

UNITED STATES GOVERNMENT

23.

Memorandum PD-AAB-522-E1

TO : Mr. William Wren - LA/OPNS (5910)

DATE: March 22, 1972

FROM : Harold Robinson - LA/DR *HR*

SUBJECT: FCH PROP 099

A Latin American Cooperative Task Force has recommended continuation of funding of the services of the Foundation for Cooperative Housing (FCH) but emphasizing the use of cooperative housing and cooperative techniques in housing low income families. It has also requested that FCH undertake a study of the means of utilizing these techniques for that purpose. The study should be completed some time in June.

In the meantime funds are being requested (a PIO/T has been submitted) to provide FY 1972 funds to compensate for FCH services April 1, 1972 to March 31, 1973. This contemplates a budget of \$253,000. The increase over last year is due strictly to increased costs of operation rather than any increase in staff.

It will also be necessary to provide supplemental funds in the amount of approximately \$25,000 to cover the cost of the study requested by the Task Force.

Attached is a PROP which takes into consideration the new orientation.



5010-108

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

INTER-REGIONAL PROP

FCH PROJECT - LATIN AMERICA

A. The Project Goal:

1. Statement of Goal.

A housing crisis exists in Latin America which is adversely affecting its social/political and economic development. A major cause of this crisis is the unprecedented growth of urban populations at a time when jobs, schools, housing and community services cannot be provided in sufficient quantity to meet the demand. Congress has recognized this problem and the Foreign Assistance Act includes support of home ownership, slum clearance, and cooperative housing as a major U.S. Foreign Assistance objective. The Goal of this particular Project is the creation of shelter for families of low income.

Current AID policy on housing and urban development is described in Manual Order 1612.83.1 emphasizing six points for selective AID support: 1) Building Institutions; 2) Providing technical and financial assistance; 3) Training; 4) Cooperatives and self-help approach; 5) Providing external capital for multiplier effects, and 6) Attacking squatter housing problems. As one means of reaching the goal of more housing for Latin America, an AID Task Force on Cooperatives, has recommended concentration on low income urban and rural families and the development of selected housing and urban development activities and private institutions which will have the greatest demonstrational and multiplier effect in helping low income families to obtain shelter and home ownership through private participation and cooperative techniques.

2. Measurement of Goal Achievement.

Goal achievement would normally be measured by the numbers of low income families actually housed. Over the last ten years, the Social Progress Trust Fund has contributed about \$400 million to public housing agencies in Latin America for some 300,000 low income housing. The Savings and loan systems funded with \$70 million of AID loans, plus \$22 million from IDB, \$38 million of investment guarantees and \$50 million of host country contributions have provided 175,000 middle income units in ten years. This addition to the housing stock is grossly inadequate in view of the backlog deficit and new accrual deficits. It has been estimated, for example, that there is a deficit of over 25 million housing units in Latin America. The new annual need is 1.5 million. Yet, no more than 500,000 units are being built each year.

3. Basic Assumptions of Goal Achievement.

To date, housing for low income families has been the province of public housing agencies which have employed public funds inefficiently and had a deplorable recoupment record. On the other hand, through FCH the Latin America Bureau has developed national Technical Services Organizations (TSOs) which have a capability for creating private cooperatives and provide the necessary institutional framework. It is also evident, that a certain savings potential exists even among the low income families of Latin America. This savings potential can be directed toward the provisions of, and payment for, shelter, given the proper institutional framework within which to save and to obtain housing.

The TSOs created with AID assistance have been operating at the middle income level. They can be oriented toward expending some of their resources on the development of cooperatives for low income families and on the development of housing for low income families. New TSOs can be created in other countries with a similiar low income orientation. Once it can be demonstrated that low income housing is possible and that low income families are a good credit risk, private enterprise will assist in developing housing for that income level.

B. The Project Purpose:

1. Statement of Purpose.

The goal is an increase in the housing stock for families of low income. The Project Purpose, however, is the development of institutions such as TSOs, the orientation of existing TSOs toward low income families, the training of TSO personnel in the techniques necessary for developing programs with that objective, and the demonstration of private enterprise of the feasibility of developing housing for families of low income.

2. Conditions expected at the end of the project.

At the end of the Project, there should be in existence in most countries a Technical Service Organization (TSO) oriented toward, and capable of, developing programs for the production of housing for low income families. There should also be a recognition by private enterprise that such housing is feasible and that private enterprise can share in the proceeds of such programs which will result in private investment in housing for families of low income.

3/ Basic Assumptions.

During the last ten years, FCH has assisted in the creation of TSOs in Chile, Colombia, Honduras, Jamaica, Panama and Venezuela, as well as in the establishment of a cooperative housing department in the National Housing Bank of Brazil. These have concentrated on middle income housing, although assistance has also been given by FCH in the programming "sites and services" and "core" housing and aided self help techniques to Missions and public agencies in Argentina, Colombia, Ecuador, Honduras, Panama and Peru. It is assumed that the TSOs already created with FCH assistance, but which have been serving the middle income families, can be oriented toward housing for low income families and new TSOs can be created in other countries for a similar purpose. It is further assumed that programs can be developed having a combination of the following components which can be effective toward achieving the goal of more housing for low income families:

- a) "sites and services" or "shell" housing,
- b) designed for expansion,
- c) coupled with credit services to accumulate savings for use in small short-term loans for shelter improvement and expansion,
- d) accompanied by the use of the single mortgage concept to deter land speculation and improve collections and maintenance and,
- e) greater participation of the private sector.

C. Project Outputs

During the course of the ten years of T.O. #3 existence, the FCH Regional Office funded under T.O. #3 assisted in:

ESTABLISHMENT OF TSO'S and CONSTRUCTION OF DEMONSTRATION PROJECTS.

Helped establish private sector cooperative housing Technical Service Organizations (TSO's) in six countries: Chile, Colombia, Honduras, Jamaica, Panama and Venezuela. FCH also assisted the National Housing Bank of Brazil in establishing a cooperative housing department.

Following is a brief description of the activities of the TSO's:

FEHCOVIL - HONDURAS. FEHCOVIL began technical activities in 1965 and since that time has completed or currently has under construction more than 250 cooperative dwellings in La Ceiba, San Pedro Sula, and Tegucigalpa. More than 1,340 units are in planning for construction. The total value of completed projects and those currently under construction is US \$2,500,000.

FUNDAVICO - PANAMA. FUNDAVICO was created in 1967 and has completed or under construction 1,037 cooperative dwelling units and more than 180 units in the planning stage of development. The first projects are serving lower middle income urban families in Panama, Colon, David and low income families in the adjacent rural areas. FUNDAVICO has a staff of six professionals. Total value of projects completed and under construction is US \$4,153,000.

INVICA - VENEZUELA. INVICA was established in 1964 and since that time has built more than 500 cooperative housing units in the principal cities of Venezuela. Some 1,300 additional units are under construction. Total value of completed projects and projects in construction is US \$14,000,000.

INVICOOP - CHILE. INVICOOP was created in 1957 and since that time has produced more than 2,700 cooperative housing units throughout Chile. Total value of projects which have been completed is more than US \$7,000,000. INVICOOP has a total of six professionals.

MUTUAL HOUSING SERVICES - JAMAICA. MUTUAL HOUSING SERVICES was established in 1968 and has 180 cooperative housing units completed or under construction and 440 units in planning. Initial projects are serving lower income families in Kingston. MUTUAL HOUSING SERVICES has three professionals. The total value of projects completed or under construction is US \$880,000.

PROVICOOP - COLOMBIA. PROVICOOP was established in 1968 and has 398 cooperative housing units completed or under construction and more than 950 units in the development stage. First projects are serving low-middle income families in Bogota, Cali, Medellin and Bucaramanga. PROVICOOP has a staff of five professionals and is financed by fees collected for its services in the development of cooperative housing projects. Total value of projects completed or under construction is US \$2,425,000.

TECHNICOOP - CHILE. TECHNICOOP was created in 1957. More than 2,500 cooperative housing units have been constructed in the Santiago area and 12,000 units are in planning. Total value of projects which have been completed or are under construction is US \$9,000,000.

In summary, the TSO's listed above have completed or have under construction in Latin America more than 15,000 housing units of a value which presently exceeds US \$40,000,000.

BNH - BRAZIL: The National Housing Bank of Brazil reports more than 100,000 units of cooperative housing have been completed since the establishment of the cooperative housing department in 1965.

#### TRAINING

FCH has conducted a wide range of cooperative housing training activities which have involved more than 1,000 Latin American technicians and cooperative housing leaders. Most FCH training work falls into the following categories:

- On-the-job training of Latin American technicians working in the newly established cooperative housing institutions by FCH resident specialists.
- Short term participant training by FCH in the United States for higher level technicians and executives.
- Annual regional training courses in Latin America which involve four to eight countries for groups of twenty to thirty cooperative technicians and leaders.
- Hemisphere-wide seminars on cooperative housing techniques jointly sponsored by FCH, Latin American housing institutions and international agencies.

As part of the training activity, FCH has prepared and trained more than 200 selected participants in the United States and conducted regional and national training seminars and workshops at different levels in Chile, Brazil, Colombia, Honduras, Argentina, and Central America for more than 800 Latin American technicians and officials. FCH also prepared, published and disseminated cooperative housing educational materials for general use in Latin America and conducted or participated in international conferences directed at establishing new national policies for low income urban housing, squatter settlements, sites and services, and rural housing. (Guatemala, 1965; Chile, 1970; Medellin, Colombia, 1970; Costa Rica, 1971; Trinidad, 1971.) New programs for very low income families were established in several countries as a direct result of this activity (Colombia, Panama, Honduras).

#### SHORT TERM TECHNICAL FACTUP AND STUDIES

FCH has assisted USAID Missions in special feasibility studies and consultant services in fifteen countries: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Peru, Panama, Uruguay, and Venezuela. Many of these studies helped shape and improve local policy on existing, on-going housing programs.

#### MISSION TASK ORDERS

Developed and negotiated Mission funded task orders in: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Peru, Venezuela, and RCCAP.

BACKSTOPPING OF RESIDENT PERSONNEL

Backstopped resident FCH personnel under Mission task orders in Argentina, Bolivia, Brazil, Colombia, Guatemala, Honduras, Nicaragua, Panama, Peru, and Venezuela. Currently there are four active Mission-funded task orders.

ESTABLISHMENT OF REGIONAL MULTI-NATIONAL TSO (INTERVICO)

In July 1971 technical service organizations developed with AID and FCH assistance in Latin America, met in Bogota, Colombia, to form INTERVICO. The Inter-American Cooperative Housing Association. The purpose of INTERVICO is to provide a vehicle to exchange technical information and experience among the TSO's and to provide a permanent multi-national source of technical expertise in the cooperative housing field. Each member contributed \$1,000 to form the initial capital.

These are the kind of outputs contemplated under this Project. The orientation, however, would be toward the low income family.

In addition to attempting to orient the existing TSOs to low income housing, the following outputs are conceivable:

a. Development of new TSOs.

New TSOs would be created in such countries as El Salvador, Guatemala, Trinidad & Tobago, and Peru, and, possibly, a regional TSO for the Caribbean as recommended by the Parall Report.

b. Regional Multi-National TSO

FCH will continue to assist in strengthening INTERVICO by providing training and technical back-up services and by helping INTERVICO develop regional activities to promote cooperative housing.

c. Re-Direction of Local Resources for Housing

Substantial local financial resources do exist in many Latin American countries for private sector, upper and middle income housing. Some of this money could be made available for lower income housing if the local financial institutions could be assured that the lower income families would repay their mortgage loans. Unfortunately, the repayment record for lower income families in government-sponsored housing projects is not good. Perhaps the most important contribution that housing cooperatives can make in Latin America is to demonstrate their effectiveness in recuperation and maintenance of completed projects and thereby contribute to a re-direction of these local resources toward lower level programs.

d. Training

FCH will continue to conduct training seminars and workshops as follows, but with an emphasis on use of the cooperative approach for production of housing for the low-income family: regional workshop in the Caribbean; regional seminars in cooperation with OAS for participants from Peru, Ecuador, Colombia, and Venezuela focusing on cooperative housing techniques for squatter areas and rural housing; and short-term, in-country training seminars in Panama, Paraguay, Peru, Ecuador; and Venezuela.

e. Training Materials

Production of additional cooperative housing publications and training materials geared to use of cooperative techniques in production of low-cost housing.

f. Credit Institutions

Establishment of cooperative savings and credit institutions to serve low-income families for self-help shelter construction as a follow-up to sites and services and for the expansion and improvement of "core" and "shell" housing.

g. Home Owner's Associations

Development of community organizations such as management type housing cooperatives and home ownership associations in Latin American countries with large AID/IDB-sponsored housing projects. Priority will be determined by local interest and regional surveys.

h. Conversion to Cooperatives

Conversion of government-owned, low-income rental housing to private cooperative ownership, to help Government Housing Agencies avoid decapitalization due to the present poor repayment situation by occupants of AID and IDB funded housing projects. (Panama, Trinidad, Jamaica, and Venezuela have high potential.)

i. Squatter Problems and Cooperative Techniques

Encourage new plans and new approaches to the squatter problem including use of cooperative housing techniques and building materials production cooperatives as part

of AID supported community improvement projects.

j. Collection Techniques

Develop better collection techniques by government housing institutions.

2. Basic Assumptions:

It is assumed that a public and private interest exists in the cooperative approach sufficient to induce governments to support housing cooperatives with any necessary legislation and contributions, that families of low income will participate and that private enterprise in the form of developers, builders and financing institutions will make their contribution. Public spirited citizens must be available to help in the formation of TSOs and act as initial cooperators. Training must lead to the utilization of such training by governments and TSOs and external "seed" capital assistance must be available to utilize the trained cooperative personnel and provide the financing necessary for "bricks and mortar".

D. PROJECT INPUTS.

1. Statement of Project Inputs.

The major input would be a regionally funded grant Task Order to FCH. Over the last ten years, AID has regionally funded FCH services in Latin America. In the past, fourteen Missions countries have provided grants for FCH services within their respective countries, including resident FCH personnel but the only extent country task order after June 30 will be with Peru. However, during the course of FY 1973, depending upon the AID/W response to the study, it is conceivable that

Mission funds would be made available in such countries as El Salvador, Guatemala, Honduras, Bolivia, Panama, and the Caribbean.

Through FCH Task Order No. 3, FCH has, and would continue to make available, its Latin American Program Director, Development Officer, Field Instructor, Publications Chief and short term consultants as well as the back-up expertise of its domestic staff.

Country inputs will consist of the manpower of TSOs already established or to be established, savings generated by housing cooperatives, and as yet undetermined host country contributions to physical projects. In Jamaica, for example, a \$10 million AID loan, supplemented by a \$5 million equity contribution by the GOJ will provide \$4 million for lower income cooperative housing and such funds of the secondary market as are allocated to middle income cooperative housing. Negotiations are now under way with the Caribbean Development Bank for a \$10 million AID loan, some of which would probably result in cooperative housing. In Colombia, an \$11 million loan for low cost housing, some of which will be in the form of cooperative housing, will be duplicated from FY loan funds.

ISDI has made a grant of \$60,000 to INTERVICO (Inter-American Cooperative Housing Organization) with a possible \$400,000 to follow. FCH is a member of INTERVICO. While this grant is not related to any AID assistance, it is another input into cooperative housing. Inputs by AID or UNDP or IDB for physical development costs must be made available. AID has subsidized middle income housing by <sup>80</sup>~~30~~ million "seed" capital loans to savings and loan associations and an investment guarantee authorization of \$550 million. Contractual technical for the latter amounts to almost \$2 million a year, plus the AID/W field offices of A/H. If such funds were made available for lower income housing channelled through private cooperatives hundreds of thousands of lower income housing would result.

FCH domestic programs have undergone rapid expansion and they now have more than 300 U.S. staff members to provide a backup resource for their permanent international staff, which numbers 25 professionals and includes specialists in cooperative housing management, cooperative housing organization and education, architecture, planning, cooperative housing legal matters, housing finance, and community development. FCH is the only private non-profit organization with this type of expertise working nationally in the United States and the only U.S. cooperative housing organization working internationally.

Over the last ten years, FCH's International Office has developed an expertise in Latin America, Africa and Asia. Its staff is largely bi-lingual in English and Spanish and has cooperative, financial, architectural capabilities and programming capabilities. Regionally funded AID-FCH Task Order #3 provides AID with a centralized source of expertise located in the FCH Washington office which is available to AID on call. This task order is also essential in order to a) maintain liaison with the Housing and Urban Development Division of the Latin American Bureau and the AID Missions in the field of planning and implementing the cooperative housing program and the development of

other types of community housing organizations; b) integrate this program with the overall AID housing and urban development programs in Latin America and c) to provide centralized administrative and technical backup to FCH field staff in Latin America.

FCH works closely with other international organizations interested in the program of housing in Latin America. These organizations include the housing offices of IDB, OAS, United Nations, HUD (International Housing Office), ISDI, and private United States organizations. Joint activities included cooperation on demonstration projects, joint studies, regional conferences, and regional training work.

FCH is a founding member of ICHDA, the International Cooperative Housing Development Association. ICHDA was founded in 1966 as a private, multi-national technical service organization to help developing countries in the field of cooperative housing. Its members include the private cooperative housing organizations of the United States (FCH), Sweden, Finland, Denmark, Germany, England, Israel, and Chile. Member organizations contribute both financial and technical resources. ICHDA has done work in Africa and Asia through the United Nations and discussions are now under way for a sister organization in Latin America.

FCH is also a founding member of INTERVICO, an Inter-American Association of TSO's described elsewhere in the FROP. INTERVICO recently obtained a \$60,000 grant from ISM and has pledges of support for other international agencies.

With AID support, FCH has concentrated technical assistance efforts on three basic activities: cooperative housing institution building, training, and demonstration cooperation housing projects. Grant funds have supported the training activities and AID development loan funds

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and Investment Guaranty funds have been made available for the demonstration projects. Through this approach, progress has been made in the development of self-sustaining programs providing home ownership in several Latin American countries.

Implementation of this basic approach requires:

- a) continuing country surveys to determine the feasibility of developing self-sustaining cooperative housing programs in particular countries;
- b) training of local housing and cooperative officials and technicians.
- c) demonstration projects to show that the cooperative approach produces savings resulting in lower costs, and better maintenance, and that through proper selection, education, and the use of democratic control, low and low-middle income families can and will repay mortgage loans. Successful demonstration projects will attract local financing for new projects and also encourage redirection of internal financial resources, currently being applied to upper income housing, toward the lower income level.

AID grant inputs are for technical personnel with administrative supports. Personnel is presently on board and their use has been programmed as shown in the Implementation plan and budget. At this point, it is impossible to tell what will be Mission inputs or local inputs. This will develop during the course of Fiscal Year. INTERVICO and the existing TSOs have all indicated their cooperation and the same can be expected of any new TSOs.

5. Rationale.

An Urban Crisis exists in Latin America which is adversely affecting the social/political and economic development of many countries. A major cause of this urban crisis is the unprecedented growth of urban populations at a time when jobs, schools, housing and community services cannot be provided in sufficient quantity to meet the demand.

Population in Latin America will more than double in the next thirty years and will exceed 650 million by the year 2000. The birth rate is the highest in the world (over 3% per year) and the cities are growing at the astonishing rate of 7% per year. The squatter areas surrounding most large urban areas will double during the next ten years. In some countries almost 50% of this total population are now living in urban areas. From 20% to 40% of the people in urban areas are living in slums and squatter areas. Cooperative self-help programs which enable people, particularly low income families, help improve their homes and communities themselves, can cause far-reaching social/political and economic benefits, and help meet this crisis.

The Congress has recognized this problem. The Foreign Assistance Act includes support of home ownership and decent housing as a major U.S. Foreign Assistance Objective, and has specifically directed the use of housing cooperatives as a means of achieving this objective.

Title IX of the Foreign Assistance Act also recognized the need for U.S. support of democratically controlled institutions such as housing cooperatives, in developing countries. This Congressional policy is reiterated as AID policy in Manual Order 1612.83.1.

AID supported FCH efforts under this program during the first phase have produced the following results: The establishment and strengthening of private non-profit cooperative housing technical services organizations (TSO) in Brazil, Chile, Colombia, Panama, Honduras, Venezuela and Jamaica; the construction of cooperative housing demonstration projects in urban and rural areas supported by AID grants and loans in Brazil, Colombia, Guatemala, Panama, and Honduras; training of Latin American Technicians and leaders in cooperative housing techniques; special studies on financial and legal housing aspects which in turn have resulted in new laws and procedures affecting housing for low income groups; organization and development of democratically controlled home owners associations which incorporate much of the principles of the cooperatives and which are responsive to Title IX of the FAA.

In this program some 1,000 families have been resettled and about 600 have new shell houses or houses built by self-help. Many more benefited from credit from home improvement, and jobs in building materials production centers.

Another example is the FCH rural housing program in Panama. In the pilot-project at Los Pocitos a \$3,000 for 10 houses has now produced over 30 houses all financed from the revolving fund created by this grant. This program was built around a small rural credit union and has utilized the principles of cooperative action. It has since been expanded to a national program of more than 400 homes in 18 rural cooperatives.

An additional 2,000 units are in the planning stage.

A review of housing efforts in Latin America, however, identifies certain areas which deserve increased attention during the 1970's in addition to continuing the basic activity of institution building (TSOs) training and cooperative demonstration projects:

1. New approaches are needed to make both internal and external resources available for housing under more favorable terms in order to reach lower income families. Cooperative housing credit and savings programs should be encouraged to meet this need. This is one way in which capital can be generated by and for the use of organized groups of lower income families. Such a program when supplemented by a combination of concessional loans, interest subsidies or grants (either domestic or external) and U.S. guaranty funds can have a considerable multiplier effect.
2. Significant amounts of internal financial resources now going into housing in most Latin American countries are available only to upper income families. There is a need to encourage redirection of these resources to middle income and low income families.
3. In non-cooperative projects, greater use should be made of community organizations such as homeowners association or management within the community itself and involve the residents in the management of community affairs. This tends to develop a greater sense of responsibility for maintenance of property and for meeting financial obligations.
4. Past housing efforts have often been isolated from other AID supported urban programs. A study is needed of ways to integrate housing efforts with job producing activities, job training, school programs, health programs, community development and cooperative Title IX type activities.

5. Technical assistance in housing management is needed to help Latin American government housing agencies avoid decapitalization due to the present poor repayment situation by occupants of AID and IDB funded housing projects. FCH has long experience in this field. In the United States there has never been a default of an FCH organized pre-sold, management type cooperative. Furthermore, the cooperative housing projects completed with FCH help in Latin America are meeting their obligations on time unlike the purchases of homes in conventional housing projects funded by AID and IDB where delinquencies are often high.
6. Support for new approaches to the squatter problem including use of cooperative housing techniques as part of AID supported community development projects. Here again it is believed that the techniques employed in the squatter relocation program in Panama can be used with appropriate modification and new financing techniques can be developed to help meet this problem.
7. Increased efforts to involve the private sector in housing for low income families through a variety of devices to reduce monthly payments by families to the point where home ownership become feasible.
8. Increased support to regional exchange of cooperative housing information and experience between Latin American TSO's through INTERVICO. A program of workshops and seminars would be very effective in helping government housing agencies and TSOs to

profit from the experience of others and in disseminating information throughout Latin America. INTERVICO and other multi-national private sector organizations should be examined as potential new channels for financial assistance from international sources (AID, IDB, World Bank) to avoid some of the chronic problems of government sponsored low income housing programs.

E. Course of Action

Implementation Plan

During the next several months, FCH, pursuant to the request of the IA Task Force, will study the applicability and means of applying cooperative techniques to stimulating housing for low income families and interest in private enterprise. Discussions will be held with IDB and AID personnel to review the experience of IDB and AID programs and projects for low income families and a schedule of field visits is being programmed to determine the availability of institutions and interest and attempt to come up with a number of demonstration projects for possible AID financing.

In the meantime, and based on the assumption that the study will corroborate present assumptions, FCH will cooperate with interested Missions and local institutions in developing programs for low income families. This will not be limited to creating or strengthening but will include housing cooperatives, cooperative techniques such as home owners associations, improved collection techniques, and aided self help sites and services and core housing which by their nature involve cooperative approaches. More specifically visits will be made to such selected

countries as El Salvador, the Caribbean generally (AID is negotiating a loan to the Caribbean Development Bank), Peru, Ecuador, Guatemala, etc. where an interest has already been expressed.

In addition to creating new TSOs, FCH will also cooperate with existing TSOs already created with FCH-AID help but which have been middle income oriented into developing programs for low income families in order to have comprehensive programs.

Training is one of the best tools for improving and strengthening cooperative institutions and management. An objective of this PIO/T will be the training of an increasing number of host country nationals both in the U.S. and in their own countries. To further this objective, training materials must be developed and existing training materials revised in the light of experience. Training will continue but will be oriented more toward low income families. A Workshop is being developed for an Operation Breakthrough to test the feasibility to lower the cost of housing, and FCH is cooperating with OIT in developing and administering a pilot two months management seminar. FCH will also be cooperating with an inter-agency rural project in Trinidad and Tobago.