

UNCLASSIFIED

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

GUATEMALA

PROJECT PAPER

GUATEMALA LOW-COST HOUSING
Amendment No 1

AID/LAC/P-422 &
CR AID/LAC/P-117

Project Number: 520-0261
HG Number: 520-HG-004

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AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET		1. TRANSACTION CODE <input type="checkbox"/> A = Add <input checked="" type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number 1	DOCUMENT CODE 3
2. COUNTRY/ENTITY Guatemala		3. PROJECT NUMBER <input type="checkbox"/> 520-0261 <input type="checkbox"/> 520-HG-004		
4. BUREAU/OFFICE Bureau for Latin America and the Caribbean (LAC)		5. PROJECT TITLE (maximum 40 characters) <input type="checkbox"/> Guatemala Low-Cost Housing		
6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 03 31 91		7. ESTIMATED DATE OF OBLIGATION (Under "B." below, enter 1, 2, 3, or 4) A. Initial FY <input type="checkbox"/> 88 <input checked="" type="checkbox"/> 89 * B. Quarter <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 C. Final FY <input type="checkbox"/> 88 <input type="checkbox"/> 89 <input checked="" type="checkbox"/> 90		

8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY 88 *			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	300		300	600		600
(Grant)	(300)	()	(300)	(600)	()	(600)
(Loan)	()	()	()	()	()	()
Other U.S.						
1. Housing Guaranty	10,000		10,000	10,000		10,000
2.						
Host Country		2,600	2,600		2,700	2,700
Other Donor(s)						
TOTALS	10,300	2,600	12,900	10,600	2,700	13,300

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) SD	724	721				600		600	
(2) HG	724		862		10,000				10,000
(3)									
(4)									
TOTALS					10,000	600		600	10,000

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)						11. SECONDARY PURPOSE CODE			
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)									
A. Code		BU							
B. Amount									

13. PROJECT PURPOSE (maximum 480 characters)

To assist the existing Guatemalan shelter delivery system to produce basic shelter which is affordable by families with income below the median.

14. SCHEDULED EVALUATIONS						15. SOURCE/ORIGIN OF GOODS AND SERVICES					
Interim		MM YY	MM YY	Final		MM YY	<input checked="" type="checkbox"/> 000		<input type="checkbox"/> 941	<input checked="" type="checkbox"/> Local	<input type="checkbox"/> Other (Specify)
		09 89		01 91							

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

- Increase LOP D.A. Grant funding from \$300,000 to \$600,000.
- Rewording of project purpose to reflect changes in implementing agencies.
- Revision of obligation date and PACD to reflect current implementation schedule estimates.

* The obligation dates refer only to AID appropriated resources. Housing Guaranty loan resources are not subject to AID obligation procedures (the HG Implementation Agreement was signed with the Bank of Guatemala on November 7, 1986).

17. APPROVED BY	Signature	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION			
	Title	MM DD YY	MM DD YY	MM DD YY	MM DD YY
	Anthony J. Caeteracci Mission Director	04 08 89			

Project Authorization

Name of Country: Guatemala
Name of Project: Low-Cost Housing
Number of Project: 520-0261

1. Pursuant to Section 106 the Foreign Assistance Act of 1961, as amended, I hereby authorize the Low-Cost Housing Project for Guatemala, involving planned obligations of not to exceed \$600,000 in grant funds over a three (3) year period from date of authorization subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the project is three (3) years from the date of initial obligation.
2. The project consists of assisting the Bank of Guatemala in its efforts to promote the production of low-cost shelter in Guatemala.
3. The Project Agreement which may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

Source and Origin of Commodities, Nationality of Services.

Commodities financed by A.I.D. under the project shall have their source and origin in the United States (AID Geographic Code 000), the cooperating country, or other countries included in the Central American Common Market (CACM), except as AID may otherwise agree in writing.

Except for ocean shipping, the suppliers of commodities or services shall have the United States, the cooperating country, or other countries included in the CACM as their place of nationality, except as AID may otherwise agree in writing.

Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.


Anthony J. Canterucci
Director, USAID/Guatemala

5 April 88
date

Drafter: PDSO, JFLombardo J. Lombardo

Clearance:

PDSO: CHSchoux	<u>Ch Schoux</u>	Date	<u>2/25/88</u>
OPSP: FManteiga	<u>F Manteiga</u>	Date	<u>3/15/88</u>
PRM: TKellermann	<u>T Kellermann</u>	Date	<u>3/22/88</u>
CONT: JOhill	<u>J Hill</u>	Date	<u>3/27/88</u>
A/RLA: TRiedler	<u>T Riedler</u>	Date	<u>3/3/88 - with charge noted</u>

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ACTION MEMO FOR THE MISSION DIRECTOR

THROUGH: Deputy Director, Paul White,
FROM: C/PDSO, Christina Schoux
SUBJECT: Authorization for Guatemala Low-Cost Housing
Project (520-0261).

Action:

Your approval is requested for a grant of \$600,000 for the Low Cost Housing Project (520-0261). It is planned that a total of \$300,000 will be obligated in FY 1988.

Discussion:

The subject project was approved on September 9, 1982 and an authorization for \$10 million in Housing Guarantees was issued on September 29, 1982. However, it appears from our records that although the approved project provided for a \$300,000 Development Assistance Grant, no corresponding authorization has been issued to date. The original Grantee was to be the Ministry of Finance. However, due to a lack of interest on the part of the MOF in the HG, both the HG and the Grant Project Agreement were negotiated with the Bank of Guatemala. The MOF was consulted in 1985, and raised no objections, prior to effecting the change in implementing institutions. The Bank of Guatemala will be the Grantee for this project.

The Project Paper anticipated an initial obligation of grant funds for FY 1983. However, Mission authorization for the grant was conditioned on the signature of the Implementation Agreement for the Housing Guaranty portion of the program. Although the Implementation Agreement was signed in November 1986, the Mission withheld authorization of the grant until the Bank of Guatemala demonstrated its interest in implementing the program. The October 22, 1987 resolution of the Guatemalan Monetary Board establishing the local currency interest rate to be applied to the program cleared the way for final negotiation and obligation of the Project Grant Agreement.

The original \$300,000 was approved to support the implementation of the \$10 million HG authorization, such amount being based on an implementation period of 18 months. Our current estimates are that the project will take three years to complete. Based

on the revised time estimate for project implementation, changes in the relative costs of short-term activities, and the inclusion of evaluations/audits, the Mission has included an additional \$300,000 in its Approved Annual Budget Submission for FY'89. Thus, the total level of the required authorization is ~~\$600,000~~, with a March 31, 1991 PACD. The changes in the illustrative budget are summarized below.

Original PP Grant Budget

<u>Activity</u>	<u>Person/Months</u>	<u>Est. Costs</u>
Long-Term Advisor	18	\$160,000
Construction and Environmental Standards	6	60,000
Credit Analysis Procedures and Criteria	2	20,000
Mobilization of Resources & Housing Finance Systems and Policy	<u>6</u>	<u>60,000</u>
TOTAL	32	\$300,000

Revised Grant Budget

<u>Activity</u>	<u>Person/Months</u>	<u>Est. Costs</u>
Long-Term Advisor	36	\$360,000
Construction and Environmental Standards	5	66,700
Credit Analysis Procedures and Criteria	4	53,300
Mobilization of Resources & Housing Finance Systems and Policy	3	40,000
Evaluations/Audits	<u>6</u>	<u>80,000</u>
TOTAL	54	\$600,000

The purpose of this grant is to fund the provision of technical assistance and training required to support the implementation of the low-cost housing program for the construction of shelter solutions for low-income families (520-HG-004). The assistance will be provided to the Grantee and various other institutions involved with the implementation of the different components of the low-cost housing program.

Part of the technical assistance will be provided by one long-term advisor to work with the various institutions responsible for implementation of the project. The advisor will support, monitor and evaluate ongoing project implementation; coordinate short-term technical assistance and training; and provide follow-up on key policy discussions, expected to take place as part of this pilot program.

Short-term advisors will provide technical assistance in: construction and environmental standards, credit analysis procedures and criteria, and mobilization of resources/housing finance systems and policy to FHA and the other institutions involved with the implementation of this project, as well as other entities suggested by the EOG.

The draft Project Agreement has been negotiated with the Bank of Guatemala, and approved by the Guatemalan Monetary Board. This is planned obligation for March 1988 for the first \$300,000.

Justification to the Congress: The Congressional Notification was submitted in FY 1987 expired on February 3, 1987. As per STATE 047764, a new CN is not required for the FY 1988 obligation of the initial \$300,000. AID/W has provided a budget allowance for the FY 1988 obligation in STATE 045487.

Recommendations:

That you (1) sign the attached authorization for a \$600,000 grant to the Bank of Guatemala; (2) approve the text of Grant Project Agreement, attached hereto, by signing below; and (3) deem this Action Memo and the documents approved herein to be a Project Paper supplement modifying the original Project Paper in accordance herewith by signing the attached revised Project Data Sheet. Pursuant to Delegation of

Authority No. 753, you may authorize projects up to \$20 million and pursuant to delegation of authority No. 754 you may negotiate and execute project grant agreements with foreign government agencies such as the Bank of Guatemala.

APPROVED: ~~_____~~_____

DATE: 4/5/88

DISAPPROVED: _____

DATE: _____

Attachments:

1. Project Authorization
2. Project Grant Agreement
3. Resolution of the Guatemala Monetary Board
4. CN Cables: STATE 031326; STATE 047764
5. Budget Allowance Cable: STATE 045487
6. Revised Project Data Sheet

Drafter: PDSO, JFLombardo JFLombardo

Clearance:

PDSO: CHSchoux CHSchoux
OPSP: FManteiga FManteiga
PRM: TKellermann TKellermann
CONT: JOHill JOHill
A/RLA: Triedler Triedler

Date 2/25/88
Date 3/18/88
Date 3/18/88
Date 3/20/88
Date 3/13/88

- subject to attached memo

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