

**Annual Budget
Submission**

FY-1993

**HOUSING AND
URBAN DEVELOPMENT**

JULY 1991



**Agency for International Development
Washington, D.C. 20523**

**OFFICE OF HOUSING AND URBAN PROGRAMS
FY 1993 ANNUAL BUDGET SUBMISSION**

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OFFICE OF HOUSING AND URBAN PROGRAMS

Framework of Strategic Plan for the Nineties

EXECUTIVE SUMMARY

APRE/H prepares for the 1990s with the view that urbanization is an increasingly important development issue whose far-reaching ramifications are just beginning to emerge. We enter the 1990s with a strong track record and a cadre of urban professionals committed to ensuring a dynamic and evolving program. Our full request for staff and budget resources reflects the concept that central Offices should have the capacity to support A.I.D. Missions and other Bureaus and to serve as a central body of expertise in their respective fields. While the Office will pursue a focused development strategy, as outlined below, it must also maintain the capability to support Mission technical requirements in the urban sector.

An array of affordable and sustainable shelter, urban infrastructure and related urban services will remain the core focus of the Office. Policy-based lending and technical assistance will remain the vehicle to leverage change and foster development. The underlying principle is to rely on individual initiative, market forces, and the private sector to deliver urban services and to produce affordable shelter with the role of government to facilitate the process. The policy agenda which we will pursue supports the principles of the Agency Mission Statement and are directly supportive of the Administrator's Initiatives. The Office will focus on a limited, closely interrelated set of development themes:

1. **Local Government**
2. **The Urban Environment**
3. **Shelter and Infrastructure Policy and Finance**

Central Resources: Mission and other Agency funds will be by far the key financial resource needed to further the policy agenda and to our ability to develop Mission support expertise. Increases in the level of APRE/H central resources from the \$4.5 million AAPL to **\$11 million** in FY 93 will strengthen our ability to better focus Mission resources by offering significantly enhanced Mission support services. At the higher planning figure, funding for ongoing projects would be increased to \$6 million and a new \$5 million initiative would be undertaken (see New Project Description).

Capital Projects Fund: Our full FY 93 request also includes a proposal for **\$15 million** (Capital Projects Fund) to implement a number of urban capital projects which have been identified as a result of our successful Private Provision of Social Services Project initiated in FY 1989.

Housing Guaranty Program: The HG program will continue as a viable assistance mode during the 1990s. The program will target a narrower band of eligible countries and current demand for the program will sustain annual authorization levels of about **\$100 million**. We anticipate that additional levels of HG authority will be devoted to special "foreign policy" programs such as those in Poland, Chile, Israel and the Philippines.

Local Currency Guaranties: A local currency guaranty program would complement the crossborder HG guaranty by eliminating the foreign exchange risk associated with the HG program. Local currency financial instruments could encourage significant fiscal and management reforms while meeting needs for capital improvement and fostering urban economic growth. We anticipate one or two pilot programs of this nature in FY 1993 which would not require additional guaranty authority.

OFFICE OF HOUSING AND URBAN PROGRAMS

Framework of Strategic Plan for the Nineties

INTRODUCTION

APRE/H prepares for the 1990s with the view that urbanization is an increasingly important development issue whose far-reaching ramifications are just beginning to emerge. We enter the 1990s with a strong track record and a cadre of urban professionals committed to ensuring a dynamic and evolving program. While small in number, this group is perhaps the greatest single concentration of urban expertise working on LDC urban problems. For more than 25 years, APRE/H has maintained its identity within A.I.D. and within the international donor community as a leader in the urban development field. The Office has been instrumental in establishing many of the major forums that exist to discuss shelter and urban problems.

The strategic approach for the decade, on the one hand, is to rely upon and modify to the extent necessary, the tools and assistance modes which are proven and which, we feel, remain relevant for some years to come. On the other hand, the development themes which the Office pursues continue to evolve and mature to cope with the increasingly complex ramifications of the urbanization phenomenon. **The underlying principle is to rely on individual initiative, market forces, and the private sector to deliver urban services and to produce shelter.**

The major role of the Office will be as a catalyst for A.I.D. to more effectively address urbanization as a crosscutting theme which affects all development sectors. We provide a source of technical expertise both in AID/W and in the field to design effective development strategies and projects. We will co-manage increasing levels of Agency grant and ESF resources targeted to urban programs. This trend is already evident in all A.I.D. regions as Missions rely more and more on the Regional Housing and Urban Development Offices (RHUDOs) for technical support. In certain regions our technical expertise will become more organizationally integrated within the regional bureau; in others the RHUDO will retain its somewhat autonomous identity. In either case, we believe, that over time Mission programs with an urban focus will demand higher levels of technical support staff. Centrally, the Office will retain its worldwide leadership role in urban affairs and will maintain a world class capability to undertake applied research and development to support this leadership role.

URBAN DEVELOPMENT THEMES:

An array of affordable and sustainable shelter solutions, urban infrastructure and related urban services will remain the core focus of the Office. Policy-based lending and technical assistance will remain the vehicle to leverage change and foster development. **The policy**

agenda which we will pursue supports the principles of the Agency Mission Statement; i.e., broad-based economic growth, concern for the well being of individual, support for democracy, responsible environmental policies, and humanitarian assistance to those who suffer from disasters. At the same time, this agenda supports the Administrators initiatives with particular emphasis on Democratic Initiatives through our local government programs; the Environment through our efforts to address urban environmental issues in developing countries; and the Business and Development partnership through both our capital projects and infrastructure finance and investment programs.

The Office will focus on a limited, closely interrelated set of development themes and services that it delivers:

1. Local government.

Assistance to local or municipal government institutions should be an integral component of programs in support of democratic pluralism within either emerging democracies or countries where existing democratic forms of government are facing unexpected challenges. Local and municipal government is fundamental both to the democratic process and to achieving economic development. Until now both elected and appointed officials at this level of government in many countries have lacked a popular mandate and the resources to respond to it. Structural adjustment programs and/or the pressures for political change are forcing governments to recognize the need for decentralization. For confirmation of the priority accorded local government, we need look no further than the recent experience of several newly emergent democracies; in Poland, for example, a primary democratic initiative has been the institution of effective local government via early elections. The processes of establishing democratic government and pursuing decentralization puts pressure on local and municipal governments to respond to local concerns and to create the leadership to handle the whole range of administrative and management functions which in the past was dictated from the center. Such responsibilities entail efficient local and urban management, provision of services and infrastructure, financial management and local revenue generation as well as the enabling of public/private partnerships in many service sectors. Not only do many countries lack this local capability, but the problem is compounded by an absence of institutions and resources capable of providing the leadership and responding to local and municipal needs.

2. Environment and land policy, planning and management.

In FY 1990, PRE/H began implementing an Urban Environmental Strategy and Action Plan. The plan includes a research and policy development agenda as well as close coordination with A.I.D. Missions and other donors in strategy and program design. Research activities include development of methodologies to prioritize urban environmental problems and to quantify economic losses as a result of urban environmental degradation. These methodologies are being tested in pilot cities and will be applied more broadly to determine whether the methodologies are widely applicable. In addition, we are focusing on policy analysis and the regulatory environment governing land markets aimed at increasing the supply of land and assuring secure title to land for businesses and residents. Uncontrolled

land development has led to the inefficient use of urban and surrounding agricultural land and to environmental degradation. It has also made the financing of services increasingly difficult and expensive, and denied local authorities use of a potential major revenue generating base. While the problems of urban land are inextricably tied to the problems of urban management, their solution is not only to improve the urban land delivery process for all users, but to regularize existing informal land developments and to establish a regulatory and institutional framework which encourages the formal land development process. In the absence of such initiatives, vast segments of the population will continue to be denied access to property rights which are critical to the functioning of an open economy.

In addition to these research activities, the Office is pursuing development of joint urban environmental programming with EPA, UNDP and IBRD. Conferences planned by the U.N. Environmental Program, IULA, and the Regional Housing Offices are efforts that APRE/H is either directly sponsoring or cosponsoring. APRE/H participated in the development of an AID environmental initiatives document which includes urban environmental issues as a target for future A.I.D. funding. APRE/H is already active in the development of Country Environmental Profiles, new project paper development, design of conferences and training activities, and development of projects to address urban environmental issues in particular countries. As understanding of urban environmental problems improves in the field, the expectation is that requests for APRE/H assistance in the design of environmental projects and training will increase in the future.

Application of the methodologies already developed and development of new methodologies will continue to be an important element of APRE/H's urban environmental and land program for the foreseeable future. Activities would include: privatization of solid waste services, wastewater treatment, water quality treatment and improvement of municipal management practices in order to enforce existing regulations and to improve environmental standards. Evaluation and dissemination to the environmental community of the efficacy of these methodologies and lessons learned would be a key objective of the program.

3. Housing and infrastructure finance and investment policies.

Investment in housing and urban infrastructure is necessary to facilitate the process of private investment in the production and movement of goods and services. Infrastructure is especially critical to national shelter development. When housing is built, more than land and a superstructure are needed. Adequate housing requires safe drinking water supplies, a sanitary means of disposing wastes, and a means of transportation. Modern urban life requires access to electricity. There must be protection against river flooding and landslides. The capital facilities that provide these and other basic services can be grouped together as infrastructure complements to housing and land in shelter provision. More than half of total investment needed for low income households consists of infrastructure spending rather than spending for land and housing structures. Traditionally in developing countries the largest part of infrastructure finance has been provided by central governments. This model of finance has never been fully satisfactory as attested by the growing infrastructure deficits in most countries. It is unrealistic to look to central governments drawing on general taxes to finance the magnitude of additional investment

that will be necessary to overcome large infrastructure deficits. We will work towards identification of instruments for the mobilization and allocation of local capital resources for urban infrastructure finance, including private sources, the use of debt instruments and cost recovery strategies, and alternative choices of infrastructure technologies.

This will include a capital projects financing program which will consider the range of economic approaches and financial instruments that can be structured to promote U.S. exports of appropriate technologies and related services to address specific urban infrastructure problems such as waste disposal and water supply, treatment and sewerage, as well as other environmental quality issues (i.e., media-air, water, soil-monitoring, environmental data collection and analysis equipment). The program will identify discrete areas where U.S. private business interests can be pursued on a partnership basis with host country municipal governments, development banks, parastatals, private sector businesses and institutions, to assure environmentally sound projects in urban areas. The program will identify by industry the types of products, services, technologies and information that would be appropriate in the resolution of urban environmental problems in developing countries, will explore existing pre-export financing programs to facilitate the export of appropriate technologies and will selectively research U.S. city experience with public/private partnerships and innovative techniques for planning, managing and financing capital projects.

In addition, APRE/H and OFDA are cooperating on a joint project to coordinate disaster relief and mitigation efforts in housing and urban infrastructure. The objective is to integrate disaster mitigation planning into national development planning and ensure that mitigation measures are a fundamental consideration in order to maintain the capital investment.

ASSISTANCE MODES AND RESOURCE LEVELS:

1.) **Mission/Agency resources:** RHUDOs and APRE/H are co-managing increasing levels of Mission and Agency resources. Assistance modes take the form of bi-lateral project agreements, regional programs, local currency generated projects, "buy-ins" to our centrally funded projects, PD&S funded studies, etc. We estimate that \$50 million of such resources are being managed by the Office. Leveraging Mission and other central Agency funds is by far the key financial input in furthering the policy agenda outlined above. However, our ability to leverage these resources is directly related to the level of central resources provided to APRE/H to develop and make available the expertise that Missions are seeking.

At the minimum carrying cost or AAPL level of \$4.5 million, we can pursue our full agenda on a limited basis. We will continue to conduct applied research on key topics and disseminate findings through seminars and conferences both in AID/W and the field. We will continue to solicit the best U.S. based experience in these areas to provide input into our programs. RHUDOs will pursue targets of opportunity with A.I.D. Missions to design and implement projects and programs incorporating new principles and knowledge acquired. Field projects in turn will contribute to further maturation of these development principles. Over time, our organization will develop the world-class level of expertise in

these new initiatives that we now possess in the areas of shelter and urban infrastructure finance and municipal development.

With an increase in our central resource base above the AAPL to \$11 million, our initiatives would be delivered with much more impact and on an accelerated basis. In addition to the above more limited approach, we would be responsive to more A.I.D. Missions and execute significant activity overseas. As we have done over the years in the areas of shelter and related infrastructure finance and municipal development, we would mobilize technical expertise both in AID/W and in the field. While the RHUDOs currently provide much expertise in these areas, capabilities are not uniformly as strong as they could be given additional resources. Therefore, by increasing the funding level of the ongoing APRE/H project from \$4.5 to \$6 million, RHUDO PSC staffs would be augmented with additional expertise in urban environmental issues, urban capital project packaging, and local government management. RHUDOs would then have the capacity to support Missions in these areas.

In AID/W, the best sources of U.S. expertise could be assembled to both support and drive the overseas programs. Our current contract with the International City Management Association is a good example of this approach where core funding of about \$1.5 million is projected to leverage \$14 million in Mission "buy-ins". At current funding levels we cannot sustain similar relationships. APRE/H has produced a concept paper proposing an expanded \$5 million per year program for Urban Policy and Management focusing on the key areas of the urban environment, capital project investment and financing and land management policy (see New Project Description). This program would establish "buy-in" contracts which would tap U.S. environmental, financial, engineering and planning expertise to assist with policy analysis and technical assistance and training in these areas. Firms and universities would be contracted who have both broad analytic and technical "hands-on" capabilities in urban environmental pollution and control, waste management, capital project financing, appraisal of capital and environmental projects, land use management and property rights. These resources would be available to A.I.D. Missions developing urban environmental programs, capital projects involving U.S. exports, privatization and democratic initiative programs that focus on property rights and local governance. Thus, with a modest increment of central funding, APRE/H could be an important source of technical expertise in these new and critical areas which are increasingly becoming part of the A.I.D. development agenda.

2.) Capital Projects Fund: The proposed new project - Urban Management and Policy Program - will provide assistance in establishing regulatory frameworks and institutional capabilities to better manage urban growth and development. One important product of this activity will be strategies to identify and prioritize capital improvement needs. With capital projects funding these needs can be translated into pilot projects in a manner similar to those which have evolved under the successful Private Provision of Social Services program. In FY 1989, APRE/H was awarded \$800,000 to demonstrate the feasibility of privatizing solid waste management services. The program has initiated projects in Botswana, Costa Rica, Haiti, Ecuador, Honduras, Swaziland, Togo and Tunisia. Preliminary results show that in each case, some level of capital investment is required to improve service delivery. For

example, in Botswana, Costa Rica and Swaziland the need is for new landfills; in Honduras, it is for a revolving fund for vehicle and equipment maintenance. Other potential areas include water supply systems, wastewater treatment facilities, and pollution monitoring and abatement technologies. This capital projects follow-on program would identify such opportunities for private sector involvement in meeting these needs. We estimate that the program would require \$15 million in FY 1993 to implement selected capital projects.

3.) Housing Guaranty Program: The HG program will continue as a viable assistance mode during the 1990s. The program will target a narrower band of eligible countries but demand from these clients will support annual authorization levels of about \$100 million. The program will also continue to be responsive to politically motivated programs such as those in Poland, Chile, Israel and the Philippines. We anticipate that during the planning period significant levels of HG authority will be devoted to similar political requirements. Modification of the HG legislation to increase annual per country dollar limitations and to remove the \$15 million loan average requirement will sustain this authorization level. In addition, credit reform will allow for the inclusion of some relatively less credit worthy clients, to the extent that the Agency is willing to subsidize those programs. Adjustments to the HG fee structure and to the terms of loans to less credit-worthy borrowers might support such lending by reducing the subsidy amounts required. Additional modifications to the HG legislation allowing for a wider range of eligible expenditures will establish the HG program as a more flexible financing instrument which can better address the various themes outlined above such as urban capital projects financing.

4.) Local Currency Guaranties: A local currency guaranty program would complement the crossborder HG guaranty by eliminating the foreign exchange risk associated with the HG program. This program is based on the premise that local currency financial instruments including municipal bond financing will encourage local municipalities and statutory corporations to achieve significant fiscal and management reforms while meeting their needs for capital improvement and fostering urban economic growth. An A.I.D. guaranty would enhance the credit of local institutions and enable them to attract long-term debt financing from the private market place. Potential issuers of medium and long-term securities in LDCs include: special purpose municipal and regional development corporations which are formally empowered to incur debt; private, regulated public utilities; private not-for-profit and for-profit corporations engaged in the provision of public services; production and service cooperatives; low-income home mortgage lenders; medium-sized private corporations.

Development of local bond markets is assumed to involve significant policy and institutional reform and would therefore be an integral part of a Mission's financial market development and macro-economic policy dialogue. It is also assumed that as the principal developed economy employing the "municipal bond" finance concepts, the U.S. would be the source of technical assistance in the development of such local markets and would have the opportunity to invest in local financial institutions as underwriters, credit rating services and traders and dealers in municipal debt. We anticipate implementing a pilot program in this area which would utilize a portion of the HG authority request for FY 1993.

NEW PROJECT DESCRIPTION

(FY 93)

PROJECT TITLE: Urban Management and Policy Program (UMPP)
PROJECT NUMBER: 940-100?
PROJECT FUNDING: FY 93 -- \$ 5,000,000
LOP -- \$15,000,000
FUNDING TYPE: Development Assistance (DA) -- Grant

	<u>FY93</u>	<u>LOP</u>
Capital Projects:	\$3,500,000	10,500,000
PSEE	\$1,000,000	3,000,000
HE	\$ 500,000	1,500,000

PROJECT DESCRIPTION:

A. Problem Statement:

In the first quarter of the next century more people will be living in urban centers than in rural areas. The economic forces driving this demographic shift are strong and likely to continue. If, in light of explosive growth, cities are to sustain human productivity and promote economic growth, the development of innovative and effective urban management capabilities is critical.

Through the Urban Management and Policy Program, APRE/H intends to strengthen the management capabilities of national and local government authorities in three inter-related areas: (1) land development and tenure, (2) environmental management, and (3) capital projects financing and implementation. Central to this program is the concept of linkages. For example, the problems associated with closed land markets and insecure tenure not only constrain the planning and financing of major infrastructure investments but they are also related directly to deteriorating environmental conditions. The UMP Program seeks to enhance the abilities of urban managers to resolve such problems within a framework that recognizes their inter-relationship as fundamental to finding appropriate solutions.

B. Program Purpose:

The primary purposes of the UMP Program are: (1) to strengthen the capabilities of LDCs to confront and manage urban land issues, environmental degradation, and constraints to the development and

implementation of infrastructure finance strategies, and (2) to promote, where appropriate, private sector participation in the provision of urban services, land development, infrastructure, and pollution control activities.

C. Expected Accomplishments:

This program is expected to result in more effective urban management policies and program implementation by providing technical expertise in three key programmatic areas:

1. **Land Development and Tenure**: Identification of appropriate policies, incentives, and planning tools for managing land development and urban expansion. Establishment of a regulatory and institutional framework to assure the efficient operation of land markets. Development and promotion of land registration systems to secure the property rights of households and enterprises;

2. **Environmental Management**: Establishment of urban environmental regulations and design of appropriate incentives to manage urban environmental problems. Strengthening the institutional mechanisms needed to implement and finance waste management and pollution control, environmentally sound construction and land use planning, and the development and implementation of strategies for urban environmental planning and management.

3. **Capital Projects Financing and Implementation**: Design and implementation of capital investment strategies that can sustain infrastructure investment needs. Identification of public/private financing instruments to generate revenues for infrastructure investment, operation, and maintenance. Establishment of a regulatory and institutional framework to increase national and local governments' capacity to mobilize resources in support of capital improvement programs. Investigation of opportunities to convert debt-for-nature programs into debt-for-infrastructure programs.

These programs and policies will stress appropriate regulatory reform to strengthen local level capabilities and increase participation of the private sector in the provision and financing of urban services related to land, infrastructure and environmental management. Finally, the program will enhance APRE/H's current capacity to assist USAID Missions and Central and Regional Bureaus to identify, design, and implement innovative urban development initiatives related to the private provision of services, urban environmental management, capital projects, and local governance.

D. How it will Work:

UMPP will be composed of four main components: (1) Policy Analysis and Institutional Development, (2) Technical Assistance and Training, (3) Information Dissemination and Networking, and (4) Evaluation and Monitoring. Each of these components will address the key program areas from different perspectives.

(1) Policy Analysis and Institutional Development

This component will help host country policy-makers undertake regulatory reform to facilitate the adoption of appropriate urban development policies and implementation strategies. Illustrative activities include:

- o Funding municipal policy analyses to determine the impacts of existing regulations and policies on urban land tenure, environmental quality, and infrastructure development.

- o Preparing country level analyses which delineate the functions and responsibilities of various public agencies and private sector organizations with urban mandates.

(2) Technical Assistance and Training

This component will assist urban program managers with the implementation of regulatory reform initiatives and other policy-related issues. Illustrative activities include:

- o Technical assistance and training of local officials and planners in land market assessments, land-use planning and development control practices, and land registration systems.

- o Technical assistance and training of public and private sector individuals in urban environmental management skills, pollution control practices, and risk assessment.

- o Technical assistance and training in revenue generation for infrastructure finance, capital budgeting, and techniques to promote public/private partnerships in the investment and delivery of major capital projects.

(3) Program and Policy Evaluation

This component will enable A.I.D. and host country

institutions to establish indicators to assess and monitor progress on policy and program implementation strategies. APRE/H is currently funding studies to determine urban economic and environmental indicators.

(4) Information Exchange and Dissemination

This component will provide A.I.D. and host-country institutions with access to information on U.S. public and private sector expertise, experiences, and resources.

The program focuses on critical areas where innovative techniques, analytical tools, information dissemination and technical expertise and training are not currently available through existing programs. While there has been a surge of interest in capital programs, strengthening local government and improving environmental policy and management these programs are still not mainstream. Every effort will be made to take advantage of buy-in mechanisms where they prove appropriate and to provide buy-in facilities.

Centrally managed contracts will provide the technical expertise to carry out this program. It is unlikely that one contract can cover the range of issues to be addressed. Various options will be considered and evaluated. Among other implementation arrangements, it is anticipated that UMPP will allow buy-ins from missions, and central and regional bureaus. UMPP would also transfer funds as appropriate to the RHUDOs to support Mission/RHUDO identified activities. Proposals for specific field funding would be reviewed by APRE/H and technical specialists from the central and regional bureaus concerned. Emphasis will be given to using the central program contracts in support of field activities.

E. Sustainability:

UMPP will support policy and program development that is intended to increase the sustainability of urban land development, environmental management, and capital improvement programs. The project will provide critical inputs to improve the design, implementation and evaluation of programs that will achieve widescale positive impacts on long-term urban growth and development.

F. Policy /Program Issues:

At present, A.I.D. currently lacks the technical resources to adequately address the various urban policy and program issues outlined above. While many of these issues are central to APRE/H's programs, there is a limited pool of technical resources from which

to draw upon in all three areas. Therefore, an essential part of project design will be to identify new resources with technical expertise and demonstrated experience in areas such as water supply and wastewater treatment, solid waste management and resource recovery techniques, land use planning and development control practices, land registration and property rights, and private/public partnerships in the provision of infrastructure and municipal and environmental services.

G. Management Workforce Considerations:

With the proposed central and regional FTE levels, workforce requirements can be managed.

H. Design Strategy and Schedule:

Solicit Field Input	April 1991
NPD Review and Approval	July 1991
PID Preparation	August/September 1991
PID Review	October 1991
PP Preparation	November/January '92
PP Review and Approval	February 1992

I. Illustrative Budget (\$000):

Element	FY 93	LOP
Policy Analysis	2000	6000
TA/Training	2000	6000
Evaluation	500	1500
Information	500	1500
	<hr/>	<hr/>
Total	5000	15000

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

ACCOUNT	FY 1990	FY 1991	FY 1992	FY 1992	FY 1993	PLANNING PERIOD-			
	ACTUAL	ESTIMATE	CP	PLANNED	PROPOSED	1994	1995	1996	1997
AGR., RURAL DEV. & NUTR.									
Grants									
Loans									
POPULATION PLANNING									
Grants									
Loans									
HEALTH	2,508	1,807	1,100	1,550	1,550				
Grants	2,508	1,807	1,100	1,550	1,550				
Loans									
CHILD SURVIVAL FUND									
Grants									
Loans									
AIDS									
Grants									
Loans									
EDUCATION & HUMAN RES.									
Grants									
Loans									
PVT. SECT., ENERGY & ENV.	2,468	2,258	2,400	2,950	2,950				
Grants	2,468	2,258	2,400	2,950	2,950				
Loans									
TOTAL FUNCTIONAL ACCOUNTS	4,976	4,065	3,500	4,500	4,500				
Grants	4,976	4,065	3,500	4,500	4,500				
Loans									
DEV. FUND FOR AFRICA									
DEVELOPMENT PROGRAMS						11,000	11,000	11,000	11,000
INT'L DISASTER ASST.									
TOTAL DA	4,976	4,065	3,500	4,500	4,500	11,000	11,000	11,000	11,000
Grants	4,976	4,065	3,500	4,500	4,500	11,000	11,000	11,000	11,000
Loans									
<i>Credit Subsidy</i>				12,030	12,590	14,777	14,777	14,777	14,777

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

ACCOUNT	FY 1990	FY 1991	FY 1992	FY 1992	FY 1993	PLANNING PERIOD-			
	ACTUAL	ESTIMATE	CP	PLANNED	PROPOSED	1994	1995	1996	1997
TOTAL ECON. SUPPORT FUND									
Grants									
Loans									
SPECIAL ASST. INIT.									
CAPITAL PROJECTS									
Grants									
Loans									
TOTAL DA, ESF AND SAI	4,976	4,065	3,500	4,500	4,500	11,000	11,000	11,000	11,000
Grants	4,976	4,065	3,500	4,500	4,500	11,000	11,000	11,000	11,000
Loans									
<i>Credit Subsidy</i>					12,030	12,590	14,777	14,777	14,777

TABLE IV - PROJECT BUDGET DATA

		-----ESTIMATED U.S. DOLLAR COST (\$000)-----									
FUNDING SOURCE	OBLIG DATE		--TOTAL COST--		OBLIG THRU	----FY 1991----		-----FY 1992-----		YR END MORTGAGE	FY 1993 PROPOSED
	INIT	FINAL	AUTH	PLAN	FY 1990	OBLIG ATIONS	EXPEND ITURES	OBLIG ATIONS	EXPEND ITURES		
PROJECT NUMBER: 9120007 TITLE: INTEGRATED IMPROV PRG FOR THE URBAN POOR PROJ/NON PROJ IND.:											
SD G	78	83	10,063	10,058	10,058						
PROJECT NUMBER: 9401001 TITLE: HOUSING THE URBAN POOR (HUP) PROJ/NON PROJ IND.:											
SD G	84	87	8,780	8,780	8,780		271			152	
PROJECT NUMBER: 9401002 TITLE: URBAN DEVELOPMENT SUPPORT SERVICES PROJ/NON PROJ IND.:											
SD G	84	87	5,825	5,825	5,825		111			100	
PROJECT NUMBER: 9401005 TITLE: PROJECT DEVELOPMENT AND SUPPORT PROJ/NON PROJ IND.:											
HE G	83	C			1,401	452	600			354	
SD G	83	C			5,718	452	600			319	
PROJECT TOTAL:			0	0	7,119	904	1,200	0	673	0	0
PROJECT NUMBER: 9401008 TITLE: HOUSING AND URBAN PROGRAMS PROJ/NON PROJ IND.:											
HE G	88	C			2,855	1,355	2,300	1,550	1,500		1,550
SD G	88	C			8,115	1,806	2,000	2,950	2,800		2,950
SS G	88	C			220						
PROJECT TOTAL:			0	0	11,190	3,161	4,300	4,500	4,300	0	4,500
PROJECT NUMBER: 9401007 TITLE: URBAN MANAGEMENT AND POLICY PROGRAM(UMP) PROJ/NON PROJ IND.:											
HE G	93	95									
SD G	93	95									
PROJECT TOTAL:			0	0	0	0	0	0	0	0	0
REPORT TOTAL:			24,668	24,663	42,972	4,065	5,882	4,500	5,225	0	4,500

TABLE IV - PROJECT BUDGET DATA

FUNDING SOURCE	OBLIG DATE		-----ESTIMATED U.S. DOLLAR COST (\$000)-----						
	INIT	FINAL	OBLIG THRU FY 1990	----FY 1991----		-----FY 1992-----		YR END MORTGAGE	FY 1993 PROPOSED
				OBLIG ATIONS	EXPEND ITURES	OBLIG ATIONS	EXPEND ITURES		
			--TOTAL COST-- AUTH PLAN						

APPROPRIATION SUMMARY

HE	1,807	2,900	1,550	1,854	0	1,550
SD	2,258	2,982	2,950	3,371	0	2,950
SS	0	0	0	0	0	0
REPORT TOTAL:	4,065	5,882	4,500	5,225	0	4,500

APRE HOUSING AND URBAN PROGRAMS (129033)
 FY 1993 ANNUAL BUDGET SUBMISSION

TABLE V - PROPOSED PROGRAM RANKING

RANK	PROJECT	TITLE	PROGRAM FUNDING (\$000)	
			APPROP	INCR
MCC LEVEL				
	940-1008	HOUSING AND URBAN PROGRAMS	HE	1,550
	940-1008	HOUSING AND URBAN PROGRAMS	SD	2,950
		TOTAL MCC PROPOSED		4,500
INCREMENT LEVEL				
		TOTAL INCREMENT PROPOSED		0
		TOTAL PROPOSED		4,500

AC/SI AGGREGATE ANALYSIS
 ACTIVITY CODES
 (U.S. Dollars Thousands)

ACTIVITY	FY 1991 ESTIMATE		FY 1992 PLANNED		FY 1993 PROPOSED	
	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM
EVMP ENVIRONMENTAL MGMT, PLANNING AND POLICY	948	23.3 %	1,350	30.0 %	1,350	30.0 %
INOC CONSTRUCTION (EXCLUDING CONSTR. ACTIVITIES N.E.C.)	362	8.9 %				
PEFM FINANCIAL MARKETS	1,378	33.9 %	1,575	35.0 %	1,575	35.0 %
PSMG ADMINISTRATION AND MANAGEMENT	1,378	33.9 %	1,575	35.0 %	1,575	35.0 %
UNCODED ACTIVITIES	0	0.0 %				
PROGRAM TOTAL	4,065	100.0 %	4,500	100.0 %	4,500	100.0 %

AC/SI AGGREGATE ANALYSIS
SPECIAL INTEREST CODES
(U.S. Dollars Thousands)

SPECIAL INTEREST		FY 1991 ESTIMATE		FY 1992 PLANNED		FY 1993 PROPOSED	
		AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM
I. Substantive							
A. Spatial/Geographic							
CIT	SMALL AND LARGE URBAN	2,983	73.4 %	3,308	73.5 %	3,308	73.5 %
TWN	TCWNS	1,082	26.6 %	1,193	26.5 %	1,193	26.5 %
B. Special Targets							
CAP	CAPITAL PROJECTS	362	8.9 %				
DEC	DECENTRALIZATION	1,378	33.9 %	1,575	35.0 %	1,575	35.0 %
PSD	PRIVATE SECTOR DEVELOPMENT	1,156	28.4 %	1,260	28.0 %	1,260	28.0 %
INS	INSTITUTION BUILDING	2,105	51.8 %	1,710	38.0 %	1,710	38.0 %
SPR	SECTORAL POLICY REFORM	3,654	89.9 %	3,915	87.0 %	3,915	87.0 %
C. Food, Agriculture & Rural Development							
D. Energy/Environment							
II. Institutional Mechanisms							
A. Public/Private							
B. PVO/NGOs							
C. International Agricultural Research Centers							
D. Universities							
E. Non-Profit Organizations							
III. Research Efforts							
A. Applied Research							
ROR	OPERATIONAL RESEARCH	569	14.0 %	810	18.0 %	810	18.0 %
B. Basic Research							
C. Development Research							
IV. Training							
TTE	TRAINING, TECHNICAL	2,232	54.9 %	1,890	42.0 %	1,890	42.0 %

AC/SI SUMMARY REPORT
 (U.S. Dollars Thousands)

	FY 1991	FY 1992	FY 1993
	ESTIMATE	PLANNED	REQUEST

PROJECT NUMBER: 940-1005 TITLE: PROJECT DEVELOPMENT AND SUPPORT

INOC CONSTRUCTION (EXCLUDING CONSTR. ACTIVITIES N.E.C.)

SI CODE: CAP	100 %	180		
SI CODE: CIT	70 %	126		
SI CODE: INS	100 %	180		
SI CODE: SPR	100 %	180		
SI CODE: TTE	100 %	180		
SI CODE: TWN	30 %	54		
TOTAL AC CODE:	40 %	180		

PEFM FINANCIAL MARKETS

SI CODE: CIT	90 %	122		
SI CODE: INS	100 %	135		
SI CODE: PSD	100 %	135		
SI CODE: SPR	100 %	135		
SI CODE: TTE	100 %	135		
SI CODE: TWN	10 %	13		
TOTAL AC CODE:	30 %	135		

PSMG ADMINISTRATION AND MANAGEMENT

SI CODE: CIT	60 %	81		
SI CODE: DEC	100 %	135		
SI CODE: INS	100 %	135		
SI CODE: SPR	100 %	135		
SI CODE: TTE	100 %	135		
SI CODE: TWN	40 %	54		
TOTAL AC CODE:	30 %	135		

PROJECT TOTAL	100 %	452	0	0
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PROJECT NUMBER: 940-1008 TITLE: HOUSING AND URBAN PROGRAMS

EVMP ENVIRONMENTAL MGMT, PLANNING AND POLICY

SI CODE: CIT	70 %	284	325	325
SI CODE: INS	10 %	40	46	46
SI CODE: ROR	60 %	243	279	279
SI CODE: SPR	80 %	325	372	372
SI CODE: TWN	30 %	121	139	139
TOTAL AC CODE:	30 %	406	465	465

AC/SI SUMMARY REPORT
 (U.S. Dollars Thousands)

		FY 1991 ESTIMATE	FY 1992 PLANNED	FY 1993 REQUEST
PEFM FINANCIAL MARKETS				
SI CODE: CIT	80 %	379	434	434
SI CODE: PSD	80 %	379	434	434
SI CODE: SPR	80 %	379	434	434
SI CODE: TTE	20 %	94	108	108
SI CODE: TWN	20 %	94	108	108
TOTAL AC CODE:	35 %	474	542	542
PSMG ADMINISTRATION AND MANAGEMENT				
SI CODE: CIT	70 %	331	379	379
SI CODE: DEC	100 %	474	542	542
SI CODE: INS	100 %	474	542	542
SI CODE: SPR	100 %	474	542	542
SI CODE: TTE	100 %	474	542	542
SI CODE: TWN	30 %	142	162	162
TOTAL AC CODE:	35 %	474	542	542
PROJECT TOTAL	100 %	1,355	1,550	1,550

PROJECT NUMBER: 940-1005 TITLE: PROJECT DEVELOPMENT AND SUPPORT

INOC CONSTRUCTION (EXCLUDING CONSTR. ACTIVITIES N.E.C.)

SI CODE: CAP	100 %	180
SI CODE: CIT	70 %	126
SI CODE: INS	100 %	180
SI CODE: SPR	100 %	180
SI CODE: TTE	100 %	180
SI CODE: TWN	30 %	54
TOTAL AC CODE:	40 %	180

PEFM FINANCIAL MARKETS

SI CODE: CIT	90 %	122
SI CODE: INS	100 %	135
SI CODE: PSD	100 %	135
SI CODE: SPR	100 %	135
SI CODE: TTE	100 %	135
SI CODE: TWN	10 %	13
TOTAL AC CODE:	30 %	135

PSMG ADMINISTRATION AND MANAGEMENT

AC/SI SUMMARY REPORT
 (U.S. Dollars Thousands)

		FY 1991 ESTIMATE	FY 1992 PLANNED	FY 1993 REQUEST
SI CODE: CIT	60 %	81		
SI CODE: DEC	100 %	135		
SI CODE: INS	100 %	135		
SI CODE: SPR	100 %	135		
SI CODE: TTE	100 %	135		
SI CODE: TWN	40 %	54		
TOTAL AC CODE:	30 %	135		
PROJECT TOTAL	100 %	452	0	0
PROJECT NUMBER: 940-1008 TITLE: HOUSING AND URBAN PROGRAMS				
EVMP ENVIRONMENTAL MGMT, PLANNING AND POLICY				
SI CODE: CIT	70 %	379	619	619
SI CODE: INS	10 %	54	88	88
SI CODE: ROR	60 %	325	531	531
SI CODE: SPR	80 %	433	708	708
SI CODE: TWN	30 %	162	265	265
TOTAL AC CODE:	30 %	541	885	885
PEFM FINANCIAL MARKETS				
SI CODE: CIT	80 %	505	826	826
SI CODE: PSD	80 %	505	826	826
SI CODE: SPR	80 %	505	826	826
SI CODE: TTE	20 %	126	206	206
SI CODE: TWN	20 %	126	206	206
TOTAL AC CODE:	35 %	632	1,032	1,032
PSMG ADMINISTRATION AND MANAGEMENT				
SI CODE: CIT	70 %	442	722	722
SI CODE: DEC	100 %	632	1,032	1,032
SI CODE: INS	100 %	632	1,032	1,032
SI CODE: SPR	100 %	632	1,032	1,032
SI CODE: TTE	100 %	632	1,032	1,032
SI CODE: TWN	30 %	189	309	309
TOTAL AC CODE:	35 %	632	1,032	1,032
PROJECT TOTAL	100 %	1,806	2,950	2,950
REPORT TOTAL		4,065	4,500	4,500

AGGREGATION OF AC/SI CODES FOR SPECIAL ISSUES
(U.S. Dollars Thousands)

	FY 1991 ESTIMATE	FY 1992 PLANNED	FY 1993 REQUEST
(1) Child Survival Funding			
(2) Other Health			
(3) Environment	947	1,350	1,350
(4) Energy			
(5) Forestry			

Refer to ABS Guidance Attachment B for aggregation basis

The above summaries are aggregations of ACs and SIs. Other aggregations consist of ACs only and can be derived from AC section of the Aggregate Analysis Report

OFFICE OF HOUSING AND URBAN PROGRAMS
Evaluation Plan

In accordance with APRE/H guidelines and program requirements, the RHUDOs will continue to monitor and evaluate all ongoing Housing Guaranty programs and related Development Assistance. Attached (Table VII) is a list of evaluations planned for FY 1992 and FY 1993.

In addition to these activities at the country level, the Office of Housing and Urban Programs is currently undertaking several important evaluation and data-management projects on a wider scale:

1. Internal Review of HG Sector Programs

Since the mid-1980s the Office has used the HG mechanism to support an increasing number of "Sector" Programs, as opposed to project-based programs. Since the primary goal of these programs is to encourage and assist appropriate policy-reforms in the housing and urban sectors within the target country, and not necessarily to provide direct financing to a particular institution or project with readily-measurable outputs, it has proven challenging to evaluate the success of these programs, both in terms of their effect on the shelter sector as a whole and in terms of their efficacy in generating housing and infrastructure for below-median-income households. Therefore, in FY 1991, APRE/H initiated a major evaluation of its approach to HG Sector Programs and their particular monitoring and evaluation requirements. The first phase has involved an extensive review of all the information on file pertaining to the eight sector programs launched to date and interviews with most of the AID staff and external contractors who have been involved in designing or implementing those programs. The objective is to determine which elements in the design, implementation, and monitoring of each project have contributed most to its relative success or failure. In the second phase, sight visits will be made to selected programs, in order to test the initial findings in the field and to make recommendations for improved management of HG Sector Programs in the future.

2. Regional Training Strategy Evaluations

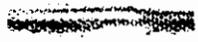
As can be seen in Table VII, APRE/H is continuing its program of evaluating training activities in each of the RHUDOs. Three of these Regional Training evaluations have been completed, and the remaining four will be completed by the end of FY 1992.

3. The AID/IBRD/Habitat system of Housing Sector Indicators

APRE/H is collaborating with the IBRD and Habitat to establish a international system of housing sector indicators. The proposed system will employ sample surveys in order to develop indicators which are not currently available to assist planning and policy-making in the shelter sector. The Office is providing assistance in developing and conducting an initial series of "extensive" surveys in 35-40 countries to compile 20-30 key indicators. More "intensive" surveys to consolidate data on approximately 140 indicators will also be carried out initially in Hungary, Ghana and the Philippines. The data, intended to be published annually, will serve as an internationally-recognized resource for information on the shelter sector.

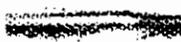
List of Planned Evaluations
 Fiscal Years 1992 and 1993
 APRE/Office of Housing and Urban Programs

PROJECT: # and title	FY 1992		FY 1993		Funding Source	Amount (\$000s)	USAID Person Days	Collateral Assistance
	Last Evaluation Completed	Start	To AID/W	To AID/W				
RHUDO/Asia (Bangkok)								
INDONESIA:								
497-0365 (497-HG-001) Municipal Finance and Shelter Program II	Jul-91	4	4	4	PD&S	30	20 Mission person-days 5 RHUDO Contractor person-c	20 Contractor person-c
			4	4	PD&S	30	20 Mission person-days 5 RHUDO Contractor person-c	20 Contractor person-c
INDIA:								
386-HG-003 (386-HG-008) Housing Finance System Program I	Aug-91	4	4	4	RHUDO/Asia USAID/Delhi PD&S	30	30 Mission person-day 8 RHUDO contractor person-d	35 contractor person-d
			4	4	USAID	30	20 Mission person-day 5 RHUDO contractor person-d	20 contractor person-d
PAKISTAN:								
391-HG-001 (391-0507) Shelter Resource Mobilization Project I	Jun-90	4	4	4	USAID/Manila ESF	30	20 Mission person-day 5 RHUDO contractor person-d	20 contractor person-d
PHILIPPINES:								
492-0388 (492-HG-001) Decentralized Shelter and Urban Development	Aug-91	4	4	4	USAID/Manila ESF	30	20 Mission person-day 5 RHUDO contractor person-d	20 contractor person-d



4	4	3rd Annual Evaluation: To assess progress in achieving Policy Matrix Benchmarks prior to 3rd tranche borrowing	USAID/Manila ESF	30	20 Mission person-days	5 RHUDO person-day
4	4 (FY91)	None to date	RHUDO/Asia APRE/H	50	0	45 RHUDO person-da 5 APRE/H Training Officer days; 15 APRE/H-funded contractor person-da)
REGIONAL:						
Regional Training Strategy						
RHUDO/Caribbean (Kingston)						
JAMAICA:	532-HG-012 (532-0167)	None to date	532-0167	30	5	20
Jamaica Shelter Sector Support						
532-HG-013	None to date	532-0149				
Jamaica Shelter Sector Support						
RHUDO/Central America (Tegucigalpa)						
HONDURAS:	522-0340	None to date	522-0340 Grant	75	30	90 IQC person-days
Municipal Development Project						
4	4	PACD, June 1997 Mid-term Evaluation of TA and training efforts to support decentralization and administrative strengthening of municipalities Key issues: willingness of municipalities to assume greater responsibilities for public service delivery and accept greater civic participation				
REGIONAL:						
Regional Training						
1	1	None to date	RHUDO/CA	30	0	10 RHUDO person-da

Strategy				APRE/II		
	2					8 APRE/H Training Officer days; 20 APRE/H-funded contractor person-da
RHUDO/East & Southern Africa (Nairobi)						
DJIBOUTI:	2	None to date				World Bank will prov most personnel on tea
	2					
KENYA:						
615-0252	2	None to date				
Kariobangi Community Development	4			USAID/Nairobi PD&S	20	3
615-HG-006 (615-0212)	1	Oct-88		USAID/Nairobi PD&S	30	10 RHUDO person-da
Kenya Small Town Shelter & Community Development	3					
615-0225	1	Aug-89		RHUDO/ESA	6	RHUDO staff
Kenya Private Sector Grant	3					
ZIMBABWE:						
613-HG-001B (613-0205)	2	Feb-88		USAID/Harare	20	
Zimbabwe Low Cost Housing Project	2					
REGIONAL:						
Regional Training Strategy	2	None to date		RHUDO/ESA APRE/H	30	10 RHUDO person-da
	3					8 APRE/H Training Officer days; 20 APRE/H-funded



contractor person-da)

USAID and RHUDO agenda

RHUDO/Near East & North Africa (Tunisia)

TUNISIA: HG-004B	May-89	4 (FY91)	1	Interim Evaluation	RHUDO/NENA	10	5 Mission person-days	15 USA PSC person-days
HG-004C	None to date	4 (FY91)	1	Mid-term Evaluation	RHUDO/NENA	10	5 Mission person-days	15 USA PSC person-days
HG-004D	None to date	4	1	Mid-term Evaluation	RHUDO/NENA	20	10 USAID PSC	20 Purchase Order Ref PSC
REGIONAL: Regional Training Strategy	None to date	3	4	To assess the effectiveness of training activities; to suggest future strategies and activities Key issues: Cost effectiveness, impact on policy development, quality of offerings, integration into USAID and RHUDO agenda	RHUDO/NENA APRE/H	30	0	10 RHUDO person-days 8 APRE/H Training Officer days; 20 APRE/H-funded contractor person-day

RHUDO/South America (Quito)

BOLIVIA: 511-HG-007 (511-0567) Bolivia Low Cost Shelter Through the Private Sector	1988	4	1	Final evaluation	Mission Grant Project 511-0567	15	15	10
ECUADOR: 518-HG-007 (518-0076) National Shelter Delivery System	None to date	1	2	Mid-term Evaluation	Mission Grant Project 518-0076	53	5	60

RHUDO/West & Central Africa (Abidjan)

COTE D'IVOIRE: HG-004	None to date	3	4	Final Evaluation	RHUDO/WCA	45	10 USAID PSC person-days	30 USA contractor person-day
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**OFFICE OF HOUSING AND URBAN PROGRAMS
FY 1993 ABS WORKFORCE NARRATIVE**

A. General: The PPC workforce analysis conducted of the Office of Housing and Urban Programs this year has helped shape the workforce request for FY 92 and FY 93. This analysis reviewed the AID/W workforce and also recommended that planning controls over the APRE/H overseas workforce be centralized in APRE. Our request reflects the results of these recommendations, deals with new credit reform legislation governing the HG program, and also proposes to incorporate personnel who have remained on the Foreign Service complement for some time.

For FY 91, including personnel currently on the Foreign Service complement, the Office of Housing and Urban Programs in Washington will use approximately 17 FTE. In the seven regional offices and in Missions, approximately 25 FTE will be used, for a total of 42 FTE worldwide. Between FY 1991 and 1993 the Office's worldwide FTE level is projected to decrease from 42 to 40 FTE.

In FY 92, shifts in the assignment of personnel will begin to take place between regions. With centralized planning of the Office's worldwide FTE, the workforce can now be better allocated according to workload. At the same time, new credit reform regulations require that the workforce directly associated with the HG program be separately accounted for. As a result of the analysis and also under some pressure to reduce the U.S. presence overseas, FTE levels in almost all regions of the world will decrease. Asia, as the region with increasing Housing Guaranty loan activity, is the exception showing an increase of 3 FTE between FY 91 and 93.

As HG program management responsibilities in Latin America and Africa decrease, FTE levels will be reduced. Staff in Latin America will decrease from 10 to 6 by FY 93. In Africa, levels will be reduced from 7 to 4 FTEs. Additional FTEs will be placed in Eastern Europe and, possibly, in Israel reflecting expanding program responsibilities. By FY 93, presence overseas is expected to drop by 2 FTEs.

FTE levels in Washington should be increased to the 'de facto' level of 17. The PPC workforce analysis recommended a level of 13 FTEs in Washington, but as regional staff overseas are reduced to minimum levels, more central Washington support, especially for urban development activities, will be required. Urbanization issues are becoming increasingly important to Missions as escalating requests for assistance in the areas of urban economics, municipal development, infrastructure and the urban environment demonstrate. To accommodate this growing demand in FY 92, workforce levels in the Urban Programs and Policy division in Washington will be increased by 2 FTEs and the Operations Division will be increased by 2 FTE. In FY 92 and 93, the Washington FTE level shown is 17. This increase can be met through the formal assignment of the personnel on the complement who are actually working in the Office. This staffing level will enable the central

Washington office to provide the required Mission support.

In addition to meeting the demand for urban expertise, the workforce request for FY 92 and FY 93 would result in the incorporation of personnel currently on the Foreign Service complement, some of whom manage Congressionally-mandated activities in Eastern Europe and Israel.

B. Special Program Authorities: The Office of Housing and Urban Programs does not charge any of its OE costs to the Development Fund for Africa, Child Survival/AIDS, Population, Environment, Panama/Nicaragua or Eastern Europe programs.

C. Skills Requirements: In forecasting future skills requirements, the Office of Housing and Urban Programs will need personnel with experience in the areas of the urban environment, infrastructure financing and urban economics.

TOTAL FTE (USDH) OFFICE OF HOUSING AND URBAN PROGRAMS

Location	FY 91	FY 92	FY 93	CHANGE 91 TO 93
APRE/H	17	17	17	0.0
ASIA	4	6	7	3.0
NENA	5	4	4	(2.0)
ISRAEL	0	0	1	1.0
POLAND	0	1	1	1.0
EAST AFRICA	4	3	2	(2.0)
WEST AFRICA	3	2	2	(1.0)
CARIBBEAN	1.6	1	1	(0.6)
CENTRAL AMERICA	3.4	3	2	(1.4)
SOUTH AMERICA	3.8	3	3	(0.8)
	41.8	40	40	-1.8

APRE/H STAFFING PATTERN FY 91-93 (in FTE's)

Location	FY 91		FY 92		FY 93	
	HG	U	HG	U	HG	U
APRE/H	13.6	3.4	12.0	5.0	12.0	5.0
ASIA						
RHUDDO	1.9	0.1	2.9	0.1	2.9	0.1
INDONESIA	0.9	0.1	0.9	0.1	0.9	0.1
SRI LANKA	0.9	0.1	0.9	0.1	0.9	0.1
INDIA	--	--	0.9	0.1	1.8	0.2
NENA	4.5	0.5	3.5	0.5	3.5	0.5
POLAND	--	--	0.9	0.1	0.9	0.1
ISRAEL	--	--	--	--	1.0	0.0
WEST AFRICA	1.0	2.0	1.0	1.0	1.0	1.0
EAST AFRICA	3.0	1.0	2.2	0.8	1.5	0.5
CARIBBEAN	1.4	0.2	0.9	0.1	0.9	0.1
CENTRAL AMERICA	2.4	1.0	2.2	0.8	1.2	0.8
SOUTH AMERICA	2.8	1.0	2.1	0.9	2.1	0.9
SUBTOTAL FTE:	32.4	9.3	30.4	9.6	30.6	9.4
SUM OF FTE:	41.7		40.0		40.0	
% HG:	78%		76%		77%	

APRE/H STAFFING PATTERN FY 91-93

Position	FY 91		FY 92		FY 93	
	HG	U	HG	U	HG	J
DIRECTOR	90%	10%	70%	30%	70%	30%
DEPUTY DIR	90%	10%	80%	20%	80%	20%
OPNS DIR	90%	10%	90%	10%	90%	10%
OPNS STAFF1	90%	10%	90%	10%	90%	10%
OPNS STAFF2	90%	10%	90%	10%	90%	10%
EEUR STAFF1	--	--	50%	50%	50%	50%
ISRAEL STAFF1	--	--	100%	0%	100%	0%
PUP DIR	85%	15%	50%	50%	50%	50%
PUP STAFF1	85%	15%	30%	70%	30%	70%
PUP STAFF2	--	--	50%	50%	50%	50%
PUP STAFF3	--	--	30%	70%	30%	70%
PUP STAFF4	--	--	30%	70%	30%	70%
PS DIR	95%	5%	90%	10%	90%	10%
PS STAFF1	90%	10%	90%	10%	90%	10%
PS STAFF2	--	--	90%	10%	90%	10%
CLERICAL1	90%	10%	80%	20%	80%	20%
CLERICAL2	90%	10%	90%	10%	90%	10%
CLERICAL3	90%	10%	--	--	--	--
CLERICAL (PT)	70%	10%	--	--	--	--

SUBTOTAL FTE:	11.45	1.35	12.00	5.00	12.00	5.00
SUM OF FTE:	12.8		17		17	
% HG:	89%		71%		71%	

Complement

OPNS STAFF1 (part)	30%	3%	--	--	--	--
OPNS STAFF2	90%	10%	--	--	--	--
PUP STAFF2	3%	13%	--	--	--	--
ISRAEL STAFF	100%	0%	--	--	--	--
EEUR STAFF1	0%	75%	--	--	--	--
EEUR (TO BUREAU)	0%	100%	--	--	--	--
COMPLEMENT TOTAL:	2.23	2.01				
SUM OF FTE	4.24					
% HG:	53%					

ID11	90%	10%	90%	10%	90%	10%
ID12	--	--	90%	10%	90%	10%
PM11	60%	40%	50%	50%	50%	50%
PM12	70%	30%	50%	50%	50%	50%
PM13	50%	50%	50%	50%	50%	50%
PM14	20%	80%	--	--	--	--
PM15	50%	50%	--	--	--	--
PM16 (partial)	20%	5%	--	--	--	--

SUBTOTAL FTE:	3.6	2.65	3.3	1.7	3.3	1.7
SUM OF FTE:	6.25		5		5	
% HG:	58%		66%		66%	

ALL USDH FTE:	17.28	6.01	15.3	6.7	15.3	6.7
TOTAL FTE:	23.29		22		22	
% HG:	74%		70%		70%	

APRE/H STAFFING PATTERN FY 91-93

Position	FY 91		FY 92		FY 93	
	HG	U	HG	U	HG	U

Other USG						

RSSA	50%	50%	50%	50%	50%	50%
=====						
TOTAL FTE:	0.5	0.5	0.5	0.5	0.5	0.5
SUM OF FTE:	1		1		1	
% HG:	50%		50%		50%	
Other Instit						

IPA 1	20%	80%	20%	80%	20%	80%
IPA 2	60%	40%	60%	40%	60%	40%
=====						
TOTAL FTE:	0.8	1.2	0.8	1.2	0.8	1.2
SUM OF FTE:	2		2		2	
% HG:	40%		40%		40%	
Contracts						

SYSTEM ADMIN	100%	0%	100%	0%	100%	0%
FIN ADVISOR	100%	0%	100%	0%	100%	0%
=====						
TOTAL FTE:	2	0	2	0	2	0
SUM OF FTE:	2		2		2	
% HG:	100%		100%		100%	
TOTAL ALL CATEGORIES						
=====						
TOTAL FTE:	20.58	7.71	18.6	8.4	18.6	8.4
SUM OF FTE:	28.29		27		27	
% HG:	73%		69%		69%	

APRE/H STAFFING PATTERN FY 91-93 (USDH/FNDH/PSC/FNPSC)

Location	FY 91		FY 92		FY 93	
	HG	U	HG	U	HG	U
APRE/H	11.3	5.0	12.0	5.0	12.0	5.0
ASIA						
RHUDO	3.9	1.1	4.7	1.3	4.7	1.3
INDONESIA	1.7	0.3	1.7	0.3	1.7	0.3
SRI LANKA	0.9	0.1	0.9	0.1	0.9	0.1
INDIA	--	--	2.0	1.0	2.0	1.0
MENA	9.1	2.2	3.2	0.8	3.2	0.8
POLAND	--	--	0.7	0.3	0.7	0.3
ISRAEL	--	--	--	--	1.0	0.0
WEST AFRICA	1.5	4.5	1.4	3.6	0.6	2.4
EAST AFRICA	7.3	3.5	5.8	3.2	5.3	2.7
CARIBBEAN	3.6	2.6	3.4	2.6	3.4	2.6
CENTRAL AMERICA	5.9	2.5	6.3	2.7	3.6	2.4
SOUTH AMERICA	6.4	2.7	6.3	2.7	5.6	2.4
SUBTOTAL FTE:	51.6	24.4	48.4	23.6	44.7	21.3
SUM OF FTE:	76.1		72.0		66.0	
% HG:	68%		67%		68%	

A.I.D./WASHINGTON STAFFING IN WORKYEARS

Worksheet # 3

MISCELLANEOUS PROGRAM/PROJECT MANAGEMENT

Bureau/Office Name: <i>Office of Housing and Urban Programs</i> Fiscal Year: <i>91</i>
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FUNCTIONAL CATEGORY	USDH	Other U.S.G.		Other Int.		CONTRACTS	
	OE	OE	PR	OE	PR	OE	PR
Housing Guarantees	17.3	.6		.8		2.0	
Urban Development	6.0	.4		1.2			
Disaster Activities							
Democracy Intvs./Admin. of Justice							
Infrastructure/Capital Projects							
American Schools & Hospitals Abrd.							
Other (identify):							
TOTALS	23.3	1.0		2.0		2.0	

NOTE: USDH levels include:

12.8 FTE on APRE/H payroll
 4.2 FTE on PM complement
 1.0 FTE for IDI on PM complement
 5.3 FTE for PMIs on PM complement

23 .3

A.I.D./WASHINGTON STAFFING IN WORKYEARS

Worksheet # 3

MISCELLANEOUS PROGRAM/PROJECT MANAGEMENT

Bureau/Office Name: Office of Housing and Urban Programs Fiscal Year: 92

FUNCTIONAL CATEGORY	USDH	Other U.S.G.		Other Inst.		CONTRACTS	
	OE	OE	PR	OE	PR	OE	PR
Housing Guarantees	15	.6	0	.8	0	2	0
Urban Development	7	.4	0	1.2	0		
Disaster Activities							
Democracy Intvs./Admin. of Justice							
Infrastructure/Capital Projects							
American Schools & Hospitals Abrd.							
Other (identify):							
TOTALS	22	1	0	2	0	2	0

Note: USDH levels include: 17 FTEs on APRE/H payroll
 2 FTEs for IDIs on PM complement
 3 FTEs for PMIs on PM complement

MISCELLANEOUS PROGRAM/PROJECT MANAGEMENT

Bureau/Office Name: Office of Housing and Urban Programs	Fiscal Year: 93
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FUNCTIONAL CATEGORY	USDH	Other U.S.G		Other Inst.		CONTRACTS	
	OE	OE	PR	OE	PR	OE	PR
Housing Guarantees	15	.6		.8		2	
Urban Development	7	.4		1.2			
Disaster Activities							
Democracy Intvs./Admin. of Justice							
Infrastructure/Capital Projects							
American Schools & Hospitals Abrd.							
Other (identify):							
TOTALS	22	1		2		2	

Note: USDH levels include: 17.0 FTEs on APRE/H payroll

2.0 FTEs for IDIs on PM complement
3.0 FTEs for PMIs on PM complement

OFFICE OF HOUSING AND URBAN PROGRAMS
Operating Expense Budget Narrative

The APRE/H OEB is based on costs associated with operating the Housing Guaranty program and also costs associated with activities that are not directly attributed to the HG program. The percentage of the total budget allocated to HG versus non-HG activity is derived from the worldwide Office of Housing and Urban Programs workforce analysis contained in section II of this submission. That analysis indicates a percentage split of between 75%-78% HG costs and 22-25% non-HG costs over the period FY 91-93. The budget tables attached include both HG and non-HG costs in proportion with these percentages.

In prior years the Agency has funded a similar percentage of the Office's O.E. costs by funding a significant portion of the Office's payroll expenses. This has proven to be a cumbersome arrangement for obligating the Agency O.E. portion of the budget as Housing Officers often shift from one payroll to the other upon a change of assignment. It is thus difficult to ensure that the final budget level will remain constant over the course of the year. Another mechanism needs to be identified. We look to the Budget Office to rationalize this situation.

The FY 1992 budget level is a 6% increase over the FY 1991 budget. This increase is due primarily to establishing new Housing and Urban Development Officer positions in Asia and Eastern Europe and post assignment costs for reassigning personnel in other regions as reflected in our workforce/FTE request. FY 1993 and 1994 projections are based on the FY 1992 request per the ABS instructions and reflect about a 4% annual increase from that level.

OFFICE OF HOUSING AND URBAN PROGRAMS
 Summary of Operating Expense Budgets
 FY 91 - 94

91 ABS estimate	FUN	GRAND		
EXPENSE CATEGORY	COD	TOTAL	RHUDO Total	Wash Total
U.S. Direct Hire	100	4,493.6	545.4	3,948.2
F.N. Direct Hire	200	73.8	73.8	0.0
Contract Personnel	300	483.0	483.0	0.0
Housing	400	768.1	768.1	0.0
Office Operations	500	2,915.6	855.6	2,060.0
NXP Procurement	600	70.9	65.9	5.0
Total OE Expense Budget		8,805.0	2,791.8	6,013.2

92 ABS estimate	FUN	GRAND		
EXPENSE CATEGORY	COD	TOTAL	RHUDO Total	Wash Total
U.S. Direct Hire	100	4,760.0	621.7	4,138.3
F.N. Direct Hire	200	155.6	155.6	0.0
Contract Personnel	300	447.1	447.1	0.0
Housing	400	713.9	713.9	0.0
Office Operations	500	3,164.8	963.0	2,201.8
NXP Procurement	600	91.9	86.4	5.5
Total OE Expense Budget		9,333.3	2,987.7	6,345.6

93 ABS estimate	FUN	GRAND		Wash Total
EXPENSE CATEGORY	COD	TOTAL	RHUDO Total	(Israel/Poland)
U.S. Direct Hire	100	4,870.9	563.0	4,307.9
F.N. Direct Hire	200	165.6	165.6	0.0
Contract Personnel	300	465.8	455.8	0.0
Housing	400	657.5	657.5	0.0
Office Operations	500	3,391.7	939.6	2,402.1
NXP Procurement	600	155.1	149.4	5.7
Total OE Expense Budget		9,706.6	2,970.9	6,715.7

94 ABS estimate	FUN	GRAND		Wash Total
EXPENSE CATEGORY	COD	TOTAL	RHUDO Total	(Israel/Poland)
U.S. Direct Hire	100	5,112.9	632.7	4,480.2
F.N. Direct Hire	200	175.5	175.5	0.0
Contract Personnel	300	482.2	482.2	0.0
Housing	400	714.2	714.2	0.0
Office Operations	500	3,519.5	1,064.9	2,454.6
NXP Procurement	600	90.7	84.8	5.9
Total OE Expense Budget		10,095.0	3,154.3	6,940.7

OFFICE OF HOUSING AND URBAN PROGRAMS
 AID/W Operating Expense Budgets
 FY 91-94

AID/W request:		FY 91	FY 92	FY 93	FY 94
Paroll (worldwide)	N100	3,754.8	3,918.3	4,079.1	4,242.2
IPAs	N200	120.0	120.0	124.8	129.8
Site Visits-Proj/Prog	T510	77.8	150.0	168.5	175.2
Meetings/Conferences	T530	20.8	19.3	20.1	20.9
Experts/Consultant Travel	T550	5.2	6.4	6.7	6.9
Evaluation Travel	T590	8.3	5.4	5.6	5.8
Consultant Services	V913	320.0	311.0	400.0	416.0
Non-Federal Audits	V924	100.0	100.0	104.0	108.2
Other Studies/Analyses	V959	124.5	170.0	200.0	208.0
Agency Support reimb	V700	850.0	900.0	936.0	973.5
FAAS	Q110	175.0	200.0	208.0	216.3
User Work Stations	P321	103.0	5.0	5.0	5.0
User Software	P322	2.0	0.5	0.7	0.9
Supplies & Materials	P400	15.6	18.3	19.0	19.8
Other Tech Support Service	P139	53.5	100.0	104.0	108.2
Long Distance Toll Calls	P851	53.3	58.5	60.8	63.3
Assignment to AID/W	T350	73.4	100.0	104.0	64.6
Recurring Reports-Comm	R324	6.0	6.4	6.7	6.9
Non-Recurring Reports	R325	11.7	12.0	12.5	13.0
Copy Machine Network Equ	R342	5.2	6.5	6.8	7.0
Rent & Util	R416	133.1	138.0	143.5	149.3
		6,013.2	6,345.6	6,715.7	6,940.8

PROPOSED RACKS AND CORRESPONDING SUBSIDIES FOR 1993 ABS

Percentage Distribution of Risk in Planned Cohorts:

	<u>FY 91</u>	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>
B	14%	30%	20%	25%	25%	25%	25%
C	58%	45%	55%	45%	45%	45%	45%
D	28%	20%	20%	25%	25%	25%	25%
E	0	5%	5%	5%	5%	5%	5%

Given a constant risk distribution associated with the outyear cohorts, a constant subsidy would likewise be associated with the outyear cohorts. Using the methodology currently in use, the process yields the following subsidy for each cohort, including probabilities of default and discount rates for each risk class:

	<u>Probability of Default</u>	<u>Subsidy Implied</u>	<u>Portfolio Weight</u>	<u>Weighted Subsidy</u>
B	0%	(5.50)%	25%	(1.38)%
C	5%	0.07%	45%	0.03 %
D	50%	49.20%	25%	12.30 %
E	75%	76.23%	5%	3.81 %
Total			100%	14.77 %

The subsidy projections are thus summarized below:

	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>
	13.23%	12.03%	12.59%	14.77%	14.77%	14.77%	14.77%
or	\$19.8 mil	\$12.03 mil	\$12.59 mil	\$14.77 mil	\$14.77 mil	\$14.77 mil	\$14.77 mil

The corresponding figures for the FY 92 and FY 93 cohorts given incremental programs of an additional \$50 million each year change the risk distribution and subsidy estimates as follows:

<u>Risk Distribution</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>Subsidy</u>	
FY 1992	20%	64%	13%	3%	8.04% or	\$12.06 million
FY 1993	13%	71%	13%	3%	8.41% or	\$12.62 million

RACK PROPOSALS (\$ millions)

	FY 1991	FY 1992	FY 1993
Chile	40	---	10
India	15.5	20	20
Indonesia	25	20	25
Morocco	5.5	5	20
Philippines	25	---	---
Portugal	5	10	--
Tunisia	--	5	10
Poland	--	15	---
Turkey	--	20	10
Eastern Europe	34		
Sri Lanka	--	5	5
	=====	=====	=====
Total	\$150	\$100	\$100
 Incremental Programs:			
Hungary/			
Czechoslovakia		50	25
Indonesia		--	25
		=====	=====
 Total with increment		\$150	\$150