

CLASSIFICATION
PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

1. PROJECT TITLE Integrated Improvement Program for the Urban Poor (IIPUP/A) Community Development Advisor			2. PROJECT NUMBER 912-0007	3. MISSION/AID/W OFFICE USAID/Panama-RHO/PSA
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) 81-3				
<input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION				
5. KEY PROJECT IMPLEMENTATION DATES: A. First PRO-AG or Equivalent: FY <u>79</u> B. Final Obligation Expected: FY <u>82</u> C. Final Input Delivery: FY <u>82</u>	6. ESTIMATED PROJECT FUNDING: A. Total: \$ <u>274,400</u> B. U.S.: \$ <u>200,000</u>	7. PERIOD COVERED BY EVALUATION From (month/yr.) <u>July, 1979</u> To (month/yr.) <u>February, 1981</u> Date of Evaluation Review		

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., airgram; SPAR; PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
Monitor issuance of reports as planned in Outputs Sections: Monitor status and role of Social Affairs Office:	MP MP	

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS <input type="checkbox"/> Project Paper <input type="checkbox"/> Implementation Plan e.g., CPI Network <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Financial Plan <input type="checkbox"/> PIO/T <input type="checkbox"/> Logical Framework <input type="checkbox"/> PIO/C <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Project Agreement <input type="checkbox"/> PIO/P	10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT A. <input checked="" type="checkbox"/> Continue Project Without Change B. <input type="checkbox"/> Change Project Design and/or Change Implementation Plan C. <input type="checkbox"/> Discontinue Project
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11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles) Earl Kessler, Project Official Julie Otterbein, Long Term Advisor William Gelman, Housing Officer Mario Pita, RHO/PSA Chief Benigna Magallón, Jefa, Asesoría de Asuntos Sociales, Ministerio de Vivienda	12. Mission/AID/W Office Director Approval Signature:  Typed Name: Frank Almaguer Date: April 10, 1981
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EVALUATION

INTEGRATED IMPROVEMENT PROGRAM

FOR THE URBAN POOR, TYPE A.

Project No. 912-0007

I. SUMMARY:

As a result of the Canal Treaty Negotiations, an economic cooperation program was designed which included \$75 million in AID Housing Guarantees to support an approved, five year Shelter and Community Upgrading Program. The shelter program called for among other things, the channeling of resources to: (a) expand shelter investment; (b) improve the capacities of the Housing Ministry (MIVI); and (c) strengthen coordination between housing finance, shelter delivery and other public and private institutions.

A key component of strengthening the capacity of MIVI is improving the planning, programming and administration of shelter delivery through the Integrated Improvement Program for the Urban Poor (IIPUP) Type A Program. More specifically, because of the magnitude and scope of the \$75 million housing guarantee, there was a need to develop an institutional capacity to plan, implement, monitor and evaluate housing programs for low income residents. For example, MIVI needed to know more about the low income families it was gearing up to serve and how low income families adapted to their new living environments and dwelling units. To achieve this, technical assistance was provided to MIVI's Social Affairs Office, the particular administrative subdivision which is responsible for social analysis and evaluations. The assistance was structured to help the SAO to improve the capacity of its staff to perform studies and evaluations, address community development needs in MIVI projects and establish techniques to coordinate and disseminate the information produced by the SAO. Moreover, technical assistance was designed to improve the internal management of the office and to link the activities of the SAO with MIVI policy, programming and operating procedures as they relate to the needs of the poor.

The Project Grant Agreement was signed July 26, 1979. The technical assistance program as designed called for the provision of a long-term social planning advisor to assist the Social Affairs Office (SAO) to establish an evaluation and monitoring system, conduct surveys of residents in existing and newly developed low income areas, conduct surveys of community organizations, improve project promotion and placement procedures and develop studies of community services and facilities available to and needed by shelter beneficiaries. These studies, then, could be translated into determining paying capacities, housing type preferences, community facility needs, community organization potentials, orientation requirements of the low income beneficiaries and the like.

Short-term technical assistance was defined in two areas: (1) the development of a community development framework to identify how community resources can be structured to improve the current housing conditions in targeted areas

as well as the availability of public services and facilities; and (2) the analysis of the management procedures within the Social Affairs Office (SAO). Short-term advisors were to concentrate on specific areas and support the work of the long-term social planner. The presence of these advisors was expected to result in the training of the staff of the Social Affairs Office, although a training component was not articulated in the initial design. Training has become a key part of the technical assistance.

In the process of implementing the Project Grant Agreement, various modifications have occurred, especially with regard to the timing of the inputs, and to some extent, in the allocation of resources. These are briefly described below.

2. EXTERNAL FACTORS:

No major changes have occurred in the project setting at this time. All assumptions remain valid, although a new Minister of Housing was recently appointed and his attitude vis-a-vis the project cannot be determined at this time.

3. METHODOLOGY:

This evaluation is based upon a review of a variety of project documents, including the following:

- A. Project Agreement.
- B. Quarterly reports of the long-term advisor.
- C. Reports issued by MIVI on specific project evaluations and other documents.
- D. RHO/PSA documentation and reactions of MIVI and other professional staff.

Key parties to the evaluation were the long-term advisor, the head of the SAO office, the chief of RHO/PSA and other RHO/PSA staff. Other MIVI division heads were not contacted because most have only begun to work at the Ministry in the last month or so and they are not really familiar with the role that the SAO has played.

4. INPUTS:

a. Time Frame:

While the agreement was signed in July 1979, the long-term consultant was not in place until mid-February, 1980, due to recruiting delays. A short-term advisor in the area of community development began working in December, 1980, and inputs will be phased over the life of the project, with a total consultancy

of approximately six months. The management consultant has not yet been identified, but it is expected that the long-term consultant will initiate the activities related to management procedures in early 1981. As a result of the recruiting problems, the time frame for outputs had to be revised. Despite changes in the timing of inputs, this project is well on its way to achieving all of its intended goals and has produced additional reports and activities which while not programmed, have been of use to the Ministry.

b. Resources:

	<u>Original Budget</u>	<u>Revised Budget</u>
Long-Term Social Planner	\$144,000	\$90,000
Social Planner (extension)		25,000
Community Development Specialist(s)	48,000	36,000
Management Specialist	8,000	36,000
Training		13,000

During project implementation, it was determined that certain reallocations of project resources were possible and desirable. The long-term advisor's budget was lowered because the original estimates (for 18 months) exceeded actual costs. Other changes in project resource inputs called for a short-term social planner to be funded, a training budget to be established and slight shifts in the amounts allocated for community development and management assistance.

5. OUTPUTS:

The following outputs were defined in the Project Agreement:

- A. A report setting forth measures by which SAO staff utilization may be improved while expanding programs serving low income families.
- B. A manual on conducting neighborhood surveys and analyses for low-income housing programs.
- C. A manual on MIVI policies and procedures in the administration of social components of low-income housing projects.
- D. Evaluation reports on impact of projects on residents.
- E. A manual on Community Development techniques.

The only change, thus far, has been in the order in which outputs are being produced. The Ministry gave priority to evaluation activities in 1980. A series of study topics were selected through Ministry-wide meetings in which information needs were defined and given priorities. A list of the reports which have been produced is provided below. It should be mentioned that output No. 2, a "manual" on conducting surveys, is in actuality a series of me-

thodological documents produced in tandem with the various studies listed below:

A. Row Housing: A review of solutions in Nuevo Veranillo and Cerro Batea, July 1980. This study was piggy-backed onto a larger study (see next entry) because project planners in the Ministry wished to assess the level of satisfaction of beneficiaries with row-house solutions and whether there were technical difficulties in expanding those units. The analysis showed that neighbors coordinated their improvements and were satisfied with their solutions, albeit most expressed preference for detached units. This showed, however, that row house unit types, which can result in lower development costs, are acceptable to MIVI target groups.

B. A Study of Progressive Construction-Serviced Lots, Piso-Techo and Basic Unit Solution Types-Nuevo Veranillo and Cerro Batea, September 1980. This report was based on data collected on projects which were implemented a number of years ago (1968 and 1974) and focused on the changes in the physical aspects of the housing and the procedures beneficiaries used to build progressively over time. The purpose of the study was to provide supporting information for decision makers who are currently implementing similar programs. The results of the study justified the "progressive development" approach to housing for low-income groups since it showed that over a ten-year period substantial investments were made in the units and beneficiaries were able to achieve "better-than-adequate" housing standards. The Progressive Construction report was deemed to be of interest to project planners in other countries and was translated and is being published by AID.

C. Analysis of Socio-Economic Change in Nuevo Veranillo, January, 1981. This report is a complement to the above study and reviews the changes in demographic and economic characteristics of 140 families in the project area over a period of 10 to 12 years. It was prepared with technical assistance by a member of the SAO's evaluation team and will be used as a basis for a university thesis, thus serving two functions, (i.e. providing useful information to the Ministry and enhancing the research capabilities of a group member). The key finding of particular concern to the Ministry was that selection procedures should not concentrate to an excessive degree on the employment profile of applicants. While the Ministry prefers applicants to have permanent salaried jobs, the analysis indicated that there is great mobility in the employment profile, (i.e. many workers change from a "permanent" to an "independent" status, and vice versa). A related finding was that job status was not a key factor in the payment of mortgages. The vast majority of the beneficiaries, including independent workers, met their payments obligations to the institution.

D. Monitoring of the Roberto Durán and Torrijos-Carter Projects, Report #1, March, 1981. This is the first of a series of reports to address current

projects consisting of minimum shelter solution types: Serviced Lots, Piso-Techo and Basic Core Unit. The report focused on various aspects of the projects during the implementation stage and on the factors affecting the decisions of families to invest in housing improvements. The purpose of the studies is to assist project managers in understanding the low income shelter development process and in knowing how beneficiaries responded to their new housing solutions. The first report focused on topics such as: (a) the savings achieved in a mutual help program (Lot solutions) which has allowed participants to build much larger units than they could afford to buy outright; (b) the reasons for delays in enclosing Piso-Techo units; (c) the levels of community services and infrastructure problems, etc.

E. Evaluation of the Cabo Verde Project, October 1980. This study reviewed the experiences to date with an alternative housing type, the four-story, walk-up apartment. The project in question was mid-way through construction with two buildings having already been occupied. The report dealt with administrative problems such as arrears in payments, the subsidy factor, and alternatives both in terms of improving the design of the buildings and other housing types.

F. Case Studies of Projects in Rural Areas and Secondary Cities (Draft). This study reviews various projects built by the Ministry in rural communities, comparing the housing models with houses built without Ministry assistance, e.g. spatial use, materials, etc. and investigates the satisfaction of beneficiaries. Also, two projects in secondary cities were studied, one with the core unit model, and one which involved community participation in building two bedroom units.

G. In addition to the above evaluations, censuses of 20 areas selected for future projects were carried out. These studies were requested by the Programming and Budget Department of MIVI to provide a profile of potential housing beneficiaries.

Although training was not articulated as an output, it has turned out to be an integral element of the IIPUP Type A Project. The detailing of how this output was carried out is contained in the quarterly reports of the long-term advisor. A few specific training outputs are: (1) a series of round-table discussions on study designs and on the results of completed studies; (2) supervision of the analysis of data and report writing by MIVI staff; and (3) participation in a World Bank evaluation seminar held November 1980, in Washington, D.C.

In summary, of the original list of outputs, the ones related to community surveys and project evaluations are well underway and the other outputs are scheduled to be completed during 1981. Studies proposed for 1981 are as follows:

a. Analysis of the Selection Process of Beneficiaries. The

focus of this analysis is the administrative system which includes applications, the estimation of eligibility of beneficiaries, the documentation requirements, orientation and delivery of units to beneficiaries. The purpose of this study is to increase the efficiency of the utilization of staff and to facilitate the delivery of units to beneficiaries.

b. Study of Repayment Problems of Beneficiaries in MIVI Projects. As a result of discussions with the various departments of MIVI, the topic of arrears in payments was selected for the 1981 proposal. Two specific areas for investigation are: (a) the rate of arrears related to inability to pay versus the rate of arrears created by unwillingness to pay; and (b) the institutional mechanisms which exist or should exist to deal with repayment problems.

c. Analysis of Effectiveness of Loans in Facilitating the Construction Process. The Ministry has under consideration a construction material loan program. When it is underway, the proposed study will assess its impact on the rate of home improvement comparing families who benefit from the program with an equivalent group which did not.

d. Evaluations of Selected Projects. A number of projects are under consideration for evaluations, e.g. an urban renewal project in an inner city area called Curundu. The specific projects will depend upon a decision by the Minister and the number of evaluations will depend on the available resources. The continuation of the Monitoring of the Roberto Durán and Torrijos-Carter projects has priority.

In addition, the implementation of the community development component is programmed for 1981, although currently these inputs are awaiting approval by the new Minister of Housing.

6. PURPOSE:

The purpose of the project was to strengthen the capacity of MIVI to address and plan the social aspects of its shelter projects and improve the effectiveness of the delivery of socio-economic services in those low income projects leading to the development of integrated low income shelter programs. Based upon the Project Agreement, the following project purposes and EOPS have been identified:

A. A strengthened SAO with a trained staff capable of defining and executing surveys needed by MIVI offices and divisions to plan and design the social equation of low income housing projects.

B. A process of internal policy and procedural coordination among divisions in MIVI to incorporate the survey results into project planning and development.

C. The development of an evaluation system.

All EOPS are in various stages of completion and appear to be easily achievable by the Project Assistance Completion Date of April 30, 1983. The long-term advisor has initiated a process of training by having the staff of the SAO design, analyze and produce relevant reports. The SAO section carrying out evaluations started with four professionals and has been expanded to eight. Opportunities for structuring the entire SAO staff into newly defined units are emerging as a result of the long-term and short-term technical assistance. This is being emphasized during 1981, and there is discussion of establishing the SAO as a "Dirección" of MIVI and such a designation carries with it certain legal and budgetary characteristics which would strengthen the office administratively and provide greater institutional credibility.

The internal coordination process was initiated at the inception of the project when the long-term advisor wisely chose to have the various divisions and offices of MIVI define the studies they needed for their respective activities. This served as a basis for initiating SAO studies and encouraging interdepartmental dialogue and responded directly and immediately to the needs of MIVI's distinct organizational subdivisions. Although follow-up participation by MIVI departments has been somewhat apathetic, the elements of an interdepartmental dialogue on the social aspects of MIVI shelter projects exist and need to be reinforced over time. For example, the SAO works with the Real Estate Division in the selection, processing, and orientation of MIVI beneficiaries. There have been long standing issues between the two offices and this was becoming a severe problem as unit production continued to be expanded without corresponding institutional actions regarding the occupation of those units.

A rather extensive group of studies have been completed or are near completion which will give MIVI valuable information on the characteristics of low income families in its projects as well as other low income areas of Panama. The studies touch on people's incomes, source of incomes, paying capacity, mobilization of resources to continue to improve their units, previous residence, how they located in their current residence, physical characteristics of their unit and much more data on how people live and survive in their current environment. All departments of MIVI tap into this data base as a way to know more about who their client groups are and how well they are serving them. This will be used as the basis of an evaluation system that will continue to feed information to various subdivisions of the Ministry.

The attitude of the newly appointed Minister of Housing and any newly appointed department heads may affect achievement of purposes and EOPS, even though the project is off to an excellent start, especially with regard to MIVI internal coordination and the training of the SAO staff.

7. GOALS:

The goal of the project is to plan, implement, monitor, program and evaluate human settlement projects for low income families. Although the department chiefs in MIVI could view the evaluation program more enthusiastically, the program has provided a wide variety of data and analyses in the planning and designing of shelter projects. The staff has increased from four to eight professionals in over a year; the SAO enjoys a more sophisticated, broader structure to better serve MIVI's needs (e.g. the community development unit), and discussion of changing the SAO to a "Dirección" is underway. However, this momentum was largely generated by a combination of factors: (a) the recognition by the recently departed Minister of the need for such an office; (b) the capabilities of the director of the SAO; (c) the support of RHO/PSA in guiding its development; and (d) the long-term advisor who has performed very well.

8. UNPLANNED EFFECTS:

The success of the IIPUP Type A in Panama is providing many valuable lessons on how such an office should function in the context of a housing development agency. MIVI is developing a social planning, community development and evaluation capacity that can be used as a model for other, similar agencies in nearby Latin American countries.

The data being generated by the project are providing a valuable source of baseline information in testing a variety of assumptions underpinning the HG program. Some of those key assumptions are as follows:

A. Low income families are interested in acquiring semi-completed housing solutions (i.e., demand for such solutions exist).

B. Low income families are inclined to meet their mortgage and loan obligation as well as middle and upper income families.

C. Low income families do, in fact, upgrade their units once they move in.

Moreover, the raw data is suggesting a variety of additional hypotheses about low income housing development.

9. FOLLOW UP:

The key follow-up activity will be to monitor the development of the SAO and its relationship to other MIVI offices and departments. This is especially relevant in light of recent ministerial changes.