

A.I.D. EVALUATION SUMMARY - PART I

PD-AA4-132
ISN 57598

1. BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS.
2. USE LETTER QUALITY TYPE, NOT "DOT MATRIX" TYPE.

IDENTIFICATION DATA

A. Reporting A.I.D. Unit: Mission or AID/W Office <u>RHUDO/NENA</u> (ES# <u>664-88-ES-002</u>)		B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan? Yes <input checked="" type="checkbox"/> Slipped <input type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date: FY <u>87</u> Q <u>3</u>	C. Evaluation Timing Interim <input type="checkbox"/> Final <input checked="" type="checkbox"/> Ex Post <input type="checkbox"/> Other <input type="checkbox"/>
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D. Activity or Activities Evaluated (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report.)

Project No.	Project /Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
664-HG-004A/ 664-0329A	Emergency Housing Reconstruction	7/29/83	6/30/87	4000 (loan) 1000 (grant)	2100(loan) 400(grant)
664-0329B	Emergency Housing Repair	7/29/83	7/38/85	750(grant)	565

ACTIONS

E. Action Decisions Approved By Mission or AID/W Office Director Action(s) Required	Name of Officer Responsible for Action	Date Action to be Completed
GOT should withdraw remaining funds from Escrow. CNEL should reimburse A.I.D. for grant funds that were not disbursed to beneficiaries prior to the PACD.		

(Attach extra sheet if necessary)

APPROVALS

F. Date Of Mission Or AID/W Office Review Of Evaluation: (Month) (Day) (Year)

G. Approvals of Evaluation Summary And Action Decisions:

Name (Typed)	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
Signature	<u>Sonia Hammam</u> <i>Sonia Hammam</i>		<u>Louis F. Macary</u> <i>Louis F. Macary</i>	<u>David S. Olinger</u> <i>David S. Olinger</i>
Date			<u>9/1/88</u>	<u>8-29-88</u>

A B S T R A C T

H. Evaluation Abstract (Do not exceed the space provided)

In the fall of 1982 a severe flood struck many areas of Tunisia. Approximately 14,000 homes were damaged and over 5,000 destroyed. The objective of the AID funded HG-004A/0329A and 0329B Programs was to help the GOT respond to the needs for repair and reconstruction of homes damaged and destroyed by the flood. \$5 million was made available under the HG-004A/0329A Program for the reconstruction of up to 1000 homes. \$750,000 was received for the 0329B Program to repair up to 1800 homes. The GOT implementing institutions for HG-004A/0329A were CNEL and the MOHPW.

The GOT implementing institutions for 0329B were FNAH and the STB. This final evaluation was conducted by 2 local consultants on the basis of a review of project documents, interviews with project personnel, application of a detailed survey and selected site visits.

The evaluation finds that both projects impacted positively on the shelter conditions of below median income beneficiaries and generated housing investments which were far greater than the loans granted. Beneficiaries saved on construction costs by acting as their own contractors. Both programs were slow in implementation due to a lengthy process of beneficiary selection, delays caused by the need to ratify agreements, and the slow release of funds from the government to the financial intermediaries charged with administering the funds. This led to a reduction of final beneficiaries from the 1000 intended to 659 on the Emergency Reconstruction Program.

Lessons learned are:

- a. Credit programs for housing construction have a multiplier effect on the amount of investment in housing from savings.
- b. Emergency Programs should be simple in design and implementation in order to avoid excessive delays.
- c. Technical assistance for construction has a positive impact and use of external architects should be considered given the shortage of technical resources at the local level.
- d. Credit programs intended to reach the poor should allow for flexible terms, greater decentralisation and simplification of procedures.

C O S T S

I. Evaluation Costs

1. Evaluation Team		Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
Name	Affiliation			
Sadok Zerelli	Local Consultant	940-1001.64-0- 00-7116-00	18,000	RHUDO
Hinda Gafsi	Local Consultant	940.1001.64.0-00- 7115.00	3,200	RHUDO

2. Mission/Office Professional Staff

Person-Days (Estimate) 5

3. Borrower/Grantee Professional

Staff Person-Days (Estimate) 5

A.I.D. EVALUATION SUMMARY - PART II

SUMMARY

J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided)

Address the following Items:

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| <ul style="list-style-type: none"> • Purpose of evaluation and methodology used • Purpose of activity(ies) evaluated • Findings and conclusions (relate to questions) | <ul style="list-style-type: none"> • Principal recommendations • Lessons learned |
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Mission or Office: RHUDO/NENA	Date This Summary Prepared: August 1988	Title And Date Of Full Evaluation Report: Evaluation of the Emergency Housing Reconstruction Project and of the Emergency Housing Repair Program. Dec. 1987.
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1. Initiating Office: Regional Housing and Urban Development Office for the Near East and North Africa (RHUDO/NENA).

Report Title: Final Evaluation of the Emergency Housing Reconstruction and Repair Programs in Tunisia

2. Purpose of Activity Evaluated

In the fall of 1982 several Governorates in Tunisia suffered heavy flooding which destroyed over 5,000 homes and damaged approximately 14,000 more. In response to an official request from the GOT, USAID/Tunis agreed to finance two programs to aid victims of the floods. The Emergency Housing Reconstruction Program (HG-004A/664-0329A) was to originally provide \$5 million to finance approximately 1000 grants and loans to below median income families for the reconstruction of their homes destroyed by the floods. Funds were to be channelled to beneficiaries through the Caisse Nationale d'Epargne Logement (CNEL) with on-site technical assistance and overall program supervision provided by the Ministry of Housing and Public Works (MHPW). The Amount of funds made available per household was not to exceed TD 3000 with 20% coming as a grant and the remainder as a loan at 7% interest repayable in 15 years: The Emergency Housing Repair Program (664-0329B) was to provide \$750,000 in grant funds to finance approximately 1800 loans in amounts not to exceed TD 300 to below median income families for the repair of their homes damaged by the floods. The Fonds National d'Amélioration de l'Habitat (FNAH) was to provide overall project supervision with funds being channelled to program beneficiaries through the Société Tunisienne de Banque (STB). Reflows from beneficiary loan repayments were to be used to finance municipal infrastructure projects over a 5 year period. It was anticipated that all funds would be disbursed within 6 months of signing the July 1983 Project Grant Agreement.

3. Evaluation Purpose and Methodology

The primary purpose of the evaluation is to provide additional information on how Tunisian households plan, finance and manage the construction and/or improvement of their own shelter focusing on the issues of land acquisition and financing, sources of finance for dwelling unit construction and repair, and the method of construction/repair work employed. The secondary purpose of the evaluation is to assess the effectiveness of GOT shelter agencies in terms of their ability to meet the shelter needs of USAID's low-income household target group. It is anticipated that the information generated from this evaluation will assist both

USAID/Tunisia and the GOT in the design of new, and the implementation of on-going shelter projects in Tunisia. The evaluation was conducted by 2 local consultants. In order to obtain the detailed information necessary to fulfill the main purpose of the evaluation noted above, they designed and administered a detailed survey to beneficiaries of the two programs. In addition the consultants reviewed project documents, interviewed key project personnel and visited selected project sites.

4. Major Findings and Conclusions.

Both projects suffered initial delays which reduced their impact on helping emergency flood victims. There were excessive delays in this instance between the various agreements required for implementation, (e.g., the Program Agreement and its ratification, meeting CP's, management agreement between CNEL, the financial intermediary, and the GOT, the borrower. Many of the implementation steps could have been started sooner.

The Emergency Repair Project impacted positively on below median income beneficiaries. Administrative procedures for providing loans were relatively simple so that almost all the (1800) intended beneficiaries were able to obtain loans. The selection procedure was slow but the eligibility criteria were well respected. Most of the repair work exceeded the amount of the loan provided and the additional amount was financed by the beneficiaries savings, personal loans and sale of property. Financial management was well executed by the STB with the minimum of delays in processing loans and disbursement of funds. However, loans were rather limited in amount compared to need. Additionally in a few instances beneficiaries were too poor to repay their loans.

The Emergency Reconstruction Project impacted positively on below median income beneficiaries who were able to substantially improve their shelter conditions. The project generated a process of self financing which led beneficiaries to invest three times the amount of the loans received in the construction of their housing. The beneficiaries also benefited from technical assistance in the construction by Ministry of Housing representatives despite the shortage of technical staff. Use of external architects familiar with local materials in a few instances was highly successful.

The reduction in the number of beneficiaries from 1000 to 659 was due to the lengthy centralised process established for beneficiary selection, submission of documents for loan approval and administrative procedures, along with the lag in accomplishing the various design and implementation tasks. In addition, the project design required tranching of loans which was probably not justified given the small loan amounts. The requirement that the loan be disbursed in tranches led to delays given the centralisation of CNEL's administrative procedures and the costliness of disbursing small amounts. While CNEL was slow in processing loans and disbursements CNEL's recovery of loan repayments has been very good.

5: Lessons Learned/Recommendations.

(a) Credit programs for housing construction and repair mobilise large amount of investment on the part of beneficiaries who frequently end up investing amounts three times larger than the credit obtained to improve their shelter.

(b) Emergency programs require that their design and implementation be simplified in order to avoid excessive delays.

(c) Use of external architects familiar with local materials for technical assistance appears to have been highly effective and should be considered as a resource for similar programs given the shortage of technical staff in regional offices of the Ministry of Housing.

(d) Financial arrangements for low-income beneficiaries require more flexible terms and more decentralized and simpler procedures in order for funds to flow quickly.

ATTACHMENTS

K. Attachments (List attachments submitted with this Evaluation Summary; always attach copy of full evaluation report, even if one was submitted earlier; attach studies, surveys, etc., from "on-going" evaluation, if relevant to the evaluation report.)

Copy of the Evaluation Reports.

COMMENTS

L. Comments By Mission, AID/W Office and Borrower/Grantee On Full Report

- Evaluation is well prepared and comprehensive.