructure are expected to absorb the major portion of any program expansion. DS/H is prepared to respond at mission invitation to the needs of the poorest countries provided concessional funds are allocated to support the extensive technical assistance levels required. Foreign policy considerations in concert with direct country requests to AID for shelter development assistance will direct any allocation of HG resources to the Advanced Developing Countries.

FY 82 ABS Program and Staff Levels

The Office of Housing has prepared a two-part Table V. Part One shows HG Program levels and Part Two shows grant allocation levels for IIPUP and OPG. The grant levels should be considered as an extension of the HG Program, providing vital program support at minimum, current and proposed program levels. The grant program is a non-add for personnel as direct-hire staff for the HG Program will also manage the grant funds.

Decision Packages

Implications of the Minimum Level

The minimum projected level seriously limits new program initiatives because existing commitments for additional HG funding to HG programs already established in various countries amount to almost 60% of the minimum level. The minimum level would reduce the number of countries into which the Office of Housing could introduce new shelter policy and program approaches and consequently would reduce the possibility of improved shelter for thousands of low-income people directly. On the assumption that the goals underpinning the program can be achieved and that replicable programs can be developed, the potential impact of the minimum level on the provision of shelter to low-income people would be significantly larger. At the minimum level, one might

contemplate much smaller guaranties so as to spread the assistance around. This would require a substantial lowering of program and policy targets as leverage is reduced. It also is not a very practical approach since shelter projects, by their nature, tend to be large in size. The grant program proposed at this level would be subject to the same limitations as the loan program. At this level the grant program would severely strain HG programming.

Implications of the Current Level

This level for HGs scarcely considers the impact of current inflation against the value of program funds. For grant resources, the current level is virtually identical to the FY 80 OYB level. If inflation is considered, this level would represent a major loss in the already meagre amount of grant funds supporting the HG Program. This level would force AID to operate the program in fewer countries than there is demand for shelter programs. Furthermore, it would compromise the levels of technical assistance to host country institutions and project beneficiaries, thus impeding successful project implementation and program replicability.

Implications of the Proposed Level

The proposed level allows DS/H to address a moderate amount of the currently known HG program demand and with minimal but adequate grant support through increased IIPUP and OPG resources. As noted on Table V for HGs and grant resources, workload factors represent both grant and HG programming. DS/H expects to continue to operate its grant program within the staff levels required to operate the HG Program.

Staff Levels

The Office of Housing is understaffed particularly in its Regional Housing Offices. It currently generates a program whose size is about 10% of the Agency's development assistance with about 1% of the Agency's staff. Any reduction in staff would be felt immediately by field Missions and the Regional Bureaus since the Agency is dependent on DS/H Washington and field staff to develop and manage virtually all shelter sector programs.

The Office of Housing recommends that its Washington staff be increased by 1 from an FY 80 level of 21 to 22 in FY 82. The FY 82 FTEPP target remains at the FY 80 staff level of 21. The Office further requests (from the Regional Bureaus) an increase in field staff from 18 in FY 80 to 23 in FY 81 to 27 in FY 82. These field staff ceilings include 8 in LAC, 10 in AFR, 5 in NE and 4 in Asia. Most but not all field positions have been agreed to by the Regions.

An increase in staff is critical to the ability of the office to carry out its purpose. Each HG requires an equal or greater level of effort than a comparable DL funded capital project. All AID programming procedures in Handbook 3 are applicable to HGs. In addition, the typical HG project requires a comprehensive Shelter Sector Assessment (SSA), a country Strategy Statement, serious environmental analysis, and several more agreements in addition to the standard project implementation agreement.

DS/H in conjunction with FM monitors the existing portfolio of 109 loans making payments to investors, investigating delinquencies, negotiating claims, etc. Each year, this existing portfolio grows in direct relationship to the number of new projects completed.

The staff must run the office like a private business insofar as income and expenses. It must budget, allocate funds to its Regional Offices, secure fee income, pay its own expenses, assure proper accounting, and perform other related activities on a joint basis with FM.

DS/H must also perform the standard functions of a central office including recruitment and training of AID staff, procurement of consultants and contractors, and participation in research activities to keep current with development thinking.

DS/H must maintain a continuing relationship with the U.S. investment community, to assure a source of funds for the program. This consideration affects most facets of the program contracts, disbursements, etc. It also requires a certain amount of time devoted to meeting with groups of investors and the agencies who regulate them.

03/16/80

OFFICE USE US/H

Table V - FY 82 Proposal Program Ranking

RANK	DECISION PACKAGE/PROGRAM ACTIVITY	TERM/ NEW/ CONT	LOAN/ GRANT	APPROP ACCT.	PROGRAM FUNDING (\$000)		WORLD REF		REGRD
					INCR	CUM	INCR	CUM	
DECISION PACKAGE - MINIMUM									
1	9361487 US/H-STAFF REQUIRED TO OPERATE OFFICE	C	G	SD	80	80	21	21	41218
2	9120007.20 IUPP - PARANA	C	G	SD	120	200		21	41163
3	9120007.12 IUPP - TUNISIA	C	G	SD	90	290		21	41141
4	9120007.10 IUPP - HONDURAS	C	G	SD	120	410		21	41139
5	9120007.27 IUPP - GUATEMALA	N	G	SD	120	530		21	41140
6	9120007.11 IUPP - KENYA	C	G	SD	40	570		21	41219
7	9120007.25 IUPP - THAILAND	C	G	SD	40	610		21	41135
8	9120007.07 IUPP - EL SALVADOR	C	G	SD	70	680		21	41270
9	9120007.26 IUPP - TOGO	C	G	SD	120	800		21	41161
10	9120007.18 IUPP - DOMINICAN REPUBLIC	N	G	SD	120	920		21	41158
11	9120006.09 OFG - TANZANIA	N	G	SD	120	1040		21	41225
12	9120006.12 OFG - SRI LANKA	C	G	SD	120	1160		21	41231
DECISION PACKAGE - CURRENT (\$0)									
13	9120006.06 OFG - INDIA	N	G	SD	120	1280		21	41205
14	9120006.05 OFG - NIGERIA	N	G	SD	120	1400	1	22	41215
DECISION PACKAGE - PROPOSED (\$0)									
15	9120007.08 IUPP - ZIMBABWE	N	G	SD	120	1520		22	41158
16	9120006.07 OFG - JORDAN	N	G	SD	120	1640		22	41165
17	9120007.22 IUPP - PARAGUAY	N	G	SD	120			22	

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ATTACHMENT A - HG

Bureau Code: Decision Code:

Part One- TABLE V. FY 1982 PROPOSED PROGRAM RANKING

DECISION UNIT

RANK	DECISION PACKAGES/PROGRAM ACTIVITY	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORK FORCE (Number of Positions)	
					INCR	CUM	INCR	CUM
	DESCRIPTION							
	Base-Minimum staff requires to operate office							
	<u>Minimum</u>							
	Tunisia	cont	Loan	HG	25	25	21	23
	Nigeria	new	Loan	HG	25	50	21	23
	Peru	cont	Loan	HG	25	75	21	24
	Honduras	new	Loan	HG	10	85	21	24
	Zimbabwe	new	Loan	HG	25	110	21	24
	India	new	Loan	HG	25	135	21	24
	Ecuador	cont	Loan	HG	15	150	21	24
	Morocco	cont	Loan	HG	25	175	21	24
	<u>Current</u>							
	Uganda	cont	Loan	HG	10	185	21	24
	Bolivia	cont	Loan	HG	15	200	21	25
	<u>Proposed</u>							
	Botswana	cont	Loan	HG	5	205	22	25
	Ivory Coast	cont	Loan	HG	10	215	22	25
	Jordan	new	Loan	HG	10	225	22	26
	Sudan	new	Loan	HG	5	230	22	26
	Barbados	new	Loan	HG	5	235	22	26
	Ghana	new	Loan	HG	5	240	22	27
	Yemen	new	Loan	HG	10	250	22	27

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION FOR ACCOUNT
 FY 1980 TO FY 1982 (4 THOUSANDS)

OFFICE: OS/H

APPROPRIATION ACCOUNT - SD

PROJECT	PROJECT TITLE	FY 1980 OYB-REVISED	FY 1981 REVISED	FY-82 MINIMUM	FY-83 CURRENT	FY-83 REMOVED
912-0006.	FOUNDATION FOR COOPERATIVE HOUSING OPS	\$250	\$290	\$0	\$0	\$0
912-0006.05	OPS - NIGERIA	\$0	\$0	\$0	\$120	\$120
912-0006.06	OPS - INDIA	\$0	\$0	\$0	\$120	\$120
912-0006.07	OPS - JORDAN	\$0	\$0	\$0	\$0	\$120
912-0006.09	OPS - TANZANIA	\$0	\$0	\$120	\$120	\$120
912-0006.12	OPS - SRI LANKA	\$0	\$0	\$120	\$120	\$120
912-0007.	IMPROVEMENT PROGRAM FOR THE URBAN FOUR	\$900	\$1,200	\$0	\$0	\$0
912-0007.07	IIPUP - ECUADOR	\$0	\$0	\$40	\$40	\$40
912-0007.08	IIPUP - ZIMBABWE	\$0	\$0	\$0	\$0	\$120
912-0007.10	IIPUP - HONDURAS	\$0	\$0	\$90	\$90	\$90
912-0007.11	IIPUP - KENYA	\$0	\$0	\$120	\$120	\$120
912-0007.12	IIPUP - TUNISIA	\$0	\$0	\$120	\$120	\$120
912-0007.18	IIPUP - DOMINICAN REPUBLIC	\$0	\$0	\$120	\$120	\$120
912-0007.20	IIPUP - PANAMA	\$0	\$0	\$80	\$80	\$80
912-0007.22	IIPUP - BARBADOS	\$0	\$0	\$0	\$0	\$120
912-0007.25	IIPUP - THAILAND	\$0	\$0	\$40	\$40	\$40
912-0007.26	IIPUP - TOGO	\$0	\$0	\$70	\$70	\$70
912-0007.27	IIPUP - GUATEMALA	\$0	\$0	\$120	\$120	\$120
TOTALS FOR SD		\$1,150	\$1,490	\$1,040	\$1,280	\$1,640

* * OFFICE TOTAL:

\$1,150 \$1,490 \$1,040 \$1,280 \$1,640

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1980 TO FY 1982 (4 THOUSANDS)

OFFICE: OS/H

ATTACHMENT B

ACTIVITY DATA SHEET

PROJECT MANAGER: Amy U. Nolan

TITLE: Foundation For Cooperative Housing Operational Program Grant		FUNDS: Selected Development Activities	
NUMBER: 012-0005	NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>	PRIOR REFERENCE: FY 1981 C.F. Centrally Funded P. 221	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>			
PROPOSED OBLIGATION (in thousands of dollars)	FY 82: 480	INITIAL OBLIGATION FY 77:	LIFE OF PROJECT: 8 YRS
		ESTIMATED FINAL OBLIGATION FY 86:	ESTIMATED COMPLETION DATE: FY 86

Purpose: To demonstrate the use of new techniques such as self-help and mutual aid construction, non-conventional finance and participatory community organization for assisting the urban poor to obtain shelter and community services and to develop or strengthen local institutional capacity to maintain such activities.

Background and Progress To Date: During 1976, staff of The Foundation For Cooperative Housing (FCH), financed by a development program grant (DPG), traveled to selected countries in Asia, Africa and Latin America where they identified demonstration projects in which new techniques could be applied and evaluated. The Operational Program Grant (OPG) was initiated in late FY 77. Demonstration projects were begun during FY 78 and 79 in five countries: Peru, Jamaica, Paraguay, Honduras and Panama. Although each demonstration project is developed to fit local conditions, each has certain common elements: (a) community based organizations allowing for local participation; (b) community established prioritization of needs for local development; (c) employment generating activities such as loans for small businesses and vocational training programs; (d) self-help or mutual-AID construction of expandable shelter and production of local building materials; (e) development of institutional capacity to better manage and improve repayment of loans thereby encouraging inputs of more local resources into future projects. More specifically FCH is undertaking projects which include technical assistance to:

- the Housing Bank of Peru (BVP) to develop a home improvement loan program for lower-income families through local Savings and Loan Associations.
- the Honduran National Housing Institution, the Federation of Housing Cooperatives and the Municipal Council of Tegucigalpa in planning, programming and implementing a sites and services program.
- the Jamaica Mortgage Bank to assist it monitor and coordinate the efforts of the National Urban Upgrading Unit and the Sites and Services Division of the Ministry of Housing and the Jamaica Cooperative Credit Union League in planning, programming and implementation of HG financed sub-projects for urban upgrading squatter settlement improvement and rural home improvement.
- the National Housing Bank of Paraguay (BNAP) to develop an office in the bank to service the housing and home improvement needs of low-income families and to assist in the revision or development of law, national shelter plan and policy to permit allocation of resources for shelter programs for low-income families.
- the Panama Ministry of Housing (MIVI), the Panamanian Foundation For Cooperative Housing (FUNDAVICO) and the Credit Union Federation of Panama (FEPPA) to increase the capacity and efficiency of housing cooperatives and their service organizations,

better integrating them into a shelter delivery system for low income families.

Host Country and Other Donor: OPGs are a cooperative effort between AID and HC which are mutually designed to allow HC to develop their expertise in the shelter field. As such, active participation by the HC is essential and the forms and dollar amount of HC direction is as individual as each project.

Beneficiaries: Will be lower-income families residing in urban areas. Many will have access to new lines of credit; for example, Jamaica will have 1,000 households affected while Honduras and Peru will have 845 and 400 respectively.

FY 1982 Program: New projects are proposed in Nigeria, Uganda, India, Jordan, Ghana, and Tanzania. In addition, financing for consultant is required for existing sub-projects to assure that counterparts can take on full management duties for project replication in countries previously described.

Major Outputs: Ten (10) OPG demonstration projects.

AID Financed Inputs:

For three new sub-projects: FY 82

Personnel (36 person months) includes
In-country Training and Short Term TA 360

For continuation of existing sub-projects:

Personnel (12 person months) includes
In-country Training and Short term TA 120
480

U.S. FINANCING (in thousands of dollars)	U.S. FINANCING (in thousands of dollars)		Funding Period	Principal Contractors or Agencies
	Obligations	Expenditures		
Through September 30, 1979	1,300	575		
Estimated Fiscal Year 1980	250	725	various	Foundation For Cooperative Housing
Estimated through September 30, 1980	1,550	1300		
Proposed FY 1981	250	500	various	
Estimated through Fiscal Year 1981	1,840	1800		
Proposed FY 82	480	Future Year Obligations		
		Estimated Total Cost		
		8320		

FUNDING AND STAFF PROJECTIONS

	FY 80		FY 81		FY 82		FY 83		FY 84		FY 85		FY 86	
	DH PT RSSA IPA		DH PT RSSA IPA		DH PT RSSA IPA		DH PT RSSA IPA		DH PT RSSA IPA		DH PT RSSA IPA		DH PT RSSA IPA	
	50	3 2	55	3 2	60	3 2	64	4 2	64	4 2	64	4 2	64	4 2
Staff Total	21	3 2	21	3 2	21	3 2	24	4 2	24	4 2	24	4 2	24	4 2
DS/H-U.S.	18		23		25		27		28		28		28	
RHUDO-U.S.	11		11		11		11		12		12		12	
RHUDO-FN														

DOLLAR AMOUNTS BY APPROPRIATION (\$ MILLIONS)

	FY 80		FY 81		FY 82		FY 83		FY 84		FY 85		FY 86	
	175	1.00	200	1.10	200	.800	300	350	400	450	3.5	5.0	1.7	5.2
HG														
IIPUP														
OPG														

Attachment 2

CONTRACT/GRANT
FIELD SUPPORT
(\$000)

Project	FY'80				FY'81				FY'82				Proposed		
	Total Cost	Field Support (Dollars)	Fld. Sup. Pers. Mos.	Total Cost	Field Support (Dollars)	Fld. Sup. Pers. Mos.	Total Cost	Field Support (Dollars)	Fld. Sup. Pers. Mos.	Total Cost	Field Support (Dollars)	Fld. Sup. Pers. Mos.	Total Cost	Field Support (Dollars)	Fld. Sup. Pers. Mos.
Integrated Improvement Program For the Urban Poor 912-0007	1000	1000	200	1100	1100	210	800	800	200	800	800	220	1040	1040	240
Cooperative Housing Development OPG 912-0006	150	150	90	100	100	100	240	240	112	480	480	132	600	600	156
TOTAL			290			310			312			352			396

241

OFFICE STAFF LISTING

<u>Position</u>	<u>Field Support Provided</u> (in months)		
	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>
1 Director	5.0	5.0	5.0
2 Deputy Director	5.0	5.0	5.0
3 Policy Review Officer	8.0	8.0	8.0
4 Program and Evaluation Officer	2.0	2.0	2.0
5 Secretary	0	0	0
6 Secretary	0	0	0
7 Assistant Director for Operations	8.0	8.0	8.0
8 Housing Advisor (Deputy Asst. Director for Operations)	9.0	9.0	9.0
9 Housing Advisor (AFR)	9.0	9.0	9.0
10 Housing Advisor (AFR)	9.0	9.0	9.0
11 Housing Advisor (LA)	9.0	9.0	9.0
12 Housing Advisor (LA)	9.0	9.0	9.0
13 Housing Advisor (LAC)	9.0	9.0	9.0
14 Housing Advisor (NENA)	9.0	9.0	9.0
15 Housing Advisor (ASIA)	9.0	9.0	9.0
16 Secretary	0	0	0
17 Secretary	0	0	0
-- Secretary (part-time)	0	0	0
-- Secretary (part-time)	0	0	0
18 Assistant Director for Program Support	4.0	4.0	4.0
19 Deputy Assistant Director for Program Support	-	-	4.0
20 Financial Management Officer	4.0	4.0	4.0
21 Contract Management Officer	2.0	2.0	2.0
22 Administrative Assistant	2.0	2.0	2.0
-- Administrative Assistant (part-time)	-	-	2.0

Reductions - (10% = 3 in FY 82)

1) Secretary - would probably have to have part-time secretary, no significant effect on program.

2) Contract Management Officer - work would have to be picked up by individual housing officers thus cutting down on time available to spend on normal backstopping. Would either slow down program development and implementation or affect quality of work.

3) Housing Advisor - work would have to be spread among less housing advisors. Effect would be same as (2) above.

Additions

1) Technical Specialist (Engineer/Architect with significant housing experience) would enable more effective review and oversight of technical considerations as program expands.

2) Housing Officer and secretary - handle more expeditiously the expanding program.

COUNTRY ACTIVITY REPORT
BY GEOGRAPHIC AREA

SOUTH ASIA

COUNTRY: SRI LANKA

PROJECT TITLE	FY 1980			FY 1981			FY 1982				
	STA TUS	AMT (\$000)	#OF TDYS PTP	STA TUS	AMT (\$000)	#OF TDYS PTP	STA TUS	AMT (\$000)	#OF TDYS PTP		
912-0006. FOUNDATION FOR COOPERATIVE HOUSING OPG	B	0	2	B	100	0	B	120	1	6	2

COUNTRY: INDIA

PROJECT TITLE	FY 1980			FY 1981			FY 1982				
	STA TUS	AMT (\$000)	#OF TDYS PTP	STA TUS	AMT (\$000)	#OF TDYS PTP	STA TUS	AMT (\$000)	#OF TDYS PTP		
912-0006. FOUNDATION FOR COOPERATIVE HOUSING OPG	B	0	1	B	0	0	B	0	0	6	2

COUNTRY ACTIVITY REPORT
BY GEOGRAPHIC AREA

EAST ASIA

COUNTRY: KOREA, REPUBLIC OF

PROJECT TITLE	FY 1980			FY 1981			FY 1982		
	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP
912-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	B	75	0 6 0	B	0	0 6 2	B	0	0 6 2

COUNTRY: THAILAND

PROJECT TITLE	FY 1980			FY 1981			FY 1982		
	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP
912-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	A	250	1 6 2	A	50	1 6 2	A	40	1 6 2

A - ACTIVE B - PENDING MISSION APPROVAL

COUNTRY ACTIVITY REPORT
BY GEOGRAPHIC AREA

LATIN AMERICA

COUNTRY: DOMINICAN REPUBLIC

PROJECT TITLE	FY 1980			FY 1981			FY 1982						
	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP				
912-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	B	0	0	2	B	0	0	2	B	120	1	6	2

COUNTRY: ECUADOR

PROJECT TITLE	FY 1980			FY 1981			FY 1982								
	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP						
912-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	A	100	1	6	2	A	100	1	6	2	A	40	1	6	2

COUNTRY: GUATEMALA

PROJECT TITLE	FY 1980			FY 1981			FY 1982								
	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP						
912-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	A	6	0	6	2	A	30	0	6	2	A	120	1	6	2

COUNTRY: HONDURAS

PROJECT TITLE	FY 1980			FY 1981			FY 1982								
	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP						
912-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	A	184	1	6	2	A	140	1	6	2	A	90	2	6	2

COUNTRY ACTIVITY REPORT
BY GEOGRAPHIC AREA

LATIN AMERICA

COUNTRY: PANAMA

PROJECT TITLE	FY 1980			FY 1981			FY 1982		
	STA IUS	AMT (\$000)	#OF IDYS	STA IUS	AMT (\$000)	#OF IDYS	STA IUS	AMT (\$000)	#OF IDYS
912-0006. FOUNDATION FOR COOPERATIVE HOUSING OPG	A	0	1	0	0	1	A	80	1
912-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	A	0	1	0	0	1	A	80	1

COUNTRY: PARAGUAY

PROJECT TITLE	FY 1980			FY 1981			FY 1982		
	STA IUS	AMT (\$000)	#OF IDYS	STA IUS	AMT (\$000)	#OF IDYS	STA IUS	AMT (\$000)	#OF IDYS
912-0006. FOUNDATION FOR COOPERATIVE HOUSING OPG	A	0	1	A	0	1	A	0	1
912-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	A	0	0	A	210	1	A	0	1

COUNTRY: PERU

PROJECT TITLE	FY 1980			FY 1981			FY 1982		
	STA IUS	AMT (\$000)	#OF IDYS	STA IUS	AMT (\$000)	#OF IDYS	STA IUS	AMT (\$000)	#OF IDYS
912-0006. FOUNDATION FOR COOPERATIVE HOUSING OPG	A	0	1	A	0	1	A	0	0
912-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	A	100	0	A	0	0	A	0	0

COUNTRY: JAMAICA

PROJECT TITLE	FY 1980			FY 1981			FY 1982		
	STA IUS	AMT (\$000)	#OF IDYS	STA IUS	AMT (\$000)	#OF IDYS	STA IUS	AMT (\$000)	#OF IDYS
912-0006. FOUNDATION FOR COOPERATIVE HOUSING OPG	A	0	1	A	190	1	A	0	1

A - ACTIVE b - PENDING MISSION APPROVAL

COUNTRY ACTIVITY REPORT
BY GEOGRAPHIC AREA

LATIN AMERICA

COUNTRY: BARBADOS

PROJECT TITLE	FY 1980			FY 1981			FY 1982				
	STA IUS	AMT (\$000)	#OF IDYS PTP	STA IUS	AMT (\$000)	#OF IDYS PTP	STA IUS	AMT (\$000)	#OF IDYS PTP		
912-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	B	0	0	B	0	0	B	120	1	6	2

A - ACTIVE B - PENDING MISSION APPROVAL

COUNTRY ACTIVITY REPORT
BY GEOGRAPHIC AREA

AFRICA

COUNTRY: MOROCCO

PROJECT	FY 1980			FY 1981			FY 1982		
	STA TUS	AMT (\$000)	#OF TDYS PTP	STA TUS	AMT (\$000)	#OF TDYS PTP	STA TUS	AMT (\$000)	#OF TDYS PTP
Y12-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	A	75	0 6 2	A	0	0 6 2	A	0	0 6 2

COUNTRY: FED. OF RHODESIA AND NYASALAND

PROJECT	FY 1980			FY 1981			FY 1982		
	STA TUS	AMT (\$000)	#OF TDYS PTP	STA TUS	AMT (\$000)	#OF TDYS PTP	STA TUS	AMT (\$000)	#OF TDYS PTP
Y12-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	B	0	0 0 2	B	0	0 6 2	B	120	1 6 2

COUNTRY: KENYA

PROJECT	FY 1980			FY 1981			FY 1982		
	STA TUS	AMT (\$000)	#OF TDYS PTP	STA TUS	AMT (\$000)	#OF TDYS PTP	STA TUS	AMT (\$000)	#OF TDYS PTP
Y12-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	A	245	1 6 2	A	70	2 6 2	A	120	2 6 2

COUNTRY: NIGERIA

PROJECT	FY 1980			FY 1981			FY 1982		
	STA TUS	AMT (\$000)	#OF TDYS PTP	STA TUS	AMT (\$000)	#OF TDYS PTP	STA TUS	AMT (\$000)	#OF TDYS PTP
Y12-0006. FOUNDATION FOR COOPERATIVE HOUSING OPG	B	0	0 2 2	B	0	0 6 2			

A - ACTIVE B - PENDING MISSION APPROVAL

COUNTRY ACTIVITY REPORT
BY GEOGRAPHIC AREA

AFRICA

COUNTRY: TANZANIA

PROJECT	FY 1980			FY 1981			FY 1982								
	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP						
912-0006. FOUNDATION FOR COOPERATIVE HOUSING UPG	B	0	0	3	2	0	0	0	6	2	0	0	0	6	2

COUNTRY: TUNISIA

PROJECT	FY 1980			FY 1981			FY 1982							
	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP					
912-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	A	0	1	6	2	0	1	6	2	A	120	1	6	2

COUNTRY: LIBERIA

PROJECT	FY 1980			FY 1981			FY 1982							
	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP					
912-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	A	0	0	6	2	0	0	6	2	A	0	0	6	2

COUNTRY: IVORY COAST

PROJECT	FY 1980			FY 1981			FY 1982							
	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP	STA TUS	AMT (\$000)	#OF IDYS PTP					
912-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	B	35	0	6	2	0	0	6	2	B	0	0	6	2

A - ACTIVE B - PENDING MISSION APPROVAL

COUNTRY ACTIVITY REPORT
BY GEOGRAPHIC AREA

AFRICA

COUNTRY: TOGO

PROJECT TITLE	FY 1980			FY 1981			FY 1982		
	STA IUS	AMT (\$000)	#OF #OF TDYS PTP	STA IUS	AMT (\$000)	#OF #OF TDYS PTP	STA IUS	AMT (\$000)	#OF #OF TDYS PTP
912-0007. IMPROVEMENT PROGRAM FOR THE URBAN POOR	A	0	1 6 2	A	0	1 6 2	A	70	1 6 2

A - ACTIVE U - PENDING MISSION APPROVAL

PROJECT NUMBER	TITLE	OBLIG DATE G L INIT FIN DATE	NEXT EVAL DATE	FY 79		FY 80		FY 81		FY 82		FUTURE YR OBLIGATIONS	ITEM NO
				PIPE LINE	EXPENDITURES	PIPE LINE	EXPENDITURES	PIPE LINE	EXPENDITURES	APPL	TO:		
9120006	FOUNDATION FOR COOPERATIVE HOUSING OPG			725	250	290	500	40	480	Various	6000	165	
9120007	INTEGRATED IMPROV PRG FOR THE POOR-II/UP			912	1922	1200	1600	1522	1160	Various	14100	166	
	APPROPRIATION		TOTAL GRANT LOAN	1637	2172	1490	2100	1562	1640		20100		
	FUNCTIONAL ACCOUNT		TOTAL GRANT LOAN	1637	2172	1490	2100	1562	1640		20100		

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