

PROJECT EVALUATION SUMMARY (PES) - PART I

Control Symbol U-447

1. PROJECT TITLE Jamaica - Urban and Rural Shelter Improvement			2. PROJECT NUMBER 532-HG-010	3. MISSION/AID/W OFFICE PRE/H
4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) 81-1				
<input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION				
5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING	
A. First PRO-AG or Equivalent FY 78	B. Final Obligation Expected FY 81	C. Final Input Delivery FY 81	A. Total	\$ 19.8 mil.
			B. U.S.	\$ 15 million
			7. PERIOD COVERED BY EVALUATION	
			From (month/yr.) 8/79	
			To (month/yr.) 6/81	
			Date of Evaluation Review 7/81	

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airmgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
1. The JMB should undertake a thorough review of the commitments and obligations made in the Urban Tenement Upgrading sub-project and reallocate any unused balance to the Squatter Settlement Improvement sub-project.	JMB	November, 1981
2. An updated project delivery plan should be prepared for the Squatter Settlement Improvement sub-project.	JMB	August, 1981
3. AID should consider early short-term T.A. for the Squatter Settlement Improvement sub-project.	AID/MOH	July, 1981
4. The JMB, with MOC support, should review the cost recovery process with the MOC to assure its agreements with the previous administration are secure.	JMB/MOH	October, 1981
5. The MOC should review the finance and accounting system of the Sites and Services Division with a view to developing a more efficient system.	MOH	September, 1981
6. The MOC should consider some modification to the S&S Division with the goal improving and consolidating site implementation management responsibilities.	MOH	August, 1981
7. The MOC should move rapidly to fill key staff vacancies in the S&S Division.	MOH	September, 1981
8. The JMB and the JCCUL should seek to reach an early retroactive agreement on an interest spread for the JCCUL	JMB/JCCUL	August, 1981
9. The JMB should undertake a new analysis of household income and make appropriate adjustments to the current median income figure.		August, 1981

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS		10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT	
Project Paper	<input type="checkbox"/> Implementation Plan eg., CPI Network	<input type="checkbox"/> Other (Specify)	A. <input checked="" type="checkbox"/> Continue Project Without Change
Financial Plan	<input type="checkbox"/> PIO/T		B. <input type="checkbox"/> Change Project Design and/or
Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify)	<input type="checkbox"/> Change Implementation Plan
Project Agreement	<input type="checkbox"/> PIO/P		C. <input type="checkbox"/> Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Name and Title)	12. Mission/AID/W Office Director Approval
J. Hjelt, RHO, PRE/H, Jamaica W. Goodson, RHUO, PRE/H, Caribbean	Signature <i>Fredrik A. Hansen</i> 8-24-81
	Typed Name Fredrik A. Hansen, PRE/H
	Date

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INTRODUCTION

The U.S. Agency for International Development (AID) has entered into Agreements for a Housing Guaranty Loan (532-HG-010) with the Borrower—the Jamaica Mortgage Bank (JMB)—and the implementing institutions—the Ministry of Finance (MOF), Ministry of Housing (MOH), Ministry of Local Government (MLG), and the Jamaica Cooperative Credit Union League Limited (JCCUL). The US\$15 million loan from the Federal Home Loan Bank of New York is intended to improve the quality of life of the urban and rural poor of Jamaica.

The loan program is designed to assist the Government of Jamaica (GOJ) and the Jamaica private sector with the development of the institutional financial and planning framework necessary to provide adequate shelter and related facilities for families below the median income in the country's rural and urban areas. The loan is financing just two of the three intended sub-projects - Squatter Settlement Improvement and the Credit Union Home Improvement loans. The third and originally the largest sub-project, Urban Tenement Upgrading, was discontinued in 1980 with funds re-allocated to the Squatter Settlement Improvement Project.

The Implementation Agreement was signed February 23, 1978. By late 1978, the conditions precedent to disbursement were satisfied and US\$5 million was advanced to the JMB. Other disbursements were for US\$1 million in September, 1979, US\$2 million in March, 1980, and US\$2 million in December, 1980. The remaining US\$5 million was deposited in an escrow account in December, 1980, pending further implementation.

This report represents a regular evaluation of the program's progress. Major program changes, implementation problems and the continued deterioration of the Jamaican economic, social and political conditions produced delays in project implementation. Consequently, adjustments to evaluation schedules were made. The Project Paper, which authorized the first \$15 million tranche of an approved \$30 million program, anticipated that the second scheduled evaluation would take place upon disbursement of the first loan and would provide recommendations for authorization of the second \$15 million follow-on loan. Although local disbursement and project implementation is incomplete, this evaluation has been undertaken to assist the new Jamaican Government and AID to assess project progress during the period August, 1979 to mid June, 1981, to identify implementation constraints and suggest remedies, and to provide a basis for consideration of the second \$15 million tranche. The evaluation team consisted of RHO/Jamaica assisted by the Cooperative Housing Foundation (CHF) Resident Advisor. Supporting data and commentary were provided by the Ministry of Construction, Ministry of Local Government, Sites and Services Division, Jamaica Mortgage Bank, Jamaica Cooperative Credit Union League, numerous credit unions and others active in the shelter sector.

The methodology used involved a review of project documents, institutional records and reports, and interviews with those responsible for various components of the program. The previous evaluation (August, 1979) was both the baseline and model of presentation for this report.

I. Background: September, 1979 - June, 1981

No evaluation of the present Jamaica HG program would make sense without first establishing the general context in which project performance must be measured over the last twenty-one months.

An evaluation was made of the Urban and Rural Shelter Improvement Project (532-HG-010) in August, 1979. The report showed that overall implementation progress was fair and identified a number of problems and constraints for which a series of actions were proposed. The evaluation indicated that although the three-element demonstration project was moving slowly, with the recommended adjustments, at least two of the three sub-projects could accelerate their implementation schedule. Neither the evaluation team nor anyone else could have anticipated the abnormal and extraordinary conditions which plagued Jamaica during the following year; conditions which paralyzed the economy, increased violence and brought project activity to a virtual halt.

The year prior to the general election of October, 1980 was marked by hurricane-caused floods, a continued severe economic decline, increased social tension and escalating political violence. Most refer to the pre-election period as the longest and most violent political campaign in Jamaica's history. Civil and social processes were severely tested, producing a climate of suspicion, conspiracy and often hopelessness.

Two of the three-project sub-projects were particularly sensitive to the strains and tensions created in the society at large. By their very nature, the Urban Upgrading and Squatter Settlement Improvement projects dealt with high density low-income sites which became particularly vulnerable to political and criminal intimidation. All three projects experienced problems whose origin and solutions were external to project remedies. In general, these pre-election external constraints were:

- A. A continued deterioration of the economy characterized by a decline in production and real incomes, high unemployment (30-40%), the absence of foreign exchange and high inflation.
- B. Escalating political violence and political polarization which, when combined with increased labor unrest, often precluded community development staff, site supervisors and contractors from performing minimum on-site duties.

The post election period has been an improvement in the overall political and social environment with slow improvement of the economy. However, the new government, hindered by a lack of experienced personnel, severe budget problems and personnel turnover, has moved cautiously with institutional, management and staffing changes. Given the extreme pre-election political polarization and the breakdown of the management process, the previous government's policies and practices are being given close scrutiny.

All of the project coordinating and executing institutions have been affected by the pre and post election actions. There have been major changes in senior staff positions in the Ministry of Construction and the Sites and Services Division. Generally, the shortage of experienced personnel for key management positions has over-burdened the "acting" managers, creating a slow decision making system.

II. URBAN TENEMENT UPGRADING SUB-PROJECT

The Urban Tenement Upgrading sub-project was discontinued in 1980 after considerable effort under difficult circumstances had produced negligible results. Of the proposed \$10 million sub-project budget, almost \$200,000 was disbursed. The balance of the funds were reallocated to the Squatter Settlement Improvement sub-project. The project objectives were not achieved, but some lessons were learned. As discussed below, the project may be the subject of further assessment. This account briefly outlines the original project description, basic results and general findings.

A. Sub-Project Description - Urban Tenement Upgrading

The basic principle underlying the project was that a shelter solution for the urban poor involves the improvement of existing conditions in the community, maximizing the use of the present physical and human resources to improve both the housing stock and the neighborhood. The premise was that limited outside resources would have the most impact if combined with the interest, equity and integrity of the established communities. The project recognized the inherent value of the tenement yard and its role in community cohesiveness. The yard—an enclosed compound belonging to one owner, containing an average of three single-story dwelling units—is a vital social and economic force in a neighborhood.

The project paper lists the following sub-project objectives: (a) to improve the physical conditions of life in the selected target areas; (b) to improve the general level of social welfare; (c) to improve the sense of community through self-help and local leadership; and (d) to generate special employment opportunities for local residents.

The project was to include several types of activities: (a) provision of home improvement loans to property owners for a rehabilitation of existing deteriorated residential structures which were judged to be structurally sound. This would encompass repairs to walls, framing, roofing, provision for increased habitable space (where needed), and repairs or replacement of doors and windows. (b) Upgrading or installation of sanitary and kitchen facilities (enclosures and fixtures) where none currently exist. (c) Cleaning or repairing of outdoor living space within tenement yards, entailing mainly resurfacing outdoor areas to improve general health conditions. (d) Demolition of structurally unsound buildings which represent a clear physical and health hazard to the lives of area residents. Such actions would be minimized to avoid major displacement of people. It was estimated that only 10% of the potential 4,000 tenement yards to benefit from the program would require clearance. Where demolition was required, new units would be built keeping the yard concept of shared facilities to assure affordable costs for existing tenants.

The original plan involved 10 project sites, including one area, Central Kingston, in which a Pilot Project had been underway prior to the HG program. The areas selected for upgrading were depressed ones in which real estate values were not appreciating and homes were not readily saleable.

The borrower, the Jamaica Mortgage Bank (JMB) was to on-lend HG funds to the Workers' Bank and credit unions which, in turn, would make individual and/or cooperative loans for home replacement and home improvement. The JMB was charged with the prime responsibility for overall project implementation, coordinating the efforts of the various agencies, assuring loan and implementation agreement

compliance and structuring and monitoring financial components. The executing unit was the National Urban Upgrading Unit (NUUU) with a local staff at each site. The NUUU and overall sub-project implementation responsibility initially rested in the Ministry of Local Government, but in April, 1979 was transferred to the Ministry of Housing (now Construction).

The project paper and implementation agreement identified the AID-financed inputs as \$10 million of the total \$15 million Housing Guaranty Loan and a technical assistance program which included a resident housing advisor and supplementary short-term support. The GOJ-financed inputs were \$2 million for administrative support and the construction of community facilities.

It was anticipated that the project outputs would affect about 60,000 slum residents in 10 locations, providing home improvement loans for approximately 4,000 yards and 2,800 replacement units, and 10 new community facilities.

B. Results: Inputs and Outputs

The \$10 million portion of the AID Housing Guaranty Loan originally proposed to finance this sub-project was available for disbursement on time. In fact, a \$5 million construction advance was made in October 1978 to accelerate both the Squatter Settlement Improvement and the Urban Tenement Upgrading projects. Because of implementation difficulties, this sub-project was scaled down initially to \$2.5 million (1979) and finally, upon termination, to \$200,000 (1980). The remaining funds were reallocated to the Squatter Settlement Improvement project.

AID's technical assistance was provided to the total HG program in a timely and effective manner through an AID-funded OPG to the Foundation for Cooperative Housing (now called The Cooperative Housing Foundation, [CHF]). This included a full-time housing advisor to the JMB and Executing Agencies, and over 10 person months of short-term T.A. in such areas as community education, training and planning. Until July, 1980, with the forced departure of FCH advisor (Appendix IV), approximately 75% of the total technical assistance was applied to this sub-project. However, there is general agreement that the Urban Tenement Upgrading project could have benefited from the exclusive use of the full technical assistance package, with additional resources provided for the other two sub-projects.

Generally, the GOJ inputs were slow to materialize. Some were simply not provided. Severe financial and budgetary constraints combined with a fragmented management structure to produce a cumbersome decision-making process. This, in turn, contributed to a slow staff hiring situation. A fully staffed unit was not in place until one year after project authorization. Although the GOJ did provide for administrative support through project termination, no community facilities were constructed during the implementation period.

C. Discussion: Findings and Recommendations

The Urban Tenement Upgrading Sub-Project was an ambitious attempt to improve the social, economic and physical conditions in some of the most depressed areas of Jamaica. Under the best of circumstances the project was expected to be difficult and challenging. Unfortunately, almost from the time of authorization (late 1977), the general Jamaican social, economic and political environment deteriorated rapidly, finally creating conditions that made project implementation virtually impossible (See Background).

Although the macro conditions were important factors in the program's demise, a number of other factors have been identified as inhibiting project success. Most of these factors were identified in the August 1979 evaluation. The specific Urban Upgrading recommendations of the first evaluation described a sub-project burdened with conceptual, management and implementation difficulties that were compounded by growing political tension and increasing economic deterioration. In light of the first evaluation, the sub-project was initially scaled down from \$10 million to \$2.5 million (August, 1979), and finally terminated in late 1980 with only \$200,000 having been disbursed.

The Government of Jamaica (GOJ) has expressed strong interest in obtaining AID assistance for a new multi-faceted urban and helter development effort that could include some concepts and elements of the abandoned Urban Tenement Upgrading Sub-Project. Both the GOJ and AID have agreed that further examination of the old sub-project should be a part of overall feasibility and design studies. As a result, instead of further detailed analysis, some findings are provided which, when combined with the previous evaluation, will serve as points of departure for the feasibility and design studies required for new urban initiatives.

1. Basic Concepts

The first evaluation documented the controversy surrounding the misunderstanding concerning preservation and rehabilitation (the basic project principle) vs. demolition and replacement. This controversy continued creating bad will, shaping public opinion, encouraging staff conflict and, consequently, greatly hindering the implementation of a complex and difficult project. It is hard to fathom why the misunderstanding persisted. The project documents are specific on the matter and, furthermore, the project was based on policy as applied in the pilot project upon which the Urban Tenement Upgrading program had been modeled. A complicated management structure, political interest, inadequate staff selection and training, and inter-agency competition have all been suggested as both contributing to and prolonging the issue.

Recommendation: It is suggested that those responsible for the implementation of a complex urban project have a clear understanding of the project with responsibility for achieving that purpose vested in a single authority.

Although the project emphasized upgrading over renewal with the aim of maximizing the distribution and use of limited resources, there is a point where incremental improvements in an upgrading project are so marginal or limited that there is a very real chance of having little significant health, shelter, safety or psychological impact. Often, preserving or upgrading existing communities and shelter is but one element of a variety of development tools. A comprehensive approach may require preservation, renewal, sites and services and sizeable new construction efforts all with some relation to affordability.

Recommendation: Any new major urban development effort should carefully define its basic concepts in light of the experience in this project, clearly identifying a level of services that are both acceptable to the community and of significant impact.

In slum projects community confidence will be gained if some condition changes, even though the action may be no more than regular trash collection. Raising expectations before a program is ready to provide something concrete, increases the obstacles to community receptivity and participation.

Recommendation: In working with urban poor, there should be early concrete evidence that a program is something more than a public announcement of purpose.

Although the Urban Tenement Upgrading Unit included community development staff, there appears to have been insufficient and late contact and community with both the individual leaders and the formal and informal community that exist in the target areas. It is understood that the selected neighborhoods are difficult for outsiders to penetrate and gain acceptance. This was particularly true given the general deteriorating conditions in which the project was attempted. However there is evidence to suggest early and patient community contact and education would decrease misunderstanding and enhance community participation.

Recommendation: Improvement or upgrading efforts in established communities require early and sustained community education and communication.

2. Implementation Structure and Management

Although the Jamaica Mortgage Bank was charged with responsibility for the overall program, its role was that of a coordinator, convener, monitor and financial manager. Financial control gave it some leverage, but as a private bank it had no direct control or management authority over any of the Ministries or the government executing agency, the National Urban Upgrading Unit. The JMB could make recommendations and requests, but it could not directly affect implementation. Project success was too dependent on the "goodwill" and "cooperation" of institutions and individuals who had no formal link to a central authority. This led to delays in communication and decisions, and obscured accountability.

The Urban Tenement Upgrading Project was often described as an "integrated" program, meaning "integrating the social services and economic activity with physical upgrading". This implied interaction and coordination with various agencies in different sectors. The history of project management and implementation too dependent on "advisory" and "coordinating" techniques is not good.

Recommendation: Experience in Kingston suggests that a comprehensive development program targeted for a specific area and relying on timely multi-agency inputs requires that full responsibility be vested in a single management authority or "urban Tsar".

Complex and difficult projects require management and technical staff of sufficient quality and quantity. Formal upgrading experience had been gained in an earlier small pilot project. None of this project's senior staff were a part of the Urban Tenement Upgrading Unit. In addition, bureaucratic problems and GOJ personnel issues combined to delay staff appointments and reduce the size of the staff. Also, initial compensation levels were not adequate enough to attract qualified and experienced leadership.

Recommendation: The issues of adequate staff remuneration, recruitment and training should receive priority attention before a project is initiated.

3. Land Acquisition/Tenure

Currently, the Ministry of Construction (formerly Housing) is charged with issuing individual leases, but it is dependent on the Ministry of Local Government to declare, acquire and transfer land before the individual leases can be assigned. In addition, absentee owners, unregistered titles, and a variety of traditional tenure agreements make the declaration and purchase of land a very

slow and cumbersome process. The matter is further complicated by the new Government's discussion of converting leasehold to freehold. (For more information and a recommendation, see Recommendation 6, Squatter Settlement Improvement, p.)

4. Cost Recovery

Most tenement yard occupants are renters. Home improvement and yard improvement loans were to be made to both "cooperative yards" and owners. Thus, total costs of improvements were to be shared by tenants and owners alike. Absentee landlords, disputed titles, inadequate communication, overlapping ministerial functions and misunderstandings of recent land acquisition and rent legislation combined to prevent resolution of the tenement upgrading cost recovery issues before the project was terminated.

Recommendation: Although project experience was limited, the current impasse between landlords and tenants over mutual rights and responsibilities argues for a new appraisal of this matter prior to any new tenement yard upgrading activities.

5. Reallocation and Final Accounting

\$200,000 remained allocated to the project to insure that all legitimate expenses had been covered.

Recommendation: A thorough review of the commitments and obligations should be undertaken to insure that all commitments have been met, with any unused balance re-allocated to the Squatter Settlement Improvement project.

III. SQUATTER SETTLEMENT IMPROVEMENT SUB-PROJECT

A. Sub-Project Description

The Squatter Settlement Improvement Sub-Project, authorized in September, 1977, was originally allocated US\$2.5 million in October, 1978 to undertake the following actions in two or three squatter areas over a 30-month disbursement period: (a) the provision for legal recognition of the selected squatter settlement (land tenure) through long-term lease arrangements (49 years); (b) the preparation of a balanced lot scheme for the physical arrangement of residences; and (c) the installation of basic utilities and services for the plotted areas; including water supply, roads and foot-paths, drainage, sewerage, and electricity.

The Jamaica Mortgage Bank (JMB), the borrower, is charged with prime responsibility for project coordination and financial management, disbursing loan funds to the Ministry of Construction (formerly the Ministry of Housing) against submissions for work in place.

The project's executing agency is the Sites and Services Division (S&S) of the Ministry of Construction (MOC). The S&S, through its management, financial and technical staff, is responsible for all site implementation work including social and technical surveys, site improvement plans, relocation of residents, contract supervision and issue of individual lease agreements.

As specified by project documents, AID's original input consisted of the \$2.5 million portion of the total \$15 million EG loan and the provision of technical assistance in project development and implementation. As originally agreed, the GOJ contribution of land, administrative costs and community facilities was conservatively valued at \$2 million. All of these inputs were increased following the demise of the Urban Tenement Upgrading Sub-Project and the subsequent reallocation of its \$10 million to the Squatter Settlement Improvement Sub-Project.

B. Current Status:

Precipitated by the implementation difficulties of the Urban Tenement Upgrading Sub-Project and the evaluation of August, 1979, the scope of the Squatter Improvement Project has been expanded from a 3-site \$2.5 million effort to a 12-site \$12.5 million project. An initial amount of \$2.5 million was reallocated in November, 1979 followed by a \$7.5 million reallocation in late 1980.

Of the 12 settlements being improved, the degree of completion of physical work is as follows: 100% on one site; 80% on two sites; 60% on four sites; 30% on three sites; and just under way on two sites.

Original plans called for a thirty-month disbursement and implementation period. The first project disbursement, a \$5 million construction advance, was made in October, 1978. The anticipated 30-month period ended in April, 1981. At this time, July, 1981, the argument can be made that the project is only two months behind schedule.

Given the extraordinary external conditions and the fact that the Squatter Settlement Improvement project expanded five-fold from \$2.5 million to \$12.5 million in just over a year, it is fair to say that satisfactory progress has been made since the August, 1979 evaluation.

C. Discussion: External Factors, Findings and Recommendations

The upgrading of squatter settlements is a complex task even under normal circumstances. It requires the cooperation, coordination and goodwill of government agencies, contractors and the communities themselves. Recent circumstances in Jamaica have not been normal.

In the review of project performance, two general external factors have been identified as major constraints to project implementation: (1) Unprecedented economic decline and (2) the longest and most violent election campaign in Jamaican history. In addition to these external factors, a number of other project related issues have surfaced that bear on project success and consideration of a follow-on loan. A review of the external factors and other findings is presented below, with conclusions drawn and recommendations made as appropriate.

External Factors

1. Unprecedented Economic Decline

Jamaica has compiled a dismal economic record over the past seven years. Between 1974 and 1980 GDP declined by 17.7% while real per capita income declined by more than 23.7%. Along with this decline in production and real incomes was a large increase in unemployment. At the last official measurement, in October, 1980, unemployment stood at 26.8%. A great deal of underemployment is hidden in employment data.

Four factors were primarily responsible for the rapid decline in the Jamaican economy: a precipitous decline in private investment, a series of unexpected shocks to the external account (a sharp rise in oil prices and a major decline in revenue from tourism), the GOJ's miscalculation as to the ultimate effects of a levy on bauxite production and a series of deficit budgets financed by large short-term foreign borrowings.

As the economic situation deteriorated, production declined or stagnated in all major sectors of the economy. The decline was particularly great in the manufacturing and construction sectors. Production declined by 40% between 1975 and 1980 in the manufacturing sector with a loss of 10,000 jobs. The construction sector has declined by more than 40% since 1975. The loss of jobs totaled 18,000, i.e. more than one-third of those employed in construction.

The Jamaican economy's continued poor performance through 1980 was due, as in immediately previous years, to severe shortages of imported raw materials and other inputs for manufacturing and agriculture because of the scarcity of foreign exchange.

The economic deterioration produced a number of problems for the squatter improvement project. Dramatic price increases, the absence of foreign exchange for parts, materials and equipment, reduction in local manufacturing and an increase in overall social and political tension contributed to numerous and lengthy delays.

Item: The island's only cement plant experienced a steady decrease in production from early 1979 through March, 1981. There were numerous periods of several months when there was no production. Although management and labor problems contributed to production decline, the plant found it impossible to get the foreign exchange necessary for spare parts and equipment. Even with cannibalization of two of the three kilns, it was difficult to maintain a minimum regular production schedule. Although demand dropped with the declining economic activity, contractors still found it difficult to meet deadlines because of the unavailability of cement.

Item: It was common through most of 1979 and all of 1980 for equipment to stand idle for want of spare parts. There were numerous occasions when sites had to be abandoned or work plans completely altered due to equipment breakdowns. The scarcity of foreign exchange precluded the import of both raw materials and spare parts.

Item: The overall economic decline and increase in social tension produced an increase in the immigration of skilled personnel. Contracted consulting jobs were occasionally delayed or re-bid because of the departure of key professional staff.

Item: Rapidly escalating costs forced frequent adjustment in design and changes in basic elements which, in turn, produced delays in implementation.

2. The long and violent Jamaica election period

By the late fall of 1979, it was evident that a general election would be called during the following year. The political climate became extremely polarized with the January to October 1980 period marked by escalating political violence and intimidation. High unemployment and rising prices aggravated the growing political tensions creating a situation in which there were both spontaneous and organized curtailments and disruptions of government and private activities. The overall situation had a negative impact on project performance by disrupting community development and construction work, limiting supervision, disrupting the technical assistance programs and forcing the abandonment of sites.

Item: Attempts were made by some campaign workers to intervene in the site selection and implementation process. Their goal was to ensure political support by directing the benefits of the improvement program to their constituency. Although no sites were selected on political grounds, intimidation and pressures applied to the executing agency staff fostered both delays and caution. Sites and Services personnel were frequently prohibited from supervising on-site work. As indiscipline increased, some supervisors were threatened by the local radical leadership over employment and implementation practices. The general spread of armed violence often made direct site supervision impossible, producing enumerable delays and expensive remedial work.

Item: Some contractors lost control of their work force. In order to accomplish any work, several construction managers were forced to inflate their labor force or substitute workers. This resulted in inefficiencies and higher costs.

Item: On several occasions contractors experienced on-site violence, causing both loss of equipment and materials. As a result, several sites were closed or abandoned with a consequent loss of investment.

Item: As discussed elsewhere (Appendix IV) the general political and social conditions precipitated the unfounded accusations and threats which forced the evacuation of both the direct hire Housing Officer and the OPG funded housing advisor in July, 1980. Their departure lowered the Sites and Services staff morale and complicated the overall project decision making process.

Item: Increased numbers of experienced professional and management personnel immigrated, creating vacancies in the Sites and Services Division and in the consultancy and contracting firms which could not be readily filled. This further reduced the quality and quantity of work carried out.

FINDINGS AND RECOMMENDATIONS

1. Implementation Schedule

Although the project was authorized in September, 1977, a construction advance was not made and work was not initiated until October, 1978. The original 30-month schedule would have been satisfactory under normal conditions for two or even three large upgrading sites. However, it was unrealistic, especially under the circumstances, for twelve sites.

Conclusion: Given the project expansion from \$2.5 million and 2 sites to \$12.5 million and 12 sites with no commensurate increase in staff size and the influence of external factors, satisfactory progress has been made in the 32-month implementation period ending June 30, 1981.

Recommendation: Implementation periods should reflect the size and complexity of the project. Schedules should be amended to reflect experience and unforeseen constraints. A new project delivery plan should be prepared for the remaining work.

2. Technical Assistance

The technical assistance package provided through an Office of Housing OPG to the Cooperative Housing Foundation produced timely and effective inputs. The flexible provisions for the short-term T.A. inputs enabled quick application of expertise where required. However, the Squatter Settlement Improvement Project received few of the benefits of the technical assistance program largely because of extenuating circumstances. The initial focus of the T.A. was, appropriately, on the largest sub-project, Urban Tenement Upgrading. With the first reallocation of funds (\$2.5 million) from the Urban Upgrading sub-project to the Settlement Improvement sub-project (November, 1979), there was a proportionate shift in T.A. emphasis. Unfortunately, the unexpected and forced departure of the CHF resident advisor coincided with expanded project operations. The USAID resident Housing Officer, faced with the same situation as the CHF advisor, had to vacate the post after only 4 months. A new CHF advisor was assigned in February, 1981, and a new USAID Housing Officer arrived in March, 1981, but the long break in the T.A. program caused unavoidable disruption that handicapped project expansion.

The October 1980 election has produced continuing changes in government policy, institutions and personnel which are aimed at improving management and implementation performance. The general lack of experienced personnel has slowed this process of change. The MOC and particularly its Sites and Services Division has been subject to both the influence of the broader government changes and normal staff attrition. With stabilization of the general environment, work could be accelerated, but staff vacancies and new employee inexperience have slowed the process. Low wages have also handicapped staff recruitment. A new Sites and Services Division management structure is anticipated, but with a few exceptions, it will be filled with new and inexperienced personnel. The MOC, because of its commitment to an improved and accountable administrative system, has requested technical assistance for training, orientation, and for implementation reforms. This would affect both the present project progress and the institutional development required for new and/or expanded programs.

Conclusion: The lack of sufficient skilled and experienced staff hampered the pre-election implementation and continues to impede post-election institutional, reorganization and implementation progress.

Recommendation: AID should be prepared to consider immediate short-term T.A. for current project needs.

Recommendation: New AID shelter project activity should consider the provision of technical assistance.

3. Cost Recovery

Based on the recommendation contained in the previous evaluation, the JMB and the GOJ reconfirmed arrangements to insure support of the JMB's loan repayment obligations. This matter is under review with the new government as a part of its assessment of the whole cost recovery mechanism for recovering lease payments and user charges. Some changes can be anticipated if the government continues its plan of substituting freehold title for leasehold.

Recommendation: Although the GOJ's repayment obligation to the JMB seems secure, the whole cost recovery process, including cash flow, should be reviewed to assure its validity.

4. Management and Administration

The previous evaluation identified some weaknesses in the project administrative system, many of which are the result of the overall management structure. The JMB, as borrower, is financially responsible for the program, but, as a private bank, it has no direct control over the Ministry of Construction or the executing agency, the Sites and Services Division. Though, as recommended, the JMB has "asserted its role as borrower more strongly", it is ultimately dependent on the good will, commitment and ability of the MOC and its Sites and Services Division to effect implementation.

Given the situation, the JMB is often called to account for matters over which it has only limited control. Recently, for example, because of the extreme shortage of foreign exchange, the Ministry of Finance and the Bank of Jamaica pressured the JMB to expedite work so the \$5 million in an external escrow account could be disbursed. The pressure could have been

more properly applied to the Ministry of Construction which is directly responsible for the performance of the Sites and Services Division.

The new government is involved in far-reaching policy and institutional reviews. As a result, the present and future role of the JMB is being reconsidered. There are indications that the Government wants to confine JMB to its original secondary mortgage market and mortgage insurance roles. This will not alter current HG operations, but it does raise questions about the management and borrower requirements for future projects.

Conclusion: Given the overall project management structure, the JMB has performed well. Its future role in new low income shelter projects is yet to be determined.

Recommendation: If the JMB retains a finance and management role in new low income projects, consideration should be given to clarifying and/or strengthening its management position.

The Sites and Services Division is responsible for the preparation and submission of vouchers to the JMB which, after verification, disburses funds to the Ministry of Construction. The internal Sites and Services portion of the process appears to be fragmented, slow, and error prone, leading to returned submissions, late payments, and unnecessary staff and staff/contractor tension.

Recommendation: The MOC should, after further analysis, modify the finance and accounting system of the Sites and Services Division.

The Sites and Services Division has been responsible for simultaneous implementation of a large IBRD sites and services project and the AID-funded settlement improvement project. The expansion of the latter project corresponded with the deteriorating general conditions in which Government found it difficult to retain, let alone increase, staff to the levels required for a larger effort. This whole matter has been further complicated by the post-election staff turnover and institutional changes (reorganization of the community development unit) which has created a leadership void.

In addition, it appears that the Sites and Services unit has distributed site implementation responsibility among too many parties (community development, engineering, finance) making final or specific accountability for site progress difficult to determine.

Recommendation: Consideration should be given to restructuring the Sites and Services Division to improve and consolidate site implementation management responsibilities.

Recommendation: The MOC should move rapidly to fill key staff vacancies, including the provision of personnel to perform the community survey and education work.

Recommendation: In anticipation of more settlement improvement work, provision should be made for an adequate number of staff.

5. Affordability

Project costs have escalated, increasing the costs to both the beneficiaries and Government. Although improved planning, management, contract and land acquisition processes may provide some economies, the price of a fully improved (serviced) lot may rise beyond the means of some beneficiaries to pay for it.

Recommendation: Anticipating a continuation of the settlement improvement program, special consideration should be given to reducing the cost per plot including greater use of self-help and/or labor intensive construction techniques and provision of reduced levels of services.

6. Land Acquisition/Tenure

In general, Jamaica's land tenure situation is complex, full of different historical precedents, conflicting claims, questionable titles, and various rental and leasehold arrangements. It is within this context that settlements are identified or nominated, declared and acquired by government to be leased by individual occupants once settlement upgrading has been completed.

The current process involves three Ministries in multiple interactions that conclude with government purchase or long-term lease from the owner. Under the best of circumstances, the process is long and difficult, often delaying the upgrading process and indirectly increasing costs.

Recommendation: The MOC is encouraged to continue its pursuit of an improved land acquisition process including consolidation of responsibilities under a single Ministry.

7. Site Selection

One result of the Squatter Settlement Improvement project has been to publicize the concept. Under the terms of the Local Improvement (Communities Amenities) Act of 1977, hundred of settlements are potentially eligible for improvements. These include low density rural sites as well as high density urban settlements.

Conclusion: Although most potential areas probably merit some form of improvement, an uncritical declaration of all suggested sites will dilute resources and contribute to the islandwide "sprawl" pattern which is making the provision and maintenance of services very expensive.

Recommendation: Site selection criteria should be reviewed to insure that the selection process is based on needs (e.g. density, health and sanitation), desired services and affordability.

8. Construction Contracts

Conventional contracting practice has contributed to cost over-runs and implementation delays, frequently lending itself to unnecessary public controversy, external intervention and still further delay. A portion of the problem stems from the fact that contractors are often unaccustomed to working within densely settled and established communities. For instance, the accidental removal of a tree, shrubbery fencing, or the corner stoop is the occasional product of large equipment working in dense neighborhoods.

"Accidents" can be reduced by proper briefing of contractors, regular supervision of site work and closer supervision of the contractor by the responsible project officer.

A more significant problem is the contracts themselves, which provide few incentives or penalties based on performance. As a result, the project and, ultimately, the beneficiaries bear the cost of inefficient and sometimes ineffective contract performance.

Conclusion: A portion of the increased project costs can be attributed to uneven contractor performance and inadequate contractor supervision.

Recommendation: A serious effort should be made to review the current contracting process to insure the provision of adequate penalties and incentives. Contract supervision should be more closely monitored by the MOC.

IV. HOME IMPROVEMENT SUB-PROJECT

A. Project Description

The \$2.5 million Home Improvement Sub-Project (HIP) is designed to improve the housing conditions of low income households, in both rural and urban areas, by increasing the availability of home improvement funds. The Jamaica Mortgage Bank (JMB) disburses funds to the Jamaica Cooperative Credit Union League (JCCUL). The League on-lends funds to member credit unions which, in turn, make home improvement loans to members.

In the early stages of the HIP, considerable difficulties were experienced in attempting to distinguish between "rural" and "urban" credit union membership. As a result, the target population was expanded in late 1979 to include all members of credit unions whose incomes fell below the established median income.

As noted in the Project Paper, the AID inputs consist of a \$2.5 million FG loan and a relatively small amount of technical assistance. The JCCUL inputs consist of the administrative and staff costs associated with the on-lending activity, monitoring, promotion and education efforts. Individual credit unions contribute fifteen percent (15%) of the amount of each home improvement loan from their own funds.

The outputs, as originally planned, include the provision of 3,000 individual home improvement loans and a stronger home improvement loan capacity among participating credit unions.

B. Current Status: Inputs and Outputs

After a slow start (see August, 1979 evaluation), approximately \$1.53 million of the project's \$2.5 million budget has been disbursed. The JMB and the JCCUL expect that the loan will be fully disbursed by December, 1981. So far, almost 4,000 loans have been made. The vast majority of these have been for amounts less than \$1,000.

AID's provision of technical assistance through the Cooperative Housing Foundation has been timely and effective with the exception of an unexpected 7-month break in services due to the evacuation of the housing advisor (Appendix IV). A new advisor arrived in January, 1981 and will remain in Jamaica until the project has been completed.

The JCCUL inputs have been satisfactory. A part-time home improvement manager has been provided and some promotional efforts have been undertaken. The individual credit unions have continued to provide their fifteen percent (15%) share of each home improvement loan.

Generally, given the same external constraints as the other sub-projects, the performance of the Home Improvement Loan project during the last 22 months has been satisfactory. The credit unions have demonstrated that they are viable and appropriate vehicles for providing low income home improvement loans.

C. Discussion: Findings and Recommendations

Although the performance of the sub-project has been good, there are a number of unresolved issues and features that have prevented the sub-project from achieving its full potential. These matters are discussed below in terms of assisting the present project and providing a basis for a follow-on loan.

1. Technical Assistance

The project has clearly benefited from AID-funded technical assistance provided by the CHF advisors. Promotional campaigns, improved analysis and evaluation techniques and improved loan management are noticeable products of this assistance. Current efforts have not only assisted with critical assessment of loan impact, but have also contributed to consideration of the present and future credit union role in both the home improvement and home mortgage areas.

With eighteen months of continued part-time technical assistance still available in the current OPG, the League and the credit unions can be assisted in their effort to expand the home improvement sub-project and resolve some of the questions about other possible shelter development initiatives, e.g. an expanded mortgage program and cooperative ventures. If the remaining OPG short-term support is devoted to the Squatter Improvement Project, there will be a short-fall in the provision of special skills to the JCCUL.

Recommendation: Additional short-term technical assistance should be considered to support the continued growth and development of credit union shelter programs.

2. Role of the Jamaica Cooperative Credit Union League (JCCUL)

Funds for the Home Improvement Loan Sub-Project pass from the JMB to the JCCUL. The JCCUL on-lends the funds to member credit unions at the same interest rate. As a service to its members, the League also agreed to guarantee repayment of the loans. In late 1979, the League assigned two of its staff members to work with the Home Improvement Sub-Project on a part-time basis. They are responsible for administering and promoting the sub-project. Thus the JCCUL performs a number of project functions - promotion, monitoring, administration, collection, advisor and guarantor - for which it receives no fee. Although the previous evaluation recommended a .025% interest spread for the JCCUL, to date JMB/JCCUL negotiations have not resulted in a confirmed agreement to such as adjustment.

Recommendation: The JMB and the JCCUL should seek to reach an early, retroactive agreement on a .025% to .05% interest spread for the JCCUL.

3. Credit Union Participation

It has been assumed that increase funding for the PIP would not only satisfy demand, but would also generate sufficient income to cover costs. This assumption has proven to be generally valid, but a recent review indicated that a few credit unions do not have the capacity to manage

additional funds economically and effectively. In these cases, the poor performance has been reflected in inadequate demand and poor management and finance practices, including serious under-utilization of savings deposits. Increasing the supply of loan money in such circumstances would only aggravate these problems.

Recommendation: The JOCUL should review their criteria for individual credit union participation in the Home Improvement Loan Project to ensure that each participant has the capacity to administer the loans and make use of the funds in a financially sound manner.

Recommendation: As resources permit, the JOCUL and the credit unions should consider providing additional training and advisory services directed at improving loan portfolios and management practices.

4. Median Income

It has been almost two years since the median income eligibility criterion was assessed and adjusted. There is some evidence which indicates that the J\$3,000 figure was too low when it was established in early 1979. In view of the uncertainty surrounding the present median income figure, recent inflation and general economic conditions, another adjustment may be required.

Recommendation: The JBM should undertake a new analysis of household income and make appropriate adjustments to the current median income figure.

1979 EVALUATION URBAN TENEMENT UPGRADINGRECOMMENDATIONS AND THEIR OUTCOMES

"GOJ should reaffirm its national housing policy and commitment to principles of the Urban Upgrading Program."

This recommended action must be clearly understood as a reaffirmation of national policy and commitment as it applies to the Urban Upgrading Program. In short, by August 1979, the largest and most ambitious sub-program (\$10 million out of \$15 million) was plagued by inter-Ministerial conflict, management and administration weaknesses, and conceptual and design misunderstanding. Policy clarification was essential to project success as many of the management and institutional problems were based on the misunderstanding concerning basic program concepts. The Project Paper and Implementation Agreements clearly called for preservation and rehabilitation of existing housing stock and tenement yards. However, the National Urban Upgrading Unit was not promoting an urban upgrading program but rather an urban renewal program featuring demolition and replacement.

Although the Upgrading Unit was transferred from the Ministry of Local Government to the Ministry of Housing in April 1979, this consolidation of the management structure within the Ministry responsible for upgrading policy neither corrected conceptual problems nor improved implementation. Upgrading Unit management remained intransigent in their goal of redefining the program. Providing new units was seen as far more politically significant than incremental improvements to present structures and services.

The Ministry of Construction, a combination of the Ministry of Housing and the Ministry of Public Works, finally reaffirmed its commitment to the upgrading and preservation concepts in early 1980, but it was of little significance. Continued management resistance, inter-agency feuds and coordination problems combined with escalating political violence and continuing economic deterioration to force abandonment of the program.

"MOH should reorganize administration of Urban Upgrading and Squatter Settlement Improvement programs under one Division head."

The newly consolidated Ministry of Construction which included the former Ministries of Housing and Public Works did combine the administration of the two programs under the leadership of the Sites and Services Division director in early 1980. The reorganization was largely a paper exercise producing no change in the Upgrading Unit performance.

Although the Sites and Services Division was generally experienced with complex improvement programs, its director lacked the authority and support to make the personnel and management changes needed to change a recalcitrant and inexperienced Upgrading Unit. The reorganization put added burdens on senior Sites and Services Division personnel as they were charged with the responsibility for expediting the Urban Upgrading program with personnel who resented the reorganization and its implicit affirmation of project concepts to which they were opposed.

Under normal circumstances, the upgrading program required well supported, experienced and able leadership capable of coordinating multi-disciplinary work in a highly fragmented urban and shelter situation. For the year preceding the election (October 1980), most personnel (as most Jamaicans) were increasingly pre-occupied with political turmoil and personal safety. Local conditions had politicized and intimidated both the target communities and project management.

"The Urban Upgrading Program should reduce its National program and focus on only three areas - Kingston, Spanish Town and Montego Bay."

In recognition of the general implementation difficulties and increasing costs, this recommendation was carried out by January 1980.

"The actual loan and repair work should begin immediately on a yard-by-yard rather than a block-by-block basis."

This recommendation was not carried out. A block-by-block approach provided opportunities for visible community impact and was conducive to block organization and support. There was a reluctance to use legal means to deal with absentee and reluctant landlords. Growing political tension reinforced this position. The alternative was to initiate work in the individual yards where landlord and tenant participation was assured. No real test was made of either approach.

"Income distribution data should be updated to reflect the current realities of the Jamaican economy. The results should be applied to beneficiary eligibility criteria."

This recommendation was carried out by the Jamaica Mortgage Bank, but with project termination, had no impact on the Urban Upgrading project.

"Construction materials stores should be established in each Urban Upgrading project area."

The lack of building materials and termination of the project precluded any action on this recommendation.

"The community development effort of the Urban Upgrading program should be improved substantially in order that the neighborhood residents will understand and participate in the program"

This recommendation was directed at a community education effort, one that would create understanding of the process and enlist community support. Through the technical assistance package provided by the FCH OPG, communications and community education materials were developed in early 1980, but project termination precluded their use.

"The NUUU should make the program truly integrated by recognizing its responsibility to improve the community economy and social service delivery system."

The recommendation was not acted upon. The NUUU had little authority and few resources to influence and coordinate social service and new economic inputs. The recommendation was discussed within the NUUU and later the Sites and Services Division, but there was no systematic or sustained effort to use the limited CPG resource or to draw upon local resources to implement the recommendation.

"The seller-servicer arrangement of loan making and collection should be implemented."

The sub-project was terminated before the loan making was initiated. Original plans called for loans to be provided through the Workers' Bank and the Caribbean Housing Finance Corporation, organizations experienced with loan application review and collections. The recommendation was important at the time as an argument had been presented for loan making and collections to be handled by the Ministry of Construction, a solution not in line with Government's experience in this area.

1979 EVALUATION HOME IMPROVEMENT LOAN RECOMMENDATIONS
AND THEIR OUTCOMES

"JCCUL should vigorously promote the Rural Home Improvement Program."

The JCCUL mounted an educational and promotional program in early 1980. This activity had an immediate impact on disbursements as a number of credit unions moved to implement the program with their members. It should be noted that those credit unions participating in the program initially promote the home improvement loans within their present membership. All credit unions lack extension staff and thus find it more efficient to market any new service or program with their present clientele.

"It is recommended that a full-time long-term person be assigned by the JCCUL for program promotion and implementation."

The JCCUL did assign a person in November 1980 as part-time manager of the Home Improvement Loan Program. This had the effect of increasing program promotion, home improvement loans and disbursements from the JMB.

"The application and review procedure should be changed to reflect the realities of each credit union experience. The present method of reviewing and approving loan applications by credit unions should be accepted by the JMB."

Steps have been taken by the JMB to accept the standard credit union methods of reviewing and approving loan applications. This has improved the management process providing a more efficient and responsive home improvement loan program.

"The amount of the HG loan allocated for this sub-program should be reduced from US\$2.5 million to US\$1 million."

This recommendation was not implemented. The appointment of a part-time JCCUL home improvement loan manager, the promotional efforts by the League and the FCH adviser, and wholesale purchase by JMB of prior credit union home improvement loans made since the initiation of the program decreased the need for this reallocation of funds.

"The interest rate to the credit union should be reduced from 11% to 10.5%, with the difference absorbed by the JMB."

The JMB has not adjusted the interest spread with the JCCUL to both cover its costs and those of the member credit unions. The assignment by the JCCUL of a part-time home improvement loan manager has only strengthened their case for a more equitable share of the interest spread. It now appears that the JMB will make a retroactive settlement with the JCCUL regarding the interest spread. This is strongly encouraged.

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RECOMMENDATIONS AND THEIR OUTCOMES

"It is recommended that the GOJ and JMB agree on a very specific arrangement for support of the JMB loan repayment obligations in the context of the cost recovery plan that is in effect for the beneficiaries."

An arrangement was made with the Government that provides GOJ contributions to the JMB from user charge revenue. The new Government is assessing the whole cost recovery mechanism in view of its interest in converting leasehold to freehold, the increase in project size and the continued cost escalations. There is a commitment to reach a new agreement with the JMB to assure an adequate cash flow to meet the difference between the revenue recovered over a 49-year lease payment period and the requirements of the JMB 30-year loan repayment period with the investor. This matter requires early and concrete results.

"The community development effort of the MOH should pay special attention to the problems of the beneficiaries taking on a lease where they now enjoy no such obligation."

The community development staff responded to this recommendation within the growing constraints that prevented active and regular field work. A dramatically expanded project in a deteriorating environment prevented a thorough community education process. Under the new government, management and agency reorganization have handicapped the community development efforts. The community education effort requires rigorous follow up, particularly given the difficulties of the past 18 months.

"MOH should expedite planning for additional sites for Squatter Settlement Improvement program."

This action recommendation anticipated a two-fold increase of the Settlement Improvement program from 2 to 5 sites as a result of reallocation of project funds. The MOH, which became a part of the Ministry of Construction, did move to expedite planning for additional sites, but this increased activity encountered problems with the site identification, site selection, land acquisition and land registration. The long period of pre-election turmoil and post election organizational and personnel changes produced a disjointed and slow planning process. As somewhat anticipated, the number of staff proved insufficient to handle an expanded program.

In addition, with the demise of the Urban Tenement Upgrading program in 1980, a decision was made to reallocate the remaining funds to the Squatter Settlement Improvement program, thus increasing the size of the original program five times, from \$2.5 million and two sites to \$12.5 million and thirteen sites. The resources were not available to service a dramatically expanded project, with the result that each element of the project found itself under pressure to do more with the same staff in an increasingly difficult environment.

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1979 EVALUATION GENERAL RECOMMENDATIONS
AND THEIR OUTCOMES

"AID should place a DS/H direct hire employee in the USAID Mission."

In line with this recommendation and the expanding requirements of the Office of Housing in the Caribbean, a Regional Housing Office was opened in March 1980 providing both direct support for the Jamaica program and a base for AID Caribbean shelter activities. Unfortunately, personal accusations and threats associated with the long Jamaican election campaign (1980), heightened political party polarization and escalating violence demanded the sudden transfer of the Regional Housing Officer in early July 1980. Post election assessment led to the placement of a new direct hire Housing Officer in late March 1981. Although DS/H worked with the Mission to provide project supervision, the 9-month absence of a resident Housing Officer further complicated the project implementation process.

"AID should extend the FCH/OPG assistance for 24 months."

DS/H made the preliminary arrangements for the OPG extension in January 1980. A formal amendment was to be executed in mid year. However, the situation (public accusation and personal threats) that required the sudden transfer of the direct hire Housing Officer also forced the immediate departure (July 1980) of the FCH Housing Adviser and postponed consideration of an extended technical assistance program. It was only after the election of late October 1980 that the local situation stabilized sufficiently to allow reconsideration of the timing, placement and extension of OPG activities. Late January 1981 brought a new resident FCH adviser and an extended OPG which provides for technical assistance services through January 1983.

Although general local conditions during much of 1980 were not conducive to implementation progress, the absence of technical assistance for over seven months only compounded implementation problems.

"JMB, with Ministry of Finance and Planning support, should assert strong leadership in the implementation of the three programs."

The Jamaica Mortgage Bank, as borrower and overall project coordinator, has made consistent efforts to assert strong leadership over the executing agencies (the MOH Sites and Services Division and the JCCCL). These efforts have been only marginally effective as the Jamaica Mortgage Bank has no direct control over any government or private institution. Although the bank has leverage through its control of the funds, the leverage does not allow it to exercise authority over the management, personnel and administrative practices of the executing agencies. It can recommend, cajole, negotiate and try to coordinate, but, ultimately, in lieu of a redefined management structure, its leadership rests on the interest, ability and goodwill of the parties involved.

"The reactivation of the Urban Upgrading Advisory Committee as a central policy and implementation agent should be considered."

This recommendation was not taken up. The idea of a senior government advisory body to assist with policy issues and coordination is a sound concept. The committee is no substitute for clearly delegated implementation authority in a single management unit. The demise of the Urban Tenement Upgrading Project and preoccupation with escalating political and social tensions prevented any serious consideration of this recommendation.

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