



# Project Completion Report

---

## PCR

***Project Name: Low Income Settlement***

***Country: Guyana***

***Sector/Subsector: Urban Development and Housing***

***Original Project Team: Bruce Ferguson (RE3/SO3) Project Team Leader; Iwan Sewberath Misser (RE3/OD6); Pablo Adam (RE3/SO3); Robert Daughters (RE3/SO3); Jacob Greenstein (RE3/FI3); Baudouin Duquesne (COF/CGY); Kevin McTigue (LEG/SGO); Patricia Sadeghi (RE3/SO3); Donald Campbell (Consultant)***

***Project Number: GY0052***

***Loan Number (s), TC(s): 1044/SF-GY***

***QRR Date: May 5, 2008***

***Final Approval Date of PCR:***

***PCR Team: Principal Author and Members: James Campbell (TSP/CGY); Mauricio Silva (ICF/FMM); Ophelie Chevalier (ICF/FMM); Francisco Ayala (Consultant), and Jason Thompson (Consultant)***



VPC/PDP

PCR January 2008



## Acronyms and Abbreviations

<i>The Bank</i>	The Inter-American Development Bank, Washington D.C. and Georgetown, Guyana
<i>Beneficiaries</i>	Persons who are eligible for assistance under the LIS Program.
<i>Backlog Commitment</i>	Is a legally binding commitment made, prior to October 1, 1999, by the Government to an individual beneficiary regarding income eligibility, equity contributions or other beneficiary rights or obligations related to a residential lot.
<i>The Borrower</i>	The Government of the Cooperative Republic of Guyana as party to the LIS Loan Agreement
<i>CBH</i>	Central Board of Health in the Ministry of Health
<i>CBO</i>	Community based organization
<i>CH&amp;PA</i>	Central Housing and Planning Authority
<i>CTB</i>	Central Tender Board
<i>Disbursement</i>	A transfer of LIS Financing from the Bank to the Borrower
<i>EA</i>	Executing agency, CH&PA through the LIS Unit
<i>EHTP</i>	Environment and Homeownership Training Program
<i>EPA</i>	Environmental Protection Agency
<i>Equity Share</i>	The payment made by a household to CH&PA for receipt of residential lot under the LIS Program. A household's equity share is in an amount determined by CH&PA, in accordance with LIS Program requirements, as an appropriate share of the cost of basic infrastructure related to the lot.
<i>Executing agency</i>	The Central Housing and Planning Authority, as the entity responsible for executing the LIS Program through the LIS unit.
<i>EU</i>	European Union
<i>GIS</i>	Geographic Information System
<i>GPL</i>	Guyana Power and Light
<i>The Government</i>	The Government of the Cooperative Republic of Guyana or an instrumentality thereof
<i>GoG</i>	The Government of the Cooperative Republic of Guyana or an instrumentality thereof
<i>GT&amp;T</i>	Guyana Telephone and Telegraph
<i>GUYSUCO</i>	Guyana Sugar Corporation
<i>GUYWA</i>	Guyana Water Authority
<i>GSWC</i>	Georgetown Sewerage and Water Commissioners
<i>GWI</i>	Guyana Water Incorporated
<i>HIES</i>	Household Income and Expenditures Survey
<i>IDB</i>	The Inter-American Development Bank, Washington D.C., and Georgetown, Guyana
<i>IS</i>	Institutional Strengthening
<i>Land Divestiture Site</i>	Any parcel of government-owned raw land that is to be sold by auction or other means to a private entity for residential development.
<i>Line of Business</i>	A set of CH&PA activities and resources that (a) deliver a defined product or service for a client, (b) are organized as a full operating system and (c) are under the direction of an accountable manager.
<i>LIS</i>	Low-Income Settlement
<i>LIS Financing</i>	Funds the Bank has agreed to make available to the Borrower to assist in carrying out the LIS Program.
<i>LIS Program</i>	Low-Income Settlement Program, the activities approved by the Bank as Project GY-0052
<i>LIS Loan Agreement</i>	The contractual agreement between the Government of Guyana and the Bank dated June 2000 governing the LIS Program and the LIS Financing, together with supporting documents and any subsequent amendments.
<i>Loan Contract</i>	Unless otherwise specified, is contract No. 1044/SF-GY-0052 between the Cooperative Republic of Guyana and the Inter-American Development Bank to finance the LIS
<i>The Ministry</i>	Guyana Ministry of Housing and Water, unless otherwise specified.
<i>The Minister</i>	Minister of Housing and Water, unless otherwise specified.
<i>MOF</i>	Ministry of Finance of Guyana
<i>MIS</i>	Management Information System, including financial and program data as well as computer hardware and software to support program management decisions.
<i>NBS</i>	New Building Society
<i>New Settlement</i>	A housing scheme site officially designated for development by the Government to residential land use standards for low-income home ownership.
<i>NDC</i>	Neighborhood Democratic Council
<i>NGO</i>	Non-Government Organization
<i>O&amp;M</i>	Operation and Maintenance
<i>One-Stop-Shop</i>	Refers to an office, service center or other physical location designed and staffed so that (a) CH&PA can provide coherent, direct interactions with an important client group, such as prospective home owners and private housing developers, and (b) clients can obtain accurate and timely program information and solutions to problems. Contrast with "line of business"
<i>PPF</i>	Project Preparation Facility
<i>PMT</i>	Proxy means test
<i>The program</i>	Low-Income Settlement Program, unless otherwise specified.
<i>Program Coordinator</i>	Unless otherwise specified, an individual consultant who provides services as a Program Coordinator to the Government of Guyana who is responsible for administering the program for the MHW
<i>RDC</i>	Regional Democratic Council.





<i>Scheme</i>	A residential settlement plan, or a geographic area covered by such a plan, including (a) a town-planning scheme, a slum clearance scheme, and a residential re-development scheme, as well as, (b) supplements, variations, or revocations of an existing scheme.
<i>Squatter Upgrading</i>	A contiguous area occupied illegally that the Government has (a) designated as suitable for human occupation and (b) selected for infrastructure investment, community development activities and other expenditures to meet residential settlement standards and complete transfer of legal title to qualifying occupants.
<i>Subproject</i>	Unless otherwise specified, this term means: a "scheme" receiving LIS Program assistance.
<i>T&amp;CP</i>	Town and Country Planning
<i>UBC</i>	Uniform Building Code
<i>G\$</i>	Guyanese Dollar
<i>US \$</i>	United States Dollar





## Table of Contents

I.	Basic Information.....	1
II.	The Project.....	1
	A. PROJECT CONTEXT .....	1
	B. PROJECT DESCRIPTION .....	2
	i. Development Objective(s) .....	2
	ii. Components .....	2
	C. QUALITY -AT- ENTRY REVIEW (IF APPLICABLE) .....	3
III.	Results.....	4
	A. OUTCOMES .....	4
	B. EXTERNALITIES .....	6
	C. OUTPUTS.....	7
	D. PROJECT COSTS .....	8
IV.	Project Implementation.....	8
	A. ANALYSIS OF CRITICAL FACTORS .....	8
	B. BORROWER/EXECUTING AGENCY PERFORMANCE .....	9
	C. BANK PERFORMANCE .....	9
V.	Sustainability .....	9
	A. ANALYSIS OF CRITICAL FACTORS .....	9
	B. POTENCIAL RISKS .....	10
	C. INSTITUCIONAL CAPACITY.....	10
VI.	Monitoring and Evaluation.....	11
	A. INFORMATION ON RESULTS .....	11
	B. FUTURE MONITORING AND EX-POST EVALUATION .....	11
VII.	Lessons Learned .....	12

## Annexes

1.	LIS Logical Framework.....	11
2.	Minutes from the Exit Workshop.....	12
3.	Borrower Evaluation (Pending Completion by Executing Agency).....	12
4.	Description of LIS Outcomes.....	14
5.	LIS Outputs and Benchmark Achievement Table.....	19





## I. Basic Information

BASIC DATA (AMOUNTS IN US\$)							
<b>PROJECT NO:</b> GY0052	<b>TITLE:</b> Low Income Settlements Program						
<b>Borrower:</b> Cooperative Republic of Guyana	<b>Date of Board Approval:</b> November 17, 1999						
<b>Executing Agency (EA):</b> Central Housing & Planning Authority (CH&PA)	<b>Date of Loan Contract Effectiveness:</b> June 14, 2000						
<b>Loan(s):</b> 1044/SF-GY	<b>Date of Eligibility for First Disbursement:</b> January 8, 2001						
<b>Sector:</b> Urban Development and Housing	<b>Months in Execution</b>						
<b>Lending Instrument:</b> <u>Investment - Specific</u>	* from Approval: 97						
	* from Contract Effectiveness: 90						
	<b>Disbursement Periods</b>						
	Original Date of Final Disbursement: June 14, 2005						
	Current Date of Final Disbursement: December 31, 2007						
	Cumulative Extension (Months): 30.5						
	Special Extensions (Months): 6.5						
	<b>Loan Amount(s)</b>						
	* Original Amount: 27,000,000						
	* Current Amount: 26,471,869						
	* Pari Passu (if applicable):						
<b>Poverty Targeted Investment (PTI):</b> Yes	<b>Disbursements</b>						
<b>Social Equity (SEQ):</b> Yes	* Amount to date: 26,471,869 (100 %)						
<b>Environmental Classification:</b> C	<b>Total Project Cost (Original Estimate):</b> 30,000,000						
	<b>Redirectioning</b>						
	Has this Project?						
	Received funds from another Project [ ]						
	Sent funds to another Project [ ]						
	N/A [X]						
	<table border="1"> <thead> <tr> <th>To/From Project Number</th> <th>From Sub-Loan Number</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	To/From Project Number	From Sub-Loan Number	Amount			
To/From Project Number	From Sub-Loan Number	Amount					
	* Current amount (adjusted for redirectioning):						
	<b>On Alert Status</b>						
	Is project currently designated "on alert" by PAIS: No						
	If yes then why is the project on alert (DO, IP Ratings and/or relevant PAIS indicators):						
	Comments on relevance of "on alert" status for this project (if applicable): N/A						

Summary Performance Classifications				
DO	<input type="checkbox"/> Highly Probable (HP)	<input checked="" type="checkbox"/> Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)
IP	<input type="checkbox"/> Highly Satisfactory (HS)	<input checked="" type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (US)	<input type="checkbox"/> Very Unsatisfactory (VU)
SU	<input type="checkbox"/> Highly Probable (HP)	<input checked="" type="checkbox"/> Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)

## II. The Project

### a. Project Context

Guyana is a sparsely populated country of about 750 thousand people who inhabit an area of about 215,000 square kilometers. The majority of the population and economic activities are concentrated along the narrow coastal strip that lies below sea level and is protected by a series of sea defenses and along the banks of the major rivers. The interior of the country is largely forested and uninhabited, except for a scattering of small Amerindian communities.

In the past, ownership of land in Guyana was largely concentrated between the principal economic and political actors. Historically, private sugar companies owned large pieces of the country's most valuable real estate monopolizing both the country's land and economic markets. In recent years, the large private sugar companies have eventually begun to cede their control over the country's land little by little to the Government of Guyana. However, ownership of the country's land



has not become any less concentrated and has been exacerbated by Guyana's poverty related problems. Low income levels have made individual homeownership difficult. Guyana has seen illegal squatters settlements mushroom and consequently the negative effects of these improvised settlements have accumulated.

Pervasive housing problems in Guyana continued to grow and the mounting public pressure for homeownership provoked a response from the Government of Guyana (GoG). Under these conditions, in December of 1997, the IDB contracted the consulting firm COWI who, as a result of their research, recommended the development of a program, which over the course of five years would promote investment and institutional reforms that would pursue the following objectives: (i) progressive housing development; (ii) a sustainable response to squatting; (iii) updated legal structure for land use; (iv) long-term capacity building; (v) Private sector incentives; and (vi) low income home loans.

In the same report [COWI June 1998], the firm outlined the benefits and risks of a program like the one proposed. Among the benefits listed were: the establishment of a sound, sustainable settlement process, improved quality of life, and social stability; while factors that could negatively affect the process included: the difficulty finding qualified personnel, the resistance to institutional changes, and the need for inter-agency collaboration. These critical factors identified by the report spoke not only to the program's implementation, but also its sustainability.

Based on the above, the program was conceived and developed to help the Government of Guyana democratize home ownership and galvanize housing markets by divesting large amounts serviced titled land to low-income households for settlement. At the same time, the program would pursue related objectives like upgrading the basic services and infrastructure in select low-income and squatter settlements. Additional objectives of the program included: (i) establishing a one-stop shop for development approval/titling in order to streamline public and private-sector residential development; (ii) strengthening the Executing Agency, the Central Housing and Planning Authority (CH&PA); (iii) coordinating an inter-agency response to squatting; and (iv) facilitating private financial institutions to make mortgage loans to low and moderate-income households.

The LIS program would bring a five-fold increase in CH&PA's principal line of business: low-income residential land development and allocation, which accounts for 80 percent of the LIS program's direct investment. The program would have extraordinary public visibility in Guyana due to the inherent relationships built into the program; and specifically because it involved: (i) sensitive interactions between the Government and tens of thousands of households, (ii) complex coordination between CH&PA and other Government agencies, and (iii) commercial transactions with a substantial portion of Guyana's civil engineering and construction sectors.

## **b. Project Description**

### **i. Development Objective(s)**

The purpose of the program is to divest serviced, titled land to low-income households. In addition, the Program should serve to: (a) reform standards for land-use development approval, and titling in order to streamline public and private-sector development; and (b) strengthen the CH&PA.

### **ii. Components**

This Program consisted of two main components: (1) Investment in land divestiture, squatter upgrading, and road-related maintenance; and (2) Technical assistance for policy reform and for institutional strengthening of CH&PA. The outputs of the main components were then divided into five subcomponents: Land Divestiture; Squatter Upgrading; Road Maintenance; Policy Reform; and Strengthening of the CH&PA.

#### **1. Investment in Land Divestiture, Squatter Upgrading, and Road Related Maintenance (US\$22,640,000)**

The investment component of the program divests public land sufficient for 15,000 lots and provides these lots with a basic package of services—consisting of drainage, water, and roads. In addition, squatter settlements containing 6,500 families will be upgraded in similar fashion. Very low-income households will pay US\$350 and low-income households US\$515 to gain title and the basic services package to these lots. Moderate/middle-income households will pay more—above US\$4,000 to near market. In contrast, the average expenditure of CH&PA for services and title per lot is approximately US\$1,200. CH&PA will deliver an environmental and homeownership training program (EHTP) to households to instruct them in meeting their responsibilities under the program—building appropriate sanitation solutions, constructing their home, and consolidating their communities. A point system will select environmentally and economically appropriate sites, distributed geographically throughout the coastal plain near population centers. The program includes investments in off-site water distribution as necessary to serve subprojects. A beneficiary selection system will target the majority of lots to low-income households living in marginalized areas. Routine road maintenance will be funded for all roads during program execution in order to preserve this asset. In addition, some roads will be resurfaced prior to transfer of sites to local governments for subsequent operation and maintenance (O&M).



## 2. Policy Reform and Institutional Strengthening (US\$2,320,000)

### Policy Reform (US\$775,000)

Policy reform (US\$775,000) will increase the scope of residential development through: (i) strengthening the development approval and land-use planning process, and auctioning raw Government land to developers; (ii) greatly expanding outreach of CH&PA to low-income households through the EHTP; (iii) creating a framework for an appropriate inter-agency response to squatting; (iv) modernizing legislation for land-use planning and development regulation; (v) helping private home lenders finance low/moderate-income housing; and (vi) analyzing and recommending cost-effective modes of road maintenance.

### Institutional Strengthening of CH&PA (US\$1,545,000)

The program focuses on re-organizing CH&PA along main lines of business (land divestiture, squatter upgrading, land-use planning and development regulation), putting in place effective information and financial/accounting systems, and ensuring the capacity for the jump in production of basic services and titles required by the program. The technical assistance components for institutional strengthening fund: (i) program coordination; (ii) a supervisory engineering consultancy to manage all design and construction of public works under the program; (iii) two long-term consultants who will assist in the management of the lines of business of CH&PA for land use planning and for institutional development (information, accounting, training, human resources management); (iv) training of CH&PA staff in the new systems established by the Project Preparation Facility (PPF) and the program, including those for information and accounting, the one-stop shops for developers and households, and land-use development/settlement planning, and (v) an evaluation and monitoring component.

### c. Quality -At- Entry Review (if applicable)

N/A

Quality -At- Entry Review			
<input type="checkbox"/> Highly Satisfactory (HS) - 1	<input type="checkbox"/> Fully Satisfactory (S) - 2	<input type="checkbox"/> Less than Satisfactory (LS) - 3	<input type="checkbox"/> Unsatisfactory (U) - 4





### III. Results

#### a. Outcomes (see Annex 4 for full description)

ACHIEVEMENT OF DEVELOPMENT OBJECTIVES (DO)			
Development Objective(s) (Purpose)		Key Outcome Indicators	
1. Serviced and titled land in Guyana that has been developed to acceptable residential settlement standards, divested to low and middle-income households <i>Classification: P</i>			
	<b>Planned Outcomes</b>	<b>End of Project</b>	<b>Outcomes Achieved</b>
<u>Baseline</u>	<u>Intermediate</u>		
1.1 0 schemes (12/17/99)	1.1 8,500 (12/14/02)	1.1 21,500 (12/31/07)	1.1 18,224 (12/31/07)
1.2 0% occupancy		1.2 90% of allocated lots occupied (12/31/07)	1.2 69% (12/31/07)
<b>Reformulation.</b> <input checked="" type="checkbox"/> N/A			
<b>PPMR Retrofitting.</b> Indicate if and when the PPMR was retrofitted and explain any changes resulting from this exercise. <input checked="" type="checkbox"/> N/A			
<b>Summary Development Objective(s) Classification (DO):</b>			
<input type="checkbox"/> Highly Probable (HP)	<input type="checkbox"/> Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)
Briefly justify DO classification, based on degree to which planned targets were met, explaining the differences between planned and achieved outcomes as well as any other relevant factors. Include references to evidence that can support these results.  At the end of the disbursement period, 18,224 lots had already been completed and work was in progress on the other 1,000 lots. Occupancy in all lots is 69%; 84% of occupied lots now have septic tanks as a sanitary solution. Finally, as a result of the achievements of this program, the EU approved funding of 10 million Euros for a similar program and a new IDB housing program has been requested. As a result of increased prices the initial target of 21,500 lots was reduced to 19,224 lots.			
<b>Country Strategy.</b> Given the results described above, briefly discuss how the project contributed to the Bank's strategy in the country.  The land divestiture and infrastructure development outcomes have had direct and constructive impact on development objectives. By releasing land and effectively increasing its supply, mainly to low- income populatin, the program successfully eased demand pressures on the land markets. Nonetheless, the LIS program's achievements stretch beyond the evident physical and social impacts of land divestiture. Indeed, the unified design of the LIS program demanded complementary measures that had a positive impact on policies. At the public level, the creation of new policies improved services and assured the establishment of strong neighborhoods. Specifically, the introduction of the on-site development approval standards, the modernization of the land use planning and development regulation, the enhanced capacity of the CH&PA, neighborhood outreach and upgrading, are examples of the achievements of the program and their positive impact on policies.  LIS can also count the development of its beneficiary selection system among its important achievements. The development of a verifiable, means-tested selection system is a notable outcome for the program, as is the system's adoption as general targeting policy for social housing in Guyana.  The achievements above have a direct impact on poverty reduction; the program also had the direct result of the strengthening of the CH&PA. This agency has been re-organized, information and financial/accounting systems put in place and a number of staff trained in various areas. This is consistent with the Bank strategy of giving top priority to modernizing the public sector, developing more efficient finance and resources allocation mechanisms and stimulating private sector development.			

Further description of all LIS program Outcomes can be found in **Annex 4: Outcomes**





## ACHIEVEMENT OF DEVELOPMENT OBJECTIVES (DO)

Development Objective(s) (Purpose)	Key Outcome Indicators
<p>1. Divest serviced, titled land to low-income households</p> <p><i>Classification: HP,P,LP,I</i></p>	
<p style="text-align: center;"><b>Planned Outcomes</b></p> <p><u>Intermediate (2004)</u></p> <p>1.3I Self-help Methodology for construction of sanitary solutions developed and tested. (2004)</p> <p>1.4I CBOs created and trained to prepare and execute community plans. (2004)</p> <p><u>End of Project (2007)</u></p> <p>1.1E At least 80% of occupied lots owned by low income households. (2007)</p> <p>1.2E At least 90% of all allocated lots are occupied. (2007)</p> <p>1.3E At least 75% of occupied lots in new settlements and squatter areas with proper sanitary solutions. (2007)</p> <p>1.4E Community plans prepared for phase 1 project areas and execution is underway. (2007)</p>	<p style="text-align: center;"><b>Outcomes Achieved</b></p> <p><u>Intermediate (2004)</u></p> <p>1.3I 100% of methodology for self-help construction of sanitary solutions was developed. EHTP Methodology tested in 6 pilot sites. (2004)</p> <p>1.4I CBOs were created and trained to prepare and execute community plans in the 6 pilot sites and only partially in the other communities. (2004)</p> <p><u>End of Project (2007)</u></p> <p>1.1E 91% of occupied lots are owned by low income households. (2007)</p> <p>1.2E 69% of all allocated lots are currently occupied. (2007)</p> <p>1.3E 71% of occupied lots in pre LIS Schemes and 95% in LIS Schemes have proper sanitary solutions. (2007)</p> <p>1.4 E Community development plans prepared in the 6 pilot sites and under execution. Plans being developed for the remainder of Phase 1 project areas.</p>
<p>2. Develop new public infrastructure in new settlements and squatter settlements. Infrastructure properly maintained by local NDC and CBOs.</p> <p><i>Classification: HP,P,LP, I</i></p>	
<p style="text-align: center;"><b>Planned Outcomes</b></p> <p><u>Intermediate (2004)</u></p> <p>2.1I 50% of new settlements under construction (at least 6,000 lots completed). (2004)</p> <p>2.2I Action plan and methodology developed and tested in at least one new settlement. (2004)</p> <p><u>End of Project (2007)</u></p> <p>2.1.1E 100% of new settlement public infrastructure completed (at least 12,000 lots completed). (2007)</p> <p>2.1.2E 100% of squatter upgrades public infrastructure completed (at least 6,000 lots). (2007)</p> <p>2.2E Maintenance program underway in Phase 1 infrastructure projects by NDC and CBOs. (2007)</p>	<p style="text-align: center;"><b>Outcomes Achieved</b></p> <p><u>Intermediate (2004)</u></p> <p>2.1I 64.5% (7,739) new lots completed in 10 new settlements. (2004)</p> <p>2.2I No action plan or methodology was developed nor tested in any settlements. (2004)</p> <p><u>End of Project (2007)</u></p> <p>2.1.1E 104% (12,517) of required new settlement public infrastructure completed. All new settlements finished except for the Parfaite / Harmonie (currently 38% complete) which is scheduled for completion in March 2008. (2007)</p> <p>2.1.2E 108% (6,500) of squatter upgrades of public infrastructure completed in all squatter settlements. (2007)</p> <p>2.2E Maintenance programs underway in some Phase 1 project areas. NDC and CBOs responsible for maintenance of public infrastructure in completed Phase 1 settlements, but infrastructure not being adequately maintained. (2007)</p>
<p>3. Reform policy and standards for land-use development approval, and titling in order to streamline and public and private-sector development, create one stop shop for development approval/titling.</p> <p><i>Classification: HP,P,LP, I</i></p>	
<p style="text-align: center;"><b>Planned Outcomes</b></p> <p><u>Intermediate (2004)</u></p> <p>3.1I Diagnosis of the Housing Act revealed that CH&amp;PA already has full authority for on-site development of residential land. (2004)</p> <p>3.2I Terms of reference prepared in case any other act needs to be reformed or policy to be developed (i.e. national housing policy). (2004)</p> <p><u>End of Project (2007)</u></p> <p>3.2E If needed, reform proposals submitted and approved by CH&amp;PA board. (2007)</p>	<p style="text-align: center;"><b>Outcomes Achieved</b></p> <p><u>Intermediate (2004)</u></p> <p>3.1I Housing Act was assessed and it was determined that CH&amp;PA's mandate provides them with full authority for on-site development and no need for any act amendment. (2004)</p> <p>3.2I Although TOR were prepared CH&amp;PA is financing the development of a national housing policy with other source of funds.</p> <p><u>End of Project (2007)</u></p> <p>3.2E Reform proposals for New Building Society Act, Income (Tax Reform) Act, and Town and Country Planning Act. (2007)</p>
<p>4. Strengthen the CH&amp;PA operations to be able to operate efficiently and effectively in the development of low income housing.</p> <p><i>Classification: HP, P, LP, I</i></p>	
<p style="text-align: center;"><b>Planned Outcomes</b></p> <p><u>Intermediate (2004)</u></p> <p>4.1I Phase 1 action plan approved and in execution: MIS upgrading, financial and accounting systems, proposal for new organizational structure. (2004)</p> <p>4.2I LIS Unit fully staffed and functioning. (2004)</p> <p>4.3I Specialized consultants recruited to give technical assistance to CH&amp;PA operations. (2004)</p> <p><u>End of Project (2007)</u></p> <p>4.1E Phase II action plan approved and in execution: new organizational structure, training, personnel profiles, and evaluation standards. (2007)</p> <p>4.2E Completed absorption of LIS and EHTP units by CH&amp;PA. (2007)</p> <p>4.3E New organizational structure in place and functioning with all new divisions. (2007)</p>	<p style="text-align: center;"><b>Outcomes Achieved</b></p> <p><u>Intermediate (2004)</u></p> <p>4.1I MIS upgraded, financial and accounting systems ACCPAC and IFMAS, new organizational structure proposal approved. (2004)</p> <p>4.2I LIS Unit fully staffed but with persistent operational problems. (2004)</p> <p>4.3I External consultants contracted for Town &amp; Country Planning, Institutional Strengthening, Policy and Legal Reform, Engineering and LIS Unit planning. (2004)</p> <p><u>End of Project</u></p> <p>4.1E Phase II action plan approved and being executed. New organizational structure in place, new personnel hired, 3 CH&amp;PA staff with master's degrees, internal monitoring and evaluation systems in place. (2007)</p> <p>4.2E LIS and EHTP units absorbed by CH&amp;PA. (2007)</p> <p>4.3E New organizational structure in place and functioning with all divisions. (2007)</p>



## **b. Externalities**

### **i. Negative Externalities**

The **delays on the part of LIS beneficiaries to relocate** to new house lots that had been allocated to them under LIS proved to be one of the foremost challenges the program faced. As confirmed by qualitative and quantitative research carried out for the Beneficiary Assessment Evaluation, these delays acted as a contributing factor to the occupancy problem of the land divestiture component of LIS. At the end of the program, only 69% of allocated lots were actually occupied. The phenomenon must therefore represent a negative externality as well, as the program incurred the indirect costs of the unused, unoccupied house lots.

The beneficiaries' delays to relocation is a dynamic problem with a number of causes that can also be interpreted as negative externalities to the new LIS settlements. The land divestiture component of LIS was designed with the intention of filling Guyana's significant housing supply gap in the most cost-effective manner hence, it called for the construction of the new settlements on large parcels of undeveloped government land that were inevitably located in sparsely populated areas. Several issues arose as a result. First, new settlements naturally have very few commercial or social centers in the surrounding community. Even though LIS communities were designed with open spaces that would be reserved for schools, parks, medical clinics, and the like, they would not come until later. More difficult still was the fact that commercial interests were not present for employment or patronage. Another major challenge was attracting the service providers (water, electricity, etc.) to an area with few residents. The program was subject to a kind of "chicken or the egg" syndrome of who would come first. Obviously, it was not cost effective for the service companies to run water pipes or electric cable to just a few homes. On the other hand, neither did beneficiaries want to relocate to an area that had no services, a phenomenon was repeatedly confirmed by beneficiaries during focus group interviews held during the research for the Beneficiary Assessment Evaluation. Communication between agencies responsible for the provision of basic services to the sites has not been very effective, specially between Ministry of Housing and the water agency. Greater and efficient communication between these agencies would have a positive impact in the environmental conditions and rate of occupancy of the sites.

A key policy decision that may be revised is that of providing all new housing solutions as sites and services. This allows to serve a greater number of beneficiaries and increases affordability, but may also limit the capacity of some families to relocate faster. This may be true specially for the lower income groups.

Finally is the fact that the allocation process often meant that beneficiaries had to move away from family, friends, and even their work. The perception that work opportunities decreased as a result of relocation is confirmed by the results of the Household Impact Survey; 47.06% of Squatters felt that employment opportunities had decreased after moving (compared to 29.41% who felt they had increased) and 43.86% of new settlement beneficiaries felt that their opportunities for work had decreased.

### **ii. Positive Externalities**

One of the foremost positive externalities of the land divestiture and land allocation activities of the program was the **realization of the need for a low-income mortgage loan market**. The program provided low-income households with equity in the form of plots of developable land. As a result, numerous households went looking for low-income mortgage loans to be able to finance the construction of their new homes. In the end, the program did not provide sufficient incentives to entice institutions to lend to LIS beneficiaries on a very large scale, although ultimately some low-income mortgages were issued. Nonetheless, the interest and willingness shown by the LIS beneficiaries (with their newfound equity) to take out mortgages was conveyed to the other stakeholders and consequently, they have now realized that this market exists. Thus, the positive externality was the realization of the market's existence, and this has resulted in the Government of Guyana, the IDB, and other stakeholders (like commercial banks and the NBS) exploring a future program or incentive initiatives that could solidify the low income mortgage market in Guyana.

Another positive externality is that the **Guyanese are now more predisposed to participate in their communities** than they were before LIS. The program placed a good deal of emphasis on participatory community development and the formation of community based organizations (CBOs). Even though the project again faced significant obstacles to the accomplishment of all community strengthening objectives, there was an ensuing positive externality to their efforts. Actions like the Environmental Homeownership Training Program (EHTP), the self-help septic tank pilot initiative, and the establishment of CBOs, if nothing else, resulted in the Guyanese' having an increased sense of awareness of the necessity and inherent benefits of community participation. These initial and positive initiatives, should be expanded and continued.

The LIS septic tank initiative created an **increased awareness of the value of using proper sanitary solutions** among Guyanese. In short, the program, by utilizing training and reimbursements, encouraged beneficiaries to build septic tanks in their homes. Those households in turn influenced their neighbors and thereby created a culture of sanitary awareness. The execution of the septic tank program had some operational challenges and was constrained by a limited budget. Nevertheless, and in spite of the difficulties (see Annex 3) it has instilled upon the Guyanese the importance of proper sanitary solutions in the community and the advantages of septic tanks. In the end, this awareness can be valued as a positive externality of the program. This was not an original program objective but one that was added later during program implementation.



**c. Outputs** (see Annex 5 for detailed Output and Benchmark Table)

IMPLEMENTATION PROGRESS (IP)			
<b>Components (Outputs):</b>			
<b>1. Component 1: LAND DIVESTITURE AND SQUATTER UPGRADING</b> Total cost of Component 1: 22,161,435 Counterpart: 1,389,000 IDB: 22,161,435 IDB Disbursement: 100 % Classification: S			
<b>Key Output Indicators:</b>			
	<b>Planned Outputs</b>		<b>Outputs Achieved</b>
<u>Baseline*</u>	<u>Annual/Intermediate</u>	<u>End of Project</u>	
1.1 0 lots completed (12/17/99)	1.1 8,500 lots (12/14/02)	1.1 19,017 (12/31/07)	1.1 18,224 (12/31/07)
1.2 0% of occupied lots	1.2 At least 75% occupied with sanitary solutions	1.2 100% (12/31/07) with sanitary solutions	1.2 84% (12/31/07)
* (if applicable)			
<b>Briefly explain differences between planned and actual outputs (if applicable).</b> Of the 18,224 lots already serviced, 10,731 have been allocated. 8,675 allottees have made full payment while 2,056 are in arrears. Although, the titling procedures have improved, there is still a time lag between full payment and the issuance of the title. Consequently, only 2,438 persons had received titles at the end of August 2007.			
<b>Restructuring.</b> Indicate if this component was restructured (date of approval by Manager). Briefly discuss the consequences of these changes. <input type="checkbox"/> N/A			
<b>2. Component 2: POLICY REFORM &amp; INSTITUTIONAL STRENGTHENING</b> Total cost of Component 2: 1,799,609 Counterpart: 0 IDB: 1,799,609 IDB Disbursement: 100% Classification: S			
<b>Key Output Indicators:</b>			
	<b>Planned Outputs</b>		<b>Outputs Achieved</b>
<u>Baseline*</u>	<u>Annual/Intermediate</u>	<u>End of Project</u>	<u>End of Project</u>
2.1 0 Titles conveyed (12/17/99)	2.1 8,500 (12/14/02)	2.1 19017 (12/31/07)	2.1 2,438 (12/31/07)
2.2 0 One-stop shop (12/31/07)		2.2 1 (12/31/07)	2.2 1 (08/31/07)
* (if applicable)			
<b>Briefly explain differences between planned and actual outputs (if applicable).</b> Of the 18,224 lots already serviced, 10,731 have been allocated. 8,675 allottees have made full payment while 2,056 are in arrears -- although the titling			
<b>Restructuring.</b> Indicate if this component was restructured (date of approval by Manager). Briefly discuss the consequences of these changes. <input checked="" type="checkbox"/> X <input type="checkbox"/> N/A (In case of more components, create new row and complete.)			
<b>Summary Implementation Progress Classification:</b> <input type="checkbox"/> Highly Satisfactory (HS) <input checked="" type="checkbox"/> Satisfactory (S) <input type="checkbox"/> Unsatisfactory (U) <input type="checkbox"/> Very Unsatisfactory (VU)			

Further description of the LIS program Outputs can be found in **Annex 5: Outputs and Benchmark Achievement**



#### d. Project Costs

Total Project Cost - Planned (US\$30.000)					Total Project Cost - Actual (US\$28.752)				% Difference		
Category of Investment	PLANNED BUDGET				ACTUAL BUDGET				% DIFFERENCE		
	IDB	GOG	Total	% Total	IDB	GOG	Total	% Total	IDB	GOG	Total
<b>Administration and Oversight</b>	<b>2.948</b>	<b>575</b>	<b>3.523</b>	<b>11,74%</b>	<b>2.242</b>	<b>970</b>	<b>3.212</b>	<b>10,89%</b>	<b>24.0</b>	<b>(68.7)</b>	<b>8.8</b>
Program Execution	1.513	40	1.553	5	593	504	1.097	3,71	60.8	(1,160.2)	29.4
Design and Supervision	1.010	500	1.510	5,03	1.459	466	1.925	6,52	(44.4)	6.8	(27.5)
PPF	425	35	460	1,53	190	-	190	0,64	55.3	100.0	58.7
<b>Direct Costs</b>	<b>21.251</b>	<b>1.389</b>	<b>22.640</b>	<b>75,47%</b>	<b>22.162</b>	<b>265</b>	<b>22.427</b>	<b>76,03%</b>	<b>(4.3)</b>	<b>80.9</b>	<b>0.9</b>
Land Divestiture	16.912	500	17.412	58,04	14.600	265	14.865	50,39	13.7	47.0	14.6
Squatter Upgrading	3.853	500	4.353	14,51	7.460	-	7.460	25,29	(93.6)	100.0	(71.4)
Road Maintenance	486	389	875	2,91	102	-	102	0,35	79.1	100.0	88.4
<b>Technical Assistance</b>	<b>2.320</b>	<b>-</b>	<b>2.320</b>	<b>7,73%</b>	<b>1.800</b>	<b>-</b>	<b>1.800</b>	<b>6,17%</b>	<b>22.4</b>	<b>-</b>	<b>22.4</b>
Policy Reform	775	-	775	2,58	458	-	458	1,6	40.9	-	40.9
Institutional Strengthening CH&PA	1.545	-	1.545	5,15	1.342	-	1.342	4,55	13.2	-	13.2
<b>Unallocated Expenses</b>	<b>210</b>	<b>73</b>	<b>284</b>	<b>0,95%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0,00%</b>	<b>-</b>	<b>100.0</b>	<b>100.0</b>
Contingencies (for Tech. Assist.)	210	73	284	0,95	-	-	-	0	-	-	-
<b>Financial Expenses</b>	<b>270</b>	<b>963</b>	<b>1.233</b>	<b>4,11%</b>	<b>270</b>	<b>1.043</b>	<b>1.313</b>	<b>4,45%</b>	<b>0.0</b>	<b>(8.3)</b>	<b>(6.5)</b>
Interest	-	622	622	2,07	-	528	528	1,79	-	15.1	15.1
Credit Fees	-	341	341	1,14	-	515	515	1,75	-	(51.0)	(51.0)
Inspection & Supervision	270	-	270	0,9	270	-	270	0,92	0.0	-	0.0
<b>TOTAL</b>	<b>27.000</b>	<b>3.000</b>	<b>30.000</b>	<b>100,00%</b>	<b>26.474</b>	<b>2.278</b>	<b>28.752</b>	<b>100,00%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Briefly explain any differences.

[Note: Amounts of the % Differences which are in parenthesis ( ) indicate that the planned amount was less than the actual amount]

The cost differences between the planned and actual budgets were few. Foremost was with respect to the Administration and Oversight costs, in which case the Program Execution costs incurred by the GOG were significantly higher than those initially planned. Additionally, the amount of IDB funding planned for squatter upgrading was significantly lower than those which were actually spent on the squatter upgrading component, and the direct costs planned for the GOG were actually not incurred for Squatter Upgrading and Road Maintenance.

#### IV. Project Implementation

##### a. Analysis of Critical Factors

###### Executing Agency and Lack of Resistance to Change

In terms of positive critical factors, the performance of the executing agency, CH&PA, was central to assuring program achievements. All of the outputs and resulting outcomes were made possible because of the increased effectiveness and capacity of the CH&PA. This was made possible by the important institutional strengthening (IS) component foreseen from the time of project preparation. Equally important was the agency's willingness to undergo the necessary changes to become a modern and more effective agency. As a result of the successful implementation of the IS component, the agency was able to handle the 5 fold increase in demand for its services and complete their own internal reforms while simultaneously handling land allocation, beneficiary selection, settlement and infrastructure planning, and the like.

A couple of lessons can be taken from this critical factor. The first is the importance of the executing agency counting on the appropriate resources and capacity to handle the project. Secondly, it is best to ensure or install this capacity before implementing the program. At times during LIS's execution there was an apparent disconnect between the needs of the program and the capacity of the central agency. In short, it proved difficult to simultaneously strengthen and test the capacity of the CH&PA and as a result both suffered. Therefore it is recommendable that institutional strengthening of the executing agency lead other components that rely on said agency.

###### Interagency Collaboration

Interagency Collaboration was weak in the beginning. Ultimately, if other agencies are not able to commit at the outset of the program, it is preferable to delay construction or program activities until they are ready and able to collaborate fully. As a result of this situation, the CH&PA will be careful to assure that real, meaningful collaboration exists at the outset of a program.

The positive dimension of this factor comes from the fact that the LIS program (unlike other programs) relied almost exclusively on local institutions to accomplish program objectives, execute a range of program activities, and reach desired





outputs. Several agencies – CH&PA, Lands and Deeds Registries, Ministry of Housing and Water, Finance, Health, GWI, GPL, among others – worked cooperatively to reach assure positive outcomes in institutional strengthening, land divestiture, squatter upgrading, infrastructure development, and legal and policy reforms. The majority of the work was charged to local stakeholders and outside consultants were used only when absolutely necessary. Consequently, along with planned program objectives LIS served to strengthen local institutions and help lay the foundation for an environment of collaboration.

Nevertheless, there were times when inter-agency collaboration failed and program objectives were put in jeopardy as a result. One example involves Guyana Water Incorporated (GWI) and the CH&PA. CH&PA had intended to promote the construction of proper sanitary solutions in new housing schemes by conditioning individual water connections on the completed construction of a septic tank. Nevertheless, GWI's pursuant to water provisions were such that the water company would hook-up any household that called and requested a connection. Obviously this undermined the agency's attempt to condition sanitary solutions an in the new schemes and resulted in a confused and ineffective policy.

#### Establishment of a Sustainable Settlement Process

As a critical factor, the need to establish a sustainable settlement process was identified by the preliminary LIS design report. Hence, new settlement standards and processes were developed. But it also appears to represent a lesson learned by the authorities: that standards, methods, and processes require constant review and reconsideration in order to be sustainable. In addition to the new housing standards, institutional strengthening activities at the CH&PA and significant legal and policy reforms also contributed to the establishment of a sustainable settlement process. The MIS system and creation of new unit, the Town and Country Planning Unit, at the CH&PA are just two of the valuable additions to the administration side of the settlement issues. Now, on a larger scale and with more efficiency and effectiveness, the central agency will be able to guide the settlement process. Similar advanced information systems have also been installed at the Deeds and Lands Registries to help expedite their titling processes. And finally, the program pushed through important policy and legal reforms like the restructuring of the CH&PA, separation of the Deeds and Lands Registries, revision of the Town and Country Planning Act, and reaffirmation of CH&PA's mandate as the principal agency with full residential development authority. Above all else, the pursuit of these outcomes has empowered the local housing authorities and made the settlement process a sustainable one.

#### Difficulty Finding Qualified Personnel

One of the foremost negative critical factors of program implementation was the difficulty in finding qualified personnel. There was an obvious severe shortage of trained personnel in the country and this represented a serious risk factor for the implementation of LIS as it would affect the achievement of technically demanding design outputs. In the early stages of execution, professionals with the requisite technical knowledge were simply not available (at least locally). Augmenting the execution problem was the fact that the program took too long contracting external consultants and as a result the program suffered. Design plans for settlements and infrastructure were often left unfinished and frequently had to be revised before they were approved. The intensive scale and implementation schedule set out for the program's new public infrastructure and numerous civil works projects proved too much and could not be handled by the staff at the time. A deficiency in the number of responsible contractors and builders, many of whom generally lacked professionalism, also plagued the early stages of the program. All totaled the infrastructure outcomes and outputs were constantly behind scheduled and the program's execution suffered from persistent delays.

Even though it took a good deal of time, contracting the necessary professionals to put the LIS unit in place at the CH&PA did not present too many difficulties; likewise, the program eventually was able to locate the architects, engineers and other such technical personnel to meet the program's needs. On the other hand, the difficulty came once the program came to an end and the Ministry attempted to retain the personnel. The LIS unit had been contracted at a different, higher rate, than the other personnel. The Ministry was unable to sustain this rate after the Program's funding had ended, and naturally the LIS unit's personnel left for other employment opportunities and the unit was disbanded.

### **b. Borrower/Executing Agency Performance**

Borrower/Executing Agency			
<input type="checkbox"/> Highly Satisfactory (HS)	<input checked="" type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (U)	<input type="checkbox"/> Very Unsatisfactory (VU)

### **c. Bank Performance**

Bank Performance			
<input type="checkbox"/> Highly Satisfactory (HS)	<input checked="" type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (U)	<input type="checkbox"/> Very Unsatisfactory (VU)

## **V. Sustainability**

### **a. Analysis of Critical Factors**

The program has not followed the initial cost recovery plan as set out for the program. Although the program required that the level of contribution payments for the equity share, paid by beneficiaries, should be maintained in real terms, this has not happened since 2002. Program officials believed that any further increases would result in higher levels of non-compliance of payments and therefore, the recovered funds were not significant to continue financing new developments.





Additionally, in order for the Ministry to continue building upon the positive outcomes of the LIS program, strategic plans which outline a long term vision should involve the full participation of the private sector. It is critical that the private sector is involved in the creation of this strategy. All in all, the Ministry's strategic plan for the future must take into account the effects that other organizations have upon its operations. These include private home developers, contractors, builders, NGO's, etc.

Another key factor in the sustainability of results of the program is the comprehensive roll-out of the local authorities – National Democratic Councils (NDC) and the community strengthening activities like the creation of CBOs and community development plans. The NDC are very weak institutions with almost no capacity to maintain services. The community strengthening activities have yet to be implemented in all of the settlements affected by the program. The reasons for which community strengthening activities have not been successful are rooted in the fact that different communities have differing capacities for community development, and also different rates and propensities for community participation. A list of CBOs is available at the Ministry of Labor but consists of names of organizations that do not have any physical or tangible presence in the community for one reason or the other. Despite the efforts to promote CBO development by the Environmental Homeownership Training Program, LIS has not been able to change the culture of non-participation that exists in some communities.

## **b. Potential Risks**

The weakness of CH&PA, in both technical capacity and institutional capacity, was a key risk for both program investment and policy reform. However, project preparation, a PPF, and the execution of the program dedicated considerable resources to strengthening the central agency. The actions taken to strengthen CH&PA have seen results, but the gains made by the agency must be well managed if the program benefits are to be sustained. Specifically, the CH&PA has to be able to retain talented professionals who can contribute to the institutional learning of the agency. Currently, however, it has proven difficult to provide the necessary incentives to prevent educated, experienced employees from leaving the agency for the private sector or opportunities abroad. The CH&PA, like all government agencies, is dependent on the Ministry of Finance and other political forces which determine the remuneration available for its workers.

The basic services constructed by the program, like roads, water pipes, community areas, etc., could deteriorate due to a lack of O&M even though the LIS Program design was supposed to decrease this risk. One activity particularly troublesome was the transfer of maintenance programs to the local governments, some of which do not yet have the capacity to fully execute the maintenance programs. With regard to the management of this risk, it should be borne in mind that (i) contracts for the design of subprojects required an O&M plan, and (ii) the program requires the Borrower to ensure that all works and equipment are adequately maintained and to present to the Bank a report on the said maintenance for a period of five years after project completion. Toward this end, the program supported the organization of neighborhood associations to assist in maintaining the infrastructure in the communities.

## **c. Institutional Capacity (see Annex 4 on Outcomes, Institutional Strengthening)**

The goal of LIS in terms of institutional capacity was to assure the outcome of the Institutional Strengthening component. Operations at the CH&PA would be strengthened to be able to operate efficiently and effectively in the development of low-income housing. Apart from that they would establish new incremental development standards for New Settlements and Squatter settlements, upgrade their systems to a new MIS and assure that the accounting and financial systems were in place and functioning at the CH&PA.

The importance of achieving the capacity goals set out for the agency should not be overstated. The nature of the program and dynamics of the housing sector placed enormous responsibility on the central agency both as the operative branch of the Ministry and Executing Agency for the program. In short, ultimately the institutional capacity of the CH&PA has improved but not as much as it could have. Better personnel were hired, although the engineering personnel acquired as part of the LIS unit did not stay. The processes within the Ministry have improved and changed so that there is now a clearer method for dealing with the clients. The capacity for executing projects has ultimately improved but, again, some capacity for project development knowledge was lost with the LIS unit.

Nearly every component of the LIS program would depend in some way on the capacity of CH&PA. Land divestiture, squatter upgrading, infrastructure development, community strengthening, policy and legal reform were all organized and processed through the agency. Prior to the program, the agency was unable to handle normal operations with any efficiency, thus a strong IS component was built into the program to bring the EA up to the level that the program would demand. LIS would cause a five fold increase in the demand for CH&PA's services and it would ask the institution to change, reorganize, restructure, train and hire new employees simultaneously. This dual focus was not easy and did not come without its share of challenges. At times, the capacity of the maturing agency was not on par with the program demands on it; however, in the end the institution would benefit from the lack of resistance to institutional change and determination to succeed in the face of adversity.

Capacitating initiatives were numerous and included topics on use of the newly installed MIS, orientation of the new organizational structure. The IS component of LIS funded the post graduate education of three senior staff members so that they could obtain masters' degrees from internationally accredited institutions in Canada. The agency also benefited from the hiring of younger staff members who tend to use the advanced information systems with more ease and can be easily trained in the other aspects of the organizations operations. To meet the short-term needs of the program, the LIS Unit of



the CH&PA counted on the expertise of external consultants specializing in many areas from Institutional Strengthening and in Town & Country Planning to Policy and Legal Reform and the MIS. Although intended to accomplish short term objectives of the program, their integration into the agency and knowledge sharing was an essential component of enhancing institutional capacity.

In short, seven years after LIS implementation, the CH&PA is a more mature, professional agency. Apart from the organizational strengthening, individual human capital development has transformed the central authority into a strong capable service provider of social housing. The titling cycle has been reduced from years to around two to three months; the financial and accounting systems are fully computerized and shortly they will count on the acquisition of a GIS and planning modules; the organization knowledge and experience has increased their daily capacity by 400%; and there is a solid base of young, educated, and experienced professionals who make up a core of the agency. The implications of the LIS program were many. Most encouraging of all the capacity developments and growth of the CH&PA is that the CH&PA has become an empowered and self-sufficient entity. Finally, and above all else, is the self sustaining will and ability of the CH&PA is now at a point that will ensure its growth internally and not with the crutch of external expertise.

#### Sustainability Classification **SU:**

☐ Highly Probable (HP)      ☒ Probable (P)      ☐ Low Probability (LP)      ☐ Improbable (I)

## VI. Monitoring and Evaluation

### a. Information on Results

The LIS program's Beneficiary Assessment relied on a multi-strategy research approach that combined quantitative and qualitative data, analysis, and research design. Much of the data collection for the PCR and final evaluation for the program were a part of the process which gathered data for the Beneficiary Assessment. Accordingly, the data corresponding to the Quantitative research has been collected and analyzed in this report in conjunction with that of the Qualitative research – both of which took place in-country and constituted field studies. The analysis presented here is the result of the methodology of that report. Ultimately, the function of the Beneficiary Assessment Evaluation and its associated research was to prepare the Project Completion Report for the IDB loan and, hence, the reports are complementary.

The Beneficiary Assessment Evaluation determined that LIS beneficiaries were well targeted. The income qualification criterion for subsidized houselots under the LIS program was based on total monthly household income. If the household's income lay between G\$30,000 and G\$60,000 inclusive (at the current US\$:G\$ exchange rate this is equivalent to US\$150 and US\$300 respectively), that household would have satisfied the income criterion. Available data seems suggested that this arrangement catered to minimum wage earning households. Given that the Government monthly minimum wage is G\$22,000, a minimum wage earning household can earn G\$30,000 per month and easily qualify for a subsidized house lot. According to the LIS survey data taken upon project completion, 77% of Squatters and 72.5% of Housing scheme beneficiaries reported a monthly household income of \$G50,000 or less. Paradoxically, however, 15.5% of Housing scheme beneficiaries reported income of less than \$G10,000 (placing them in the lowest income range), which was larger than the Squatters' share of 12.2%. Predicted and declared income by beneficiaries is significantly different, being the latter higher; however, less than 10% of beneficiaries seem to be extreme inclusion errors. Therefore, households living in squatters and new lots seem to be within the range bracket income.

In terms of household characteristics, 89.47% of the beneficiary household heads have a secondary education or below. Almost half of that group, 43.02%, has completed primary education and nothing more. The small percentage of highly educated program beneficiaries is consistent with their levels of poverty and therefore reinforces the selection of these households as beneficiaries.

The analysis from the Beneficiary Assessment was combined and checked against the periodic evaluations of the program. Midterm and Final evaluations, semester reports, aide memoirs and mission reports all made up the database of information that went into the PCR. The semester reports were completed by the executing agency as required by the bank, every 6 months. As such, they provided a somewhat constant measure of the projects outcomes and output activities. Nevertheless, some of the official information presented by the CH&PA was disputed by the Bank and our own assessment, but in the end we feel that the information was for the most part reliable and verifiable.

### b. Future Monitoring and Ex-Post Evaluation

Currently there is no system in place for the monitoring of project outcomes and future impacts. The CH&PA is considering a monitoring system that would connect the Ministry and assure transparency around the agency's operations. But at the moment nothing substantial has been planned. Once operational, however, the infrastructure and maintenance activities could be monitored by way of the system. Additionally, the institutional strengthening activities and titling activities, levels of





occupancy, and other development indicators could be observed and updated through the same proposed system and be built upon the current MIS (see Annex 4, Outcomes, Institutional Strengthening).

An ex-post evaluation

## **VII. Lessons Learned**

### **New ways of providing housing solutions for low income groups worked**

The program introduced new ways of providing housing solutions to the lower-income groups of Guyana in a formal institutionalized way; those were the site and services and neighborhood improvement approaches. Those approaches were successful in their objectives. They can be improved as discussed in the following paragraphs, but their introduction by GoG has been an important step to a more efficient and equalitarian system.

### **Finding and Retaining Qualified Personnel**

Several lessons should be taken from issues regarding personnel that have been discussed in previous sections. First, measures were explicitly outlined in the loan contract where it was stated that consultants be contracted to assist in the accomplishment of program outputs while the appropriate provisions were made for the training of CH&PA staff. But, the initial project design had somehow not foreseen the shortage of technical personnel needed for the infrastructure and design components of the program. Secondly, Guyana needs to find some way to alleviate the serious problem of the "brain drain". Finally, there needs to be an option for the advanced training and quality education of Guyanese, which does not result in their abandonment of the country and a way to retain skilled workers.

### **Targeting and Selection System**

The program ultimately was determined to have a very successful system of targeting of beneficiaries. The program developed the use of a Proxy Means Tested targeting system early in the program's execution period to deal with issues of the inclusion errors. This system is tried and tested, and provides a verifiable manner of testing income. The lesson derived from the inherent benefits of the PMT targeting method is that it is accurate and it can be applied to many different types of social programs. Therefore, the LIS targeting system can easily and inexpensively be adapted to future programs of many types

A solid selection system must be included in the program to assure the appropriate beneficiaries. The LIS program implemented a targeting system with income verification rather late in the program and as such had some (if limited) cases of beneficiaries with too high an income and who were therefore associated with the program for reasons of speculation and not necessity. To address this issue, future programs should provide solutions for middle income beneficiaries while ensuring that they pay the real market price for the lot. This system would help to avoid inclusion errors like those seen under the first LIS program.

### **Need for Integral Program Solutions**

Next, the problem with occupancy levels helps drive home several lessons, some which are positive. Primarily of which is that the program solutions must be integral by design. The program should subsidize the sanitary solution as well as the construction of the basic dwelling if the beneficiaries are low-income households. This means that it was not enough to give the lot to low-income households. Often, they put all of their equity into the land and then did not have the sufficient savings to build the house or install a septic tank. Therefore, if the program is to provide an integral solution to low income beneficiaries they must provide, the land, house, and sanitary solution or some degree of financing beyond the subsidized lot. Additionally, the ministry is now aware that the best way to avoid losing costly investments is by assisting the beneficiaries in the construction of their homes.

### **Need for Community Involvement**

The septic tank component has also made the ministry more aware of the need to have full community involvement for self-help initiatives to function. The future programs should place more emphasis to developing the community based organizations around which a program can be anchored. Moreover, community infrastructure maintenance results less costly and more efficient than centralized efforts to maintain infrastructure, and therefore this too could be a related benefit to establishment of these community bases.

It remains vitally important to develop strong community organizations to assist in maintenance. Primarily this is because of the lack of capacity for these activities on the part of the NDCs. Until local government has the capacity to manage the public infrastructure and use public funds appropriately, it will be up to the CBOs to assure the investment in civil works is not lost.

Additionally, it should be remembered that community work is vitally important to the development of squatters' settlements. Because these communities represent existing communities with very limited economic means, their development must come from community based initiatives that make use of their principle resource.

### **Basic Services In-place Prior to Relocation**

The program also caused the realization that if the program is to relocate households into new developments basic services – electricity, education, and health services – must be installed and provided early on, before the new settlements are completed, in order to assure movement of the beneficiaries to those places. If the budgets of the statutory service agencies are not able to provide for the installation of those services then the project at that particular settlement should be delayed until the services can be provided.





#### **Private Sector Involvement**

Significant benefits could result from the increased involvement of the private sector. Partly the result of long-time government practices, partly the result of insufficient economic incentives, Guyana's private lenders and builders have been very weak players in the provision of low-income housing. The government needs to become a much more competent facilitator of productive housing activity by others. Private Banks and developers must be included in an organized strategy to help low-income families. In part, the nature of the private sector would assure increased competition and consequently, efficiency and cost-effectiveness. The challenge is to find the right incentives to motivate the private sector into issues of development. Currently, the only program to induce the private sector into low income housing development is a complex system of tax concessions given to the private banks so that they find it profitable to lend at a rate (presently 7%) that is below the market rate (10%). This system is unsustainable by nature as it provides an incentive for the banks that borrowers do not understand and it provides the beneficiaries with a kind of double dividend as they 1) qualify for mortgages that they may not have otherwise, and 2) they are given a rate that is not at real market rates and it distorts the markets reducing investment in the sector.

#### **Need for Interagency Collaboration**

Another lesson that has been reinforced through execution and evaluation of the program is the importance of interagency collaboration. It is crucially important that the program work with other agencies from the beginning. Specifically, program's central authorities must involve the NDCs early on in the process. It is understood that the majority of the NDCs do not have the capacity to handle the project activities. Thus, they need to be included in all interagency meetings very early on in the process so that they understand what is expected of them in terms of activities like maintenance, and so that they understand what their roll is in the community's development. The Ministry must develop a comprehensive housing solution that includes the work of the local and other statutory authorities like the water and electric utilities in order to assure services are provided in the initial stages of development. This can only be accomplished with the close cooperation of other agencies. Additionally, long-term relationships of interagency collaboration must be established to guarantee efficiency and effectiveness of housing solutions. Finally, the issue of interagency collaboration reaches that of occupancy. History has taught us that it may be advisable to allocate new house lots to beneficiaries only after the new development is complete and has basic services in place.

#### **Improved Evaluation and Monitoring**

Any future program should be sure to foresee those issues particular to evaluation and monitoring that the first LIS did not. A key lesson learned from the program was the need to include plans to complete an impact evaluation at the outset. As a result, the first LIS lacked the data on indicators that was necessary to complete an evaluation of the program.

Second, the system of internal evaluation needs to continue to be strengthened. The MIS had plans to include a system of internal evaluation but these ultimately had to be scrapped as a result of the failure entering data into the system and delays in the software needed to complete the module.

Finally, the program should have planned for the realization external and independent assessments on a regular basis. As a part of a comprehensive system of monitoring and evaluation, external opinions are necessary to prevent any bias or conflict of interests. Any future program should take measures to assure the presence of independent and external audits of any and all program activities.



**Annexes:**

- 1. LIS Logical Framework**
- 2. Minutes from the Exit Workshop**
- 3. Borrower Evaluation (Pending Completion by Executing Agency)**
- 4. Description of LIS Outcomes**
- 5. LIS Outputs and Benchmark Achievement Table**



# ANNEX 1: GUYANA: LOW INCOME SETTLEMENT PROGRAM (GU-0065) LOGICAL FRAMEWORK

OBJECTIVE	INDICATORS	
	MID TERM (DEC 04)	END OF THE PROJECT (DEC 07)
<b>LONG TERM GOAL: <i>Ownership of land and housing increased through equitable distribution</i></b>		
<b>BENEFICIARY SELECTION, COMMUNITY STRENGTHENING AND ENVIRONMENTAL STANDARDS</b>		
<b>Outcome/Purpose 1:</b> Lots in new settlement schemes are owned by low income households. CBO are strengthened. Lots have proper sanitary solutions. <b>ACCOMPLISHED</b>	<b>1.3.</b> Methodology for self-help construction of sanitary solutions developed and tested <b>ACCOMPLISHED</b> <b>1.4.</b> CBOs created and trained to prepare and execute community plans, <b>PARTIAL</b>	<b>1.1.</b> At least 80% of occupied lots owned by low income households <b>ACCOMPLISHED</b> <b>1.2.</b> At least 90% of all allocated lots are occupied, <b>NO</b> <b>1.3.</b> At least 75% of occupied lots in new settlements and squatter areas with proper sanitary solutions. <b>NO</b> <b>1.4.</b> Community plans prepared for phase I project areas and execution is underway <b>PARTIAL</b>
<b>Output 1.1:</b> Lots are awarded to low income households (income less than US\$ 300. <b>ACCOMPLISHED</b>	<b>1.1.1.</b> New transparent and objective eligibility criteria developed and approved by CH&PA Board, <b>ACCOMPLISHED</b>	<b>1.1.1</b> New selection system applied for all LIS applicants, <b>ACCOMPLISHED</b>
<b>Output 1.2:</b> Sanitary levels of lots and squatter settlements are minimum required according to environmental standards. <b>PARTIAL</b>	<b>1.2.1.</b> Action plan and methodology developed and approved by CH&PA Board, <b>ACCOMPLISHED</b> <b>1.2.2.</b> Pilot test in 3 new settlements and 3 squatter settlements completed. <b>NO</b>	<b>1.2.2.1</b> At least 90% of occupied lots in new settlements. <b>NO</b> <b>1.2.2.2</b> At least 75% of occupied pre LIS schemes with proper sanitary solutions. <b>NO</b>
<b>Output 1.3:</b> Community development plans being executed in a sustained manner: construction of septic tanks, maintenance of public areas, proper ownership practices, proactive action of CBOs with respect of getting services from different government entities <b>NO</b>	<b>1.3.1.</b> Strategy and methodology developed and approved by CH&PA including: CBO formation, infrastructure maintenance program, construction of septic tanks, and other community development activities. <b>ACCOMPLISHED</b> <b>1.3.2</b> Pilot test in 3 new settlements and 3 squatter settlements <b>ACCOMPLISHED</b>	<b>1.3.1.1</b> Community plans completed for phase I project areas and execution underway. <b>PARTIAL</b> <b>1.3.1.2</b> Community plans underway in phase II project areas. <b>PARTIAL</b>
<b>INFRASTRUCTURE</b>		
<b>Outcome/Purpose 2:</b> New public infrastructure developed and adequately maintained by NDC in collaboration with CBOs. <b>NO</b>	<b>2.1</b> 50% of new settlements under construction (at least 10,000 lots completed). <b>ACCOMPLISHED</b> <b>2.2</b> Action plan and methodology developed and tested in at least one new settlement. <b>NO</b>	<b>2.1.1</b> 100% of new settlement public infrastructure completed (at least 14,000 lots completed). <b>ACCOMPLISHED</b> <b>2.1.2</b> 100% of squatter upgrades public infrastructure completed (at least 6,000 lots). <b>ACCOMPLISHED</b> <b>2.2.1</b> Maintenance program underway in phase I infrastructure projects by NDC and CBOs. <b>PARTIAL</b>
<b>Output 2.1:</b> Infrastructure completed to development standards in new settlement schemes and squatter settlements. <b>ACCOMPLISHED</b>	<b>2.1.1</b> 50% of new settlements under construction (at least 10,000 lots). <b>ACCOMPLISHED</b> <b>2.1.2</b> 100% of squatter upgrading designs completed. <b>ACCOMPLISHED</b>	<b>2.1.1</b> 100% of new settlement public infrastructure completed (at least 14,000 lots). <b>ACCOMPLISHED</b> <b>2.1.2</b> 100% of squatter upgrading and public infrastructure completed (at least 6,000 lots). <b>ACCOMPLISHED</b>
<b>Output 2.2:</b> New infrastructure adequately maintained and transferred to NDC when liability period is over. <b>NO</b>	<b>2.2.1</b> Maintenance methodology for CBOs developed and tested in at least one settlement. <b>ACCOMPLISHED</b> <b>2.2.2</b> Strategy developed for maintenance of new public infrastructure as collaborative effort of NDC, CBO, MHW and other public entities. <b>PARTIAL</b>	<b>2.2.1</b> Maintenance methodology applied in all phase I projects. <b>NO</b> <b>2.2.2.1</b> Agreement on maintenance program signed by NDC, CBOs and MHW for phase I projects. <b>NO</b> <b>2.2.2.2</b> Phase I projects transferred to NDCs. <b>ACCOMPLISHED</b>
<b>POLICY AND LEGAL REFORMS</b>		
<b>Outcome/purpose 3:</b> Policy reforms to establish one-stop shop for development, approval/titling in place. <b>ACCOMPLISHED</b>	<b>3.1.</b> Housing Act revealed that CH&PA already has full authority for on-site development of residential land. <b>ACCOMPLISHED</b> <b>3.2.</b> Terms of reference prepared in case any other act needs to be reformed or policy to be developed (i.e., national housing policy). <b>ACCOMPLISHED</b>	<b>3.2.</b> If needed, reform proposals submitted and approved by CH&PA Board. <b>ACCOMPLISHED</b>
<b>INSTITUTIONAL STRENGTHENING</b>		
<b>Outcome/purpose 4:</b> CH&PA operations strengthened to be able to operate efficiently and effectively in the development of low income housing. <b>ACCOMPLISHED</b>	<b>4.1.</b> Phase I action plan approved and in execution: MIS upgrading, financial and accounting systems, proposal for new organizational structure. <b>ACCOMPLISHED</b> <b>4.2.</b> LIS Unit fully staffed and functioning. <b>ACCOMPLISHED.</b> <b>4.3.</b> Specialized consultants recruited to give technical assistance to CH&PA operations. <b>ACCOMPLISHED</b>	<b>4.1.</b> Phase II action plan approved and in execution: new organizational structure, training, personnel profiles, and evaluation/auditing standards. <b>ACCOMPLISHED.</b> <b>4.2.</b> Completed absorption process of LIS and EHTP units by CH&PA. <b>ACCOMPLISHED</b> <b>4.3.</b> New organizational structure in place and functioning with all new divisions. <b>ACCOMPLISHED</b>
<b>Output 4.1:</b> Incremental development standards for New Settlements and Squatter settlements in place. <b>ACCOMPLISHED</b>	<b>4.1.1</b> Incremental standards for new settlements approved by CH&PA Board. <b>ACCOMPLISHED</b>	<b>4.1.1</b> New settlement developments approved by CH&PA complied with incremental standards. <b>ACCOMPLISHED</b>
<b>Output 4.2:</b> Upgraded MIS, accounting and financial system for the CH&PA in place. <b>PARTIAL</b>	<b>4.2.1.</b> MIS, accounting and financial systems implemented and functioning. <b>PARTIAL</b> <b>4.2.2</b> Personnel training completed. <b>ACCOMPLISHED</b>	<b>4.2.1.</b> All CH&PA officers use new systems. <b>ACCOMPLISHED</b>
<b>Output 4.3:</b> new organizational structure enhanced including community development unit. <b>PARTIAL</b>	<b>4.3.1</b> New organizational structure prepared. <b>ACCOMPLISHED</b> <b>4.3.2</b> Key personnel and specialized consultants hired to assist CH&PA operation. <b>ACCOMPLISHED</b>	<b>4.3.1.</b> New organizational structure approved by CH&PA Board. <b>ACCOMPLISHED</b> <b>4.3.2.1</b> LIS and EHTP units fully integrated to CH&PA organizational chart. <b>PARTIAL</b> <b>4.3.2.2</b> New personnel needed recruited and trained according to approved profiles. <b>PARTIAL</b> <b>4.3.2.3.</b> Budgetary provisions for the proposed personnel to fill the new organizational chart. <b>ACCOMPLISHED</b> <b>4.3.2.4.</b> All departments fully functioning and complying with their responsibilities. <b>PARTIAL</b>



## 2. Minutes from the Exit Workshop

The LIS Exit Workshop took place on Wednesday, January 16<sup>th</sup> in Georgetown Guyana. All of the relevant stakeholders for the LIS program were invited and most in attendance. After a series of presentations reviewing the execution of the various components of LIS, the participants were divided into four groups corresponding to the principle challenges faced by the program. These were: Occupancy Levels; Community Strengthening and Interagency Collaboration; Sanitary Solutions; and Private Sector Involvement. The four groups discussed their individual topics and, finally gave presentations which summarized their findings in four subject headings: Main Results; Sustainability; Lessons Learned; and Recommendations.

### **Occupancy Levels**

**Main Results:** The group on Occupancy Levels first reminded the workshop of the program's target for occupancy which was 90% as compared to the 69% finally achieved by LIS. The first reason presented for the low levels of occupancy was the financial ability of the beneficiaries and the fact that most do not qualify for loans and do not have regular jobs. Next, it was stated that services like schools, health facilities, water, security, etc., were not provided to the residents in the housing schemes. Finally, it was found that many times beneficiaries were allocated lots which were in different regions than the areas where they are currently living.

**Sustainability:** With regards to the issue of sustainability, it was first suggested that the size of house lots be increased to accommodate agricultural production given the fact that there are few job options for households. Secondly, it was pointed out that it is necessary to have the beneficiaries pay for the services provided by the program with new taxes or allocated tax revenues. Finally, in order to rectify unemployment it would be beneficial to provide skills-training for those households that are currently unemployed.

**Lessons Learned:** Under lessons learned the group repeated the idea that Low Income beneficiaries need much more assistance than just a house lot, in fact, the beneficiaries need a full solution which involves assistance with the financing of a home and increased employment opportunities. Next, the movement of people via the allocation of house lots should be minimized. And finally, housing schemes should have most social amenities and be built to cater to the people who live in the schemes by including health centers, schools, and other social services.

**Recommendations:** The group posited two primary recommendations. The first was that financing be made available to the beneficiaries for the construction of a house through a revolving fund administered by the CH&PA. Second, it was suggested that condominiums be built in selected schemes to assist the low income earners with an immediate housing solution.

### **Community Strengthening and Interagency Collaboration**

**Main Results:** The main results from the group on Community Strengthening and Interagency Collaboration were three fold. The first result of this aspect of the program was the implementation of the Environmental Home Ownership Training Program (EHTP). Second, it was determined that the program had improved the communication between the agencies. The final main result was that there was community mobilization within the settlements.

**Sustainability:** In terms of sustainability, the group suggested that there is a need to involve communities in the project design stage early on in the process. The group also acknowledged the critical role that the RDC and NDC play in the development of housing schemes and maintaining infrastructure. Finally, the group echoed the idea that work processes must be collaborated among agencies if the program is to be sustainable.

**Lessons Learned:** The first lesson learned presented by the group was the need to continue with the EHTP methodology. Second was that the community members, including elderly persons, should be consulted during and assist with the implementation of the project. The final lesson learned was clearly that there is a need for full interagency collaboration if the project is to optimize initiatives.

**Recommendations:** The recommendations for this component of the program were the following. First, the workshop group recommended that the NDCs should be the focal points of interaction. Second, that handing over schemes generally needs to be more expeditious. Third, and finally, it was recommended that community leaders be trained in leadership skills so that the communities can be mobilized more effectively.

### **Sanitary Solutions**

**Main Results:** With regards to sanitary solutions, the first main result was the realization that the program had caused a high level of awareness among beneficiaries for the need to have proper sanitary standards. In general, the workshop concluded that households are much more environmentally responsible now than they were before the program. Finally, the program caused increased community participation which was linked to the idea of self-help solutions, an important factor to the success of any program.





**Sustainability:** The group concluded that sustained sanitary solutions depend on the local authorities' capacity to build-on and manage the achievements of LIS. Sustainability will also depend on the use of incentives to motivate households to promote objectives related to sanitary solutions. Finally, sanitary solutions must be of a legally enforceable manner in order for the achievements of the program to be sustained.

**Lessons Learned:** The group on Sanitary Solutions presented several lessons learned. First, the group felt that it was not only important to address the specific sanitary solutions like septic tanks for the LIS beneficiaries, but also critical that we begin to address the long term general issues of solid waste management nationwide. The group also echoed the need for more coordination at all levels. Along the same lines, there is a need for more effective and timely coordination between the various utility service providers. Next the group felt that cultural norms and practices must not be ignored but rather better acknowledged and factored into the process. The final lesson learned in the category of sanitary solutions had to do with the provision of incentives, which the group felt was a major issue given the cost of building the sanitary solutions.

**Recommendations:** The recommendations for the sanitary solutions component were multiple. To begin with, an ongoing education/awareness program should be adopted. Sanitation standards should be legally enforceable so as to facilitate the enforcement of initiatives in this area. Again, a more collaborative relationship between the central authority (CH&PA) and local authorities should be established as this would address important issues such as information sharing, capacity sharing, and the like. The provision of financial and other types of incentives (concessions) should be continued. The group also felt that officials should consider allowing households a longer period of time within which they are required to develop their sanitary solutions. The final recommendation was that high priority should be given to solving the sanitary issues currently pending in the existing schemes before allocating time and resources to developing new housing schemes.

### **Private Sector Involvement**

**Main Results:** The last of the four groups analyzed the Involvement of the Private Sector in the LIS program. The first of three main results presented by the group was the fact that the private sector does not initiate the construction of infrastructure but rather the central authority. Following, it was pointed out that a partnership exists between developers and commercial banks to allow individuals to access loan financing (this, however is not a complete system and currently only applies to a small number of beneficiaries. The last of the main results from the group was the idea that private sector involvement has the ability and tendency to "break the ice" in uninhabited areas.

**Sustainability:** In order to ensure sustainable private sector involvement in the housing sector the group felt that there was a need for provision of land. Additionally, a strong maintenance program is vital to sustainability as is quality standards for construction. Finally, the group reiterated the vital importance of the participation of commercial banks and other financial agencies to the housing development process.

**Lessons Learned:** The group presented two significant lessons learned from the LIS program; the first of which was that the rising costs of building materials continues to hamper construction. Additionally, the projected locations of projects like some new settlements can indeed render projects useless due to their inaccessibility or unappealing location.

**Recommendations:** One recommendation from the private sector group was the need to formalize a mechanism for the use of remittances as a source of funding for mortgage loans or other forms of home financing. Next, they felt that there was room to encourage more competition among the private developers. Lastly, it was proposed that grants be disbursed to households that would match the family's contributions.

### **Conclusions from the Exit Workshop**

The conclusions from the Exit Workshop are the following:

- Most of the participants considered the program to be satisfactory, with important policy and institutional contributions to the housing sector of Guyana.
- From the point of view of the project cycle, the participants underscored the importance of: (i) the adequate participation of the various actors, such as the government agencies (central and local governments), the communities, and the private sector to make sure their roles are fulfilled appropriately; (ii) the need to make provisions for the maintenance of program investments, through the early involvement of the responsible entities and communities; and (iii) the constant attention to the targeting of low-income beneficiaries.
- From a cost point of view, the challenges of the required contribution for the beneficiaries were discussed and the need to create incentives for private sector involvement was highlighted.
- At this stage, the challenge for Guyana is to increase the levels of occupancy through




### 3. Borrower Evaluation



1

## Annex III

 <p style="text-align: center;"><b>Inter-American Development Bank</b>  <b>Project Completion Report – 2006 PCR</b>  <b>Borrower Evaluation</b></p>	
<b>Project Name:</b> Low Income Settlements Programme (I044/SF-GY)	
<b>Executing Agency (ies):</b> Central Housing and Planning Authority	
<b>Borrower:</b> Government of Guyana	
<b>Date of Project Approval:</b> November 17, 1999	<b>Date of Contract Effectiveness:</b> June 14, 2000
<b>Date of Borrower Evaluation:</b> October 03, 2005	<b>Expected Date of Exit Workshop:</b> November 2006

## Probability on Achieving its Development Objective(s)

☒ Highly Probable (HP)      ☐ Probable (P)      ☐ Low Probability (LP)      ☐ Improbable (I)

### Project Implementation:

☒ Highly Satisfactory (HS)    ☐ Satisfactory (S)    ☐ Unsatisfactory (US)    ☐ Very Unsatisfactory (VU)

### Sustainability of Project Results:

☒ Highly Probable (HP)      ☐ Probable (P)      ☐ Low Probability (LP)      ☐ Improbable (I)

## Comments:





## Annex III

**Borrower Performance During Project Preparation**

Please rate your own performance during the Project Preparation:

☒ Highly Satisfactory (HS)   ☐ Satisfactory (S)   ☐ Unsatisfactory (US)   ☐ Very Unsatisfactory (VU)**Comments:**

The performance during Project Preparation was rated as Highly Satisfactory given that we have delivered all our development objectives with effectiveness. We have been given the completion of the project was inadequate given all the assistance in the preparation, including the willingness of other beneficiaries. The design of infrastructure work and the other staff of some of these works are the main areas of delay.

**Borrower Performance During Project Execution**

Please rate your own performance during Project Execution:

☒ Highly Satisfactory (HS)   ☐ Satisfactory (S)   ☐ Unsatisfactory (US)   ☐ Very Unsatisfactory (VU)**Comments:**

The performance of the project as an executor is highly satisfactory given that we have delivered all our development objectives with effectiveness. We have been given the completion of the project was inadequate given all the assistance in the preparation, including the willingness of other beneficiaries. The design of infrastructure work and the other staff of some of these works are the main areas of delay.

**Comments:**

- 1. The project was completed within the agreed time frame.
- 2. The project was completed within the agreed time frame.
- 3. The project was completed within the agreed time frame.
- 4. The project was completed within the agreed time frame.
- 5. The project was completed within the agreed time frame.
- 6. The project was completed within the agreed time frame.
- 7. The project was completed within the agreed time frame.
- 8. The project was completed within the agreed time frame.
- 9. The project was completed within the agreed time frame.
- 10. The project was completed within the agreed time frame.
- 11. The project was completed within the agreed time frame.
- 12. The project was completed within the agreed time frame.
- 13. The project was completed within the agreed time frame.
- 14. The project was completed within the agreed time frame.
- 15. The project was completed within the agreed time frame.
- 16. The project was completed within the agreed time frame.
- 17. The project was completed within the agreed time frame.
- 18. The project was completed within the agreed time frame.
- 19. The project was completed within the agreed time frame.
- 20. The project was completed within the agreed time frame.





## Annex III

1. Continues all implementing agencies and resources related to Government's response to squatter  
Evolution: effective, easily understood policies to guide Government action appropriate to each  
category of squatter area

2. Related recommendations are in the process of being implemented

3. Institutional Strengthening of CHPA is ongoing process through out the life of the project. Under this head  
several initiatives were taken as follows:

- a. Restructuring of CHPA
- b. Awarding Scholarships: Scholarships were awarded as follows:
  - Ms. P. A. Dissanayake - Professional Master Degree in Urban Planning & Land Administration
  - Mr. H. Ekanayake - Professional Master Degree in Urban and Regional Planning
  - Mr. M. L. L. - Master Degree in Development Policy and Analysis

In addition to the scholarships awarded, Mr. M. L. L. attended a Training Course in Planning Support  
systems, Spatial Development and Analysis at the International Institute for Geo-information Science  
and Cartography. Also several workshops were conducted for staffs of the CHPA.

## Bank Performance During Project Preparation

Please rate the Bank's performance during project preparation. Factors to be considered include the extent to which the Bank facilitated a participatory project design, proposed adequate technical solutions to the problems identified, and responded to the needs of the Borrower (timeliness, selection of instrument type).

☒ Highly Satisfactory (HS)    ☐ Satisfactory (S)    ☐ Unsatisfactory (US)    ☐ Very Unsatisfactory (VU)

Comments:

The Bank's performance was rated as highly satisfactory during project preparation. The Bank's officers were integrally involved in managing project design as well as proposing technical solutions to problems as they arose. There was constant communication with the Bank and issues were addressed in a timely and efficient manner. The close collaboration between the Bank and CHPA contributed significantly to the Agency fulfilling the conditions prior to first disbursement and being ready to implement the project on time.



**Bank Performance During Project Supervision**

Please rate the Bank's overall performance during project supervision. Factors to be considered include technical assistance (including informal and formal training) to Executing Agency, timeliness of Bank response and the Bank's flexibility to respond to emergency situations during project implementation.

☐ Highly Satisfactory (HS)   ☒ Satisfactory (S)   ☐ Unsatisfactory (US)   ☐ Very Unsatisfactory (VU)

**Comments:**

The Bank's performance during the life of this project is satisfactory. We rate the Bank as being generally responsive and showing ability to deal with critical matters such as the revision of subproject contracts. The Bank has been helpful in providing technical assistance and advice regarding the subproject, but delayed during the life of the project. The working relationship between the Bank and the client has always been most cordial.

**Additional Suggestions for Improving Bank Performance**

The Bank should make more progress in response to ongoing matters.



## 4. Outcomes

The program's outcomes were for the most part positive. The overall impact of LIS on the housing sector in Guyana was very positive and counted major accomplishments in the area of Land Divestiture, the program's chief component. This fact should not be lost amidst the following dissection of the specific program outcomes.

Here, it should be noted that the following evaluation of program outcomes and outputs and their respective benchmarks has been completed within the terms and context of the special extension given by the Bank for the completion of midterm benchmarks. The original date for the completion of the midterm benchmarks was 2003. However, because the program was forced into chronic delays which resulted from the various problems and bottlenecks experienced early in the program, the completion date for the midterm benchmarks was pushed back a year to 2004. If our evaluation had been performed using the 2003 midterm instead of the 2004 midterm, many of the outcomes and outputs would not have been achieved. Ultimately, we feel as the program felt, that an assessment based on accomplishments up to the year 2003 would not have been fair or realistic.

### **Beneficiary Selection, Community Strengthening, and Environmental Standards**

#### ***Beneficiary Selection***

According to the beneficiary assessment analysis, 89.47% of the beneficiary household heads have a secondary education or below. Almost half of that group, 43.02%, has completed primary education and nothing more. The small percentage of highly educated program beneficiaries is consistent with their levels of poverty and therefore reinforces the selection of these households as beneficiaries.

Predicted and declared income by beneficiaries are significantly different, being the latter higher; however, less than 10% of beneficiaries seem to be extreme inclusion errors. Therefore, households living in squatters and new lots seem to be within the range bracket income.

Originally, the loan agreement had established that low as well as middle income families could be eligible for the subsidized lots in the new settlement schemes offered by the Program but in actuality only the low income applicants could be beneficiaries of the subsidy. While the low income households received a State sponsored subsidy, middle and high income families had to pay the full cost of the house lot. Nonetheless, demand for the Program was sufficient as to allow for the integration of higher income households. In the end the CH&PA was prompted to select only the very low and low income families and resulted in all the LIS beneficiaries being subsidized by the State.

Nevertheless, three years after the initiation of LIS, during ad-hoc visits to settlements it became apparently clear that somewhere between 10 – 20% of the approximately 4,000 houses built at the time on PRE and LIS settlements had values that were in excess of what could be considered as low income housing. This outcome was the result of a deficient process of screening beneficiaries that had not incorporated a reliable verification system to ensure that applicants were indeed low-income households. It turned out that the original beneficiary selection system was entirely paper-based, and relied on applications and certificates submitted by the applicants themselves to demonstrate income levels. In short, the most significant problem was that the selection system had not foreseen the need for in-house verification to prove the applicants' income.

Thus, a new beneficiary selection procedure was proposed which would implement an eligibility verification system and form a ranking schedule for the eligible beneficiaries. The new system had two filters: first filter implemented became the prerequisite that the household must not own a house or other properties to be eligible for LIS; and income was to be verified using a proxy means test.

Since the new system was developed late in the program, its application has been limited up to now and only a small number of beneficiaries have been selected by means of a proxy means test. Nevertheless, the program has targeted beneficiaries rather well. The 2007 Beneficiary Assessment concluded that approximately 90% of occupied lots are indeed owned by low income households. Though this result may be due to the fact that a very large portion of the population in Guyana can be considered low income, ultimately, the program achieved the desired outcome with respect to beneficiary selection.

#### ***Occupancy***

During the execution of the program it became apparent that some of the *Housing Scheme* beneficiaries that were being allocated subsidized house lots were never occupying them. Households never built on the lots and today, years after they were allocated, the lots remained unused. Of the total number of allocated lots, 10,731, the number of occupied lots, is only 7,342 according to CH&PA (2007). This indicates that 69% of the LIS lots that were allocated are now occupied. Unfortunately, the official numbers have not been corroborated by the quantitative research of the Housing Survey, which was administered in 2007. During the realization of the survey, some 47% of the total surveys issued were never completed. Many reasons were cited for this phenomenon, including: the house was found to be empty; household lots were nothing more than wasted lots; occupied by churches; without suitable respondents; or simply never answered. In conclusion, there is strong reason to believe that the actual level of unoccupied lots is between the official numbers and the survey's results.

Whatever the real number turns out to be, this represents a very significant problem for the program. So much so that it eventually prompted the program to create an aggressive repossession program by which the households that did not use their allocated lots, or did not fulfill their equity contributions, within a designated period of time had their lots reposessed so that they could be reallocated to other beneficiaries.



The performance of the repossession program appears to have been weak in this aspect. In the end, the program did not offer a full solution to the beneficiaries. Since the beneficiary households were very poor, it was insufficient to offer them a subsidized house lot with no financial resources left to construct the house. Families were not able to incur the initial costs of building a new home, moving from the old home. Furthermore, since loans are difficult to come by in Guyana, the task of finding the money to build a new home was made all the more difficult by the fact that low income beneficiaries did not have income to provide the down payment on a mortgage or even pay the legal, insurance, and bank fees that are necessary to secure a loan.

Ultimately, this point underscores the importance of providing full solutions to beneficiary households and is a very important lesson for program officials to keep in mind as they prepare for a subsequent LIS program or any other initiative to develop the housing sector.

One of the worst performing settlements in terms of both occupancy and sanitary solutions was Tushen. In all studies, Tushen has the lowest percentage of occupied lots and, accordingly the lowest numbers of septic tanks. In addition to the above reasons, it seems the lack of work opportunities, basic services such as electricity, schools, health centers, and others made things worse.

### **Sanitary Solutions**

At the time of program completion only 57.5% of households under the Housing Scheme have installed a septic tank. The share of Squatters' settlements that has installed a septic tank is estimated to be much worse a mere 30.4%. According to these estimates from the quantitative analysis of the Beneficiary Assessment, this is far from the LIS benchmarks of 70% of new pre LIS lots and 90% of new LIS lots with proper sanitary solutions. Nevertheless, of the households surveyed, 83.2% of Housing Scheme households and 71.4% of Squatters' households who are currently using a cesspit/septic tank rated their sanitation "solution" as *satisfactory* or higher. Therefore, the overall opinion of LIS beneficiaries was very positive towards septic tanks. All of the beneficiaries interviewed agreed that septic tanks were the appropriate sanitary solution and would like to see this component pursued further into the future. On the other hand, the lack of technical and financial assistance provided by the program made it difficult for individuals to complete the construction of the septic tanks and discouraged higher levels of participation in this component.

Despite some progress being made towards lots having proper sanitary solutions, in the end the program could not achieve the levels for environmental standards it had set for itself. Although the strategy took time in being implemented it was eventually applied to the all the new settlements. On the other hand, the component proved much more difficult to apply to the squatters' settlements. One reason was due to the fact that the squatter upgrading package of basic services had originally only included communal standpipes rather than individual water connections. Other reasons were related to the community organization and a lack of money to be able to incur the costs of the initial construction of the septic tanks.

The self-help nature of the component was hindered by the lack of technical and financial assistance that could be provided by the program. Clearly this made it difficult for individuals to complete the construction of the septic tanks and ultimately discouraged higher levels of participation in the program. In spite of the generally positive impression held by the beneficiaries of the septic tank, again installation levels were lower than expected; a fact which was reflected in the results from the Household Survey and Beneficiary Assessment. But the estimates from the Beneficiary Assessment were corroborated by verbal estimates made by focus group participants in relation to what they thought the percentage of households in their area was that were still without septic tank facilities. On average the participants believed that about 75% of the households in their area had not installed septic tanks. Despite the rather crude nature of this estimate, in the end it lies in closer agreement to the findings of the Beneficiary Assessment than to the much higher official numbers.

### **Community Strengthening**

*Strengthening communities (as well as institutions) was essential for the sustainability of the program. The aim of this component was to develop a participatory model of community involvement and at the same time create well-run, empowered neighborhoods. One way of accomplishing this was thorough the creation of Community Based Organizations (CBOs), which would train and educate homeowners on issues like the construction of septic tanks and maintenance of infrastructure. To these ends, homeowner's manuals and guidelines would also be needed and thus developed as part of the Environmental Homeownership Training Program (EHTP). EHTP would aim to produce community development plans that could be applied to the individual communities.*

The first stage of the EHTP was to implement it in 6 pilot communities – 3 squatter communities and 3 new schemes. The output for this program would translate to the outcome of this component, which was primarily the successful creation and implementation of community development plans. All of the above indicators and objectives of the community development were met but only in the 6 pilot communities. CBOs were created in the 6 pilot communities, community development plans were outlined in the 6 pilot communities, and homeowner training programs and maintenance strategies were instituted in the 6 pilot communities. Sensitization visits were made to the pilot project sites in late 2003 through 2004 prompting the formation of the General Assembly of Homeowners in each of the pilot communities in late 2003. The outcome of those meetings was the formation of the Community Development Committees and the initiation of Action Search Conferences for the leaders of each of the communities in order to reemphasize the importance of CBOs, proper sanitary solutions, and infrastructure maintenance.

*But the fact that the community strengthening outcomes were not seen in the majority of the communities (all of which were not included in the pilot program) is disconcerting to say the least. Needless to say this objective must be extended to include the rest of the LIS and other communities. The successful roll-out of these programs in other settlements remains essential to the sustained impact LIS can have on the housing sector in Guyana.*



## Infrastructure Outcomes

*In terms of the new settlements, benchmarks for the number of new house lots constructed were met, albeit with significant time delays, and one project pending completion. At the time of this report all new settlements have been completed with the exception of Parfaite / Harmonie, which after several extensions is now scheduled to be completed in March of 2008. On the other hand, all end-of-project public infrastructure benchmarks for squatter upgrades were completed by the extended date of project termination in December 2007.*

Early in the program, the Executing Agency encountered difficulties which caused the no completion of midterm benchmarks and caused the work on infrastructure to suffer from persistent delays. Consequently, during the mid-term mission, the period for compliance of the midterm benchmarks was extended to 2004 and a new set of benchmarks had to be established before Phase II of the program could be started.

The no completion of Phase I civil works was the result of several factors which occurred in the first three years of LIS implementation. Chief of which was that the CH&PA lacked the adequate capacity to realize program tasks. The shortage of technical capacity in the country prevented the development of the technical design for the settlements in a regular and intensive manner like the project needed. A range of problems evolved as a result of the deficient technical capacity of a large number of consultants and program staff. In fact, there were only a few qualified consultants in the country during those early years of the program, and therefore the implementation of the designs took much longer than had originally been estimated. Moreover, the lack of technical capacity caused the need to revise the designs on repeated occasions prior to their final approval, exacerbating the significant delay in the execution of civil works.

Besides the lack of duly trained personnel, the CH&PA also suffered from a slow MIS installation project which delayed the arrival of the geographic information systems (GIS) very much needed to optimize its work. Thus, the individual projects had to be managed using traditional standards and practices that showed no effort or concern for the pursuit of more adequate solutions for low income settlements. Other problems with the contractors and builders resulted from cyclical climatic conditions that had disrupted construction work and delayed materials. Work schedules had not taken these factors into account at the beginning of the program. And, making matters worse was the fact that the program's contracts had not foreseen any fines for the non-compliance of works.

All in all, greater progress began to be made in the majority of settlements after the mid-term review, but sporadic delays continued as constructors displayed an absence of appropriate equipment and failed to provide necessary technical personnel at the work sites.

Gradually, after the early setbacks of the program, the LIS unit and the CH&PA corrected its initial mistakes and took measures to rectify many other problems that afflicted the early years of the program. The CH&PA contracted quality engineers with sufficient technical capabilities that guaranteed the proper implementation of civil works and the completion of infrastructure benchmarks. Contracts were amended in a manner which foresaw fixed fines for non-completion of works, and even though additional changes could have been made to tie civil work contracts to implementation and work schedules, the new contracts remained a big improvement.

*With respect to infrastructure development in squatter upgrading areas CH&PA had to comply especially with a water distribution system that had to supply water within each major road, through a system of standpipes with not less than one standpipe for every 20 lots. The infrastructure projects developed complied with these requirements, but they did not represent the ideal solution for the beneficiaries who wanted individual water connections. In addition, prior to construction, the CH&PA had to work with the community group to ensure that all structures were properly located and would comply with the approved scheme. LIS benefited in this respect from some work that was done with communities prior to project selection and implementation.*

*The project had also envisaged that the infrastructure would be adequately maintained by the NDC in collaboration with CBOs. As part of project design, CH&PA had to prepare a financially feasible plan for the ongoing maintenance of infrastructure. The plan had to take into account basic maintenance activities, such as filling potholes, re-grading roads and streets, cleaning out drains and culverts, and a regular system of garbage and trash collection. The plan had to include the estimated annual cost of infrastructure maintenance for the scheme and specify workable methods for financing those costs. Also, the project intended to develop effective new models which would ensure sustainable maintenance of basic works and services whenever the custody and responsibility were passed on to local governments and communities. However, this process did not happen as envisioned, projects were handed to NDCs, but with no specific and feasible plans.*

*For the squatters, a training scheme for sound environmental management and looking for community solutions for appropriate action and implementation was designed after all. The actions foreseen during the PPF implementation were fulfilled and the training plan developed for squatters is being executed. However, implementation required a great deal of effort on the part of CH&PA staff in order to involve community leaders prior to reaching the beneficiary community. After all is said and done, the success of the environmental management and community maintenance program still remains to be seen.*

*The original project envisaged training strategies oriented toward the new settlements and squatters so that they participate in the maintenance and operation of their basic services as well. This strategy additionally included maintenance issues aimed at enforcing sound environmental practices such as hygiene, use of septic tanks and the maintenance of drainage systems. This strategy ultimately took time in being implemented but is now being applied to the new settlements. However, the strategy has not been well taken among squatters, CH&PA did not foresee or develop*



*actions which could be financed with credit funds in such a way that the communities would react and decide to work and participate actively. Until now, the only agreement reached with the communities had to do with a wish list and actions that need to be addressed into the future; however, no specific action plans were ever identified.*

One final note on maintenance (and the project in general) concerns the transfer of responsibilities held by the NDCs. Reports of maintenance programs are inconsistent and seem to vary by settlement. The transfer of responsibilities to the local governments was an important structural change and a necessary step taken under LIS. Nevertheless, the NDCs have varying levels of capability and experience to be able to handle the responsibility. Until they do it is advisable that a supervisory committee be created to oversee their performance and especially any handling of public funds or tax revenue. In addition, the CH&PA and the local governments had to develop and implement a practical plan to transfer responsibility for the routine maintenance of roads, drains and other infrastructure within the five year period following the completion of the infrastructure development in new settlement and squatter schemes. It was never analyzed if the local authorities are capable of maintaining the roads. The project suggests local authorities collect capital levies on housing solutions in order to be able to maintain the roads, but this option is somewhat weak, bearing in mind the fact that the new owners are low-income segments of the population.

#### **Policy Reform Outcomes**

*The policy and legal reforms introduced under LIS had to serve an array of housing development issues which ranged from policy reforms expediting titles, to legal reforms like the Town & Country Planning Act and National Housing Policy. The program's objectives were to establish a "one-stop" shop for development and approval/titling and to address policies to implement and administer program components, which was actually partially accomplished.*

*Cost recovery policy stated that household equity share contribution levels had to be maintained in real terms. Furthermore, all households had to pay their full equity contribution before the receipt of a title to a serviced lot; and, full contribution payments had to be made within one year of allocation. If the beneficiaries did not comply with the contribution requirements, by design they were supposed to have their lots repossessed so that they could be reallocated to other households. There was ultimately a high level of non-compliance of contribution payments. And, as previously mentioned, the CH&PA oriented the program to only low income households and was forced to introduce a repossession plan to deal with unoccupied or unpaid for subsidized lots.*

*In addition, despite the loan provisions, contribution levels were not adjusted into real terms after April of 2002, when they were fixed at 2002 levels. Program officials felt that any further increases would have imposed too high a cost on the beneficiaries and would have eventually resulted in even higher levels of non-compliance of contribution payments.*

*With respect to the repossession policy, as was previously mentioned, it has not fully implemented. In January 2004, the Central Housing & Planning Authority formally articulated an approach for the repossession of house lots based on the expressThe program's outcomes were for the most part positive. The overall impact of LIS on the housing sector in Guyana was very positive and counted major accomplishments in the area of Land Divestiture, the program's chief component. This fact should not be lost amidst the following dissection of the specific program outcomes.*

Here, it should be noted that the following evaluation of program outcomes and outputs and their respective benchmarks has been completed within the terms and context of the special extension given by the Bank for the completion of midterm benchmarks. The original date for the completion of the midterm benchmarks was 2003. However, because the program was forced into chronic delays which resulted from the various problems and bottlenecks experienced early in the program, the completion date for the midterm benchmarks was pushed back a year to 2004. If our evaluation had been performed using the 2003 midterm instead of the 2004 midterm, many of the outcomes and outputs would not have been achieved. Ultimately, we feel as the program felt, that an assessment based on accomplishments up to the year 2003 would not have been fair or realistic.

#### **Institutional Strengthening Outcomes**

The CH&PA underwent a very significant, positive transformation over the years of the LIS program execution. The final outcome resulted in a stronger, more effective, efficient organization. Staff was trained, internal controls were created and employed, and the presiding culture at the CH&PA was transformed into a more professional environment. In the end, the agency benefited from external consultancies that were contracted during LIS, but, the work has not been completed. Nevertheless, as stated by the CEO, the agency now has the self-sustaining capability to continue the strengthening process on its own and from within.

As part of the institutional strengthening of the project, the CH&PA had to develop a management information system (MIS) appropriate to the needs of the project and that could serve the agency well into the future. The information system was provided by the firm Systems Caribbean Limited under contract with the Ministry of Housing and Water since January 9, 2001; the contract was further extended in 2004. The scope of work envisaged building and implementing an integrated information system comprising modules for Financial Management and Information, Land Allocation Management and Information, Beneficiary Selection, and the capacity to augment the system with others over time.

According to the analysis performed, the MIS application meets all general conditions set forth by the program and responds to CH&PA needs by systemizing all internal transactions from application to lot assignment. Nevertheless, it took some time to make full use of the system, in part, because the information on beneficiaries and settlements needed to be entered into the database. Still, most other deficiencies encountered early in the implementation have been solved and the scope and use of the MIS has continued to grow within the agency.



The LIS Unit was created and gradually assumed responsibilities and took on program tasks and projects carried out by the MHW. Initially the Unit was concerned entirely with the infrastructure component of LIS and the other components were neglected. In addition, the initial consolidation of the EA proved to be a complex exercise due to the high turnover of professionals working at the CH&PA, the lack of experience in project management with international credit, issues with external consultants, the deficiency of contracted products, the lack of technical capacity of their personnel, as well as the fire that took place in the Ministry building in June, 2001. All of these causes significantly affected the normal activities to be developed by the implementing unit. Notwithstanding these difficulties, the unit was consolidated little by little, and achieved the majority of the midterm goals by 2003.

*Because one of the most noticeable deficiencies was the lack of qualified personnel in both the LIS Unit and the CH&PA, the short term outcomes depended on the contracting of external consultants. This was done but with varying degrees of success. Another strategy was to hire new, younger staff members who could better handle advanced information systems and be trained in the other operations. Given the intimate relationship that exists between institutional strengthening and the implementation of reforms, the external consultant was supposed to be charged with reform development and implementation, in coordination with each one of the CH&PA departments involved, as well as with all participating agencies. After the midterm, the CH&PA made significant progress in strengthening their activities. After 2004, the entity unfolded a strengthening plan which consisted of training of its personnel in the various aspects and departments. Likewise, CH&PA approved their organizational restructuring, and reshuffled personnel in order to adequately cover the positions required under the new structure. On the other hand, two activities that were not completed during Phase II were the preparation of strategic plans and the implementation of the GIS system. Both of these activities represent important benchmarks that need to be completed as soon as possible.*



## 5. Outputs – Benchmark Achievement Table

Process Benchmarks		Final
<b>BENEFICIARY SELECTION, COMMUNITY STRENGTHENING, &amp; ENVIRONMENTAL STANDARDS</b>		
<b>Output 1.1:</b> Lots awarded to low income households (income less than US\$ 300)	<b>1.1</b> New selection system applied for all LIS applicants	<b>Achieved.</b> Targeting system based on Proxy Means Test being applied to applicants.
<b>Output 1.2:</b> Sanitary levels of lots and squatter settlements are minimum required according to environmental standards.	<b>1.2.1:</b> At least 90% of occupied lots in new settlements  <b>1.2.2:</b> AT least 75% of occupied pre LIS schemes with proper sanitary solutions.	<b>Not Achieved.</b> 69% of lots allocated are occupied.  <b>Partially Achieved.</b> 95% of occupied lots in LIS Schemes and 50% of occupied lots in pre LIS schemes have proper sanitary solutions.
<b>Output 1.3:</b> Community development plans being executed in a sustained manner: construction of septic tanks, maintenance of public areas, proper ownership practices, proactive action of CBOs with respect of getting services from different government entities	<b>1.3.1:</b> Community plans completed, approved by CBOs and underway in all squatters and phase 1 project areas.  <b>1.3.2:</b> Community plans underway in phase 2 project areas.  <b>1.3.3:</b> Self-help construction methodology institutionalized.	<b>Partially Achieved.</b> Plans were partially developed and EHTP manuals and guidelines created and implemented in most phase 1 project areas.  <b>Partially Achieved.</b> Community plans not being fully executed in all project areas outside of the 6 pilot sites.  <b>Partially Achieved.</b> Self-help methodology created by EHTP but not fully institutionalized in all areas.
<b>INFRASTRUCTURE</b>		
<b>Output 2.1:</b> Infrastructure completed to development standards in schemes and squatter settlements	<b>2.1.1:</b> 100% of new settlements public infrastructure completed (at least 12,000 lots). <b>2.1.2:</b> 100% of squatter upgrading public infrastructure completed (at least 6,000 lots).	<b>Achieved.</b> 12,517 new lots completed. All infrastructure projects completed with the exception of Parfaite/Harmonie.  <b>Achieved.</b> 6,500 lots serviced with squatter upgrades.
<b>Output 2.2:</b> New infrastructure adequately maintained and transferred to NDC when liability period is over.	<b>2.2.1:</b> Maintenance methodology applied to all phase 1 projects.  <b>2.2.2:</b> Agreement on maintenance program signed by NDC, CBOs and MHW for phase 1 projects. <b>2.2.2.2:</b> Phase 1 projects transferred to NDCs.	<b>Partially Achieved.</b> Methodology only applied in 6 pilot sites.  <b>Not Achieved.</b> Maintenance program agreed upon in some but not all phase 1 areas.  <b>Achieved.</b> Signed agreement between MLG and MHW for the handing over of housing schemes.
<b>POLICY AND LEGAL REFORMS</b>		
<b>Output 3.1:</b> Policy reforms to establish one-stop shop for development, approval/titling in place.	<b>3.1:</b> If needed reform proposals submitted and approved by CH&PA board.  <b>3.1.2:</b> New standards enacted and being used for new projects approved by the MHW	<b>Achieved.</b> Town and Country Planning Act and National Housing Policy proposals completed.  <b>Achieved.</b> Incremental development standards, environmental standards, and land use and planning standards being applied to all new projects.
<b>INSTITUTIONAL STRENGTHENING</b>		
<b>Output 4.1:</b> Incremental development standards for new settlements and squatter settlements in place.	<b>4.1:</b> New settlement developments approved by CH&PA complied with incremental standards.	<b>Partially Achieved.</b> Standards created and approved by CH&PA, some non-compliance of standards exists.
<b>Output 4.2:</b> Upgraded MIS, accounting and financial system for the CH&PA in place.	<b>4.2:</b> All CH&PA officers use new systems.	<b>Partially Achieved.</b> New systems utilized by accounting and finance officers but not all departments. Planning module still pending.
<b>Output 4.3:</b> New organizational structure enhanced including community development unit.	<b>4.3.1:</b> New organizational structure approved by CH&PA board. <b>4.3.2.1:</b> LIS and EHTP units fully integrated to CH&PA organizational chart.  <b>4.3.2.2:</b> New personnel needed recruited and trained according to approved profiles. <b>4.3.2.3:</b> Budgetary provisions for the proposed personnel to fill the new organizational chart. <b>4.3.2.4:</b> All departments fully functioning and complying with their responsibilities.	<b>Achieved.</b> New organizational structure in place.  <b>Partially Achieved.</b> LIS unit dissolved and partially absorbed by CH&PA, EHTP unit not fully integrated into community development component of GOG/EU LIS program. <b>Partially Achieved.</b> New, young personnel hired to address needs of new advanced information systems. Training still needed. <b>Achieved.</b> Budgetary provisions in place for new structure.  <b>Partially Achieved.</b> Departments created and partially complying with responsibilities but not fully functioning yet.