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THE ROLE OF HOUSING COOPERATIVES
IN MEETING THE PROBLEM OF
SHELTER IN DEVELOPING COUNTRIES

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I. SUMMARY

The Grant Agreement for CHF's Specific Support Grant (SSG) required that CHF present to AID a report on the role of housing cooperatives in meeting the shelter problem in LDCs. Although the report was not included in the proposal to AID that resulted in the SSG, CHF welcomes the opportunity to carry out this assignment.

The report that follows highlights the major urban development and shelter problems confronting LDCs. It further describes CHF's experience of almost twenty years of assisting institutions in LDCs to develop the capability to undertake cooperative housing activities for lower income families. These activities include not only the organization and construction of cooperative housing projects as such, but also the use of cooperative techniques in the planning and implementation of shelter projects.

It is CHF's conclusion that cooperative housing is a viable option to deal with the shelter problem in most LDCs. This assessment is based not only on CHF's experience but also reports, statistics, completed projects, evaluations, etc., prepared by other institutions, including donor agencies, working with cooperatives and shelter programs. However, the record also shows that successful cooperative housing programs need certain prerequisites or ingredients such as policy, legislation, a technical service organization, etc. Where these ingredients do not exist, they can be created. Where they are weak or unstructured, they can be strengthened and coordinated.

The report identifies some constraints to the development of cooperative housing in LDCs. It also reviews different available resources that have or could contribute to the support of cooperative housing programs.

Finally, the report describes CHF's long range plan to deal with the development of local institutions to carry out cooperative housing programs. This includes the assessment of cooperative housing activities in LDCs, the preparation of publications describing cooperative housing programs, the undertaking of project identification and preparation missions, the development of networking between housing cooperatives in the US and LDCs, the preparation and presentation of seminars, etc. It is intended that CHF's long range plan be flexible and evolutionary in form so that it can be adjusted to meet and deal with new situations and conditions.

I. INTRODUCTION

According to the World Bank, over the past 25 years the urban population of the LDCs has increased at an unprecedented rate of almost 5% per year, nearly twice the rate of growth of the overall populations. In 1980, it was estimated that the cities of the LDCs contained over 840 million people or about 28% of their total population. In a single generation, the cities had absorbed more than 550 million people or about 65% of the total population.

The UN estimates that another 1.2 billion people will be living in existing or new cities in LDCs by the year 2000. Approximately half of the LDC world will reside in cities.

Much of the growth of the urban centers in LDCs according to the UN is in the areas that attract the urban poor: the slums and squatter settlements. This is illustrated in the annual growth rates in the slum and squatter settlements of approximately 8% versus a growth of about 4% for overall urban areas.

Substandard housing is also a problem of the rural areas in LDCs. Very few rural communities are serviced by potable water systems, sanitary waste disposal systems or effective electric systems. Most of the investment in new housing stock or the improvement of existing housing throughout the world is made by the owners themselves. The issue of rural housing has traditionally received little priority from LDC governments even of predominately rural countries largely because of their concerns with and high visibility needs for urban development.

Although the magnitude of the shelter problem is staggering, it presents a challenge to not only transfer proven technology and techniques to other LDCs but also to look for new approaches to be tested and applied. One response to the problem is to incorporate the resources of the people who are affected by the problem into its solution. A proven way to accomplish this is through a self-help cooperative approach which this paper describes.

II. WHAT IS COOPERATIVE HOUSING?

A housing cooperative is an association incorporated in accordance with the local legislation that is owned and democratically controlled by its members for the purpose of enabling them to improve their living conditions. Irrespective of country, housing cooperatives usually share the following general cooperative characteristics:

- A. A cooperative is a group of persons with at least one economic interest in common.
- B. The aim of the group is to meet a common need by joint action based on mutual assistance.
- C. The means to achieve this aim is to establish a common enterprise.
- D. The main objective of the enterprise is to perform services for the promotion of the economic situation of the members of the group.

Housing cooperatives are organized to undertake a discreet housing activity such as the purchase of land, the installation of the infrastructure, etc., and for several or all of the activities related to the provision of shelter. One of the more sophisticated types is the mutual ownership or single mortgage type of housing cooperative which has the legal title to the entire property, land and all improvements and where members are owners of the cooperative. The members occupy their units under an automatically renewed lease arrangement.

The success of any cooperative association, including a housing cooperative, is the participation of its members in the different stages of development and management. This includes the election of board members by the general membership and also the organization of various committees of volunteers to help in the operation of the cooperative.

III. POTENTIAL OF HOUSING COOPERATIVES IN LDCs

A. Tradition to Cooperate

In most countries, including those classified as LDCs, a rich tradition exists of working together to achieve general or specific goals. This tradition is observed not only within a family unit but also amongst neighbors and communities. Although the name of the tradition varies in accordance with the society, region and language, it is translated into a cooperative action that is accomplished through the joint efforts of more than one unit, be it a family, a clan, a neighborhood, etc.

Cooperatives are envisioned in many of LDCs as a formalized expression of the tradition of working together and have been widely accepted. Legislation for cooperatives has been established and government agencies designated or established to orient groups in the organization of such associations, to legalize them, etc. These agencies also usually offer a limited series of activities directed at the training of the cooperative board and managers.

Because so many of the LDCs have large rural populations and their development efforts are of a rural nature, most of the coopera-

tive activity is rural oriented: viz agricultural production and marketing, credit, water, agricultural supplies and equipment, etc. The expertise and skills of the technicians in the government's cooperative agency, therefore, are mostly directed toward rural cooperatives.

In spite of the concern and focus in the LDCs with rural cooperative development, housing cooperatives also exist in such countries and provide needed services to their members. While most of these cooperatives are located in urban areas, they are also found in rural areas.

Cooperatives techniques are being used by many housing agencies in planning and implementing shelter programs for low-income families. This is because the housing agencies recognize the benefits of the involvement of the participants through some form of self-help, cooperative effort not only in the development but also the occupancy, management and continued improvement of the project.

B. Recognition of Benefits of Cooperative Action in Shelter Projects

In many countries cooperative action is found to be more accepted and common than a decade ago. This is particularly so in LDCs because of several factors including:

1. Scale of the shelter problem

Despite the resources that are being allocated to shelter in the LDCs only a few countries are either resolving or stabilizing this basic problem. In most LDC countries, the need for better shelter and communities continues to grow at a faster rate than local public institutions can deal with the problem. In such situations, the governments are seeking ways to get other resources to bear on the problem, and they are looking at the resources of the private sector and the prospective participants themselves. Cooperative action is being recognized as a mechanism to assure the involvement of the private sector and the participants.

2. Nature of some shelter projects require high participant involvement

As the result of the gradual shift in the focus of shelter programs to assist low-income families, the local institutions and international donors have found it necessary and beneficial to involve the prospective beneficiaries in different phases of project development. They have learned that this type of communication and involvement eliminates many problems with the project and is in fact essential given the type of program such as site and service, squatter or slum area upgrading and home improvement. All of these pro-

grams offer an affordable element of an expandable or improveable solution. In such programs, dialogue between the local institution and the project participants is essential to explain the program, gain their confidence and support and assure the initial and continued improvement of the living conditions of participants.

3. Established cooperative housing programs

Several LDCs have successful cooperative housing programs that continue to expand and offer a variety of services to both medium and lower income families. The local, private sector cooperative housing technical service organization (TSO) is the essential element in any cooperative housing program and is responsible for the planning and development of cooperative housing projects in coordination with the other private sector and even public sector institutions that jointly compose all of the ingredients for a cooperative housing program.

4. Resources of the participants

When sufficient housing is not available to alleviate the need, people will attempt to resolve the problem themselves. This is particularly true in LDCs as is evidenced with the large squatter settlements that are found in most urban centers. In such situations, people join together of their own accord and with their own resources, time, effort, money, etc., to seek ways to deal with the problem of housing. Normally they organize into some type of association that might range from a housing cooperative to a home owners association or committee to control and direct these resources. After such groups are established they look for any and all support to achieve their goal and some have been quite successful.

5. Role of self-help in shelter projects

An important aspect in the provision of shelter to low-income families is the role that self-help plays in them. This is demonstrated not only in the self-help labor input by the participants but also the contracting out of all or part of the specialized labor, the supervision of the construction, the purchasing and transportation of materials, the managing of resources, etc. Although such action can be carried out on an individual basis, the results can be even more beneficial and effective when a self-help cooperative effort is organized and planned. Such an organization makes it easier for the local institution to deal with the target group and for the target group to disseminate the resources provided by the local institution.

6. Community action in project management

The benefits to be derived from a continuation of cooperative action in the management of project are being recognized and planned by some local housing governments and donor agencies. The involvement of the project participants may take any of several forms. For example, the cooperative may be responsible for the development of the community facilities and green areas, the maintenance of the project, the development of different social and economic activities for the members of the community, etc. It might even include the collection of the monthly payment from the individual member and payment to the housing agency of the monthly carrying charge. In most cases, the cooperative approach has proven to have less delinquency than the normal, individual-institution repayment system.

C. CHF Experience in LDCs

Since CHF, formerly the Foundation for Cooperative Housing (FCH), began working in LDCs in 1962, it has been able to work with and develop cooperative housing programs in several regions and countries. Although most of its cooperative housing activity has been in Latin America including the Caribbean, CHF has also offered assistance to similar programs in Near East, Africa and Asia. While most of CHF's efforts in cooperative development in LDCs has been with AID funded programs, it has also assisted programs receiving UN, World Bank and private sector financing.

During our work in LDCs with housing cooperatives, CHF has assisted in the institutional development of local organizations that have directed their efforts at two different but overlapping income groups: moderate and low. Both of these groups have been successfully served by housing cooperatives.

When CHF initially began its international program with LDCs, the target group was that sector of the population with moderate incomes. The rationale for directing assistance to that group was that their incomes were too limited to be assisted by the private sector financial institutions such as commercial banks, social security systems, insurance companies, etc., and too high for participation in the public housing programs. Consequently, the group was not being assisted by any housing program and formed a ready market for cooperative housing programs.

CHF assisted in the organization of cooperative housing technical service organizations (TSOs) in Panama, Colombia, Honduras and Venezuela and provided specific assistance to developing TSOs in Jamaica, Chile, and Brazil. These local private, non-profit institutions developed cooperative housing programs for moderate income urban and rural families with funds from the cooperative members, local government contribution and from international donor agencies, in most instances the U.S. Agency for International Development (AID).

CHF also assisted government cooperative institutes and housing agencies to develop expertise in cooperative housing. This expertise was developed around demonstration projects and either resulted in a government institution retaining the cooperative program within its overall responsibilities, as in the case of Guatemala, or more commonly supporting the creation of a cooperative housing TSO, as in the case of Panama.

As the result of the exposure to the problems and needs of shelter in LDCs and the experience acquired over several years of international work in numerous such countries, CHF redirected its international housing policy and efforts in the early 1970's to that of working only with low-income families to assist them to improve their living conditions. This effort was designed to use not only housing cooperatives but also cooperative techniques by which individuals could join together to pursue a common goal, specifically better housing in improved communities.

CHF's international programs, at present, provides assistance to both public and private sector institutions in LDCs to establish new or improve existing skills in different aspects of planning, implementing and administrating housing, employment generation and community services programs for low-income families. This type of institutional development enables the local institutions to acquire the capability to use various types of cooperative techniques in their respective programs as is illustrated in the examples cited below.

1. Public sector institutions

a. Haiti

CHF is assisting the National Housing Office (ONL) in a slum area upgrading program. A cooperative housing association was organized of families who are building by self-help minimum shelters to replace the shacks they rented. The participants are producing some of the construction materials such as concrete block for the project and building the houses with self-help labor. CHF and the ONL are investigating ways to develop a cooperative owned and operated construction materials production operation within a proposed site and service area to supply construction materials and provide some employment opportunities. This project and CHF's technical assistance is funded by the United Nations.

b. Egypt

CHF is providing assistance to the Ministry of Housing in designing and implementing a large scale shelter program to serve low-income families. A major component of the program will be a new community of approximately 21,000 families of which half will be organized in cooperative housing associations. The financing for

the project is from the Government of Egypt and AID and for the CHF technical assistance from AID. A second component is the upgrading of six "informal settlements" through the installation of water, sewers, and electricity, the provision of home improvement loans, etc.

2. Private sector institutions

a. Panama

CHF assisted with the establishment of the Panamanian Foundation for Cooperative Housing (FUNDAVICO), a TSO, in the late '60s. FUNDAVICO developed a successful urban and a rural cooperative housing program with funding from an AID development loan and a contribution from the Government of Panama. More recently, CHF assisted the Panamanian Federation of Credit Unions (FEDPA) in planning and implementing a demonstration home improvement loan program to low-income members of affiliated credit unions. FEDPA developed the procedures to carry out the program and the demonstration program was very successful. The money for the home improvement loans revolving fund were provided by FEDPA and AID. CHF's technical assistance was provided by AID.

b. Nicaragua

CHF is assisting the Nicaraguan Development Foundation (FUNDE) to organize a Housing and Community Services Department. CHF has provided assistance on the formation of the office, preparation of job descriptions of its personnel, training of staff of the Department, development of projects, etc. FUNDE has two types of housing sub-programs: construction of houses for the members of a housing cooperative and the construction of new houses on lots owned by cooperative members who belong to selected cooperatives that receive FUNDE assistance such as multipurpose, credit unions, water, agricultural, etc. FUNDE gets the project financing from a variety of donor institutions, and CHF's technical assistance money comes from the Private Agencies Collaborating Together, Inc. (PACT).

3. Public and Private sector institutions

a. Paraguay

CHF is advising the National Savings and Loan Bank (BNAP) on the planning and implementation of a shelter program for low-income families. In two sub-programs, one for the construction of new houses on individually owned lots and the second for home improvement loans, BNAP has used the existing cooperative system to promote, place and collect loans. The National Cooperative Office (CREDICOOP) promotes the program with affiliated member cooperatives for their qualifying members. The financing for this project comes from an AID Housing Guaranty loan and the money for CHF's technical assistance comes from AID.

b. Jamaica

CHF is assisting the Jamaica Mortgage Bank (JMB), a statutory organization of the Government of Jamaica, and the Jamaica Cooperative Credit Union League (JCCUL) in the development of a home improvement loan program for members of credit unions affiliated to the JCCUL. The funds for this program come from an AID Housing Guaranty loan to the JMB and CHF's technical assistance is provided by a grant from AID.

IV. PREREQUISITES NEEDED FOR A COOPERATIVE HOUSING PROGRAM

Housing cooperatives can be organized by a group of individuals who share a common need for better housing who, after considerable struggle, effort and time, may develop their own housing project. Most cooperative housing projects and all cooperative housing programs, however, require a basic institutional infrastructure to be able to operate and grow. The basic ingredients for a successful cooperative housing program in any country would include, for example, the following.

A. Policy

The government has to define a role for cooperatives and the application of cooperative techniques in shelter programs for the poor and include them in its shelter policy.

B. Legislation

Adequate legislation needs to exist to enable the development of a cooperative housing program. The legislation should, for example, apply to cooperative institutions in general and housing cooperatives in particular.

C. Official Recognition

Usually a government or quasi-governmental office is responsible for issuing the official recognition of any kind of cooperative association. In most LDCs the same office offers a variety of services to groups organizing cooperatives and cooperatives such as the promotion of cooperatives, provides the general cooperative education and training, supplies the model by-laws and internal regulations, receives the application for official recognition from the pre-cooperative, issues the official approval of the cooperative, registers the cooperative in the official register, performs the audit of the cooperative, supervises the elections, etc.

D. Technical Service Organization

As mentioned earlier, a key component to a continuing cooperative housing program is the technical service organization (TSO). In most instances the TSO is a private, non-profit organization with a board of directors of private sector institutions or of a mix of predominately private with some public sector institutions. One LDC TSO, however, is a section of a national federation of housing cooperatives. A TSO might even be, in addition, an office in a public housing institute that works with cooperative housing projects as part of an existing infrastructure.

TSOs provide a wide range of services to the development and management of housing cooperatives that include, for example, conducting a market analysis, organize the cooperative, educate the members and board, arrange a savings program for the members, seek project financing, obtain the architectural and engineering services for the design, plans and specifications of the project, supervise the construction of the project, arrange for professional management of the project, insure the project, etc. Despite the numerous tasks that the TSO is expected to perform, its core staff can be quite small with much of the work carried out by contract or short-term consultants. The costs of the services provided by a TSO are normally built into the capital costs of the project being assisted.

E. Financing

As with any housing project, a cooperative housing program needs financing that may come from one or more potential sources. Sources for such funds include:

1. Members savings program

The cooperative members can generate capital through a savings program. In most cases the savings program is arranged by the TSO and managed by the cooperative to enable members to save for the downpayment for the project. This amount varies in accordance with the local custom and type of project. For instance, a self-help labor input on the part of the members may replace in part or completely the downpayment requirement.

2. Cooperative savings plan

A TSO, as in the case of some Scandinavian ones, may have its own savings program for members and aspiring members of cooperative housing that they develop. Or a mutual savings and loan association might be established for housing cooperatives: both those saving in a general program and those in a specific, project orientated program. Both of these savings methods provide financing for the cooperative housing program.

3. Local finance institutions

Cooperative housing programs also seek financing from private banking institutions, insurance companies, social security institute, worker's banks, mutual and/or stock savings and loan associations, government housing banks, etc. Normally, the TSO seeks both the construction and mortgage capital for a cooperative housing project, and the mortgage is signed by the cooperative and the financial institution. In that way the financial institution may be able to sell the mortgage paper to a secondary mortgage institution and use the new money for other projects.

4. Mix of public and private monies

In some LDCs, a partial financing for cooperative housing projects has come from the industrial sector which has provided both cash and/or land for projects. Industry in some countries has also provided substantial pre-payments of workers benefits to cooperative housing projects. All of these efforts are made by industry to provide their employees with better housing.

5. Regional development banks

At least one regional development bank, the Central American Bank for Economic Integration (CABEI) provides financing for cooperative housing projects. It has provided both the construction and mortgage financing for low and medium income projects developed by a TSO.

6. Donor agencies

Donor agencies such as AID and the United Nations have financed cooperative housing programs. AID has acknowledged the advantages and benefits of cooperative housing and has funded such programs in LDCs including Panama, Honduras, Colombia, Jamaica, Venezuela, etc. Probably AID's largest cooperative effort was in Chile where it provided a \$55.0 million dollar Housing Guaranty Loan that assisted 171 cooperatives to build 12,440 houses for their members. The UN is also supportative of cooperative housing programs as is evidenced by its projects in Lesotho, organizing a TSO and building a cooperative housing project, and Haiti, a self-help housing cooperative in a slum upgrading project.

Financing institutions, regardless of the type, have found that cooperative housing projects have a lower than average delinquency rate and, consequently, allocate funds for them. The reduced delinquency rate can be credited to safeguards normally built into housing cooperatives such as professional management, certain reserves included in the monthly payment, careful selection of members and, the most important, the cooperative system at work.

F. Federation of Housing Cooperatives

Federations of housing cooperatives are organized of individual associations to represent the movement, offer mutual support to the members, promote cooperative housing, etc. They can also offer educational programs for their members, propose changes on new legislation affecting the cooperative housing movement, etc. Federations do not usually provide the same services to their members as the TSOs.

Federations are composed of representatives of the individual cooperative associations. They elect a board of directors to manage and be responsible for the activities of the federation. The federation is supported by dues from its affiliated members and from special activities that it undertakes.

G. Land

Land for cooperative projects needs to be available. This is usually not a problem because in most countries land can be purchased. However, in some countries where all the land belongs to the government, nation, etc., arrangements would have to be made with appropriate authorities to turn over or make a long term lease to a cooperative.

V. STEPS THAT CAN BE TAKEN TO CREATE, EXPAND OR STRENGTHEN COOPERATIVE HOUSING PROGRAMS

In order to create, expand or strengthen any type of program, it is necessary to know and understand local situation: culture, socio-economic conditions, institutional responsibility, tradition, etc. Based on an assessment of that information, a decision is then made on how to proceed to carry out the stated goal.

Although each country has to be studied individually in order to determine a course of action, based on CHF's experience in cooperative development in both the U.S. and LDCs, two approaches are proposed: one to deal with the creation of the ingredients for a cooperative housing program and another to work with the expansion and strengthening of the needed ingredients.

A. Creating a Program

In the absence of the ingredients for cooperative housing programs, it is recommended that the following steps be taken

1. Information and education

Inform and educate top and mid-level management people in the public housing institutions and finance institutions about cooperative housing. Also inform key staff in national cooperative institute of housing cooperatives and be sure that legislation include such associations.

2. Identify demonstration projects

With the collaboration of the housing and cooperative institutes, and with the assurance of funding, identify a group for a demonstration cooperative housing project. Prepare necessary model legal documents, site and house plans and specifications and implement project.

3. Organize a housing cooperative

Based on criteria established by the project type, location and cost, select prospective members to organize a housing cooperative for the demonstration project. Provide them with education regarding cooperative housing in accordance to local requirements. Train the elected board of directors in their respective duties. Assist the cooperative to become official and legal.

4. Develop a TSO

During work on demonstration project, develop a TSO capability amongst professionals collaborating on that activity. Provide selected professionals with general orientation and special training on housing cooperatives.

5. Identify more projects

Identify additional groups of people that need and can afford housing. Interest different institutions, both public and private, in these needy families and seek their support. Prepare pre-feasibility studies for potential projects and look for commitments for projects.

6. Develop a pipeline

Prepare a pipeline of additional cooperative housing projects composed of commitments for financial assistance and identified groups. Offer assistance to any group seeking information on cooperative housing.

7. Organize a federation

Establish a federation of housing cooperatives to represent the movement.

8. Networking

Develop a networking system amongst the various national agencies working with the cooperative housing program. Establish communications and undertake activities with similar institutions in other countries.

B. Expanding and Strengthening an Existing Cooperative Program

This approach may be more difficult to effect than the former in that one or all of the local institutions involved in a cooperative housing program such as a TSO, the governmental agency that deals with cooperatives in general, the financial institutions, the public housing agency, etc., have to be open to assessment and agreeable to change. Assuming that they are agreeable, it is recommended that the following steps be taken.

1. Assessment of institutional capability

Assess the capability of the different institutions to determine their respective policy, direction and effectiveness.

2. Assessment of interrelationship

Assess the role, responsibility and relationship of the various institutions in the local cooperative housing program.

3. Provide needed assistance

Based on the above assessments, provide financial and technical assistance that was identified to those institutions.

4. Select a demonstration project

Test the revised or new procedures that are developed with the assistance in a demonstration project.

5. Develop a pipeline

Identify additional cooperative housing projects and sources of financing.

6. Assess networking

Assess the existing networking system and make recommendations to improve and strengthen it both nationally and internationally.

VI. CONSTRAINTS TO THE DEVELOPMENT OF COOPERATIVE HOUSING

This section will examine the constraints to the development of cooperative housing in LDCs.

A. Political Constraints

The most important constraint to establishing a cooperative housing program in a LDC is political. Local governments want to have the credit for the construction of as many housing projects

as possible and may not want to share this credit with another private institution. This is reflected in the housing policy and the allocation of the government resources into housing. This often results in programmatic emphasis on the production of houses by the public housing institution and not on the development of new communities as cooperatives housing contemplates. In the most extreme cases, governments may not support, or worst yet tolerate, citizen organizations or action unless it is directed by some agency of the government. In such cases, it is difficult if not impossible for legitimate housing cooperatives to prosper.

B. Cooperative Movement Constraints

In some LDCs little if any experience exists with cooperative housing. The professional staff of the national cooperative institute that orient groups on the organization of different kinds of cooperative associations are not knowledgeable with housing cooperatives nor do the institutes have guidelines and/or model documents for such associations. The legislation for cooperatives may not contemplate the complexities of cooperatives.

This situation may be the result of the political constraint described above. It might, however, occur because of a lack of education and training in cooperative housing or professionals in the national cooperative institute and/or the absence of proper legislation to provide for and support a cooperative housing program.

C. Lack of Program Ingredients

Without the required ingredients for a cooperative program described above, it is not possible to have an expanding cooperative housing program. The components need to not only exist but also be coordinated to keep the program going. To deal with this constraint, it is necessary to develop the missing components of the ingredients and fit them into the program structure. This would be accomplished in coordination with the government, the cooperative movement and the existing components of the program.

D. Training and Education Constraints

In some instances cooperative housing does not exist in an LDC because the officials and the potential members do not have sufficient information and know-how to develop it. The officials may lack information or be only partially informed on the subject. To deal with this constraint, an educational and training program on cooperative housing has to be provided to top and mid-management and staff of the existing institutions that could integrate an infrastructure for a cooperative housing program. This would include seminars, workshops, visits to selected countries to observe on-going cooperative housing programs, etc., to examine the organizational, technical, financial, and administrative aspects of cooperative housing.

VII. REVIEW OF RESOURCES FOR HOUSING COOPERATIVES

The cooperative housing movement in some LDCs has been assisted by different resources. These resources have enabled cooperative housing programs to be established in some LDCs and to be expanded and/or strengthened in others. The availability of these resources is contingent upon different factors such as the policy of the government toward cooperatives and the preparation of well conceived programs and feasibility studies that meet the criteria of local, regional and international agencies. Examples of these resources include:

A. Local Resources

Local government support and commitments have been made to cooperative housing programs in some LDCs, as is evidenced by the success of the program. This support is both of political and financial nature.

The political support is translated into including cooperative housing programs in the national development plan and defining a role for housing cooperatives in the national housing policy. It also means creating and putting into operation a mechanism to provide the ingredients for a cooperative housing program.

The financial support is provided by allocations to fund cooperative housing projects and assure the continuation of the cooperative housing programs. The government can, as part of this type of support, create incentives for private banks and investors to make loans to cooperative housing projects.

The resources of the project participants is of considerable importance and value as has been illustrated in self-help cooperative housing programs. The participants, in well planned programs, can contribute with their time, effort, financial resources and self-help labor during the development and construction and later, in the continued improvement of the project.

In a few LDCs, cooperative education and training programs have been established that include courses for housing cooperatives. These programs are offered by cooperative public and/or private institutions that are generally supported by the national cooperative movement, possibly with some assistance from international sources.

B. Regional Resources

Some regional institutions offer resources for cooperative housing programs. For example, one regional financial institution, the Central American Bank for Economic Integration (CABEI), provides financing for cooperative housing projects. The Honduran cooperative housing program has benefitted from this source of funding for some of its projects.

Other regional financial institutions such as the Asian Development Bank, the African Development Bank, Caribbean Development Bank, the Inter-American Savings and Loan Bank and others, could also fund cooperative housing projects.

A few regional cooperative training institutions exist that occasionally offer courses on housing cooperatives. Most of their efforts, however, are directed to rural cooperatives.

C. International Resources

The developed countries have a useful role in providing assistance to cooperative housing programs in LDCs. This assistance, both financial and technical, has been through organizations like the UN, the World Bank, the Swedish International Development Agency, the Canadian International Development Agency, the Ministry of Economic Corporation of the Federal Republic of Germany, US AID, etc. The donor that has assisted the development of housing cooperative most, as mentioned above, is US AID. It also includes private sector institutions such as the Pan American Development Foundation, the Private Agencies Collaborating Together, etc.

Existing cooperative housing programs in LDCs also can be used as an example or resource for LDCs that are interested in considering or developing such programs. Selected participants can visit the ongoing programs to observe different models, approaches, techniques, etc., being used.

International resources also include organizations that provide technical assistance in LDCs in different aspects of the development of housing cooperatives. Such organizations include the International Cooperative Alliance, the International Cooperative Housing Development Association and more specifically its East Africa Office in Nairobi, Kenya, CARE, the German Development Assistance Association for Social Housing, CHF, etc.

A few international cooperative training institutions exist that provide limited training in cooperative housing to LDC participants.

VIII. CHF'S LONG RANGE PLANS

CHF's long range plans to use cooperatives to deal with the shelter problem in LDCs is spelled out in its Proposal for Self-Help Shelter and Community Services through Cooperatives that was submitted to AID in December 1980. AID approved the Proposal and awarded CHF a Specific Support Grant to implement it.

The thrust of the proposal is to create and/or improve the capability of private sector institutions in LDCs such as TSOs and other cooperative organizations to provide improved shelter and community services for low-income families. This is to be carried out by CHF through several, interrelated long term activities as stated in the proposal, which include:

A. Studies and Assessments

CHF will carry out studies of different shelter and community shelter projects to better understand and document their success or failure. These studies and assessments will be published and disseminated by CHF to other private sector institutions working with shelter programs for the poor in LDCs.

These publications will also be used to inform public and private sector officials in countries that do not have cooperative housing programs of the reasons for establishing, the benefits, the needed ingredients, the products, etc., of such a program.

B. Program Identification and Development

CHF will undertake feasibility missions to selected LDCs to identify existing or emerging local cooperative institutions and to assess their capability to implement shelter, employment generation and community services programs for the urban and rural poor. CHF will assist such institutions to formulate and/or package viable demonstration projects for poor families using and strengthening local institutional and financial resources.

C. Tapping Resources for Cooperative Development

CHF will, with local cooperative institutions in LDCs, identify different sources for cooperative development and prepare project proposals for funding. These proposals will include both funding for project development and construction and funding for technical assistance. For example,

1. Project funding

Proposals submitted to local, regional and international finance institutions for cooperative housing projects. CHF, for example, is preparing a proposal for an employment generation activity for the Inter-American Development Bank.

2. Technical assistance funding

Proposals submitted to regional and international sources. CHF, for example, has submitted a joint proposal with the Haitian Development Foundation (HDF) to PACT. The proposal would enable CHF to assess HDF's role in shelter and prepare a work plan. CHF has also prepared an OPG for AID's consideration for Swaziland.

D. Workshops and Seminars

Different types of workshops and seminars will be presented by CHF to inform, educate and train selected audiences in LDCs on coopera-

tive housing: general and specific content. These training activities will be directed at the top and mid-management of public housing institutions, local financial institutions, cooperative agencies, cooperative organizations, etc.

CHF will participate in workshops, seminars, etc., organized by other groups, both private and public, to inform the respective audiences of cooperative housing programs for low-income families.

E. Networking

CHF will prepare and undertake a plan to inform the US cooperative housing movement of the problems of their counterparts in LDCs and to solicit their assistance in dealing with some of these problems. Such assistance might be in the form of financial, in-kind, material, or equipment, etc.

CHF will encourage more interchange between established TSOs and cooperatives in LDCs with those in developed countries. This effort will enable such institutions to share information and material of common interest and objectives.

CHF is establishing a Special Cooperative Development Fund to be supported by donations from cooperatives, private individuals and organizations to enable CHF to carry out the objectives of its Charter of Incorporation. Two categories of funds are to be raised:

1. Cooperative Development Fund

This fund will be made up of undesignated donations from individuals, cooperatives and institutions to be used for such purposes as research, education, project development administrative purposes.

2. Special Projects Development Fund

This fund will be composed of designated donations from individuals, cooperatives and institutions to be used for specific projects selected from a list prepared by CHF. For example, the fund could be used to finance a scholarship for technical training of a cooperative manager, equip an office in the cooperative, install a water tap in a cooperative project, etc. This fund will fill the "gaps" not being met by other sources.

Information on both Development Funds will be sent out to cooperative housing corporations that it has sponsored plus others, affiliations of housing cooperatives, cooperative housing Technical Service Organizations, individuals who have supported such projects and a selected list of private institutions.

F. Evaluation Systems

Each demonstration project that CHF assists a LDC TSO or other cooperative institution plan and/or implement will include a built-in evaluation system. CHF will assist the local institution prepare the evaluation instrument, carry out the evaluation and assess it. CHF will also help in the publication and dissemination of the results of the evaluation.

As the result of the activity included in the Proposal, more cooperative housing programs will be adopted and applied in more LDCs. This will be accomplished by creating and/or strengthening local private sector institutions, establishing and/or improving the infrastructure needed for on-going cooperative housing programs, encouraging policy shifts of local housing policy to include an active role for housing cooperatives, mobilizing additional financial resources for such programs, establishing appropriate legislation for cooperative housing programs, producing and disseminating publications for cooperative housing programs, educating and training of key people in cooperative housing, etc. All of this will enable the private sector to have an important role in the development of shelter programs for needy people in LDCs.