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Priority

SHELTER-RELATED PROJECTS

NEAR EAST BUREAU

A Descriptive Overview and Digest

Prepared by

Social Analysis Division
Office of Technical Support
Agency for International Development
Washington, D.C. 20523

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I. PURPOSE

This paper has three purposes:

1. To familiarize Missions and AID/Washington with the current array of shelter-related programs supported by the Agency in the Near East.
2. To draw the attention of the Missions and AID/Washington to the Administrator's recent statement that urban programs and projects have a legitimate role in country programming.
3. To remind Agency staff that the Near East is a rapidly urbanizing region, that the Administrator's remarks on urban programming are especially apt for the Near East, and that shelter-related projects offer Missions an opportunity to address basic human needs and other significant development matters.

Shelter-related projects are not the only AID urban-based and urban-oriented projects in the region. Therefore, the present coverage does not provide the full array of urban program options available to Missions. Shelter, however, refers to a number of separate components, and shelter projects are often closely and comprehensively linked with other projects to constitute broadly-based programs.

II. URBANIZATION TRENDS AND CHALLENGES IN THE NEAR EAST

The seven Islamic-Arab countries with active AID programs do not comprise a homogeneous region with regard to population size, urbanization levels and trends, and both the prospects and problems relating to future urban changes. Annex A to this paper provides an overview of present urban conditions and trends in the Region.^{1/} Among the highlights are:

- Five and probably six of the seven countries are at least 40% urbanized. Yemen is the major exception.
- In all seven countries, urban population growth rates exceed the growth rates for the total national population.
- Although rates of urban population growth have recently stabilized or declined slightly, urban population growth rates are likely to continue to exceed those for non-urban areas.

1. Also, see Statement of Joseph C. Wheeler, Acting Administrator Agency for International Development before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee, January 28, 1980; also by Wheeler, "Near East: Progress in the Face of Turmoil," Agenda, Agency for International Development 3:3 (April 1980), pp 20-24.

-- All seven countries are expected to grow by at least 50% by the year 2000; four countries will grow by at least 80%, and two will double their populations. At a minimum, therefore, urban populations can probably be expected to at least double in size by the year 2000.

-- The number of large cities is increasing: Nine had over 500,000 in 1975, an increase of three since 1960. Five cities have over one-million people.

The Near East will become increasingly urban in the years ahead, and a very large proportion of this growth will be in larger cities. These cities must provide jobs, shelter, and essential services. Most countries and their urban areas already have a serious backlog of need, especially for shelter and services. Whether AID's target population is defined by income or by deficits in basic human needs, the Agency's target population has and will continue to shift from rural to urban areas. Shelter needs in the Region will continue to rise, often dramatically.

Urbanization problems, rather than prospects, typically receive attention:

-- The poor are shifting from rural to urban areas.

-- The urban poor are unable to afford "new" housing, especially

new housing that would meet international building and housing standards.

- Infrastructure and essential services lag behind urban population growth.

- Urban residential neighborhoods often become hazardous sinks aggravated by high congestion and inadequate services. The urban poor are frequently worse-off than the rural poor.

Despite these adverse conditions, urban areas throughout the developing world provide many nations with their greatest potential for economic development.

III. AID URBAN POLICY

In his Congressional testimony of January 28, 1980, Joseph Wheeler concluded that:

"Urban development problems (in the Near East) will require more attention. Cost effective ways must be

found for the development of urban infrastructure and urban services that can be financed and maintained by users."

AID's urban development policy is guided by PD-67 (dated May 27, 1976). On the basis of an AID/Washington task force review of this policy directive and current trends and conditions in AID-assisted countries, the Administrator of the Agency informed Mission (State 293386, dated 10 November 1979) that:

- (b) Mission Directors and other personnel should review PD-67 in order to remove any doubts they may have about the legitimate place urban development activities may have in a country development program.
- (c) In fact, AID's active support of a variety of services to meet basic human needs (e.g., food, shelter, family planning, nutrition and education) and of programs to increase income and employment benefits many poor people in urban areas. In addition, AID carries out development projects which improve urban-based services in support of rural areas. AID will continue these efforts and expand them where appropriate.
- (d) The HG program provides a significant source of capital financing for urban activities. As indicated in the CDSS guidance, the

program can be an important part of the country development strategy, and proposed shelter programs should be integrated into that strategy.

USAID Missions in the Near East Region, as well as the Near East Bureau, have in fact been evolving strategies that address urbanization problems and prospects. Shelter-related projects play a significant role in these evolving strategies. As the concept of shelter assumes broader meanings, this program area could become even more important in the years ahead as a means to address:

- Basic human needs
- Economic development
- The development of host country policies and capabilities to mount projects and programs to realize national and local policies.

1. Strategies to Develop Shelter-Related Programs

Shelter projects are only one of a number of sets of responses to the multiple problems that might be identified in an individual Country Development Strategy Statement. Special skills may, however, be required

to more clearly identify, measure, and analyze the nature of the problems that shelter-related projects might address.

Special skills also may be required to help formulate multisectoral responses to the problems that have been identified. Finally, specialized skills are required for the development of particular shelter strategies and individual shelter projects.

Missions might wish to contact any of the following offices for assistance in developing shelter-related strategies and projects:

- NE/TECH/SA: The Social Analysis Division of the Near East Bureau has expertness in urban planning, shelter and related activities, how to link individual projects to more general urban growth strategies, approaches to employment generation, etc. The Division cooperates closely with the other offices noted below.
- DS/H in Washinton.
- RHUDO, the regional office of DS/H, located in AID/Tunis.
- DS/UD in Washington.

IV. AID SHELTER-RELATED PROJECTS IN THE NEAR EAST REGION

Shelter-related projects vary according to (a) type and source of funds, and (b) type of project activities supported by these funds. For example:

1. Housing Guaranty Loans (HG): These funds are raised in U.S. private capital markets, are guaranteed by the Federal government, and are used for basic infrastructure, shelter building materials and labor loans, rudimentary shelter construction, community facilities and services, and closely-related technical assistance purposes. The number and types of activities supported by HG loans have been expanding. Employment-generation activities linked to a particular housing project are being supported by a HG loan to Kenya. HG loans are untied funds (there is no requirement that they be spent on U.S. manufactured or supplied materials). DS/H administers HG loans.

HG loans also generate "fee income" that in turn is used to support DS/H-administered Shelter Sector Assessments, project development activities, and selected technical assistance work.

2. Development Loans (DL), Development Grants (DG), and Economic Support Fund (ESF)-funded projects independent of HG resources and administered by the Near East Bureau: Such projects cover capital infrastructure, shelter, a widening-range of complementary services for the targeted beneficiaries, technical assistance, and studies.

3. Centrally-funded grants (IIPUP, OPG ^{2/}) and/or Near East Bureau DL, DG, or OPG funds combined with HG loans and administered by DS/H.
4. Reimbursable development programs managed by the Near East Bureau or DS/H -- e.g. arrangements for technical assistance to Kuwait for the development of its shelter policy and institutions.
5. Other donor funds committed to shelter and related activities -- e.g., IBRD, UN, and other bilateral donors.^{3/}

^{2/} IIPUP refers to Integrated Improvement Program for the Urban Poor, a centrally-funded program administered by DS/UD and DS/H. Operational Program Grants (OPGs) enable Private and Voluntary Organizations (PVOs) to carry out specific projects (new or ongoing) in individual countries, and occasionally regions. Typically, an OPG is a two or three-year program, supporting projects that are initiated and developed by the PVO (rather than AID), and is fully compatible with AID's legislative mandate. Normally, 25% of the cost of the project must come from non-AID sources. The project must be congruent with AID's overall program for the country in which it is to operate, and the proposal must be prepared in accordance with the relevant bureau's or USAID Mission's guidelines.

^{3/} Arab Development Funds have provided assistance to human settlements programs but, with two exceptions, not to shelter per se. In 1978, the Saudi Fund provided \$14.5 million for the Mansura Housing Project in the Peoples Democratic Republic of Yemen. In 1977, the Abu Dhabi Fund made a housing loan (of unknown size) to Morocco. (The figures that follow refer only to ECWA region countries, not Tunisia or Morocco). However, the various Arab funds have provided, as of December 31, 1979, \$314.7 million to 12 other human settlement sub-sectors for power and water, cement production, water, sewers, roads, and electrification in Egypt (3 projects), Jordan (3), Syria (1), Bahrain (1), U.A.R. (3), and P.D.R.Y. (2). In addition to these ECWA countries, a loan was made to Morocco for cement production.

Participation of a Fund in any project in the form of a direct loan may not usually exceed 50% of the cost of a project.

According to one ECWA report, the Funds see themselves primarily as providers of foreign exchange. "The material resources for housing are largely available locally in the various countries of the region, whether potentially or actually. Therefore, the Funds will not provide foreign currency loans to procure available local resources."

To date, 14 HG projects involving \$272,492,798 have been authorized and are under contract in the Near East. An additional three projects involving \$65,000,000 have been authorized but are not yet under contract. Of these 17 HG projects in six different countries, less than half (8 projects) and only 34% of the HG dollar obligations are in Islamic-Arab countries: five in Tunisia, two in Lebanon, and one in Morocco. Three of these eight -- each in a different country -- are not under contract. That is, to date only 34% of all obligated HG funds in the Near East Region have been for Islamic-Arab countries, and 56% of these particular funds are not under contract. Annex B provides further information on these HG loans.

On the basis of information on urbanization trends, shelter problems, and HG program levels, it is clear that there are sizeable unmet shelter-related development needs and opportunities in the Region. To a degree, a small but still sizeable portion of this need will be met by ESF programs in Egypt. The low-cost housing and community upgrading project (263-0066) will involve an \$80 million grant.

A liberal interpretation of shelter-related projects in the Region, based on reviews of NE Bureau, DS/H, and Mission documents, suggests that over \$450 million have been obligated to date -- or are under development currently -- for housing-specific shelter projects. About half (48%) of these funds have been allocated for four Islamic-Arab countries (Egypt, Tunisia, Morocco, and Lebanon). Portugal, Iran, and especially Israel have received over half of all such monies.

The term "housing" is only one feature of shelter. Shelter refers to a flow of services, of which the shell of the house is only one --but often the most expensive -- component. Because shelter includes a range of residential services, one must look beyond Housing Guarantee (HG) and other traditionally defined projects for examples of AID's thrust in the shelter sector.

Among other things, the shelter projects in the Near East Bureau:

- Involve a policy process that typically begins with a Shelter Sector Assessment (SSA). This SSA examines needs, demands, resource constraints, other impediments to expanded housing efforts, the respective roles of the public and private sectors, government policies, and institutional capacities. A CDSS should incorporate the major themes of a SSA, thereby providing a basis for shelter-related country programming.
- Individual projects are identified, designed, developed, and implemented within the context of the findings of the SSA. Projects are vehicles to effect policy changes. Shelter projects develop institutional capacity at the same time the address in as comprehensive a fashion as possible the BHN of low-income residents.
- Involve cost-recovery procedures in both ESF and DA countries. Replicability is emphasized by linking projects to policy changes (including changes

in high-cost Western-type building and housing codes), institution-building (including development of financial institutions), and cost-recovery.

- Give a dual emphasis to "slum" upgrading (in ways to reduce the need for the relocation of residents) and basic low-cost housing, sites and services, and arrangements for incremental upgrading and improvement over time. The participation of the beneficiaries in this process is emphasized through the encouragement of cooperatives and other self-help efforts, so that families enhance their ability to solve their own problems and independently provide for their own BHN.

Individual projects in the Region incorporate the following kinds of elements:

- Low-cost basic-core housing (Egypt, Tunisia, Morocco)
- Rehabilitation and upgrading (Egypt, Tunisia, Morocco, and Lebanon)
- Water (as part of specific shelter projects in Egypt, Tunisia, and Morocco, and as an element of separate water projects in Egypt and Jordan)
- Sanitation (as part of specific shelter projects in Egypt, Tunisia, and Morocco; and as separate sanitation projects in Egypt and Jordan)
- Policy development and planning, including SSAs, national urbanization policy strategies, regional planning, studies of the informal housing sector, and, also longer-term technical assistance (Egypt, Lebanon, Jordan, Morocco, Tunisia)
- Loans for small business (Tunisia but also in Egypt as a separate project)

- Specific projects for women (Morocco)
- Nutrition and health (Tunisia)
- Education and manpower development (Morocco, Tunisia)
- Cooperatives and other self-help efforts (Egypt, Morocco)
- Specific funding and program linkages to other AID sector programs, such as IIPUP (Tunisia, Morocco, and a self-contained comprehensive approach in Egypt).

V. A DIGEST OF AID SHELTER-RELATED PROJECTS IN FOUR ISLAMIC-ARAB COUNTRIES

Three separate topics are covered in this description of programs for Egypt, Tunisia, Morocco, and Jordan. Each country is covered separately.

1. A preliminary overview and history of AID's housing strategy.
2. A listing of shelter-specific projects. Where available, the "Project Summary Face Sheet" is provided.
3. A briefer listing of other shelter-related projects.

Because the Lebanese program has been oriented toward reconstruction, this country's somewhat unusual portfolio of shelter-related projects is not reviewed.

Egypt

AID's shelter strategy in Egypt has evolved in cyclical fashion from studies to projects, further studies and further projects.

From mid-1976 to late 1977, a Joint Housing Team created by AID and the Ministry of Housing conducted a series of sectoral studies that provided the basis for an \$80-million grant for 263-0066, "Low Cost Housing and Community Upgrading." The A/E and TA contracts for this comprehensive development project have been signed and consultants are now on-site. This particular project has been the basis for a number of other housing-related research and planning efforts, including some social surveys and an analysis of selected credit problems and institutions.

To help the GOE and AID better understand the confluence of national urbanization, economic, housing, and other trends, a major national urban policy study has been initiated; a separate study of the urban informal housing sector will be conducted, and several housing-related studies have been completed as part of the Agency-funded joint MIT-University of Cairo project (Development Planning Studies).

Congress designated a \$25-million HG for Egypt, scheduled for FY 81. The FY 1981 Congressional Presentation lists two other shelter-related projects:

- Provincial Cities: Shelter Plan and Services
- Primary Cities: Housing Finance and Land Development

In addition to these projects that have a clear link to more traditional

housing matters, AID supporting several other shelter-related projects in Egypt:

- Alexandria sewer system
- Cairo water system
- Cairo Sewerage
- Canal cities water/sewerage
- Alexandria wastewater.

The World Bank is supporting a housing project in Cairo and Alexandria involving solutions similar to those covered in new-style HG projects.

Project 263-0066 Housing and Community Upgrading for Low-Income Egyptians

(Source: Project Paper, pp. 3-6)

The purpose of the GOE-AID Housing Project is to demonstrate the premise of a proposed new housing policy -- that basic housing and community facilities can be provided for low-income families which is socially acceptable, at a price they are willing to pay, and which provides to the GOE for a substantial recovery of its investment. The success of the project should enhance the ability of the entire Egyptian housing sector both public and private to respond to the shelter and community development needs of the urban population, particularly low-income households. At the same time, we recognize that under varying conditions and geographical locations other housing approaches including a variant of the five-story walk-up may prove to be viable. Nonetheless, the success of this project should have a major impact on the housing industry in Egypt.

Drawing upon a combination of public and private resources, the project will attempt through an integrated comprehensive program to demonstrate the viability of a new approach to housing policy in Egypt. The primary project elements which are described below are: a new community program which should present a viable public housing alternative to the five-story walk-up; an upgraded program which should demonstrate a combined approach to improving existing housing; vocational education which should expand skills necessary for the housing industry; and institutional development in the form of improved administration and operation of GOE entities responsible for carrying out housing policy and provision of credit.

1. New Community Program: New urbanized land in the desert is to be developed utilizing appropriate "cluster" site planning concepts to provide an individual lot to each beneficiary family. The program will be carried out on 150 hectares in the Cairo industrial suburb of Helwan 27 kilometers to the south along the Nile River. New housing has a high priority here to reduce the commuter load of 80,000 workers who travel each day to Helwan from Cairo.

The MOH and CDE utilizing US and Egyptian consultants and technical assistance will design and build about 6,697 core (expandable) dwelling solutions and urbanize an additional 512 lots to serve a total of approximately 7,209 families (36,000 people). Water, sewage and electric-service will be provided to 9 schools, health and social welfare services and mutual associations for community management and to supplement inadequate provision of municipal maintenance services. The essential purpose and innovative

element of this program is to demonstrate the social acceptability and marketability of minimal housing to be sold at much reduced subsidy by the GOE. The underlying assumption is that although living space will be reduced, the attractiveness of home ownership will offset loss of space and as a result the overall cost to the GOE will be substantially less. Such a housing solution, utilizing lower area and building standards than previously provided, will allow government's limited housing budget funds to serve more needy people, while specifically targeting the solution to the affordability of families below the urban average income. Five dwelling solution options will range in construction cost from \$2,727 to \$4,498 and in area from a 4 M² sanitary core to a 30 M² three-room dwelling. The program includes credit funds and services to encourage beneficiaries to quickly improve the initial core unit up to maximum of three floors and 100 M² of dwelling area.

At least 74,000 secondary beneficiaries are anticipated as the community is expanded over the mortgage period of the dwellings. Another 57,000 person years of employment will be provided to construction workers and at least 2,100 jobs in commerce and institutions will be created.

2. Up-Grading Program: Existing communities in urbanized Helwan and Cairo will be improved and existing housing conserved as another approach to reduce the severe housing needs of the country. The poorly urbanized and illegal "informal" communities have previously not been included as a part of national policy and yet these areas are the major zones of housing opportunity and growth for low-income urban families.

This project will provide basic services of water, sewerage and facilities of (9) schools, (4) health and (3) community centers to an estimated 112 hectares in an estimated six informal communities of Helwan and North Cairo (Ain Shams). Residents will also be provided with access to home improvement financing consistent with their income. An estimated 10,000 families (50,000 people) will initially and directly benefit and ultimately as the communities expand about 15,000 additional families will be added. Another 25,000 families who live outside the upgraded areas will share community facilities and may be classified as secondary beneficiaries.

The innovative element of this program is the introduction of technical assistance to legalize informal areas with land titles and improve their capacity to contribute to resolution of the severe housing shortage with urbanization and credit. A second innovative element is the intent to rely upon organized associations of community residents to achieve a higher level of environmental sanitation and maintenance.

The MOH and CFE, utilizing Egyptian consultants and technical assistance will design and build the program after first determining that a high degree of receptiveness is present among community residents.

3. Vocational Training: A distinct part of the community upgrading program in Helwan is the construction of a Vocational Training Center for the building trades as part of a national plan to expand vocational training. The Center will supplement the supply of craftsmen available for the AID/GOE project and upgrade the skills of existing craftsmen who may participate as small contractors in home improvement activities. About 900 persons will be graduated from

the Center each year. Vocational training for women and youth is a part of the community center program of the Ministry of Social Welfare mentioned above in the project.

4. Institutional Development:

a) Ministry of Housing (MOH). An implementation Unit (IU) directed by a Steering Committee composed of key representatives of participating ministries is to be established under the chairmanship of the Minister of Housing. The 50 to 60 professionals of the IU will work with US and Egyptian A/E consultants and technical advisors to organize, integrate, and monitor the social and physical development components of the project.

The innovative element of this program is the recognition of the interrelationship of physical and social components, particularly housing cooperatives and community associations, and their inclusion in the M.O.H. administration, for the success of elements of a new housing policy.

As a result of the project the MOH will have upgraded its capacity to coordinate and replicate several strategies of low cost housing to resolve Egypt's housing needs. The MOH will have upgraded its capacity to investigate and make recommendations on a national scale regarding housing and land policy.

b) Credit Foncier d'Egypt (CFE): Mortgage financing and home improvement credit oriented to the low-income worker under normal and (relatively) unsubsidized banking procedures is to be introduced to Egypt as a

part of this project. The "semi-public" CFE, with the help of automatic data processing equipment and US Technical Assistance, will offer an expanded range of services, including savings accounts which have never been available before to the target income group -- while also serving as sole financial and fiscal agent for the project to the MOH.

In addition the CFE will provide \$28 million as bridge or interim financing during the project implementation period.

As a result of the project an investment fund will be created in the CFE for use by it and the MOH for further investment in housing to benefit families with below medium annual income and establish a pattern for further involvement of semi-public banking institutions to resolve the housing problem.

AID/NE-90078, Informal Urban Housing Sector Study (Source: RFP)

A considerable amount of informal housing is being constructed in Egypt. This study will provide an understanding of the development, financing, construction, and occupancy processes involved in this significant sector. The findings from the study will assist in the formulation of feasible and appropriate intervention strategies in these processes.

The RFP indicates that the objective of the study is to describe and analyze the physical and financial characteristics of the informal urban housing phenomena and in so doing generate information on the following:

1. land and building costs,
2. utility extension costs, rates, and tariffs,
3. interest rates, terms, and financial services,
4. subsidy standards,
5. taxes, and
6. indices of accumulation of savings and other resources available
for investment.

These topics will be combined in separate considerations of housing supply, need, market factors, and a section on evaluation and recommendations.

National Urban Policy Study (Source: TOR)

The basic objectives of the study are to research and analyze Egypt's past and present urbanization patterns; formulate and evaluate alternative urban development strategies; and recommend policies to guide and manage urban growth in Egypt. Among many issues to be considered are:

- The practicality of creating entirely new cities to absorb a significant portion of Egypt's growing urban population;
- The ability of government agencies to influence and control the urbanization process and the resulting urban pattern;
- The necessity to face the predicament of environmental deterioration in Egyptian cities, particularly in the over-extended, overcrowded metropolitan centers of Cairo and Alexandria;

- The appropriateness of prevailing standards of urban infrastructure, services, and housing in the changing context of Egypt's economy;
- The short and long-term problems of financing urban projects by both public and private sectors.

Other Shelter-Related Projects

(Sources: Status of Project/Program Assistance Implementation 31/Dec/79; also, Status of Project/Program Development Approval by Fiscal Year, 31/Oct/79)

Alexandria Sewer Systems (263-K-044) - Rehabilitation of sewage collection system at Alexandria; training General Organization for Sewerage and Sanitary Drainage personnel in sewer cleaning operations; provision of sewerage facilities for the Ras el Soda area.

Cairo Water System (263-K-042)- Rehabilitation and expansion of the Rod El Farag Water Treatment Plant and water connections to 40,000 private residences.

Urban Electric Power Distribution (263-K-043)- Rehabilitation, repair and minor modification of existing sewer system to enable it to be operated at full capacity; training of technical personnel of GOSSD; and review of conclusions of Cairo sewerage master plan and refining this plan to allow for its prompt implementation.

Development Planning Studies (263-0061) - To generate a project development and analysis capability within the GOE (the MIT-University of Cairo project).

Canal Cities Water/Sewerage (L-263-K-050; G-263-0048) - Rehabilitation and improvement measures to municipal water and sewerage facilities at Suez City, Port Said, and Ismailia, including treatment plants, collection systems, pumping stations, and the construction of a water transmission pipeline to the Suez Cement Co.

Proposed New Projects

(Source: Congressional Presentation FY 1981)

Provincial Cities Development (263-0127):

Purpose: To assist, plan and manage urban growth, and finance essential services to Egyptian provincial secondary cities.

Background and Progress to Date: This project forms part of a broad Government of Egypt initiative to decentralize responsibility for services at governorate and village government levels. Provincial secondary cities are experiencing serious growth problems which threaten many aspects of the quality of life in these cities. The growth has strained the capacity of public administration and local budgetary authorities to plan and finance basic services and has resulted in conversion of large areas of scarce agricultural land to urban use. The growth taking place is unplanned, under-serviced and is creating long-term development problems which cannot be easily remedied. Planning for this growth and responding to local demands for basic services require strengthened and perhaps new

institutional arrangements at the governorate and district levels where these responsibilities should reside.

The proposed project is designed to improve coordination and the planning and allocation of resources in two provincial high-growth areas. Activities will include technical assistance and construction funds to assist municipalities in providing cement, pipe, streets, hookups to utilities, etc. The project will be coordinated with other AID financed provincial activities in water/sewerage and electrification. Technical assistance will concentrate on: (1) training and technical assistance in municipal administration, (2) improving the revenue base in provincial cities, and (3) orderly planning for the utilization of scarce public and private land resources including funding for utility and home expansion. The local currency component will help meet identified infrastructure needs.

Primary Cities: Housing Finance and Land Development (263-0128):

Purpose: To increase the stock of affordable, unsubsidized housing for the lower-income households of primary cities.

Background and Progress to Date: Housing ranks with food security at the top of the Government of Egypt's (GOE) priorities. High overall population growth and even higher rates of urban population growth have accelerated the demand for housing throughout Egypt, especially in primary cities. Public housing projects currently being carried out by the GOE are inadequate to meet current or anticipated demand and are affordable by the lower income groups only because of direct and indirect subsidies. Banks and private investors are discouraged from construction of low-cost housing

by rent controls which limit returns on investments. The informal sector has demonstrated its capacity to provide shelter given access to land and capital.

This program will aim at improving the financial base of the private sector in mortgage construction and/or finance. (The appropriate mix will be identified in a study scheduled in early CY 1980). The program will also assist the GOE in establishing an urban land development staff in one or more of the primary cities (Cairo/Alexandria) for planning the development of public and private lands for lower-income shelter. A central objective will be to shift the primary source of low-income housing construction and mortgage finance from government to the banks and the private sector. Data gathering on all aspects of the informal housing sector will be initiated in FY 1980, followed by preliminary studies in the area of urban land development. A central design issue is determining the interest rate structure necessary to mobilize local savings and to permit relending at rates which conform to open market commercial finance conditions. Data which will contribute to the solution of the design issue will be developed during the implementation of the ongoing Cairo housing project. This is the critical element of a strategy which emphasizes affordable, unsubsidized housing for all sectors of the urban population.

Tunisia

AID's first HG loan to Tunisia was in 1966. This and the second HG primarily benefitted moderate and middle-income families. The third project shifted to lower-income beneficiaries, and the second stage of this third project (003B) is linked to an IIPUP program in an established "slum" area of Tunis. In addition to upgrading programs and new building sites, this project will provide loans for small firms and a range of essential social services that will help the GOT to develop a comprehensive set of policies and capacities to deal realistically with the shelter, economic, and social needs of its poorer citizens.

A shelter sector assessment was completed in January, 1979 and preceded the development of the most recent HG (664-HG-004). The first \$15 million of this \$25 million loan was authorized for FY 1979, and the remaining authorization was for FY 1980. An additional \$25 million is tentatively targeted for FY 1981, for a total project loan of \$50 million. Approximately 16,100 below-median-income households will directly benefit from this project. Special attention will be given to "unsalaried families" in the small towns that are to be the sites for this project.

The IIPUP itself is intended to demonstrate in small interior towns of Tunisia (1) how municipal technical divisions can be strengthened so as to better manage upgrading implementation at the local level, and (2) how social and economic services for lower income residents can be made more adequate, equitable, and efficient.

In addition to the HG loans, a renewable energy project (664-0325) will

provide for the development, purchasing, and installation of solar energy hardware in a small village. NASA is the prime contractor for this work. \$110,000 of the \$1,300,000 grant will go for training; the GOT is providing \$356,000 for the project.

The World Bank also has a low-income housing project in Tunisia. It is located adjacent to 003B, the site for the 003 IIPUP program.

Because 001 and 002 were funded prior to the shift in AID programming from moderate and middle-income families to low and moderate-income beneficiaries, the descriptions of these two earlier projects are not included in this digest.

Low-Cost Shelter Program (664-HG-003B) (Source: Project Paper)

The proposed program will continue momentum towards three major policy breakthroughs:

1. Slum upgrading will become an alternative to slum clearance;
2. The Government of Tunisia (GOT) will take a step towards lowering standards of low-income public housing to a level more compatible with the financial resources of its occupants; and
3. The GOT will move towards reducing the magnitude of its shelter subsidies, thus permitting GOT resources to be shared among more beneficiaries.

Together, these advances broaden the options being offered by the GOT shelter policy and benefit lower income families by permitting Government inputs to be spread among more beneficiaries and by recognizing the prior shelter investments and proven building skills of the target group.

Evidence of evolution in the policy will be found in the following program outputs:

1. Approximately 45,000 people will benefit from the upgrading of

± 57 hectares of slums in central Tunis. The Municipality of Tunis will upgrade ± 4,750 parcels by providing or extending systems for electricity, water, sewerage, drainage, streets and walkways.

2. CNEL (Caisse Nationale d'Epargne Logement), in conjunction with SNIT (Societe Nationale Immobiliere Tunisienne) and local authorities, will develop ± 1,410 serviced lots, each with a one-room core units, in urban centers outside of Tunis. These units will be occupied by ± 8,500 people.

3. To reinforce prior GOT lower income shelter initiatives as well as to encourage the present policy changes, HG funds will also go to SNIT to build 1,482 low income "C" housing units in Tunis. This input will also complete the Ibn Khaldoun housing project begun under a prior HIG loan.

In each of the above outputs, community facilities are to be provided by the GOT.

Included within the project is the provision for financing of four years resident project coordination and supervision for CNEL and the Municipality of Tunis.

IIPUP for 003B (Source: Contractor Report for RHUDO/Tunis)

Three separate project initiatives will be supported in the area of employment, health, social services, and community organizations:

1. Establishment and support of two centers for community activities. These centers would house offices for the IIPUP project coordinators, the Social Services Unit, the Office for the promotion of Small Enterprises, a classroom, a graphic arts unit and a library. Space would also be provided for the UNFT, youth groups, and various other community organizations.

2. Establishment of a Revolving Development Credit Fund for small enterprises, in Mellassine.

3. Establishment of an Applied Building Trades Training Center.

National Low Cost Shelter Program (664-HG-004) (Source: Project Paper)

Purpose: To support a shift in the Government of Tunisia's housing policies with the intent of improving shelter options for low income households in the small towns of Tunisia. Core housing, sites and services, construction and home improvement loans, and neighborhood upgrading will be offered in the interior Governorates in such towns as Gasa, Kasserine, Sidi Bonzid, Siliana, LeKef, Jendouba, Beja, Bon Salem, and Tabarka. These programs will be specifically designed to meet the physical and social needs and financial capabilities of below-median-income households in Tunisia's interior.

Borrower: Caisse Nationale d'Epargne - Logement (CNEL), a housing bank established in 1974 under governmental auspices (and Borrower under the previous housing guaranty program) will be the Borrower for all program components except upgrading. The Government of Tunisia of the Ministry of Interior's Caisse de Prets et de Soutien des Collectivites Locales will borrow directly for upgrading.

Beneficiaries: Direct beneficiaries will be approximately 16,100 below-median income households. The GOT will give particular emphasis to low-income, unsalaried families.

Summary of Shelter Options and Costs to Beneficiaries

<u>Program</u>	<u>(Average) Total Cost</u>	<u>Loan Terms to Beneficiaries</u>	<u>Monthly Payments after Max. Down Payment of 15% and GOT subsidy</u>	<u>% of Family Income at 30th Percentile</u>
3500 Core Housing Units	\$5352	Min. of 15 years at 6%	\$38	32%
1700 Sites and Services Plots	\$1200	Min. of 5 years at 6%	\$23	20%
900 Construction Loans	\$3600	15 years at 6%	\$22	19-30%
1300 Home Improvement Loans	\$1900	10 years at 6%	\$18	15-27%
8700 Slum Upgrading	\$1600	20 years at 6.5%	\$12	10%

IIPUP 004 (Source: DS/H files)

The exact details of this study will be developed during the course of proposed planning and development studies.

Morocco

A shelter sector assessment for Morocco was completed in 1978. The first HG loan for the upgrading of Ben M'Sik, a large slum in Casablanca, has been authorized. Two other significant features are linked to this project:

(1) an IIPUP project that, when developed and approved, will focus primarily on employment-generation activities, and (2) under a technical assistance grant, a consultant will be provided the Ministry of Housing and Regional Development to help the GOM to develop housing strategies to benefit the country's poor.

Following a recent assessment of the Moroccan Petit Biddonville Upgrading Program, explorations are under way on other future possible shelter-related programs in smaller communities.

The World Bank has a low-income housing project under development in Rabat.

Ben M'Sik Shelter Upgrading (608-HG-001) (Source: Project Paper)

Purpose: To upgrade the Ben M'Sik squatter area of Casablanca and in so doing to improve the basic condition of life for its 70,000 plus residents as well as achieve important progress on Morocco shelter sector policies. To accomplish these ends the project entails:

1. Upgrading 9900 Homes -- In the existing squatter area, the project will provide a complete sewerage and road network with drainage for all 9900 households. It will also provide additional public water fountains, hydrants, and a water system up to each lot, plus a primary electrical system.
2. 1200 New Core Houses. -- The project will also finance the above improvements for a nearby vacant site and construct core houses on it for an estimated total of 1200 households.
3. Home Loans -- The project will offer home improvement loans to project residents.
4. Economic and Social Activity -- The project will promote economic activity and employment, particularly for women heads

of households; finance construction of a minimum level of community facilities; and facilitate integration of the squatter area with surrounding Ben M'Sik neighborhoods.

5. Shelter Policy -- The program is further intended to initiate dialogue on shelter for the poor through demonstration of innovative methods of cost recovery and reduction of standards, and to assist the Government of Morocco in the development of institutions capable of replicating such programs.

Beneficiaries: Direct beneficiaries are the 72,000 residents of Ben M'Sik.

Cost to Beneficiaries: Approximately 9,900 households will receive improved lots at an average cost of slightly over \$800 per lot or about \$125 per person. Another 1,200 households will receive improved lots plus a core house at an average of about \$2,000 or about \$317 per person.

Terms to Beneficiaries: Beneficiaries are expected to purchase their property at 9% over 15 years. These terms will result in monthly payments affordable by virtually all residents.

JORDAN

AID's shelter programs in Jordan have been limited primarily to (1) arranging technical assistance for housing institutions, (2) studies, and (3) water and sewer systems.

Although an SSA has not been conducted in Jordan, tentative plans for such a review have been initiated. The AID-supported Amman Urban Region Planning Group has incorporated housing and related infrastructure and growth management issues in its development of an integrated plan and planning process for the Region.

The GOJ has recently approved a World Bank-financed housing project for low-income residents of Amman.

Shelter-Related Projects (Source: Status of Project/Program Implementation, Dec. 31, 1979).

Amman Water and Sewage Project (278-K-023A, B): To help finance construction of 1) a pipeline and treatment facility for supplying water to Amman; 2) expand the Amman Sewage Treatment Plan; and 3) construct selected elements of the Amman water distribution and sewage collection systems.

Aqaba Wastewater (278-40026): To finance a sewerage system for urban Aqaba. Project includes sewerage collection systems, sewage treatment plant, and sewage effluent irrigation system.

This report was drafted by:
NE/TECH/SA, Robert E. Mitchell,
Room 6664 New State
Tel. (202) 632-8306

ANNEX A

URBANIZATION IN THE NEAR EAST REGION

I. Population, Urbanization, and Labor Force Trends and Conditions

The seven Islamic-Arab countries with active AID programs do not comprise a homogeneous region with regard to population size, urbanization levels and trends, and both the prospects and problems relating to future urban changes. But, as indicated by the three Annex tables:

- Five and probably six of the seven countries are at least 40% urbanized (Table 1.2). Yemen is the major exception.
- In all seven countries, urban population growth rates exceed the growth rates for the total national population (Tables 2.1 and 2.2).
- Although rates of urban population growth have recently stabilized or declined slightly, urban population growth rates are likely to continue to exceed those in non-urban areas.
- All seven countries are expected to grow by at least 50% by the year 2000; four countries will grow by at least 80%, and two will double their populations (Tables 2.4 and 1.1). At a minimum, therefore, urban populations can probably be expected to at least double in size by the Year 2000.
- Given the Region's high birth rates, it is not surprising that the younger non-working population has grown faster than the labor force. This situation will change, however, and the annual growth rates for the labor

force will increase in the years ahead (Tables 2.1 and 2.3)

- Although there will be inter-country differences in labor markets, jobs for a majority of this expanding work force must be provided in urban areas. To the degree that rates of female labor force participation are higher in urban than in rural areas, the challenge of creating urban unemployment will be even greater.
- Industrial employment has been expanding in all countries, but the urban population (the major source of this labor force) has grown even faster in five of the seven countries (Tables 1.2 and 1.3).
- The number of large cities is increasing: Nine had over 500,000 in 1975, an increase of three since 1960 (Tables 3.1 and 3.2). Five cities have over one-million people.

The Near East will become increasingly urban in the years ahead, and a very large proportion of this growth will be in larger cities. These cities must provide jobs, shelter, and essential services. Most countries and their urban areas already have a serious backlog of need, especially for shelter and services. Whether AID's target population is defined by income or by deficits in Basic Human Needs, the Agency's target population has and will continue to shift from rural to urban areas.

POSSIBLE ADVERSE DEVELOPMENTS

Continued rapid growth of urban areas could adversely affect development patterns if (1) the creation of jobs falls behind the growth of the labor force, (2) governments adopt high-cost resource-wasting strategies to accommodate and manage urban growth, (3) cultural and political opposition to "modernization" develops, and (4) governments are unable to manage urban growth processes.

(1) The research literature indicates that migrants move to cities in search of better income-earning opportunities. Two sources have provided these opportunities: (i) expanding urban economies, and (ii) the manpower needs of both the oil-rich Gulf States and Europe. AID-supported studies suggest that the external demand for Arab labor in oil-deficit countries will decrease considerably. European manpower needs have already begun to decline. This decline will affect remittances and the expansion of local economies. Return-migrants will very likely re-settle in their home country's urban areas and thereby aggravate the unemployment situation that could be created by a slowing economy and a continuing expansion of the urban labor force through natural population increase and further rural-to-urban migration.

(2) Urbanization is a resource-consuming process. Infrastructure, essential services, shelter, and energy are required. Urbanization also frequently involves the conversion of scarce agricultural land to other uses. The research literature on expenditure elasticities suggests that as urban incomes rise, the demand for these resources will increase at even a more rapid rate.

Urbanization, therefore, can create greater demands for limited investment resources. Furthermore, because resources are limited and urban incomes are low, the quality of life in urban areas is often dismal at best: High congestion interacts with inadequate shelter, water and sanitary waste-disposal systems that in combination with poor nutrition and health care conditions destroy the health, and well being of individuals, families, neighborhoods, and communities.

Coping with growth-generated resource needs is frequently complicated by government policy biases toward high "Western-type" standards that in turn require heavy subsidies. High-cost urbanization strategies result in further declines in the quality of life for urban populations.

(3) Arab urban areas are not only centers for economic development and change; they also have been and are today the loci for major Islamic religious schools and institutions. Cities are potential areas for conflict between the secular and non-secular, the religious and profane, and Western and traditional cultural beliefs and social practices. These socio-cultural contrasts can be ignited when mixed with contrasts between rich and poor, increasing rates of unemployment, and accelerated rates of inflation. All the pressures of economic development and modernization are felt most acutely in Arab urban centers. All the ingredients for political instability exist in these urban areas.

(4) Rapid urban growth is severely taxing the ability

of both the public and private sectors to service the needs of urban populations. The problem is not simply a lack of financial and material resources. There is a serious shortage of trained personnel and appropriate institutions. Institutional, manpower, and conceptual developments are needed in order for these governments to be able to effectively plan for and manage urban growth.

POSSIBLE DEVELOPMENT OPPORTUNITIES

National development planning for urban growth can waste resources if it focusses on "negative" problems rather than positive opportunities. (1) Urban growth is a response to and a cause of national economic development; (2) urban areas are a major source of public revenues and private capital for development projects; and (3) as centers of modernization and change, they provide and produce many of the positive changes desired by the national governments themselves and supported by American aid policy.

(1) Cities are engines for economic growth and change. They have been able to provide more jobs at the same time that minimal infrastructure, essential services, and shelter have been provided. Larger modern-sector firms are typically located in urban areas, but these areas also contain a large although inadequately understood informal sector.

Governments are challenged to harness this engine of development in order to accelerate and spread the benefits of growth. To do this requires that urban development be more consciously tied to regional and national growth policies. Instead of viewing development

segmentally or sectorally, it needs to be viewed as a national system undergoing change and development.

(2) The overlapping development of government administrative structures and urban economic growth has resulted in cities providing national governments with a major proportion of their total revenues that in turn can be used for various development purposes. The sometimes overlooked development of jobs, industry, and shelter also suggests that urban areas are a major source of capital for the private sector.

Urban centers are centers of mobilizeable resources and, therefore, these areas are of crucial importance to socio-economic development efforts. The mobilization of these resources, however, requires the development and strengthening of public and private sector capabilities that are only latent at this time.

(3) Urban areas are at the leading edge of many of the positive changes pursued by national governments and supported by USAID. For example, urban women are the mostly likely to be literate, in the labor force, and practicing family planning. New and appropriate technological innovations are characteristically urban phenomena. Regional, tribal, and ethnic differences tend to be muted in cities. The (non-agricultural) private sector, as well as government bureaucracies, are most prominent in urban areas.

Urbanization and urban growth almost by definition involve occupational, industrial, and socio-economic differentiation that are major potential sources of healthy economic and political pluralism.

Urbanization can and seems to be the least costly and most effective means of modernizing Near Eastern societies.

AID'S RESPONSIVENESS TO URBAN DEVELOPMENT TRENDS, PROBLEMS, AND PROSPECTS

No national or international agency, separately or in conjunction with one another, will be able to arrest the heavy trends producing urbanization in the Near East. AID's traditional primarily rural-oriented program focus has not facilitated the Agency's interest in or ability to recognize these trends and the opportunities they provide. Furthermore, very little is known about how the urban population in these countries or the governments themselves view the problems and prospects of urbanization.

But there are many positive signs of change that AID has encouraged and initiated. For example, instead of a traditional top-down approach to the delivery of services--especially for larger water and sewer system projects in ESF countries--efforts are underway to incorporate the beneficiaries in the planning and delivery system. This is most evident in shelter-based programs and in programs to encourage greater decentralization of governmental administrative and policy-making machinery. AID is supporting planning and manpower development efforts in several Near Eastern countries, and funds have been provided to encourage the development of the private sector.

Although considerable progress has been made, much remains to be done. Perhaps most importantly, AID must and has begun to change its own thinking--to recognize, for example, that rural projects can

have seriously adverse effects on urban areas. The Green Revolution, agricultural mechanization, agricultural credit, and rural education can all impact on urban areas. Similarly, urban growth must be placed in the context of regional and national growth. Meeting urban Sana'a's water needs, for example, will have very significant impacts on agriculture in the Sana'a region.

Along with AID, countries in the Near East will be encouraged to view development in a "national system" perspective that incorporates both rural and urban areas and functions. The Near East Bureau feels some progress both within AID and the countries of the region has been realized. We hope to set realistic goals that all concerned can hope to realize in the years ahead.

Drafter
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Annex Table I

Population, Urbanization, and Industrialization

		Lebanon	Jordan	Tunisia	Syria	Egypt	Morocco	Yemen Arab Rep
1.1								
Mid-1977								
Population (millions) ^a		3	3	6	8	38	28	5
1.2								
Urban population as								
% of total population ^b								
	1960	44	43	36	37	38	29	3
	1970	70	53	48	47	44	37	8
	change	+26	+10	+12	+10	+6	+8	+5
1.3								
% of labor force in								
industry								
	1960	23	26	18	19	12	14	7
	1977	27	39	23	23	26	19	11
	change	+4	+13	+5	+4	+14	+5	+4

Source: World Development Indicators. The World Bank,
June 1979

- a. Table 17
- b. Table 20
- c. Table 19

Annex Table 2

Population, Urban, and Labor Force Growth Rates

	Lebanon	Jordan	Tunisia	Syria	Egypt	Morocco	Yemen Arab Re
2.1							
Average annual growth of population (%) ^a							
1960-70	2.9	3.1	2.0	3.2	2.3	2.7	1.8
1970-77	2.5	3.3	2.0	3.3	2.2	2.8	1.9
change	-0.4	+0.2	0.0	+0.1	-0.1	+0.1	+0.1
2.2							
Average annual growth of urban population (%) ^b							
1960-70	6.2	4.5	3.8	4.8	3.4	4.3	7.5
1970-75	4.9	4.5	3.6	4.7	2.7	4.1	7.3
change	-1.3	0.0	-0.2	-0.1	-0.7	-0.2	-0.2
2.3							
Average annual growth of labor force (%) ^c							
1960-70	2.1	2.7	0.7	2.6	2.0	1.7	1.5
1970-77	2.6	2.8	2.2	2.8	2.2	2.7	1.5
1977-2000	2.7	3.1	2.5	3.1	2.2	3.2	2.6
change 1960-70 to 1977-2000	+0.6	+0.4	+1.8	+0.5	+0.2	+1.5	+1.1
2.4							
Projected Population in year 2000 ^a (millions)							
	5	6	9	15	58	8	9
change 1977-2000 (millions)							
	+2	+3	+3	+7	+20	+4	+4
%							
	67%	100%	50%	88%	53%	100%	80%

Source: World Development Indicators. The World Bank, June 1979

a. Table 17

b. Table 20

c. Table 19

Annex Table 3

Large Cities and Their Populations

	Lebanon	Jordan	Tunisia	Syria	Egypt	Morocco	Yemen Arab Rep
3.1							
Number of cities of over 500,000 people ^b							
1960	1	0	1	1	2	1	0
1975	1	1	1	2	2	2	0
change	0	1	0	1	0	1	0
3.2							
% of "urban" population in cities of over 500,000 people ^b							
1960	64	0	40	35	53	32	0
1975	77	36	32	56	54	38	0
change	+13	+36	-8	+21	+1	+6	0

Sources: World Development Indicators, The World Bank, June 1979

b. Table 20

ANNEX B

B-1

NEAR EAST
HOUSING GUARANTY PROGRAM

PROJECTS AUTHORIZED AND UNDER CONTRACT

SECTION A - 10

DATE: JANUARY 31, 1980

Item No./Country/	Name of Contract/Borrower/ No. Adminisr.	Date Authorized	Date of Contract	Date of Maturity	Local Guar- anties	Int. Rate %	Freq. of Payment	Contract	Disburse- ments	Contingent <u>1/</u> Liability	A M O U N T		
											Reserve Fund in: USA	Balance Held by Adminis- trator	AID Fee Collected To-Date
								\$	\$	\$	\$	\$	\$
<u>IRAN</u>													
1	265-HG-001 Imperial Government of Iran	04-18-72	03-16-73	07-01-99	1	7.50	S	7,500,000	7,500,000	7,054,424	-	-	251,701
<u>ISRAEL</u>													
2	271-HG-001 TEFAHOT	11-22-71	02-15-72	01-01-97	1	7.50	S	50,000,000	50,000,000	47,373,788	-	-	1,855,012
3	271-HG-002 Government of Israel	11-26-73	05-17-74	07-01-98	1	8.25	S	25,000,000	25,000,000	25,000,000	-	-	702,083
4	271-HG-003 Government of Israel	06-28-74	03-07-75	07-01-99	1	8.55	S	25,000,000	25,000,000	25,000,000	-	-	698,958
5	271-HG-004 Government of Israel	01-23-76	06-02-76	07-01-05	1	8.78	S	25,000,000	25,000,000	25,000,000	-	-	547,569
6	271-HG-005 Government of Israel	09-26-77	01-31-78	01-01-08	1	8.38	S	25,000,000	25,000,000	25,000,000	-	-	479,623
7	271-HG-006 Government of Israel	09-15-78	07-01-79	02-01-09	1	9.90	S	25,000,000	25,000,000	25,000,000	-	-	250,000
Sub-Totals								175,000,000	175,000,000	172,373,788	-	-	4,533,245
<u>LEBANON</u>													
8	268-HG-001 Council for Development & Reconstruction	09-29-77	07-01-79	02-01-09	1	9.94	S	15,000,000	4,000,000	4,000,000	-	-	80,000
<u>PORTUGAL</u>													
9	150-HG-001 Republic of Portugal	02-28-75	11-03-75	08-01-06	1	9.20	S	20,000,000	20,000,000	20,000,000	-	-	419,172
10	150-HG-002 Republic of Portugal	09-24-76	09-30-77	08-01-06	1	8.19	S	20,000,000	20,000,000	20,000,000	-	-	273,333
Sub-Totals								40,000,000	40,000,000	40,000,000	-	-	692,505

NEAR EAST
HOUSING GUARANTY PROGRAM

PROJECTS AUTHORIZED AND UNDER CONTRACT

SECTION A - 11

DATE: JANUARY 31, 1980

Item No./Country/	Contract No.	Name of Borrower/ Administr.	Date Authorized	Date of Contract	Date of Maturity	Local Guaranties	Int. Rate %	Freq. of Payment	Contract	Disbursements	Contingent Liability	A M O U N T				
												Reserve Fund in: USA	Balance Held by Adminis. trator	AID Fee Collected To-Date		
									\$	\$	\$	\$	\$	\$		
<u>TUNISIA</u>																
11	664-HG-001	Maisons Tunisiennes Carnoy S.A.R.L.	11-01-66	11-01-66	04-01-92	1	6.50	M	4,992,798	4,992,798	2,768,096	23,230	-	216,551		
12	664-HG-002	SNIT	05-23-72	12-05-72	01-01-00	1	7.50	Q	10,000,000	10,000,000	9,314,218	(141)	-	328,228		
13	664-HG-003	CNEL	10-15-76	05-27-77	01-31-07	1	8.30	S	10,000,000	10,000,000	10,000,000	25,000	-	178,804		
14	664-HG-003B	CNEL	09-26-78	06-01-79	08-01-09	1	9.875	S	10,000,000	7,000,000	7,000,000	-	-	100,000		
Sub-Totals									34,992,798	31,992,798	29,082,314	48,089	-	823,583		
TOTAL - ALL PROJECTS									272,492,798	258,492,798	252,510,526	48,089	-	6,381,034		

^{1/}This column doe not include interest that might accrue to the date of settlement of any claim payment under the guaranty.

FOREIGN GUARANTIES

1. Host Country Guaranty
2. Local Guaranty
3. None

FREQUENCY OF PAYMENT

- H = Monthly
Q = Quarterly
S = Semi-Annual
A = Annual

NEAR EAST
HOUSING GUARANTEE PROGRAM

PROJECTS AUTHORIZED NOT UNDER CONTRACT

SECTION B- 5 DATE: JANUARY 31, 1980

Item	No./Country/Contract No./Project	Name of Project	Date Authorized	Amount of Contract
<u>LEBANON</u>				
1	268-HG-002	Republic of Lebanon	09-29-78	<u>15,000,000</u>
<u>MOROCCO</u>				
2	608-HG-001	Government of Morocco	09-28-79 10-05-79	<u>25,000,000</u>
<u>TUNISIA</u>				
3	664-HG-004	Government of Tunisia	09-28-79 10-01-79	<u>25,000,000</u>
TOTAL -- NEAR EAST				<u>65,000,000</u>

APPROVED
 11/13/79