

15N-32928

538-0003/68

UNITED STATES GOVERNMENT

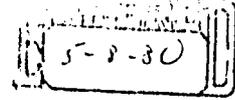
FD-117-68

memorandum

DATE: April 17, 1980

REPLY TO
ATTN OF: Stephen C. Ryner, CRDO, Regional Development Office/Caribbean

SUBJECT: Loan Completion Report - Loan No. 538-L-003



TO: See Distribution

Attached please find a copy of a loan completion report for AID Loan No. 538-L-003. The loan had a TDD of December 31, 1979 and is completely disbursed.

Distribution

LAC/DR

LAC/DR Records and Reports Division

AAG/LA, Panama

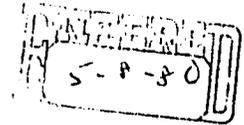
✓ Program Office, RDO/C

Controller's Office, RDO/C



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

Loan Completion Report



1. Project Title : Caribbean Development II
2. Project Number : 538-L-003
3. Borrower : Caribbean Development Bank
4. Loan Amount : \$12,000,000
5. Date Authorized/Signed: February 23, 1973/May 24, 1973
6. TCD Original/Revised : June 30, 1977/December 31, 1978
7. TDD Original/Revised : December 31, 1978/December 31, 1979
8. Summary of Project:

The loan assisted the Caribbean Development Bank (CDB) to continue its Special Development Fund (SDF) lending activities to Barbados and the less developed members of the CDB. The loan constituted only a part of the CDB's resources for the SDF lending activities, to which the United Kingdom, Canada, Venezuela, and the Federal Republic of Germany have contributed. AID's participation was based on an estimated \$36 million capital expenditure requirement by the LDCs for a broad spectrum of development investment activities. The activities included agriculture and small industrial credit, industrial estates, tourism, and infrastructure.

The AID loan funds contributed towards the financing of 42 CDB SDF sub-loans to the Caribbean LDC governments and intermediate credit institutions.

9. Status of Project Elements:

The following is a list of projects which were funded under the Loan:

| <u>Project</u> | <u>Loan 003 Funds</u> | <u>SDF Sub-loan</u> | <u>Status of Project</u> |
|-----------------------|-----------------------|---------------------|---|
| (\$000s) | | | |
| <u>Antigua</u> | | | |
| Livestock Development | 53 | 53 | Completed |
| Small Industry Credit | 70 | 70 | Completed |
| <u>Barbados</u> | | | |
| Agricultural Credit | 451 | 451 | Completed |
| Industrial Estate | 265 | 620 | Balance of sub-loan transferred to AID Loan 012 |

| | | | |
|---------------------------------|-------|-------|---|
| <u>Belize</u> | | | |
| Industrial Estates | 288 | 482 | Balance of sub-loan transferred to AID Loan 012 |
| Rice Mills | 195 | 195 | Completed |
| Electricity Development | 1,026 | 1,026 | Completed |
| Banana Control Board | 16 | 16 | Completed |
| Feeder Roads | 41 | 418 | Balance of sub-loan transferred to AID Loan 012 |
| Banana Control Board | 14 | 14 | Completed |
| Electricity Development | 71 | 71 | Completed |
| Small Industry Credit | 135 | 135 | Completed |
| Small Industry Credit | 168 | 441 | Balance of sub-loan transferred to AID Loan 012 |
| Deep Water Port | 6,108 | 6,108 | Completed |
| <u>Dominica</u> | | | |
| Deep Water Port | 219 | 219 | Completed |
| Small Industry Credit | 31 | 31 | Completed |
| Industrial Estates | 2 | 2 | Completed |
| Factory Buildings | 2 | 116 | Balance of sub-loan transferred to AID Loan 012 |
| <u>Grenada</u> | | | |
| Small Industry Credit | 33 | 148 | Balance of sub-loan transferred to AID Loan 012 |
| Cocoa Fermentary | 51 | 51 | Completed |
| <u>Montserrat</u> | | | |
| Small Industry Credit | 40 | 40 | Completed |
| Factory Buildings | 94 | 94 | Completed |
| Factory Buildings | 17 | 17 | Completed |
| Small Industry Credit | 8 | 100 | Balance of sub-loan transferred to AID Loan 012 |
| <u>St. Kitts/Nevis/Anguilla</u> | | | |
| Land Settlement | 31 | 31 | Completed |
| Harry Phipps Estate | 9 | 9 | Completed |
| Small Industry Credit | 7 | 7 | Completed |
| Large Factory Buildings | 86 | 86 | Completed |
| Industrial Estates | 80 | 80 | Completed |
| Industrial Estates | 41 | 41 | Completed |

St. Lucia

| | | | |
|---------------------------|-------|-------|---|
| Castries Port Development | 266 | 266 | Completed |
| Castries Port Development | 189 | 189 | Completed |
| Small Industry Credit | 43 | 43 | Completed |
| Large Factory Buildings | 10 | 10 | Completed |
| Industrial Estates | 168 | 168 | Completed |
| Feeder Roads | 1,289 | 1,289 | Completed |
| Industrial Estates | 56 | 667 | Balance of sub-loan transferred to AID Loan 012 |

St. Vincent

| | | | |
|-------------------------|-----|-----|---|
| Small Industry Credit | 4 | 4 | Completed |
| Large Factory Buildings | 16 | 16 | Completed |
| Small Industry Credit | 171 | 171 | Completed |
| Industrial Estate | 55 | 611 | Balance of sub-loan transferred to AID Loan 012 |

Turks and Caicos Islands

| | | | |
|-----------------------|----|-----|---|
| Small Industry Credit | 81 | 138 | Balance of sub-loan transferred to AID Loan 012 |
|-----------------------|----|-----|---|

| | | | |
|--------|-----------|-----------|-----------------------|
| TOTALS | \$ 12,000 | \$ 14,744 | \$ 2,744 undisbursed* |
|--------|-----------|-----------|-----------------------|

* The \$2,744 undisbursed balance of incompleated projects was transferred to AID Loans 538-T-006 and 538-W-012.

10. Accomplishments:

At the time the AID Loan was approved the SDF was the only source of long-term development loan financing for the less developed Caribbean states. The purpose of the AID Loan was simply to provide resources for identified and projected country development investment projects which was needed for the SDF to accelerate the economic growth and development of the CDB regional member countries. It was the second of two loans providing AID financing for the SDF. The projects financed were, in general, analyzed and designed to be self-financing and not require the borrower to cover operating costs of debt repayment requirements out of government revenues.

The two loans accounted for 28% of contributions to the Fund and enabled the CDB to meet its projected short-term lending target for the LDCs for priority development activities.

11. Additional Inputs:

While AID is providing assistance to the region via other loans and grants to the CDB for projects which could also fall under the SDF project

category, the Bank feels that assistance through the SDF is the most effective means to address the development problems of the LDCs. This is based on the CDB's view of being more a financial institution rather than a 'grass roots' development institution, and the fact that the Bank finds other AID-financed assistance difficult to implement due to limitations and restrictions on use of funds for specific output-oriented subprojects. CDB policy is expected to continue to emphasize the financing of projects through its SDF. It is foreseeable that additional AID assistance may be required for the Bank to meet its projected SDF program needs in the future. However, at the present time, other AID-funded programs are available as sources of funding for similar activities. As shown in the listing of the status of projects financed under the loan, the CDB was able to transfer incompletd projects to other AID-financed programs.

12. Additional Monitoring and Reporting:

The CDB has met all covenants and warranties under the Loan Agreement and the Loan funds have been fully disbursed. This report satisfies the approved action decision of the Final Project Evaluation Summary dated March 18, 1980. No further action, evaluation, or reporting is required and the Loan is closed.