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**Cooperative Neighborhood Improvement
and Jobs Program for
Central America**

CHF Quarterly Report

1 January to 31 March 1989



Cooperative Housing Foundation

Mail: P.O. Box 91280, Washington, D.C. 20090-1280 ■ Office: 1010 Wayne Ave., Suite 240, Silver Spring, MD 20910 ■ (301) 587-4700 ■ FAX (301) 587-2626 ■ Telex 440271 CHFUI

CHF Quarterly Report - 1 January to 31 March 1989
Cooperative Neighborhood Improvement and Jobs Program for
Central America

I. **Background**

This report covers the quarter of operations comprised of the period 1 January 1989 through 31 March 1989 of the CHF Cooperative Neighborhood Improvement and Jobs Program for Central America.

The Project is being carried out by the private sector and the funds are flowing from the CHF Central America Fund directly to cooperative federations and other private not-for-profit organizations in the five countries of Guatemala, Honduras, El Salvador, Costa Rica, and Belize. The project has been developed in close consultation with the USAID Mission in these countries and is designed to fit within both the AID regional strategy and USAID country strategy statements.

As will be demonstrated in more detail in the sections which follow, CHF sub projects are increasingly moving from the implementation stage, to that of performing loans. More importantly, thousand of families are enjoying the benefits of a safer, healthier, more ample and improved quality of shelter and habitat. More difficult to quantify and document is the

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positive social and political impact produced by poor people experiencing empowerment as regards their ability to participate in the resolution of their problems and their having experienced, via the tangible benefits of an extension of credit, some proof that the "system" can also serve them.

Institutionally, in Costa Rica, Honduras and Guatemala, private nonprofit cooperatives, and NGO's are growing in capability and economic viability and with CHF assistance are moving to the stage (some already there) where they no longer rely exclusively on "special" financing, but can interface commercially with formal housing sector financial institutions. There are now 44 loans signed, most of which are already disbursing, some of which have been completed and are in their pay back stage. Through the period covered by this report, a total in excess of \$7.3 million has been disbursed against the loans and grants already in implementation, \$ 742,000 of it coming in the quarter under consideration here.

II. Commentary

1. Guatemala

Conversations have begun with BANVI, the National Housing Bank regarding the possibility of that institution purchasing part or all of the CHF portfolio of core housing loans. This would provide BANVI with a "seasoned" portfolio, represented by mortgage loans on core units held by low income families. CHF currently has approximately US\$ 1 million in such core housing loans and is investigating the possible sale to BANVI in the interests of acquiring greater liquidity which would permit a higher level of current production and operations.

The talks have just been engaged and are thus still at a preliminary stage.

2. Honduras

Building on trends presented in the previous Quarterly Report, CHF has continued meetings and discussions with FOVI aimed at securing accreditation for certain of the non profit, NGOs and cooperative groups whose low cost housing capacity we have been developing and or strengthening and who in our judgement are ready for some measure of operations at the FOVI level of financial market transactions. At this juncture, FEHCOVIL, FACACH and Centro San Juan Bosco are accredited. In the case of both FEHCOVIL and Centro San Juan Bosco, CHF has already provided construction financing and technical assistance on specific core house projects for which FOVI provided the long term financing. CHF is currently examining with both institutions the developing of additional core housing projects, having them pre qualified by FOVI as eligible projects for

long term financing and repeating the operation.

While neither CHF nor CSJB pretend that in a relatively short period of time CSJB has become a full blown, mature Developer/Builder, both institutions are, nevertheless, pleased with the progress achieved and recognize that the institution has developed a higher level of competence and is fully capable of operating at a more demanding performance and competitive level.

3. El Salvador

Work on the current OPG funded projects aimed at earthquake repair and reconstruction in the effected, metropolitan area of San Salvador are winding down to successful completion. Funds are approximately 95% disbursed against work in place. Based on the model of collaboration with a local savings and loan association, which has been providing the long term financing for the core housing units developed for sale to former "meson" earthquake victims, we are in advanced discussion with the USAID Mission El Salvador concerning additional funding for continuation and expansion of our efforts. In the particular circumstances extant in El Salvador, there would be additional Mission funding for 12 or 24 months of CHF technical assistance and administrative costs with the long term capital being provided by the local savings and loan system from still available, existing "earthquake funds".

III. Loan/Grant/Guarantee Sub Projects - Status Report

In order to permit a rapid updating of the projects' status, the summary sheet, accompanied by the individual country breakdowns and a date supplement section is presented next. This provides data on the aggregate levels in key categories, by country, and will generally dimension progress to date. The individual country breakdowns facilitate a more careful tracing of the status of each individual sub-project, identify the particular component of the CHF Cooperative Development System being developed and provide data on the size and financial make-up of the specific loan or grant.

Key:

In order to more easily utilize the attached data in this section, the following information is provided:

1. In the individual country breakdowns, loans are identified by letter, number and by title. The first letter indicates the country, e.g. "G" for Guatemala, "H" for Honduras, "CR" Costa Rica, etc.
2. The second letter(s), which will be either an "L" or a "GR" indicates that we are referring to a loan (L) or a grant (GR).
3. Under title, abbreviations indicate first, the type of loan component funded.
 - a) HIL - home improvement loan
 - b) SHHC - self help housing cooperative. This is a core house project, either in project, or "build on your own lot" format.

c) TSO - This indicates that the loan undertaken also has elements of strengthening the existing technical service organization, which is acting as the Borrower.

d) VIC or

NIC - These indicate programs aimed at serving either Village Improvement Cooperatives, in rural or agricultural areas or Neighborhood Improvement Cooperatives in urban settings.

e) BMPC - This indicates that the loan is funding credit for Building Materials Production or distribution operations.

4. Acronym of

Borrower - Either directly to the right of the loan component indicator or below it, is presented the acronym of the borrower.

Other:

1. Please note that we are including a print out showing projected reflows anticipated from performing loans. This area is now being reported upon regularly in these reports.
2. In order to provide more detail and flavor concerning the individual country programs, some country quarterly reports are attached which provide more country specific data, discussions of specific projects, constraints, short term goals, etc.

SUMMARY SHEET
 CHF Cooperative Neighborhood Improvement and Job Program for Central America
 March 31, 1989

I. Loans/Grants/ Guarantees	Guatemala	Honduras	El Salvador	Panama	Belize	Costa Rica	Regional	Grand Total
1. No. of loans in program cycle	01	04	00	00	01	01	00	07
2. No. of loans committed	10	12	09	04	04	05	00	44
3. No. of grants/ amendments in program cycle	00	00	00	00	00	01	00	01
4. No. of grants committed	09	07	03	00	03	02	01	25
5. Total No. of loans & grants	20	23	12	04	08	09	01	77
II. Amount of Project inputs								
1. Total amount of CHF Loans/ Grants Budgeted	3,160,000	4,430,000	1,455,000	367,105	625,000	807,250	500,000	11,390,000*
2. Total amount of CHF Loans/ Grants in Program cycle	185,000	715,000	-0-	-0-	125,000	12,250		1,037,250
3. Total amount of CHF Loans/Grants <u>Committed</u>	2,423,141	3,171,000	1,455,000	367,105	500,000	795,000	500,000**	9,211,246

* Of the monies originally budgeted to Panama, the balance still to be re-allocated is \$45,645

** These funds have been fully committed and largely disbursed against grants, training activities, workshops and evaluations.

*** Some of this programming is in the form of shelf items which will only be put into implementation if funding is available.

4. Combined total of amounts Programmed and Committed	2,608,141	3,686,000	1,455,000	367,105	625,000	807,250	500,000	10,048,496

5. Total Amount of local counterpart inputs (cash) to 4. above	736,096	958,920	345,850	165,450	442,000	232,600	100,000	2,980,916

6. Total amount of local inputs in kind to 4. above	987,695	910,402	301,021	177,271	59,200	102,630	50,000	2,588,219

7. Local Inputs Grand Total	1,723,791	1,869,322	646,871	342,721	501,200	335,230	150,000	5,569,135

DATA SUPPLEMENT
SUMMARY SHEET # 1
STATUS OF ORIGINAL US\$5.6 MILLION PROJECT FUNDS
CHF Cooperative Neighborhood Improvement and Job Program for Central America
March 31, 1989

	Regional	Guatemala	Honduras	Panama	El Salvador	Belize	Costa Rica	Totals
<u>Budgeted</u>	500,000	1,300,000	930,000	367,105	525,000	625,000	807,250	5,100,000*
<u>Committed</u>								
Loans		1,129,296	774,513.50	367,105	474,300	468,000	787,000	4,300,214.5
Grants	118,400	170,704	155,486.50	0	50,700	32,000	8,000	4,917,105
Training, etc.	381,600							- 535,290.5
								- 381,600
Sub Total	500,000	1,300,000	930,000	367,105	525,000	500,000	795,000	4,917,105
<u>Programmed</u>						125,000	12,250	137,250
<u>Unprogrammed</u>								
<u>Unallocated</u> (Temporarily*)								45,645

<u>Totals</u>	Budgeted	- 5,100,000
	Committed	- 4,917,105
	Programmed	- 137,250
	Unprogrammed	- 0
	Unallocated	- 45,645

* Note: Of the monies originally budgeted to Panama, \$225,000 has been added to Belize, \$307,250 to Costa Rica, \$25,000 to El Salvador, with a balance of \$45,645 still to be re-allocated.

DATA SUPPLEMENT
SUMMARY SHEET # 2
STATUS OF ADDITIONAL PROJECT FUNDS
CHF Cooperative Neighborhood Improvement and Job Program for Central America
March 31, 1989

	Guatemala	El Salvador	El Salvador (OPG)	Honduras (OPG)	Total
1 - <u>Budgeted:</u>	1,860,000	395,000	535,000	3,500,000	6,290,000
2 - <u>Committed:</u>					<u>Subtotals</u>
Loans	1,046,741	395,000	523,000	2,160,000	4,124,741
Grants	76,400		12,000	81,000	169,400
Sub Total:	1,123,141	395,000	535,000	2,241,000	4,294,141
3 - <u>Programmed:</u>	185,000	-0-	-0-	715,000	900,000
4 - <u>Unprogrammed:</u>	551,859	-0-	-0-	544,000	1,095,859

Totals: Budgeted - 6,290,000
Committed - 4,294,141
Programmed - 900,000
Unprogrammed - 1,095,859

Grand Total: Budgeted - 11,390,000
(pages 1 & 2) Committed - 9,211,246
Programmed - 1,037,250
Unprogrammed - 1,141,504

AID/W Grant:
Total Committed = 5,600,000 Orig. Grant
Present Funds = 1,123,141 Grants
395,000 El Salvador
7,118,141 total for Loan/Grants/Training!
(Includes Admin & T.A.)

March 31, 1989
 CHF CENTRAL AMERICA PROGRAM - GUATEMALA
 Status of Loans, Grants and Guarantees Sub-projects Pre Implementation Stage

Sub Project	Concept Paper	Inputs	# of families directly benefited	Feasibility Study	Loan/Grant Application	
Number Title						
G/L/1	HIL FENACOAC	CHF/Wash. Approved USAID approved	CHF \$350,000 Local \$87,500	990 fam.	CHF/Wash. approved USAID approved	Signed 02/28/86
G/L/2	SHHC Solucines FENACOAC	On Hold pending land issue	CHF _____ Other _____		DISCONTINUED	
G/L/3	TSO/SHHC HODE	CHF/Wash. approved USAID/ approved	CHF \$425,000 Local \$181,376	250	CHF/Wash. approved USAID approved	Signed 11/11/86
G/L/4	SHHC-TSO FENACOVI (Part I El Modelo)	CHF/Wash. approved USAID/ approved	CHF \$213,000 Local 330,000	311	CHF/Wash. approved USAID approved	Signed 8/6/86
G/L/4	SHHC-TSO FENACOVI (Part II Mofang)	CHF/Wash. approved USAID approved	CHF \$176,000 Local \$35,120	198	CHF/Wash. approved	
G/L/5	SHHC FENACOVI (XELAJU)	CHF/Wash. approved USAID/ approved	CHF \$370,000 Local \$93,600	96	CHF/WASH. APPROVED USAID approved	Signed 1/28/88
G/L/6	VIC/HIP COSUDER	CHF/Wash. approved USAID/ approved	CHF \$34,000	700	CHF/Wash. approved USAID approved	Signed 6/8/87

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G/L/8	HIP FENACOVI KA CHOCH	CHF/Wash. approved USAID/ approved	CHF 132,000	200	CHF/Wash. approved USAID approved	Signed 7/13/87
G/L/10	SHHC FENACOAC San Jose Obrero C.U.		CHF 10,600	5	CHF/Wash. approved USAID approved	In process
G/L/11	SHHC FENACOVI SERES	N/A	CHF 275,000 Local 104,000	57	CHF/Wash. approved	Signed 6/1/88
G/L/12	HIP FUNDACEDI	N/A	CHF 120,000	2,000	CHF/Wash. approved USAID approved	Signed 9/11/88
G/L/13	HIP FUNDAP	N/A	CHF 37,000	50	CHF/Wash. approved USAID approved	Signed 12/29/88
G/L/14	SHHC FENACOVI SANTA ANA	N/A	CHF 220,000 Local 55,000	51	CHF/Wash. approved USAID approved	Signed 12/8/88
G/L/15	HIP FENACOAC	N/A	CHF 185,000 Local 46,250	250	CHF/Wash. approved	

March 31, 1989
 CHF CENTRAL AMERICAN PROGRAM - HONDURAS
 Status of Loans, Grants and Guarantees Subprojects - Pre Implementation Stage

Sub Project	Concept Paper	Inputs	# of families directly benefited	Feasibility Study	Loan/Grant Application	
Number Title						
H/L/1	NIC-HILP FEHCOVIL	CHF/Wash. approved USAID/ approved	CHF \$475,000 Local \$70,000	1000	CHF/Wash. approved USAID approved	Signed 03/31/86
H/L/2	HILP FACACH	CHF/Wash. approved USAID/ approved	CHF #250,000 Local \$250,000	1400	CHF/Wash. approved USAID approved	Signed 5/19/86
H/L/3	SHHC/BMPC FEHCOVIL	CHF/Wash. approved USAID/ approved	CHF \$275,000 Other 95,000	230	CHF/Wash. approved USAID approved	Signed 8/25/86
H/L/4	Community Services ASJO	CHF/Wash. approved USAID/ approved	CHF \$27,500 Local 70,245	112	CHF/Wash. approved USAID approved	Signed 5/26/86
H/L/5	BMPC IDH	CHF/Wash. approved USAID/ approved	CHF \$80,000 Local \$37,500	100	CHF/Wash. approved USAID approved	Signed 1/19/87
H/L/6	HILP CSJB	CHF/Wash. approved USAID approved	CHF \$120,000 Local \$22,750	80	CHF/Wash. approved USAID approved	Signed 11/14/86

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H/L/6	HIP CSJB Amend # 1	N/A	CHF 31,013.50 Local 3,000	18	CHF/Wash. approved USAID approved	Signed 3/11/88
H/L/7	SHHC APRHU	N/A	CHF \$16,000 Local \$4,550	11	CHF/Wash. approved USAID approved	Signed 3/20/87
H/L/8	HOME CONS. CSJR	Concept/ Feasibility	CHF 360,000 Local 32,500	120	CHF/Wash. approved USAID approved	Signed 6/7/88
H/L/9	HIP FACACH	CHF/Wash. approved USAID approved	CHF 750,000 Local 150,000	625	CHF/Wash. approved USAID approved	Signed 8/12/88
H/L/10	BMPC IDH	CHF/Wash. approved USAID approved	CHF 150,000 Local 50,000	125	In process	
H/L/11	HIP APRHU	Concept/ Feasibility	CHF 100,000 Local 25,000	170	CHF/Wash. approved USAID approved	Signed 6/17/88
H/L/12	HIP COMM.SER. FAFH	Concept/ Feasibility	CHF 100,000 Local 5,000	79	CHF/Wash. approved USAID approved	In process
H/L/13	HIP IDH	Concept/ Feasibility	CHF 100,000 Local 25,000	125	CHF/Wash. approved USAID approved	In process

H/L/14	HIP COMM SGR FEHCOVIL	CHF/Wash. approved USAID approved	CHF 250,000 Local 112,500	370	CHF/Wash. approved USAID approved	Signed 1/6/89
H/L/15	HIP CSJB	Concept/ Feasibility	CHF 200,000	90	CHF/Wash. approved USAID approved	Signed 6/7/88
H/L/16	HOME CONS. PGV	Concept/ Feasibility	CHF 150,000 Local 15,000	170	CHF/Wash. approved USAID approved	In process

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March 31, 1989
 CHF CENTRAL AMERICA PROGRAM - EL SALVADOR
 Status of Loans, Grants and Guarantees Subprojects - Pre Implementation Stage

Sub Project		Concept Paper	Inputs	# of families directly benefited	Feasibility Study	Loan/Grant Application
E/L/1	HILP FEDECACES	CHF/Wash. approved USAID/ approved	CHF \$150,000 Local \$110,000	355	CHF/Wash. approved USAID/ approved	Signed 1/10/86
E/L/1 Amendment #1	Earthquake Repair	N/A	CHF \$67,744	50	CHF/Wash. approved USAID approved	Signed 10/29/86
E/L/1 Amendment #2	Earthquake Repair	N/A	CHF 40,000	40	CHF/Wash. approved USAID approved	Signed 3/15/87
E/L/2	SHHC FEDECACES	CHF/Wash. approved USAID/ approved	CHF \$104,519 Local \$126,500	113	CHF/Wash. approved USAID/ approved	Signed 4/19/86
E/L/3	Home Construction ACOMI	CHF/Wash. approved USAID/ approved	CHF \$120,000 Local 63,000	65	CHF/Wash. approved USAID approved	Signed 3/4/88
E/L/4	Expansion of E/L/1	N/A	CHF \$330,000 Local \$81,000	292	CHF/Wash. approved USAID approved	Signed 2/24/88
E/L/4.3	Amendment #1	N/A	CHF 25,000 LOCAL 6,250	30	CHF/Wash. Approved USAID Approved	Signed 9/21/88

E/L/5	Squatter Upgrading HIP/Coom. Services Directivas	CHF/Wash. approved USAID approved	CHF 105,087		CHF/Wash. approved USAID approved	Signed 5/12/88
E/L/6	Construction Loan Directivas	CHF/Wash. approved USAID approved	CHF 250,000	83	CHF/Wash. approved USAID approved	Commenced 6/1/88
E/L/7	Earthquake Repairs	N/A	CHF 7,650 LOCAL 1,912	55	CHF/Wash. approved USAID approved	Signed 7/19/88
E/L/8	Squatter Upgrading HIP Valle de Oro II	N/A	CHF 20,000	25	CHF/Wash. approved USAID approved	Signed 1/16/89
E/L/9	Squatter Upgrading HIP Cristo Redentor	N/A	CHF 26,000	33	CHF/Wash. approved USAID approved	Signed 1/16/89
E/L/10	Squatter Upgrading HIP Quinonez Municipal	N/A	CHF 30,000	38	CHF/Wash. approved USAID approved	Signed 3/31/89
E/L/11	Construction Loan Zuñiga	CHF/Wash. approved USAID approved	CHF 58,000	17	CHF/Wash. approved USAID approved	In construction
E/L/12	Construction Loan La Esperanza	CHF/Wash. approved USAID approved	CHF 133,000	41	CHF/Wash. approved USAID approved	In construction

March 31, 1989
CHF CENTRAL AMERICAN PROGRAM - COSTA RICA
Status of Loans, Grants and Guarantees Sub-Projects - Pre Implementation Stage

Sub Project	Concept Paper	Inputs	# of families directly benefited	Feasibility Study	Loan/Grant Application
CR/L/1	NIC/HILP FUNDASOL Juanito Mora	CHF/Wash. approved On Hold	CHF \$175,000 Local 30,000	350	DISCONTINUED
CR/L/2	HILP San Isidro	CHF/Wash. approved USAID approved	CHF \$170,000 Local \$62,375	105	CHF/Wash. approved USAID approved Signed 3/25/87
CR/L/3	VIC-HILP Esparza	CHF/Wash. approved USAID approved	CHF \$90,000 Local \$40,375	50	CHF/Wash. approved USAID approved Signed 3/25/87
CR/L/4	HIP FEDECREDITO Santa Catalina	CHF/Wash. approved USAID approved	CHF \$100,000 Local \$25,000	110	CHF/Wash. approved USAID approved Signed 8/11/87
CR/L/4 Amendment No. 1	HIP FEDECREDITO	N/A	CHF \$117,000 Local 20,000	50	CHF/Wash. approved USAID approved Signed 3/23/88
CR/L/4 Amendment No. 2	HIP FEDECREDITO	N/A	CHF 150,000 Local 35,000	170	CHF/Wash. approved USAID approved Signed 5/2/88

CR/L/5	Construction Pindeco/ Adepsa	CHF/Wash. approved USAID approved	CHF \$115,000 Local \$168,600	40	CHF/Wash. approved USAID approved	Signed 1/11/88
CR/L/6	HIP Fedecoop	N/A	CHF \$45,000 LOCAL \$9,000	65	CHF/Wash. Approved USAID Approved	Signed 3/6/89
CR/L/7	Comm. Upgrading Water COOPSANTATERE	N/A	CHF \$7,250 LOCAL \$11,250	500	CHF/Wash. Approved USAID Approved	In process

March 31, 1989
 CHF CENTRAL AMERICAN PROGRAM - BELIZE
 Status of Loans, Grants and guarantees Sub-projects - Pre Implementation Stage

Sub Project	Concept Paper	Inputs	# of families directly benefited	Feasibility Study	Loan/Grant Application	
Number	Title					
B/L/1	SHHC - Ringtail Village	CHF/Wash. approved USAID approved	CHF \$22,194 Local \$4,310	5	CHF/Wash. approved USAID approved	Signed 8/27/86
B/L/2	BMPC - BARD	CHF/Wash. approved USAID approved	CHF \$1,971 Local \$2,500	50	CHF/Wash. approved USAID approved	Signed 9/30/86
B/L/3	Core Hsg. BCCUL	CHF/Wash. approved USAID approved	CHF \$300,000 Local 60,000	70	CHF/Wash. approved USAID approved	Signed 11/22/86
B/L/3 Amendment # 1	Core Hsg. BCCUL	N/A	CHF 43,835 Local 5,000	6	CHF/Wash. approved USAID approved	Signed 4/29/88
B/L/4	Core Hsg. BCUL/Corozal	CHF/Wash. approved USAID approved	CHF \$100,000 Local \$10,000	16	CHF/Wash. approved USAID approved	Signed 4/29/88
B/L/5	Core Hsg. BNS/SJCU	N/A	CHF \$125,000 Local \$375,000	50	CHF/Wash. Approved USAID Approved	In Process

March 31, 1989
CHF CENTRAL AMERICAN PROGRAM - PANAMA
Status of Loans, Grants and Guarantees Sub-projects - Pre Implementation Stage

Sub Project	Concept Paper	Inputs	# of families directly benefited	Feasibility Study	Loan/Grant Application	
P/L/1	VIC - Loma Colorada FUNDAVICO	CHF/Wash. approved USAID approved	CHF \$33,310 Local \$15,000	21	CHF/Wash. approved USAID approved	Signed 6/30/86
P/L/2	NIC - Nuevo Belen FUNDAVICO	CHF/Wash. approved USAID approved	CHF \$225,000 Local \$123,000	125	CHF/Wash. approved USAID approved	Project Discontinued
P/L/3	VIC - HILP Boquete - Montijo FUNDAVICO	CHF/Wash. approved USAID approved	CHF \$129,310 Local \$95,460	62	CHF/Wash. approved USAID approved	Signed 1/13/87
P/L/4	HILP/ scattered site const. FEDPA	CHF/Wash. approved USAID approved	CHF \$260,000 Local \$162,222	228	CHF/Wash. approved USAID approved	Signed 9/10/86
P/L/5	Community Services NCHC	N/A	CHF \$5,000 Local \$2,000	500	CHF/Wash. approved USAID approved	Signed 3/21/87
P/L/7	H.Const. H.I. - Com. Imp INEDESA	CHF/Wash. Approved USAID approved	CHF \$159,250	600		Project Discontinued

March 31, 1989
CHF CENTRAL AMERICA PROGRAM
STATUS OF INSTITUTIONAL SUPPORT GRANT

Number	Title	Amount	Concept	Draft Grant	Signed
R/GR/1	CHF/COLAC	\$118,400	CHF Wash-appv'd	CHF Wash-appv'd USAID appv'd	08/85
E/GR/1	CHF/FEDECACES	\$35,500		CHF Wash-appv'd USAID appv'd	11/13/86
E/GR/1	CHF/FEDECACES Amendment # 1 appv'd	\$4,000		CHF Wash-appv'd	3/16/87 USAID
E/GR/2	CHF/ACOMI	\$11,200		CHF Wash-appv'd USAID appv'd	3/4/88
E/GR/3	CHF/DIRECTIVAS	\$12,000		CHF Wash-appv'd USAID appv'd	5/12/88
G/GR/1	CHF/FENACOVI	\$24,108	CHF Wash-appv'd USAID appv'd	CHF Wash-appv'd USAID appv'd	07/85
G/GR/2	CHF/FENACOAC	\$10,000	CHF Wash-appv'd USAID appv'd	CHF Wash-appv'd USAID appv'd	02/86
G/GR/3	CHF/HODE	\$25,000		CHF Wash-appv'd USAID appv'd	04/10/86
G/GR/4	CHF/FENACOVI II	\$75,596		CHF Wash-appv'd USAID appv'd	02/10/86
G/GR/5	CHF/COSUDER	\$36,000		CHF Wash-appv'd USAID appv'd	03/1/87
G/GR/6	CHF/FENACOAC	\$13,500		CHF Wash-appv'd USAID appv'd	2/26/88
G/GR/7	CHF/COSUDER	\$34,000		CHF Wash-appv'd USAID appv'd	2/28/88
G/GR/8	CHF/FUNDACEDI	\$25,000		CHF Wash-appv'd	9/11/88
G/GR/9	CHF/FUNDAP	\$3,900		CHF Wash-appv'd USAID appv'd	12/7/88
H/GR/1	CHF/FEHCOVIL	\$35,871.50	CHF Wash-appv'd	CHF Wash-appv'd USAID appv'd	01/86
H/GR/1	Amendment # 2	\$36,135		CHF Wash-appv'd	7/28/87
H/GR/3	CHF/FACACH	\$10,000		CHF Wash-appv'd USAID appv'd	05/19/86
H/GR/3	Amendment # 1	\$1,230		CHF Wash-appv'd	11/21/86
H/GR/3	Amendment # 2	\$3,250		CHF Wash-appv'd	03/23/87
H/GR/4	CHF/CSJB	\$25,000		CHF Wash-appv'd USAID appv'd	11/14/86
H/GR/4	Amendment # 1	\$4,000		CHF Wash-appv'd	05/22/87

H/GR/4	CHF/CSJB Amendment # 2 appv'd	\$25,000		CHF Wash-appv'd USAID	3/11/88
H/GR/5	CHF/IDH	\$12,000		CHF Wash-appv'd USAID appv'd	01/19/87
H/GR/5	CHF/IDH Amendment # 1 appv'd	\$3,000		CHF Wash-appv'd	12/6/87 USAID
H/GR/6	FACACH	\$33,000		CHF Wash appv'd USAID appv'd	8/12/88
H/GR/7	APRHU	\$15,000		CHF Wash appv'd USAID appv'd	6/17/88
H/GR/8	FAFH	\$15,000		CHF Wash appv'd USAID appv'd	In process
H/GR/9	FEHCOVIL	\$33,000		CHF Wash appv'd USAID appv'd	1/6/89
B/GR/1	CHF/RINGTAIL VILLAGE	\$4,000	CHF Wash-appv'd USAID appv'd	CHF Wash-appv'd USAID appv'd	02/3/86
B/GR/2	CHF/BARD	\$10,000	CHF Wash-appv'd USAID appv'd	CHF Wash-appv'd USAID appv'd	04/10/86
B/GR/3	CHF/BCUL	\$18,000		CHF Wash-appv'd USAID appv'd	11/22/86
CR/GR/1	CHF/ COOPEALIANZA	\$5,000		CHF Wash-appv'd USAID appv'd	03/26/87
CR/GR/2	CHF/COOPESPARTA	\$3,000		CHF Wash-appv'd USAID appv'd	03/26/87
CR/GR/3	CHF/FEDECOOP	\$5,000		CHF Wash-appv'd USAID appv'd	In process

IV. Project Disbursements: Loans and Grants

Please note that during this Quarter, an analysis of accounts conducted by CHF accounting staff resulted in some slight adjustments to cumulative disbursement figures previous reported.

A. Cumulative Prior Period Disbursements

From October 1, 1988 to December 31, 1988

<u>COUNTRY</u>	<u>AMOUNT</u>		
BELIZE:			
B/L/1	22,180.23		
B/L/2	1,970.52		
B/L/3	300,064.23		
B/L/3-A	27,789.44		
B/L/4	32,919.03		
B/GR/1	3,700.89		
B/GR/2	9,985.41		
B/GR/3	18,235.58		
BDF/BCUL Home Mort. Project	2,383.56		
		Subtotal:	<u>\$419,228.89</u>
COSTA RICA:			
CR/L/2	169,702.54		
CR/L/3	90,239.20		
CR/L/4	232,145.21		
CR/L/5	115,016.93		
CR/GR/1	4,957.05		
CR/GR/2	2,992.84		
CR/GR/3	2,791.72		
		Subtotal:	<u>\$617,845.49</u>
EL SALVADOR:			
E/L/1	257,744.00		
E/L/2	104,518.65		
E/L/3	120,000.00		
E/L/4	330,000.00		
E/L/4-AMEND #1	17,910.00		
E/GR/1	39,500.00		
E/GR/2	11,200.00		
		Subtotal	<u>\$880,872.65</u>

EL SALVADOR/OPG:

E/L/5	114,703.76
E/L/6	188,192.63
E/L/7	7,650.00
E/L/11	21,160.19
E/L/12	37,316.78
E/L/13	175.00
E/GR/3	8,223.01

Subtotal: \$377,421.37

GUATEMALA:

G/L/1	369,557.39
G/L/3	394,608.65
G/L/4	209,587.53
G/L/5	358,535.68
G/L/6	16,797.48
G/L/8	114,795.82
G/L/11	159,269.40
G/L/12	4,851.85
G/GR/1	20,472.81
G/GR/2	7,254.50
G/GR/3	15,463.92
G/GR/4	71,300.55
G/GR/5	32,813.09
G/GR/6	7,355.77
G/GR/7	21,696.19
G/GR/8	17,583.69
G/GR/9	962.96

Subtotal: \$1,822,907.29

HONDURAS:

H/L/1	350,000.00
H/L/2	250,000.00
H/L/3	13,014.00
H/L/4	27,500.00
H/L/5	50,000.00
H/L/6	120,000.00
H/L/7	16,000.00
H/GR/1	54,006.50
H/GR/3	14,480.00
H/GR/4	29,000.00
H/GR/5	6,000.00

Subtotal: \$930,000.50

HONDURAS/OPG:

H/L/1	125,000.00
H/L/3	261,986.00
H/L/5	30,000.00
H/L/6	31,013.50
H/L/8	332,500.00
H/L/9	60,000.00
H/L/11	40,000.00
H/L/15	126,500.00
H/GR/1	18,000.00
H/GR/4	25,000.00
H/GR/5	9,000.00
H/GR/6	17,875.00
H/GR/7	7,500.00

Subtotal \$1,084,374.00

PANAMA:

P/L/1	33,310.00
P/L/3	129,310.00
P/L/4	199,485.00
P/L/5	5,000.00

Subtotal \$367,105.00

REGIONAL:

R/GR/1 - (COLAC)	118,400.00
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Subtotal \$118,400.00

Cumulative Total Disbursed Through December 31, 1988:

\$6,618,155.69

2/2

B. Disbursement for the Quarter

January 1, 1989 to March 31, 1989

<u>COUNTRY</u>	<u>AMOUNT</u>		
BELIZE:			
B/L/1	0.00		
B/L/2	0.00		
B/L/3	0.00		
B/L/3-A	16,587.12		
B/L/4	12,633.28		
B/GR/1	0.00		
B/GR/2	0.00		
B/GR/3	0.00		
BDF/BCUL-HOME MORT. PROJECT	0.00		
		Subtotal	<u>\$29,220.41</u>
COSTA RICA:			
CR/L/2	0.00		
CR/L/3	0.00		
CR/L/4	129,261.44		
CR/L/5	0.00		
CR/GR/1	0.00		
CR/GR/2	0.00		
CR/GR/3	0.00		
		Subtotal	<u>\$129,261.44</u>
EL SALVADOR:			
E/L/1	0.00		
E/L/2	0.00		
E/L/3	0.00		
E/L/4	0.00		
E/L/4-AMEND #1	7,090.00		
E/GR/1	0.00		
E/GR/2	0.00		
		Subtotal	<u>\$ 7,090.00</u>

EL SALVADOR/OPG:

E/L/5	(9,617.38)
E/L/6	51,754.98
E/L/7	0.00
E/L/8	8,000.00
E/L/9	14,600.00
E/L/11	17,034.53
E/L/12	26,683.96
E/L/13	40.00
E/GR/3	1,627.08

Subtotal \$110,123.18

GUATEMALA:

G/L/1	0.00
G/L/3	0.00
G/L/4	0.00
G/L/5	17,515.85
G/L/6	5,595.76
G/L/8	10,687.02
G/L/11	18,518.52
G/L/12	37,541.85
G/L/13	9,370.37
G/L/14	76,296.30
G/GR/1	0.00
G/GR/2	0.00
G/GR/3	0.00
G/GR/4	0.00
G/GR/5	3,148.15
G/GR/6	0.00
G/GR/7	0.00
G/GR/8	0.00
G/GR/9	962.96

Subtotal \$179,636.78

HONDURAS:

H/L/1	0.00
H/L/2	0.00
H/L/3	0.00
H/L/4	0.00
H/L/5	0.00
H/L/6	0.00
H/L/7	0.00
H/GR/1	0.00
H/GR/3	0.00
H/GR/4	0.00
H/GR/5	0.00

Subtotal \$ 0.00

HONDURAS/OPG:

H/L/1	0.00
H/L/3	0.00
H/L/5	0.00
H/L/6	0.00
H/L/8	27,500.00
H/L/9	104,000.00
H/L/11	20,600.00
H/L/14	34,000.00
H/L/15	73,500.00
H/GR/1	0.00
H/GR/4	0.00
H/GR/5	0.00
H/GR/6	4,687.50
H/GR/7	3,750.00
H/GR/9	18,500.00

Subtotal \$286,537.50

PANAMA:

P/L/1	0.00
P/L/3	0.00
P/L/4	0.00
P/L/5	0.00

Subtotal \$ 0.00

REGIONAL:

R/GR/1 - (COLAC)	0.00
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Subtotal \$ 0.00

TOTAL Disbursements for the Quarter:

\$741,869.30

C. New Cumulative Total of Project Disbursements

Disbursement reported to March 31, 1989

<u>COUNTRY</u>	<u>AMOUNT</u>		
BELIZE:			
B/L/1	22,180.23		
B/L/2	1,970.52		
B/L/3	300,064.23		
B/L/3-A	44,376.56		
B/L/4	45,552.31		
B/GR/1	3,700.89		
B/GR/2	9,985.41		
B/GR/3	18,235.58		
		Subtotal	<u>\$448,449.30</u>
COSTA RICA:			
CR/L/2	169,702.54		
CR/L/3	90,239.20		
CR/L/4	361,406.65		
CR/L/5	115,016.93		
CR/GR/1	4,957.05		
CR/GR/2	2,992.84		
CR/GR/3	2,791.72		
		Subtotal	<u>\$747,106.93</u>
EL SALVADOR:			
E/L/1	257,744.00		
E/L/2	104,518.65		
E/L/3	120,000.00		
E/L/4	330,000.00		
E/L/4-AMEND #1	25,000.00		
E/GR/1	39,500.00		
E/GR/2	11,200.00		
		Subtotal	<u>\$887,962.65</u>

EL SALVADOR/OPG:

E/L/5	105,086.38
E/L/6	239,947.61
E/L/7	7,650.00
E/L/8	8,000.00
E/L/9	14,600.00
E/L/11	38,194.72
E/L/12	64,000.74
E/L/13	215.00
E/GR/3	9,850.09

Subtotal \$487,544.55

GUATEMALA:

G/L/1	369,557.39
G/L/3	394,608.65
G/L/4	209,587.53
G/L/5	376,051.53
G/L/6	22,393.24
G/L/8	125,482.84
G/L/11	177,787.92
G/L/12	42,393.70
G/L/13	9,370.37
G/L/14	76,296.30
G/GR/1	20,472.81
G/GR/2	7,254.50
G/GR/3	15,463.92
G/GR/4	71,300.55
G/GR/5	35,961.24
G/GR/6	7,355.77
G/GR/7	21,696.19
G/GR/8	17,583.69
G/GR/9	1,925.92

Subtotal \$2,002,544.06

PANAMA:

P/L/1	33,310.00
P/L/3	129,310.00
P/L/4	199,485.00
P/L/5	5,000.00

Subtotal \$367,105.00

HONDURAS:

H/L/1	350,000.00
H/L/2	250,000.00
H/L/3	13,014.00
H/L/4	27,500.00
H/L/5	50,000.00
H/L/6	120,000.00
H/L/7	16,000.00
H/GR/1	54,006.50
H/GR/3	14,480.00
H/GR/4	29,000.00
H/GR/5	6,000.00

Subtotal \$930,000.50

HONDURAS/OPG:

H/L/1	125,000.00
H/L/3	261,986.00
H/L/5	30,000.00
H/L/6	31,013.50
H/L/8	360,000.00
H/L/9	164,000.00
H/L/11	60,600.00
H/L/14	34,000.00
H/L/15	200,000.00
H/GR/1	18,000.00
H/GR/4	25,000.00
H/GR/5	9,000.00
H/GR/6	22,562.50
H/GR/7	11,250.00
H/GR/9	18,500.00

Subtotal \$1,370,912.00

REGIONAL:

R/GR/1 - (COLAC)	118,400.00
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Subtotal \$118,400.00

Cumulative Total Disbursed Through March 31, 1989:

\$7,360,024.98

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AID QUARTERLY REPORT
 FOR THE PERIOD: JANUARY 1989 THROUGH MARCH 1989
 SUMMARY OF REFLWS IN US\$

COUNTRY:	PREVIOUS CUMM. TOTALS	REFLOWS RECEIVED THIS QUARTER	NEW CUMM TOTAL	TOTAL BREAKDOWN	
				INTEREST	PRINCIPAL
HONDURAS	531,255.80	35,788.18	567,043.98	147,342.86	419,701.12
EL SALVADOR	86,571.90	44,522.51	131,094.41	68,072.80	63,021.61
PANAMA	43,099.15	7,700.05	50,799.20	30,862.53	19,936.67
GUATEMALA	80,520.41	49,581.52	130,101.93	58,279.76	71,822.17
COSTA RICA	56,417.41	78,081.90	134,499.31	55,291.03	79,208.30
BELIZE	22,739.87	255.65	22,995.52	15,676.39	7,319.12
	820,604.54	215,929.81	1,036,534.35	375,525.37	661,008.99

V. Project Related Travel

1 January 1989 to 31 March 1989

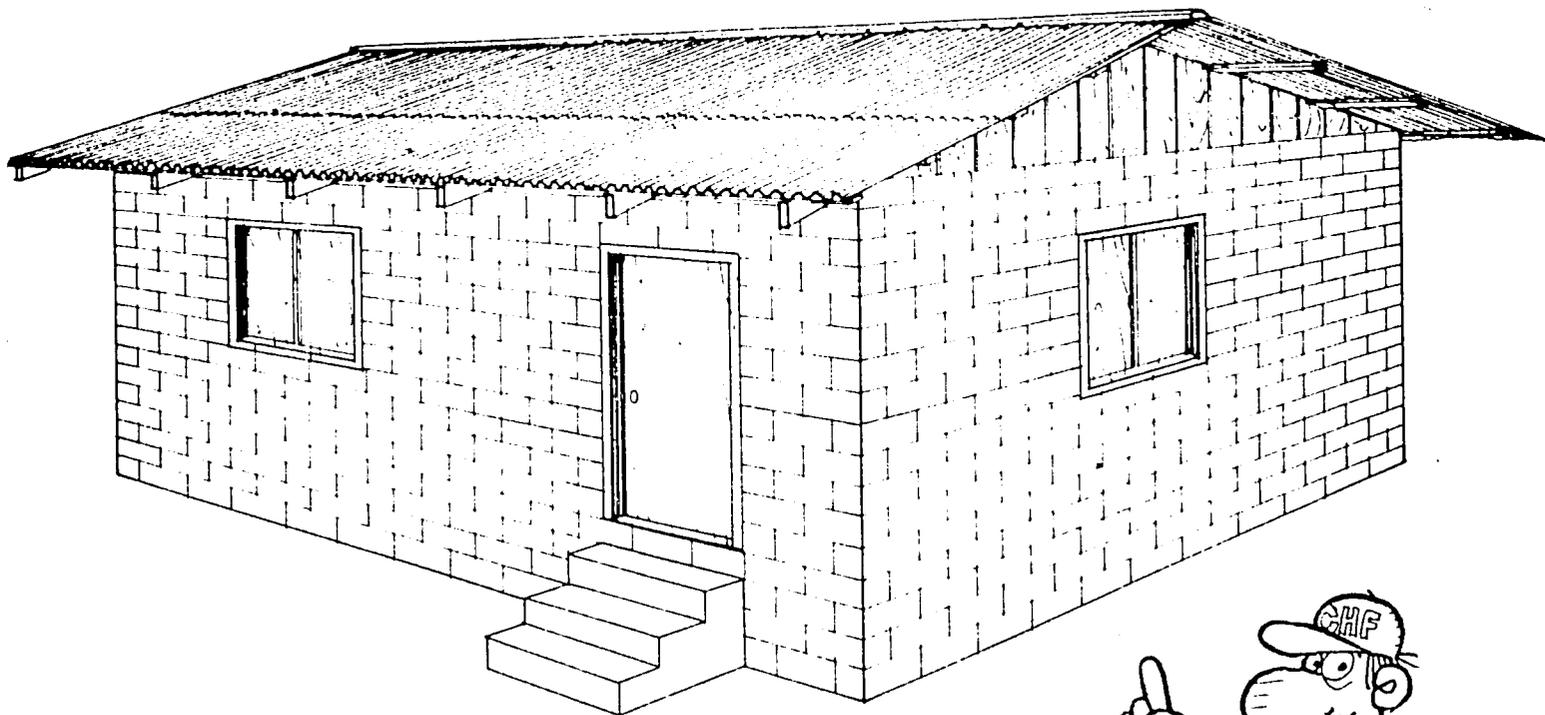
1. March 4, 1989 - March 11, 1989

Ted Priftis
El Salvador
Costa Rica
Panama
Guatemala

2. March 7, 1989 - March 9, 1989

Eduardo Perez
Belize

COMO CONSTRUIR UNA CASA DE BLOQUES



**Manual para
constructores**



CHF

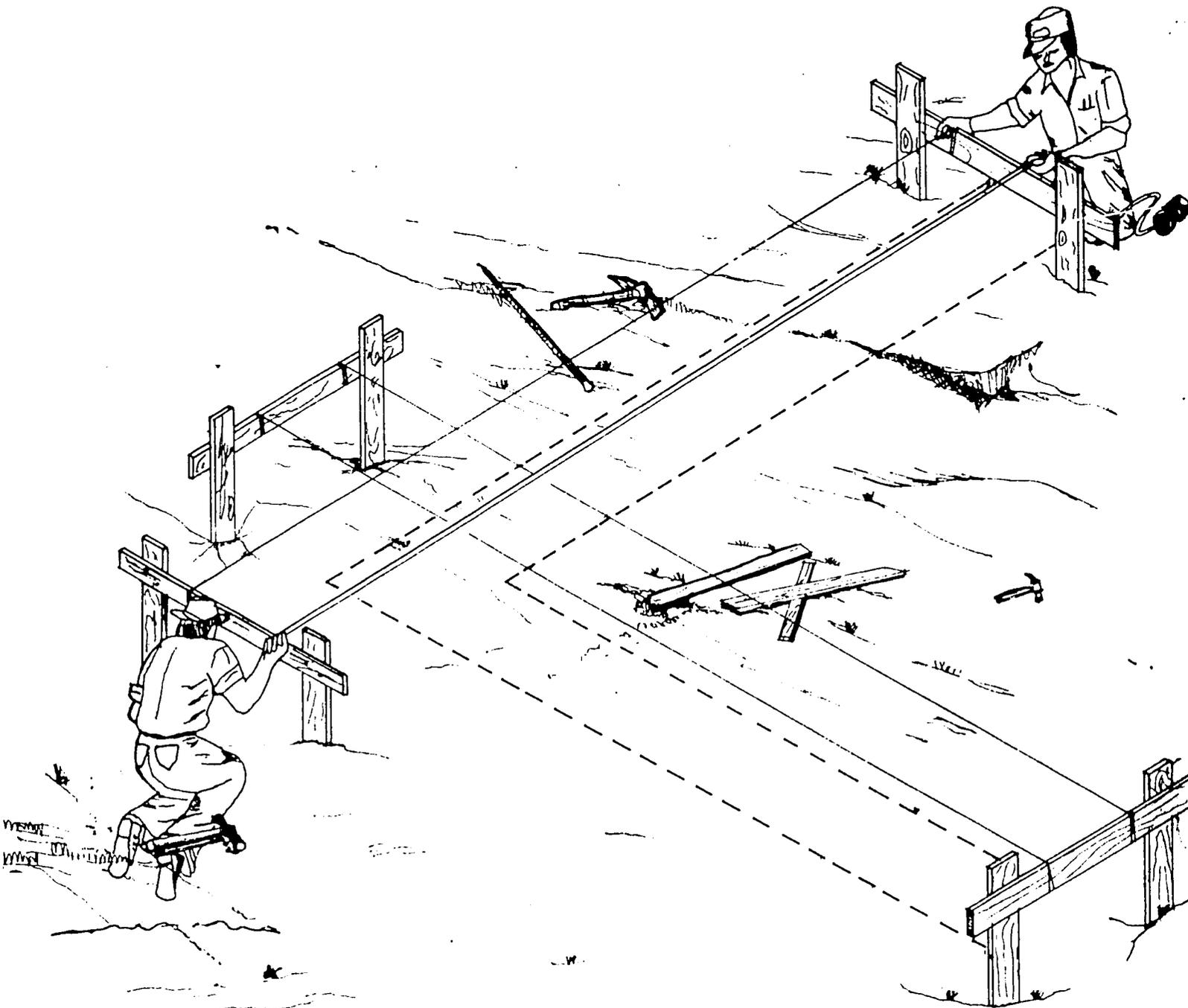
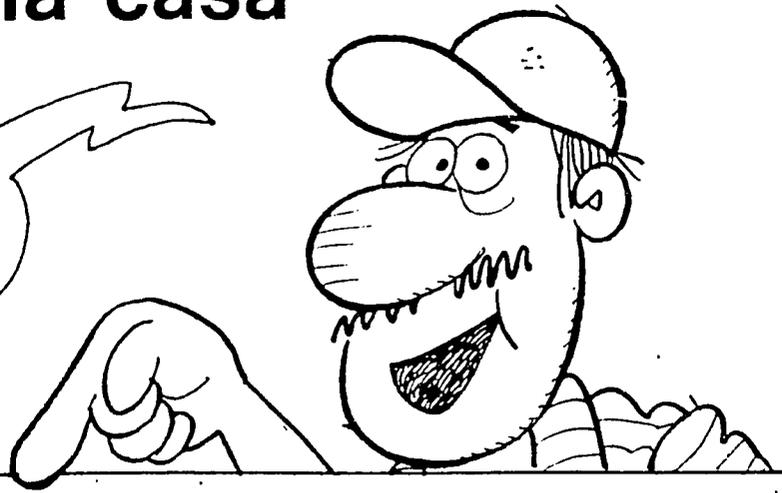
THE COOPERATIVE HOUSING FOUNDATION

LA FUNDACION PARA LA VIVIENDA COOPERATIVA

CASA DE BLOQUES

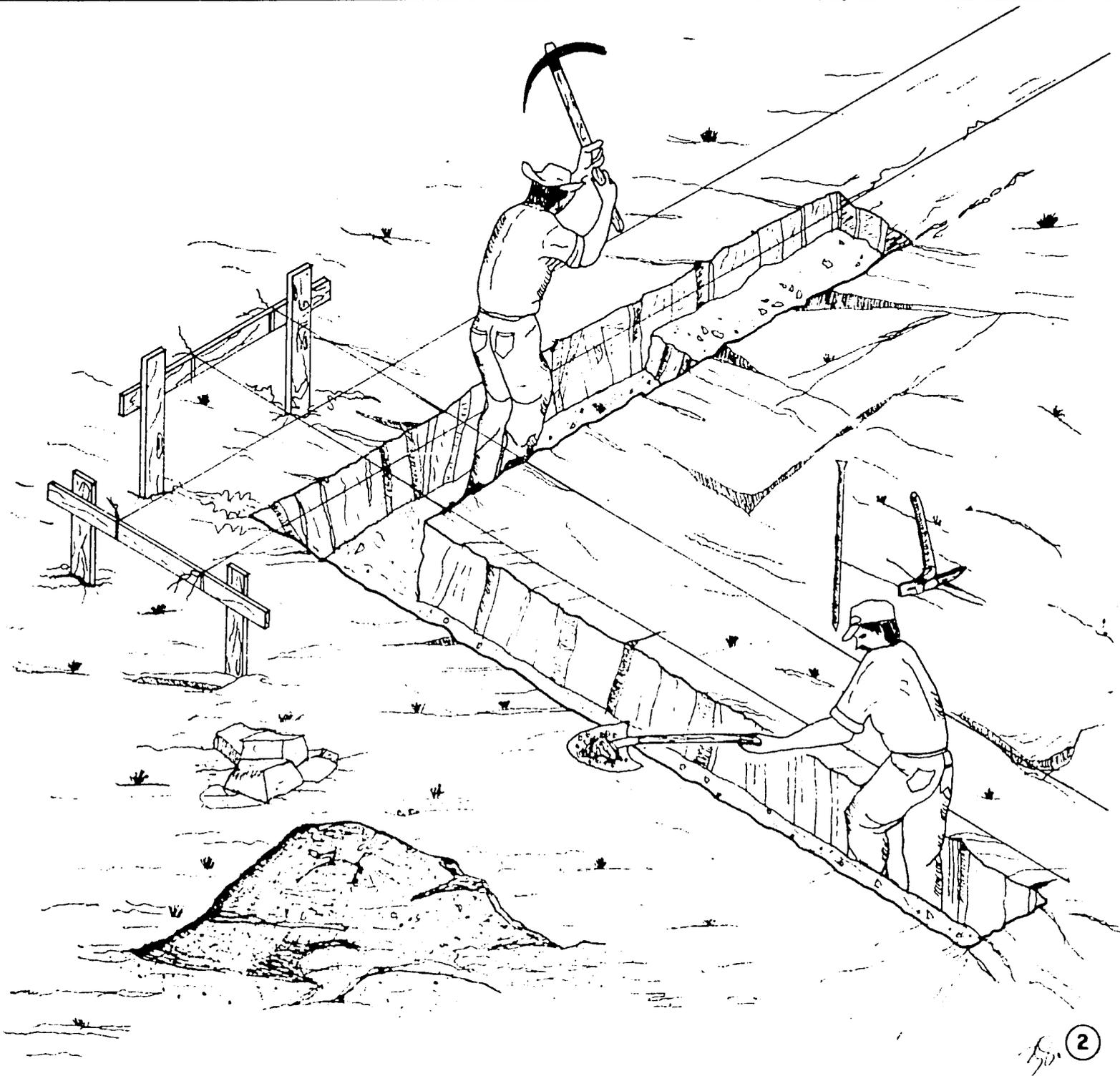
1. Marcación de la casa

MARQUE LA CASA
CON UNA CINTA MÉTRICA
Y CÁÑAMO
DE PESCAR



2. Excavación de cimientos

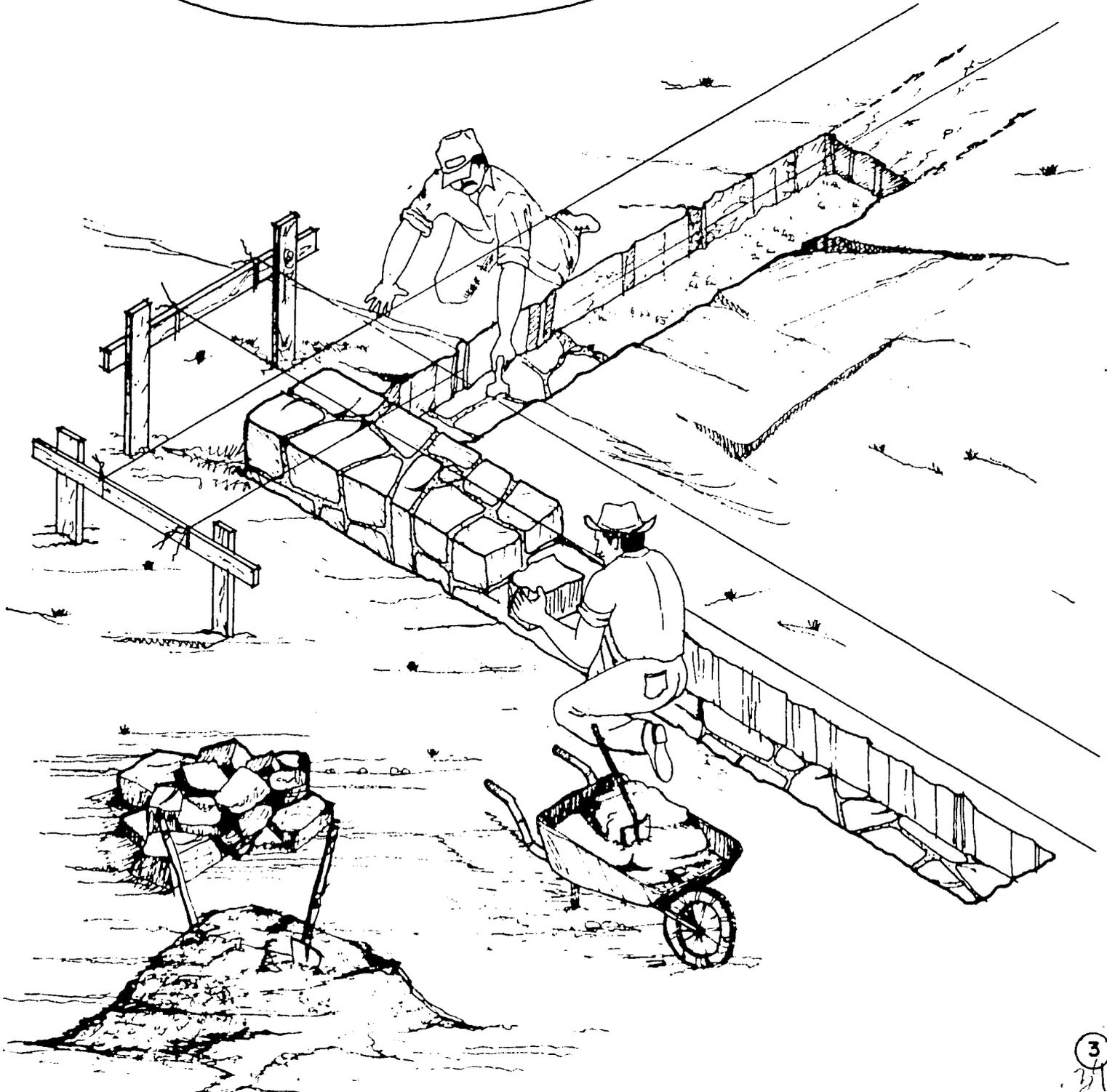
HAGA LA EXCAVACIÓN
DE LOS CIMIENTOS
DE 40 Cms. DE ANCHO
POR 50 Cms.
DE FONDO



3. Cimentacion

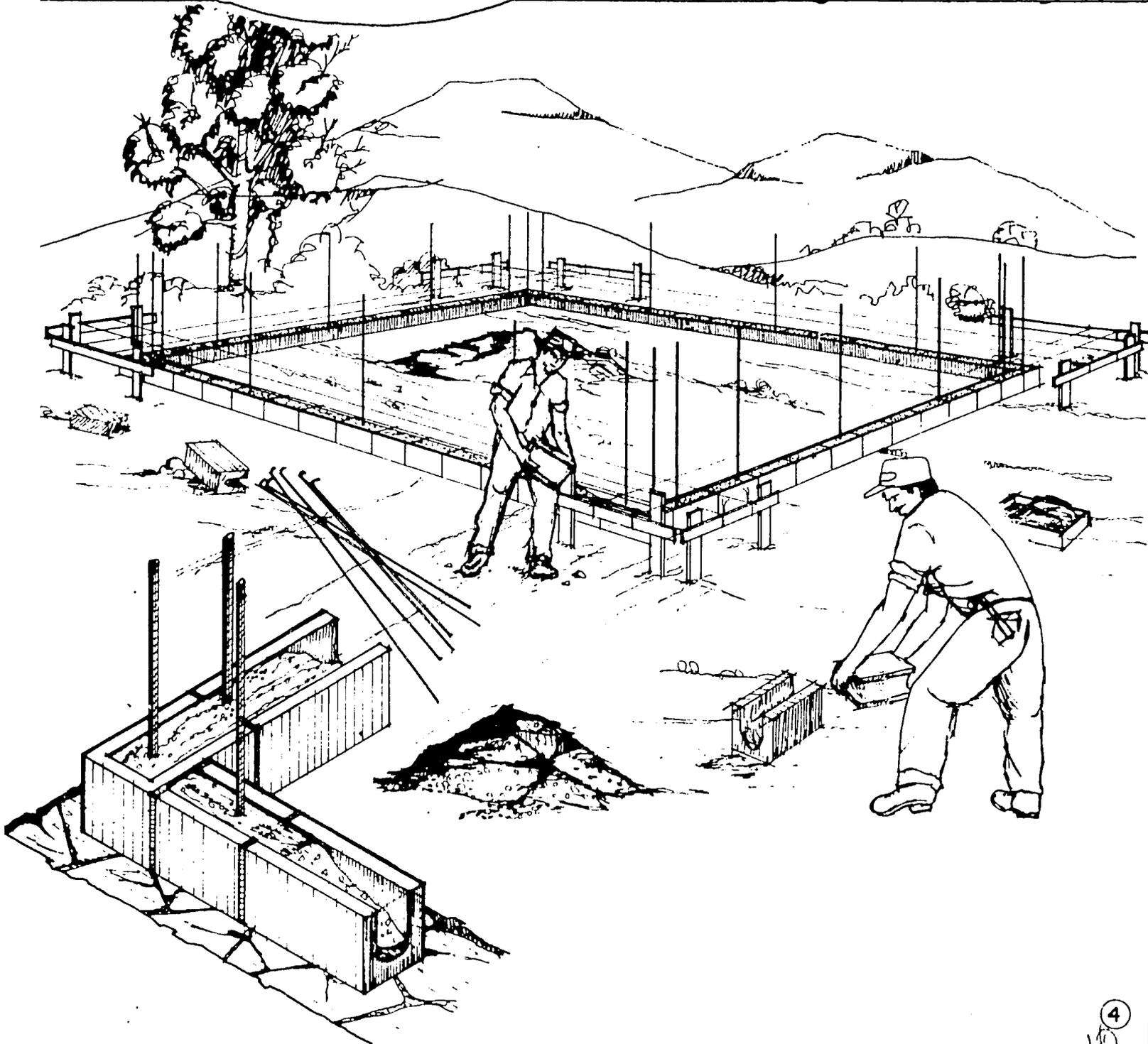


ACOMODE LAS PIEDRAS
EN CAPAS Y HAGA LA MEZCLA
RALA PARA QUE PENETRE ENTRE
LAS PIEDRAS.
AYÚDESE CON UNA CUCHARA



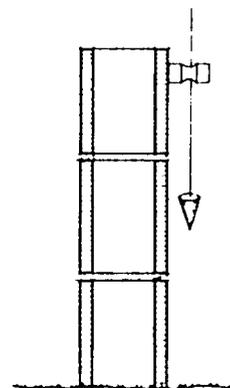
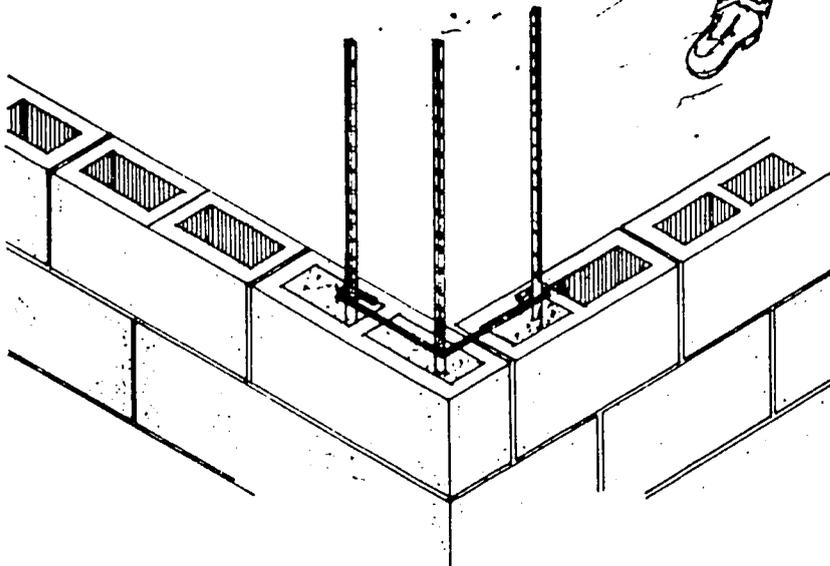
4. Solera de bloques "U"

FUNDA UNA SOLERA DE BLOQUES "U" CON DOS VARILLAS DE 3/8" Y AROS DE 1/4", PUESTOS A CADA 20 Cms. Y SE DEJAN CON PINES LISTOS PARA CONSTRUIR LAS PAREDES



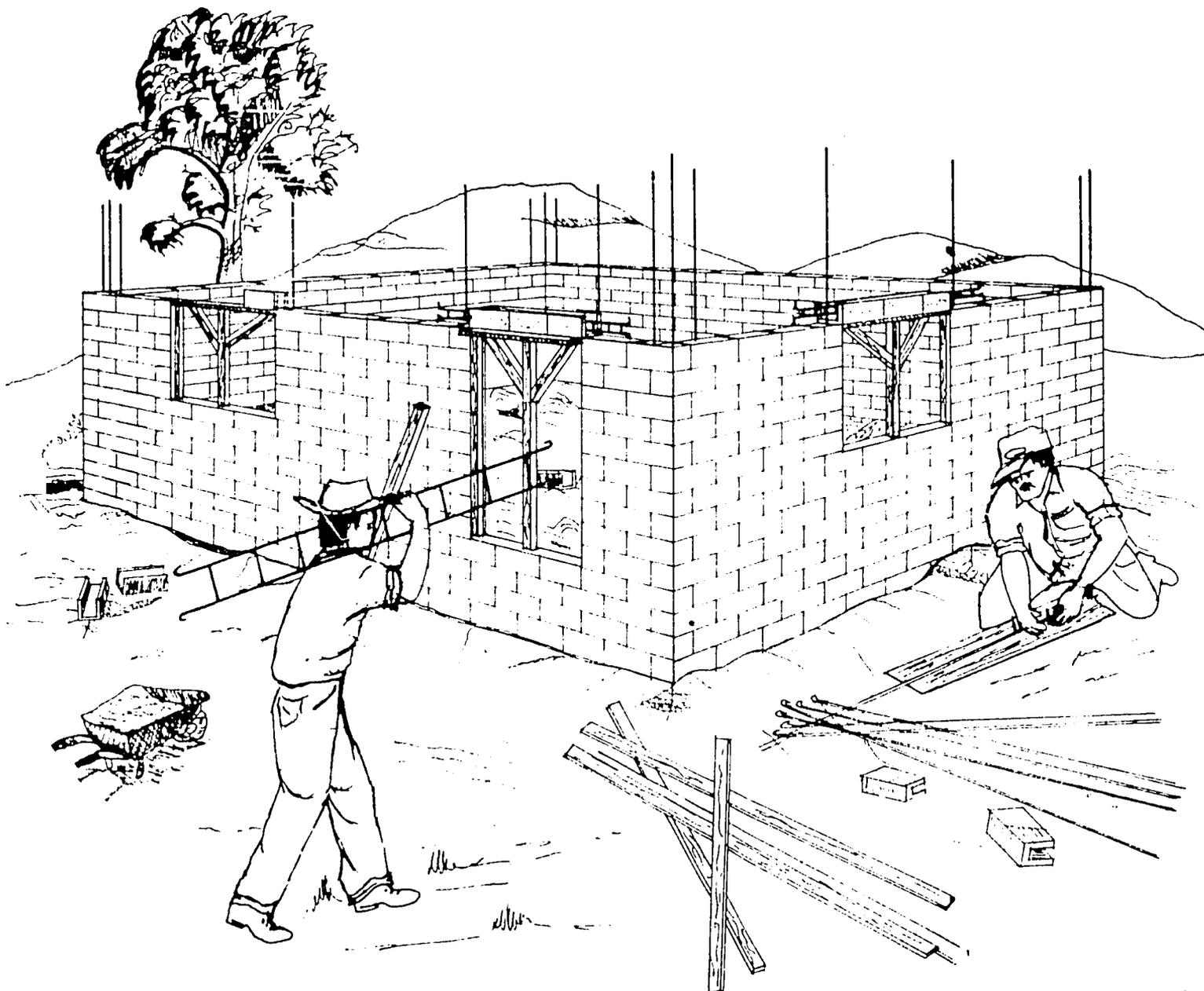
5. Paredes

COLOQUE LOS BLOQUES
CON PLOMADA.
PONGA UNA VARILLA DE 3/8"
CON AROS CADA 2 METROS
DE PARED, EN ESQUINAS
Y BOQUETES DE PUERTAS
Y JENTANAS Y UNA VARILLA
DE 1/4" CADA 3 HILADAS
DE BLOQUE



6. Cargador de bloques "U"

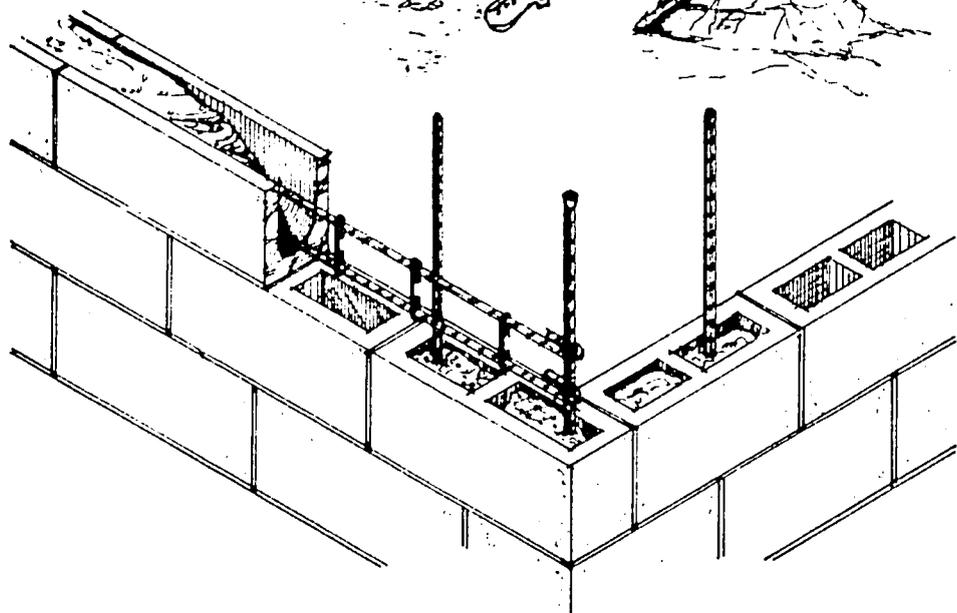
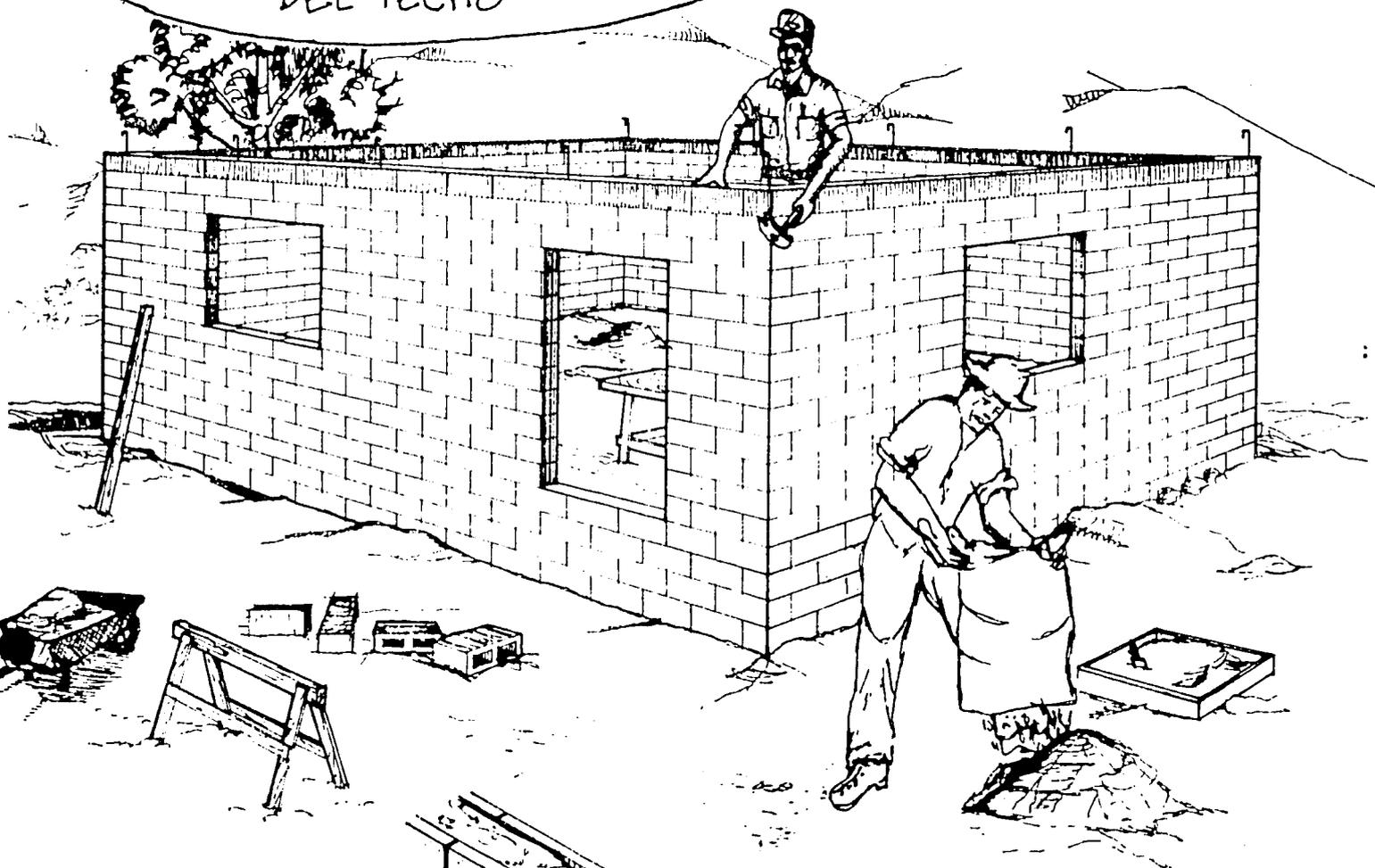
LOS CARGADORES SOBRE PUERTAS Y VENTANAS SON DE BLOQUE "U" CON VARILLAS DE 3/8" Y AROS DE 1/4" CADA 20 Cms. EL CARGADOR DEBERÁ PASAR LOS BOQUETES AL MENOS 8" A CADA LADO



7. Solera superior de bloques "U"

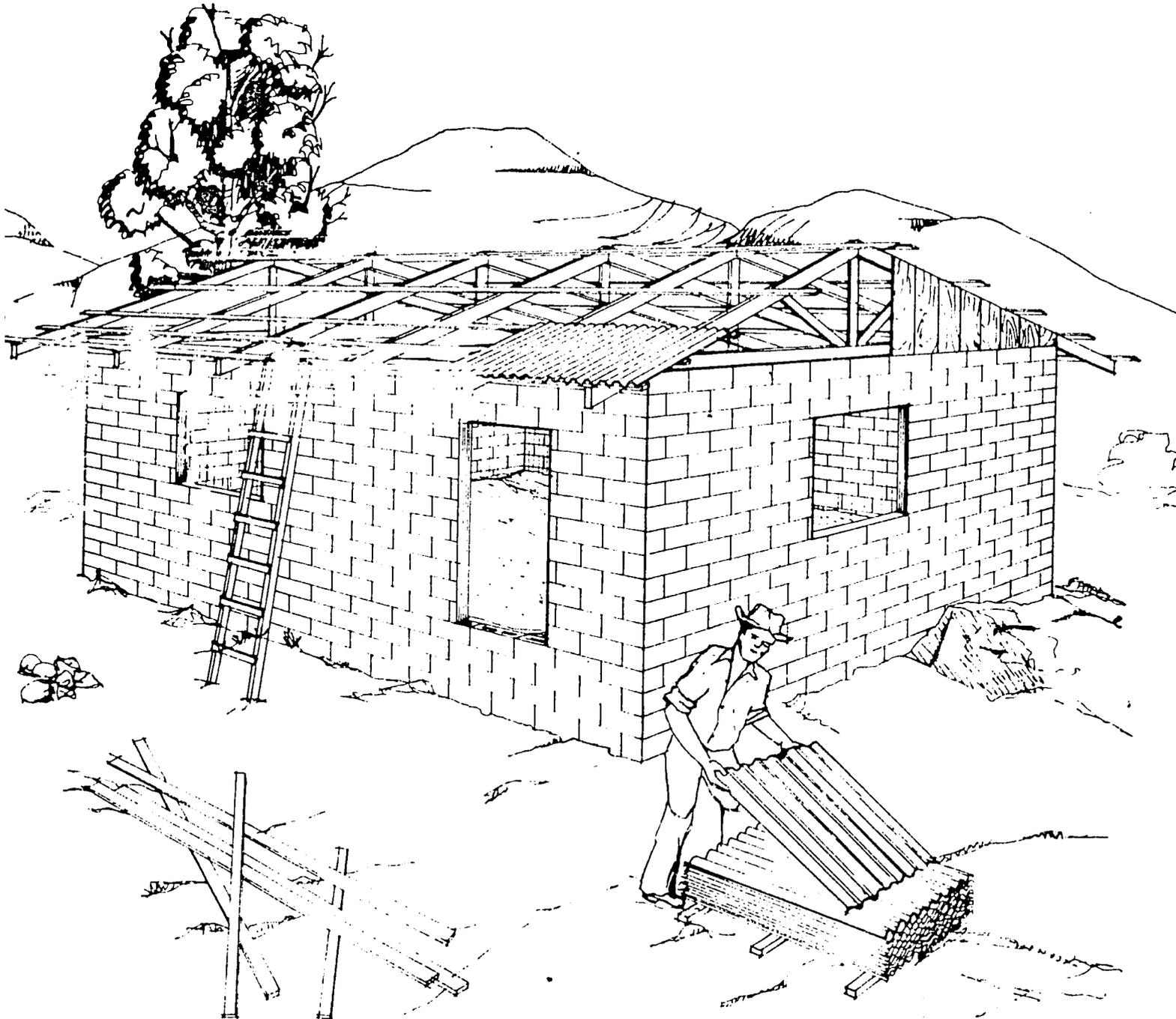


FUNDA LA SOLERA SUPERIOR DE BLOQUES "U" CON DOS VARILLAS DE 3/8" Y AROS DE 1/4" A CADA 20 CMS, Y DEJE LISTOS LOS PINES DE 3/8" PARA AMARRAR LAS TIJERAS DEL TECHO



8. Instalación del techo

FIJE
LAS TIJERAS DE TECHO
A LA SOLERA SUPERIOR
Y TECHE CON LÁMINAS
DE ZINC SOBRE REGLAS,
PONIENDO 3 POR
CADA LÁMINA

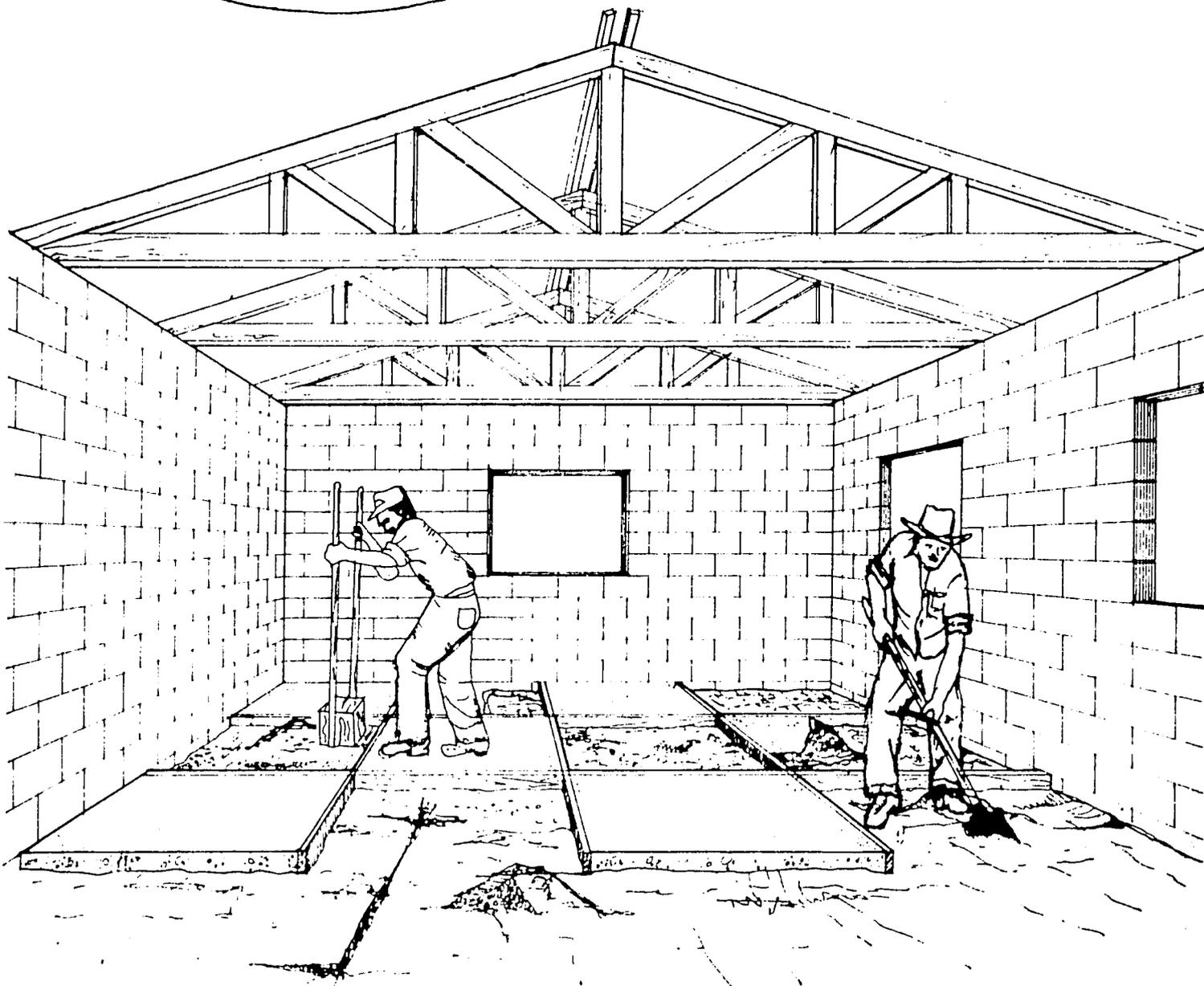
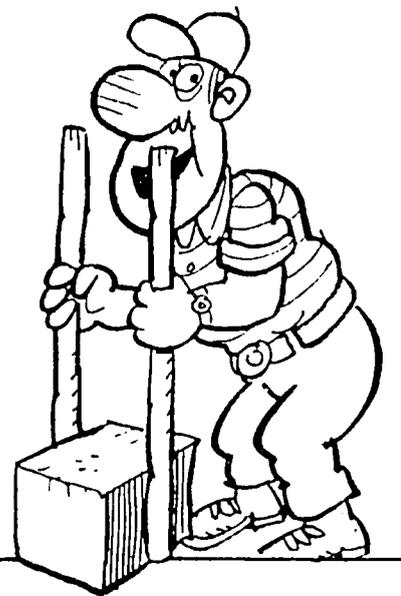


9. Fundicion de piso

NIVELE
Y COMPACTE EL PISO
CON MATERIAL SELECTO,
NO ARCILLOSO (LIBRE DE RAICES).
HAGA UNA CUADRÍCULA DE MADERA
Y FUNDA. USE CONCRETO

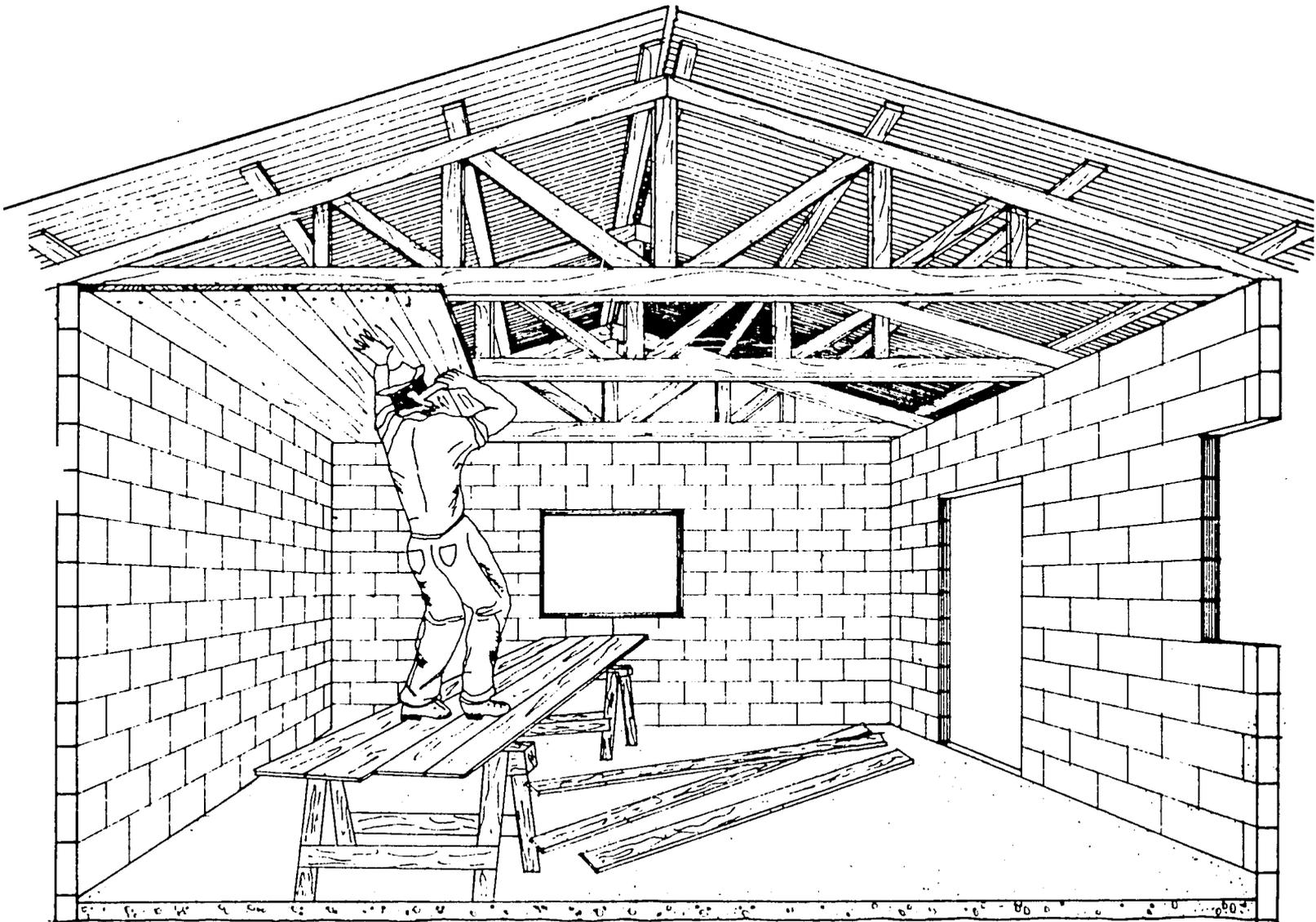
1:4 :4

O SEA, UNA DE CEMENTO,
CUATRO DE ARENA Y
CUATRO DE GRAVA



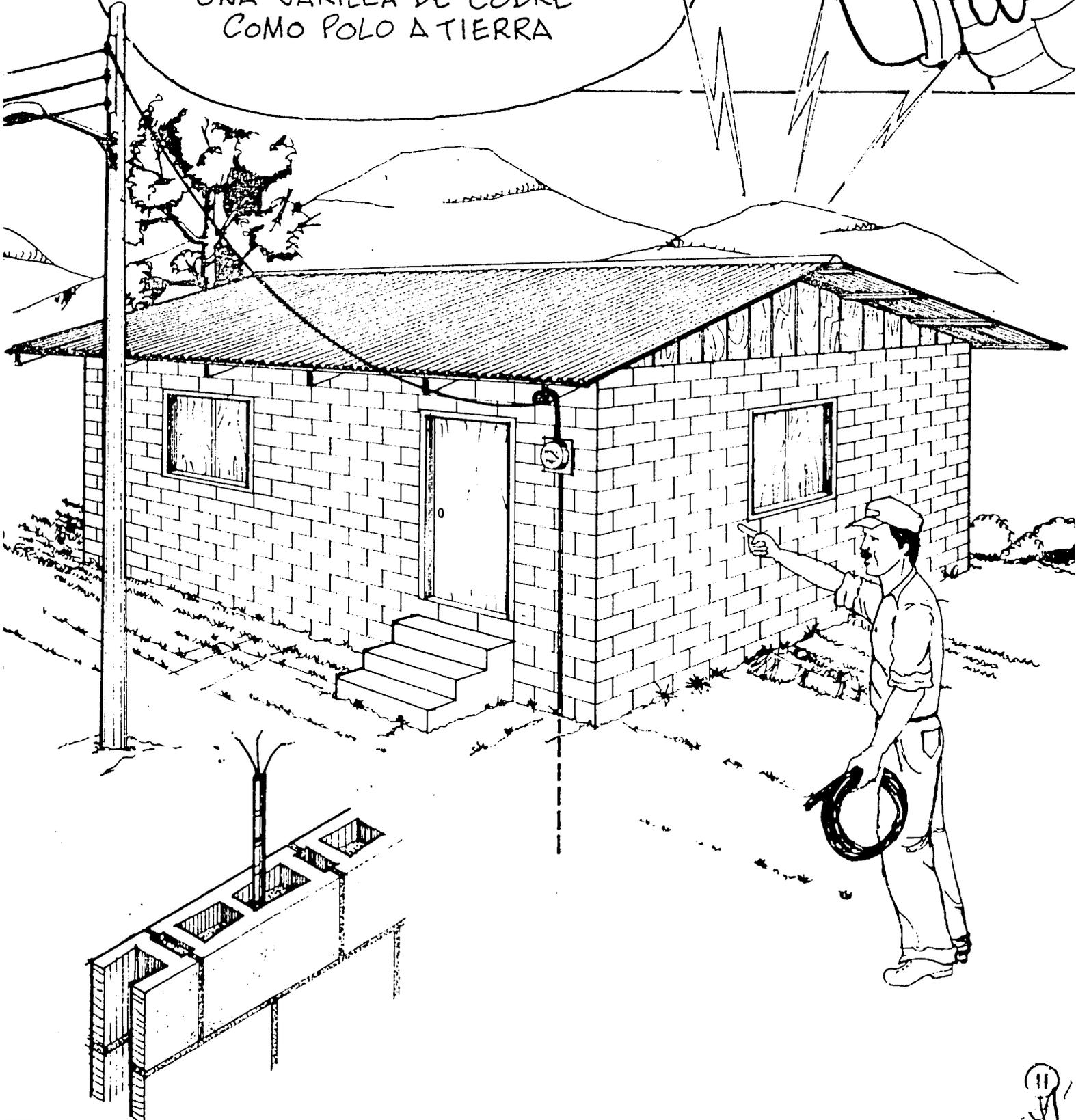
10. Cielo

COLOQUE EL CIELO
USANDO TABLA O
MACHIMBRE DE 1/2"



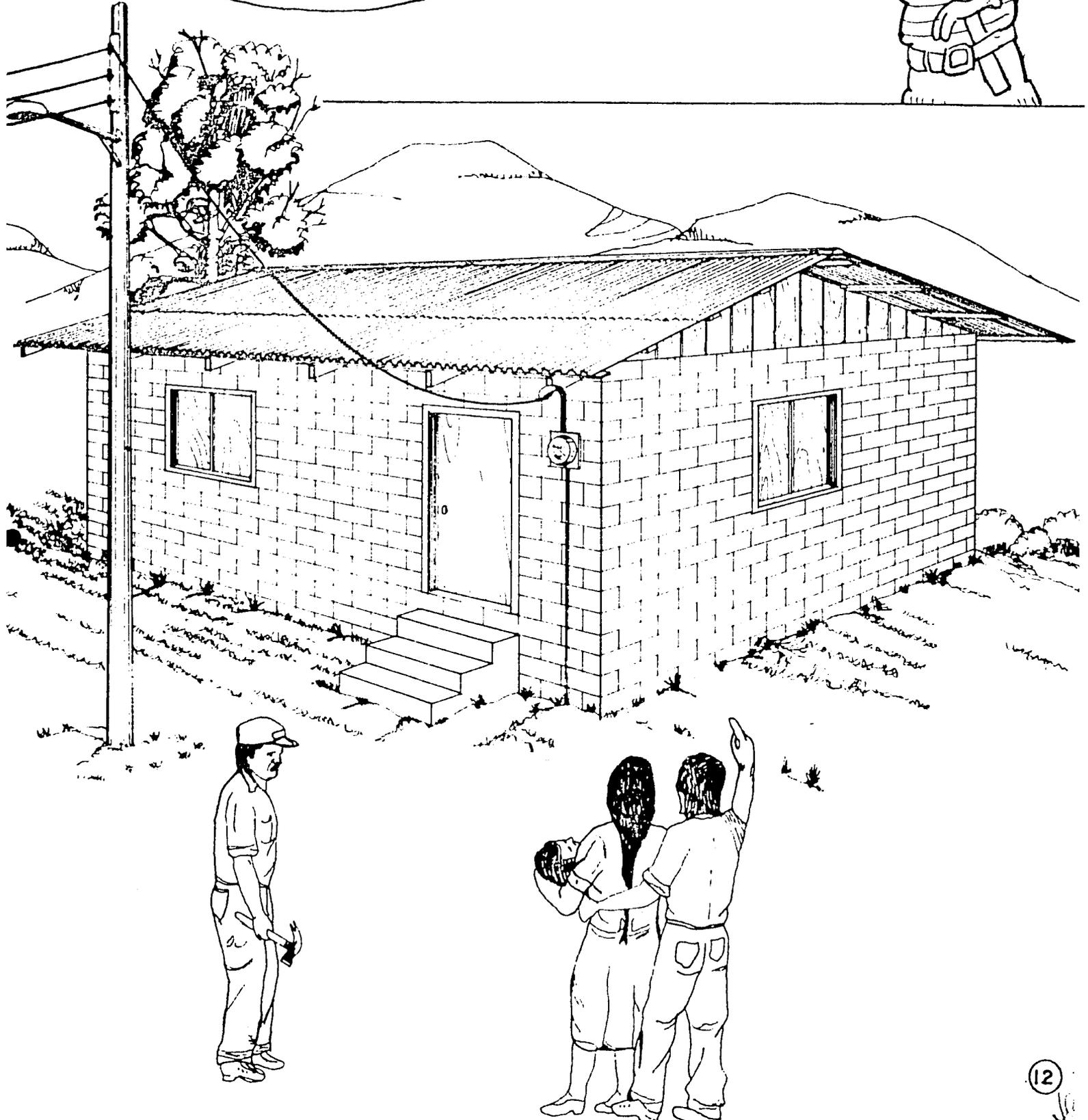
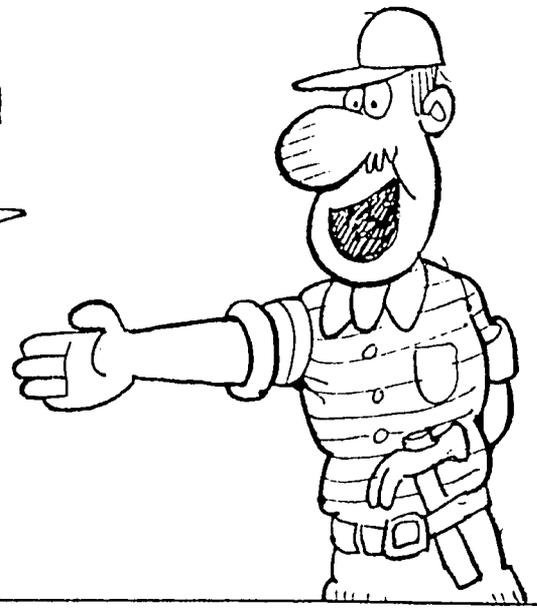
11. Electricidad

COLOQUE
LOS ALAMBRES EN
POLIDUCTOS DENTRO DE LOS
HUECOS DEL BLOQUE. PONGA
UN TABLERO DE CARGA Y
UNA VARILLA DE COBRE
COMO POLO A TIERRA



12. La casa terminada

¡Y ESTA ES
LA CASA TERMINADA!



QUARTERLY PROGRESS REPORT FOR THE
HOME IMPROVEMENT AND JOBS PROGRAM FOR HONDURAS

(AID GRANT No. 522-ESF-0332)

FOR JANUARY 1, 1989 - MARCH 31, 1989

COOPERATIVE HOUSING FOUNDATION



QUARTERLY PROGRESS REPORT: JANUARY 1, 1989 - MARCH 31, 1989
HOME IMPROVEMENT AND JOBS PROGRAM FOR HONDURAS WITH THE
COOPERATIVE HOUSING FOUNDATION
(AID GRANT No. 522-ESF-0332)

I. SUMMARY

This report covers the quarter of operations comprised of the period 1 January, 1989, through 31 March, 1989, of the CHF Cooperative Neighborhood Improvement and Jobs Program for Honduras and marks the completion of 12 months from the signing of the grant.

The project is being carried out by the private sector and is primarily directed towards the informal sector. The funds are flowing from CHF directly to cooperative federations and other private voluntary organizations (PVO's). The project has been developed in close consultation with the USAID mission and is designed to fit within the USAID country strategy statement.

As will be demonstrated in more detail in the sections which follow, CHF subprojects are increasingly moving from the implementation stage to that of performing loans. More importantly, hundreds of families are enjoying the benefits of a safer, healthier, more ample and improved quality of shelter and habitat. More difficult to quantify and document is the positive social and political impact produced by poor people experiencing empowerment as regards their ability to participate in the resolution of their problems and their having experienced, via the tangible benefits of a more democratic extension of credit, some proof the "system" can also serve them.

Institutionally, CHF's strategy of strengthening organizations through a "learning by doing" approach of integrating technical assistance with capital financing has proven effective. Private nonprofit cooperatives and PVO's are growing in capability and economic viability and with CHF assistance are moving to the stage where they no longer rely exclusively on "special" financing, but can interface commercially with formal housing sector financial institutions such as Banco Central's Fondo de la Vivienda (FOVI).

There are now 10 loans signed, all of which are disbursing or have been completed and are in their pay back stage. Of the L.3,125,000 received from USAID L.2,758,000 have been disbursed to date against loans and grants. Of the total disbursed, L.533,000 have been disbursed in this quarter which in turn have been on-disbursed to 151 below median income families for home improvements or new core house construction. During this quarter the loans have benefitted a total of 755 people and generated 124 workmonths of employment.

Other significant achievements during this quarter include (1) the signing of an agreement between FOVI and CSJB to reserve funds to purchase the mortgages generated by CSJB in the Ines Cose Housing Cooperative Project and, (2) FOVI declaring FACACH an eligible institution.

II. BACKGROUND

In April, 1985, the Agency for International Development (AID) gave the Cooperative Housing Foundation (CHF) a Central American Regional Grant for a Home Improvement and Jobs Program. Based on the success of the original program, the AID Mission in Honduras awarded CHF a follow-up grant agreement for a Home Improvement and Jobs Program for Honduras. This agreement, signed March 25, 1988, grants CHF L.1,000,000 for subprojects previously committed under the original AID Regional Program plus L.6,000,000 for new subprojects. The purpose of this grant is to provide financial and technical assistance support through CHF to Honduran Private Non-Profit Cooperative Federations and Private Voluntary Organizations (PVOs) that in turn sponsor home improvement, community improvement, new core house construction projects, and loans to small construction businesses for below median income beneficiaries throughout Honduras.

III. COMMENTARY

A. Mobilization of Local Resources

The objective of mobilizing local resources has been pursued by CHF over the course of this program. Mobilization of local resources has taken the form of securing counterpart inputs, both cash and in kind from borrowers, sub-borrower and beneficiaries to combine with CHF loan funds. Some measure of our considerable success in this area can be gotten from the fact that together with the L.2.76 million disbursed by CHF in Honduras, the

individual subprojects have additionally benefitted from approximately L.644,000 of cash counterpart and approximately L.840,000 of local inkind inputs. Considering the nature and characteristics of the nonprofit organizations and their beneficiaries with whom we are collaborating in this effort, CHF feels these are significant local participations.

Additionally, our efforts with FACACH and its affiliates is relevant. In many of the cities and towns where a home improvement loan program is being undertaken, the availability of credit for home improvement to a target group normally outside of such operations has stimulated increased membership and increased capitalization and savings at the local credit union level. These increases have been significant rather than marginal.

B. Linking FOVI with the Informal Sector

The Fondo de la Vivienda (FOVI) has monies available for long term financing of projects to purchase mortgages generated by the construction of housing solutions for below median income families. With CHF support and assistance, FEHCOVIL, CSJB, and FACACH have become eligible institutions for the FOVI operation. One project built by FEHCOVIL, with construction funding provided by CHF has already been built and long term mortgage financing provided by FOVI.

In the case of Centro San Juan Bosco (CSJB) in Tela, CHF has worked with and developed a limited housing technical service/developer capability within this organization to the point where we considered them competent to interface with a

national level, formal sector financial institution such as FOVI. Through a "learning by doing" approach involving technical assistance and training integrated with capital financing of small pilot projects, CHF assisted CSJB to get approved and registered with FOVI. The technical assistance and training helped CSJB strengthen its administrative, financial management and implementation capabilities. The pilot project loans to CSJB allowed it to develop a solid track record of making market interest rate loans to below median income families and to recover the loans. Both the institutional capability and the proven track record were essential in FOVI's approval process. FOVI has now given a forward commitment to purchase the mortgages currently being generated by CSJB in their Ines Cose Housing Cooperative being built with construction financing from CHF. Thus a second project from a second nonprofit PVD working with CHF will receive long term financing from FOVI.

In the case of FACACH, CHF has worked closely at both the federation and credit union level to help them develop their institutional capabilities in making housing related loans focusing on the below median income families living in the urban informal sectors. Through this effort FACACH has come to realize that there is an enormous demand for housing and home improvement loans in the growing informal barrios. FACACH is discovering that these families are not all equally poor. On the contrary, many of these families are working in the informal economy (many are microentrepreneurs for example) whose incomes vary widely. FACACH

has discovered that many barrio families are "upwardly mobile" and need a place to put their savings as well as make loans. Many place a high priority on improving their homes and can afford to and are willing to pay back loans. They simply don't have access to the formal financing mechanisms of the country. Now that FACACH has become institutionally eligible to receive FOVI financing, CHF will help FACACH to qualify and sell some of its mortgages located in these informal barrios.

During this quarter, CHF started working with a fourth PVO, APRHU, to prepare a presentation to FOVI requesting institutional eligibility. Initial unofficial responses from FOVI are positive.

The above cases demonstrate CHF's valuable development role. The PVO's and credit unions discussed above are working with marginal groups in the informal sectors. After three years, various project loans, technical assistance and training, these groups have progressed sufficiently to the point where CHF can essentially "graduate" them and connect them directly with formal sector financial institutions. This facilitates for FOVI, via this service, the ability to reach in to the informal sector and serve low income families. For the PVO's and cooperative federations, it represents a stage of development permitting them to access funds far in excess of those represented by the CHF project. It is also recognition of their capability to plug into the formal, institutionalized financial structure serving the housing sector in Honduras. The remaining constraint that should be pointed out though is that FOVI, with a few exceptions, does

not provide up front construction or bridge financing; they only purchase mortgages after houses have been built and sold. As such, PVO's such as CSJB, APRHU, FACACH and to a lesser extent FEHCOVIL will continue to depend on CHF for construction financing.

IV. PROGRESS IN OBLIGATING, PROGRAMMING AND DISBURSING

The following is a summary of the budget status as of March 31, 1989, and shows the progress in obligating, programming and disbursing funds:

A.	Fund budgeted	L. 7,000,000.00
B.	Loan funds obligated (1)	4,216,000.00
C.	Grant funds obligated	240,500.00
D.	Training funds obligated	25,196.00
E.	Total funds obligated	4,481,696.00
F.	Loan funds programmed (2)	1,000,000.00
G.	Grant funds programmed	30,000.00
H.	Training funds programmed	174,804.00
I.	Total funds programmed	1,204,804.00
J.	Total funds obligated/programmed (3)	5,686,500.00
K.	Remaining unprogrammed funds	1,313,500.00
L.	Disbursed to date (4)	2,758,177.46
M.	Received from USAID to date (5)	3,125,000.00

(1) "Obligated" is defined as a signed agreement

(2) "Programmed" is defined as a subproject which has been designed, has a feasibility study approved by CHF/Washington, and has received concurrence from AID/Honduras

(3) Includes funds programmed for training/pubs.

(4) Includes monies disbursed for training/pubs.

(5) An additional L.750,000 was in the process of being transferred by the Banco Central at the end of this quarter.

V. OBLIGATED SUBPROJECTS

Six subproject loans and two institutional support grants are signed and obligated. These include:

TITLE	INSTITUTION	DESCRIPTION
H/L/8	CSJB	Urban build on your own lot core house loan program in Tela
H/L/9	FACACH	Home Improvement Loan Program in cities throughout Honduras
H/GR/6	FACACH	Institutional Support Grant
H/L/11	APRHU	Urban home improvement loan program in Tegucigalpa and Choloma
H/GR/7	APRHU	Institutional Support Grant
H/L/15	CSJB	Urban home improvement loan program in Tela
H/L/14	FEHCOVIL	Urban Neighborhood and Home Improvement loan program in Tegucigalpa and San Pedro Sula
H/GR/9	FEHCOVIL	Institutional support grant

All of the above subprojects have initiated project implementation including project promotion, review and approval of loan applications, initial disbursements and construction supervision.

VI. PROGRAMMED SUBPROJECTS

In addition to the above obligated subprojects, four loans and one institutional support grants are programmed. These include:

TITLE	INSTITUTION	DESCRIPTION
H/L/10	IDH	Urban building materials production center loan program in Tegucigalpa, Danli, Choluteca, Juticalpa and Siguatepeque
H/L/12	FAFH	Urban home improvement and community improvement loan program in Tegucigalpa and San Pedro Sula
H/GR/8	FAFH	Institutional support grant
H/L/13	IDH	Urban home improvement loan program in Tegucigalpa, Danli, Choluteca, Siguatepeque and Juticalpa
H/L/16	PROYECTO ALDEA GLOBAL	Rural core house and home improvement construction near Lago de Yojoa

All of the above subprojects have been jointly designed with the counterpart organization, assessed as to their feasibility, approved by CHF/Washington and concurred by AID/Honduras. Loan and grant agreement signing and obligation are pending disbursements of additional funds by AID.

VII. PROGRESS IN DISBURSING TO SUBPROJECTS OBLIGATED UNDER ORIGINAL AID REGIONAL AGREEMENT

L.1,000,000 worth of subprojects obligated under the original AID regional agreement (598-0131) were earmarked for disbursement from the current ESF grant. The full 1,000,000 have been disbursed to these subprojects which include:

PROJECT TITLE	INSTITUTION	DESCRIPTION
H/GR/1	FEHCOVIL	Institutional Support Grant
H/GR/4	CSJB	Institutional Support Grant

H/GR/5	IDH	Institutional Support Grant
H/L/1A	FEHCOVIL	Neighborhood and home improvement loan program
H/L/1B	FEHCOVIL	Core house construction
H/L/3A	FEHCOVIL	Self help housing cooperative
H/L/5	IDH	Building materials production center loan program
H/L/6A	CSJB	Home improvement loan program

VIII. PROGRESS IN ACHIEVING IMPLEMENTATION TARGETS

Outputs for L.7,000,000 in subprojects.

	Targets	Oblig/Prog.	Actual to date
1. Number of community improvement loans	25	9	3
1a. Number of people benefitting	31,250	1,350	900
2. Employment creation (workmonths)	4,404	3,971	1,055
3. Number of grants/loans	10	6/15	5/11
4. BMPC loans	200	154	29
4a. Number of people benefitting	1,000	770	145
5. Number of SHHC's	3	1	1
5a. Number of people benefitting	1,000	300	300
6. No. coops/PVD's receiving HI/BOL loans	10	20	11
6a. Number of people benefitting	9,000	8,160	2,830
7. Number training workshops	24	2	2
8. Number of TSOs/PVDs receiving tech.assistance	10	8	8
9. Total number beneficiaries		10,580	4,175

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10. Counterpart funds:

CASH	L. 1,000,000	L. 1,421,360	L. 643,972
IN-KIND	L. 750,000	L. 1,448,000	L. 839,272
TOTAL	L. 1,750,000	L. 2,869,360	L. 1,483,244

The above chart shows progress in achieving the expected outputs for the L.7,000,000 in subprojects. The first column corresponds to the planned outputs. The second column corresponds to the expected outputs for subprojects obligated and programmed to date. The third column corresponds to actual outputs to date since the signing of grant.

IX. PROGRESS IN REACHING TARGET GROUP

CHF seeks to reach low income working families who can afford loans but do not have access to credit from the formal private banking systems. All 53 beneficiary families reached during this quarter are below the median income for their respective geographic areas. Actual family monthly income ranges include:

	Number of Families
Between 851 - 950 Lps/month/family	19
" 751 - 850	7
" 651 - 750	18
" 551 - 650	36
" 451 - 550	23

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"	351 - 450	30
"	251 - 350	18
	Total	151

In addition to targeting low-income families, CHF makes a special effort to reach women - especially single female headed households. Of the 151 families reached during this quarter, 77 (51%) are women.

The number of families benefitted since the signing of the agreement total 835. Of this total, approximately 45% are women.

X. TRAINING AND PUBLICATIONS

A construction training aid for empirically trained and often illiterate builders was developed. "Como construir una casa de bloques: manual para constructores" is included in the appendix.

X1. TECHNICAL ASSISTANCE

Approximately 50 person/days of technical assistance was provided to the Centro San Juan Bosco, APRHU, FACACH and FEHCOVIL in:

- financial management
- construction management
- construction supervision
- reviewing bids
- construction training
- developing cooperatives
- working with the informal sector
- loan application review
- project promotion
- loan recovery

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GUATEMALA

QUARTERLY REPORT:

JANUARY 1ST. - MARCH 31ST. 1968

COOPERATIVE AGREEMENT

NO. LAC-0131-A-00-5046-00

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GUATEMALA
REPORTING FOR THE PERIOD OF
JANUARY 1ST TO MARCH 31ST, 1969
COOPERATIVE AGREEMENT NO. LAC-0131-A-00-504a-00

This is the fourteenth Guatemala Report for the CHF Cooperative Neighborhood Improvement and Job Program for Central America.

1. PROGRAM UPDATE

A. Capital Assistance Program

At the current time, US\$ 2,013,844.32 (adjusted to show actual exchange rate used) has been disbursed from the Capital Assistance Fund. During the reported quarter US\$ 179,821.97 was disbursed. Within the next quarter, some US\$ 300,000 is projected to be disbursed. With the tentative commitments given to FENACCAC and HDDE projects, CHF has fully allocated its Capital Assistance Funds. CHF will not be in the position to consider any future projects under the original funding grants. Those projects which were previously identified but not given a tentative or firm commitment are to be placed in suspension because of lack of funding.

B. Technical Assistance Program

The CHF program was initially programmed and budgeted for 18 months, however based on economies and reprogramming, the program was extended to a 24 month period, concluding on the 30th. of September 1968. In the last two quarters, CHF has stretched out the available funding and directly supported the costs of the Technical Assistance Program.

The direct CHF support is an measurement of the commitment to the overall goals and objectives of the program. CHF beleives that the program is effective and important not only so within its own priorities, but those of the local institutions and the Government and People of Guatemala. As will be detailed below, the refusal of USAID/ Guatemala to provide any additional support to the CHF program, has made it imperative that CHF identify alternative financial resources. CHF is exploring various alternatives which will permit, (1) the short term provision of the essential CHF technical assistance and support for the on-going or pending commitments; and (2) an infusion of new Capital Assistance Funds.

C. CHF Proposal

In April 1968, CHF submitted to the USAID's Guatemala Mission a proposal for supplemental funding of the

Cooperative Development System in Guatemala. The proposal requested \$3.0 million of new funding. In March 1969, CHF was informed by the Guatemala Mission of its inability to provide additional funds based on the limited resources and the low priority it gave to the CHF activities (shelter, institutional development and community development), within the contexts of the Mission's "Country Strategy Statement". CHF was obviously disappointed with the Mission's current reading of its proposal. CHF stated that it would welcome any reconsideration of the proposal and the Mission's position with regards to funding. CHF expressed its intention to carry-out the remaining program activities.

Nevertheless, under the circumstances, CHF was obligated to inform the Mission of its intention to reduce its program activities, while assuring an "adequate level of program services". Future CHF programming would be subject to the financial and logistical considerations as determined by CHF. As an immediate measure, all institutional support activities would be suspended and external technical assistance would be cut-back if not discontinued.

II. Financial Summary

A. Transfer of Funds

CHF Guatemala received the following disbursement from the Central American Fund.

=====			
TRANSFER OF FUNDS			
=====			
	Amount US \$	Exchange Rate	Quetzal Value
=====			
Jan. 69	116,802.00	2.70	315,367.18
Feb. 69	-0-	2.70	
Mar. 69	71,429.67	2.70	192,357.94
	=====		=====
	188,231.53		508,225.12
=====			

B. Program Expenditures

Significant program expenditures are summarized in the following table:

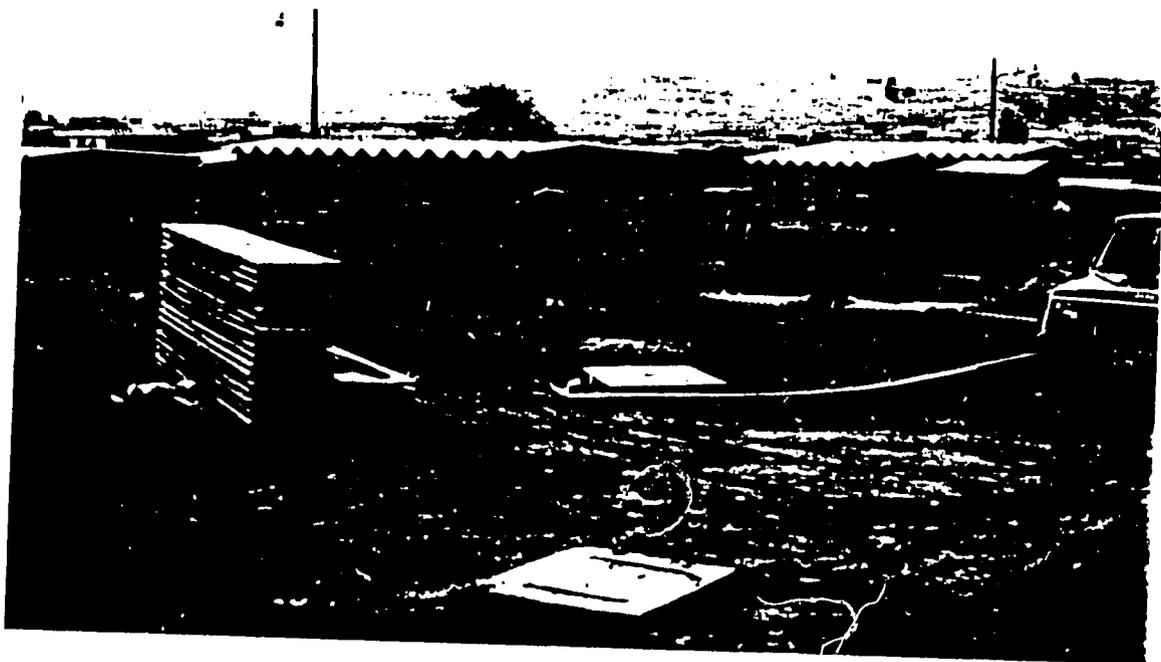
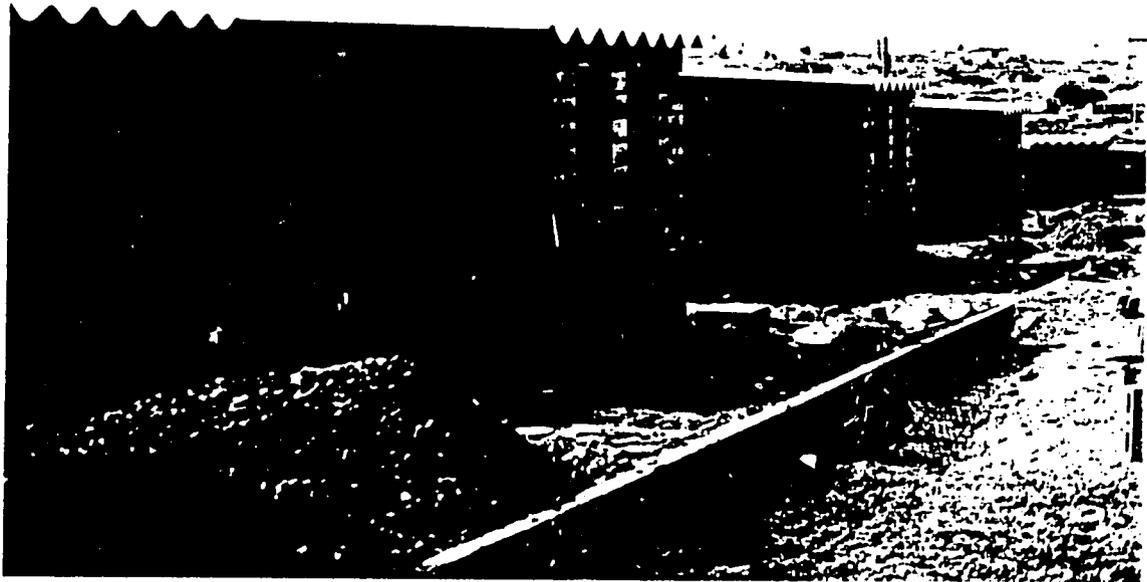
PROGRAM EXPENDITURES			
	Institutional Support Grants	Program Loans	Technical Assistance
FENACQVI	Q.	Q. 332,147.76	Q. 2,750.00
FENACQAC			387.80
HODE			1,200.00
COSUDER	8,500.00	15,108.55	
FUNDACEDI		101,363.00	
FUNDAP	2,600.00	25,300.00	
Subtotals	Q. 11,100.00	Q. 473,914.31	Q. 4,337.80
Total.....			Q. 489,352.11

C. REFLOW ACCOUNT

CHF Guatemala received the following program loan repayments and these were credited in the REFLOW SAVING ACCOUNT.

REFLOW ACCOUNT			
SOURCE	LOAN NO.	AMOUNT OF DEPOSITED	DATE OF DEPOSIT
HODE	G/L/03 Sanjuanero	9,26,672.80	Jan. 4, 1989
COSUDER	G/L/06 H.I.P.	Q. 4,275.69	Feb. 1, 1989
FENACQVI	G/L/14 Sta. Ana	Q. 468.49	Feb. 3, 1989
FENACQVI	G/L/8A H.I.P.	Q. 14,246.62	Feb. 21, 1989
FENACQVI	G/L/11 Ceres	Q. 3,305.57	Feb. 21, 1989
FENACQAC	G/L/1A H.I.P.	Q. 43,430.03	Mar. 2, 1989
FENACQVI	G/L/04 El Modelo	Q. 14,827.91	Mar. 3, 1989
AMOUNT OF REFLOW ACCOUNT (DOES NOT INCLUDE EARNED INTEREST IN FINAL QUARTER) March 31, 1989 Q 316,595.98			

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III. Program Activities

A. FENACQVI:

1. Background:

The Federacion Nacional de Cooperativas de Vivienda (FENACQVI), is a cooperative housing membership organization that also serves as a technical service organization. The Federation faced financial difficulties for a variety of reasons, principally the rapid initiation and overly ambitious programs. This in turn negatively influenced its ability to function as a development entity.

During 1984, FENACQVI's new leadership established a new course of action. This policy sought to correct and avoid the past mistakes, while improving the position of the Federation and expanding the cooperative housing movement. CHF has agreed to support FENACQVI in this endeavor and has working closely with the T.S.O. in its revitalization. The initial efforts focused on the restaffing of critical program areas. New emphasis was also given to the educational process. Based on considerable CHF support, the development program which originally focused on the incomplete and troublesome projects, has moved on into new development work.

2. CHF Grant: (CONCLUDED)

CHF has provided two Institutional Support Grants to FENACQVI for some Q.249,000.00 over a three year period. Both of these grants have been concluded. The grants provided FENACQVI the necessary personnel and support activities to adequately address it's problems and undertake new initiatives. At this time, FENACQVI is continuing all the program activities sponsored under the grant with its own resources.

3. Activities:

CHF and FENACQVI agreed to address previously existing but uncompleted cooperative housing development on a priority basis. These were El Modelo and El Mofang Cooperatives. In completing these projects, a sounder financial positions for both, the Cooperatives and FENACQVI was to be achieved. Having adequately addressed these, CHF and FENACQVI have moved on to the development of more appropriate and affordable shelter solutions.

a. EL MODELO II: (COMPLETED) 355 UNITS OF 3BR HOUSE)

The construction work for the Modelo II Project

started in August 1986 and was completed in February of 1987. The loan consist of Q.600.000.00 for the completion of 141 units and infrastructure in a project of 355 units. The CHF investment in this project is part of a total financial package of an approximately Q.4.1 million.

With the favorable restructuring of the project financing and restoring local autonomy for the Cooperative a new period in the relationship between FENACQVI and El Modelo Cooperative is evident. The improved situation is demonstrated by the agreement between FENACQVI and the Cooperative to use working capital for improvement to the streets within the project. This new local initiative was completed recently with the inaugural ceremonies in March 1989. The Model Cooperative has met all its obligation since FENACQVI's successful intervention and development activities.

b. EL MOFANG: (SUSPENDED 199 UNITS)

The Feasibility Study was approved by CHF in the summer of 1987. As preparations were made to conclude the preliminary conditions for the loan, the Cooperative experienced a change in its leadership. This new leadership claimed that the financing was expensive and that alternative solutions could be obtained. Further complicating this situation was the reversal of the municipal authorities on the water issue.

In May 1988, nine months after being on the back burners, the Cooperative suggested that they would like to go ahead with the project. In October the Cooperative again requested FENACQVI/ CHF's financing to conclude the project. CHF and FENACQVI's review of the project's prospects turned up negative without major dislocation of the current membership. FENACQVI is considering turning the project over to its principal creditor, BANDESA.

c. XELAJU: (COMPLETED 94 UNITS OF CORE HOUSING)

The loan contract for the XELAJU Project of 94 core units was signed on the 20th of January, 1988. After some adjustments to the financial elements of the project, work was initiated in April. The project was originally scheduled for completion at the end of November. Delays in obtaining municipal approval and completing the actual hook-up to the municipal sewerage facilities caused the project to be concluded in December. The expansion of the scope of work also increased the construction time. The finished project included these added items: improved flooring within the units, sidewalks and the payment of the municipal hook up fees.

At the conclusion of the construction phase the project was received by the Cooperative. The rate of move ins by the cooperative has been disappointing, only some thirty members have actually occupied their respective units. An additional thirty-three households were involved in making various improvements. Discussions on the importance of early occupancy was discussed with the leadership and members in February.

The financial close out was achieved in February as FENACQVI and the Cooperative finalized the project costs and certified the beneficiaries. FENACQVI provided the necessary supportive materials for the final disbursement which represented the extra financing for the downpayment/equity of newer members.

CHF provided Q.477,591.28 of financing for the project, including the Q.47,292.80 which represented the expansion of the credit for new members meeting the equity requirements. This expanded financial program was used more extensively than original programmed (29 vs 21 new members) but at lower amounts (average of Q.1,630.79 as opposed to the anticipated Q.2,500.00). This would suggest that the additional monthly charge over the basic Q.120 will be on average only Q.19.57 as opposed to the projected Q.30.00. The additional financing will permit the newer members to achieve parity with the equity position of the older members.

The Cooperative's accounting personnel required renewed training by FENACQVI with the departure of the Cooperative's accountant.

The Xelaju Cooperative has determined that it would immediately undertake the construction of its community facility. It is using the surplus materials from the project and the levy of a special one time charge to the members so that said work could be achieved. In so doing the Cooperative will reduce its cost of renting its current headquarters. CHF and FENACQVI will not contribute to the development nor construction of this facility.

d. KA-DHDOH: (IN EXECUTION 152 HOME IMPROVEMENT LOANS)

With CHF assistance, a program design was prepared for FENACQVI to undertake activities related to the CHF Village Improvement Cooperative. The Project is a comprehensive rural development program. Under the second institutional support grant, FENACQVI assembled a field staff to support the program activities envisioned in the VIO and comprehensive rural development program.

At the conclusion of the grace period of twelve months the loan was closed at Q.244,595.04 and the balance was rolled over into a second phase with Q.85,404.96 in credit. This second phase was concluded on the 16th. of February 1989.

Under phase one of the home improvement program, ONE HUNDRED AND TWENTY FOUR LOAN were approved. In the second phase (Phase B) FORTY FOUR LOANS for home improvement were approved with sixteen achieved during the period.

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KA-CHCOH DISBURSEMENT BREAKDOWN

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DATE OF DISBURSEMENT	LOAN REQUEST	NUMBER OF LOAN	AMOUNT DISBURSED
Phase A			
08/18/1987	1	29	Q. 54,224.87
11/12/1987	2	12	21,972.17
12/11/1987	3	15	26,888.00
01/28/1988	4	15	30,024.00
02/26/1988	5	13	30,298.00
04/05/1988	6	10	23,002.00
05/06/1988	7	10	17,894.00
06/09/1988	6	5	6,093.00
07/13/1988	9	7	13,081.00
07/29/1988	10	8	21,118.00
SUBTOTAL.....		124	244,595.04
Phase B			
09/13/1988	1	9	21,300.00
10/19/1988	2	8	12,750.00
11/22/1988	3	11	22,500.00
01/02/1989	4	10	16,500.00
02/16/1989	5	6	12,354.96
SUBTOTAL		44	85,404.96
Quarter Summary		16	Q. 29,054.96
Program Summary		168	Q.330,000.00
Average Loan Amount			Q. 1,964.29
Loan amount CHF/FENACDVI/KA-CHCOH.....			Q.330,000.00
Amount disbursed to date.....			330,000.00
Outstanding balance.....			-0-

=====

With the conclusion of the home improvement portion of the program, FENACDVI and the Ka Choch Cooperative will give increased attention to the development and implementation of the credit activities within the Cooperative as well as other development elements of the program CHF will no longer contribute financial support for the maintenance of the special project team provided by FENACDVI. It is expected

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that FENACQVI will be compelled to reduce its staffings to a single program coordinator, within the next quarter.

CHF will not be able to provide technical assistance for the saving and credit activities of the Cooperative. It was suggested that FENACQVI obtain and provide the required technical assistance.

e. CERES: (IN EXECUTION 36 BASIC UNITS)

FENACQVI approved the Ceres Housing Cooperative development program in the early part of May 88. Shortly after the details of the program elements were incorporated into a feasibility report. The loan contracts were executed in early June with construction activities to start shortly after. However, the Ceres Cooperative insisted on a more direct role for themselves. FENACQVI accepted, with the revised process reaching a conclusion in September, a two month delay. CHF authorized the revision of the start up date from July to the 15th. of September 1988.

The program calls for fifty six units for the existing cooperative membership. The project reflects an advantageous position with regards to the infrastructure. This infrastructure is already largely in place due to the self help effort of the cooperative, and its also enjoyed some costs constraints due to the proximity to existing infrastructure network. The financial costs as represented by the CHF loan is Q.639,000. A carrying charge of one hundred and thirty five quetzales per month is programmed. A basic unit of thirty eight square meters, consisting of a combined living-dining area and a single bedroom and bath is to be provided.

During the period, the CHF disbursements achieved the level of Q.480,027.40. Construction of the units proceeded as programmed, so that by the close of the period forty seven units were in some advanced stage of construction. Infrastructure work was focused on the introduction of earthmoving operations. Some modifications to the scope of work were approved. This was accomplished with the field observations and the technical assistance provided by the CHF Advisor. Essentially less movement of earth will be required and the retaining walls are reduced. Further study would be given to the volume of earth movement required in the street work.

Final siting of the northern most five units were resolved, by permitting the construction within the legal limits but with less front yard setback than the other units within the complex. Resolution was provided to the question of the use of Lot No. 24. This lot was originally requested by the Cooperative to be reserved for community educational use as a pre-school facilities. Considerations to convert its use to residential were not acceptable to the Cooperative. CHF

and FENACQVI will take the necessary measures to assure that the stated use or any other alternative use are not effected without proper authorization. Such authorization shall consider the consequences it might have on the project, and the overall financial position of the project.

Request to provide upgrading for the floors of some households was left to FENACQVI to determine the appropriateness. CHF would not authorize any funding or the use of the loan funds for this purpose. Any change in the floor material would not be provided credit under the loan.

Based on progress achieved to date and the outstanding work, the completion date is expected in late April or early May 1989.

f. SANTA ANA (IN EXECUTION 51 BASIC UNITS)

Prior to CHF's financing the project, FENACQVI entered into a limited loan agreement with the Cooperative for the development of the basic infrastructure for the project. On December 8th, CHF and FENACQVI signed a new loan agreement for this project, and the subsequent loan agreement between the Federation and the Cooperative was signed on the tenth. The CHF loan provides for the incorporation of the previous FENACQVI loan for the infrastructure and the construction of this fifty one unit development in Chimaltenango.

Construction activities for the infrastructure was initiated in early August and it was completed in December. A subcontract for the fabrication of modular type construction elements was signed with a private sector manufacture. The contract is for Q. 191,500 and will provide for the construction of the shell construction of the basic unit of some 41.76 square meters. In executing this contract, FENACQVI is accepting a pre-fabricated construction system. The system uses a reinforced concrete panel and a lego type column. The unit as designed for the Xelaju and Ceres Project has been adapted to the building system. The prefabricated product and costs proved to be compatible with conventional FENACQVI costs. There is a significant improvement in the roof element, which is upgraded here to concrete over the more traditional cement fiber boards.

Construction was started on the initial three units in January 1989. Subsequently, modular units for up to fifteen units were introduced and are in various stages of construction. In the coming quarter, the factory production of the previous quarter will be transferred to the site and up to five or six work groups will be active with a corresponding increase in the number of units under construction. Initial reaction to the pre-fabricated unit is favorable. Given the characteristic of the system and the

extent of construction, the units has considerable street appeal in the visual sence. It also enjoys more of an openness within the unit because of the greater heights of the walls.

Initial finishing work beyond the basic structure were field tested in preparation for the upcoming phase.

The Santa Ana Project is budgeted for Q. 596,763.30 of CHF investment and some Q. 159,400 of input by the Cooperative. CHF financing represents some Q.11,710 per unit, with 50 beneficiaries carrying Q.11,703.26 of financing. The amount of Q.11,700.00 will be carried by the full membership of the Cooperative (91) for general site improvement within the project area. The monthly carrying charge is Q.135.00 in the initial year with successive increases of Q.5.00 in the second and third years. An additional charge of Q.1.50 for all cooperative members is to be levied.

Project monitoring and working meetings are to be held on a regular basis after the suspension of the first month's session. CHF is providing technical assistance and supervision with its consultant engineer, Abel Armas.

B. FENACDAD:

1. Background:

The Federacion Nacional de Cooperativas de Ahorro y Credito, is a membership and coordinating unit for the credit union system. It's size and assets make it a dominate force in the cooperative movement. The Federation has not been able to finance shelter in any substantial way since the earthquake recovery period. Credit unions have uniformly limited their shelter lending in favor of other more "productive" areas.

A loan agreement was signed by CHF Guatemala and FENACDAD in March 1986 and the home improvement project was completed on the 30th. of November 1988.

The project provided a loan of Q.1,000,000.00 to the Federation, who on loan to five credit unions which are: Coban, Union Popular, San Jose Obrero, Teculután and Chiquimulja for home improvements. Home improvement work includes simple repairs, renovation, expansion and simple construction. At the credit unions level the interest rate to the member user was subject to final determination by the participant credit unions. Most of the participating credit unions have adopted a 15% interest rate, and one used 18%. The corresponding interest rate from CHF to the Federation is a 5%, and the Federation to the C.U., is at 10%. The loan terms are for eight years between CHF - FENACDAD, and

FENADOAC - credit unions. For the individual members, the loans will have a maximum of five years, although two and three years are more the norm.

2. Activities:

a. Home Improvement Project: (COMPLETED -
466 HOME IMPROVEMENT LOANS)

The loan was modified into phases. The respective loan amount for each phase is as follows:

Phase A : Q. 507,736.67
Phase B : 172,753.86
Phase C : 319,509.47

The final disbursements and breakdown among the various participating credit unions are provided below:

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CHF/FENADOAC DISBURMENTS
HOME IMPROVEMENT LOAN PROGRAM

CREDIT UNION	ALLOCATION	DISBUR- SEMENTS	OUTST'D'G BALANCE
San Jose Obrero	Q.300,000	Q.300,000	Q. -0-
Chiquimulja.....	175,000	175,000	-0-
Coban.....	200,000	185,532	-0-
Union Popular...	225,000	225,000	-0-
Teculután	100,000	114,468	-0-
Total	Q.1,000,000	Q.1,000,000	Q. -0-

Total Number of Loans 466
Average Loan Amount Q. 2,136.17

Figures show all program disbursements, irrespective of phases.

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The program completed its objectives and all of the program funds have been disbursed, inclusive down to the beneficiary level. FOUR HUNDRED AND SIXTY SIX LOAN were made and a second generation of loans is being attended to with the internal reflow within the credit unions. In addition, all the participating credit unions have maintained or increased the previous level of funding for shelter with regards to their own resources

5. HOME IMPROVEMENT PROJECT 2 (CONTRACT STAGE)
250 HOME IMPROVEMENT LOANS

During the previous period, FENACDAD and CHF prepared the documentation (evaluation and feasibility study) for the provision of a follow-up loan. The new loan was originally anticipated to be for One Million Guetzales, however, given the restrictive financial position of the CHF funds, it is to be limited to 0,500,000.

For the first time the program will benefit the urban poor of Guatemala City. The program will also reinforce the successful policy decision of the application of more realistic interest rates among a larger network of credit unions.

This new loan would have been signed in the last quarter. However due to adjustments within CHF and FENACDAD, it was reprogrammed for the upcoming period. CHF and FENACDAD have agreed to retroactively honor any loans generated by the participating credit unions during the delay from the period of January to the actual execution of the loan.

b. San Jose Obrero Houses: (CONTRACT STAGE 5 UNITS & 50 UNITS SUSPENDED/LACK OF FUNDS)

Five units were undertaken in joint collaboration by the San Jose Obrero Cooperative, FENACDAD, the Faculty of Architecture of the University of San Carlos and CHF. The Cooperative looked to expand the program to a first phase of a larger program.

The program development was hampered by the abrupt departure of the leadership of the credit union. After permitting a period of adjustment, CHF and FENACDAD were able to address the issue of the model units and the larger project objective with the new leadership. The current directors of the credit union have very different ideas about the role of the cooperative and type and level of services that can and should be provided. In the case of the model houses a solution was achieved. The clean up and minor repairs costs would be assumed by CHF and the Cooperative would undertake the marketing. Furthermore, clarification of the intent, as well as the technical elements, including financial elements were brought to the attention of the board of directors.

During the subject period the repairs were achieved. The Cooperative explored potential buyers. Despite these positive steps the reaction by some Board members, suggested that the units are "too expensive". FENACDAD has agreed to assess the value of the houses. CHF believes it is not necessary, given that only real costs were used to estab-

B. Program Expenditures

Significant program expenditures are summarized in the following table:

PROGRAM EXPENDITURES			
	Institutional Support Grants	Program Loans	Technical Assistance
FENACCVI	0.	0. 332,147.70	0. 2,750.00
FENACDAD			387.80
HODE			1,200.00
CCSUDER	6,500.00	18,108.55	
FLNBACED1		101,303.00	
FUNDAF	2,600.00	25,300.00	
Subtotals	0. 11,100.00	0. 475,914.31	0. 4,337.80
Total.....			0.489,352.11

C. REFLOW ACCOUNT

CHF Guatemala received the following program loan repayments and these were credited in the REFLOW SAVING ACCOUNT.

REFLOW ACCOUNT			
SOURCE	LOAN NO.	AMOUNT OF DEPOSITED	DATE OF DEPOSIT
HODE	6/L/03 Sangüenero	0.26,672.80	Jan. 4, 1989
CCSUDER	6/L/06 H.I.P.	0. 4,275.69	Feb. 1, 1989
FENACCVI	6/L/14 Sta. Ana	0. 468.49	Feb. 3, 1989
FENACCVI	6/L/8A H.I.P.	0.14,246.62	Feb.21, 1989
FENACCVI	6/L/11 Deres	0. 3,305.57	Feb.21, 1989
FENACDAD	6/L/1A H.I.P.	0.43,430.03	Mar. 2, 1989
FENACCVI	3/L/04 El Modelo	0.14,827.91	Mar. 3, 1989
AMOUNT OF REFLOW ACCOUNT (DOES NOT INCLUDE EARNED INTEREST IN FINAL QUARTER)			
March 31, 1989			9 318,565.98

lished the selling prices. The Cooperative leadership shows the attitude "we are serving the poor, they can't afford housing, they need a subsidy" with regards to their approach to shelter and its financing. They also showed little understanding of shelter financing and the cost elements of the project. This despite a joint session between them, FENACODAC and CHF. FENACODAC will once again attempt to clarify the situation. CHF authorized a five hundred quetzales reduction if totally necessary, to move this project on to a more appropriate resolution.

CHF and FENACODAC have taken the position that the Cooperative must respond positively in this matter. No other relationship should be considered until it is resolved. This could mean limiting access to the expanded home improvement credit. As for the matter of the larger project, it is locked up in technical and financial issues which could be addressed, but these are secondary to the lack of available financing.

c. OSAN Housing Project (PLANNING 50 UNITS CORE SHELTER / LACKS FUNDING)

This project received financing from FENACODAC for the purchase and initial construction of the urban infrastructure. CHF has provided indirect technical assistance to FENACODAC and the Credit Union to develop the project. CHF has questioned the market, the size of the development and the CU's approach to the construction. A portion of the 500 plus urbanized lots have been considered and could qualify for CHF financing for construction of core units.

The project got off to a slow start and sales have only recently picked up. The Credit Union is selling lots in phases and opened the second of three sections. Previously CHF suggested to FENACODAC that it review the sales information. The construction activities continue to be behind schedule. The completion of the infrastructure phase will not be concluded until late in 1989. Overall the project is all planned to maximize the usability of the completed infrastructure and to respond to changes in the market and financial situations.

D. Hogar y Desarrollo (HODE):

1. Background:

HODE is a socio-development institution, which promotes cooperative and community development practices by using shelter as an entree. Over its fourteen year history, a variety of shelter projects have been developed. The majority of HODE's development ventures have received specific project funding and have enjoyed some sort of subsidy. These subsidies have directly or indirectly supported HODE's

administrative cost.

In 1985 HODE concluded phase one of the Sanjuaneros Project, a subsidized low-income self help housing cooperative for 103 families. HODE is focusing on the remaining developable land from its Sanjuaneros Project. It would like to develop this land and have it serve as the seed capital for further developmental efforts. HODE was not able to attract alternative financial resources, until CHF's consideration of its project. The CHF / HODE loan contract was executed in November of 1986. The construction started in March 16, 1987 and was closed on the 30th. of June 1988.

2. Activities:

a. SANJUANERO II (Completed 186 Core Units)

In the third quarter of 1988, the Sanjuanero II project was completed and closed out financially at the CHF and HODE level. Discussion to conclude the sale of the project to the cooperative organization was hampered by some discord about the higher final costs. Despite the changes, the monthly charge to the beneficiary was kept the same with the modifications made to the loan terms (permitting a longer repayment period). The terms and the costs were explained to the leadership and membership. All the member signed contracts with these modified terms. These contracts will be subsequently transferred to the Cooperative upon the completion of the sale agreement.

The residents of Sanjuanero II are fully participating in the activities of the Cooperative, although the actual sale of the project to the Cooperative has not been concluded. HODE has continuing discussions with the new leadership of the Cooperative, to fully prepare them for the self-management of the project. In the interim, HODE is acting as the administrator of the CHF financed portion of the community. HODE and Cooperative are jointly administering the common services and infrastructure. HODE is concerned that the Cooperative understands and appreciates the need to adequately established an administrative fee in keeping the project and service levels required. Technical assistance and training to this end is being provided by HODE. In addition, CHF has agreed to support T.A. in the on-going accounting activities of the Cooperative.

The CHF technical assistance with regards to the audit of the project development activities was completed and shared with HODE. Several observation and comments will be incorporated into the HODE's overall operational framework as well as future development. It is important to note that HODE has created a special position from amongst its Board members, to familiarize themselves with this particular CHF

technical assistance. This person will support and oversee the improvement of the operations with regards to administration and management of development.

The project is completely occupied. Payment of the financial charges were more than adequate to meet the various financial obligations.

b. SANJUANERO III (IN PLANNING:
150 CORE UNITS/ FUNDING COMMITMENT)

A review of the Sanjuanero II experiences suggested that HOPE was not as technically capable as would be surmised by its long history. Perhaps most critical was the failure to profit from previous shelter development experiences. The failure to transfer expertise to the current staff, particularly in the line positions, has had a negative impact. Essential to overcome this deficiency was the need to establish a permanent technical planning capacity with procedures and guidelines to govern its actions. Based on the assessments made during and after the completion of the Sanjuanero II project, HOPE agreed to establish a technical unit within its permanent organizational structure. In order to assist, CHF provided technical assistance in this endeavor.

A set of procedures and guidelines were established by a team of CHF experts. These were prepared into an operational manual. The manual was reviewed and is in its final edit.

CHF has made a conditional commitment for the Sanjuanero III project. The commitment is for Q1,400,000 for an estimated one hundred and fifty core units. Preliminary work for the selection of the professional design team was concluded in the previous period. However, HOPE has not informed CHF of any substantial advancement of this work. The schedule should be set back with a projected start for construction not to be expected until June or July.

c. QUETZALTENAGO: (PLANNING 100 UNITS OF CORE
HOUSING/ LACKS FUNDING)

HOPE may have access to limited resources from the national government, however the initial feasibility study suggested that these funds are inadequate. CHF has been asked to co-venture this project. As designed the project would provide minimum infrastructure and shelter, very much in the mode of Sanjuanero II for the Quetzaltenago community. The CHF participation in the project is to be cancelled, given the lack of resources or hand to fund the project.

d. ESQUINTLA (HOME IMPROVEMENT PROGRAM
PLANNING/ LACKS FUNDS)

This project area is an existing informal settlement. The households are being provided the opportunity to legitimize their status with the purchase of their respective parcels. The municipality is also providing water and drainage. The community is providing self help labor for the construction of these vital services.

HODE has been assisting this community over the last four years. It is preparing a project and program for comprehensive development with the community. CHF and HODE have discussed the possibility of introducing a Neighborhood Improvement Cooperative Program, with a focus on home improvement. CHF will review the final report of the consultants (financed with the CHF grant), to better determine the magnitude of the funding required. No commitment can be made unless alternative financing becomes available.

E. Asociacion Guatemalteca de Coordinacion Para La Supervivencia y Desarrollo (COSUDER)

1. Background:

COSUDER is a non-profit service organization which has been providing technical assistance to the rural communities in Patzún, Chimaltenango. Up until recently, it had been largely a volunteer organization which provided assistance in health, nutrition, education, improved agricultural practices, simple home improvement and group and personal awareness and responsibilities. Operating under the philosophy of "active participants", it works with the population in identifying their situation, needs and solutions. COSUDER acts as a facilitator for change to improve the socio-economic conditions of the population.

During the later part of 1986, CHF and COSUDER entered into discussions on ways to improve the technical service organizational elements of the institution and the potential of activating the components of the Cooperative Development System. CHF and COSUDER defined a Village Improvement Cooperative program with an Institutional Support Grant. CHF provided a three year conditional grant commitment with annual funding authorization required by CHF. This was to assist COSUDER develop its organizational structure to that of a limited technical service organization. The VIC Program calls for the implementation of a Home Improvement and Community Improvement activities.

The first of these Institutional Support Grants provided Q.81,500. The second was for Q.65,000. These grants allowed COSUDER to expand its work program, incorporating

an increased number of communities and beneficiaries. The later grant was extended in time to provide support through to the end of May 1989. The final year of the three year grant commitment will be canceled due to lack of resources.

In July 1987, the first loan agreement for home improvements was executed. A second home improvement loan was executed in June 1988.

2. Activities:

COSUDER requests for disbursements under the home improvement program are as follows.

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COSUDER
HOME IMPROVEMENT PROGRAM

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NO. OF REQUEST	NO. OF LOANS	LOAN AMOUNT	BENEFICIARIES SUPPORT	TOTAL VALUE IMPROVEMENT
1	10	3,000.00	688.17	3,688.17
2	12	2,345.88	744.81	3,090.69
3	3	3,200.00	2,667.54	6,867.54
4	13	3,432.07	573.62	4,005.69
5	12	3,243.36	454.18	3,697.56
6	11	8,650.00	10,232.81	18,882.81
7	1	400.00	809.57	1,209.57
8	10	5,508.26	7,062.61	12,570.87
9	2	1,400.00	1,822.71	3,222.71
10	10	8,679.13	7,796.02	16,675.15
11	1	1,000.00	1,249.53	2,249.53
12	2	675.27	203.13	1,078.40
SUB-	====	=====	=====	=====
TOTALS	88	Q. 42,533.99	Q. 34,504.70	Q. 77,038.69
Current Quarter				
13	3	3,279.13	2,419.64	5,698.77
14	2	2,000.00	345.00	2,345.00
15	1	1,829.42	2,049.25	11,878.67
SUB-	====	=====	=====	=====
TOTAL		Q. 15,108.55	Q. 4,814.14	Q. 19,922.44
=====				
TOTAL		Q. 57,642.54	Q. 39,318.84	Q. 96,961.38
=====				
AVERAGE		Q. 463.34	Q. 392.09	Q. 875.43
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 SUMMARY OF THE LOAN STATUS

Loan	5/1/76	6/1/76H
Contracted Funds.....	Q.30,000.00	60,000.00
Disbursed Funds	30,00.00	28,942.54
Outstanding Balance	-0-	31,057.46

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The use of the home improvement program funds has been time consuming and small scale in direct relationship to the target population's ability and perception of the need for home improvement and debt. Despite these limitations, COSUDER has shown itself to be an effective institution to reach and improve the conditions of the rural poor in the Guatemalan Highlands.

COSUDER efforts during the period were focused on defining alternative funding sources given CHF's notice of the discontinuation of any future institution support grant funding. The undisbursed grant funds of Q.8,500 were reprogrammed from technical assistance funds to cover administrative expenditures. This will provide program staff support for almost two additional months.

COSUDER submitted a proposal to the Interamerican Foundation, for continued financing of its development efforts. The proposal entails the channeling of COSUDER as an intermediate marketing force which will work to improve the earning of the small farmer and otherwise help support the social development efforts of COSUDER. The Foundation recently informed COSUDER of its acceptance and funding of the proposal. In part this will help offset the problems that COSUDER would have experienced with the reduction of CHF support.

D. FUNDAP

Fundación para el Desarrollo Integral de Programas Socio-Económicos, is completely non-profit and non-partisan. It is made up of interested professionals in commerce and industry who wish to offer assistance, to nurture the smaller entrepreneur in the Western Highland of Guatemala. A primary target has been the sheep farmers and weavers in the Momostenango area.

CHF and FUNDAP entered into the execution phase for the home improvement program with the signing of the Institutional Support Grant (November 30, 1988) and loan (December 30, 1988). The grant will provide FUNDAP with the necessary personnel and cover administrative costs until the program is self supporting. With the sixteen percent (16%)

interest rate to be charged, it is estimated that the reasonable costs of the program can be met. The program will initially focus on the weaver population in Momostenango.

In the early portion of the period the newly hired program field coordinator was afforded the opportunity to visit with CHF director for a general program orientation and training session. The training program designed also included informal exchanges with COSUDEP's and FENACCOVI's personnel in Guatemala City. Later the program coordinator was given the opportunity to observe both COSUDEP's and FENACCOVI's program in the field.

The initial promotion work was successful. FUNDAP presented to CHF its first loan packages in March.

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FUNDAP / MOMOSTENANGO HOME IMPROVEMENT PROGRAM			
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DATE OF DISBURSEMENT	LOAN REQUEST	NUMBER OF LOAN	AMOUNT DISBURSED

03/04/89	1	6	Q. 13,800.00
03/14/89	2	4	11,000.00
03/30/89	3	1	50.00

	SUBTOTAL.....	11	Q. 25,300.00

	Quarter Summary	11	Q. 25,300.00
	Program Summary	11	Q. 25,300.00
	Average Loan Amount		Q. 2,300.00
	Loan amount CHF/FUNDACEDI.....		Q.100,000.00
	Amount disbursed to date.....		25,300.00
	Outstanding balance.....		74,700.00
=====			

F. FUNDACEDI

FUNDACEDI, Fundación para la Educación y el Desarrollo Integral, is a non-governmental and non-profit foundation which seeks to foster integrated development. With the recent opening for democracy and freedom to "organize", FUNDACEDI has been able to reinvigorate its activities. Over the last two years FUNDACEDI has focused on the isolated population of El Islate, Santa Rosa. Its most successful activity has been to improve the production and profitability of the natural sponge "pashte".

The program provides for CHF support for VIC activities, with initial efforts focused on home improvement. A loan authorization for Q.300,000.00 (US\$120,000.00) was approved with the loan executed on August 11, 1988. In

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addition, an Institutional Support Grant was provided, with its signing achieved on May 30th., 1988.

At this time, the program activities have achieved a desired level of performance. The processing by FUNDAP has been most effective. A number of loan applicants have been rejected by the local credit committee based on poor credit history with other lenders (most of these have been with state operated agricultural banks).

Interest in the home improvements which relate to the domestic water supply system continued to be popular. CHF has encouraged FUNDACEDI to more actively promote ancillary water and waste system improvements as well as more traditional improvements. The most recent submissions already have shown an improvements in this regard.

The disbursement of funds is reflected below.

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FUNDACEDI / EL ISLOTE DISBURSEMENT BREAKDOWN

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DATE OF DISBURSEMENT	LOAN REQUEST	NUMBER OF LOANS	LOAN AMOUNT Q.	LOCAL IN-PUT Q.	TOTAL INVESTMENT Q.
11/01/88	1	8	13,100.00	1,700.00	14,800.00
01/02/89	2	6	11,000.00	1,600.00	12,600.00
01/03/89	3	1	3,000.00	300.00	3,300.00
01/18/89	4	2	6,000.00	700.00	6,700.00
02/02/89	5	9	24,763.00	2,800.00	27,563.00
02/07/89	6	3	4,600.00	1,208.43	5,808.43
02/22/89	7	7	14,000.00	1,350.00	15,350.00
02/17/89	8	4	8,000.00	800.00	8,800.00
03/08/89	9	3	4,500.00	450.00	4,950.00
03/20/89	10	9	25,500.00	2,600.00	28,100.00
SUBTOTAL		52	114,463.00	11,808.43	126,271.43
Quarter Summary		38	101,363.00		
Average Loan Amount			2,657.45		
Loan amount CHF/FUNDACEDI			Q. 300,000.00		
Amount disbursed to date					101,363.00
Outstanding balance					198,637.00

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V. Other Program Activities

The CHF Guatemala Director provided Technical Assistant to the CHF Philippines program and was not in Guatemala during the period of January 20 through February 9, 1987.

Ted Priftis provided back-up support and program planning input. (March 9-11)

QUART. 14
04-S-89
RD/edej