

A.I.D. EVALUATION SUMMARY - PART I

PD-ABK-179

1. BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS.
2. USE LETTER QUALITY TYPE, NOT DOT MATRIX TYPE.

IDENTIFICATION DATA

<p>A. Reporting A.I.D. Unit: Mission or AID/W Office <u>RHUDO/NENA</u></p> <p>(ES# _____)</p>	<p>B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan?</p> <p>Yes <input checked="" type="checkbox"/> Slipped <input type="checkbox"/> Ad Hoc <input type="checkbox"/></p> <p>Evaluation Plan Submission Date: FY <u>94</u> Q <u>1</u></p>	<p>C. Evaluation Timing</p> <p>Interim <input checked="" type="checkbox"/> Final <input type="checkbox"/></p> <p>Ex Post <input type="checkbox"/> Other <input type="checkbox"/></p>
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D. Activity or Activities Evaluated (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date to the evaluation report.)

Project No.	Project / Program	First PROAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
278-HG-004	Jordan Housing Policy Program	7/14/90	N/A	\$50,000	\$17,800

ACTIONS

E. Action Decisions Approved By Mission or AID/W Office Director	Name of Officer Responsible for Action	Date Action to be Completed
Action(s) Required <b>N/A</b>	<b>N/A</b>	<b>N/A</b>

APPROVALS

F. Date of Mission Or AID/W Office Review Of Evaluation: \_\_\_\_\_ (Month) \_\_\_\_\_ (Day) \_\_\_\_\_ (Year)

9                      30                      94

G. Approvals of Evaluation Summary And Action Decisions:

Name (Typed)	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission of AID/W Office Director
Signature	Fathi Kraiem		Monia Ben Khalifa	David L. Painter
Date	<i>[Signature]</i> 12/21/94		<i>[Signature]</i> 12/26/94	<i>[Signature]</i> 12/27/94

**ABSTRACT**

H. Evaluation Abstract (Do not exceed the space provided)

**INTERIM EVALUATION OF JORDAN 278-HG-004 PROGRAM**

The HG-004 Program was developed in 1988 to assist the Government of Jordan (GOJ) in implementing its National Housing Strategy (NHS). The goal of the Program is to improve the delivery of affordable shelter to Jordanian families with incomes at or below the median.

The purpose of the program is to help improve both efficiency and coordination in the housing sector and to establish policy conditions which will lead to the production of a greater number of formal housing units for low-income families.

The core of the HG-004 Program involves the implementation of an agreed upon Policy Menu. The disbursement of Housing Guaranty funds is based on the achievement of the policy actions in this Menu. All of the Conditions Precedents for a first borrowing were officially met on March 2, 1993. The Government of Jordan borrowed US\$15 million in August 1993 which means that approximately US\$2.8 million remains in the current authorization.

The Jordanian Government has proceeded in implementing individual recommendations from the National Housing Strategy and the HG-004 Policy Menu. The major institutional change has been the merger of the former Urban Development Department (UDD) and the Housing Corporation into the Housing and Urban Development Corporation (HUDC). This agency is now USAID's principal counterpart in the HG-004 Program.

HUDC has prepared a new Corporate Business Plan which included the privatization of its land development function and the strengthening of both its policy making and upgrading functions. The World Bank is currently developing a new loan program to support these efforts.

The housing sector requires a strong policy leader. Although HUDC has been given this responsibility, it has not as yet been able to assume this role. Its Corporate Business Plan, however, outlines an important policy making role for the agency which should be supported and strengthened. HUDC also needs to develop stronger research links with other data gatherers (e.g., local universities, DOS, RSS, JHB, GIC).

**COSTS**

**I. Evaluation Costs**

1. Evaluation Team		Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
Name	Affiliation			
<b>PADCO Inc Washington, D.C.</b>	<b>N/A</b>	<b>PCE-1008-I-00-2065- 00</b>	<b>\$31,000</b>	<b>TSFS Project No. 278-0266 USAID/Jordan</b>
2. Mission/Office Professional Staff Person-Days (Estimate) <u>15 (USAID/Jordan + RHUDO)</u>		3. Borrower/Grantee Professional Staff Person-Days (Estimate) <u>11</u>		

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## SUMMARY

J. Summary of Evaluation Findings - Conclusions and Recommendations (Try not to exceed the three (3) pages provided)

Address the following items:

- Purpose of evaluation and methodology used
- Purpose of activity(ies) evaluated
- Findings and conclusions (relate to questions)
- Principal recommendations
- Lessons learned

Mission or Office

**RHUDO/NENA**

Date This Summary Prepared:

**12/5/1994**

Title And Date Of Full Evaluation Report:

**Interim Evaluation Report Jordan 278-HG-004 - July 1994**

## INTERIM EVALUATION OF JORDAN 278-HG-004 PROGRAM

### 1. PURPOSE OF THE 278-HG-004 PROGRAM

The HG-004 Program was developed in 1988 to assist the Government of Jordan (GOJ) in implementing its National Housing Strategy (NHS). The goal of the Program is to improve the delivery of affordable shelter to Jordanian families with incomes at or below the median. The purpose of the program is to help improve both efficiency and coordination in the housing sector and to establish policy conditions which will lead to the production of a greater number of formal housing units for low-income families.

The HG-004 Program, designed as a US\$50 million HG program, was approved on September 29, 1988, along with an initial authorization of US\$25 million in Housing Guaranty (HG) Loan funds. Of these funds, US\$7.2 million was used for prior Jordan HG programs, leaving US\$17.8 million in the HG-004 Authorization.

The Housing Program Agreement also stipulated that the United States Agency for International Development (USAID) would provide up to US\$1.125 million in grant funds for technical assistance and training. USAID/Jordan has provided or earmarked a total of US\$730,000 as its share of these funds. A very detailed Technical Assistance and Training Plan which directly supports the implementation of the HG-004 Program has been developed and approved.

The core of the HG-004 Program involves the implementation of an agreed upon Policy Menu. The disbursement of Housing Guaranty funds is based on the achievement of the policy actions in this Menu. All of the Conditions Precedents for a first borrowing were officially met on March 21, 1993. The Government of Jordan borrowed US\$15 million in August 1993 which means that approximately US\$2.8 million remains in the current authorization. Progress has continued in implementing the agreed upon Policy Menu. Many policy actions, including the adoption of the National Housing Strategy, the strategic reorganization of the National Housing Corporation, and the issuing of mortgage loans for the purchase of land are substantially complete.

The HG-004 Program Agreement also required that US dollar advances be liquidated by eligible Government expenditures in local currency for land acquisition, infrastructure, and housing that benefit families with incomes lower than the median. An analysis of pre-qualified eligible expenditures up to January 1994 shows that this requirement has been met.

### 2. PURPOSE OF THE EVALUATION AND METHODOLOGY PROPOSED

This Interim Evaluation was originally scheduled to take place about two years into the implementation of the HG-004 Policy Menu. It has actually been carried out about two years after the program was reactivated in 1992. The timing of the evaluation was therefore appropriate.

In terms of the Housing Guaranty Program, the interim evaluation aims to provide important information with which to assess progress in achieving each policy action, revise benchmarks as necessary and make an assessment concerning the achievement and impact of the overall policy agenda.

The results of this interim evaluation will also serve as a background document for the requisite GOJ Annual Review. In compliance with Section 7.02 of the HG-004 IA, the methodology has been based on the following:

- Review all documentation pertaining to the HG-004 Program in particular to the program policy objectives summarized in the policy menu which also indicate the anticipated timetable of benchmarks and disbursements under the program;
- Evaluate and quantify (if possible) progress toward attainment of the program policy objectives;
- Identify and evaluate any problem areas, deficiencies and constraints which may have inhibited such attainment;
- Recommend corrective measures to be used to help overcome such problems;
- Assess the feasibility of such measures given the current GOJ Housing Delivery System;
- Evaluate and quantify the degree feasible the overall development impact of the program;

### **3. FINDINGS AND CONCLUSIONS**

The Jordanian Government has proceeded in implementing individual recommendations from the National Housing Strategy and the HG-004 Policy Menu. Implementation, however, has been slower than originally anticipated due to extraordinary external events and to a major institutional change. External events have included the Gulf War, the subsequent absorption of massive numbers of returnees to Jordan, and the downturn in diplomatic relations between the United States and Jordan as a result of the war. The major institutional change has been the merger of the former Urban Development Department (UDD) and the Housing Corporation into the Housing and Urban Development Corporation (HUDC). This agency is now USAID's principal counterpart in the HG-004 Program.

HUDC has prepared a new Corporate Business Plan which included the privatization of its land development function and the strengthening of both its policy making and upgrading functions. The World Bank is currently developing a new loan to support these efforts.

The development of a dynamic housing strategy which is flexible enough to adapt to changing conditions and demands requires a constant level of effort and coordination. Only very limited coordination, however, has thus far taken place. This is at least partially due to the lack of strong leadership in the sector.

Jordan is continually and substantially affected by events which take place outside of its borders. The return of expatriate workers following the Gulf War has led to a housing boon which has exacerbated the housing disparities between low-and high-income households. Low-income households are facing serious and growing problems of affordability with many middle-income households also finding it more difficult to obtain decent and affordable shelter. A growing danger exists that increases in room occupancy and overcrowding will become a major problem once again. The impact of changes in the economy and in the housing sector must be constantly monitored.

Implementation of the recommendations from the Land Reconnaissance Survey (LRS) has been slowed by conservative planning attitudes and bureaucratic resistance to reductions in the minimum plot sizes. There is substantial evidence, however, that people cannot afford the large plot sizes prescribed by the zoning regulations and are increasingly unable to comply with the zoning regulations. The LRS has succeeded in creating a growing awareness among the technical staff of various municipalities to the actual needs of the people, particularly lower-income urban families, in terms of residential land.

Despite the creation of the Jordan Housing Developer's Association, private sector housing developers continue to show little interest in developing housing units for low-income households. A proposal is now before the Cabinet, however, which will extend all of HUDC's privileges and incentives (e.g., smaller plot sizes, relief from the property transfer tax, access to advantageous financial terms, etc...) to those private developers willing to build housing for low-income households.

#### **4. RECOMMENDATIONS AND LESSONS LEARNED**

While the basic orientation and recommendations of the National Housing Strategy officially guide the sector, there remains a great deal of progress to be made in terms of its implementation. The same is true of the HG-004 Policy Menu. While very essential progress has been in many of the policy actions most importantly in the area of strategic and institutional policies, other proposed policy actions have not been implemented and need to be reevaluated and/or updated in order to meet current conditions. The recognition that policy formulation is a dynamic and not static phenomenon is crucial to the development of effective policies.

The housing sector requires a strong policy leader. Although HUDC has been given this responsibility, it has not as yet been able to assume this role. Its Corporate Business Plan, however, outlines an important policy making role for the agency which should be supported and strengthened. HUDC's Board of Directors, which includes representatives from many of the major participants in the housing sector, should also assume a greater role in both policy formulation and implementation.

HUDC also needs to develop stronger research links with other data gatherers (e.g., local universities, DOS, RSS, JHB, etc...). The Policy and Training Unit cannot do all of the necessary research by itself. HUDC funds should be budgeted to finance a program of clearly specified studies. Engaging outside participation in the monitoring of the housing sector should also generate greater support for the policy making process while helping HUDC to reduce its own staffing requirements.

A methodology and protocol to work with local authorities in the development and implementation of neighborhood upgrading projects is essential. This outline should be thoroughly discussed with the concerned municipalities.

ATTACHMENTS

K. Attachments (List attachments submitted with this Evaluation summary: always attach copyo of full evaluation report, even if one was submitted earlier; attach studies, surveys, etc., from "on-going" evaluation, if relevant to the evaluation report.)

**Interim Evaluation Report - Jordan 278-HG-004**

COMMENTS

L. Comments By Mission, AID/W Office and Borrower/Grantee On Full Report

**Evaluation is well prepared and comprehensive**