

Republic of Lebanon
Office of the Minister of State for Administrative Reform
Center for Public Sector Projects and Studies
(C.P.S.P.S.)

**REPUBLIC OF LEBANON
COUNCIL FOR DEVELOPMENT
& RECONSTRUCTION**

**COMPREHENSIVE
NATIONAL HOUSING STUDY**

Dar Al-Handasah Consultants (Shair & Partners)
Beirut Cairo London Liverpool

July 1983

COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

BEIRUT - LEBANON

Beirut, _____

Consulting Services for
Comprehensive National Housing Study

Dear Sir,

1. You are hereby invited to submit technical and financial proposals for the Comprehensive National Housing Study which could form a basis for future negotiations, and, ultimately, a contract between your firm and the Council for Development and Reconstruction.
2. The assignment comprises the performance of the duties described under Scope of Services of the Terms of Reference.
3. The proposals should include the following information:
 - (i) Qualifications of the Consultant as described under Section 1.
 - (ii) Agreement for Consultancy Services proposed under Section 2.

- (iii) Conditions of Engagement mentioned under Section 3.
- (iv) Any comments or suggestions of the Consultant on the Terms of Reference described under Section 4.
- (v) A description of the methodology that the Consultant plans to follow in order to execute the Works.
- (vi) Time Schedule mentioned under Section 5.
- (vii) Remuneration mentioned under Section 6.

4. In order to obtain first-hand information on the assignment and the local conditions, it is considered desirable that a representative of your firm visits Lebanon before the proposal is submitted. Your representative should meet the following officials of the CDR:

.....
.....
.....

Please ensure that those officials are advised of your visit in adequate time to allow them to make appropriate arrangements.

5. Technical proposals will be evaluated using the following criteria:
 - (i) The firm's general experience in the field of the assignment.
 - (ii) The adequacy of the proposed work plan and approach in responding to the Terms of Reference and
 - (iii) The qualification and competence of the personnel proposed for the assignment.
6. Please note that the CDR is not bound to select any of the firms submitting proposals. Further, as quality is the principal selection criterion, the CDR does not bind itself in any way to select the firm offering the lowest price.
7. You are requested to hold your proposal valid for 90 days from the closing date for submission, during which time you will maintain, without charge, the personnel proposed for the assignment and proposed price. The CDR will make its best efforts to select a consulting firm within this period.
8. Please note that the cost of preparing a proposal and negotiating a contract, including trips to Lebanon, is not reimbursable as a direct cost of the assignment.
9. Your completed proposal in three (3) copies should be delivered to the CDR on or before _____ . The proposal should be submitted with the technical and financial proposals sealed in separate envelopes and the contents clearly marked.

10. Please note that the remuneration which you receive from this contract will not be subject to normal tax liability. Information on tax regulations can be obtained from the Ministry of Finance.

Sincerely,

Mohammed Atallah
Chairman

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Appendix A - Suggested Format of Curriculum

Vitae for Members of Consultant's Team.

**SECTION 1: QUALIFICATIONS
OF THE CONSULTANT**

1. QUALIFICATIONS OF THE CONSULTANT

The Consultant should submit the following information:

- (i) Brief Description of the Consultant's firm.
- (ii) Outline of recent experience on projects of a similar nature.
- (iii) Professional permanent staff of the Consultant.
- (iv) Different disciplines handled by the Consultant's firm.
- (v) Facilities available within the firm (Electronic data processing, equipment, etc..)
- (vi) Financial Status of the firm for the last 3 years.
- (vii) Composition of the Project Teams of technical personnel which the Consultant would propose to provide in Lebanon and the teams he proposes to assign for this Project in the head office and the tasks which would be assigned to each team member.
- (viii) Curricula vitae, following the format given in Appendix A of the individual staff members to be assigned to the study and of partners and senior officers in the home

office who would be responsible for the supervision of the teams. These personnel will be rated generally in accordance with:

- their general qualifications
- adequacy for the assignment
- their language and experience in the Middle Eastern region. (Experience in Lebanon would be particularly advantageous).

SECTION 2: AGREEMENT FOR CONSULTANCY SERVICES

2. AGREEMENT FOR CONSULTANCY SERVICES

THIS AGREEMENT (hereinafter, together with the Conditions of Engagement, the Terms of Reference, the Time Schedule, the Remuneration and all the documents annexed hereto and forming an integral part hereof, called "the Agreement" made in duplicate the _____ day of _____ in the year Nineteen Hundred and Eighty Three between the Council for Development and Reconstruction of the Republic of Lebanon hereinafter called "the Client" of one part, and _____ hereinafter called "the Consultant" of the other part.

WHEREAS the Client is desirous that consulting services be rendered for

NOW THESE PRESENTS WITNESS and it is hereby agreed and declared by and between the parties hereto as follows:

The Client hereby appoints the Consultant and the Consultant accepts the appointment on the conditions as laid down in the Conditions of Engagement, Supplementary Documents and appendices annexed hereto and made a part hereof:

Section 3 : Conditions of Engagement

Section 4 : Terms of Reference

Section 5 : Time Schedule

Section 6 : Remuneration

Appendix A : Suggested Format of Curriculum
Vitae for Members of Consultant's
Team.

In witness whereof the parties sign:

The Client

The Consultant

Signature

Signature

**SECTION 3: CONDITIONS
OF ENGAGEMENT**

3. CONDITIONS OF ENGAGEMENT

3.1 GENERAL PROVISIONS

3.1.1 Terms of Reference

The services to be performed by the Consultant, under this Agreement (hereinafter called «the Services») are described in the Terms of Reference set forth in Section 4.

3.1.2 Relationship between Parties

Nothing contained herein shall be construed as establishing or creating a relationship of master and servant or principal and agent, it being agreed that the position of the Consultant and of anyone else performing the Services under this Agreement is that of an independent contractor.

3.1.3 Ruling Language

This Agreement is written in French and English. The « Ruling Language » will be decided by the Client. All Reports and Documentations should be submitted to the Client in French and English.

3.1.4 Law Governing Agreement

- (i) The Agreement shall be governed by and be construed in accordance with the laws, custom duties and taxes of Lebanon which shall mean the present laws, custom duties and taxes and any amendments thereto or new laws passed during the continuance of this Agreement (except where tax exemption has been provided).

(ii) Both parties to the Agreement undertake to accept any legal amendments made by the CDR in the process of reviewing this Agreement and which would not affect the fees of the Consultant.

3.1.5 Words importing the singular only also include the plural and the masculine includes the feminine and vice-versa without in either case altering the meaning of the context.

3.1.6 The headings shall not limit, alter or affect the meanings of these Conditions of Engagement or the Agreement.

3.1.7 Serving of Notices

Any notice or request required or permitted to be given or made under this Agreement shall be in writing. Such notice or request shall be deemed to be duly given or made when proof is provided that it shall have been delivered by hand, mail, cable or telex to the party to which it is required to be given or made at such party's address specified below, or at such other address as the party shall have specified in writing to the party giving such notice.

For the Client : The Council for Development and Reconstruction, Beirut, Lebanon

Alternative address for telex No.:

For the Consultant : _____

Elected domicile in Beirut

3.2 COMMENCEMENT, COMPLETION, ALTERATION AND TERMINATION
OF THE AGREEMENT

3.2.1 Agreement in Force

The Agreement is considered to have come into force immediately upon the signing of the Agreement.

3.2.2 Commencement Date

The Consultant shall commence the Services (as defined in Section 4) within two weeks after the Agreement has come into force.

3.2.3 Completion Date

The Services shall be completed within the period shown in the Time Schedule under Section 5.

3.2.4 Alterations

Should circumstances arise which call for modifications of the Agreement, these may be made by mutual consent given in writing. Proposals in this respect from one party shall be given due consideration by the other party.

3.2.5 Assignment

The Consultant shall not, without consent of the Client, assign the benefits other than the assignment and/or hypothecation of any monies due or to become due under this Agreement, or in any way transfer the obligations of this Agreement or any part thereof.

However, the Consultant shall be entitled at any time to take into partnership another partner or partners or into a firm another director or directors and he or they shall thence be deemed to be included in the expression « The Consultant ».

3.2.6 Should the Consultant be a partnership or legal entity, the Agreement shall not be dissolved by the death or retirement of a member of the partnership or a director of the legal entity.

3.2.7 Subcontracts

Any subcontract to be made by the Consultant relating to the Services shall be made only in such extent and with such duly qualified specialists and entities as shall be approved in writing in advance by the Client, and upon request of the Client, the Consultant shall submit for the Client's prior approval the terms of reference of any such subcontract and any amendment thereof. Notwithstanding such approval, the Consultant shall retain full and unservable responsibility for all the Services he is committed to render under this Agreement.

3.2.8 Suspension and Termination

The Consultant shall promptly notify the Client in writing of any situation or of the occurrence of any event as a result of which it ceases to be reasonably practical for the Consultant to carry out in whole or in part his obligations hereunder. Upon confirmation in writing by the Client of the existence of any such situation or event or upon failure of the Client to respond to such notice within 15 days, the Consultant shall be relieved from all liability for failure to

carry out such obligations and the Services may be deemed to have been postponed.

3.2.9 The Client may by written notice to the Consultant at any time upon giving not less than forty-five (45) days' prior notice of his intention to abandon or postpone the Services in whole or in part, or terminate this Agreement.

3.2.10 The Consultant may by written notice to the Client to terminate this Agreement:

(i) if he has not received payments as provided in Section 6 hereof within sixty (60) days after the due dates, and such default has not been corrected within sixty (60) days after notice thereof has been given by the Consultant.

(ii) if the Services have been postponed as provided in Clause 3.2.8 or Clause 3.2.9 and such postponement has lasted for a period exceeding six (6) months.

3.2.11 (1) Upon Notice of Postponement under Clause 3.2.8 or Clause 3.2.9 or Notice of Termination under Clause 3.2.9 or Clause 3.2.10 the Consultant shall take immediate steps to bring the Services to a close in a prompt and orderly manner, and to reduce expenditures to a minimum.

(ii) Upon postponement of the Services or termination of this Agreement, the Consultant shall be entitled to reimbursement in full for such of the costs specified in Section 6 as shall have been incurred prior to the date of such postponement or termination and for costs incidental to orderly termination of his work including return travel of the Consultant's personnel. Further payment, if any, shall be a matter for negotiation between the Consultant and the Client.

3.2.12 Any termination of the Consultant's appointment under this Agreement shall not prejudice or affect the accrued rights or claims and liabilities of either party to this Agreement.

3.3. DUTIES OF THE CONSULTANT

3.3.1 The Consultant shall exercise all reasonable skill, care and diligence in the discharge of his duties under the Agreement.

The Consultant shall in all professional matters act as a faithful adviser to the Client, and in so far as any of his duties are discretionary, act fairly as between the Client and third parties.

3.3.2 The Consultant, his staff, employees and attached specialists shall respect the laws and customs of the Republic of Lebanon and shall carry out all his responsibilities in accordance with the professional standards of his profession.

3.3.3. The remuneration of the Consultant charged to the Client according to Section 6 shall constitute his only remuneration in connection with the Agreement and neither he nor his personnel shall accept any trade commission, discount, allowance or indirect payment or other consideration in connection with or in relation to the Agreement or to the discharge of his obligations thereunder.

3.3.4 The Consultant shall not have the benefit whether directly or indirectly, of any royalty on or of any gratuity or commission in respect of any patented or protected article or process used on or for the purpose of the Agreement unless it is mutually agreed in writing that he may.

3.3.5 The Consultant will provide all the expert technical advice and skills which are normally required for the class of services for which he is engaged.

3.3.6 The copyright of all documents prepared by the Consultant in connection with the Agreement belong to the Client solely and completely and they will be submitted to the Client in their original form. No copy is to be made to anybody else.

3.4 LIABILITY OF THE CONSULTANT

- 3.4.1 The Consultant is only liable for the consequences of errors and omissions arising from gross negligence on his part or on the part of his employees to the extent and with the limitations referred to hereunder.
- 3.4.2 The payments to be made by the Consultant to the Client with regard to the liability stated in Clause 3.4.1 shall be limited to his remuneration under Section 6.
- 3.4.3 The Consultant has no liability whatsoever for any part of the Works not undertaken by him or under his responsibility.
- 3.4.4 The Consultant has no liability whatsoever for any damage resulting from any act of Suppliers which is not in accordance with the contract documents or the Consultant's instructions.
- 3.4.5 The Consultant's Lebanese employees and any local subcontractors that he may engage under this Agreement shall be subject to the payment of all taxes and duties applicable by law in Lebanon.

3.5 OBLIGATIONS OF THE CLIENT

3.5.1 The Client shall furnish all pertinent data and information available to him without charge and within a reasonable period of time and shall give such assistance as shall reasonably be required by the Consultant for the carrying out of his duties under the Agreement. The Client shall give his decision on all reports, recommendations and other matters properly referred to him for decision by the Consultant in such reasonable time as not to delay or disrupt the performance by the Consultant of his Services under this Agreement.

3.5.2 The Client shall facilitate the speedy granting for Lebanon to the Consultant and any of his personnel and their dependants of:

- (i) necessary visas, licences, permits and customs clearance;
- (ii) unobstructed access to all sites and locations involved in carrying out the Services;
- (iii) repatriation in the event of an international crisis.

3.5.3 The Client will facilitate the clearance through customs of any equipment material and supplies required for the Services and of the personal effects of the Consultant's personnel.

3.6 FACILITIES PROVIDED BY THE CLIENT

- 3.6.1 The Client will form a Project Management Team for coordination between the Client, all Government ministries and departments concerned and the Consultant. The Project Management Team will assist the Consultant in obtaining the necessary facilities in Lebanon specified under the Agreement.
- 3.6.2 The Client will provide the Consultant with a copy of the available relevant technical reports, free of charge; the Consultant shall return the said reports to the Client upon completion of his duties.

3.7 SETTLEMENT OF DISPUTES

3.7.1 Any dispute which is not disposed of by agreement between the parties will be settled through arbitration according to the following procedures:

3.7.1.1 Governing Rules:

- (i) The Arbitration Council will lay down its rules of procedure in accordance with the Arbitration Rules and Procedures of the Lebanese Law.
- (ii) Awards and arbitration costs incurred by arbitration shall be rendered by majority vote and shall be final and binding on both parties.
- (iii) In studying any case, the arbitrators will refer to the contract terms and laws of Lebanon in this order.

3.7.1.2 Appointment of Arbitrators:

- (i) The First and Second Party each shall appoint one arbitrator, notifying the other party of such appointment. The two parties will appoint the third arbitrator.
- (ii) Failing agreement on the nomination of the Third member within 15 days of the appointment of the Second member, the Third member shall be chosen at the request of either party by the President of Council of State from among counselors of the Council of State in the Republic of Lebanon.

- (iii) Should one of the parties abstain from nominating his arbitrator during 15 days from the date of notifying of the Second member's appointment, the President of the Council of State shall be requested to appoint him.

3.8 REMUNERATION OF THE CONSULTANT

3.8.1 The Client shall remunerate the Consultant in respect of the Services, the amounts and in the currencies set forth under Section 6.

3.8.2 The Client shall remunerate the Consultant separately for any additional work as agreed between the parties, and resulting from the Client's specific requests or amendments to the Services or postponement of the Services or termination of this Agreement.

3.8.3 In the event of circumstances arising beyond the control of the Consultant, or, which could not have been reasonably foreseen, or in the event of the Client ordering modifications to completed works or alterations to works and/or investigations in progress, which require the alteration or remaking of any specification, reports, or other documents prepared in whole or in part by the Consultant, the whole of the cost of revising, amending or reproducing documents to bring the works of the Consultant up to the stage at which it was modified shall be the subject of additional payment, computed on a time basis together with all reimbursable costs incurred.

3.8.4 If at any time before the completion of the Works under the Agreement any part of the Works or the equipment thereof shall be damaged or destroyed as a consequence of operations of war, political disturbance or other cause beyond the control of the

Consultant, the Client shall pay to the Consultant the appropriate remuneration for any additional work which may be required to be designed and/or supervised by him as a result of such damage or destruction and a compensation for the damage resulting from such operations or cause.

3.9 PAYMENTS TO THE CONSULTANT

- 3.9.1 The Client shall effect payments to the Consultant in accordance with the payment schedule set forth in Section 6.
- 3.9.2 Remuneration shall be paid to the Consultant within 60 days after submission of the invoices by the Consultant. If the Client fails to pay the Consultant within 60 days after the date of submission of the invoice, the Consultant is entitled to claim interest as from the date of the invoice at LIBOR.
- 3.9.3 If any item or part of an item of an invoice rendered by the Consultant is disputed or subject to question by the Client, the payment by the Client of the remainder of that invoice shall not be withheld on those grounds and the provisions of Clause 3.10.2 shall apply to such remainder and also to the disputed or questioned item to the extent that it shall subsequently be agreed or determined to have been due to the Consultant.
- 3.9.4 All payments made by the Client shall be made to the accounts of the Consultant as stated in Section 6.

**SECTION 4:
TERMS OF REFERENCE**

4. TERMS OF REFERENCE

4.1 BACKGROUND AND OBJECTIVES

4.1.1 Background

Lebanon has never had a coherent housing policy. Until very lately (1974) there has been very little awareness from the part of the Public Sector of the need to intervene in the housing market to regulate the mechanisms of supply and demand.

The rapid rate of urbanisation in the country fueled population movements which occurred unchecked and resulted in the development of substandard housing in urban areas, and lately, to the appearance of squatter settlement as a consequence of the war. Land prices became long ago, unaffordable to low and middle income people and the recent rises in construction costs exacerbated the situation. The housing market was further distorted by the application of rent controls which drove developers to build houses for sale and not for rent, and by the inflow of outside capital into real estate speculation which made the price of land rise further. This meant that too many luxury type housing was supplied at the detriment of housing built for middle and low income people.

This situation has resulted in a severe shortage of housing estimated at around 150,000 in 1974 for the whole country. Precise estimates of the shortage and how it affects different income groups and different areas of the country are however, not available.

In the light of all these facts, the Government through the Ministry of Housing Cooperatives (MOHC) took urgent measures to establish 2 financing agencies. In 1977, the "Banque de l'Habitat" (BDH) was established with the view of providing housing finance to individuals with an income exceeding L.L. 40,000 per annum (middle income). Later in 1980, La "Caisse Autonome de l'Habitat" (C.A.H.) was established in view of providing finance for individuals with an annual income below L.L. 40,000.

In the medium term, the present policy pursued by the Government is not to involve the Public Sector in building housing units, and to act only as a catalysor, by creating more favorable circumstances by which individuals with limited incomes can have access to acquiring or building their own dwellings. In that light, Government intervention is seen to consist mainly in providing adequate long term finance and in alleviating supply constraints in the provision of reasonably affordable serviced land for housing.

The process of providing adequate long term finance has been initiated by both financial institutions created by Government. La Banque de l'Habitat (BDH) operates since 1979 by giving acquisition loans (78% of total volume) and construction loans (22% of total volume). By the end of 1979, it had lend money totalling L.L. 170 millions to 1382 individuals. However, BDH has had problems in diversifying its sources of funds and in staffing.

The E.E.C., through a technical assistance programme, undertook in 1982 an institution building process focused on BDH as a prerequisite for possible financing of its operations.

"La Caisse Autonome de l'Habitat" (C.A.H.) has been generally more successful and granted loans of around L.L. 162 millions for 4361 applicants. Its finance sources are direct funding from Government and revenues accruing from a special tax collected through the Murr decree. It is doubtful however whether the taxes collected through the Murr decree will constitute a permanent method of funding.

The process of facilitating the supply of serviced land at affordable prices has not been initiated yet. However, the MOHC together with "the Directorate of Urbanism" and Municipal agencies are considering to undertake specific land assembly and sites and services projects and to create for this purpose, a parastatal agency in charge of the implementation of such projects.

It is obvious that the range of solutions to the housing problem are seriously under study. However, there are important risks in adopting individual measures and decisions concerning seemingly separate but interrelated aspects of Housing policy, especially under the existing constraints imposed by the scarcity of data. A comprehensive national housing strategy study is therefore required to examine different aspects of housing policy and the interrelationships between components. The study should be based on an adequate and uniform data base which will permit a more precise assessment of the situation and allow a range of comprehensive and mutually supporting policies, actions and programmes to take place.

4.1.2 Objectives of the Study

The objectives of the Study are:

4.1.2.1 To provide information on:

- The existing housing situation of different groups (by income, region, refugees etc..)
- The existing mechanisms of housing supply, past trends their evolution and consequences and current programmes.
- Prevailing physical and socio economic conditions related to housing.

4.1.2.2 To review existing housing programmes and delivery systems (i.e. land, infrastructure, construction sector, developers, public and private sector financial facilities and institutions for housing, and affordability of housing) with a view to identifying means for making supply more responsive to demand, including measures for reducing costs, increasing housing finance, and minimizing Government subsidies. This review should also examine the mechanisms involved in the expansion of low cost housing and their extent.

4.1.2.3 To review the institutions concerned with housing and make recommendations on:

- (a) the institutional framework for formulating and implementing housing policies;

- (b) role, resources and programmes of housing sector institutions, including the comparative advantages of public and private sector institutions for housing and land development, with special reference to their lending policies to dwellings construction by personal participation of the beneficiaries, the cooperatives and the private sector in general extent of subsidies and cost of facilities furnished;
- (c) role of institutions concerned in fixing housing standards for low cost housing.
- (d) procedures for strengthening the data base and performance monitoring of the housing sector and its major participants.

4.1.2.4 To study the feasibility of providing and financing projects to be undertaken by Government and aimed at providing serviced land for sale to low and medium income groups, through the preparation of layouts for a pilot project.

4.1.2.5 To recommend policies to ameliorate the present situation, indicating those policies likely to have the greatest affect; suggesting which policies are urgent and how to strengthen their mutual support to optimize their total effect.

Republic of Lebanon
Office of the Minister of State for Administrative Reform
Center for Public Sector Projects and Studies
(C.P.S.P.S.)

4.2 SCOPE OF SERVICES

The Consultant is expected to perform all technical review, investigation, analysis of field data, preparation and supervision of surveys, field work and other activities herein described as required to satisfactorily complete the present Study.

These services shall include, but not necessarily be restricted to the following:

4.2.1 Review of the Existing Situation

In reviewing the existing housing situation, the study shall:

- (a) distinguish the conditions of different groups, with special emphasis on identifying groups which appear to be particularly disadvantaged, (e.g. low and very low income earners, large families, newly married, single heads of household, migrant labour etc..)
- (b) derive criteria to be used to permit judgements on housing quality (e.g. overcrowding, physical state of buildings, availability of services, etc.) as a guide to formulating priorities for supply of different elements in the housing package and for developing suitable programs for different income groups;
- (c) review tenure status of population (including ownership, rental, quarters...);

- (d) attempt to ascertain whether the housing situation of the above groups has been improving or worsening in recent years;
- (e) estimate accumulation deficit in housing, if any, classified by income groups and region or other criteria specified above; and
- (f) analyze the type and location of unoccupied housing units if any, and analyse the reasons;
- (g) population density per hectare;
- (h) dwellings of low health standard: shortages.

The Consultant shall carry out a survey of households in the Greater Beirut area and in selected other urban centres to collect existing information on housing conditions and housing costs including expenditures by owners on upkeep to provide a basis for quantitative analyses of housing preferences, relationships between income and expenditure on housing, etc...

4.2.2 Review of Housing Programmes and Delivery Systems

In reviewing housing programmes and delivery systems, the Consultant shall:

- (a) identify the main ways in which housing is provided and their costs, including public sector, housing cooperatives, private investors (large scale, small scale, and informal sector housing) and the system of expanding existing housing units over time;

- (b) review land-use policies including building regulations and land registration regulations, and their effect on housing programmes and delivery systems;
- (c) review the importance of different cost factors in affordability of housing and means by which each may be affected, e.g.;
 - (i) land cost (which may be affected through taxation measures, measures to make more economical use of land); procedures for acquiring land and method of valuation, needs for changes in legislation, if any;
 - (ii) cost of services (planning regulations design standards, tariff policies for the supply of infrastructures etc..
 - (iii) construction costs which may be affected by planning regulations, building codes, construction techniques, prefabricated building materials and possibilities of utilization, contract conditions, etc..; and
 - (iv) cost of finance (affected by terms of lending).
 - (v) man power cost, man power shortage.
- (d) review the existing sources and terms of finance for different types of housing and recommend measures which may be taken to increase supply of credit to the most disadvantaged beneficiaries;

- (e) assess the degree of subsidy, if any for different types of housing and or beneficiary by nature of subsidy;
- (f) appraise the effect of landlord tenant legislation and rent controls on housing supply and housing quality and the use of the existing housing stock; and
- (g) consider impact of taxation system on housing supply, including that of property taxation and current housing legislation.

4.2.3 Affordability Analysis

- (a) In analysing affordability of housing the Consultant shall analyse amounts which different types of households appear to be able to spend as a proportion of income Distinction should be made between owners and tenants. Family savings by income groups should be assessed as well as the role of repatriation funds to cumulate savings.

Affordability calculations should take account of the effect of taxes, utilities, etc., as well as rentals or mortgage payments.

- (b) In making policy recommendations, the Consultant should seek means to minimize government subsidies for housing. Should it appear that subsidies are necessary to deal with specific situations, such as the needs of the very low income groups or the need to attract and stabilise qualified manpower, an effort should be made to examine how those subsidies can best be targeted

to meet needs of intended beneficiaries and to be consistent with the Government objective of improving income distribution.

4.2.4 Policy Reviews

- (a) land use and building regulations including procedures for acquiring land for sites and services projects and methods of valuation;
- (b) measures to control illegal occupation of land;
- (c) whether the government should identify housing standards for different income groups, if so, the steps necessary to formulate these;
- (d) landlord-tenant legislation and its effect on the role of the private sector in providing housing and also on the allocation of the housing stock;
- (e) capital gains taxation, land and building rental taxes, and land transfer taxes, and their effect on land prices and land speculation.
- (f) interest rate and mortgage duration policies from the point of view of attracting savings as well making housing affordable to different income groups. In this connection, the Consultant shall review current interest policies and their effectiveness.
- (g) means of reducing land costs;

- (h) policies to encourage and promote the development of low cost construction for low-cost housing, including standardization and industrialization, of building components for the use of prospective promoters;
- (i) the balance between housing for rent and purchase;
- (j) the encouragement of savings for housing purposes;
- (k) the encouragement of housing cooperatives.

4.2.5 Future demand and Levels of Investment

In reviewing the level of investment in the sector and appropriate levels of investment, the Consultant shall:

- (a) produce estimates of housing required by region and income groups for the periods 1982-85 period.
 - (i) growth in demand for housing;
 - (ii) improvement or demolition of existing housing (slum clearance and urban renewal); and
 - (iii) opportunities and needs to correct existing deficiencies (upgrading of existing housing and relief of overcrowding).
 - (iv) Industrialization of the building trade.
- (b) review the extent to which housing production can or should be shifted among different geographic areas and types of housing in the light of public policies (decentralisation etc...)

- (c) take account of the demands made on the construction and building materials industries by housing investments vis-a-vis planned investment in other sectors of the economy.

4.2.6 Formulation of Policies

Policy recommendations should:

- (a) indicate those changes which appear to promise the largest improvements in the situation and appear to deserve priority;
- (b) for those policies which the Government selects for detailed attention, provide additional details on legislation, regulations (including draft laws and regulations), budgets, staffing, timetables needed to implement institutional changes or, as necessary, terms of reference for additional studies, needed to clarify policy issues.
- (c) Deal, inter-alia, with the following problem areas:
 - (i) The balance in supply and demand for housing in the different income groups on a regional/area basis.
 - (ii) Constraints to housing related to inputs such as land, labour, building materials, infrastructure and finance, and means to overcome these.

- (iii) Adequacy of resources and ways to strengthen housing finance and institutions.
 - (iv) adequacy of land legislation for carrying out land assembly projects and requirements for their readjustment and strengthening.
- (d) Pay specific attention to the feasibility of sites and services projects in the Lebanese situation by carrying out a case study for a selected site (Pilot Project). The Consultant shall consider the type of programmes and the size of Government intervention in terms of finance and institutional arrangements and specify differences in approach between projects for different income groups and by region. Proposals should include a phased programme for implementation, based on preliminary cost estimates, and geared to meet the Government regional policy objectives (decentralisation), and an appropriate institutional framework for the preparation and implementation of such projects.
- (e) Advise on the organisation and staffing requirements of M.O.H.C., "Caisse Autonome de l'Habitat" (C.A.H.) and Banque de l'Habitat (B.D.H.) to deal with the variety of tasks it has to face in the future.
- (f) The Consultant shall also review the adequacy of existing statistical sources and make detailed

recommendations on procedures, staffing and budgets for improving housing statistics in the future as a guide to formulating and monitoring policies in this sector.

4.3 REPORTING PROCEDURES

4.3.1 Inception Report

Within 2 months of effective date of contract:

This report should include:

- (a) an initial review of existing information, a summary of interviews with officials.
- (b) a preliminary identification of issues.
- (c) the Consultant refined work plan.
- (d) Proposed household surveys sample questionnaires.

Within one month of the submission of the Inception Report, the Consultant will receive the comments of the Client on the items above.

4.3.2 Interim Report

Within 7 months of receiving the Client's comments on the Inception Report;

This report should include:

- (a) The results of all surveys and data analysis and a diagnosis of the existing situation.

- (b) Recommendations on major policy issues requiring attending.
- (c) Proposals on alternative strategies, regarding supply of housing and finance.
- (d) Site identification and evaluation for site and services projects, preliminary economic and demand analysis and preliminary layouts and cost estimates for a selected pilot project.

Within one month of the submission of the Interim Report, the Consultant will receive the comments of the Client on the items above:

4.3.3 Prefinal Report

Within 3 months of receiving the Client's comments on the Inception Report. The Prefinal Report should include:

- (a) Detailed proposals.
- (b) Final economic and financial and institutional analysis of sites and services pilot project supported by necessary layouts.
- (c) Detailed proposals on finance.
- (d) Detailed policy implementation procedures including recommendations on staffing, budgets and impact on regulations and legislation.

Within one month of the submission of the Prefinal Report, the Client will give his comments and approval.

4.3.4 Final Report

Within one month of receiving Client's approval on Prefinal Report, the Final Report shall incorporate any comments made by the Client and should be printed in final version.

**SECTION 5:
TIME SCHEDULE**

5. TIME SCHEDULE

5.1 The Consultant shall perform the services mentioned under Section 4 involving the Terms of Reference in accordance with the Time Schedule mentioned under paragraph 4.3 regarding the Reporting Procedures.

5.2 The Consultant will submit a Time Schedule in the form of a bar chart showing the different tasks within the overall time allocated under paragraph 4.3.

6. REMUNERATION OF THE CONSULTANT

6.1 REMUNERATION

6.1.1 For the performance of the services enumerated under the Terms of Reference, the Consultant shall be remunerated a Lump Sum Fee

6.1.2 Above fee shall include for the salaries of staff, social charges, medical expenses, insurance, overhead expenses, expatriation allowances, international travel, local transportation, board and lodging and all out-of-pocket expenses incurred by the Consultant during the performance of the services enumerated under the Terms of Reference.

6.1.3 The Consultant shall indicate the breakdown of above fees into:

(i) Staff Costs with Man/Month Rates showing salaries and overhead for the following categories of professional and support staff:

- Director
- Project Manager
- Senior Professional
- Professional
- Support Staff

(ii) Direct costs and Out-of-Pocket expenses including:

- Expatriation allowances

- Office and residential accommodation in Lebanon
- International Travel
- Local Transport
- Printing Reports
- Cables, telex, telecommunications, freight, etc..

6.2 METHOD OF PAYMENT

6.2.1 The fee under Clause 6.1.1 shall be effected in accordance with the following schedule:

- (i) 20% of the fee as an advance payment upon signing the Contract against a bank guarantee of the same amount, which shall remain valid until the submission of Final Report and the Client's approval thereon. The Client shall deduct 20% of the basic value of each payment certificate due to the Consultant until all the advance payment shall be reimbursed.
- (ii) 10% of the fee upon submission and approval of the Inception Report.
- (iii) 30% of the fee upon submission and approval of the Interim Report.
- (iv) 40% of the fee upon submission and approval of the Pre-final Report.
- (v) 20% of the fee upon submission and approval of the Final Report.

6.2.2 All payments shall, unless otherwise agreed, be made to the account of the Consultant as follows:

Account No. _____
 Name of Bank _____
 Address _____

APPENDIX A

APPENDIX A

SUGGESTED FORMAT OF CURRICULUM VITAE
FOR MEMBERS OF CONSULTANT'S TEAM

Name _____

Profession _____ Age _____

Years with Firm _____ Nationality _____

Proposed Position on Team _____

Key Qualifications :

(Under this heading, give outline of staff member's experience and training most pertinent to assigned work on proposed team. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations. Use up to half a page).

Education :

(Under this heading, summarize college/university and other specialized education of staff member, giving names of schools, dates attended and degrees obtained. Use up to quarter page).

Experience Record :

(Under this heading, list all positions held by staff member since graduation, giving dates, names of employing organization, title of positions held and location of assignments. For experience in last ten years, also give types of activities performed and client references where appropriate. Use up to three-quarters of a page).

Langauages :

(Indicate proficiency in speaking, reading and writing of each language by «excellent», «good», «fair», or «poor».