

**Cooperative Housing Foundation
Quarterly Performance Report**

**Programa Hondureño de Gestión de Actividades de Reconstrucción (HOGAR)
Honduras**

Grantee: Cooperative Housing Foundation
Cooperative Agreement: 522-A-00-00-00207-00
Reporting Period: April 1, 2000 to June 30, 2000
Submission Date: July 31, 2000

A. Background

CHF was awarded a Cooperative Agreement by USAID for the Management of the Housing Reconstruction Program in Honduras pursuant to Hurricane Mitch in late October 1998. The Cooperative Agreement was effective October 29, 1999, and the Project Assistance Completion Date (PACD) is scheduled for December 31, 2001. The HOGAR program will make recognizable, significant and measurable contributions to the achievement of USAID/Honduras' Hurricane Reconstruction Special Objective, and will directly contribute to the Intermediate Result, "Permanent Housing Developed for Dislocated Families." CHF will coordinate the building efforts through NGO sub-awards to permanently house more than 3,000 dislocated families on land with access to basic services and away from potential natural disasters.

The program is funded with a \$7,808,057 grant from USAID. CHF anticipates matching funds and counterpart contributions to exceed 32% of the total program budget, or a minimum of \$3,700,000.

B. Expected Results

As with other CHF projects, the goal for this program will follow a comprehensive approach to housing that includes not only sound and appropriate house construction, but also, community involvement, community strengthening, economic stimulation, risk mitigation, environmental protection, infrastructure development and the provision of education and health facilities. Using this approach, CHF will ensure that all projects funded under this program address each community's basic needs and go beyond that to strengthen the community's capacity ensuring sustainable long-term development. Specific objectives of HOGAR include:

- More than 3,000 families with upgraded or constructed permanent homes on titled and serviced land.
- Broad geographic coverage to meet the housing needs of unserved families in hurricane affected regions of the country.
- Newly resettled communities with sound urban planning and access to comprehensive community development services including schools, health services and economic opportunity.
- At least five NGOs implementing housing credit programs with reflows committed to future housing needs in the communities.
- Fifteen NGOs and municipalities with improved capacity to address housing and other community development needs on a significant scale.

Now, more than a year and a half after Mitch, thousands of families in Honduras remain without access to shelter that meets minimum standards. These families are living in emergency shelters, temporary shelters provided by donor agencies and, in many cases, marginal houses reconstructed from debris and salvaged materials. CHF expects this program to construct an average of 125 homes a month in an

effort to meet the goals of HOGAR and provide relief to the current housing needs in the most affected areas of Honduras.

To respond to the enormous need for housing in post-Hurricane Honduras, the CHF Programa HOGAR has been designed to include the following key elements:

- Grants to Honduran and international NGOs/PVOs to directly assist families and communities to construct basic core houses.
- A technical guidance and assistance program using CHF technical staff, materials and part-time consultations by Honduran housing professionals.
- Management of HOGAR with the advice of a working group that includes USAID staff.
- The issuance of RFAs with clear and transparent criteria to allow the maximum number of NGOs/PVOs to access the housing funds.
- Technical supervision to ensure proper management of U.S. Government finances by all sub-awardees.
- Training in the management of housing lending programs to enable NGOs to recover and reinvest reflow funds into future housing efforts.
- Internal monitoring using a management by measurable objectives format reported on a monthly basis to CHF/HQ to ensure proper progress.

C. Current Core Activities

To date, two Request for Applications (RFAs) have been released, and a total of 38 proposals have been received. Following the approval process established by CHF, an initial checklist was prepared for each proposal, and once all information was received from an NGO, a more detailed technical analysis was completed. Proposal status is listed in the table below:

Status	No. of Proposals
Sub-award Agreement Signed	6
Final Review Stage	12
Referred to CHF Starter House Project	4
Pending Complete Information from NGOs	7
Rejected	9
Total	38

Several tables are attached to this report that present various quantifiable details about the program and the projects presented. Included is a detailed list of the six sub-awards signed to date with detailed information of the elements included in each and their respective advancement. With these six projects, CHF will provide for 1,038 housing solutions (beneficiary families) of which 464 are directly for house construction. The remaining solutions are for complimentary key housing components such as water, sewer systems, basic sanitation facilities, electricity, roads, schools and community centers. It is important to mention that in Table one, the summary of the solutions does not count the same family more than once.

Tables two and three are financial summaries; amounts committed and disbursed along with the counterpart contribution reported to date. The counterpart contribution amounts are those amounts that the sub-awardees

were able to report immediately. At this stage, these are basically values for land and other items that were donated before the signed sub-award agreement with CHF. It is important to highlight that although the required counterpart contribution is 32%, the majority of NGOs are providing more than the minimum, and in some cases the counterpart is over 50%.

The sum of requested funds for all 38 proposals submitted to CHF was over \$15 million. The proposals that have been approved or are in the analysis phase only take into consideration those proposals qualified as "Good" or "Intermediate" based on the proposals content and project quality. A summary of the approved and solicited amounts is presented below:

	<u>US \$</u>	<u>Solutions</u>
Total Amount Approved	1,629,887.64	1038
Total Amount in Analysis	4,320,912.90	1881
Total Amount Requested to Date	5,950,800.54	-----
Total of Solutions Presented	-----	2919

The proposals that have been submitted after the second RFA have not yet been officially counted or reviewed. The amount in analysis above is a pre-negotiation amount. This means that in almost all of the cases CHF will negotiate the final sub-award amount to ensure that it fits within the program parameters therefore freeing additional funding to meet the 3,000 solution goal.

The following is a table showing the two projects to date that are requesting funding for land. In both cases, the land is a small percentage of the overall project cost. It is interesting to note than only a few projects requested funding for land as the majority of the projects have land donated by others.

NGO	PROJECT	VALUE (*)
Shelter Now International	La Zona, Concepción del Sur, Sta. Bárbara	US\$20,000.00
GOAL**	Morazán, Yoro	US\$29,517.00

* Estimated amount of land's value.

**Purchase in process, Sub-award agreement already signed.

The majority of work during the second quarter focused on reviewing and approving proposals. CHF has notified all of the NGOs, cooperatives, and other organizations that presented non-winning proposals under the HOGAR program. All other organizations have also been contacted for additional information. With the exception of one case, no organization initially sent the required information as established in the RFA. During this first communication with the NGOs, a time limit was established for returning the required information to CHF. Several of the organizations did not complete the required minimum information. Unfortunately, the fact that almost all of the NGOs did not send the required information with their original proposal meant that the analysis and approval process was delayed.

Once CHF identified a proposal as having potential for funding, CHF coordinated with IOM, Samaritan's Purse and USAID to ensure that there was no potential for duplicating efforts.

In addition to reviewing proposals on the basis of technical capacity, feasibility, experience, etc., each NGO underwent an extensive audit of their accounting and administrative capacity. This audit was

conducted by the CHF Internal Auditor and is a key indicator in the project approval process. The initial audit will also serve as a basis for the concurrent audit to be conducted by CHF. CHF will prepare an audit plan for each NGO based on the initial audit, project size, and duration.

All of the NGOs who have received approval for their projects have submitted the required information for the Environmental License (EL). Although all of them meet the required USAID and Honduran environmental guidelines and have received a favorable rating from the investigating arm (DECA) of the Secretary of Environment (SERNA), SERNA has not yet approved a license. All eight of the proposals still under analysis have also submitted their request for the EL and meet USAID environmental guidelines.

It is worth noting that the EL continues to be a CHF project requirement, however, CHF has made the decision to move ahead with project approvals and not wait for the final EL. This decision was made after taking all the necessary steps to meet the SERNA requirements and facilitate the approval process. All projects approved by CHF are reviewed for environmental concerns and any mitigation measures are identified and addressed in the NGO sub-award agreements. In addition to requiring the NGOs to request a license, each NGO signs a document with CHF committing to completing all mitigation measures established by CHF and SERNA.

The HOGAR team has gained significant experience with the process and paperwork to follow-up on the environmental licenses and will continue to support this process. After assisting all potential sub-awardees in this EL requirement, CHF has developed a summary of the entire licensing process. This summary identifies the key areas that cause delays of the environmental license, and should help to speed up the approvals in the future.

The HOGAR team also began making technical field visits to supervise the construction of the first six projects. Many of these projects are short-term and have made significant advancement in only a few months. In all cases, the CHF team reviewed the quality of construction and followed-up on social and environmental aspects of the projects. CHF expects to supervise each project at least once a month to ensure project compliance and quality construction.

In addition to proposal analysis and project monitoring, CHF also held two NGO workshops; one on construction supervision/quality control and the other on self/mutual help construction methodology. The workshops were well attended by 16 NGOs that have presented proposals as well as CHF/Honduras staff. The workshop facilitator was CHF/HQ Senior Program Officer, Scott Mulrooney, who is an architect with more than 8 years experience in Latin America building low-cost, self/mutual help housing. One of the most exciting aspects of the workshop was the opportunity for the NGOs to share experiences and ideas.

D. Lessons Learned

During the implementation of the program, CHF will be highlighting the lessons learned on a quarterly basis. USAID has requested this so that all organizations working in housing can gain from sharing their experiences with others. In fact, CHF will be hosting a "lessons learned in housing" workshop during the next quarter.

To date, CHF would like to highlight the following:

- As a tool, the initial Checklist is the first and most effective way to determine the quality of the proposals and their probability to advance to final approval.
- For a field inspection to yield its best results, it should take place after the technical personnel have already identified specific areas that may fall into question or might need to be addressed before the analysis continues any further.
- Requiring the NGOs to present their proposals in the same order as presented in the RFA significantly reduces the amount of time needed for project analysis. It was originally thought that CHF would not be too strict on proposal presentation in order to reduce the amount of time that each NGO had to spend on a proposal that in many cases had already been presented directly to USAID for funding.
- When the RFA is issued, it should include a list of specific standards for documentation that will need to be submitted with the proposal, and not just a generic list of the documents required.
- Once a proposal has been initially determined as eligible, it is recommended that a draft of the sub-award agreement be reviewed by the NGO in order to ensure that the NGO agrees with the commitments that the agreement requires of them. This was initially not feasible due to the fact that the EL was required before any form of project approval.

E. Goals for Next Quarter

As requested by USAID, the following is a list of revised goals for the fourth quarter of FY00:

1. Announce the third round proposal reception for the second week of July. This round will be open until all program funds are committed.
2. Hold the following additional workshops with all NGOs involved in Reconstruction:
 - Lessons Learned in Housing Reconstruction
 - Credit for Housing Management
 - Adequate Technology for House Designs
 - Urbanization
3. Commit 100% of program funding by September 30, 2000. The following table shows the proposals that are in the final stage of the approval process:

Future Sub-grants		
NGO	Project	Possible Date of Sub-award Agreement
Catholic Relief Services, CRS	Colonias Unidas, Iztoca, Choluteca	Before August 15 th , 2000
Shelter Now International	Concepción del Sur, Santa Bárbara	Before August 15 th , 2000
Agencia Adventista de Desarrollo y Recursos Asistenciales, ADRA	La Joya, Amaratoca	Before August 15 th , 2000
GOAL	Comayagua, Comayagua	Before August 15 th , 2000

Atlas Logistique	Hato Nuevo, Choluteca	Before September 15 th , 2000
Asociación Programa Amigos de los Niños, APAN/CI	El Progreso, Yoro	Before August 15 th , 2000

F. Current Buy-Ins

None.

G. Current Sub-Contracting Activities

No sub-contracts to report. All sub-award information is reported under Current Core Activities.

H. Performance

It was originally estimated that construction would begin 60 days after signing the cooperative agreement. Due to CHF's initial requirement that all projects must have an approved EL, this goal was not met. Now that CHF is not requiring the EL before signing a sub-award agreement, this should not cause delays in the future.

In addition, the first projects were delayed in the approval process, but CHF firmly believes that spending the additional time reviewing and modifying projects up front will save time and money in the long run.

The second RFA was announced as planned, and all project funds should be committed before September 30, 2000. CHF had originally planned to commit all funds in 18 months or by April 2001.

CHF has set a goal to complete all construction by September 30, 2001. In view of the fact that the majority of the approved projects and those in the approval process are scheduled to be completed in less than 12 months, CHF should have no problem achieving this goal.

Based on the projects approved and the projects presented, CHF will meet the 3,000-solution goal.

I. Statement of Work

The statement of work has not changed.

**HOGAR PROGRAM
CHF/HONDURAS
SUB-AWARDS APPROVED**

Table 1

Report to June 30, 2000

No.	NGO	Approved Contract Amount	Relation Cost/Solution	Total of Solutions *	SOLUTION CLASSIFICATION									ET	Agreement Signature Date	STATUS
					HO	PW	SS	HC	SCH	EE	ACC/R	MPC				
1	Nuestro Pequeños Hermanos Morocelí, El Paraiso	\$140,773.00	\$977.59	144	0	0	0	0	0	144	76	0	6	5-May-00	90%	
2	APAN El Progreso, Yoro	\$80,575.00	\$2,369.85	34	34	0	0	0	0	0	0	0	1	30-May-00	10%	
3	GOAL Morazán, Yoro	\$356,185.00	\$1,017.67	350	100	350	0	0	0	0	0	0	12	16-Jun-00	90%	
4	GOAL San Jerónimo, Comayagua	\$202,350.00	\$2,698.00	75	75	75	0	0	0	0	0	0	7	16-Jun-00	10%	
5	HABITAT Km 14 Amarateca, Fco. Morazán	\$500,000.00	\$2,857.14	175	175	0	0	0	0	0	0	0	8	28-Jun-00	**	
6	AIEH Col. Japón, Choloma, Cortés	\$356,318.61	1,346.17	260	80	0	260	260	260	0	0	260	6	28-Jun-00	0%	
TOTAL		\$1,636,201.61		1038	464	425	260	260	260	144	76	260				

* The total of solutions does not include duplicates of any of the classifications set for the solutions shown above.

** This project was initiated with counterpart funds. To date, 45 houses are at a 40% of construction.

HO	Houses	EE	Electricity
PW	Potable Water	ACC/R	Access & Roads
SS	Sanitary/Sewer	MPC	Multiple Purposes Center
HC	Health Center	ET	Execution Time
SCH	School		

**HOGAR PROGRAM
CHF/HONDURAS
Disbursement Management Plan**

Table 2

To June 30, 2000

No.	NGO	Approved Contract Amount	DISBURSEMENTS		
			Disbursement No.	Amount	Accumulated
1	Children International/APAN - Guacamaya/El Progreso - Yoro	\$ 80,575.00	1	\$ 80,575.00	\$ 80,575.00
2	Nuestros Pequeños Hermanos - Morocelí/El Paraíso	\$ 140,773.00	1	\$ 68,482.04	\$ 124,597.59
			2	\$ 56,115.55	
3	GOAL - San Jerónimo/Comayagua	\$ 202,350.00	1	\$ 103,611.60	\$ 103,611.60
4	GOAL - Morazán/Yoro	\$ 356,185.00	1	\$ 102,742.05	\$ 102,742.05
5	Hábitat - Amarateca/Fco. Morazán	\$ 500,000.00	1	\$ 140,397.00	\$ 140,397.00
6	AIEH - Col. Japón/Choloma - Cortés *	\$ 356,318.61	1	\$ 106,444.00	\$ 106,444.00
GRAND-TOTAL		\$ 1,636,201.61			\$ 658,367.24

* This sub-grant was awarded in Lempiras (L. 5,250,069.72), using an Exchange Rate of 1US\$ = L. 14.7342.

**HOGAR PROGRAM
CHF/HONDURAS
ACCUMULATED COUNTERPART REPORT**

Table 3

Report to June 30, 2000

NGO	Voluntary Services	Services and Publicity	Beneficiary Counterpart	Materials and Supplies	Economic Resources	GRAND-TOTAL Lempras	Exchange Rate by NGO	US\$ EQUIVALENT BY NGO	Exchange Rate by CHF	US\$ EQUIVALENT CHF Rate
APAN - Niños Felices	-	80,070.15	146,880.00	-	-	226,950.15	14.42	\$15,738.57	14.766	\$15,369.78
NPH - Proy. Nueva Esperanza	-	3,000.00	1,192,605.12	2,369,773.98	563,004.00	4,128,383.10	14.73	\$280,226.65	14.766	\$279,587.10
GOAL - San Jerónimo	-	808,500.00	925,800.00	186,370.00	918,750.00	2,839,420.00	14.70	\$193,157.82	14.766	\$192,294.46
GOAL - Morazán	-	-	-	29,400.00	-	29,400.00	14.70	\$2,000.00	14.766	\$1,991.06
Hábitat - Amaratéca	4,778.48	379,800.00	315,000.00	151,804.57	710,550.08	1,561,933.13	14.83	\$105,322.53	14.766	\$105,779.03
AIEH - Col. Japón	-	4,607,316.15	-	-	-	4,607,316.15	14.85	\$310,256.98	14.766	\$312,021.95
TOTAL	4,778.48	5,878,686.30	2,580,285.12	2,737,348.55	2,192,304.08	13,393,402.53		\$906,702.55		\$907,043.38

**HOGAR PROGRAM
CHF/HONDURAS
PROPOSALS IN PROCESS**

Table 4

Report to June 30, 2000

No.	NGO	SOLUTIONS					Amount Requested	Relation Cost/Solution	Execution Time
		Houses	Potable Water	Sanitation / Sewer	School	Electric Energy			
1	ADRA: Km14, Amarateca	150	0	0	0	0	\$372,000.00	2,480.00	4
2	DOLE: El Porvenir/La Ceiba	38	0	0	0	109	\$208,306.64	1,911.07	6
3	Shelter Now: Santa Bárbara	207	0	0	0	0	\$788,502.00	3,809.19	9
4	CRS: Iztoca/Choluteca	222	664	0	0	0	\$789,424.00	4,152.00	12
5	GOAL: La Pista, Comayagua	100	0	100	0	0	\$78,860.00	788.60	3
6	GOAL: Comayagua	Rehab. 100	0	0	0	0	\$222,805.00	2,228.05	8
7	GOAL: Lazos de Amistad	75	75	0	0	0	\$221,616.00	2,954.88	4
8	HABITAT: El Carmen/SPS	160	0	0	0	0	\$654,715.75	4,092.00	12
9	Atlas Logistique: Hato Nuevo/Choluteca	New 58 Rehab. 38	Rehab. 3 Wells	0	0	0	\$247,482.00	1,903.71	4
10	AIEH: Azacualpa/Santa Bárbara	31	0	0	0	0	\$95,338.07	3,075.00	4
11	AIEH: Los Baditos, Sta. Bárbara	50	0	0	0	0	\$129,471.00	2,569.40	5
12	AIEH: Villanueva	210	0	0	0	0	\$712,392.45	3,392.00	12
	TOTAL	1,243	739	100	-	109	\$4,520,912.91		

Ref: IR/C:/Mis Documentos/HOGAR Programme/Excel HOGAR/Proposals Under Analysis