

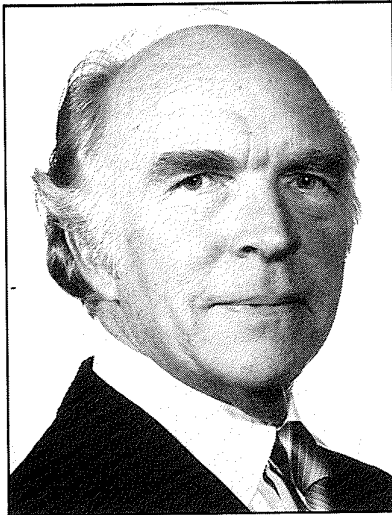
Inter-American Housing Conference in Guatemala

By Eric Carlson

HOUSING and Development was the central theme of the stimulating and productive annual conference of the Inter-American Housing Union held in Guatemala City from May 8 to 12 and attended by more than 300 participants from most countries of the region. The conference has taken place without interruption for 27 years, and brings together representatives of the majority of institutions related to the financing of housing in the Americas. The Guatemalan host was the Mortgage Insurance Institute (Instituto de Fomento de Hipotecas Aseguradas, known by its initials, FHA), which is in the process of expanding and modernising its activities.

Considerable achievements were reported during the conference, which is also traditionally the time and place for the board meeting and general assembly of BIAPE, the Inter-American Bank for Savings and Loans. Conference delegates were welcomed at the National Place of Guatemala, and the vice-president of the country participated and spoke at the closing assembly.

The conference featured eight plenary sessions: the papers and conclusions will be available in English and Spanish later this year from the headquarters of the Inter-American Housing Union in Lima, Peru. Among the major papers presented was one entitled "Housing Finance and Savings Banks: The Spanish Experience." This discussed Spain's experience with its \$45 billion finance and credit system for housing, 51% of which is accounted for by lending from savings banks, 21% by the Mortgage Bank of Spain,



22% from the private banking sector and 6% by Societies for Mortgage Credit. This appeared to offer a model of interest for some Latin American housing finance institutions which are currently in transition and considering new directions for their future policies.

The International Union of Housing Finance Institutions was repre-

'Considerable achievements'

sented by Norman Strunk, World Congress secretary and former secretary general, and Eric Carlson, senior consultant, who were the principals at two plenary sessions.

Mr Strunk presented an in-depth analysis on the topic "Deregulation and Savings and Loan Associations

in the USA" in which he reviewed the reasons for the thrift institution decline in the housing finance system and the changes which are currently taking place. Mr Carlson presented an overview of significant housing finance progress and developments in the Asia-Pacific region where there is no standardised system or model in the different countries but where housing finance policy and financing is achieving considerable success and higher priority in public-private sector planning.

Another plenary session reported on the steps taken to establish a Caribbean and Latin American Network of Housing and Urban Development Institutions. This growing network has involved the collaboration and participation of many public and private sector organisations which now feel the need for stronger constituency-building and lobbying efforts on behalf of shelter and housing development generally.

Representatives from Costa Rica, Mexico and Chile were the main presenters on "Subsidies and Housing Finance", reporting on the different approaches in each country. Other sessions dealt with the concepts and technologies for "Banking in the Future", and "Perspectives for Housing Finance in Latin America by the year 2000".

The Conference also featured a commemorative session for the XXVth anniversary of UNIAPRAVI, which was founded in Caracas, Venezuela, on November 12, 1964. Medals were awarded to the founding members who were present. The new President of UNIAPRAVI for the period 1989-90, Alvaro Alberto

INTER-AMERICAN CONFERENCE

Barreto of Brazil, assumed office with a stirring statement of faith and confidence that the housing finance institutions represented in UNIAPRAVI would develop viable new policies and directions for accomplishment of their prime missions. Succeeding annual conferences will be held in Rio de Janeiro, Santiago de Chile and the Dominican Republic. Freddy Reyes Perez, chairman of the Caribbean Association of Building Societies and Housing Finance Institutions (CABSHFI), was named first vice-president of UNIAPRAVI.

Despite the severe economic difficulties still prevailing in many countries of Latin America, a region where overall GNP per capita declined by 1.5% in 1988, and inflation has doubled, some housing finance institutions have been able to operate in compliance with their social objectives. There are success stories in countries such as Colombia, Chile, Bolivia, Costa Rica, Ecuador and the Caribbean islands, including the Dominican Republic. But the transference of capital out of the region was \$29 billion in 1988, more than

'Meeting social objectives'

15% above the prior year. The debt crisis, the lack of external credit for the region, and the difficulty of capital recovery are all making it essential to redefine and redesign existing housing finance institutions and their operational forms.

UNIAPRAVI and its allied financial entity BIAPE have now positioned themselves to assist this process. UNIAPRAVI is in a strong growth and activation mode after its first 25 years of experience. Among its recent activities are the following:

1. Establishment of CELEH, the Latin American Center of Housing Statistics. This regional project assisted by funding from US-AID operates from the headquarters of UNIAPRAVI. It is providing comparable and updated statistical data to assess the housing finance situation

in Latin America, and the contribution of housing finance institutions for resource mobilisation. A system of corresponding institutions has been established, a bulletin of housing statistics is being published, and the Center's First Statistics Report has been issued. A computerised databank operates closely with CELEH.

2. Latin American Forum. These will be regional technical meetings for the analysis of a wide range of issues regarding housing finance policies in Latin America. The first forum was held in Cartagena, Colombia, in July and dealt with the role of public and private sectors in housing development and finance.

3. Promotion of Latin American and Caribbean Network of Housing and Urban Development Institutions. The first meeting of institutional founders of this network was held in Quito, Ecuador, in February. It included the Inter-American Federation of the Construction Industry, the International Union of Local Authorities, the Inter-American Association of Housing Co-operatives, the World Federation of Credit Unions, the National Association of Realtors (NAR-USA), the Carvajal Foundation (Colombia), the Co-operative Housing Foundation (USA), the Regional Housing and Urban Development Office (US-AID) and UNIAPRAVI. A memorandum of understanding for Declaration of Principles for this network was signed in Guatemala City on May 11.

4. Recognition of UNIAPRAVI as a Non-Governmental Organisation, Category II, by the United Nations Economic and Social Council. This will permit it a voice in appropriate UN body deliberations.

5. Expanded services. During its existence UNIAPRAVI has supplied training through the development of 117 sector and national seminars, in different cities in 16 countries, attended by 9,500 people. It has provided 50 technical assistance

missions and programmes to central bodies and to national housing savings and loan systems in Argentina, Bolivia, Chile, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay and Peru, with assistance and support from US-AID. UNIAPRAVI's publication programme has expanded to include a Thesaurus, directory (Vade-mecum), bulletins and news-

'Expanding services'

letters, special papers (Cuadernos), of which 138 have been published, annals of the conferences, annual reports and new descriptive brochures.

As for BIAPE, member shareholders voted full approval of the report and recommendations presented by executive president Iari M. R. de Andrade at the 14th annual meeting held in Guatemala City on May 9. Andrade reported that BIAPE's net profit before reserves in 1988 was \$1,540,667, which exceeded by 67% that of 1987, and represented an interest return on capital of 6%. The increase had been achieved through intensive efforts to regularise loan repayments, establishing a package of credit to assist with repayment flows, and cancelling some loans.

BIAPE has now opened a representative office in New York, at Rockefeller Center, in order to be closer to financial centres and the capital markets. An objective is to secure linkage of BIAPE and BIAPE International Bank with another financial institution. Steps are also being taken to develop BIAPE as a support vehicle for financial institutions linked to or promoted by BIAPE members in their respective countries. The fact that BIAPE is now in a comfortable liquidity position will help in restructuring and expansion plans for its member institutions. ■

ERIC CARLSON is the International Union's senior consultant.