



Cooperative Housing Foundation



International Cooperative Alliance

July 30, 1998

Mr Gerald Britan
USAID, CDIE/DI
Ronald Regean Bldg
Room 6 07 - 154
Washington, DC 20523-1802

Re CHF's Semi-annual Report (12/1/87 - 6/30/98)
and Interim Workplan (7/1/98 - 9/30/98) for the
Cooperative Development Program (CDP)
C A #FAO-0192-A-00-00016-00
December 1, 1997 - June 30, 1998

Dear Mr Britan,

Please find enclosed one copy of our second semi-annual report and the interim workplan for the program cited above. If you have any questions or concerns after reviewing the information, please feel free to contact us.

The Cooperative Housing Foundation (CHF) greatly appreciates the opportunity to implement this program, and we remain committed to delivering results in the three focus countries.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. A. Hermanson', is written over a horizontal line. The signature is fluid and cursive in style.

Judith A. Hermanson
Vice President



Cooperative Housing Foundation

International Cooperative Alliance

July 31, 1998

Dr Gary Lewis
CDP Coordinator
USAID
BHR/PVC
RRB 7 06 - 093
Washington, DC 20523-7600

Dear Dr Lewis

On behalf of the Cooperative Housing Foundation (CHF), I am pleased to transmit to you under cover of this letter, two copies of our second semi-annual report for the Cooperative Development Program (CDP), covering the period December 1, 1997 - June 30, 1998. I am also taking the opportunity to enclose a work plan for the interim period July 1, 1998 - September 30, 1998, in order to accommodate the change in reporting dates for this cooperative agreement.

You will be pleased to know that the CDP program is progressing well. We have successfully initiated work in two of our focus countries (Philippines and Poland) and have taken the first steps for implementation in the third (South Africa), planned during the interim reporting period. In the Philippines and Poland, we have developed excellent working relationships with the USAID Missions, as well as numerous host agencies and cooperatives.

In the Philippines, our CDP strategy is to assist a national ministry to facilitate the development of housing cooperatives through a private sector approach. We will use a demonstration project as the basis of the assistance, working with a housing cooperative to guide it through the housing development process. The results will include a housing cooperative with completed units and a revised set of procedures and policies which will enable the development of similar projects.

In Poland, the CDP strategy is to work with existing cooperatives to assist them to organize and access finance to carry out renovations and improvements. At the same time, we are working with a national level association of cooperative support organizations (CIM) to enable it to provide similar technical assistance and support in the future. As in the Philippines, the strategy is centered on a demonstration project, with the idea that CHF uses successfully in most of its projects, that the physical results both test and validate the cooperative process and the technical approach that has been used.

Overall CDP progress to date includes the following program highlights:

- o Completed national housing cooperative survey in Philippines
- o Organized distinguished national CDP advisory committee in Poland
- o Developed a network that includes the National Housing Authority, 10 cooperatives and a variety of non-profit organizations and commercial banks in the Philippines
- o Developed a network that includes a non-profit organization, 32 technical service centers, 10 cooperatives and a variety of commercial bank, local government and small business officials in Poland

Helping families throughout the world build better housing and communities
Office 8300 Colesville Road Suite 420 Silver Spring MD 20910 ■ (301) 587 4700 ■ fax (301) 587-2626
www.chfhq.org

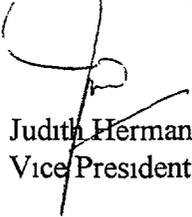
A small, handwritten mark or signature in the bottom right corner of the page.

-
- o Increased CHF membership base
 - o Fielded CHF's first volunteer
 - o Strengthened CHF microfinance systems
 - o Secured first time funding from two non-USAID funding sources

The report has been structured to conform to the work plan against which we have been working. We have included also, at the end of each work plan element, a brief description of the anticipated outcomes of the interim period work plan.

CHF appreciates the opportunity to implement this exciting program. FY 1998 promises to be CHF's most successful year -- both in terms of funding secured and of program results -- and CDP is an important part of our program. Thank you and your colleagues for your support of our work. We look forward to receiving your comments.

Yours sincerely,



Judith Hermanson
Vice President



Cooperative Housing Foundation



International Cooperative Alliance

Office 8300 Colesville Road Suite 420 Silver Spring MD 20910 ■ (301) 587-4700 ■ FAX (301) 587-2626

C

**Cooperative Development Program (CDP)
Result Highlights**

Element	Target	Result
Philippine Pilot Project Survey	One	Completed
Poland Pilot Project Survey	One	Completed
Philippines National Assessment of the Cooperative Delivery System	One	Completed
Poland National Assessment of the Cooperative Delivery System	One	Completed
South Africa Perform a start-up assessment and identify a local implementing partner	One	Completed
Philippines, Poland and South Africa Provide Training, T A and Advisory Services	Total of 5 5 Person Months	7 6 PM Provided
Philippines Conduct a workshop for the NHA and 3 Regional Offices	One	Completed
Poland Conduct a workshop for CIM, 10 AWIMS, and five coops	One	Two
Philippines and Poland Develop pilot projects to demonstrate improved delivery systems	One for each country	Two initiated and two more planned
Develop a professional volunteer program to support intl Coop activities	One manual produced, Two volunteers utilized	One policy manuals, One orientation manual, & Two volunteers
Establish new members for domestic support of intl activity	Four	Seven

d

Cooperative Development Program (CDP) Program Summary

A Cooperative Housing Foundation (CHF)

CHF is a non-profit international development organization [501(c)(3)] helping low- and moderate-income families around the world to improve their living conditions, livelihoods and communities. CHF currently has programs in housing, community development, microenterprise development and building the capacity of nongovernmental organizations. Established in 1952, CHF initially provided housing and related community services to low- and middle-income families in the United States. In 1962, CHF began to apply its expertise internationally, improving substandard housing in the developing world. CHF's strategies include local community members, government and the local private sector in development, resulting in a more stable society where self-reliance and human dignity are valued.

B CDP - Project Description

Through CDP, CHF is working to increase the availability of affordable housing services to under served populations through the promotion and strengthening of cooperative housing systems in the Philippines, Poland and South Africa. While the institutional arrangements vary slightly from country to country, the program strategy is to establish sustainable systems by building the institutional capacity of CHF's local partners to provide technical and financial services to indigenous housing cooperatives, condominiums and homeowner associations.

The program objectives include

- Creating a model pilot project that produces 50 new or improved cooperative units in each country. Given an average of 5 family members, a minimum of 750 beneficiaries will receive improved housing.
- Developing a training program to facilitate pilot project implementation, dissemination and replication. Training focuses on the strategic linkages between each sector of the cooperative delivery process: individual cooperative members, cooperative management units, NGOs and private businesses who supply services to the cooperatives and government agencies.
- Identifying and accessing \$50,000 in non-USAID capital for the development of the pilot projects.
- Developing a manual that will document the pilot effort and streamline the improved delivery process.
- Working with an NGO to develop fee-for-services, based on lessons learned during the development and implementation of the pilot project.

Under the CDP, CHF's local partners will gain direct experience in promoting cooperative housing initiatives through the implementation of pilot projects. CHF is providing technical assistance to its local partners in the legal, organizational, financial and technical steps related to conducting a new core construction or a renovation project. Each pilot project will include all phases of planning and development, including the mobilization of resources to finance the project. CHF is assisting in the implementation and monitoring of

the pilot projects, and assisting its local partners in establishing fees for their services which will provide them with an ongoing revenue stream after the completion of the project

C Country Specific Activity

1 Philippines CHF is providing technical assistance to the Cooperative Housing Program of the National Housing Authority (NHA), a governmental agency, which is struggling to provide housing to the estimated 3.7 million families in need. CHF is helping NHA to provide better services to existing co-ops to help them include housing as a new service for their members, create an enabling environment for the establishment of new housing co-ops, and address issues of co-op financing, management and ownership. CHF will implement between one and three pilot projects with NHA and develop a series of training, monitoring and assessment services that can be provided for by a local NGO.

2 Poland CHF is supporting and expanding the capacity of the Center for Housing Initiatives (CIM), a local non-profit organization founded to address the hardships of rapid housing privatization, poor physical conditions of housing, lack of available systems in property management and the enormity of the housing challenge facing Poland. CIM supports a network of more than 30 Agencies to Support Housing Initiatives (AWIMs) nonprofit cooperative housing developers which CHF helped to create. CHF is helping CIM promote a variety of affordable housing models including cooperatives and the privatization of public housing through creation of condominium. Many condominium associations have found themselves with buildings that have been neglected for several decades and they need training and technical assistance in the proper management and maintenance of their housing units. CHF and CIM will identify up to five pilot projects to demonstrate replicable methods and best practices to promote improvements in management, repair and renovation for other condominium associations and co-ops.

3 South Africa CHF will phase in the South Africa CDP by the end of 1998, providing technical assistance to the Urban Services Group (USG), a nonprofit organization based in Port Elizabeth. CHF and USG will work with an additional community organization and a housing cooperative in planning and implementing a cooperative housing pilot project. CHF is working with its local partners to help address the needs of more than 8 million people who are living in sub-standard housing. Local community-based organizations and developers lack skills in management, technical areas, planning and fund raising. The lack of skills and profound housing shortage is compounded by an annual population growth rate of 2.2%, and an urban population growth rate of 3.1%. In Port Elizabeth alone, where CHF has offices, a total of 68,000 housing units must be provided just to eliminate the current deficit. An additional 65,833 units will be needed over the next 14 years to meet future population growth.

4 Institutional Capacity CDP is a key source of support for activities that enhance CHF's ability to manage and provide technical assistance to cooperative housing programs around the world. Currently, CHF is developing a network of membership support to access professionally trained volunteers for its programs. Additionally, CHF continues to systematize its impact and reporting systems to more effectively disseminate international achievements to potential non-USAID donors and the American public at large. Other activities undertaken by CHF include institutionalizing its *Home Improvement Lending Program* and training various staff members to better manage cooperative programs.

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

A. To Support the Development Of Cooperative Systems Overseas	
<p>1 Innovative approaches designed and developed to encourage the growth of co-op systems overseas</p>	<p>Philippines CHF successfully met each of its deliverables, (e g a detailed survey of 10 cooperatives, an national assessment of cooperative needs and preexisting government and private business services, creation of a pilot project with the National Housing Authority, definition and delivery of a training and technical assistance package, and more), and having surpassed some, is now in a strong position to have a nationwide impact on the cooperative housing delivery system in the Philippines, given a partnership with the Philippine National Housing Authority (NHA)</p> <p>1) CHF completed its assessment of the coop housing delivery system, placing emphasis on the NHA's Cooperative Housing Program In order to establish baseline information formulate and recommend interventions and structures, the study analyzed existing programs of the NHA, its regional offices, a variety of local government units, 2 commercial banks and 10 housing cooperatives throughout the Philippines The Polytechnic University of the Philippines (PUP), Institute of Cooperatives was subcontracted to assist CHF/NHA with this task</p> <p>2) Based on the assessment, an agreement and workplan were formed between CHF and NHA They are based on four key principles a) decentralization of housing decisions needs to take place and supported by the NHA offices to empower local cooperatives and allow them to address outstanding management concerns currently, all decisions are made by NHA management at the national level without substantive feedback from communities, b) additional attention must be paid to monitoring and enforcing preexisting policies coops are circumventing many policies and NHA does not have the systems to properly monitor activity, c) services provided for by NHA should be defined by a bottom-up approach, and d) ownership of the cooperative must be retained after financing is provided for typically, coops cease to function after title is transferred, thus the individual owners have no means of managing or advocating common areas of concern</p> <p><i>Interim Period 7/1 - 9/30</i> CHF will visit an additional 6 cooperatives, and from the sixteen, choose up to three (or four) to participate in the pilot effort, one that will result in a minimum of 50 new units To encourage the cooperatives to participate, a formal 'approach package' will be developed to outline objectives, provide relevant workplan information and list financial and technical opportunities that each cooperative can expect by participating</p>

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

Poland

CDP-Poland surpassed its work plan in each area and is in a strong position as it moves from the assessment stage to the pilot planning and pilot implementation stages

1) CHF conducted a thorough needs assessment of how cooperative principles can be used by CHF's current government, non-profit and for-profit partners in order to add an additional component in the housing privatization process. The assessment consisted of a series of site visits and a variety of meetings with members of CHF's CDP partner, the Center for Housing Initiative (CIM), an association of 32 local agencies that CIM's services (called AWIMs), national and local government officials, local banks and members of both the cooperative and condominium communities. Needs identified by the meetings and a formal questionnaire process included: 1) specific training components targeted to both property management firms and condo associations, 2) specific assistance that will be provided for within the context of the pilot project, and 3) a series of information dissemination efforts that will promote understanding of owners' rights and how they can advocate for them.

2) CHF conducted two formal workshops to initiate project planning and network building, as well as disseminate project goals. (One was planned for in the workplan). Many of the participants agreed to work with CHF as an interim advisory group, of which USAID is a part. Many of the participants also agreed to play a major role in the implementation of the pilot project(s). Participants represented a variety of local government, private business and non-profit officials.

3) As stated, a variety of meetings were held with government, business and non-profit representatives. Of particular note is CHF's attempt to create a specific commercial banking linkage that provides home improvement capital for condo associations participating in the pilot project.

Interim Period, 7/1 - 9/30 The pilot identification stage will bring to completion: 1) the specific pilot that will be developed, 2) the one to three specific AWIMs that will work with CHF/CIM to implement the project, and 3) the condo organizations under the specific AWIMs that will be the "ultimate beneficiaries." Agreements will be reached or close to completion for each participant, and the planning stage will be transitioning into pilot development.

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

	<p>South Africa CHF started the CDP-SA component ahead of schedule by initiating the planning and assessment stages. A senior CHF representative traveled to S A and met with various non-profit organizations to discuss potential collaboration. At this time, CHF met with Corplan, an organization which works in East London, Seymour, and Queenstown. CHF's Country Director followed this meeting with a more detailed assessment of Corplan's needs and activities. Corplan works to "develop, support and promote a progressive community based or community driven approach to housing delivery and management, and to build the housing delivery capacity of disadvantaged communities in the Eastern Cape," and is one of the few, if only, organizations working to develop a cooperative housing program in South Africa.</p> <p><i>Interim Period 7/1 - 9/30</i> CHF expects that 1) its Vice President will travel to South Africa to meet with the USAID Mission and finalize overall country strategy, of which CDP is a significant part, and a Program Officer will travel to S A to develop, with our current Country Director, a detailed workplan for CDP. The VP is expected to travel in late September and the PO in early September.</p>
<p>2 Amount of technical assistance, training and advisory services delivered to host-country partners</p>	<p>Philippines CHF surpassed its goal by 16 PM, by providing 46 person months of technical assistance, training, and advisory services to senior NHA members, local NHA representatives and the 10 NHA sponsored cooperatives. T A and training will continue to play major roles: 1) at the national level, on NHA's overall cooperative delivery system, 2) at the local NHA level, on the ability of local officials to manage programs in a decentralized environment, and 3) at the coop level, focusing on practical applications of accessing and managing NHA related resources.</p> <p><i>Interim Period 7/1 - 9/30</i> CHF plans to conduct a national training seminar for over 50 participants from around the country, including NHA officials, NGO leaders and coop representatives. The majority of the prep work was completed during this reporting period. The seminar will present/clarify the steps and procedures that coops must take to qualify for NHA and tax-based support. It will also enable the coops and participating NGOs to present best practices, voice concerns and outline training needs. CHF/NHA plans to conduct a follow-up seminar in late September/early October to facilitate the pilot project's start-up. Volunteers are expected to be engaged in this effort.</p>

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

	<p>Poland CHF surpassed its goal by 1 44 PM, by providing 3 44 Person Months of technical assistance and training Much of the T A centered around business planning for CHF's partner CIM and outreach that helped clarify the new concepts and applications that CDP will provide</p> <p><i>Interim Period 7/1 - 9/30</i> CHF expects to identify its first volunteer for Poland who will evaluate the condominium management methods in two selected buildings Work will also commence on identifying the second volunteer as well, who is expected to prepare a marketing plan and related material for CHF's partner CIM Additionally, CHF will begin to provide partial "scholarships" to AWIM staff to become certified in property management (There is a great need for trained professionals in Poland and the AWIMs to date have primarily focused on construction) Finally, a training program will be organized to support the efforts of the pilot recipients</p>
	<p>South Africa CHF conducted advisory activity briefing Corplan and current members of CHF s in country staff A list of training and TA needs for Corplan was developed Additionally, CHF participated in a Washington, DC based workshop hosting senior officials from S A interested in providing improved financial support to low income communities (see section 6)</p>
<p>3 Income-generating business linkages and methodologies introduced to ensure sustainability of local organizations and their programs</p>	<p>Philippines</p> <p>1) CHF, with the support of PUP, performed a financial analysis of the current, cooperative delivery system to 1) determine the financial options and support systems currently in place for housing cooperatives, and 2) determine the needs for additional financing sources The outcome was a defined need to access additional resources for group/cooperative-based lending models Currently, financing is only provided to support individual mortgages Thus, cooperative members do not have a mechanism to secure external sources of capital</p> <p>2) CHF assisted the NHA to define and embrace a specific plan to utilize NGO(s) to deliver training, assessment, project monitoring, technical and financial services to the NHA supported cooperatives and This in itself is a significant step since 1) NGO/government relationships are typically weak, and 2) the NHA has expressed interest in a more decentralized approach It is envisioned that the NGO(s) (to be identified) will provide these services directly to cooperatives and will be able to develop a series of services for fees</p>

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

	<p>Philippines (continued)</p> <p>3) CHF/NHA began work on a plan to access capital for the pilot projects CHF/NHA met with two banks (Land Bank and Prime Bank) to explore options Although Land Bank remains interested in only supporting individually owned mortgages, Prime Bank expressed an interest in providing up to 20 million pesos (app \$500K) per cooperative CHF/NHA is also in the process of developing a housing cooperative lending proposal for the purpose of approaching the World Bank for a wholesale lending scheme, put into a framework that could potentially be of interest to all parties involved</p> <p><i>Interim Period 7/1 - 9/30</i> CHF/NHA will continue to explore how existing local NGOs and other non-profit membership organizations can fit into the cooperative housing development process, and begin to identify program partners with whom to link Additionally, CHF will continue to conduct a series of meetings with potential, non-USAID funding sources, specifically commercial banks, and begin to define a framework which will be used by the selected cooperatives to secure non-USAID pilot project financing</p>
	<p>Poland</p> <p>1) CHF, together with CIM and various AWIMs, developed a fee for service strategy that focuses on the dissemination of lessons learned within the pilot project It was therefore decided that one key component to the pilot project will be teaching the condo associations how to plan for and access/leverage external financing for home improvements Anticipated income-generating results of such work would be 1) commercial banks developing access to a new market, 2) local businesses contracted for construction work, and CIM developing financial planning skills that it can “sell/market” to other AWIMs and AWIM condo associations</p> <p>2) In order to choose pilot implementors, CHF has drafted a Pilot Project Application 14 AWIMs were originally approached which showed interest in the pilot project These prospects were evaluated on three basic criteria level of active interest, availability of city resources for renovations and presence of a potential private bank interested in condominium loans From this evaluation, 3 cities were identified as candidates for the pilot Gdynia, Kutno and Tarnow From these cities, two pilot projects will be selected</p>

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

	<p>Poland (continued) 3) CHF drafted a concept paper which defines a lending methodology for the access of credit by condo owners. This has been used to approach specific banks concerning CDP. A list of banks approached is also attached. This will be one of the major challenges of the project. Thus, CHF is also exploring host government sources of financing that the pilots can access. In addition to these local businesses, a local property management firm has been identified to provide technical training and assistance to service the pilot projects.</p> <p><i>Interim Period 7/1 - 9/30</i> At least one pilot, (as originally proposed), will be selected. Planning will be in process and agreements will be signed. Once selected, TA on financial issues will begin and CHF will be able to more actively approach specific banks concerning external financing.</p>
	<p>South Africa <i>Interim Period 7/1 - 9/30</i> CHF will begin to explore ways to introduce fee-for-service components into local partner initiatives and, as in Poland and the Philippines, begin to assess/strategize the incorporation of non-USAID financial linkages into the pilot projects.</p>
<p>4 Number of long-term partnerships established with indigenous partners to strengthen their capacities and sustainability</p>	<p>CHF prides itself on its ability to successfully implement projects with local institutions, both Poland and the Philippines are perfect examples.</p> <p>Philippines CHF surpassed its objectives by establishing long term working relationships with over 15 host country organizations: the NHA, 3 regional NHA offices, 10 cooperatives and the Polytechnic University of the Philippines. Additionally, CHF initiated relationships with 2 commercial banks and a variety of NGOs/non-profit associations, many of whom were asked to participate in CHF/NHA's seminar. It is also envisioned that these organizations will continue to act as advisors to CHF/NHA throughout the life of the project.</p> <p><i>Interim Period 7/1 - 9/30</i> As discussed, CHF will identify NGO(s) with whom the NHA will work to provide training, assessment, monitoring and other services to cooperatives. Also, CHF will also approach six additional coops as potential pilot implementors. Of the sixteen coops, (10 of which were previously approached), 1 to 3 will be selected for the pilots. The others will continue to participate in other related TA and training initiatives.</p>

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

	<p>Poland CHF is implementing the project with the NGO, entitled CIM, and an association of 32 other NGOs, entitled AWIMs. Each AWIM has a variety of coops and condos under their umbrella and each has direct access to local municipality leaders. This structure is expected to facilitate the dissemination of pilot results since CIM is in a position to take best practices from one municipality and translate them to another through the existing AWIM structure. In addition, all applicable CDP material produced will continue to be sent by CIM/CHF through each AWIM to local beneficiaries. This will ensure impact beyond the pilot level and at the national level.</p> <p><i>Interim Period 7/1 - 9/30</i> The incorporation of local banks and/or municipal financing will be a valued component, if achievable. As stated, once the specific pilots are selected, CHF can begin to hone its financial access efforts. This is expected to start in late September, maybe early October.</p>
	<p>South Africa <i>Interim Period 7/1 - 9/30</i> In addition to meetings with Corplan, CHF expects that its current Technical Service partner will also play a major role in the TA and training delivery that is called for. By the end of the summer, a detailed work plan will be developed and tentative cooperative agreements will be drafted.</p>
<p>5 Program development activities and services to support indigenous partners to meet the needs of local beneficiaries</p>	<p>Philippines CHF has been working with the NHA and the cooperatives to implement a model, international cooperative project. This model is expected to significantly change the way that both national authorities and local members approach coop housing. Currently, coops are formed to access financial resources. However, once these resources are obtained, the coop typically ceases to function. Thus, a variety of "system abuses" are incurred. Through the pilot projects, CHF and the NHA will be working to establish an environment where the coops continue to see the benefit of having its members work together in order to advocate for and improve their living conditions. Thus CHF will be working with 1) the NHA to revise policies and management techniques, 2) banks to provide organizational/group loans, instead of individual mortgages, and 3) coops to manage common concerns in a democratic fashion.</p>

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

	<p>Philippines (continued) <i>Interim Period, 7/1 - 9/30</i> CHF has been working with the NHA to determine the most appropriate need for a cooperative manual. The specific manual to be produced will be determined and documentation will begin. CHF/NHA will be exploring the cost/benefit of producing 1) a training manual which an NGO can use to deliver NHA sponsored TA, and 2) a document that streamlines procedures of how cooperatives register, access and manage NHA resources/services</p>
	<p>Poland 1) Part of CHF's overall assessment of CIMs and AWIMs involved a thorough review of the materials that both CIMs and AWIM-Condo members have access to. It has thus been determined that, although there are a variety of materials designed to help management professionals, there is a distinct need for primary level materials, easily understandable and fitted for ordinary condo members to help in expanding their rights and managing their duties. CHF/CIM has thus incorporated this into its strategy, above and beyond that which was proposed.</p> <p>2) As proposed, an operations manual will be produced. The important objective is that it will be directed specifically to the practical concerns of condo owners and associations. Items to be covered are forming an association, evaluating management services, selecting a management company, financial management, and creating and implementing a maintenance program. CHF will utilize past USAID efforts from relevant EE/NIS countries to minimize costs and maximize effectiveness.</p> <p><i>Interim Period 7/1 - 9/30</i> CHF/CIM will evaluate CHF's condo manual, originally produced for the Hungarian market place, and determine applicability. CHF/CIM will begin to translate applicable documents and determine outstanding areas of concern. These concerns will be addressed throughout the interim period and the second year.</p>
	<p>South Africa CHF conducted advisory activity briefing Corplan and current members of CHF's in-country staff. A list of training and TA needs for Corplan was developed.</p>

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

<p>6 Contacts made with the host country authorities to implement policy changes and the development of a more positive climate for cooperative systems</p>	<p>Philippines CHF is a key player in the current progression of program development and administrative thinking for cooperative housing at the national level, as NHA is the approving authority for housing cooperatives in the Philippines CDP has already had a significant impact on the direction that the NHA is taking regarding its cooperative program, as displayed by the agreement principles highlighted in section #1 The incorporation of an NGO and the shift in emphasis to a decentralized process are two key examples of a changing cooperative climate initiated by CHF It is hoped and expected that, throughout the life of the project lessons learned will not only affect change in NHA policy, but initiate legislative action</p> <p><i>Interim Period 7/1 - 9/30</i> CHF will continue to explore the possibility of a commitment on the part of one government agency to provide a mortgage insurance scheme to financial institutions willing to provide long term mortgages to cooperatives</p>
	<p>Poland</p> <ol style="list-style-type: none"> 1) Various government officials will participate on CDP's advisory board, identified by the workshops 2) The AWIM structure has now developed in scale to a point that, (through its local contact base, conferences and TA efforts), it has a national voice Thus CDP has been speaking with USAID's Local Government Participation Project team to discuss potential collaborative efforts to help facilitate changes in both national and local policy 3) Negotiations were developed and continue with several local media outlets (press and radio) to work out a detailed collaboration plan focusing on public awareness 4) CHF began work on a database that is designed to accommodate additional names for CDP activities and will allow for targeted marketing campaigns An additional secondary objective is to create an efficient marketing tool for existing service providers including property management companies, bankers, architects, etc , etc <p><i>Interim Period 7/1 - 9/30</i> CHF will continue work on its database Additionally, CHF will begin to approach various government officials to explore ways in which the government can subsidize, contribute to and/or back the anticipated pilot-financing schemes Barriers to implementation will be brought to the attention of both local and national officials in continued workshops, the AWIM network, individual meetings and the proposed CDP-Poland conference</p>

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

	<p>South Africa In May, CHF representatives met with a delegation of 17 senior housing officials from South Africa who recently spent a week in Washington, DC reviewing the Community Reinvestment Act as a means of steering the commercial banking sector into investing in low-income communities CHF assisted in several ways, including the presentation of the banker's point of view by a CHF volunteer/member, a Senior Vice President of First Union Bank CHF's representative was invited by the Director General of Housing, Ms Nkumalo-Nhlapo to come to South Africa to help explain the concepts to commercial banks in the country CHF hopes that this will be the beginning of a link between CDP and the commercial financial sector in South Africa</p> <p><i>Interim Period 7/1 - 9/30</i> CHF's Vice President will meet with various local and national government officials to determine interest in cooperation, sitting on an advisory board and receiving technical advice in cooperative housing policy from CHF's volunteer program</p>
<p>7 Contacts made with USAID Representatives/Missions</p>	<p>Philippines CHF met twice with USAID/Manila staff to update them on project progress and to tie CDP efforts in with USAID's SO and IRs During one visit, CHF met with Michael Calavan, Chief of Office of Governance and Participation at the USAID mission in Manila to brief him on CDP development It was agreed that CHF will remain in close contact with Mr Calavan's office and continue to send all relevant reports/supporting material to his attention CHF has contacted his office and plans to debrief him in person on this report</p>
	<p>Poland CHF-CDP has developed a close working relationship with Michael Lee (USAID-Poland Senior Urban Policy Advisor) and on numerous occasions briefed him on program design and direction This activity has ensured that CDP both meets specific IRs under the USAID/Poland results framework and complements CHF's current USAID-sponsored work Two members of USAID/P are on the advisory committee and Mr Lee "officially launched" the project at one CHF event and has provided substantive advice and guidance, particularly on which banks to approach This is particularly important in Poland given CHF's current USAID programs and the anticipated close out of the USAID program</p>

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

	<p>South Africa A core aspect, as in Poland, will be the integration of CDP with CHF's current host country USAID projects CHF's country director has spoken with Ms Carleen Dei, Housing and Urban Development Team Leader for USAID/SA on several occasions to discuss CHF activity Ms Dei will be consulted during the CDP/SA start-up phase to bridge anticipated results and enhance USAID's mission in the country</p> <p><i>Interim Period 7/1 - 9/30</i> CHF expects that its Vice President will visit the Mission by the beginning of the fiscal year/annual work plan in order to receive overall USAID feedback on the start-up and implementation of CDP in the country This activity is currently being coordinated</p>
	<p>B. To strengthen the capabilities of U.S. cooperative development organizations (CDOs) to support international development on a sustainable basis.</p>
<p>1 Professionalizing management systems and technical capacity of U S CDOs to support cooperative development activities internationally</p>	<p>Credit and Home Improvement Lending Systems Improved</p> <p>1) Work on standardizing CHF's loan tracking system, (stage one) was completed This represents one of the primary steps that CHF is taking to more effectively manage its micro-finance programs with local partners, commercial banks and private businesses</p> <p>2) The standardized reporting system (note the d-base system was completed ahead of schedule and reported on in the first semi-annual report, and the first comprehensive "Loan Portfolio Status Report" was also completed The report gives a detailed review of each CHF loan program, the portfolio as a whole and a summary of current credit-management issues that need to be addressed A working committee has been formed to address the issues raised</p> <p>3)CHF surpassed its work plan by hiring a consultant to define detailed specifications for a standardized field-based system The system will be based on that of CHF's current local partner in Lebanon</p> <p><i>Interim Period 7/1 - 9/30</i> CHF will develop a contract with its Lebanese partner to, in effect, buy its loan tracking system and begin to plan its replication in each of CHF's field offices In addition, a formal loan approval request between CHF field operations and HQ will be developed</p>

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

	<p>Professional Development Program Developed</p> <p>1) A total of 3 04 PM of staff development activities were conducted under CDP that focused on membership development, cooperative housing principles, home improvement lending systems, monitoring and evaluation and sustainability analysis</p> <p>2) Regional Conference CHF conducted its second Regional Conference, as proposed in the CDP proposal, from May 11-15th to bring over 20 staff members together to share best practices and develop organizational strategy for the Latin America region Topics discussed and material presented included networking capabilities at the local level, funding diversification, cooperative housing development models, financial accountability and program implementation issues Objectives were to strengthen CHF through presentation and discussion of 1) program experience and lessons learned, 2) new CHF-wide systems and procedures, and 3) current and future program direction</p> <p>3) A concept paper was drafted, presented to and approved by the executive office that outline the policies and procedures of an organization-wide staff development training program</p> <p>4) In addition to its work plan, CHF has successfully developed an internship program with several prominent universities as a means of producing high quality, though cost effective results One of the interns recently took the lead in designing and writing CHF's volunteer handbook and policy manual</p>
	<p>Efficiencies in New Business Development CHF successfully completed a review and a streamlining of its entire system of monitoring new business development activity and preparing proposals The upgrade will allow CHF to become more efficient and effective at diversifying funding relationships and leveraging resources, and has resulted in a "toolbox" that can be accessed in hardcopy and/or electronic format Work accomplished includes instituting an electronic storage databank for all areas of business development, drafting a marketing capability statement that targets commercial bank integration, updating all CHF and CHF intermittent resumes to compete for consulting assignments, and refining CHF's proposal development handbook</p> <p><i>Interim Period, 7/1 - 9/30</i> Priorities include designing and institutionalizing a past performance database that includes work accomplished by country, region, sector and funding source, finalizing resume updates, and drafting one additional marketing capability statement for CHF housing and home improvement initiatives</p>

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

<p>2 Building organizational commitment of U S CDOs and their membership to support international cooperative development activities</p>	<p>New Members CHF added a total of 7 members (4 proposed in the workplan), which include Institutional Associate Member (National Association of Housing and Redevelopment Officials NAHRO) and 3 Corporate Associate Members (Telesis, PORT, Inc , Symantec) In April, a targeted mailing was sent to 15 prospective Institutional Associate Members, including information about volunteer opportunities for their members The mailing resulted in follow up meetings with 3 organizations, and a commitment from one, the Community Associations Institute (CAI) to join CHF</p> <p>Domestic Outreach through Membership Organizations Well over 10,000 people (500 was the workplan target) were reached through membership publications and direct mailings The three main vehicles are listed below</p> <p><i>National Association of Housing Cooperatives (NAHC)</i> In March, NAHC distributed information about CDP and CHF's volunteer program at its Executive Committee meeting It published an article about the CDP and the need for volunteers in the May/June issue of <i>Cooperative Housing Bulletin</i> In June, NAHC referred CHF to contacts with 6 of its members who may be interested in volunteer/consulting assignments</p> <p><i>NAHRO</i> In the July issue of the <i>NAHRO Monitor</i>, an article was published about CDP and the need for volunteers (NAHRO has more than 9,300 members) In March, a CHF employee was invited to make a presentation to NAHRO's International Committee about CHF and its volunteer program (25 participants) A CHF member was the keynote speaker at the NAHRO Mid-Atlantic Regional Council in May</p> <p><i>National Cooperative Bank (NCB)</i> A meeting was held with the Manager for Training and Organizational Development to promote the volunteer program and closer partnership Information was circulated to all 180 NCB employees NCB management agreed to provide employees with two additional weeks of time, plus cover the airfare of a spouse to accompany them on assignment</p>
<p>3 Number of volunteers engaged in support of program delivery in the field</p>	<p>Placement CHF met its target of a total of two volunteers and two consultants However, although volunteers were provided from member groups, CHF decided that adequate start-up consulting services could be obtained in-country at a much lower cost, and thus be contracted locally, (PUP in the Philippines and a legal consulting firm in Poland) CHF's first volunteer was sent to Jordan in June who was a member of NAHRO, a CHF Institutional Associate Member Another volunteer candidate was identified, but because of reference checks, could not be fielded As discussed, a CHF member also volunteered to meet with the South African delegation and provide T A on incorporating banks in low-income communities</p>

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

	<p>Policies and Procedures Comprehensive <i>Volunteer Handbook</i> and <i>Volunteer Program Policies and Procedures Manual</i> were reviewed by CHF legal counsel in April, finalized and sent to all 13 field offices in May. The ground work and documentation of these two manuals are expected to have an enormous, positive impact in the volunteer program in terms of effectiveness and cost efficiency.</p> <p>Database A spreadsheet has been developed containing the names of 40 potential volunteers, (exceeding the initial work plan estimate of 20). CHF is exploring more sophisticated measures (Microsoft Access database) to store the information as the number of volunteers/consultants grow.</p> <p><i>Interim Period, 7/1 - 9/30</i> A specific assignment has been designed in Poland for a CAI member, a prospective Institutional Associate Member (CAI has 17,000 members) with an expected start date of September 15. An assignment in the Philippines has been targeted for a member of NAHC with a start date of September 15.</p>
<p>4 Efforts made to broaden the development resource funding base of U.S. CDOs, and to enhance long-term sustainability of cooperative development.</p>	<p>Concept Papers/Proposals/New Partnerships CHF has had another record breaking year in terms of program diversification. Not only has CHF surpassed revenue targets by 48%, over \$4.5 million has been secured from non-USAID entities. Notably, CHF was awarded \$34,000 through the Small Enterprise Education and Promotion Network with funding from Citibank for development of a self-analysis tool to help microfinance organizations diversify their product to include housing related credit, \$48,000 from a private company in Latin America to do an initial evaluation of how to improve its employees' housing stock (the assessment is likely to lead to the application of cooperative principles). Both were sponsored by CDP.</p>
	<p>Workshops In December, a CHF employee attended a 3-hour seminar "Fundraising Software Overview" and an in-house presentation of customized membership software to examine potential options to meet CHF's membership and volunteer tracking needs. In May, through the MD Association of Nonprofit Organizations, CHF organized a half-day seminar attended by 12 employees on "Fundraising Readiness." Emphasis was placed on strategic steps necessary for successful fundraising and diversification of funding sources.</p>

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

	<p>Development Committee Formed In April, CHF's Board of Directors formed a Development Committee Fundraising goals set included \$100,000 in unrestricted donations, a commitment from a U S auto manufacturer for vehicles, a donation of frequent flyer miles, (CHF spent \$250k last year in air travel), and pro bono or reduced fee services from a public relation firm to help CHF tell its story better</p> <p><i>Interim Period, 7/1 - 9/30</i> Produced a concept paper outlining CHF's approach to privatization in EE/NIS and attempt to secure funding from the United Nations to disseminate CHF's housing decentralization accomplishments in Poland</p>
<p>5 Project partnerships implemented with other U S CDOs</p>	<p>1) As proposed, CHF refined its outreach strategy based on lessons learned by combining volunteer recruitment, membership development and outreach into one streamlined approach</p> <p>2) In April, CHF invited Grechen Overdurff, President of the Greenbelt Cooperatives, to lead a training session for CHF staff on U S housing cooperatives</p> <p>3) As discussed, the volunteer manual has been completed Refinement is in process given initial volunteer assignments</p> <p>4) Discussions were held in May with <i>CARE Int</i> regarding potential collaboration in Sri Lanka, South Africa and the Philippines Materials were provided by CHF for a June 22, London meeting of 23 CARE Country Directors to examine how and if CARE should approach development problems in urban areas Discussions were held with NRECA to discuss possibilities for involvement in the CHF/NHA effort in the Philippines CAI was also approached as a potential partnership with the CHF-CDP sponsored NGO, Center for Housing Initiatives (CIM) in Poland CHF has been invited by CAI (17,000 members) to make a presentation about our CDP work in Poland at its annual meeting</p> <p><i>Interim Period 7/1 - 9/30</i> Based on initial volunteer assignments, CHF will update its manual and handbook as necessary and work with the volunteer to write press releases describing their experience for hometown papers and professional associations</p>
<p>6 Monitoring and evaluation activities undertaken to document impact of program on host-country beneficiaries</p>	<p>As reported, CHF previously met its workplan target by utilizing a consultant to assist in the development of CHF's credit tracking system The system provides real time information and tracks a variety of generally accepted (and recommended by USAID) financial statistics</p> <p><i>Interim Period, 7/1 - 9/30</i> CHF will begin the process of collecting and analyzing fiscal year impact data</p>

Semi-Annual Report
Cooperative Housing Foundation
Cooperative Agreement Number FAO -0192-A-00-00016-00
Period Activity 12/1/97 - 6/31/98 &
Planned/Current Activity 7/1/98 - 9/30/98

<p>7 Outreach made to cooperative community and U S public, to increase awareness about cooperative development overseas</p>	<p>CHF accomplished the following outreach in the past semi-annual period, (in section #2 of the work plan, it was stated that CHF would reach a membership base of 500 through other CDO newsletters and marketing efforts)</p> <ul style="list-style-type: none"> • Article on CHF programs published in NAHC's <i>Cooperative Housing Bulletin</i> (circ 4,500) • Session with ISAR resulted in close to 50 additional media contacts throughout DC area • Front page coverage in Silver Spring <i>Gazette</i> on Polish participant training visit (circ 25,000) • Winter/Spring issue of <i>CHF Newsbriefs</i> developed and sent out to our 3,500-name worldwide mailing list • Children's artwork exhibit and reception at CHF headquarters brought close to 50 community members to CHF and received TV coverage from Montgomery News Channel 21 and photo/article in Silver Spring <i>Gazette</i> • Provided updated information about CHF, with an emphasis on CDP, to the NCFC for 1998 edition of <u>American Cooperation</u> • Working with United Co-op Appeal to include new information on CDP in upcoming UCA campaign, close to 30 cooperative organizations hosted workplace campaigns last year and CHF received over \$2000 in support <p><i>Interim Period 7/1 - 9/30</i> An article on the volunteer program will be published in NRECA's journal, <i>Rural Electrification</i>, in August (circ 35,000) and work will begin on CHF's annual program summary report, Building a Better World</p>
<p>8 Follow-up contacts made with overseas cooperative partners to ensure their sustainability</p>	<p>1) In the past year, both senior and mid level CHF staff were able to visit each of the implementing partners with whom CHF is working to develop successful relationships and provide technical assistance CHF visited the Philippines ahead of schedule in the first reporting period In the most recent period, CHF's Vice President and Program Manager recently traveled to Poland a major focus of the trip was on the sustainability of CHF's CDP partner CIM Additionally, while in South Africa, a senior representative met with CHF's soon to be partner, Corplan, to ensure that their mission was in line with that of CDP As reported, it appears that this is the case, and CHF will continue to move ahead by developing a relationship with Corplan</p> <p>2) CHF hosted Maria Stoyanova from Bulgaria who has recently been elected to the Parliament in Bulgaria Ms Stoyanova participated in a CHF housing study tour and could potentially be a strong advocate for cooperative housing in the country</p> <p><i>Interim Period, 7/1 - 9/30</i> A CHF rep will travel to Poland to develop a detailed business/sustainability plan for CHF's CDP partner, CIM, one that focuses on the integration of CIM's efforts with those of the AWIMs and CDP A similar trip is planned for a CHF staff member to travel to South Africa to work with both Corplan and CHF's current Housing Technical Service Center on a sustainability plan</p>

**Semi-Annual Report
 Cooperative Housing Foundation
 Cooperative Agreement Number FAO -0192-A-00-00016-00
 Period Activity 12/1/97 - 6/31/98 &
 Planned/Current Activity 7/1/98 - 9/30/98**

Total Expenditures from 6/1/97 to 7/31/97 (Note These numbers are subject to change due monthly account closings and adjustments)	Philippines - \$109,878 42 Poland - \$37,844 34 South Africa - \$6184 20 CHF Capacity, Public Relations and Funding Diversification - \$187,609 66