

PN AAP-997
ISN-34582

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U.S. Agency for International Development
Office of Housing and Urban Programs



Housing Guaranty Program

Annual Report—Fiscal Year 1983



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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D C 20523

December 1983

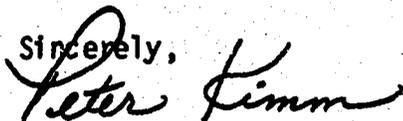
This report describes A.I.D.'s shelter and urban programs in the past fiscal year. 1983 proved to be a challenging year for the Office of Housing and Urban Programs.

On a personal level, Al Votaw, our Assistant Director for Asia, and Raja Skandrani, Administrative Assistant in our Regional Office in Tunis, Tunisia, were tragic victims of the bombing of the American Embassy in Beirut, Lebanon. Their loss is keenly felt by all of us. Their dedication and commitment to the work of this Office will continue to be a source of inspiration to us.

While economic recovery is underway in the United States, developing countries are still reeling in the aftermath of the worldwide recession. Although interest rates have receded somewhat, the mounting debt service problems of many developing countries pose a new series of challenges and emphasize the critical need to efficiently use resources. The Housing Guaranty Program becomes an even more important resource. The improvement of living conditions of the urban populations of the developing world continues to be an important task of A.I.D. as the world continues to urbanize.

The details of the year's program that follow are a testament to the devotion of people like Al Votaw and Raja Skandrani, who gave their lives in the service of others.

Sincerely,



Peter M. Kimm
Director
OFFICE OF HOUSING
AND URBAN PROGRAMS

Housing Guaranty Program

ANNUAL REPORT

Fiscal Year 1983
October 1, 1982 to September 30, 1983

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Office of Housing and Urban Programs
U.S. Agency for International Development

Introduction

During the latter half of the twentieth century a population shift of enormous proportions has been occurring throughout the developing world. From 1950 to 1975, the urban population of developing countries tripled from 200 to 600 million. It is estimated that by the year 2000 the urban population of these countries will number 1.6 billion and exceed rural population.

Cities of developing countries have always been home to the country's wealthy and elite. Increasingly, however, the cities are also home to massive numbers of poor, uneducated and ill-housed people. This changing characteristic of the urban population, as much as the absolute growth of population, exacerbates the problems for third world governments in meeting shelter needs.

Urban areas of the developing world have limited time and resources to deal with the unprecedented concentrations of urban poor. With governments often unable to provide basic services and adequate direction to urban expansion, low-income migrants to the cities have taken upon them-

selves, as they always have, to provide their own shelter. In the urban setting, this results in cities being surrounded by massive squatter settlements which are poorly planned and serviced.

Between now and the year 2000, it is projected that almost 250 million housing units will be needed to upgrade existing substandard housing stock and to house one billion additional urban inhabitants in developing countries. Providing for needs of such magnitude can be accomplished only by broad-based solutions that use to the fullest extent the skills, talents and resources of developing countries.

Housing Guaranty Program

The Housing Guaranty Program was developed as part of the U.S. foreign assistance program in the early 1960s in response to the enormous and rapidly mounting worldwide shortage of adequate shelter. This program is A.I.D.'s principal instrument for helping developing nations address their shelter problems. Since its beginning, more than \$1.7 billion in Housing Guaranty loans have been authorized for projects in 44 nations.

This is a unique A.I.D. activity in which funds from the U.S. private sector provide long-term financing for low-income shelter and urban upgrading programs in developing countries.

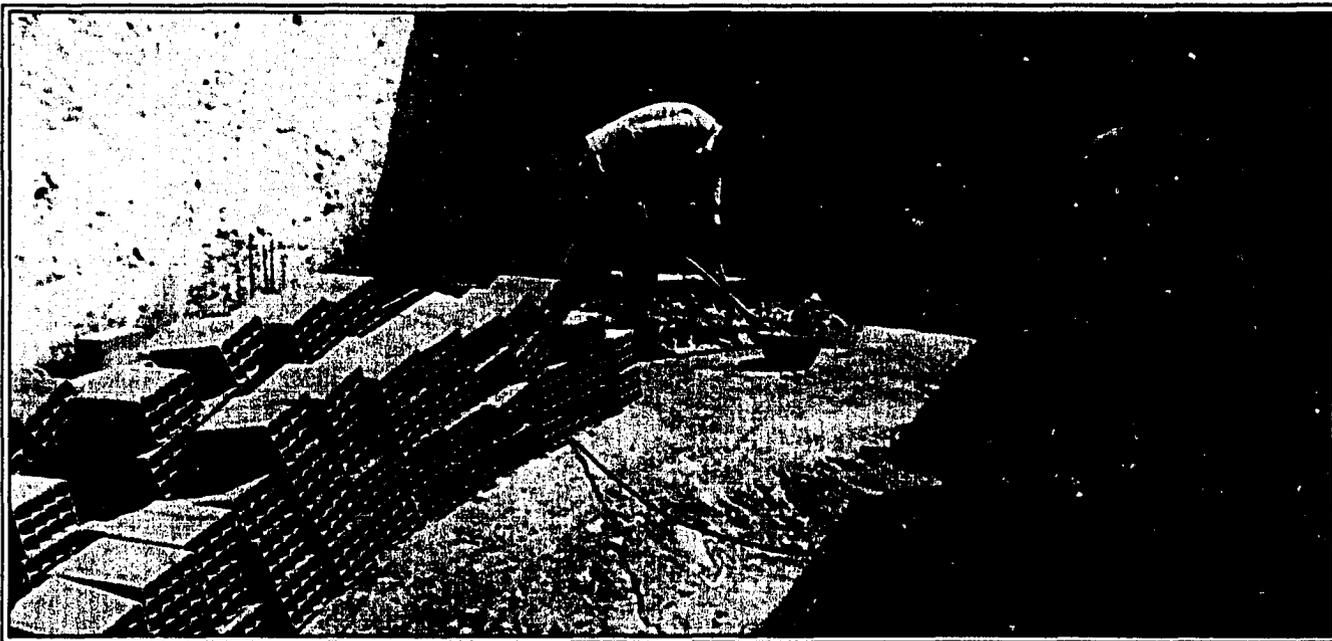
The United States Government underwrites these transactions through the provision of a full faith and credit guaranty that will compensate U.S. lenders for losses. Maximum interest rates to lenders are established by law and reflect the current cost of money in the U.S. The obligation of repaying the U.S. dollar loan rests with the borrowing government or agency and is not passed on to project beneficiaries who receive loans and make monthly payments in local currency.

A.I.D. charges a fee for its guaranty to cover operating expenses, as well as related technical assistance and training. As a result, the program is self-sufficient.

Urban Program

In addition to its traditional shelter activities relating to Housing Guaranty programs, the Office of Housing and Urban Programs is developing new expertise and methodologies for increased involvement in urban issues and problems. The first full year of urban program development was completed with substantial progress on defining the role of the Office, its objectives, and initiating a variety of technical assistance activities.

Sites and services projects financed by A.I.D. permit families to purchase plots on which to build their houses usually incrementally over several years.

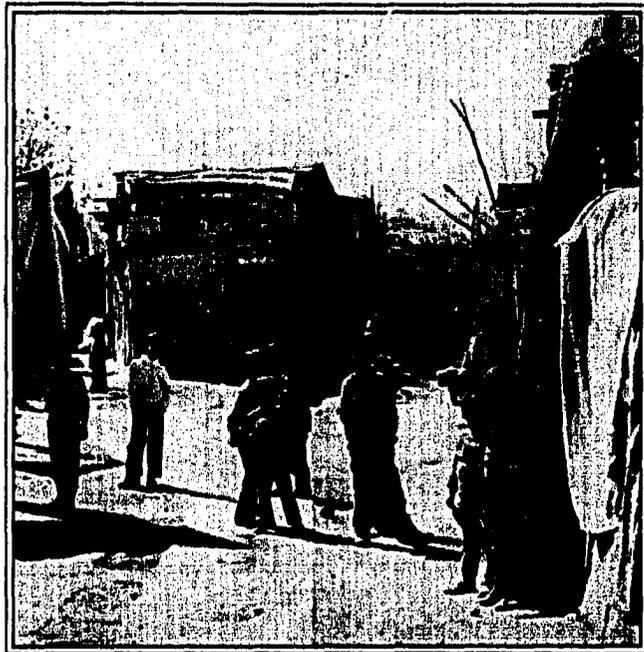
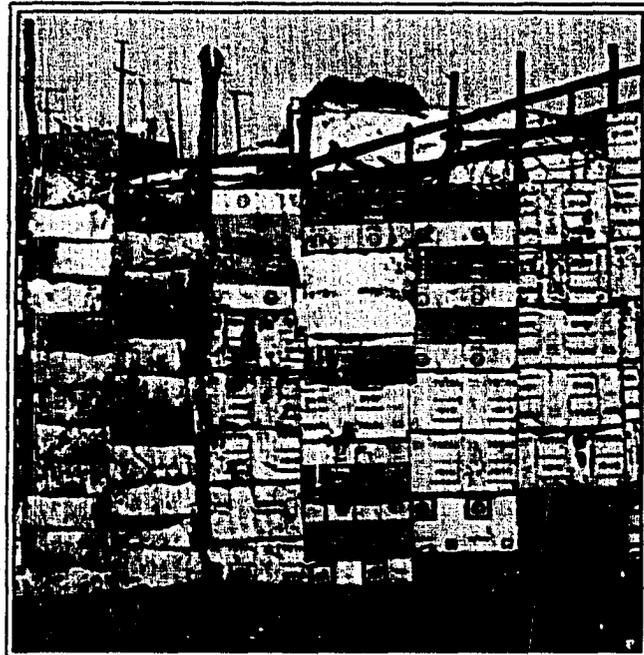


The objectives as set forth in the Urban Development Support Services Project Paper, approved in September 1983, include:

- Recognition of the contribution of urbanization to the advancement of developing countries and of the interdependence of rural, regional, and urban economies.
- Support for the efficient development of national and regional settlement systems
- Promotion of efficient uses of capital and human resources through the adoption of appropriate urban development standards, technologies, and policies stressing affordability and cost recovery with improved social equity for the urban poor.
- Enhanced performance, efficiency, and capacity among urban institutions and improved capacity of the private sector to contribute to economic and urban development.

The means to implement the basic objectives will be through the development of analytical methodologies; the provision of assistance, upon request, to A.I.D. missions and offices, the development of program activities through the network of regional offices and the dissemination of information on successful urban development experiences. Priority will be given to those program activities that build upon

Housing Guaranty funds are used to improve services to existing squatter neighborhoods and provide loans for families to replace their temporary structures.



the shelter sector experience of the Office of Housing and Urban Programs and which assist in building long-term relationships with key third world urban institutions. Help will be offered through technical assistance, training, and urban projects using the Housing Guaranty authorizations.

Shelter Policy

Starting with the 1973 Congressional mandate to focus A.I.D. resources to meet the needs of low-income families, the goal of all shelter projects has been to provide to these families secure tenure, basic services and affordable shelter through comprehensive improvement in the shelter sector. These goals are national in scope, involving both the private and public sectors, and achievable over the long term. Housing Guaranty projects are viewed as a means to demonstrate a shelter approach, develop essential shelter institutions and influence policy and resource allocation.



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While encouraging the development of national shelter policies that are responsive to the needs of the urban poor, priority emphases will be given to the following areas:

Greater participation of the private sector. The Housing Guaranty Program stimulates the indigenous shelter sector which traditionally relies largely on private enterprise and investment, especially for the types of housing financed through the A.I.D. Program.

Institutional Development. As in the past, A.I.D. will continue to work toward the development of those institutions involved in the implementation of shelter projects. Assistance will be through training, technical assistance in general and financial management, and analysis of shelter institutions.

Technology Development, Adoption and Transfer. In its 20 years of shelter experience, A.I.D. has found no technological panacea in housing. There are many minor improvements in construction technology that can improve the quality and durability of the housing stock and reduce costs. The real "technology" being transferred is the overall approach to the shelter problem, which involves a realistic assessment of housing needs and design of an affordable approach to meet these needs in a finite period of time.

In Thailand core units with water connections and sanitary facilities are provided as part of a sites and services project.

Five Basic Objectives

A.I.D.'s shelter policy is defined by the following five basic objectives:

AFFORDABLE SOLUTIONS

To ensure that low-income families have access to secure land tenure, basic services and housing they can afford.

FINANCIAL SELF SUFFICIENCY

To develop systems for financing shelter and urban development with minimum subsidy requirements.

PRIVATE SECTOR PARTICIPATION

To encourage and facilitate an increased role for the private sector in low-income shelter production.

SUSTAINABLE DELIVERY SYSTEMS

To develop institutions capable of sustaining a level of production of shelter commensurate with the needs of the population, with special emphasis on meeting the shelter needs of the urban poor.

RATIONAL HOUSING POLICY

To encourage the preparation and implementation of national housing policies that reflect the above four basic objectives and provide an internally consistent comprehensive framework for future housing activities.



Housing Guaranty Programs

Housing Guaranty Programs are designed to provide affordable shelter solutions for families earning below the median income of the borrowing country. As well, the programs are designed to assist the participating institutions of the borrowing countries to define and clarify national housing policies, and to strengthen their capacity to plan, finance, implement, and service housing projects for the poor. The loans are not a substitute for locally mobilized finance, but can meet specific and important long-range purposes in advancing shelter solutions for low-income families.

The Housing Guaranty Program finances the following kinds of shelter solutions for families below median income in developing countries:

Slum and spontaneous settlement upgrading, including legalization of tenure, provision of potable water, sewerage disposal systems, electricity, roads and drainage. Upgrading programs may also include home improvement loans to slum dwellers.

Sites and services, including preparation of vacant land for productive shelter use through lot division and installation of water lines, sewage disposal systems, roads and drainage. Low-income purchasers of the plots then construct their own houses. Sites and services programs may include training programs and building materials loans for self-help builders and small-scale contractors.

Core housing, combines a sites and services approach with the addition of a rudimentary housing shell (typically including a bathroom and a small multipurpose living area) on each lot, designed to be improved and expanded by the owner. Building materials loans may be provided.

Low-cost housing units, in special circumstances in middle-income countries.

Community facilities and urban services, such as schools, health clinics, markets and job skill training centers which are needed to support the development of neighborhoods.

Housing Guaranty loans totalling \$132.5 million were authorized in fiscal year 1983. Countries benefiting from these loans were Bolivia, El Salvador, India, Ivory Coast, Jamaica, Kenya, Panama, Sri Lanka and Peru.

This section highlights the five basic objectives of A.I.D.'s shelter policy through programs authorized this year. Activities have been designed to meet the policy objectives of A.I.D. as well as the particular needs of each country involved.

Affordable Solutions

The supplemental authorization of \$10 million approved for Sri Lanka is the second phase of a multi-year Housing Guaranty program. One of the main objectives of the program has been to assist the Government in its efforts to shift its



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housing programs away from expensive, high standard, direct construction to an aided self-help approach of modest standards and to slum and shanty upgrading. Following elections in 1982, a new Government program was announced to produce and upgrade one million housing units. The new program aims to help both urban and rural lower-income families. Its intent is to maximize the individual family decision as to what kind of home it wants and what it can afford to pay. It will include upgrading programs, building materials loans, sites and services programs, core houses and utilities upgrading or combinations of these activities.

The 1983 A.I.D. funding will be used to complete the existing aided self-help program and to get demonstration projects underway which will test many of the policy objectives supported by A.I.D. such as reasonable costs, reduced standards and affordability.

Financial Self Sufficiency

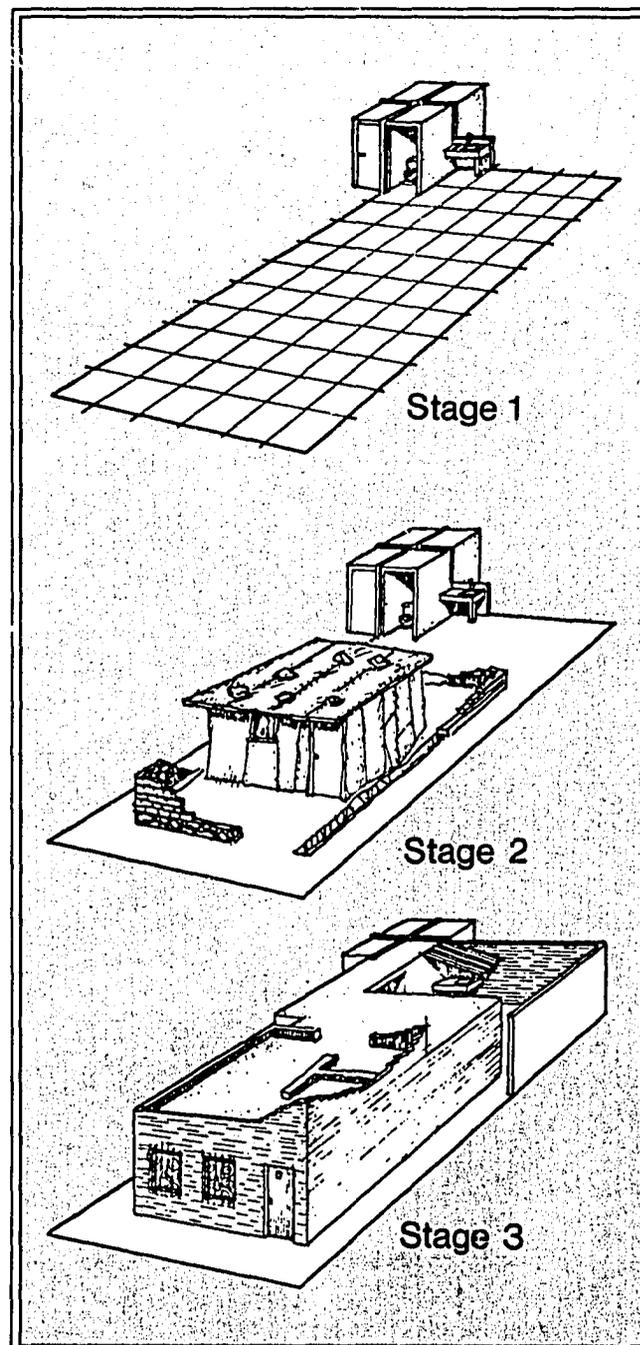
The \$15 million Housing Guaranty Loan to Bolivia will be used to strengthen the private housing finance system. The Government of Bolivia will be the borrower but will onlend money to the twelve associations in the Savings and Loan System and La Merced, a private multipurpose cooperative. These institutions will use the Housing Guaranty resources to expand their lending to low-income families for shelter solutions.

A.I.D. funding will help the government of Sri Lanka complete its aided self-help housing program in rural areas.

The A.I.D. program seeks to strengthen the institutions and financial capacity of both the S&L System and La Merced in a number of ways. It will provide financial and technical assistance support required to carry out several basic operational reforms designed to help these institutions overcome serious financial problems caused by the deterioration of the Bolivian economy. It will assist the institutions to reduce their dependency on foreign resources by increasing the mobilization of internal savings. The S&L System will also receive support to diversify its portfolio through shorter-term lending for domestic household needs.

Under the program, emphasis will be given to maximizing the most affordable types of shelter loans, to refining cost/design methodologies which rely on locally produced materials and to utilizing self-help and mutual assistance in addressing housing needs. Financing will be made available for the shelter related needs of approximately 23,000 below median-income families. Finally, the Housing Guaranty Program will improve Bolivia's overall economic outlook. It will support a rejuvenation of the informal construction sector by providing financing that will supply approximately 1,500 person-years of new employment, thereby creating a corresponding multiplier effect on the economy as a whole.

With sanitary facilities on their plot, families can live in temporary structures while completing their permanent house.





In Jamaica residents and officials gathered to celebrate the completion of a Kingston neighborhood urban upgrading program.



Private Sector Participation

The \$10 million supplemental authorization approved for India is the second phase of a program begun in 1981 for the Housing Development Finance Corporation Ltd. (HDFC), the first private sector housing finance institution in India. HDFC was incorporated in 1977 with the stated objectives of providing long-term finance to middle- and lower-income individuals and groups to promote home ownership, contributing to the mobilization of long-term savings, supporting the development of a national system of housing finance and supporting the growth of a diversified building industry.

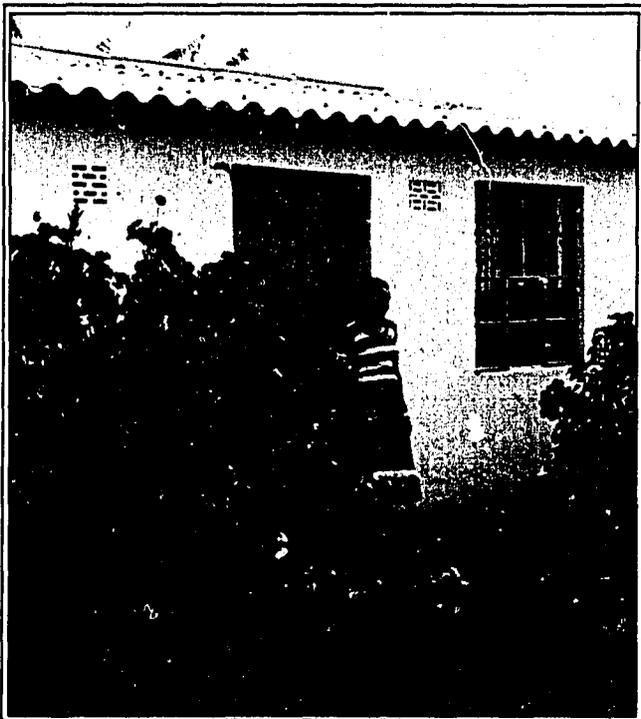
In Phase I, HDFC has demonstrated significant progress toward achieving its objectives with regard to the mobilization of resources and the origination and servicing of mortgage loans to this target group. The HDFC has been most successful in reaching low-income families by providing market-rate loans to companies which then build housing for workers. This approach supports the Government of India's interest in getting the corporate sector more involved in the provision of housing for lower-income groups.

The \$20 million authorization for Kenya will also expand the private sector's participation in the housing sector by improving its capacity to design, construct, finance and service low-cost housing. During the first phase of the project, the primary emphasis will be to demonstrate that provision of low-cost housing (\$6,600-7,400) is a profitable business for

developers, that it is an appropriate function for cooperatives and that housing finance institutions should service this market in Kenya.

Private developers working with housing finance institutions will develop projects based on eligibility criteria and established cost ceilings. It will be their responsibility to acquire and subdivide land, do detailed layout and planning, get all the necessary approvals from Government agencies, find potential buyers and sell the housing units. The National Cooperative Housing Union

In Kenya over 45 percent of the beneficiaries of the secondary cities project have expanded their core units.



will also develop projects with member cooperatives and submit them for financing to one of the participating housing finance institutions.

Sustainable Delivery Systems

The \$25 million authorized for Panama is the second phase of a larger program approved in 1979 as part of the Economic Package of the Panama Canal Treaty.

Phase II will continue with and expand upon the institutional development efforts started in the first phase to strengthen the financial and managerial capacity of the agencies involved in the project delivery system. AID will also continue to encourage close working relations among the ministries so that shelter activities are consistent with the investment priorities and budgetary parameters set by the Government of Panama.

Housing in the inner city areas of Panama until recently consisted either of wood structures built during the construction of the Canal 80 years ago or high-rise concrete structures which have not been successful. In a radical departure from the past, the Ministry is implementing projects which consist of low-rise, row house apartment units that are being sold as condominiums. The first projects were built at a unit cost of \$7,000 to \$9,000. Through A.I.D. funded technical assistance, the costs have been reduced to \$4,000 to \$6,000 per unit.

Rational Housing Policy

One of the major purposes of the project in Jamaica (\$25 million authorization) is to assist the Government in the implementation of its shelter policy. This will be accomplished by providing technical assistance to the institutions that are carrying out the policy. Since 1981, A.I.D. has worked closely with the Ministry of Construction (Housing) in the formulation, discussion and promulgation of the National Housing Policy.

With the support of A.I.D. financed technical assistance, a housing policy framework was developed. This framework was expanded into the present National Housing Policy, officially adopted by the Cabinet and Parliament in October 1982. The policy addresses the principal problems in the sector directly and pragmatically.

The Government of Jamaica has taken definitive action to implement many of the policy objectives. A working group of senior professionals in the sector was established to define the institutional and organizational structure required to rationalize the housing finance system. This group developed a Public Sector Housing Finance Framework that clearly defines the roles and responsibilities of the major institutions in the sector. Funds and technical assistance required to enable the system to operate as designed are being provided with Housing Guaranty financing.

The project will also seek to expand the delivery capacity of the public sector housing institutions through greater in-

volvement of the private sector. Initially, this will include private sector participation in the design and delivery of units. During the second phase, the private sector will be active in the finance and marketing of units. Further, the Housing Guaranty Program will inject needed funds into the sector by assisting the Jamaica Mortgage Bank to reactivate and expand its secondary mortgage market activities. Both of these activities are designed to support the implementation of the National Housing Policy.

Special Activities: Disaster Relief

During the first six months of 1983, Peru was hit by unprecedented rains, floods and drought that caused estimated losses of \$1.1 billion. Over 1.3 million people have been affected by some of the worst disaster conditions in Peruvian history. Nearly one-half million Peruvians have either suffered damage to or entirely lost their homes. Peru has requested major humanitarian assistance to help finance the large rehabilitation and reconstruction effort that lies ahead.

The \$12.5 million supplemental authorization to the current Housing Guaranty project is a vital part of the larger A.I.D. reconstruction program. These funds will provide additional resources to increase and expand shelter rehabilitation efforts of institutions currently carrying out programs in the disaster areas. Funds will be used for shelter improvement and for servicing relocation sites benefiting an estimated 80,000 people.

A Case in Review

Ivory Coast Housing Program

A.I.D.'s housing program in the Ivory Coast began in 1965 with a \$1.3 million grant rural housing project. Since then an additional \$63 million has been provided through the Housing Guaranty program to finance urban housing. When completed, five A.I.D. financed projects will have improved the living conditions of nearly 700,000 Ivoirians.

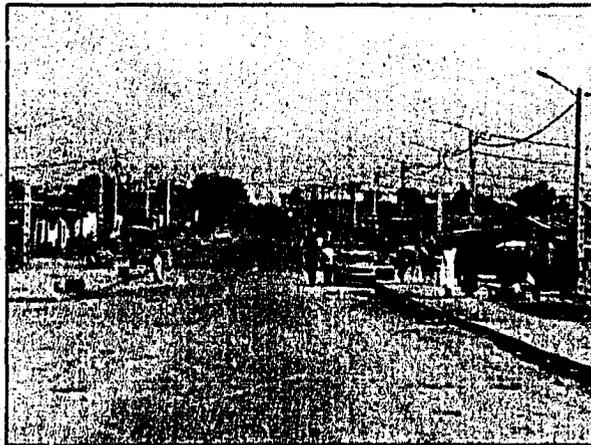
The first Housing Guaranty loans in 1967 and 1972 of \$13 million financed 1,750 housing units in Abidjan. In 1976 A.I.D., the World Bank, and the Government of the Ivory Coast sponsored jointly the Abidjan Urban Development Project to which A.I.D. contributed \$20 million. Upon completion the project will have directly improved living conditions for over 245,000 residents of Abidjan with an additional 265,000 receiving indirect benefits.

The project includes upgrading, sites and services, public rental apartments and technical assistance. It is demonstrating that upgrading is a cost-effective alterna-

tive to demolition; reduction of plot sizes and standards can provide healthy conditions while being affordable to low-income groups; cost recovery through property taxes is feasible; small- and medium-sized private business can build low-income housing efficiently and at reduced costs; and that low-income groups are able and willing to save for investment in housing.

The \$20 million Housing Guaranty project approved in 1980 has been designed to apply policy advances achieved in earlier projects to 13 secondary cities in the Ivory Coast. It is expected to result in improved shelter, infrastructure and community facilities for about 385,000 people.

The \$10 million project approved in 1983 will continue to build on the program and policy achievements of past A.I.D. sponsored activities by helping to establish a National Social Housing Fund, continuing to strengthen local institutions and assisting the private construction sector to assume greater responsibility for providing shelter.



Housing Guaranty Loans

Fiscal Year 1983

Countries in which Housing Guaranty loans were authorized in 1983 and their related program objectives are:

BOLIVIA: \$15 MILLION

- strengthen the savings and loan system and private cooperatives
- provide technical assistance to carry out several basic operational reforms
- increase mobilization of internal savings
- encourage affordable shelter solutions using locally produced materials
- utilize self-help and mutual assistance to meet housing needs

EL SALVADOR: \$5 MILLION (supplemental authorization)

- enable the National Housing Authority (IVU) to expand its production of shelter for low-income families

INDIA: \$10 MILLION (supplemental authorization)

- support the Housing Development Finance Corporation (HDFC) in its efforts to provide housing finance to lower-income families
- support the self-sustaining private nature of HDFC
- support HDFC's efforts to promote a nationwide network of private housing finance institutions
- continue to provide technical assistance to HDFC to develop an in-house staff training program and a marketing and savings awareness program

IVORY COAST: \$16 MILLION

- improve shelter conditions of low-income urban residents in Abidjan
- establish a National Social Housing Fund and the institutional process to plan and program the use of public resources
- strengthen the capacity of the local land development agency to implement minimal standard projects and to monitor private shelter construction
- create a credit mechanism to permit low-income beneficiaries and the private construction sector to assume responsibility for constructing shelter
- promote the development of fully cost recoverable projects

JAMAICA: \$25 MILLION

- assist the Government of Jamaica to implement its National Housing Policy
- expand the national housing program through accelerated delivery projects and stimulation of the secondary mortgage market

- encourage greater private sector participation in the design and delivery of low-income units
- assist the Jamaica Mortgage Bank to fulfill its role of reactivating the secondary mortgage market

KENYA: \$20 MILLION

- expand the private sector's capacity to design, construct, finance and service low-cost housing
- demonstrate that the provision of low-cost housing can be profitable for developers and cooperatives in Kenya
- establish a secondary mortgage market in Kenya

PANAMA: \$25 MILLION (supplemental authorization)

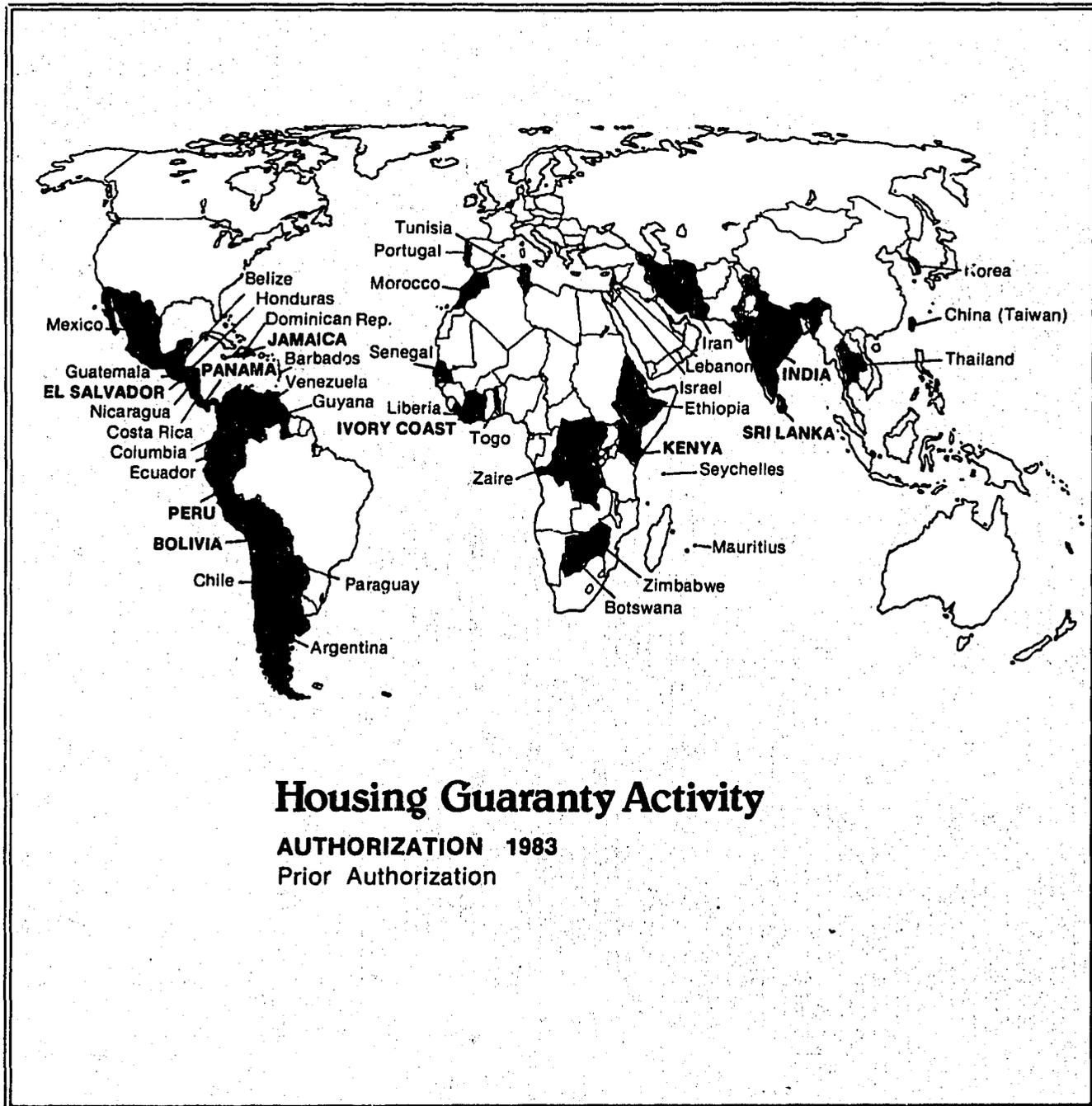
- improve the living conditions of low-income families
- strengthen the institutional policy and financial framework of the shelter delivery system in Panama
- undertake studies and analyses needed to formulate policies, strategies and programs affecting not only projects funded by the HG but the sector as a whole
- provide technical assistance to the local institutions to establish the data base necessary for better comprehension of the overall financial sector and urbanization process

PERU: \$12.5 MILLION

- help lower-income families recover from the devastation caused by wide-spread natural disasters
- assist the Government of Peru to finance and implement a rapid reconstruction program for destroyed or damaged shelter and residential infrastructure
- offer loans for home repair or complete reconstruction through local banks and savings and loan mutuals
- provide resettlement areas with basic services for relocation of families from flood affected areas

SRI LANKA: \$10 MILLION (supplemental authorization)

- assist in the transition to the new one million houses program with a range of new housing solutions
- reduce arrearages on government programs and put collections on a sound basis
- strengthen the slum and shanty upgrading division and develop an urban strategy
- strengthen the coordinating role of the Ministry of Local Government, Housing and Construction
- work towards a comprehensive housing policy



Housing Guaranty Activity

AUTHORIZATION 1983
 Prior Authorization



Technical Assistance and Research

Technical assistance is an integral part of the Housing Guaranty program and is provided at all stages of the project development process to governments and agencies involved in the planning, financing or production of shelter. In 1983, there was a significant expansion of the technical assistance activities of the Office of Housing and Urban Programs with projects taking place in 40 countries throughout the world.

The Office of Housing and Urban Programs has supported a variety of individual developing countries with specific, practical information on innovative approaches to shelter sector problems. The latest efforts have been concerned with research into problems of urbanization and the formulation of an Urban Development Assessment methodology, flexible enough to be used in all countries of the developing world.

A.I.D. is also introducing shelter institutions to computer technology and training staff in basic computer applications. Micro computers are in some instances

particularly useful in permitting comparison of design options and their impact on costs to a degree not possible without this technology. Computers are also useful in keeping track of housing expenditures and revenues. Thus, prospects for reducing public subsidy and increasing cost recovery, which are essential for a productive shelter sector, are greatly improved.

Under a typical Housing Guaranty technical assistance loan or grant, one or more U.S. technicians such as a finance specialist, policy advisor or architect/engineer are provided to work with host country counterparts for two years to help develop and implement shelter projects. Short-term technical assistance tailored to meet the specific needs of individual countries is also provided in such areas as housing policy formulation, project design and management, housing finance, urban program development and building design and technology. This section will highlight both short- and long-term technical assistance carried out in Belize, Morocco, Tunisia, and Thailand as well as urban program development activities.

Long-term Technical Assistance

In 1982, A.I.D. authorized a \$2 million Housing Guaranty loan for Belize as well as funding for technical assistance during the implementation of the home improvement project. A full-time resident advisor is in Belize for two years to provide support to both public and private sector institutions. Assistance is being given to the Belize Cooperative Credit Union League, its affiliated credit unions and the Development Finance Corporation in the planning, programming and implementation of home improvement projects financed by the Housing Guaranty loan.

In addition, technical assistance will be provided to the Housing Department of the Ministry of Health, Housing and Cooperatives in the development of policy

options for the housing sector and the establishment of a national housing policy and plan. The policy will be based on a series of studies including a survey of consumer preferences and priorities, review and suggested modifications to building plans appropriate to Belize and a review of alternatives to mobilize domestic savings for a permanent housing finance system.

In Morocco three resident advisors are working with the Ministry of Housing and Planning on the development of housing policy and project design and administration. The policy advisor has completed studies of cost recovery procedures in Morocco with suggestions for improvements that are being implemented. Studies have also been done on design standards and project affordability by

During 1983 the Office of Housing and Urban Programs funded both long- and short-term technical assistance to 39 countries in all regions of the developing world.



low-income households. Local technicians have been trained to use programmable calculators to analyze the feasibility of projects.

The other technicians are assigned to the Upgrading Unit of the Ministry of Housing to help with project preparation and administration. Training programs are being developed to facilitate the transfer of expertise to Moroccan professionals.

Short-term Technical Assistance

The Ministry of Housing in Tunisia was provided short-term assistance for an in-depth analysis of all subsidies and finance mechanisms promoted by the Government of Tunisia in the housing sector. The consultant prepared an overview of direct and indirect subsidies provided in the housing delivery system and made recom-

mendations to the Ministry of Housing on ways in which these subsidies can be reduced.

A specialist on short-term assignment to Thailand trained the professional staff of the National Housing Authority in the latest programs for site design and feasibility analysis using the Hewlett Packard 86 micro-computer. The program was successful since the computer is now being used to review and redesign proposed projects to improve affordability for low-income groups.

Urban Programs Technical Assistance

The approach for urban program development will be to "assess broadly" and "target selectively". The concept of "assess broadly" recognizes the critical

Technical assistance is given to local agencies involved with self-help housing programs and to individual families building their own home.



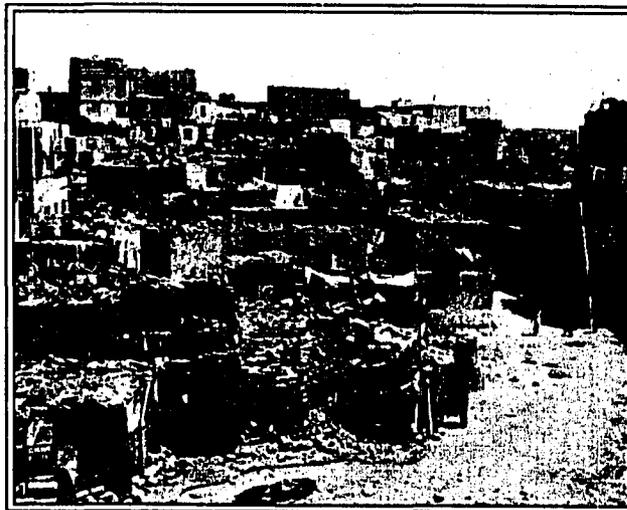
need to understand the basic relationships between urbanization, national economic growth and the incidence of urban poverty. It is an essential step in ensuring that A.I.D.'s overall urban programming reflects sound urban policy and effective methods and techniques with high potential impact. The activities supported by A.I.D. in this area during the year included:

- Commissioning of several research papers that focused on the primary problems of urbanization in the LDCs and identified possible A.I.D. responses.
- Preparation of an Urban Development Assessment methodology through which A.I.D. could identify specific urban issues of concern within the LDC and identify appropriate policy responses.
- The preparation of urbanization indicator papers that defined the degree of urbanization in the region and made projections of future urban populations related to individual country economic growth potentials. These papers were prepared at the request of the African Bureau and the Near East Bureau of A.I.D.
- Also, a worldwide urbanization indicator paper was prepared concerning all of the regions in the Third World related to a wide variety of specific urban indicators and urban services levels.

The concept of "target selectively" recognizes the limited capital and technical resources which A.I.D. can allocate to

urban programming within specific countries. There is a strategic need to focus the available resources on activities and target groups that offer the potential of high impact and useful demonstration effects. Initial activities undertaken in this general area included:

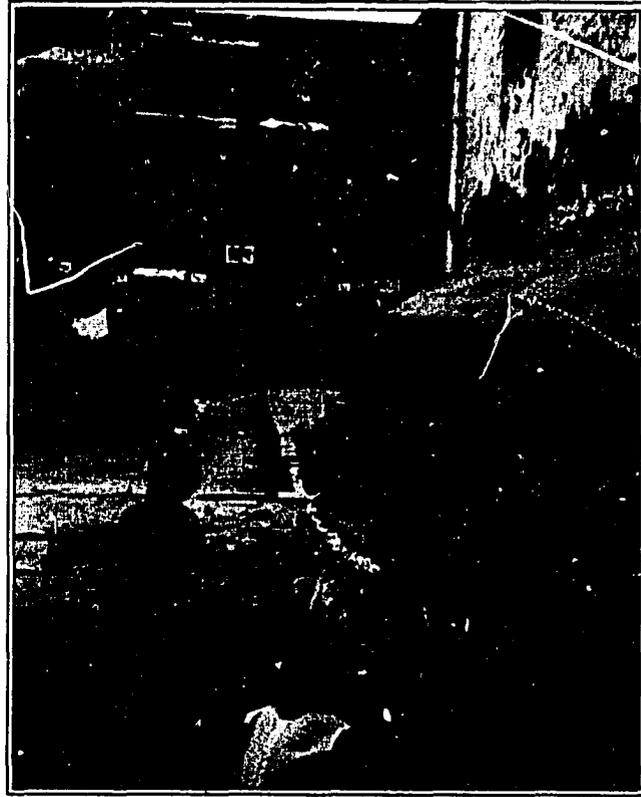
- Preparation of an Urban Development Assessment of Senegal, and partial urban assessments, more narrowly focused in Somalia and Panama.
- Assistance to the A.I.D. Mission in Peru on the preparation of the urban section of their Country Development Strategy.
- Preparation of a project focused on conducting a management audit of urban services in Kingston, Jamaica.
- Final evaluation of the Tamale, Ghana Land Use Programming Project which was completed during the year.



- Preparation of case studies on various aspects of municipal finance including: A prototypical tax record system in Tunisia, a municipal financial information system in Costa Rica, and a monitoring system of financial management performance in the Philippines.
- Technical assistance support was provided for establishment of a municipal development institute in Ecuador that included a follow-up training short-course in municipal finance in the USA (also attended by specialists from Peru).

Information on publications and research activities may be obtained from: Office of Housing and Urban Programs, Room 625 SA-12, US Agency for International Development, Washington DC 20523.

With its urban program, A.I.D. developed methodologies to identify issues and relationships between urbanization, national economic growth and urban poverty.



Type of TA		TECHNICAL ASSISTANCE Fiscal Year 1983										Comments	
Country	Prepare Urban Policy, Concept Plans or Urban Development Assessment	Prepare Socio-Economic Studies Housing Needs Evaluation,	Land Use Planning	Develop or Strengthen Public Institutions, Housing Policy	Develop or Strengthen Public Financial Institution	Develop or Strengthen Private Financial Institutions	Marketing or Units or Sales Processing	Housing Design or Engineering	Project Management	Study of Housing Industry	Other		
AFRICA	Botswana							•				Personnel training	
	Burundi		•	•			•	•				National housing finance, training and TA to housing agency, project documentation	
	Ghana								•			Evaluation of project in Tamale	
	Ivory Coast	•	•									Project preparation	
	Kenya		•		•	•	•	•				Institutional training program, development of training activities, private sector participation, secondary mortgage analysis	
	Mauritius						•				•	Development of project delivery plan and financial program	
	Niger										•	•	Residential construction using brick domes and vaults
	Senegal	•											Preparation of Urban Development Assessment
	Sierra Leone						•						Analysis of economic situation
	Somalia	•							•				Preliminary planning for Mogadishu, seminar on housing and planning issues
	Sudan			•			•					•	Analysis of shelter situation in Southern Sudan, financial management design standards
	Tanzania	•											Explore planning options for company town and integration with existing village
	Togo			•			•					•	•
Zimbabwe	•		•					•					Examine structure of Ministry of Housing staff training, housing demand study
ASIA	India				•	•		•	•				Evaluation of HDFC activities, staff training, HUDCO projects analysis
	Indonesia							•					Development of training activities
	Nepal					•							Country debt analysis
	Philippines					•							External debt analysis
	Sri Lanka		•	•		•			•				Evaluation of housing programs, housing needs study, analysis of housing finance and debt service, housing policy advisor
	Thailand			•									

Type of TA		TECHNICAL ASSISTANCE Fiscal Year 1983										
Country	Prepare Urban Policy, Concept Plans or Urban Development Assessment	Prepare Socio-Economic Studies Housing Needs Evaluation,	Land Use Planning	Develop or Strengthen Public Institutions, Housing Policy	Develop or Strengthen Public Financial Institution	Develop or Strengthen Private Financial Institutions	Marketing or Units or Sales Processing	Housing Design or Engineering	Project Management	Study of Housing Industry	Other	Comments
LATIN AMERICA	Belize			•								Support to public & private financial institutions
	Bolivia		•		•	•						TA to CACEN, update of Project Paper
	Brazil					•						Housing finance consultant to IASLU
	Costa Rica		•			•						S&L report and study of savings mobilization
	El Salvador		•			•						Evaluation of HG program and debt service analysis
	Guatemala									•		Finance advisor to set up operational procedures
	Honduras	•		•		•					•	Shelter finance policy, CABEL financial management, INVA program evaluation
	Panama	•				•						Evaluation of housing finance system, urban component of SSA
	Paraguay				•							TA to BNAP
	Peru	•	•									Urban strategy project document
CARIBBEAN	Bahamas							•				Training program for financial institutions
	Barbados					•	•				•	Master delivery plan and marketing survey, housing finance, private initiatives
	Dominican Republic					•					•	TA to INVI and review of HG project, project delivery plan
	Haiti		•			•						Study of housing industry, housing finance, market study for mortgage bank
	Jamaica	•	•	•	•	•				•	•	TA to JMB, housing finance and debt service analysis project development
NEAR EAST	Jordan					•						Study of secondary mortgage markets
	Lebanon		•								•	Housing sector review, project implementation procedures
	Morocco		•	•		•		•			•	Upgrading handbook, project costing and billing procedures, analysis of balance of payments, long-term advisors on policy and management
	Portugal		•									Project identification for possible HG financing
	Tunisia					•		•		•	•	Review of project finance and housing subsidies prototype shelter design, review of business credit and upgrading programs



Training and Conferences

Over the years the Office of Housing and Urban Programs has funded and participated in a variety of training-related activities such as regional conferences, shelter workshops and short- and long-term training sessions as well as the training which results from technical assistance. Recognizing the importance of training in improving shelter conditions in developing countries and increasing funding constraints, A.I.D. is developing a training strategy and long-range program to ensure maximum benefit is derived from available resources. The following objectives have been established for training:

- To communicate and promote A.I.D. shelter and urban development policy and goals with key host country decisionmakers.
 - To expedite the development of an international competence in shelter and urban development through personnel improvement of those skills requisite to implementing development programs.
 - To promote the growth of a network of shelter and urban development professionals and local institutions in developing countries.
- The regional offices have begun the development of training strategies adapted to the needs and priorities of local governments involved. Several different approaches to training are being pursued:
- In Latin America a regional training institute is being established to provide training courses and seminars for public administrators and professionals working in the shelter sector.
 - The regional office in East Africa has a training specialist who will organize regional and local programs and seminars to meet individual needs. A recent seminar in Kenya on secondary mortgage markets attended by interested public and private officials is an example of the type of activities proposed.

- In Asia the capacity of local institutions, many of which already have training capacity, will be improved and expanded through the provision of short-term technical assistance and funding of special projects.

These activities will be coordinated with the ongoing programs of the Office of Housing and Urban Programs. Conferences and training activities during 1983 included:

Conferences Sponsored by A.I.D.

Third Asian Conference on Low-Income Shelter and Housing Finance, Colombo, Sri Lanka, October 1982.

The conference attended by 95 delegates representing eight Asian countries was jointly sponsored by the Government of Sri Lanka and A.I.D. Subjects for sessions included housing finance, private resource mobilization, training, slum and shanty upgrading in Sri Lanka and computerization of shelter project design.

Caribbean Housing and Mortgage Finance Conference, Kingston, Jamaica, May 1983.

Sponsored by the Government of Jamaica, the International Union of Building Societies and A.I.D., the conference was attended by 176 delegates from 16 countries. The theme of the conference, which was opened by the Prime Minister of Jamaica, was Housing, From Policy to Practice: The Need for Public-Private Partnership. Speakers from the various countries represented at the conference

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A.I.D.'s expanding training activities include both in-country programs such as a seminar on housing policy in Thailand, and training opportunities in the U.S. including the Program for Asian Housing Officials at the University of California.





The sessions and seminars of the Caribbean Housing and Mortgage Finance Conference concentrated on housing policy and finance issues with special emphasis being given to those programs which have proven effective and beneficial in Caribbean countries.



shared successes and problems encountered in designing and implementing their shelter activities. Topics of sessions included housing policy development, housing finance, finance institutions, and resource mobilization for finance institutions.

Conferences Attended by A.I.D.

Inter-American Savings and Loan Union conference, Madrid, Spain, April 1983.

Mr. Peter Kimm, Director of the Office of Housing and Urban Programs, served as the First Vice President of the conference which included presentations of AID's shelter programs.

United Nations Commission on Human Settlements (HABITAT), Helsinki, Finland, April 1983.

COPVIDU Conference, San Salvador, El Salvador, July 1983.

Annual Shelter Workshop

Shelter Training Workshop for Senior Professionals, Washington DC, October 1982.

This was the fourth annual workshop sponsored by A.I.D. It was attended by 23 professionals from 13 developing countries who had the opportunity to discuss and review housing policies, programs and tools. Participants made presentations of the shelter programs in their countries to enable comparison of problems and solutions.

University Related Training Programs

**Program for Asian Housing Officials,
University of California at Berkeley.**

This is a highly individualized program in which a unique course of study is formulated for each participant based on the individual's prior training, current responsibility and local institutional needs. To date, the program has worked with 7 participants, 5 from Sri Lanka and 2 from Thailand. It is intended to be a vehicle to strengthen institutions in developing countries and will soon be

accepting candidates from non-Asian countries.

Housing Seminar and Workshop, Massachusetts Institute of Technology, August 1983.

A.I.D. sponsored the participation of 12 professionals from 11 countries this year at the annual two-week course on design and housing in developing countries. The sessions of the seminar focused on ways to strengthen and support the informal housing sector which already produces the majority of housing in developing countries.

The Third Asian Conference on Low-Income Shelter and Housing Finances in Sri Lanka was attended by 95 delegates representing 8 countries.



Project Development Methodology

The Housing Guaranty Program involves collaboration with a host country housing institution, such as a government ministry, a national housing bank or housing development corporation, a central savings and loan system, a national cooperative organization or a similar institution in the private sector acting as borrower.

Following a request from the country, the Office of Housing and Urban Programs, working with host country officials, will prepare a shelter sector assessment. Based on this analysis, the office and the borrower determine the type of housing program to be financed and the institutional context within which it will be undertaken.

The major areas of concern to both parties at this stage are: 1) the progress which has been made towards the development of a national shelter policy; 2) the contribution that the program will make towards creation or strengthening of institutions needed to meet national shelter needs, especially the needs of the

poor; 3) the establishment of roles for public and private sector involvement in shelter programs; 4) the capacity of the construction industry to supply housing over a given period; 5) the effective demand for housing at the agreed upon price level; and 6) the ability of the beneficiaries to repay their loans and the ability of the economy to make the dollar repayment.

When a mutually agreeable project has been developed, the Office of Housing and Urban Programs and the borrower enter into an Implementation Agreement defining the use of the loan. Disbursements under the loan will be subject to the fulfillment of certain conditions as set forth in this agreement.

At the same time, the borrower seeks the most favorable terms available in the U.S. capital markets for a U.S. Government-guaranteed loan. A typical Housing Guaranty loan is a long-term loan for a period of up to 30 years with a 10-year grace period on the repayment of the principal.

The U.S. lender and the borrower then negotiate the terms of the financing within interest rate ceilings that reflect the prevailing interest rates for long-term mortgages in the U.S. These understandings are formalized in a loan agreement between the borrower and the lender, which is subject to A.I.D. approval. In addition, certain provisions with regard to the paying and transfer agent, terms and amortization, prepayment rights of the borrower, and lenders fees and other charges must be included in each loan agreement or otherwise agreed upon in a manner satisfactory to the Office of Housing and Urban Programs.

Lender Selection

Lenders are selected by host country borrowers. The Office of Housing and Urban Programs encourages maximum contact between borrowers and lenders to facilitate loan arrangements that will best meet project needs and to establish long-term borrower-lender relationships to their mutual advantage. Lenders are typically selected through a competitive negotiation process in which the Office of Housing and Urban Programs requires that lending opportunities be advertised and that borrowers solicit lending proposals from the largest practicable number of prospective lenders.

A notice of each A.I.D. guaranteed investment opportunity is published in the Federal Register. Notices also are mailed to interested firms or individuals.

In certain circumstances and with the written consent of the Office of Housing

and Urban Programs, lenders may be selected through a non-competitive negotiated process.

The A.I.D. Guaranty

A.I.D. will sign a contract of guaranty upon the signing a loan agreement, indicating that repayment is guaranteed by the full faith and credit of the U.S. Government. The fees that A.I.D. charges for its guaranty are as follows: 1) a fee of one-half of one percent (1/2%) per annum of the unpaid principal balance of the guaranteed loan; and 2) an initial charge of one percent (1%) of the amount of the loan, which is deducted from the loan disbursements.

Additionally, A.I.D. requires that the government of the borrowing country sign a full faith and credit guaranty of repayment of the loan and outstanding interest.

Lenders

A variety of participants in the U.S. capital markets, including investment bankers, commercial bankers, Federal Home Loan Banks, savings institutions, life insurance companies, and pension funds, have lent funds to host country borrowers as part of the Housing Guaranty Program. To be eligible to participate, lenders must be: 1) U.S. citizens; 2) domestic U.S. corporations, partnerships or associates substantially beneficially owned by U.S. citizens; 3) foreign corporations whose share capital is at least 95 percent owned by U.S. citizens; or 4) foreign partnerships or associations wholly owned by U.S. citizens.

Financial Report

At the close of the fiscal year ending September 30, 1983, the Housing Guaranty Program had a net worth of \$45,548,015. Total income from all sources for the year was \$10,654,055 which is 8 percent higher than the previous year.

The total Congressional Authority remained the same as last year at \$1.74 billion, of which \$1.259 billion is under contract in 133 projects. This is an increase of 12 projects and \$134 million over fiscal 1982. An additional \$480 million has been authorized for 37 projects not yet under contract. The total authority available as of September 30, 1983 was \$168.7 million, including \$165 million of Housing Guaranty loan repayments.

During fiscal year 1983, a total of \$132.5 million in new authorization was made in connection with nine projects.

Housing Guaranty funds help to finance expansion of core houses through loans to project residents.

Administrative expenses including contractual services amounted to a total of \$6.39 million before claim losses. This represented 60 percent of fee income for the year and one-half of one percent of the total Housing Guaranty portfolio under contract.



**STATEMENT OF FINANCIAL CONDITION
Fiscal Year 1983**

ASSETS

Funds with U.S. Treasury		\$ 2,021,962.52
U.S. Obligations - Par Value (See Note 1)	\$ 20,016,683.33	
Less: Unamortized Discount	<u>433,190.86</u>	19,583,492.47
Accrued Fees Receivable		1,747,750.45
Interest on Rescheduled Claims Receivable		463,592.06
Penalty Interest Receivable		1,328,555.51
Accounts Receivable (See Note 2)		1,110,037.04
Advances:		
Advances to Contractors	408,379.25	
Travel & Other Advances to Employees	<u>49,692.49</u>	458,071.74
Subrogated Claims Receivable		15,150,769.92
Rescheduled Claims Receivable		5,107,862.23
Furniture and Equipment	409,923.23	
Less: Allowance for Depreciation	<u>149,274.00</u>	<u>260,649.23</u>
TOTAL ASSETS		\$ 47,232,743.17

LIABILITIES & NET WORTH

LIABILITIES		
Accounts Payable		\$ 647,283.31
Accrued Expenses Payable		1,037,445.24
Accrued Annual Leave		<u>254,075.17</u>
TOTAL LIABILITIES		\$ 1,938,803.72
NET WORTH		
Housing Guaranty Program:		
Capital		\$47,042,916.00
Cumulative Loss - Beginning of FY		(6,679,787.79)
Operating Gain (Loss) FY83 to date		<u>2,354,108.91</u>
Subtotal		\$ 42,717,237.12
Other Credit Guaranty Program:		
Credit Guaranty Reserve Section 222-A(e)		<u>2,830,777.50</u>
TOTAL NET WORTH		\$ 45,548,014.62
UNFUNDED ACTIVITY		
Unfunded Accrued Annual Leave		<u>(254,075.17)</u>
TOTAL LIABILITIES & NET WORTH		<u>47,232,743.17</u>

The Notes to the Financial Statement are an integral part of this statement

STATEMENT OF INCOME AND EXPENSES
Fiscal Year 1983

INCOME

Fees (See Note 4)	\$ 6,962,086.09
Penalty Interest	1,021,811.00
Interest on Rescheduled Claims	289,877.88
Other	61,509.00
	<u>\$ 8,335,283.97</u>
Investment Income (U.S. Obligations)	<u>2,318,771.20</u>
Total Income	<u>\$10,654,055.17</u>

EXPENSES

Administrative:	
U.S. Direct Hire	\$ 2,322,401.53
F.N. Direct Hire	99,000.91
U.S. Contract Personnel	162,619.22
F.N. Contract Personnel	48,007.85
Housing	265,856.43
Operational Travel	371,536.85
Other Office Operations	418,163.80
Agency Support Costs	<u>938,100.00</u>
Total Administrative Expenses	\$ 4,625,686.59
Contractual Services	1,762,269.35
Project Rehabilitation Costs	<u>-0-</u>
Total Expenses Before Claim Losses	<u>6,387,955.94</u>
Net Income Before Claim Losses	\$ 4,266,099.23
Claim Losses:	
Payments to U.S. Investors (See Note 5)	\$(2,647,186.63)
Unrealized Exchange Rate Loss on Subrogated Claims	-0-
Claims Recoveries	<u>1,017,399.85</u>
Total Net Claim Losses	\$(1,629,786.78)
Fee Losses	(34,464.73)
Claims and Other Receivables Written-Off (See Note 3)	<u>(1,156,658.48)</u>
Net Income or (Loss) for Current FY	\$ 1,445,189.24
Prior FY Adjustments (See Note 6)	<u>908,919.67</u>
NET INCOME OR (LOSS)	<u>\$ 2,354,108.91</u>

The Notes to the Financial Statement are an integral part of this statement.

CONTRACT ISSUING AUTHORITY
as of September 30, 1983

1. CONGRESSIONAL AUTHORITY

Worldwide Housing Guaranties

a. FAA 1969 (Section 221 and 222)	\$1,718,000,000
b. Prior Authority (Section 223 d)	25,100,000

TOTAL CONGRESSIONAL AUTHORITY
(Section 221, 222, 223 d) **\$1,743,100,000**

2. REPAYMENTS

a. Section 221, 222, and 223 d	\$179,951,822
b. Less: Section 223 (Not available for new guaranties)	15,165,551

NET PAYMENTS **164,786,271**

3. PROGRAM STATUS: Total

Projects Authorized	No. of Projects	Dollar Amount
---------------------	-----------------	---------------

a. Total Projects Authorized and Under Contract:

Africa	14	\$ 121,467,064
Asia	12	155,753,566
Latin America	92	677,087,247
Near East	15	304,992,798

TOTAL **133** **\$1,259,300,675**

b. Total Projects Not Yet Under Contract:

Africa	12	\$ 149,000,000
Asia	7	64,000,000
Latin America	15	199,900,000
Near East	3	67,000,000

TOTAL **37** **\$ 479,900,000**

c. Total Projects Authorized: **171** **\$1,739,200,675**

4. TOTAL AUTHORITY AVAILABLE **168,685,596**
(Section 221 & 222)

**NOTES TO FINANCIAL STATEMENTS
as of September 30, 1983**

1. **U.S. Obligation - Par Value**
U.S. Obligation (Par Value) excludes \$983,316.67, reconciling adjustment in process. See corresponding adjustment, item 2, below.
2. **Accounts Receivable**
Accounts Receivable include \$983,316.67, reconciling adjustment in process. See item 1 above.
3. **Claims and Other Receivables Written-Off**
Represent subrogated Claims (\$703,497.40) and Penalty Interest (\$453,161.08). Receivable written off on project 265-HG-001 - Iran.
4. **Fee Income**
Total Fee Income excludes \$11,775 and \$14,822 for the current and prior period respectively, representing guaranty fee which was offset against payment deficiencies on four housing projects in Peru.
5. **Non-Recoverable Claims**
Total Non-Recoverable Claims exclude \$11,775 and \$14,822 for the current and prior period respectively, representing the portion of the claim which was offset by the guaranty fee.
6. **Include prior year adjustments for late payment charges.**
7. **Contingent Liability**
The Contingent Liability of the U.S. Government under the Housing Guaranty Program is defined as the net amounts of guaranteed loans outstanding. Such amount represents the maximum liability which would be reduced by available program reserves established by borrowers and host government and other guaranties applicable to certain of the loans.

Maximum contingent liability		\$1,073,311,001	
Project reserve funds	\$ 6,417,300		
Prepayments on hand	<u>88,770</u>	<u>6,506,070</u>	
Balance		\$1,066,804,931	
Host country guaranties	\$934,557,076		
Other guaranties	<u>123,498,776</u>	<u>1,058,055,852</u>	
Balance		\$ 8,749,079	

The highest risk of loss portion of the loan portfolio relates to guaranties which do not have a host country or other guaranty. That part of the portfolio amounts to \$8.7 million.

8. **Project Reserve Funds**
As of September 30, 1983, Project Reserve Funds were held by various agents in the amount shown below:

	<u>Total Amount of Reserve</u>	<u>Restricted</u>	<u>Fungible</u>
A.I.D. Central Fiscal Agent (Riggs Natl Bank)	\$ 2,565,633	\$ -0-	\$ 2,565,633
U.S. Investors and/or their Agents	2,677,403	2,677,403	-0-
Project Administrators	<u>1,174,264</u>	<u>1,174,264</u>	<u>-0-</u>
	<u>\$ 6,417,300</u>	<u>\$ 3,851,667</u>	<u>\$ 2,565,633</u>

These funds are used to cover delinquencies and protect against activating the A.I.D. guaranty. Deposits made into the reserve fund by various projects are either fungible or restricted, depending on the provisions contained in the Guaranty Agreements.

9. As of September 30, 1983, the following payments have been made from fungible reserves held by the Central Fiscal Agent, to cover deficiencies:

<u>Country</u>	<u>Project No.</u>	<u>Amount</u>
Argentina	510-HG-004/B	\$ 5,451
Argentina	510-HG-006/007	41
Costa Rica	515-HG-003	13,520
Dominican Republic	517-HG-006	50,751
Ecuador	518-HG-003	13,388
El Salvador	519-HG-005	20,770
Ethiopia	663-HG-001	14,591
Guyana	504-HG-002	2,800
Jamaica	532-HG-001/B	253
Jamaica	532-HG-002	79,250
Mexico	523-HG-006	4,584
Nicaragua	524-HG-001/B	<u>2,061</u>
		<u>\$ 207,460</u>

RECOVERABLE CLAIMS
from inception to September 30, 1983

Country	Project No.	Subrogated Claims Outstanding 9/30/83
Argentina	510-HG-003	\$ 539,203
	510-HG-004	133,297
	510-HG-005	247,225
	510-HG-006/7	123,241
Costa Rica	515-HG-006	1,623,000
Dominican Republic	517-HG-006	\$ 159,408
	517-HG-007	46,272
	517-HG-008	100,851
Ecuador	518-HG-003	194,039
El Salvador	519-HG-001	35,976
	519-HG-002	181,088
	519-HG-005	136,539
	519-HG-006/B	31
Ethiopia	663-HG-001	676,217
Guyana	504-HG-001	86,639
	504-HG-002	137,481
Honduras	522-HG-004	92,548
Ivory Coast	681-HG-001	38,977
Kenya	615-HG-001	47,259
Mexico	523-HG-004	63,565
Nicaragua	524-HG-002	1,767,976
	524-HG-003	2,187,882
Panama	525-HG-004	101,179
	525-HG-005	520,936
Peru	527-HG-005/8	681,642
	527-HG-009	698,337
	527-HG-009/B	485,000
	527-HG-010	693,300
	527-HG-011	1,565,000
Senegal	685-HG-001	154,704
Venezuela	529-HG-006	467,276
	529-HG-013	135,737
Zaire	660-HG-001	1,628,945
TOTAL		\$15,150,770

NON-RECOVERABLE CLAIMS/LOSSES
from inception to September 30, 1983

Country/Project	Project No.	Cumulative Losses Incurred* (less Reimbursements to 9/30/83)
Argentina		
Parquefield	510-HG-001	\$ 4,809,954
Costa Rica		
Desarrollo Urbano	515-HG-003	527,477
Desarrollo Urbano	515-HG-004	598,430
Desarrollo Urbano	515-HG-005	239,364
Dominican Republic		
COINFO	517-HG-003	650,000
Jamaica		
Independence City	532-HG-001/A	1,772,868
Independence City	532-HG-001/B	278,483
Ensom City	532-HG-002	2,142,827
Montego	532-HG-008	653,995
Mexico		
Matamoros	523-HG-006	288,354
Nicaragua		
Desarrollo Urbano	524-HG-001/A	948,987
Desarrollo Urbano	524-HG-001/B	68,284
Peru		
Apollo	527-HG-001/A	366,936
Apollo	527-HG-001/B	603,321
Jardines Viru	527-HG-002	2,277,786
Salamanca	527-HG-004	1,096,626
Banco de la Vivienda del Peru	527-HG-006	264,854
TOTAL NON-RECOVERABLE CLAIMS		17,588,546
TOTAL ALL CLAIMS		\$ 32,739,316

*Includes losses of Fee Income to A.I.D. except on four Peruvian projects where the fee was waived.

CLAIMS AGAINST GUARANTY

The devaluation of the currency of some countries and other occurrences have resulted in shortages in payments received from the administrators or borrowers by the lenders for a few projects. These lenders have made claims to A.I.D. to make payment for the amounts of the deficiencies. In addition, A.I.D. made full payment of the outstanding loan balance to the lender on one loan.

Some of these claims are deemed to be fully recoverable by virtue of host countries guaranties to reimburse A.I.D. for any payments it makes. In the instances where A.I.D. made full payment of the outstanding loan balance to the lender, a portion of the loan is recoverable from the remaining payments due from the individual homeowners. Other claims not covered by host country guaranties are judged nonrecoverable when applicable resources are exhausted.

**PROJECTS AUTHORIZED AND FULLY REPAID
as of September 30, 1983**

<u>Country</u>	<u>Project Number</u>	<u>Amount Authorized</u>	<u>Amount Disbursed</u>	<u>Paid by Borrower</u>	<u>Paid by A.I.D.</u>
Chile	513-HG-003	\$1,000,000	\$1,000,000	\$1,000,000	\$ -0-
	513-HG-004	1,690,000	1,690,000	1,690,000	-0-
	513-HG-005	2,000,000	2,000,000	2,000,000	-0-
Guatemala	520-HG-001/A	1,817,000	1,816,213	1,816,213	-0-
	520-HG-001/B	3,000,000	2,937,462	2,937,462	-0-
	520-HG-002	1,500,000	1,500,000	1,500,000	-0-
Iran	265-HG-001	7,500,000	7,500,000	6,796,503	703,497
Peru	527-HG-001/A	1,189,713	1,189,713	822,756	366,957
	527-HG-001/B	1,023,261	1,023,261	418,160	605,101
	527-HG-002	<u>3,825,776</u>	<u>3,825,776</u>	<u>1,711,247</u>	<u>2,114,529</u>
TOTALS		<u>\$24,545,750</u>	<u>\$24,482,425</u>	<u>\$20,692,341</u>	<u>\$3,790,084</u>

**PROJECTS AUTHORIZED AND UNDER CONTRACT
as of September 30, 1983**

<u>Country</u>	<u>Number of Projects</u>	<u>Amount Authorized</u>	<u>Amount Disbursed</u>	<u>Outstanding Balance</u>	<u>Reserve Balance in USA Overseas</u>	
AFRICA						
Botswana	2	9,900,000	9,900,000	9,900,000	-0-	-0-
Ethiopia	1	1,541,202	1,541,202	1,008,045	-0-	-0-
Ivory Coast	5	53,032,792	53,032,792	49,784,781	(2,812)	-0-
Kenya	3	16,993,073	16,993,073	15,364,617	-0-	-0-
Senegal	1	4,999,997	4,999,997	2,497,179	103	-0-
Zaire	1	10,000,000	10,000,000	8,127,485	-0-	-0-
Zimbabwe	1	25,000,000	25,000,000	25,000,000	-0-	-0-
SUBTOTAL	14	121,467,064	121,467,064	111,682,107	(2,709)	-0-
ASIA						
Republic of China	1	4,793,417	4,793,417	796,370	1,176,939	-0-
India	1	20,000,000	20,000,000	20,000,000	-0-	-0-
Korea	7	95,000,000	95,000,000	93,288,203	-0-	-0-
Sri Lanka	1	21,000,000	21,000,000	21,000,000	-0-	-0-
Thailand	2	14,960,149	4,960,149	1,580,091	263,949	603,846
SUBTOTAL	12	155,753,566	145,753,566	136,664,664	1,440,888	603,846

PROJECTS AUTHORIZED AND UNDER CONTRACT (continued)
as of September 30, 1983

<u>Country</u>	<u>Number of Projects</u>	<u>Amount Authorized</u>	<u>Amount Disbursed</u>	<u>Outstanding Balance</u>	<u>Reserve Balance in USA Overseas</u>	
NEAR EAST						
Israel	7	200,000,000	200,000,000	190,659,562	-0-	-0-
Lebanon	2	30,000,000	30,000,000	30,000,000	-0-	-0-
Portugal	2	40,000,000	40,000,000	40,000,000	-0-	-0-
Tunisia	4	34,992,798	34,992,798	30,128,956	47,433	-0-
SUBTOTAL	15	304,992,798	304,992,798	290,788,518	47,433	-0-
LATIN AMERICA						
Argentina	5	39,721,394	39,721,394	26,720,092	544	-0-
Barbados	1	10,000,000	10,000,000	10,000,000	-0-	-0-
BIAPE	1	6,000,000	6,000,000	6,000,000	-0-	-0-
Bolivia	3	13,600,000	13,600,000	11,991,718	-0-	-0-
CABEI	8	88,900,000	88,900,000	83,750,444	-0-	-0-
Chile	2	55,000,000	55,000,000	55,000,000	-0-	-0-
Columbia	3	26,866,084	26,866,084	5,329,465	-0-	-0-
Costa Rica	6	21,998,011	21,998,011	19,373,187	(42,656)	-0-
Dominican Republic	5	16,309,726	16,309,726	8,442,251	284,133	-0-
					*8,579	
Ecuador	3	27,396,726	27,396,726	25,934,541	9,996	-0-
El Salvador	5	25,900,550	25,900,550	17,176,735	(20,768)	-0-
					*27,060	
Guatemala	1	1,500,000	1,500,000	1,090,801	67,951	-0-
					*61,601	
Guyana	2	1,603,480	1,603,480	505,549	524	-0-
Honduras	6	42,864,785	42,864,785	38,317,619	887,221	83,975
Jamaica	7	54,333,546	54,333,546	45,225,001	(94,923)	-0-
Mexico	2	10,760,032	10,760,032	1,587,877	(4,574)	-0-
Nicaragua	3	15,924,915	15,924,915	9,825,333	(2,061)	-0-
					*18,194	
Panama	11	63,172,213	59,672,213	53,795,449	551,680	-0-
Paraguay	1	4,000,000	4,000,000	3,931,499	-0-	-0-
Peru	8	99,885,126	99,885,126	86,009,551	191	-0-
					*2,534	
Venezuela	9	51,350,659	51,350,659	24,168,600	1,180,635	486,443
					*20,774	
SUBTOTAL	92	677,087,247	673,587,247	534,175,712	2,817,893	570,418
					*138,742	
TOTALS ALL REGIONS	133	1,259,300,675	1,245,800,675	1,073,311,001	4,442,247	1,174,264
INTEREST HELD					800,789	
GRAND TOTAL	133	1,259,300,675	1,245,800,675	1,073,311,001	5,243,036	1,174,264

*Interest Guaranty Deposits

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