

Coordinated Audit on Social Housing

GTOP | Public Works Audit Working Group





COORDINATED AUDIT ON SOCIAL HOUSING



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Organization of Latin American and Caribbean Supreme Audit Institutions

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1. Social Housing 2. Social Inclusion 3. Housing Policy. 4. Social Housing Program. 5. Urban Development
6. Integration between Public Policies 7. SDGs

IN SUMMARY

Why was the audit conducted?

The subject of social housing is central to the reality of Latin America and the Caribbean, given the high percentage of the population currently living in precarious conditions.

The Inter-American Development Bank estimates that if the region seeks to eliminate the existing housing deficit using only government housing and urban development programs, there will have to be a sevenfold increase in investment in public housing programs, which means an outlay of US\$ 310 billion, or 7.8% of the regions gross domestic product.

Given the unquestionable social and economic importance of social housing in the region, the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) - through the Public Works Audit Working Group (GTOP) - chose it as the subject for a coordinated audit.

Supreme Audit Institutions from nine countries took part in these joint projects, namely Argentina, Brazil, Chile, Colombia, Costa Rica, Honduras, Mexico, Paraguay and the Dominican Republic. In light of this opportunity, it was possible to foster the exchange of best practices in housing policies in each country and contribute to the improvement of audited housing programs.

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WHAT IS THE PURPOSE OF THE AUDIT?

The objective of the audit was to verify whether social housing policies and public works in each participating country are in line with all the aspects and recommendations put forward by the United Nations Economic Commission for Europe (UNECE/UN) in the document entitled Guidelines on Social Housing - Principles and Examples (2006), which is considered essential for determining if housing is adequate and also whether the quantitative goals for building housing units were set and are being met. To this end, laws and other regulations applicable to the audited housing programs were reviewed and physical inspections undertaken on a sample of 64 completed complexes/projects, distributed amongst each participating country, totaling 36,633.

WHAT WERE THE FINDINGS OF THE AUDIT?

As a conclusion to the work, common weaknesses and opportunities for improvement to the housing programs of participating countries were identified, including the following: no definition of quantitative targets and/or difficulties in meeting them when they were in fact scheduled; failures in prioritizing selection of beneficiaries; shortcomings in terms of coordination and integration with other public policies; problems relating to the implementation of accessibility requirements for people with disabilities and/or the elderly; poor adoption of sustainability criteria for the housing and complexes reviewed; and delivery of housing without proper documentation to legally prove possession of the properties by the beneficiaries.

WHAT ARE THE MAIN BENEFITS EXPECTED FROM THIS JOINT PROJECT?

It is expected that after the adoption of identified opportunities for improvement, they will become social benefits for recipient families, increase the transparency of government activities and contribute to achieving the goals set out in the Sustainable Development Goals (SDGs) of each country.



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I. INTRODUCTION

1. This document consolidates the main results of the coordinated audit conducted within the scope of the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS), with the purpose of evaluating social housing policy and works in the nine participating countries, namely Argentina, Brazil, Chile, Colombia, Costa Rica, Honduras, Mexico, Paraguay and the Dominican Republic.

FIGURE 1 - COUNTRIES WHOSE SAIS PARTICIPATED IN THE AUDIT



2. One of the characteristics of this type of joint project is the exchange of experiences amongst participating SAIs, both in terms of auditing and in relation to the subject being audited. As such, in this report some of the best practices (benchmarking) adopted in the housing programs overseen by participants have been summarized, whilst key opportunities for improvement have been identified. Additional information and/or more detail can be found in the national reports on the respective audits held by the corresponding SAIs.



1.1. WHAT IS A COORDINATED AUDIT?

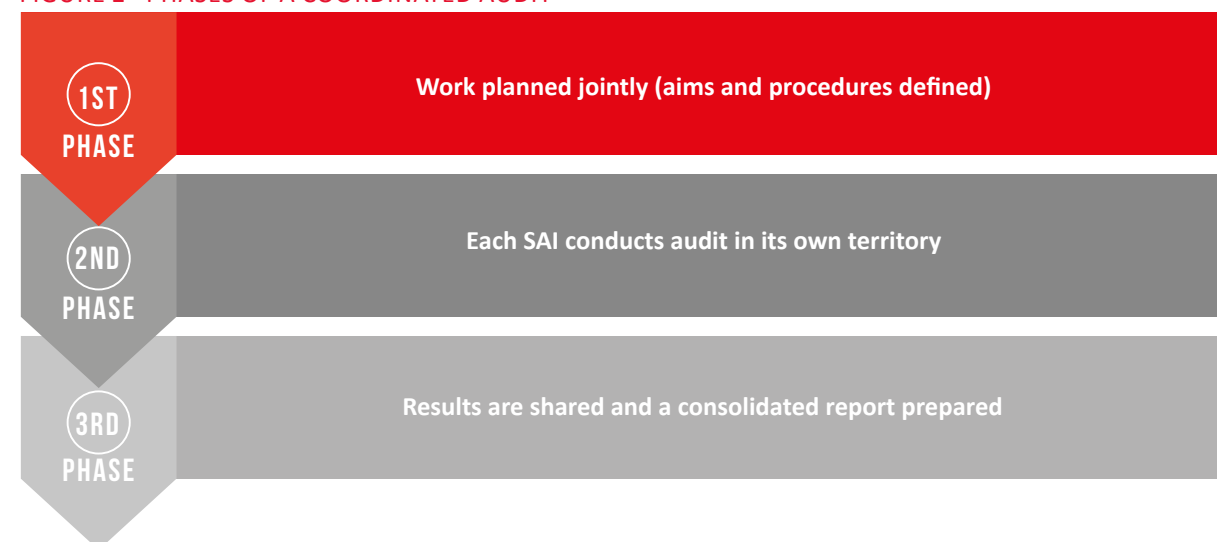
3. Coordinated audits constitute a form of collaboration between SAIs to exercise control over issues of an international or regional nature, of common interest to the countries involved.
4. They are one of the types of cooperative audits prescribed in the “Guide for Cooperative Audit Programs between SAIs” from the International Organization of Supreme Audit Institutions (INTOSAI)¹. According to the guide, cooperative audits can be classified in three ways - joint, parallel and coordinated, the characteristics of which are set out below.

TABLE 1 – TYPES OF COOPERATIVE AUDIT

Type of Audit	Description
Joint	Key decisions are shared. The audit is conducted by one audit team composed of auditors from two or more SAIs who prepare a single joint audit report for presentation to each respective governing body.
Parallel	Key decisions are also shared, however each SAI performs their own audit in their territory, having jointly established the same subject matter. At the end, each SAI presents its own report independently.
Coordinated	These combine joint and parallel audits: key decisions are shared, each SAI performs the audit in their own territory and issues their report independently. However at the end, results are consolidated into one single report.

5. Coordinated audits have three phases: (1st phase) joint planning of work, setting goals, procedures and auditing techniques; (2nd phase) performance of audits - each SAI conducts the audit in its own territory; and finally, (3rd phase) consolidation of results and subsequent preparation of the consolidated report.

FIGURE 2 - PHASES OF A COORDINATED AUDIT



1 RIBEIRO, João Augusto Nardes. Coordinated Audits. OLACEFS Magazine, Brasília, Brasil, Year 6, Number 13, p. 6-9, Jan./Jun. 2013



1.2. WHY WAS THE AUDIT CONDUCTED?

6. The subject of social housing is central to the reality of Latin America and the Caribbean, given the high percentage of the population currently living in precarious conditions.
7. According to a study by the Inter-American Development Bank (IDB)², most of the population currently living in the largest cities in the region do not have sufficient income or access to mortgages to acquire the type of cheaper housing offered by the private sector. As a result one in three families in the region live in housing that is inadequate or built with inferior materials, in addition to lacking infrastructure services. Of the 3 million households emerging annually in Latin American cities, about 2 million are forced to settle in informal dwellings such as marginal communities, shantytowns or camps, due to the inadequate supply of suitable and affordable housing.
8. The region suffers not only from an insufficient number of houses, but also a deficiency in terms of quality, with homes with no regular title deed, walls built from waste materials, dirt floors and a lack of access to drinking water and sewage systems.
9. Data from the 18 countries looked at in the IDB study shows that more than two thirds of families in Nicaragua, Peru, Bolivia and Guatemala live in substandard housing. In absolute numbers, Brazil and Mexico are the countries with the largest housing deficits.

FIGURE 3 - PERCENTAGE OF HOMELESS FAMILIES OR FAMILIES WITH INADEQUATE HOUSING³

HOW MANY FAMILIES DON'T HAVE A ROOF OVER THEIR HEADS OR LIVE IN POOR QUALITY HOUSING?



10. Despite progress in recent years, the lack of access to basic infrastructure services continues to affect many households in the region, with 21% not having adequate infrastructure. Twelve percent of households use

2 Inter-American Development Bank (IDB), Room for Development: Housing Markets in Latin America and the Caribbean, 2012
3 Source: . Inter-American Development Bank (IDB), Room for Development: Housing Markets in Latin America and the Caribbean, 2012



building materials of low quality whilst 6% have dirt floors. Houses with an excess of residents make up 6% of the total. All these situations can have a negative impact on the health of the inhabitants. In addition, about 11% of households do not have a regular title deed for their homes⁴.

11. The IDB estimates that if the region seeks to eliminate the existing housing deficit using only government housing and urban development programs, there will have to be a sevenfold increase in investment in public housing programs, which means an outlay of US\$ 310 billion, or 7.8% of the regions gross domestic product (GDP).

12. Given the unquestionable social and economic importance of social housing in the region, the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) - through the Public Works Audit Working Group (GTOP) - chose it as the subject for a coordinated audit.

II. THE PURPOSE OF THE AUDIT

13. The purpose of the audit was to verify whether social housing policies and construction projects in each participating country are in line with all the aspects and recommendations that the United Nations Economic Commission for Europe (UNECE/UN) put forward in the document entitled Guidelines on Social Housing - Principles and Examples (2006), which is considered essential for determining if housing is adequate and also whether the quantitative goals set for building housing units were defined and are being met.

14. According to the Unece/UN Guide, for the right to housing to be guaranteed for those in the lowest social and economic class, national and local social housing policies and their respective projects and works should take the following aspects into consideration:

(i) COMBATING SOCIAL EXCLUSION AND INTEGRATION WITH OTHER PUBLIC POLICIES - housing must be located in regions with adequate infrastructure (water, electricity, sewerage, etc.) and ease of access to basic social services and facilities (public transportation, regular garbage collection, schools, health centers, recreation and sports areas, local shops and job opportunities);

(ii) ACCESS FOR DISADVANTAGED GROUPS - public housing policies should be developed so as to ensure access for families belonging to socially and economically disadvantaged classes within the population;

(iii) ACCESSIBLE COSTS - governments should establish mechanisms to make acquisition and maintenance costs for housing manageable and compatible with low-income residents;

(iv) CONSTRUCTION QUALITY OF HOUSING UNITS - housing units must offer adequate living and health conditions and be structurally stable and durable, adequately lit, heated and ventilated;

(v) ADAPTATIONS FOR PEOPLE WITH DISABILITIES AND FOR THE ELDERLY - housing units must be built to ensure full use by persons with special needs or mobility difficulties, including older adults;

(vi) LEGAL SECURITY OF TENURE - the relevant documentation must be supplied and all legal requirements met to ensure ownership of homes by those beneficiaries receiving government support;

FIGURE 4 - UNECE/UN LOGO



⁴ ROJAS, Eduardo; MEDELLÍN, Nadine. Housing Policy Matters for the Poor - Housing Conditions in Latin America and the Caribbean, 1995-2006. Inter-American Development Bank, December, 2011.



(vii) RESIDENT INVOLVEMENT IN DECISIONS CONCERNING THEIR HOUSING AND NEIGHBORHOOD - involving residents in decisions about their homes and neighborhoods is crucial to improve their management services, quality of life and a sense of ownership which will encourage residents to preserve them;

(viii) ENERGY ECONOMY AND SUSTAINABILITY IN HOUSING UNITS - bearing in mind the low income of families benefiting from government support, it is recommended that action is taken to reduce expenditure involved in the use of residences, especially electricity expenses.

15. In order to contribute to improving the audited housing programs, rather than simply verifying whether requirements were, or were not, met, this audit was keen to identify improvement opportunities relating to each aspect of the Unece/UN study and to share good practices adopted by each country.

16. It is expected that after the identified improvement opportunities have been adopted they will become social benefits for recipient families, increase the transparency of government activities and contribute to achieving the goals set out in the Sustainable Development Goals (SDGs) of each country, in particular those linked directly to the audit, i.e. goal 1, to end poverty in all its forms, everywhere; and goal 11, to make cities and human settlements inclusive, safe, resilient and sustainable.

FIGURE 5 - SUSTAINABLE DEVELOPMENT GOALS (SDGS)



III. LIST OF AUDITED HOUSING PROGRAMS AND SAMPLE OF COMPLEXES/PROJECTS INSPECTED

17. To carry out the audit, each SAI was free to choose auditees from existing housing programs in their countries, based on their relevance from a social or financial stand point.

18. For each program selected, the SAs defined a sample of completed complexes/projects on which to carry out audit procedures (document analysis, physical inspections, interviews with residents, etc.). In general, projects of recently

constructed and delivered houses were prioritized. Together, the samples totaled 64 complexes/projects comprising 36,633 homes, distributed over the participating countries. Some general audit procedures concerning program rules and design were applied to the projects. Other audit techniques consisted in interviews with residents. For these interviews, another random sample was selected of those present on the occasion of the field visit to each project.

TABLE 2 - LIST OF AUDITED HOUSING PROGRAMS

	Country	Audited Housing Program	Number Of Projects in Sample	State and/or Province and/or Region	Total Number of Households
1.	Argentina	Programa de Viviendas Caritas Argentina – 5ª etapa	3	Misiones	60
2.	Brasil	Programa Minha Casa Minha Vida	10	Amazonas; Distrito Federal; Paraná; Pernambuco; São Paulo	19.780
3.	Chile	Programa Fondo Solidario de Vivienda	8	Región Metropolitana de Santiago	641
4.	Colombia	Programa de Vivienda Gratuita	17	Guajira; Magdalena; Cesar; Risaralda; Nariño	13.597
5.	Costa Rica	Programa Bono Familiar de Vivienda	10	Guanacaste; Alajuela; Heredia; San José; Cartago; Puntarenas	908
6.	Honduras	Programa de Vivienda Ciudadana y Crédito Solidario	3	El Paraíso; Choluteca	349
7.	México	Programa de Vivienda Digna	11	Campeche; Coahuila de Zaragoza; Tlaxcala	650
8.	Paraguay	Programa CHE TAPÝI (mis orígenes – mi hogar)	1	San Pedro	102
9.	República Dominicana	Proyecto Boca de Cachón	1	Independencia	546

IV. AUDIT RESULTS

IV.1. ANALYSIS OF COMPLIANCE WITH QUANTITATIVE HOUSING TARGETS

19. Setting targets for government action and its monitoring is a way to ensure the transparency of State activities and (to) evaluate if the results were achieved by the public administration.

20. From the point of view of society, the goals encourage social control as they make it possible for anyone interested to compare commitments made with what was actually done. Analysis of goal results also serves as feedback for the public administration as it enables its organizations to carry out evaluation and, if necessary, rethink ways to improve performance and/or overcome any obstacles hampering the scope of the desired results, thus feeding the process of organizational learning.

21. Therefore the goals are important tools for both planning and control. Good monitoring systems and assessment of the results of governance can foster real change in how we manage and oversee public resources, going beyond the merely formalist approach of applying - or not - a resource to a specific public policy, to adopting a goal-oriented approach from which results are expected, obtained through the application of that resource.

22. Given this unquestionable importance, a review about which participating countries possessed quantitative targets for construction of social housing, and whether they are being met, was included as one of the aims of this audit.

23. According to specialized international literature on the subject, a goal must have the following characteristics⁵:

a. *Specific*: clearly express what must be achieved, without ambiguity;

b. *Measurable*: express to what extent the objective should be achieved in a given time interval, allowing for evaluation and feedback;

c. *Appropriate*: be aligned with the general or strategic objectives, contributing to achieve them, i.e. be relevant to goal measurement;

d. *Realistic*: can be achieved in the period specified at reasonable cost, and bearing in mind restrictions. Must take into account the objectives of the institution, the economic context, budget constraints and past performance. If goals are not realistic they will be seen as mere ideals and have no practical influence on the behavior of the entity.

e. *Time-bound*: express the expected period for meeting goals.

24. The analyses carried out found that not all participating countries have short- and medium-term quantitative housing goals as part of their social housing programs, even though works are being executed.

25. In some cases only budgetary targets for social housing were identified (Chile, Honduras and the Dominican Republic). However, this forecast does not clearly identify the result the government hopes to achieve with the stated amount of resources, making it difficult to assess the performance of respective state activities, primarily by civil society.

26. For countries with short- and medium-term quantitative targets for their housing programs, difficulties in achieving them were identified, though governments may be making efforts to do so.

FIGURE 6 - GRAPH SHOWING TARGETS MET



5 SMART Method proposed in Drucker, P. The Practice of Management. New York: Harper & Row, 1954 Harper & Row, 1954

27. It is important to point out that such goals, whilst contributing to reducing the housing deficit in each country, do not necessarily aim to eliminate it as they are set taking into consideration the financial resources available to each government.

28. Regarding compliance with goals it was found that for programs audited in Brazil, Colombia, Costa Rica, Mexico and Paraguay, the number of homes actually built and delivered to beneficiary families in the evaluated periods was lower than expected. In Argentina the housing estimate was met in terms of quantity built for the 5th stage of the audited program audited, but not within the deadline.

29. The difficulties of meeting proposed goals are diverse and vary according to the reality of each country and the way each housing program is structured. However, some problems common to most countries were identified. For example shortcomings in terms of planning for goal-setting, which, as ascertained, was not always supported by technical studies. Other examples include the fact that there was difficulty in obtaining land available for construction and/or delays in the respective processes of legalization of the land; procedures to obtain permits for the works involved complex bureaucracy; there were delays in the selection of future residents and in the execution of the works.

30. In this context the conclusion was that public institutions in general should devote more effort to improving planning processes so that when setting goals and fulfilling them, the difficulties inherent to such programs would be duly considered.

31. In this regard, the process audited in Honduras stood out and was chosen as a benchmark. In this process, the authority responsible for the implementation of housing policy identifies all the possible events that may impact meeting deadlines for the completion of building work.

32. This initiative makes it possible to carry out a critical analysis of such events and adopt appropriate measures to mitigate the risk of their occurrence, facilitating better goal projection and, consequently, better compliance.

OPPORTUNITIES FOR IMPROVEMENT

33. In light of the above, two major improvement opportunities are perceived:

- a. Establish short- and medium-term quantitative targets for housing programs, taking into account the country's housing deficit in order to ensure greater transparency of government actions and facilitate social control; and
- b. Improve the process of government planning to take better account of quantitative goal setting for house building, the implementation of housing programs, and facilitate the inherent operational difficulties of this type of action such as the difficulty in obtaining land for construction and/or delays in the respective legalization processes for this land; complex bureaucratic procedures to obtain permits for the works; delays in the selection of future residents and delays in the execution of the works.

IV.2. ADHERENCE TO ISSUES AND RECOMMENDATIONS SET OUT IN THE UNECE/ UN DOCUMENT

34. This section presents the results of analyses performed by each SAI of the laws and regulations of the selected programs. The aim was to verify the adequacy and appropriateness of the rules established in relation to the criteria and recommendations described in the Unece/UN document, Guidelines on Social Housing (2006), as well as the results of visits to the complexes/projects that made up the sample, where real conditions were verified and the perceptions of residents obtained regarding compliance with the aspects under analysis.



IV.2.1. ACCESS FOR LESS PRIVILEGED GROUPS

35. According to the Unece/UN Guidelines, housing policies and programs should be designed to include and address the needs of disadvantaged social classes. Due to low income, these families are generally not in an economic situation to access decent housing through the housing market. As such, governments should establish policies oriented to that target audience.

36. Against this backdrop, analyses aimed to check if there were rules for selecting program beneficiaries amongst persons of disadvantaged social classes, and if these rules were being followed.

37. It was found that all audited programs provide criteria for selecting families in disadvantaged conditions. These are the criteria that define the target audience for each of the housing programs reviewed and they are usually similar: low-income families living in precarious conditions, those living in poverty with a disabled family member, those whose housing is in an area considered prone to the risk of natural disasters.

38. Using these criteria, the number of families identified as being potential beneficiaries of housing programs is almost always higher than the supply of available homes and/or the amount of subsidies provided by governments.

39. For this reason there is a need to establish additional criteria that enable prioritization, amongst potential beneficiaries, of those who will receive government support.

40. The absence of such prioritization criteria can lead to a final selection based on inadequate parameters, such as political party links and/or granting undue advantages, which violates the basic principles of the Universal Declaration of Human Rights, particularly those of equality set out in articles 1, 2 and 7.

41. In addition, equally important to establishing these criteria is to provide transparency and widespread publicity about how they are applied, so that anyone interested can clearly see an above-board selection process, thereby enabling control by society.

42. The investigations uncovered deficiencies in, or absence of, transparent mechanisms for ranking and prioritizing beneficiaries in many of the participating countries, to the detriment of other beneficiaries who are also part of the target audience of the programs.

43. It was also ascertained that many countries are dealing with families with precarious living conditions in the same housing program as those living in areas subject to natural disasters - such as in swampy areas or areas subject to landslides etc. However, each target audience has different characteristics.

44. In the first case (precarious living conditions), the aim is to improve the living conditions of families through access to decent housing and social inclusion, providing basic infrastructure and public services essential to the region. In the second case the aim, along with covering the points mentioned, is to protect the lives of people given that they are living in situations of high human risk. As such it is recommended that separate programs for each target audience are adopted, taking into account the needs and urgency of each case.

45. In this regard, we have identified good practices in Colombia and Mexico, where in addition to government programs instituted to combat housing shortages, housing programs have been developed exclusively to assist and resettle those living in high-risk areas, exposed to natural disasters.

FIGURE 7 - PRIORITIZATION OF BENEFICIARIES



OPPORTUNITIES FOR IMPROVEMENT

46. Based on the investigations, the following opportunities for improvement have emerged regarding the criterion “access of disadvantaged groups”:

a. Improve the selection criteria of beneficiaries in order to establish methodologies for prioritizing and consequently choosing beneficiaries, fairly and transparently, from amongst less privileged groups when it is not possible to cater to the entire segment of the population defined as a target audience for housing programs; and

b. Establish programs and/or criteria for evaluating and awarding differentiated housing subsidies to beneficiaries who live in areas subject to natural disasters and are exposed to life-threatening situations, taking into account the urgency and characteristics of the cases.

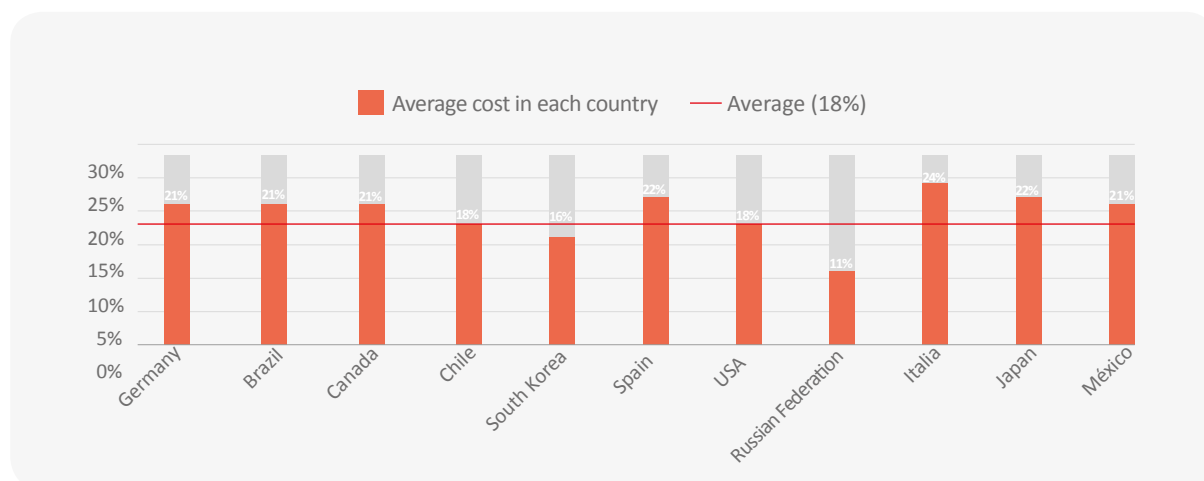
IV.2.2. AFFORDABILITY

47. The criterion “affordability” refers to the compatibility between spending on housing and household income. In general these costs constitute a high percentage of the family budget and are often the biggest expense for many individuals and families, given that they include rent, gas, electricity, water, furniture and repairs.

48. According to the Organization for Economic Cooperation and Development (OECD), families spend on average 18% of their gross income on keeping up the house in which they live (global average).

49. Average costs for housing in some OECD member countries are presented in the figure below.

FIGURE 8 - GRAPH OF AVERAGE COSTS FOR HOUSING IN SOME OECD MEMBER COUNTRIES.⁶



50. The audit found that all audited programs have mechanisms to reconcile housing costs with low-income beneficiary families. In some cases, governments subsidize the full cost for the construction or purchase of housing, whilst in others, partial subsidies are offered along with special conditions for financing the balance, where applicable. In some instances, the program itself offers total subsidies for lower income families and partial subsidies for those who have some ability to make monthly payments.

51. In countries whose programs offer partial subsidies (Brazil, Chile, Costa Rica, Honduras, Mexico and Paraguay), costs were variable and proportional to the family income of beneficiaries, which is considered good practice. In such cases, the value of government support increases or decreases depending on the financial position of the beneficiaries.

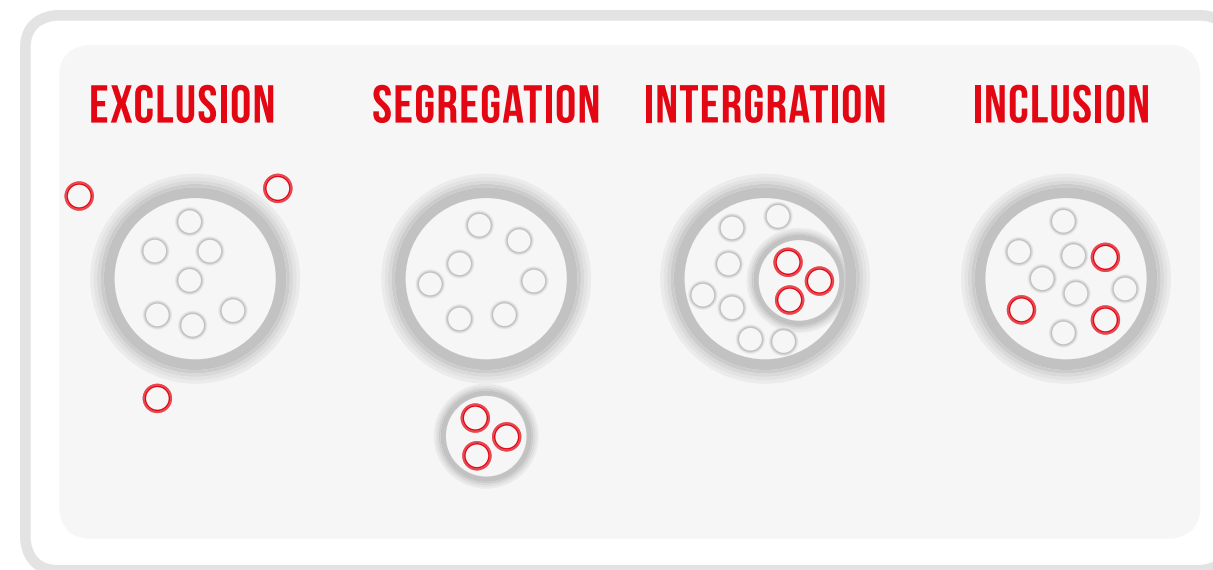
IV.2.3. COMBATING SOCIAL EXCLUSION AND INTEGRATION WITH OTHER PUBLIC POLICIES

52. The full exercise of the right to housing, set out in Article 25 of the Universal Declaration of Human Rights, and paragraph 1 of article 11 of the International Covenant on Economic, Social and Cultural Rights of the United Nations, involves issues that go far beyond the boundaries of building housing.

53. The exercise of this right also includes access to jobs and to basic services, both public and private, to basic sanitation infrastructure and water supply etc., which can only be achieved with government action in several areas, through integrating housing, sanitation, public transportation, health, education policies etc.

54. In this regard, to ensure the effective social inclusion of the most disadvantaged segment of the population, it is not enough that governments provide housing complexes in areas outside city areas, since such a practice would segregate those people and would lead inevitably to the creation of a “poverty ghetto” where the inhabitants would continue to feel socially excluded.

FIGURE 9 - EXCLUSION, SEGREGATION, INTEGRATION AND SOCIAL INCLUSION⁷



55. The criteria discussed in this chapter focuses precisely on the ability of the housing program to ensure that certain essential aspects not contained exclusively in the housing policy are observed, which depend on more integrated action from various sectors and are essential for the social inclusion of beneficiaries. In short, it is about the inclusion of housing in the broader surrounding context, the urban context.

56. With regards to the necessary infrastructure, the following aspects were assessed: drinking water supply, electricity supply, suitable final disposal of domestic sewage, existence of storm water drainage, paved roads and streetlights.

57. Of the audited sample, various complexes/projects were identified located in regions with poor infrastructure in terms of the following:

- a. Deficient and/or discontinued supply of drinking water (seen in complexes/projects in Argentina, Brazil, Mexico and the Dominican Republic);
- b. Partially paved or unpaved roads (seen in sample complexes/projects in Argentina, Honduras and Paraguay);
- c. Inadequate final disposal of domestic sewage (seen in complexes/projects in Argentina, Brazil, Mexico and the Dominican Republic);
- d. Absence or deficiency of drainage (seen in sample complexes/projects in Argentina, Honduras, Mexico, Paraguay and the Dominican Republic);
- e. Deficient public lighting (seen in sample complexes/projects in Brazil and the Dominican Republic);
- f. Problems with the electricity supply (seen in sample complexes/projects in Mexico).

FIGURE 10 - EXAMPLES OF PROJECTS DELIVERED WITHOUT PAVING OR DRAINAGE IN THE STREETS⁸



⁸ Photographs supplied by participating audit team from Argentina SAI, taken at Puerto Iguazú and Montecarlo projects



58. In the specific case of Honduras, in the regulations of the inspected program and the proposal for the projects it is not required that the complexes/projects have paved streets or storm drains. The absence of such features is due to the fact that their cost adds to the construction cost which would be borne by the beneficiaries through an increase in monthly payments.

59. Meanwhile in Chile, Colombia and Costa Rica it was found that almost all the housing complexes in the sample successfully fulfilled these criteria.

60. In terms of basic services and social infrastructure, the following aspects were evaluated: public transportation, periodic collection of household waste, ease of access to schools, health centers, local shops and areas for recreation and sports.

61. Of the audited sample, various complexes/projects located in areas without some of these basic services and/or social facilities were identified, characterized by difficulty of access to the following:

- a. Schools and/or health centers (verified in sample complexes/projects in Argentina, Brazil and Colombia);
- b. Public transportation (verified in sample complexes/projects in Argentina and Brazil);
- c. Areas for recreation and sports (verified in sample complexes/projects in Argentina, Brazil and Colombia);
- d. Local shops (verified in sample complexes/projects in Brazil and the Dominican Republic).

FIGURE 11 - EXAMPLE OF HOUSING COMPLEX WITH NO LOCAL SHOPS⁹



⁹ Photograph of Boca de Cachón project, accessed at https://c8.staticflickr.com/4/3670/13858560143_cc1d8a2624_b.jpg, on 1/6/2016



62. It was observed that the collection of domestic solid waste in sample complexes/projects was not regular in Argentina and Honduras. In the Dominican sample it was found that the condition of land intended for sports areas did not meet the minimum safety standards established by local regulations.

63. Meanwhile in Chile, Costa Rica, Mexico and Paraguay, it was found that almost all the housing complexes in the sample were located in areas with easy access to basic social services and facilities.

64. In Colombia an interesting initiative came to light which was to provide free digital connection (internet) for all housing complexes built, which may contribute to better social inclusion of beneficiaries.

65. From the scenario presented one can see that the integration of housing policy with other policies (education, health, sanitation, public transportation, etc.) remains a challenge to be faced in most of the countries of the region.

66. In the course of the audit, some aspects that contribute to the poor integration were identified. A primary factor, found mainly in large cities, is the limited availability of land in the urban area, which, when available, is difficult or unfeasible to acquire for social purposes due to high costs. For this reason a lot of investment in social housing is in outlying areas of cities, without the necessary infrastructure and basic services, where, however, land costs are slightly lower.

67. Another important aspect identified concerns shortcomings related to coordination and integration of different government policies. Given that every authority in the country (state, province, region, municipality) and governmental entity has different powers, for the successful implementation of any policy there should be joint planning. However, specifically in the case of urban planning, it is not always coordinated amongst the various entities and government stakeholders, creating, in some cases, the construction of residential complexes in places that are not covered by other policies (sanitation, health, education or public transport, for example).

68. Finally, flaws in the processes for the verification and monitoring of program regulations were observed. For that purpose the regulations of some of the reviewed programs set out specific requirements to be met by housing complexes and conditions for the authorization of construction, such as maximum distances of complexes/projects from basic services and formal commitments from those responsible for the missing basic services to ensure their provision at the time of delivery of housing, etc. However, it was found that in some cases these provisions were not complied with and/or commitments taken on were not met.

69. Regarding this point, it is important to note that in some of the audited programs, such as in Chile and Mexico, there were systems in place to prioritize projects located in regions that already have infrastructure, basic services and social infrastructure. This practice can help to better target investments in housing.

OPPORTUNITIES FOR IMPROVEMENT

70. Given what has been uncovered, the following opportunities for improvement have emerged in relation to the criterion “combating social exclusion and integration with other public policies”:

a. Establish criteria and methodologies that prioritize projects in sectors or areas that already have infrastructure (water, sewage, roads, etc.), basic services (education, health, public safety, public transportation, regular collection of household solid waste, trade, etc.) and adequate social infrastructure (areas for recreation and sports) in order to avoid, or at least reduce the number of complexes located in areas that are not fully established due to the lack of the above aspects, which are critical to improving the quality of life of beneficiaries; and

b. Implement joint and complementary work with other public policies, especially those relating to health, education, basic sanitation, public transport, urban development and land use management, whenever the housing complex has to be located in an area lacking infrastructure (drinking water, sewage, roads, etc.) and/or basic services (education, health, public safety, public transportation, regular collection of solid household waste, shops, etc.) and/or social infrastructure (areas for recreation and sports).

IV.2.4. CONSTRUCTION QUALITY

71. The quality of construction of housing is a factor that directly impacts the quality of life of the inhabitants. Beyond comfort, the house should provide adequate privacy and security and possess durability, structural stability and thermal and acoustic insulation, key factors for ensuring adequate health conditions for residents.

72. Thus, the aim of this criterion was to verify whether the reviewed programs had minimum specifications guaranteeing housing with adequate living and health standards, and also if the housing units being delivered were complying with such standards.

73. Regarding the minimum specifications, it was found that many countries base them solely on the technical regulations in force, while others complement these standards with regulations that are specific to the program, which define standards and cladding materials and finishes, minimum dimensions for each room, minimum furnishings, and other provisions.

74. The risk of poor quality building work affecting habitability can be significantly reduced by establishing detailed technical specifications to better define standards, materials and methodologies adopted for the design and building of housing units.

75. To illustrate, a case was noted in Honduras where the absence of minimum technical specifications led to the delivery of housing without cladding or paint on the walls. In this case, although the brickwork was of an adequate standard, the hygiene and thermal and acoustic comfort of dwellings may have been affected.

FIGURE 12 - EXAMPLE OF HOMES DELIVERED WITHOUT CLADDING AND PAINT¹⁰



76. Another example, found in Mexico, concerns the regulations of the audited program, which did not include a requirement for presenting the seismic analysis, very important for buildings in areas of the country with high seismic activity due to the risk of building homes that cannot resist earthquakes.

¹⁰ Photographs supplied by participating audit team from Honduras SAI, taken at El Paraíso project

77. Regarding the quality of construction work delivered, it was found in the sample visited that although there were some defects and/or construction faults, the quality of housing was fair to good, meaning it met minimum requirements for habitability.

78. The main problems identified were:

- a. Poorly installed frames (doors and windows) that on rainy days let rainwater through when closed (found in sample homes in Argentina and Brazil);
- b. Nonstructural cracks in mortar claddings (found in sample homes in Argentina, Paraguay and the Dominican Republic);
- c. Low quality paint finishes (verified in sample homes Brazil, Paraguay and the Dominican Republic);
- d. Deficiencies in waterproofing, leading to moisture on the floors and/or masonry (found in sample homes in Argentina, Colombia, Costa Rica, Mexico and the Dominican Republic);
- e. Water leaks in hydro-sanitary installations and pipes (found in sample homes in Brazil, Colombia, Costa Rica, Honduras, Paraguay and the Dominican Republic);
- f. Deficiencies in external facilities for wastewater disposal (found in sample homes in Brazil, Mexico and the Dominican Republic);
- g. Various flaws in electrical installations (verified in sample housing in Honduras and Paraguay); and
- h. Leaks in the roofs of buildings (found in sample housing in Colombia, Honduras and the Dominican Republic).

FIGURE 13 - EXAMPLE OF POOR FRAMES ¹¹



FIGURE 14 - EXAMPLES OF LOW QUALITY PAINT ¹²



¹¹ Photographs supplied by participating audit team from SAI of Brazil, taken at Brasília project

¹² Photographs supplied by participating audit team from SAI of Brazil, taken at São Paulo project



FIGURE 15 - EXAMPLES OF PROBLEMS CAUSED
BY DEFICIENCIES IN WATERPROOFING ¹³



FIGURE 16 - EXAMPLES OF PROBLEMS CAUSED BY
DEFICIENCIES IN ELECTRICAL INSTALLATIONS ¹⁴



79. Here, two main causes for the problems described were observed. The first was poor supervision of the execution of the works, given that it is the responsibility of the professionals responsible for overseeing the works to ensure that the services are performed in accordance with good engineering practices and the technical standards applicable in each country. More effective supervision would have mitigated many of the problems observed.

80. The second cause, found mainly in projects using self-build systems, was insufficient training of the workforce. In this respect, a good practice identified in Argentina was conducting training workshops to teach how each job should be performed. Such initiatives both reduce the likelihood of poor work execution and are very positive on a social level as the beneficiaries receive training for the labor market.

81. It should not be forgotten that due to the diversity of materials and labor used in a building, there is always an implicit risk of some construction defects emerging over the useful life of the dwelling. In this context it should be noted that for the authorities and public entities implementing such housing programs, as important as avoiding problems is supporting families in resolving them.

82. It is important to note that most of the problems found caused by poor construction would be covered by compulsory building works guarantees that must be honored in the timeframe defined in each country's legislation. What happens is that homes are delivered to a segment of society lacking information who may not know they need to demand good quality building work. This justifies the need for government actors to assist beneficiaries in solving such problems.

83. With regards to this point, the methodology established in Brazil to identify and correct construction problems occurring in housing provided by the government was identified as a benchmark. A program is being implemented here called "Program Olho na Qualidade" which works as follows: when housing is handed over each resident receives an informative booklet on beneficiaries' duties and obligations - general guidance on building maintenance, those modifications that may lead to the loss of the guarantee and those that are permitted, tips on harmonious living and how to save water and energy. On the back of the guidance booklet there is a contact number which serves as a tool for listening to beneficiaries, encouraging residents to report, via a free call, on construction defects in their homes.

¹³ Photographs supplied by participating audit team from SAI of Argentina, taken at Puerto Iguazú project

¹⁴ Photographs supplied by participating audit team from SAI of Paraguay, taken at San Pedro project



84. Complaints received are passed on directly to the construction company responsible for the construction, who have up to three business days to submit a proposal for a solution along with a timetable for making the necessary repairs. If the builder fails to meet this requirement, a government entity is informed, which, within two working days makes an inspection and issues a report and a technical opinion identifying the origin of the damage and who is responsible for the repair.

85. The whole process of correcting the construction defects is monitored. In cases where the construction company is reluctant to meet demands, another company is contracted to resolve the problem and the company liable for damages is listed in a registry that prevents future contracts with a government entity. Additionally, the documentation is sent to a legal unit in order to initiate a suit for damages.

86. In addition to the institutionalization of this channel, post-occupation quality inspection is foreseen, which must be made between nine and twelve months after the delivery of housing, in order to check for deficiencies in the units, availability of public services and social facilities in the area etc.

FIGURE 17 - LOGO FOR PROGRAMA DE OLHO NA QUALIDADE



OPPORTUNITIES FOR IMPROVEMENT

87. Based on findings, the following opportunities for improvement have emerged regarding the criterion “construction quality”

a. Establish or improve the list of minimum technical specifications to be met for housing program plans and construction, complementing existing technical standards so as to ensure that housing meets adequate living and health standards;

b. Strengthen internal control mechanisms to ensure more efficient and timely monitoring of social housing works to make sure they are executed in accordance with the respective quality specifications and standards;

c. Invest in action to train workers regarding good construction practices, so that social housing works and the respective services are executed with better quality and in line with good engineering practices; and

d. Invest in action to provide the beneficiaries of social housing programs with information on their rights regarding their housing, especially on the existence of guarantees on building work and services, in order to avoid the payment of additional costs for the correction of construction defects that are the responsibility of construction companies.



IV.2.5. ENERGY ECONOMY AND SUSTAINABILITY IN HOUSING UNITS

88. In families from disadvantaged social and economic classes, the proportion of income spent on housing is generally greater than in families of higher income, which results in a further reduction in their purchasing power and contributes to an increase in social inequality. It should be clarified that along with purchasing or renting, expenditure on housing includes regular usage costs and maintenance.

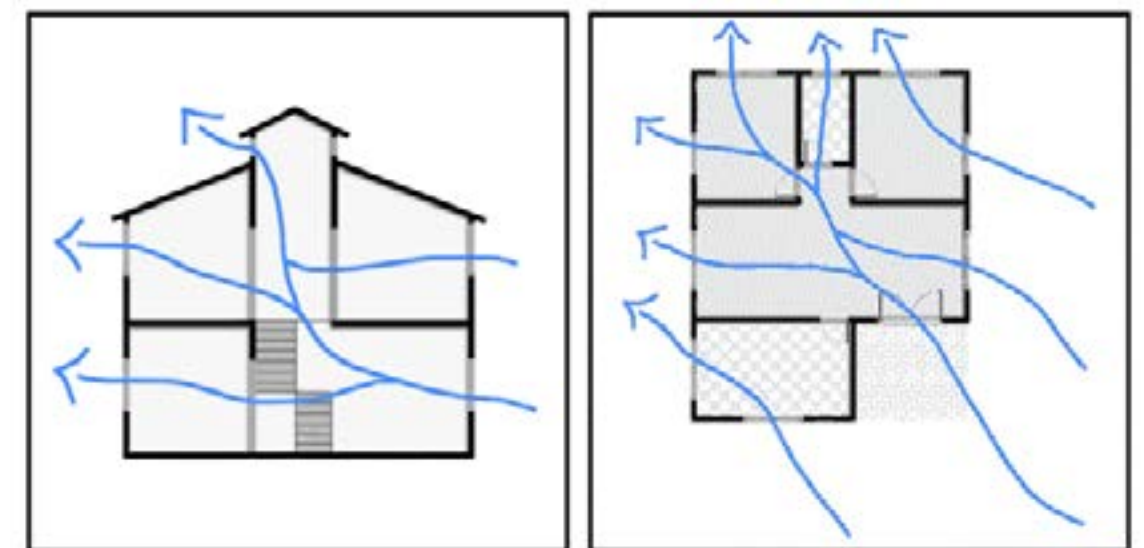
89. According to Unece/UN guidelines, used as a touchstone for this audit, incorporating concepts of sustainability in architectural plans and designs can contribute to reducing regular usage costs, notably electricity, which can be quite significant.

90. A sustainable project takes into account the characteristics of future users, the surroundings, and in particular climate, as well as the entire building life cycle, from construction to utilization, so that over its useful life it consumes less energy, water and other natural resources, and also has lower maintenance costs.

91. According to the Associação Brasileira dos Escritórios de Arquitetura (AsBEA), there are certain recommendations which, if followed, can reduce electricity use in a building with practically no change in construction costs. The following are some examples:

- Using energy-efficient light bulbs in housing units;
- Make the best use of natural lighting;
- Optimization of natural ventilation through strategic positioning of windows (cross ventilation) to reduce the need for air conditioning or fans;
- Use of light-colored paint in sunny areas;
- Treatment of roofs of buildings exploring the possibility of using reflective paint to reduce heat absorption.

FIGURE 18 - CROSS VENTILATION



92. According to AsBEA, another way to promote a reduction in building maintenance costs is to use durable materials, not only for their technical features but also because of their performance and behavior over time, resulting in greater comfort and longevity of the building, taking into account the region's climate characteristics.

93. From the investigations it was observed that in general the audited programs do not include in their regulations requirements to incorporate sustainability concepts and/or standards. Where these do exist they are incipient. The regulations in general only establish minimum window areas to promote ventilation and regular lighting.

94. However, in some programs initiatives to adopt sustainability standards were observed. For example in Paraguay's housing program regulations state that units should be oriented with thermal comfort in mind and that the windows should be designed for cross ventilation to keep the dwelling cool and airy. Guidelines for cross ventilation can also be found in housing programs in other countries participating in the audit, namely: Argentina, Costa Rica and Honduras.

95. In Costa Rica, in addition to this guideline, program regulations establish different project types depending on the country's climatic region, so that dwellings are cool and well ventilated without the need for electronic devices (fans or air-conditioning).

96. In Brazil and Colombia, the regulations enforce individualized water and electricity consumption as a way of encouraging saving. This is because when measurements are taken individually, each family pays only for what they consume rather than dividing total consumption of the entire building or complex/project by the number of units, which can work against those families with fewer residents or those concerned about saving these resources.

97. Another good example was identified in Mexico, where the regulations establish criteria to encourage projects to use eco-techniques (rainwater harvesting systems, use of biodigesters and/or ecological stoves etc). Among the planned incentives there is an increase in subsidies offered by the government for construction projects that include such requirements.

98. It should not be forgotten that the inclusion of sustainability criteria must be preceded by studies that establish their technical and financial viability. It is often the case with new construction techniques and/or innovative materials, that over time and with use, parallel to the possible advantages some associated disadvantages emerge that ultimately render them unfeasible from the point of view of performance, cost, maintenance or availability.

99. In that sense, the incentive is important for the development and implementation of pilot projects, i.e. experimental projects which aim to test and analyze various aspects and technologies to provide data in order to make a subsequent decision on its final implementation.

100. According to the Unece/UN Guidelines, the social housing sector represents an excellent basis for pilot projects, once it is possible to focus public subsidies on conducting experiments that can provide a valuable contribution to housing projects. The following recommendations appear in the document:¹⁵

D. Recommendations

1. Pilot projects, experiments

- Public authorities should establish experimental housing programmes within their overall social housing policies.
- Public subsidies for new social housing projects should be associated with conditions conducive to technological innovation, new social approaches and new solutions that take economic aspects into consideration.
- Pilot projects and building exhibitions should be organized to profit from experiments and from international know-how transfer.

101. Regarding this matter, the Chilean initiative must be acknowledged, with its social housing pilot projects whose architect and planner Alejandro Aravena won the 2016 Pritzker Prize, the most important international award for architecture.

102. For his projects, housing is based around the concept of expandable houses with each housing unit designed for a prospective extension that can add real estate value as well as being strategically positioned and constructed with materials and technologies that promote thermal comfort and reduce heating costs.

103. The following figure shows the most notable project, in the city of Iquique in northern Chile.

¹⁵ United Nations Economic Commission for Europe (Unece/ONU). GUIDELINES ON SOCIAL HOUSING - Principles And Examples. 2006, p. 94, free transcript.



FIGURE19 – SOCIAL HOUSING IN IQUIQUE, CHILE, BUILT USING THE CONCEPT OF EXPANDABLE HOUSES¹⁶



OPPORTUNITIES FOR IMPROVEMENT

104. Based on findings, the following opportunities for improvement have emerged regarding the criterion “energy economy and sustainability in housing units”

- Encourage the use of social housing pilot projects to test new technologies and materials in order to create more sustainable buildings and reduce costs associated with usage and maintenance.
- Improve regulations for housing programs to include, as a guideline for the development of projects, more sustainability criteria, such as the examples listed below:
 - preference for the use of alternative power generation systems;
 - choosing high-performance building methods and materials, bearing in mind the characteristics and climate of the region;
 - optimization of natural ventilation through strategic positioning of windows (cross ventilation) to reduce the need for air conditioning or fans;
 - planning the building to make best use of natural light;

¹⁶ Source: Casa Vogue magazine, Published by Globo, January 2016, available from: <http://casavogue.globo.com/Arquitetura/noticia/2016/01/alejandro-aravena-e-o-pritzker-de-2016.html>, accessed 3/6/2016.



- v. individual water and energy meters for each dwelling unit;
- vi. use of energy-efficient light bulbs in housing units;
- vii. use of light-colored paint and finishes in sunny areas;
- viii. treatment of roofs of buildings exploring the possibility for using reflective paint to reduce heat absorption.
- ix. methods for making use of rainwater; and
- x. provision of compact systems for sewage treatment for projects located in areas without sewage collection.

IV.2.6. ADAPTATIONS FOR PEOPLE WITH DISABILITIES AND SENIORS

105. Some important aspects that must be taken into consideration in the design and construction of housing are eliminating barriers and obstacles that prevent or hinder the full use of the property by people with limited mobility, and providing adaptations to ensure that these people can enjoy all their fundamental rights and freedoms on equal terms with other people.

106. In recent years there has been an increased awareness in society about the importance of social inclusion of persons with permanent or temporary difficulties of mobility, flexibility, motor coordination or perception. This group of people includes not only those with disabilities but also the elderly, pregnant women, the obese and children.

107. The aim of this criterion was to verify whether the housing units in the audited programs are implementing the appropriate adaptations to ensure their full utilization by people with disabilities or mobility difficulties.

108. In the regulations of two of the audited programs (Brazil and Colombia), it was ascertained that a minimum percentage of homes suitable for families with a disabled member are allotted. In other programs the regulations only stipulate that when beneficiaries are selected, families with such needs should be prioritized, leaving the quantity to the discretion of the entity responsible for selection and/or the demand.

109. Regarding the sample of construction sites visited, it was found that in Brazil, Colombia, Honduras, Mexico, Paraguay and the Dominican Republic, not all projects had included the necessary adaptations to make internal and external areas of housing units accessible for families with a member with special needs (minimum width of doors, suitable slope on ramps, security features, absence of steps and other physical barriers). In some cases, projects had planned for these adaptations but they had not been installed, revealing shortcomings in monitoring during construction.

110. In Mexico and Paraguay, the projects analyzed only had one housing layout, common to all units, which was not suitable for people with disabilities or mobility difficulties.

111. In Brazil, a good practice was identified relating to the implementation of accessibility requirements for housing programs, in that it was possible to make adaptations to all homes, without distinction. Therefore, there are no differentiated, exclusive designs for families with disabled members. All units in the project must have the same architecture and meet the following prerequisites for accessibility: the width of all internal spaces, including doors, must be at least 80 cm to allow a wheelchair to pass, and in all the rooms of the unit, without exception, after the minimum furnishings listed in the technical specifications for the program have been put in place, there must be a free area for maneuvering a wheelchair, allowing for rotation of 180° (1.20m x 1.50m).

112. After completing the building process and establishing which homes will be for families with a member with disabilities or mobility difficulties, accessibility kits are installed, according to the needs of the future residents.

113. Due to the fact that the projects stipulate that all units can be adapted, even for those without residents with special needs, and as such without accessibility kits, it is possible to install these in the future, making the dwelling fully accessible in the event that a family member later acquires a disability or mobility difficulties.

FIGURE 20 - ABSENCE OF ACCESS RAMPS TO HOMES¹⁷



114. In spite of such rules, in some projects visited in the Brazilian sample, residents with disabilities were found living in houses where the adaptation kits had not been installed. Homes were also found with the kits properly installed, but with no disabled family members, revealing a possible failure in the allocation of residents with special needs to their respective homes.



¹⁷ Photographs provided by the participating audit team from the SAI of Paraguay, project in San Pedro

FIGURE 21 – HOUSING WITH ADAPTATION KIT FOR FAMILIES WITH NO MEMBERS WITH DISABILITIES¹⁸

OPPORTUNITIES FOR IMPROVEMENT

115. Based on findings, the following opportunities for improvement have emerged regarding the criterion “adaptations for people with disabilities and seniors”:

- Strengthen internal control mechanisms to ensure that social housing projects are approved only if they observe the guidelines and conditions on accessibility provided in each country;
- Strengthen internal control mechanisms to ensure more efficient and timely monitoring of social housing works, to make sure they are executed in accordance with the respective specifications; and
- Strengthen internal control mechanisms to improve the allocation process in social housing programs for residents with special needs in their respective units, in order to ensure that these units have all necessary adaptations fully installed.

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Photographs provided by the participating audit team from the SAI of Brazil, projects in Paraná and Pernambuco



IV.2.7. RESIDENT INVOLVEMENT IN DECISIONS ABOUT THEIR HOUSING AND NEIGHBORHOOD

116. Another important criterion evaluated in the audit is the participation of program beneficiaries in decisions affecting their housing and respective neighborhood. This participation is essential for ensuring greater social cohesion and contributing to the sustainability of the project, especially in cases where poor communities are served, in a landscape of greater social vulnerability.

117. There are different models of housing programs that provide for the participation of beneficiaries in decision-making at different levels, from the initial design phase of the project when residents can have their say about design, up until after homes have been handed over and residents get together to discuss community issues.

118. The main driver behind this participation is Technical Social Work. This consists of carrying out activities, preferably coordinated by a professional trained in social work, with the aim of implementing a set of informative and educational activities together with beneficiaries to promote citizen participation, the organization of the community and the management of common areas, in order to contribute to improving the quality of life of families and the sustainability of projects.

119. According to the International Federation of Social Work (IFSW), it is defined as follows:¹⁹ Social work is a practice-based profession and an academic discipline that promotes social change and development, social cohesion, and the empowerment and liberation of people. Principles of social justice, human rights, collective responsibility and respect for diversities are central to social work. Underpinned by theories of social work, social

sciences, humanities and indigenous knowledge, social work engages people and structures to address life challenges and enhance wellbeing.

120. Social work can also provide management with information that serves as feedback for administrative decision-making concerning such matters as the need for further investment, or for activating mechanisms should it be found that housing is not being used for the purposes for which it was built.

121. Against this backdrop, this criterion aims to verify whether, in the programs audited, provision was made for carrying out follow-up social work, post-occupation, to encourage resident participation in collective decisions that affect their housing and neighborhoods and promote a healthy habitat and peaceful cohabitation.

122. It was found that despite the undeniable importance of this type of work and the positive impact it can generate in the target community, it was not carried out in all the audited programs, such as in those of Argentina, Chile, Costa Rica, Mexico and the Dominican Republic.

FIGURE 22 – IFSW LOGO

FIGURE 23 – PERCENTAGE OF PROGRAMS DISCERNING THE NEED FOR SOCIAL WORK²⁰

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Fuente: <http://ifsw.org/get-involved/global-definition-of-social-work/>, acceso el 17/5/2016.

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Prepared by authors from the results of the audit



123. It is important to mention that in Chile, although the reviewed program provided no technical social work post-occupation, regulations were recently amended to include the obligation to henceforth provide this type of work for housing projects funded by the government for those with limited resources.

124. In Argentina, the audit team verified that despite the absence of legislation on the matter, the state entity was organizing events to promote social exchange and better understanding of the community. Some of those events were also aimed at making residents assess and suggest improvements to be prioritized and implemented in the region in the future. The government also took action in conjunction with the Catholic Church to fund workshops for training residents in various trades.

125. It was found that in programs in Brazil, Colombia, Honduras and Paraguay, the rules included the performance of this type of work. In Honduras, along with this service, manuals on successful cohabitation were distributed.

126. On the other hand, there were cases where work performed displayed shortcomings. For example in Brazil there were failures in the dissemination of social work, in the sense that residents were unaware it was being implemented. In Colombia the program offered different forms of social support for families; however, the families had no clear understanding of the types of assistance available and their potential benefits, and found it difficult to participate in these initiatives. In Paraguay, residents of the sample complex informed the audit team that there was no social work, despite the fact it was specified in the regulations.

OPPORTUNITIES FOR IMPROVEMENT

127. Based on findings, the following opportunities for improvement have emerged regarding the criterion “resident involvement in decisions about their housing and neighborhood”:

a. Establish in the regulations of social housing programs the need to perform post-occupation follow-up technical social work, to inform and educate beneficiaries, promoting citizen participation, the organization of the community and the management of common areas in order to contribute to improving the quality of life of families and the sustainability of projects, and provide management with information that serves as feedback for administrative decision making concerning such matters as the need for further investment, or for activating mechanisms should it be found that housing is not being used for the purposes for which it was built;

b. Strengthen the dissemination of technical social work and the incentive for residents to participate so that all families benefiting from social housing programs participate in these activities, which will generate social benefits for families and better sustainability of the housing projects; and

c. Strengthen internal control mechanisms to ensure that post-occupation follow-up technical social work is properly carried out, when this is provided for in the legislation and/or regulations governing social housing programs.



IV.2.8. LEGAL SECURITY OF PROPERTY

128. This approach was intended to verify whether beneficiaries have received documents proving ownership and possession of their new homes, which is important in that it provides families with security and prevents their eviction in case of unemployment, and also because it makes them less vulnerable to pressure from political agents who could turn the housing into currency to be exchanged for votes or other personal benefits.

129. What is more, the existence of such documents has an impact on the sense of ownership of real estate by residents, which encourages their maintenance. The lack of such documentation has the opposite effect.

130. Possession of the title is also important to prevent the possible illegal sale of social housing, something that was seen in the samples of some countries. Many programs stipulate a certain period of time during which the beneficiary family cannot sell or rent their property to others. These provisions aim in essence to prevent residents using their property to generate income, returning them to their previous situation in terms of housing, a situation which would undermine the essential purpose of the programs and pose a threat to their effectiveness.

131. It is unlikely that a buyer would conduct informal transactions concerning a property for which a document exists legally linking it to another person. However, when residents do not have such a document, there is no impediment for them to do so.

132. Based on the audited sample it was found that only in Costa Rica all residents interviewed had the title deeds for their homes.

133. In Colombia, the pubic registration process for property proved to be relatively advanced - more than 60% of the sample housing units delivered had already completed the titleing process (as at 31/12/2015), that is, with the property registered in the name of the beneficiary.

134. In Paraguay, under the rules of the program, the delivery of title deeds can only take place after the beneficiary has paid the full cost of the property. However, the documentation that residents received before full payment had the legal force to prove possession.

135. In Honduras, the program provides for documentation to be handed over to the beneficiary. This is not a public document but does have the legal force to prove the ownership and possession of the property. In Mexico meanwhile, program regulations also set out the need for handing over property titles.

136. In the other participating countries (Argentina, Brazil, Chile and the Dominican Republic), the program regulations provide for the handing over of the titles, however the beneficiaries at the audited complexes had received their properties without them, the documentation for proving possession still being in the pipeline.

137. Indeed the public certification process for property is not always streamlined. The public registration of property generally requires the presentation of various documents and proofs of payment of certain duties and taxes. Owing to this, the following factors were found to contribute to delays in the issuance of property titles: bureaucracy in the registration process and difficulty paying the necessary duties or taxes to make the transfer, either on the part of the residents with their low financial capacity, or the governments who may prioritize the construction costs of housing over the provision of resources for the public registration of real estate.

OPPORTUNITIES FOR IMPROVEMENT

138. Based on findings, the following opportunities for improvement have emerged regarding the criterion “legal security of property”



- a. Establish in the regulations governing social housing programs an obligation to hand over to beneficiaries documents proving ownership of property (deed or other similar instrument) to ensure, permanently, the ownership of dwellings by beneficiaries and facilitate their proper legal security; and
- b. Assess the possibility of implementing more expeditious mechanisms for the registration of social housing, with the aim of reducing the existing bureaucracy and speeding up the process of obtaining property titles, as well as offering better support through an exemption from, or subsidies for, duties and taxes so that these do not become obstacles to the completion of the property registration process.



V. ACKNOWLEDGEMENTS

The success in carrying out this joint project and the good results achieved, which could improve the lives of countless families receiving government support to acquire housing, are the result of the commitment and dedication of all the audit teams involved in its various phases.

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