

UNITED STATES GOVERNMENT

# Memorandum

RECEIVED  
DATE: 10/27/71

PDAB3618

67874

TO : A/H - Mr. William Shea

FROM : NESA/SA - Paul Isenman *Isenman*

SUBJECT: FCH - Services PROP

RECEIVED  
DATE: October 27, 1971  
A/H

- References: A) Isenman/Shea Memo of August 31  
B) State 169178  
C) New Delhi 14851

Per my memorandum to you of August 31 and the two messages cited above, India Desk clearance of the FCH PROP is conditioned on the understanding that financing for any long-term on-site experts in India come from sources other than AID. Financing for short-term services during the formative period of the project is approved subject to GOI requests cleared by the Mission.

Attachment:

References stated above

cc:  
NESA/ID:JMott



UNITED STATES GOVERNMENT

# Memorandum

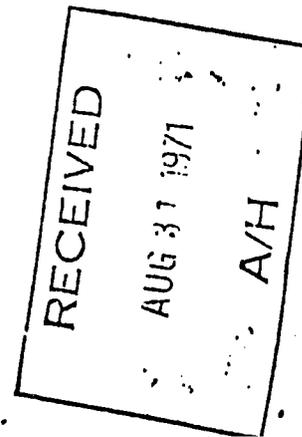
TO : A/H, Mr. William L. Shea

DATE: 31 August 1971

FROM : AFR/DP, Edward B. Hogan 

SUBJECT: Development of Housing Cooperatives

The Africa Bureau clears the draft PROP. It is our understanding that funding for this and any follow-on Technical Assistance will be provided from funds allotted to the Office of Housing through the AID interregional program.



UNITED STATES GOVERNMENT

# Memorandum

RECEIVED

SEP 2 1971

TO : A/H, Mr. William L. Shea, Room 5114, R.P.E. A/H DATE: August 31, 1971

FROM : NESA/SA, Paul ~~Isenman~~, Room 6730 N.S. 20224

SUBJECT: Non-Capital Project Paper (PROP)  
FCH Services, Inc.  
AID Contract No. AID/csd-1491  
Task Order No. 1  
Project No. 921-13-830-005

Paul Oechsli, the India Mission's Deputy Director, and I have reviewed the draft PROP on FCH. I regret that he and I both feel strongly that we cannot clear the funding of an FCH office in India. The reasons are primarily Indian sensitivities and a Mission decision to focus its total management efforts on agriculture, family planning, and education (this involved the termination of several Divisions). While funding would come from Washington, page 18 of the PROP makes it clear that the purpose of the PROP is to develop a cooperative housing project in India. We do not have a single project in India that has not been explicitly requested by the GOI Finance Ministry; in view of GOI sensitivities, we would be unable to change that rule even if the project were a high-priority part of one of the Mission's three top-priority sectors.

This is not to say that we do not consider cooperative housing to be important for India. We do not wish to discourage FCH and other efforts from working in this area, but it is not feasible for it to be through an AID-funded Delhi office.

[TRY to prepare application for USAID funding - see Page 17]



UNITED STATES GOVERNMENT

# Memorandum

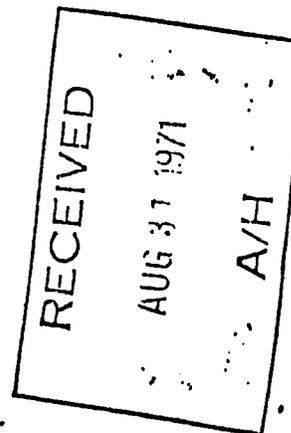
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SUBJECT: Development of Housing Cooperatives

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UNITED STATES GOVERNMENT

# Memorandum

RECEIVED  
SEP 2 1971  
A/H

TO : A/H, Mr. William L. Shea, Room 511, E.P.E. DATE: August 31, 1971

FROM : NESA/SA, Paul *Isenman*, Room 6730 N.S. 21224

SUBJECT: Non-Capital Project Paper (PROP)  
FCH Services, Inc.  
AID Contract No. AID/csd-1491  
Task Order No. 1  
Project No. 921-13-830-005

Paul Oechsli, the India Mission's Deputy Director, and I have reviewed the draft PROP on FCH. I regret that he and I both feel strongly that we cannot clear the funding of an FCH office in India. The reasons are primarily Indian sensitivities and a Mission decision to focus its total management efforts on agriculture, family planning, and education (this involved the termination of several Divisions). While funding would come from Washington, page 18 of the PROP makes it clear that the purpose of the PROP is to develop a cooperative housing project in India. We do not have a single project in India that has not been explicitly requested by the GOI Finance Ministry; in view of GOI sensitivities, we would be unable to change that rule even if the project were a high-priority part of one of the Mission's three top-priority sectors.

This is not to say that we do not consider cooperative housing to be important for India. We do not wish to discourage FCH and other efforts from working in this area, but it is not feasible for it to be through an AID-funded Delhi office.

[TRY to prepare application for USAID funding - see Page 17]





Department of State

TELEGRAM

*Housing*

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ACTION AID-31

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AIDAC

SUBJECT : COOPERATIVE HOUSING

REFERENCE : STATE 169178

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1. DO NOT BELIEVE VISIT OF ICHDA REPRESENTATIVE NECESSARY OR APPROPRIATE AT THIS TIME, ESPECIALLY IN ABSENCE OFFICIAL REQUEST FROM GOI. THERE MAY BE MISUNDERSTANDING BY FOUNDATION FOR COOPERATIVE HOUSING AND ICHDA OF STATUS OF ICHDA PROPOSAL. WE UNDERSTAND THAT TO GENERATE APPROPRIATE GOI REQUEST ICHDA SHOULD SUBMIT FORMAL PROPOSAL TO GOI NATIONAL COOPERATIVE HOUSING FEDERATION, POSSIBLY THROUGH INTERNATIONAL COOPERATIVE ALLIANCE FOR FORMATION OF REGIONAL TECHNICAL SERVICE ORGANIZATION. COPIES OF MAY 1971 DRAFT PROPOSAL HAVE BEEN INFORMALLY CIRCULATED TO APPROPRIATE OFFICES IN NEW DELHI, BUT NO FORMAL PROPOSAL HAS BEEN MADE, HENCE THERE HAS BEEN NO GOI RESPONSE.

2. CONFIRM OUR INTENTION THAT LONG-TERM SUPPORT TO PROPOSED NEW COOP HOUSING ACTIVITY WILL BE PROVIDED BY SOURCES OTHER THAN AID. REGIONAL AID FUNDING FOR SHORT TERM SERVICES IN FORMATIVE PERIOD WELCOMED, BUT ONLY WITH APPROPRIATE GOI

APPROVAL.  
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Department of State

*Howell*  
[Handwritten signature and stamp]

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DRAFTED BY: WSHEA:A/H

APPROVED BY: A/H: PETER M KIMM NESA/SA: P L SENMAN

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ATDAG

PUBLIC COOPERATIVE HOUSING

1. OFFICE OF HOUSING (A/H) AND DESK REVIEWING PROPOSED FOUNDATION FOR COOPERATIVE HOUSING (FCH) PROP WHICH PROVIDES FOR INTER-REGIONAL FUNDING OF VISIT BY EXPERT OF UP TO 30 DAYS TO ASSIST GOV AND NATIONAL COOPERATIVE ORGANIZATIONS (NATIONAL COOPERATIVE UNION OF INDIA AND NATIONAL COOPERATIVE HOUSING FEDERATION) IN RESPONSE TO THEIR REQUEST MADE TO INTERNATIONAL COOPERATIVE HOUSING DEVELOPMENT ASSOCIATION (ICHDA). EXPERT WILL BE PROVIDED BY FCH OR ICHDA.

2. PURPOSE OF VISIT WILL BE TO HELP INDIAN ORGANIZATIONS DEVELOP APPLICATION FOR MULTI-NATIONAL SUPPORT FOR AN INDIAN CO-OP TECHNICAL SERVICES ORGANIZATION. PROP ENVISAGES (BUT DOES NOT FINANCE) BEGINNING APPROXIMATELY SUMMER 1972 LONG-TERM ON-SITE EXPERT. PER DISCUSSION WITH DECHSLI NESA HAS SAID SUCH FINANCING IF ANY SHOULD COME FROM SOURCES OTHER THAN AID.

3. REQUEST MISSION'S APPROVAL OR COMMENT ON INTERREGIONAL FUNDING FOR THIS SHORT TERM VISIT. PLEASE CABLE ASAP. ROGERS.

NONCAPITAL PROJECT PAPER (PROF)

I. PROJECT IDENTIFICATION

<p>1. PROJECT TITLE                  FCH Services, Inc. Worldwide Task                  Development of Order No. 1 to                  Housing Cooperatives AID/csd-1491</p>	<p>APPENDIX                  ATTACHED                  YES                  NO <input checked="" type="checkbox"/></p>	<p>PAGE 1 of <u>24</u> PAGES</p> <p>2. PROJECT NO. (sec. NO 10)                  912-13-830-005</p>
<p>3. RECIPIENT (Specify)  <input checked="" type="checkbox"/> INTER-REGIONAL <u>A/H</u></p>	<p>4. LIFE OF PROJECT                  Begins FY <u>1962</u>                  Ends FY <u>1976</u></p>	<p>5. SUBMISSION                  ORIGINAL <input checked="" type="checkbox"/> REVISION                  DATE <u>10/22/71</u> <u>8/17/71</u> REVISION                  NO. <u>3</u></p>

II. FUNDING (in thousands of U.S. dollars = \$000 AND MANPOWER (Man-month = MM) REQUIREMENTS

A. FUNDING BY FISCAL YEAR	B. TOTAL	C. CONTRACTOR		D. PERSONNEL		E. PARTICIPANTS		F. COMMODITY \$000	G. OTHER COSTS
		(1) \$000	(2) MM	(1) \$000	(2) MM	(1) \$000	(2) MM		
1. PRIOR thru ACTUAL F.Y.	307	307							
2. OPNH. F.Y. '71	31	84	30						
3. BUDGET F.Y. '72	140	140	48						
4. BUDGET F.Y. + 1	152	152	48						
5. BUDGET F.Y. + 2	164	164	48						
6. BUDGET F.Y. + 3	177	177	48						
7. SUBSEQ. F.Y.	191	191	48						
8. GRAND TOTAL	1,215								

9. OTHER DONOR CONTRIBUTIONS

a. NAME OF DONOR	b. KIND OF GOODS OR SERVICES	AMOUNT (in U.S. dollars)
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See Page 9 of PROF

Technical Assistance

\$ 20,000 - 24,000

III. CLEARANCES

1. DRAFTER: <u>[Signature]</u> CLEARANCE: <u>[Signature]</u> DATE: <u>8/17/71</u> <u>10/22/71</u>	2. CLEARANCE: _____ DRAFTER: _____ TITLE: _____ DATE: _____
--	---

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL

*See attached approvals*

2. CLEARANCES					
BUREAU/OFFICE	SIGNATURE	DATE	BUREAU/OFFICE	SIGNATURE	DATE
AFR/DP	By Memo E. B. Hogan	8/31/71	NESA/SA	By Memo G. P. Isenman	10/27/71
NESA/SA	/s/ A. W. Ford	10/27/71			
NESA/TECH	/s/ J. Blumie	10/28/71			

3. APPROVAL - REGIONAL ADMINISTRATOR OR OFFICE DIRECTOR		APPROVAL - NAID (Sec. H.O. 1025, Sect IV.C)	
SIGNATURE	DATE	SIGNATURE	DATE
<i>Stanley Barnick</i>	10/22/71 11/26/71 8/17/71 11/3/71	N. A.	
TITLE	Director, Office of Housing	TITLE	Administrator, Agency for International Development

Noncapital Project Paper (PROP)

Title: FCH Services, Inc.  
Development of Housing Cooperatives

No. 921-13-830-005

Date: October 22, 1971

A. STATEMENT OF GOAL

1. The Goal:

FCH Services, Inc. Task Order #1 is an interregional project designed to assist A.I.D. achieve two of the broad goals outlined in the Statement of Policy of the Foreign Assistance Act of 1961 (as amended in 1969):

"...the first objects of assistance shall be to support the efforts of less developed countries to meet the fundamental needs of their peoples for... food, good health, home ownership and decent housing..."

and

"...the tasks of successful development in some instances require the active involvement and cooperation of many countries on a multilateral basis. Therefore, to the maximum extent practicable, other countries shall be encouraged to increase their contributions to development programs and projects so the cost of such common undertakings, which are for the benefit of all, may be shared by all."

Briefly, these directives call for A.I.D. to assist developing countries improve their peoples' living conditions by mobilizing resources from developed countries to the maximum extent practicable.

2. Measurements of Goal Achievement:

This project seeks to contribute to these goals in the housing sector. Measurement of goal achievement, then, would be indicated both by

- (1) Increased housing production in areas of acute need (i.e., squatter settlements and worker's housing) and

(2) multi-national support of housing projects undertaken.

3. Assumptions about Goal Achievement:

Certain conditions precedent are requisite to the attainment of the above stated goals through this project:

(1) host country desire to focus resources and energies toward the solution of its housing problem.

(2) willingness of private, bilateral and international development assistance agencies to coordinate inputs into mutual programs.

(3) the establishment of an effective channel for such resources which can (a) determine the feasibility of goal-related programs, (b) provide technical assistance in the initiation and implementation phases of those programs and (c) generate and mobilize program resources from development assistance agencies throughout the world.

B. STATEMENT OF PROJECT PURPOSE

1. The Purpose:

The purpose of FCH Services Inc. Task Order #1 is two-fold:

(1) to develop cooperative communities and technical institutions in lesser developed countries;

(2) to develop the International Cooperative Housing Development Association (ICHDA) as a viable, self-sustaining institution capable of involving other countries and national organizations in multilateral programs designed to improve living conditions in developing countries.

ICHDA is a private, non-profit international organization composed of 11 national cooperative and non-profit housing institutions from 8 countries. FCH is a founding member of ICHDA and has contributed with A.I.D.

support, the services of its Director of International Programs for the initiation of ICHDA programs since January, 1969.

Because of its multinational membership (which is expected to expand during 1971 to include organizations from Canada and India), and its affiliation with international organizations, such as the International Cooperative Alliance, ICHDA is a logical vehicle for the implementation of multilateral, low cost housing programs. The establishment of ICHDA as a viable institution will provide a necessary channel capable of "meshing the initiatives and efforts of the lower income countries with the aid efforts of all of the industrialized countries"\* in the areas of low cost and cooperative housing.

2. Conditions Expected at the End of the Project:

Three objectively verifiable conditions are expected to exist at the end of this project:

- (a) establishment of an ICHDA European Operations Office;\*\*
- (b) establishment of ICHDA's reputation as an effective low cost housing and institution-building organization verified by host countries and international organizations continue to utilize ICHDA after A.I.D. funding ceases and ICHDA continues to act as the operating arm of the International Cooperative Alliance Housing Committee;
- (c) programs and projects developed by ICHDA have accomplished their objectives or are continuing as planned; recipients and donor organizations satisfied.

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\*President's Message on Reorganization of U.S. Foreign Assistance Programs, 21 April 1971.

\*\*On September 14, 1971 ICHDA Board of Directors approved establishment of European Operations Office and each member has committed funds for the office which will be set up in Cologne, Germany or the U.K. in 1972. (See p. 9 "Other Donors" Sect. 1d. for amounts committed.)

It is projected that ICHDA will be self-sustaining within five years. Sources of income will be primarily (1) technical services rendered on a reimbursable basis to developing countries on behalf of the U.N., state or central governments, national bilateral assistance agencies and national technical service organizations, (2) capital income from membership fees (initial fee \$1,000), and (3) membership contributions of time (Board Member inputs, personnel for overseas assignments (leave of absences granted) commodities (office supplies, equipment and space), and funds (for attendance at Board Meetings, etc.). At the end of this time period it is projected that A.I.D. support will no longer be necessary.

3. Basic Assumptions:

Achievement of the project purpose is contingent upon several factors. The first of these is that the United Nations and other international organizations will utilize ICHDA as an implementing/operating organization and will reimburse ICHDA for studies and technical assistance activities now funded by A.I.D.

Secondly, for ICHDA to be an effective channel for multilateral resources, ICHDA member organizations must necessarily mobilize resources or secure inputs from governmental and non-governmental development assistance organizations within their respective countries.

Thirdly, ICHDA must be able to recruit and retain a qualified staff to carry out its operations.

Lastly, it is assumed that recipient countries will provide sufficient counterpart staff and resources to carry out specific programs.

G. STATEMENT OF PROJECT OUTPUTS

Outputs and Output Indicators

1. Major outputs expected to result from FCH Services, Inc. Task Order #1 are:

- (1) establish national cooperative and low cost housing programs in developing countries (including local housing development institutions and projects);
- (2) obtain program resources from international agencies, governmental and private organizations from other countries;
- (3) perform project feasibility studies;
- (4) undertake joint missions and programs with the United Nations.

From January 1969 to June 1971 the following progress has been made toward these outputs:

OUTPUT INDICATORS

PROGRESS TO DATE

- |   |  |
|---|--|
| <p>1. One Cooperative Housing Project Developed</p>   | <p>1. Pilot program for East Africa in Tanzania: initial project of 440 sites and services (60 core houses), cooperative pilot project for low income families underway. Country program planned for 25,000 units over next 5 years.</p>   |
| <p>2. Funding and counterpart services obtained from ICHDA member organizations and national and international development assistance agencies.</p> | <p>2.a) Member Organizations Contributions:<br/>1) HSB:s Riksforbund through "Without Boundaries" (funds raised through voluntary contributions of Swedish cooperative members) for East African Reconnaissance Study, Follow-up Mission and Interim Technical Assistance (Tanzania)=approx. \$10,000.</p> |

OUTPUT INDICATORS

PROGRESS TO DATE

- 2) Gesamtverband Gemeinnutziger Wohnungsunternehmen (Pilot Project Coordinator for ICHDA): Personnel (1 professional, 1 trilingual secretary part time), office space for this personnel, supplies, postage, etc.,
- 3) Contributions from all member organizations for time, travel and related costs for all Board of Directors meetings (average:2/year)
- b) Other Donors:
  - Multinational inputs into on-going Tanzanian pilot program secured or tied in by ICHDA,
    - 1) UNDP - 1 Senior Expert (5 yrs)
      - 1 Assoc. Expert (5 yrs)
      - 1 90-day housing finance expert/Supporting and supervisory support from UNDP resident representative
    - 2) ECA - Interim technical assistance; dissemination of pilot prog. experience in region.
    - 3) U.N. Centre for Housing, Building and Planning - Interim technical assistance, evaluation and dissemination of experience.
    - 4) German Ministry for Tech. Cooperation Training of 25 East Africans in management and admin. of social housing (1 Yr).
    - 5) Norwegian A.I.D. - 3 experts in field of indigenous building materials and building systems.
    - 6) Canadian I.D.A. - 1 architect/planner
3. a) 1969 East African Reconnaissance Study (4 countries) - ICHDA
- b) 1969 Follow-up Implementation Mission (Tanzania) - ICHDA/ECA
- c) 1970 Interim Technical Assistance to Tanzania - ICHDA
- d) 1970 Feasibility studies for regional pilot program for South and East Asia (India, ICA regional seminar) preparatory to ICHDA proposal for initiation of pilot program - ICHDA/FCH
- e) 1971 West Africa Mission to implement pilot programs underway - UN/ECA/ICHDA
- f) 1969 Vietnam (U.S. supported housing survey) - FCH

OUTPUT INDICATORS

PROGRESS TO DATE

4. Implementation and Utilization of Memorandum of Understanding (MOU) between ICHDA/Economic Commission for Africa (2/70) and MOU between ICHDA/United Nations (10/70)

4. a) ICHDA/ECA  
 1) Joint pilot program in Tanzania (Implementation missions and project implementation)  
 2) Joint mission to West Africa  
 b) ICHDA/UN  
 1) Joint Mission to West Africa.

A pattern has been established in the East African pilot program which is expected to be repeated in West Africa and South and East Asia prior to the conclusion of this project. A proposal is currently being reviewed by the U.N., donor organizations and host country officials for a pilot program in India commencing in 1971. Also, a result of the West African Mission with the U.N. and Economic Commission for Africa, possibilities exist for pilot programs in Senegal and Ghana.

2. Basic Assumptions:

It has been demonstrated in the case of the pilot program in Tanzania, initiated by FCH Services Inc. Task Order 1 staff through ICHDA, that multinational resources can be effectively coordinated and channeled into programs supported by the host country government.

It is assumed that the procedures utilized in the East African pilot program can be modified and improved for the implementation pilot efforts in West Africa and India. It is assumed that the U.N. or other donor organizations will contract with ICHDA directly for the implementation of the pilot programs so that ICHDA will have greater control of the day-to-day management of the programs. It is assumed that ICHDA will have adequate

travel funds and sufficient number of qualified personnel to initiate and carry out the programs in West Africa and India, while maintaining a continued involvement in the on-going East African pilot program.

D. STATEMENT OF PROJECT INPUTS

1. Project Inputs

A.I.D.'s input into this project is in the form of staff for T.O. #1 and travel funds (see Budget).

From 1969 through 1971, T.O. #1 staff engaged in the project outputs have been:

- (1) Director of International Programs: performed missions on behalf of ICHDA, 80% time in travel.
- (2) Administrative Secretary: preparation and production of materials related to involving, unifying and expanding ICHDA membership; providing back-up support for Director.

A third staff member, the Program Assistant, has been to date exclusively engaged in the administrative duties related to this and all other FCH Services task orders. This function will be eliminated from T.O. #1 in 1972 in order that total staff time can be devoted to the attainment of the project purpose.

New staffing patterns are projected for 1972-1976 to bring the hypothesis "if inputs then outputs" closer to realization. The Director will share the travel responsibilities associated with performing missions on behalf of ICHDA with the Deputy Director and the staff member filling the newly

defined role of Program Assistant. A clerical position will be added to the task order.

Travel funds will be increased in order that adequate supervision of projects in East and West Africa and India may be assured and that adequate consultation with ICHDA's operations office and member organizations is allowed.

To date, A.I.D.'s input of salary and travel costs for the FCH Director of International Programs, as a representative of ICHDA, has generated substantial inputs from other bilateral and international sources for a program in accordance with A.I.D. goals.

OTHER DONORS

1. Contributions from ICHDA member organizations:

- a) HSB:s Riksförbund through "Without Boundaries" (funds raised through voluntary contributions of Swedish cooperative members) for East African Reconnaissance Study, Follow-up Mission and Interim Technical Assistance (Tanzania) - approximately \$10,000.00.
- b) Gesamtverband Gemeinnütziger Wohnungsunternehmen (Vice President's Office for ICHDA): Personnel (1 professional and 1 tri-lingual secretary, part time) Office space, supplies, postage, supporting services, etc. Administration of Training Courses funded by German Ministry for Economic Cooperation (see P. 10).
- c) Contributions from all member organizations for time, travel and related costs for all Board of Directors meetings (average of 2 per annum).
- d) Contributions toward establishment of European operations office.  
Commitments have been received from following organizations for three-year period beginning January 1972:  
HSB:s Riksförbund = \$3,500 per year  
Gesamtverband = \$3,500 per year  
FCH = \$3,500 per year  
Svenska Riksbyggen = \$3,500 per year  
Fællesorganisationen Almennyttige Danske Bolegselskaber = \$1,000 per year  
KK = \$1,000 per year  
East Midlands Housing Assoc. = \$1,000 per year

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INVICA/Chile = \$1,000 per year  
Shikun Ovdim = \$1,000 per year  
Offers have been received from 2 organizations for office space and supporting services for the European office.

2. Multinational inputs into on-going Tanzanian pilot program (potential pattern for future programs) secured or tied in by ICHDA:
  - a) UNDP - 1 Senior Expert (5 years)  
1 Associate Expert (5 years)  
1 90-day housing finance expert.  
Supporting and supervisory support from UNDP Resident Representative.
  - b) ECA - Interim technical assistance; dissemination of pilot program experience throughout region.
  - c) U.N. Centre for Housing, Building and Planning - Interim technical assistance; evaluation and dissemination of experience.
  - d) German Ministry for Economic Cooperation - Training for 25 East Africans in management and administration of social housing (1 year)
  - e) Norwegian A.I.D. - 3 experts in field of indigenous building materials and building systems.
  - f) Canadian I.D.A. - 1 architect/planner.

Similar possibilities for inputs from "other donors" exist for the pilot programs in West Africa and India. An agreement has been reached between the international arm of the German member organization, DESWOS, and the German Ministry of Economic Cooperation, to carry out a one-year training program in housing administration and management for 25 professionals from West Africa and India respectively in support of ICHDA programs in these regions.

In Tanzania, the Government is contributing the land, infrastructure, staff and core facilities as its input into the pilot program. Similar inputs from other host countries are expected.

PROPOSED BUDGET (FY 72)

T.O. #1 Worldwide

SALARIES

Director, Worldwide Program	\$ 31,400	
Deputy Director, Worldwide Program	20,000	
Program Assistant	10,000	
Secretary	<u>7,000</u>	\$ 69,200

OVERHEAD - 50% of Salaries 34,600

TRAVEL AND ALLOWANCES

4 Round Trips Africa (East & West)	7,360	
3 Round Trips India - Southeast Asia	3,900	
20 Round Trips New York	1,200	
Per diem for above travel	8,000	
Taxis, Excess Baggage, Air Freight	<u>2,100</u>	22,560

OTHER DIRECT COSTS

International Workmen's Compensation and General Liability	1,200	
Bond	240	
Rent	3,600	
Phone and Cables	2,800	
Supplies, Reports	800	
Publications - Printing	3,000	
Temporary Help	1,000	
Miscellaneous (visas, medical, messenger, etc.)	<u>1,000</u>	<u>13,640</u>

TOTAL \$140,000

20

3. Basic Assumptions:

With inputs, as with other categories herein considered, it is assumed that adequate program resources will be forthcoming from international, bilateral and private development assistance agencies and host country sources. These inputs include funds for technical assistance, seed capital for a local institution, construction capital and mortgage financing.

It is projected that full-time on-site personnel will be necessary once the projects reach the implementation stage. In Tanzania this personnel is being funded by the United Nations Development Programme. It is assumed that resources will be available for the West African and Indian pilot programs from the UNDP or other donor organization.

If it is determined feasible to establish a local institution capable of sustained low cost housing development on a non-profit basis, working capital will be needed for initial staff and supplied prior to receipt of income from fees of completed housing projects. This input can come from the host country government in the form of counterpart staff and/or from local institutions in the form of office space and supplies.

It is not projected that A.I.D. inputs in terms of staff will increase prior to the completion of the project. Additional A.I.D. inputs may be in the form of guaranteed loans to specific housing projects under the housing investment guaranty authority.

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E. RATIONALE

Population growth, industrialization, shifts of population from farm to city, have aggravated already unsatisfactory environmental conditions in many developing countries. While dimensions and circumstances vary from country to country, it is commonplace to find large areas of squatter settlement in urban environs; overcrowding of conventional housing; supporting facilities in transportation, sewage disposal, etc., outpaced by the growing population; high costs of conventional housing in insufficient quantity; and generally inadequate measures to meet the burgeoning problem. The scale of the need is underlined in reports to the U.N. Economic and Social Council's Committee on Housing, Building and Planning, which set a goal of 19 to 24 million housing units annually for the developing countries. Bearing such statistics in mind, the General Assembly of the United Nations emphasized the need for the formulation of "definite and long-term housing, building and planning policies and programmes for the improvement of human settlements..." and recommended such action be taken by member states (ECOSOC Resolution 2718, 25 January 1971). In addition, the U.N. and its constituent agencies are conducting missions to implement pilot programs for low income settlement in developing countries (ECOSOC Resolution 1224).

Unresolved, the conditions of overcrowding, inadequate facilities, and increasing costs create critical problems of health, social tensions and political instability. Deteriorating environment and unrealized participation in the benefits of development engender explosive social situations and circumvent the goals of development programs.

The problem is complex and requires a variety of measures, ranging from publicly financed housing through city planning, to encouragement of housing-related industry. Governments have recognized the problem in varying degree, and numerous efforts are underway. But public resources on hand or foreseeable can meet only a fraction of the need.

One promising approach, dealing with those income groups that need housing and could afford to pay for it if they were able to secure the necessary guidance (through FCH or ICHDA) in pooling their efforts and resources, with long term financing at moderate rates, is the cooperative housing technique. This project is concerned with supporting A.I.D. inputs in this area. FCH through ICHDA is involved in the creation of a central institution which provides basic services in stimulating action by groups of individuals in construction and financing of moderate-income housing through cooperative organizations.

With adaptations, through the application of self-help techniques, site and services and core house approaches, such efforts are being extended to lower income groups - a significant segment of the population in all developing countries.

Beyond the physical contributions to meeting housing shortages, programs of this type have important developmental side effects:

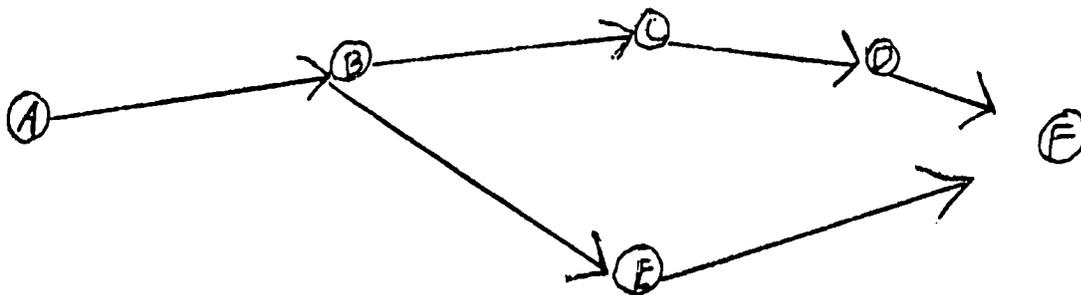
- Creation of savings institutions, mobilization of savings and stimulating savings practices
- Providing local markets for industrial products in housing-related industries, and encouraging formation of an industrial complex
- Social stability arising from involvement with people in visible improvement of environment
- Motivation of private citizens in cooperative practices
- Encouragement, through ICHDA, of multinational contributions to such programs.

Such consequences both advance specific country development goals and are consonant with A.I.D. directives on cooperatives, private enterprise development, Title IX, and multilateral programs.

F. COURSE OF ACTION

1. Implementation:

Figure 1 - PERT Plan - Major Tasks and Sequence Pilot Program Development  
Low Cost/Cooperative Housing



<u>STEPS</u>	<u>ACTIVITIES</u>
2	A-B Implementation Mission by ICHDA Staff in Host Country
5	B-E Multinational support sought; Multinational commitments confirmed and inputs begin.
3	B-C Recruitment of Long-Term, On-Site Experts.
4	C-D On-site initiation of project, including institution building.
16	D-F ICHDA supervision and backstopping of field staff through periodic visits to site of pilot project.
4	E-F ICHDA coordination of multinational inputs; collaboration with host country and international organizations for dissemination of information on pilot projects throughout regions.

2. Narrative:

A PERT Plan is only applicable to one phase of the project purpose of FCH Services, Inc. Task Order #1, the development of cooperative communities and technical institutions in developing countries. However, this schematic diagram does illustrate the steps which will be followed for the pilot programs to be undertaken in West Africa and India. This

procedure has been followed in Tanzania, where phase "F" has been reached in a two-year period.

Phase A-B: It is projected that this phase will commence for the Indian pilot program in the autumn of 1971. The Government of India and national cooperative organizations (the National Cooperative Union of India and the National Cooperative Housing Federation) have invited an ICHDA representative to begin charting specific program plans and initiate requests for multinational support. The National Cooperative Housing Federation is a member of ICHDA and will support on-going activities by acting as a liaison between ICHDA, ICA and the Government of India.

The timing for follow-up work in West Africa would necessarily be in the early months of 1972.

This phase requires a minimum of 30 days in the host country and 14 days consultation with ICHDA member organizations enroute.

Phase B-E: Multinational support for the Indian pilot program will be sought from international, bilateral and private aid agencies subsequent to the completion of a detailed program plan outlining specific inputs needed. Circulation of requests could presumably take place by January, 1972.

In the case of the West African pilot program, the request would be presented subsequent to the implementation mission, possibly in June, 1972.

The length of time between submission of requests and inputs received will vary from six months to two years depending on the nature and amount of input.

Phase B-C: ICHDA, through its member organizations, has access to a "talent bank" of individuals qualified to fulfill necessary technical assistance functions required by pilot programs in low/cost cooperative housing. In one month, ICHDA located and recommended 7 qualified candidates to the UN Technical Assistance Recruiting Service for the expert position in Tanzania.

Phase C-D: Project initiation in India could conceivably begin in the summer of 1972. This phase commences with the long-term expert on-site. It includes organizing counterpart staff, becoming familiar with local officials, housing and cooperative legislation or lack thereof, local cooperatives, etc. Because this phase includes actual project development it can encompass from one to five years.

Phase D-F: After the long-term expert is on site, it remains the task of headquarters personnel to provide whatever technical or administrative backup necessary. This includes periodic TDY's on the part of the Director, Program Assistant or other specialized consultants.

Phase E-F: The long term expert must regulate, coordinate and determine the type and magnitude of inputs needed for the pilot program in collaboration with the host country government. T.O. #1 staff will act as liaison between field personnel and donor organizations when necessary (i.e., when donor organizations are not represented locally).

ICHDA staff will collaborate with the host country, donor organizations and other interested international organizations on the dissemination of information re the pilot projects (i.e., publications, conferences, seminars, etc.). These are on-going activities that would take place throughout the life of the project.

Simultaneous activities would necessarily be undertaken by T.O. #1 staff in accordance with the objective of

building ICHDA itself into a viable, self-sustaining institution.

These would include expansion of membership, keeping the present membership informed of on-going and proposed projects, preparing proposals for technical and capital assistance, and performing feasibility studies.