



1. Project Data :
OEDID: L3561
Project ID: P004976
Project Name: Housing Completion and Sector Development Project
Country: Algeria
Sector: Urban Housing
L/C Number: L3561
Partners involved :
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2. Project Objectives, Financing, Costs and Components :
 This Project was approved on March 17, 1992 and completed on June 30, 1998, 18 months behind schedule. In the context of far reaching reform and adjustment to what had been a command economy in a tense political and social situation in Algeria, Project **Objectives** were to assist the Borrower in (i) accelerating completion of the Social Housing Program for Sale and the private sector housing stock under construction and (ii) implementing the policies specified in the Sector Development Program and designed to increase the economic efficiency of the housing sector.
 To achieve these objectives, Project **Components** (and their share of total base costs estimated at appraisal) consisted of: (i) Financing the completion of about 51,000 social housing units (18.4%); (ii) Supplying the private housing sector market with imported strategic construction materials to accelerate the completion of the houses (80.5%); (iii) Technical Assistance to the government to implement housing policy in the following critical areas : improving housing supply incentives, reforming housing finance through the entry of the state owned housing institution (CNEP) into the banking sector, and reforming and targeting housing subsidies (1.1%).
Costs and Financing : At appraisal, total costs were estimated at US\$ 585.2 million, 34.1% of which was to be financed by a Bank loan of US\$200 million. The ICR does not give final project costs . It does report that US\$195.3 million of the loan was disbursed by completion, but what this represents as a share of the total is not known .
Financing: US\$200 million, of which US\$4.66 million was cancelled.

3. Achievement of Relevant Objectives :
Objective (i) The project partially achieved its first objective of accelerating housing completions, although ICR evidence about that could have been more complete . The project succeeded in meeting 90.3% of its target delivery of completed units under its Social Housing Program for Sale component; whether the 11,575 units per annum over 4 years represents an acceleration is unknown, however, since pre -project rhythm of delivery is unknown . Evidence for achieving the acceleration of the Private Housing Program completions is even weaker, since neither the SAR nor the ICR provide data on physical output targets or realizations even though this component accounted for two-thirds of all Bank disbursements under the project .
Objective (ii) The project succeeded in implementing new policies, but whether these increased the economic efficiency of the housing sector as intended must remain in doubt so long as monitoring of imported materials to their final destination in house construction was not done . The full costs of the project are not known and ERR was not estimated.

4. Significant Achievements :
 Achieving--even partially--the objectives laid out during appraisal while the country underwent major turmoil and political and institutional volatility is itself a noteworthy result . The project also succeeded in establishing a policy dialogue with the government on housing subsidies that resulted in making such subsidies transparent for the first time.

5. Significant Shortcomings :
 Security considerations meant that only half the 14 Bank supervision missions could be fielded to the country itself (Region clarification of under-reporting in ICR Table 13). Nine others had to meet Algerian officials in France .

Incomplete oversight appears to be correlated with incomplete information about project results .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Marginally Satisfactory	The project achieved a lot in a difficult environment, but the ICR does not provide evidence of project efficacy in achieving its objective of accelerating private sector housing completion, even though US\$130.1 million (two-thirds of the total loan amount) was disbursed against imports of construction materials for this purpose. Also, ICR provides no evidence that objective was efficiently achieved, since it does not give full cost data . ICR reports of "sector policy deviations" stopping preparation work on a housing SAL in 1997, point to limited sector policy achievements.
Institutional Dev .:	Substantial	Substantial	
Sustainability :	Likely	Uncertain	Doubts about sustainability arise from government continued support for large unsustainable rental housing programs and risks of future failure of a still unrestructured and financially weak government housing bank (CNEP).
Bank Performance :	Satisfactory	Satisfactory	(in light of considerable logistical constraints to Bank project supervision)
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Unsatisfactory	

7. Lessons of Broad Applicability :

1. When security or other operational considerations prevent fielding Bank missions to project sites, the Bank should make extra efforts to monitor project implementation progress through other means available, notably through the internet.
2. With borrowers who--contrary to current Bank policy--still give top priority to the direct provision of housing through the public sector rather than private delivery, Bank policy dialogue can still make important strides in assisting borrowers to manage public sector subsidies more transparently and efficiently .
3. Sector priority in favor of the poor can remain firmly on the policy agenda even while borrower /Bank debate on housing subsidies and the roles of the public and private sectors is ongoing .

8. Audit Recommended? Yes No

9. Comments on Quality of ICR :

In spite of its text being twice the recommended length, the ICR does not deal with the following important items/topics:

- Future operation of the project.
- Final project costs.
- Economic evaluation, or ERR estimate of the project.
- Physical indicators of performance of private sector housing component that accounted for two -thirds of loan amount disbursed (e.g. number of units built/completed etc., cost per unit, regional distribution etc.).