PD-AAA-272-A1

5720236 (3)

USAID/BRAZIL

Annual ~~QUARTERLY~~ STATUS REVIEW OF CAPITAL LOANS

1. Loan Nº: Loan 512-L-053 Date of Review: February 7, 1972
CCHEBE

2. Basis for Review and Period Covered: borrower's quarterly reports through 1971. Inspection and correspondence from March 31, 1969 to present

3. Date Loan Signed: December 1, 1965

4. Conditions Precedent: All have been met.

5. Implementation Letters Issued:

I.L. Nº 13 - May 16, 1969 - extends terminal date for requests for L/C to December 31, 1969; extends terminal date for requests for disbursement to December 31, 1970.
I.L. Nº 14 - September 18, 1969 - advises borrower of new procurement policy regarding late bids.
I.L. Nº 15 - September 22, 1969 - advises that loan will now be administered from USAID/Rio offices.
I.L. Nº 16 - December 23, 1969 - extends terminal date for requests for L/C to June 30, 1970; extends terminal date for disbursements to December 31, 1970.
I.L. Nº 17 - May 13, 1970 - transmits USAID/B guidelines for preparing final reports.
I.L. Nº 18 - June 8, 1970 - extends terminal date for requests for L/C to December 31, 1971; extends terminal date for disbursement to June 30, 1971.
I.L. Nº 19 - December 23, 1970 - extends terminal date for requests for L/C to June 30, 1971 extends terminal date for disbursements to September 30, 1971
I.L. Nº 20 - June 8, 1971 - extends terminal date for requests for L/C to October 31, 1971; extends terminal date for disbursements to December 31, 1973, for training only.
I.L. Nº 21 - September 23, 1971 - extends terminal date for L/C 08,09 and 13 to November 30, 1971.
I.L. Nº 22 - November 30, 1971 - extends disbursement terminal date under Letters of Commitment 512-L05308, 09 and 13 to March 1, 1972 to permit final payments be made on eligible commodities.

6. Loan Utilization:

(a) Percent loan funds committed; 99%
(b) Percent loan disbursed: 97%

7. Field Visits and Audits:

(a) Last field visit: May 17, 1971
(b) Next visit planned: none scheduled
(c) Last USAID audit: 1-29-71 (covering period 1-1-69 through 10-31-70)
(d) Next audit scheduled: none scheduled

8. Physical Progress:

(a) Current date scheduled completion: completed (training in process)
(b) Percent of physical completion: 100%
(c) Percent of procurement completed: 99% (some parts remain to be shipped)
(d) Percent of project time elapsed: 100% for initial (project extended to complete training)
(e) Remarks and summary: training will continue until December 31, 1973

9. Current Cost Estimate of Program or Project:

Item	U.S. Dollars	Local Currency (US$)
	10,700,000	65,800,000
Total cost	10,700,000	65,800,000

10. Current Financial Plan:

Source	U.S. Dollars	Local Currency (US$)
AID	10,700,000	
Borrower	-	65,800,000
Other	-	
Total Source	10,700,000	65,800,000
Total Cost	10,700,000	65,800,000
Surplus(Deficit)	-	-

11. Financial Analysis:

(a) Date of last financial report: 12-31-70
(b) GOB and other non-revenue producing projects: none
(c) Revenue-producing projects (Cr$ millions):
  (i) Operating ratio: loss
  (ii) Net revenue after operating expenses, depreciation and taxes, but before debt-service and dividends: Cr$382,000 (loss)

(iii) Net fixed assets (less depreciation) in operation: Cr$554,000,000
(iv) Percent return on net fixed assets: loss
(v) Current ratio: .4/1
(vi) Debt/Equity ratio: 1.37/1
(vii) Cash generation (item ii plus depreciation): Cr$160,000
(viii) Debt-service during period: unknown
(ix) Debt-service coverage (item viii vii): -
(x) Remarks: continued tight cash position

12. Covenants (refer Basic Fact Sheet):

Indicate Borrower and GOB compliance with principal covenants, and basis for review:
(a) Source and origin - compliance
(b) Insurance provisions - compliance
(c) Subordination of subsequent debt to AID loan - compliance
(d) Limitation on dividend payments - compliance
(e) Adequate rate structure - compliance
(f) Submission of training information - compliance
(g) Annual consultation between borrower, SUDENE and USAID - compliance

13. Shipping, Excess Property and Miscellaneous Requirements:

Borrower is complying.

14. Action Required:

Summarize issues requiring attention, including audit recommendations, and specify steps being taken to resolve.

Expedite submission of Final Report for transmission lines which was requested per ADCD letter to borrower dated November 1, 1971. Inform borrower by letter that he should request specific balances under L/COMs 08,09 and 13 to be transferred to training L/COM 01 ~~prior to March 1, 1972~~.

15. Project Committee:

(a) Supervisor ADCD - DBJohnson
(b) Loan Officer in charge - GOglesby
(c) Legal Advisor - LGS: DRobertson
(d) Engineering Office - JHall
(e) Controller - NDuniven

CDLS:GOglesby/ic
2/10/72