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QUARTERLY REPORT

Contract AID/otr-C-1718

TO: Agency for International Development
FROM: National Savings and Loan League
PERIOD COVERED: April 1 - June 30, 1979

I. ADMINISTRATION

A. Staff

Mr. Joseph M. Perta resigned from the post of Housing Finance Economist in the Department of Financial Systems, a position funded under this contract, effective April 30, 1979. As a result of Mr. Perta's resignation, an intensive recruitment campaign, which included screening of applicants for short-term consultancies as well, was launched immediately. In spite of these efforts, the position remained vacant throughout the entire reporting period. At this writing, however, a qualified replacement has been identified, and it is expected that he will start work under this contract about mid-August.

B. Management

Dr. James W. Christian, Senior Vice President, National Savings and Loan League, attended the XVII Inter-American Savings and Loan Conference in Rio de Janeiro, Brazil, May 6-10, 1979. This year's conference, which brought together some 500 delegates from throughout the Western Hemisphere.

provided a forum for discussion of topics such as savings and loan housing policies and how they relate to inflation; the relation between savings and loans and integrated housing development; and instruments and techniques for the mobilization and investment of funds. Among the significant events noted at this conference was the continued growth of the Latin American housing finance system, with combined mortgage loans exceeding \$20 billion at the end of 1978, an almost 14 percent increase over 1977.

In addition to attending all of the conference's plenary and special sessions, Dr. Christian provided assistance to DS/H staff in the preparation of materials for the AID presentation on May 9 and also assisted Office of Housing staff in planning with the Inter-American Savings and Loan Union for training seminars to be held during the course of the coming year.

As a follow-up to the technical assistance proposal for the Inter-American Savings and Loan Bank prepared by the National Savings and Loan League and submitted to the Office of Housing during the month of April, Dr. Christian was also requested to attend the BIAPE meetings held in conjunction with the Inter-American S&L Conference in order to gain further insight into BIAPE's technical assistance needs.

During this reporting period, the management continued to assist DS/H with preparations for the VI African Housing Conference, which is to be held in Rabat, Morocco, October 14-19, 1979. NSLL's contribution during

this quarter included the preparation of an outline of suggestions for topics to be presented at the Conference.

II. CONSULTANT ACTIVITY

A. In response to DS/H request of 21 May, the National Savings and Loan League nominated Mr. Claude Bovet, President, Southwestern Savings Association of Houston, Texas, to undertake the review of the proposed Guatemalan savings and loan law and to make recommendations concerning its adequacy for mobilizing funds to finance low-cost housing in that country. This review consisted of a one-day's desk assignment, and Mr. Bovet's recommendations were submitted to RHUDO/ROCAP and DS/H by letter dated June 22.

B. Although no other new consultant work was undertaken during the quarter, the following reports on assignments conducted during the immediately preceding reporting period were completed.

1. Honduras - Mr. Frank Connor's report entitled "Assessment and Recommendations for Financial Statements Presentation for INVA," was submitted to DS/H on May 24.

2. El Salvador - Dr. Bruce Ricks' report on the development of additional sources of funds for FINAVI was submitted to the Office of Housing on May 24.

III. STAFF ACTIVITIES

A. Field Work

1. Kenya

April '12 - May 5

In accordance with request for services No. 11, dated April 3, a member of the Contractor's Housing Finance Economist staff visited Nairobi, Kenya to analyze and evaluate the financial and management aspects of projects 515-Hg-001 and 003/4. NSLL's report, a draft of which was left with RHUDO/Nairobi prior to the technician's return to the United States, reviewed and analyzed the implementation, achievement of purposes, and financial effects of the 615-HG-003/4 loan to the Nairobi City Council and the National Housing Corporation and the 615-HG-001 loan to the Nairobi City Council. While the report indicated that for the most part AID purposes, as stated in the project papers, had been achieved, institutional development, especially within the Nairobi City Council, was being hindered through poor accounting and management information systems. Recommendations with respect to the Nairobi City Council included re-design of the accounting system, mechanization of accounting systems, and a thorough management study. With respect to the National Housing Corporation, a recommendation was made to begin decentralization of operations so as to more effectively implement nationwide housing programs on a retail basis.

2. Ecuador

May 22 - June 9

Pursuant to DS/H request of April 6 to the effect that NSLL provide the services of a team of technicians to assist RHUDO/PSA in analyzing data and compiling the studies necessary for the preparation of a Project Paper for a 1979 \$20 million Housing Guaranty loan to Ecuador, nominations were submitted to the cognizant office for staff and consultants to deal with the various issues addressed in the scope of work. NSLL's Vice President, Financial Systems, was designated as the senior housing specialist in charge of coordinating the assignment. In this capacity, Mr. Edward Robbins visited Ecuador prior to the assignment of the remainder of the team to conduct preliminary discussions and interviews, and generally determine the feasibility of the program and lay the groundwork for the team. A report of findings of this visit was prepared and submitted to DS/H on July 20.

B. Other Work Performed by Staff

1. Ecuador - The Project Identification Document resulting from the March field trip was completed and submitted to DS/H on April 2.
2. Ivory Coast 003 - In response to Office of Housing request dated April 6, the Project Paper was reviewed and an evaluation plan, with quantitative indicators, was prepared and submitted to DS/H on April 10.

3. BIAPE - A program of technical assistance for the Inter-American Savings and Loan Bank was drafted and copies submitted to RHUDO/PSA and the Office of Housing on April 11.
4. Ecuador - In accordance with a verbal request from DS/H staff, a logical framework for the new HG Program in Ecuador was prepared and submitted to that office on April 11.
5. Tunisia - A letter report on the Project Design Paper assignment undertaken during the preceding quarter was submitted to DS/H on April 16.
6. Mauritania - At DS/H request, a Project Design Memorandum was prepared and submitted to that office on April 20.
7. Tunisia 004 - Comments on the cash flow characteristics of the type of loans being considered for this project were drafted and submitted to the Office of Housing on May 17.
8. Honduras - A revised, updated version of the report on the recent evaluation of FINAVI and the Honduran savings and loan system with respect to AID loan 522-W-023 was completed and submitted to DS/H on June 6. A letter which dealt in detail with FINAVI's portfolio was later prepared at the request of RHIDD/ROCAP and forwarded to that office and DS/H on June 25.

9. Mauritania - Pursuant to DS/H request of March 3, a French translation of the Mauritania Shelter Sector Analysis was prepared and fifty copies forwarded to that office on June 16.

PROJECTED FIELD WORK SCHEDULE

July 1 - September 30, 1979

I. STAFF ASSIGNMENTS

<u>Name</u>	<u>Country (Project)</u>	<u>Duration</u>
Christian	Panama (BIAPE)	6 days
Kane	Honduras (CABEI)	19 days
Robbins	Panama (Ecuador)	7 days

II. CONSULTANTS

Arana	Mexico (006)	18 days
Bovet	Guatemala	3 days
Clifton	Panama (BIAPE) Venezuela	21 days
Hamman	U.S. (African Housing Conf.)	20 days
Kennedy	Ecuador	10 days
Madison	Ecuador	20 days
Russin	Ecuador	13 days
McGuire	Honduras (CABEI)	20 days

Cost Review of Contract Operations
 during Second Quarter of 1979 and Projected Costs
 for Contract Operations during Third Quarter of 1979

	<u>2nd Quarter, 1979</u>		<u>3rd Quarter, 1979</u>
	<u>Projected Costs</u>	<u>Actual Costs</u>	<u>Projected Costs</u>
Salaries and Wages	32,555	28,350 (1)	30,000
Fringe Benefits	9,500	10,167 (2)	9,500
Consultant Fees	13,130	9,935 (3)	20,872
Travel & Transportation	16,000	11,527 (3)	16,400
Materials & Supplies	500	224	350
Other Direct Costs	8,600	10,135 (4)	9,000
Total Direct Costs	80,285	70,338	86,122
Overhead	20,874	18,288	22,392
TOTAL COSTS	101,159	88,626	108,514

- (1) One position of housing finance economist vacant since 5/1/79
- (2) Workman's Comp. yearly lump sum paid this quarter.
- (3) Some projected consultant fees and travel expenses not yet vouchered.
- (4) Excess due to translation of Mauritania SSA costs.