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CARIBBEAN DEVELOPMENT BANK

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Telephone: 61152 · Cable Address: "Caribank"

6th November, 1972

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ur Ref: 27/2

Mr. Frank B. Kimball, Director
Office of Development Resources
Latin American Bureau
Agency for International Development
Department of State
Washington, D.C. 20523
U.S.A.

Dear Mr. Kimball,

In accordance with your letter of October 3, 1972,
and Letter of Implementation No. 1, I enclose a Quarterly
Progress Report to September 30, 1972.

As for the mid-project review, referred to in your
letter of October 26, we are expecting a visit from Messrs.
Wheeler and Venecia on November 14 and 15, and will discuss
this with them.

With best wishes,

Yours sincerely,

W.A. Lewis
President

RECORD UNIT

CARIBBEAN DEVELOPMENT BANK

LOAN FROM U.S.A.I.D.

Quarterly Progress Report to September 30, 1972

1. No disbursements under the loan have been made so far.
2. The following projects have been committed to the loan:

Government of Antigua (Livestock Farms)	\$ 178,400
Belize Electricity Board, Br. Honduras	1,528,320
Development Corporation of St. Vincent	333,000
Dominica Agricultural & Industrial Development Bank	260,500
National Development Corporation of St. Lucia	290,000
Development and Finance Corporation of St. Kitts	206,135
Montserrat Development & Finance Marketing Corporation	100,000
Development Finance Corporation, British Honduras	372,000
Dominica Harbour	1,850,000
	<u>\$5,118,355</u>

3. The amount committed will vary in U.S. dollars as the dollar sterling rate fluctuates, since most of the sub-loans have been designated to the sub-borrowers not in U.S. dollars but in E.C. or B.H. dollars.

4. Essentially these are four projects:

Antigua Livestock Farms

Belize Electricity

Dominica Harbour

A series of loans to Development Corporations

5. Most of these Development Corporations did not exist when CDB announced this scheme, or if they existed were moribund. If they did not exist, legislation had to be passed creating them. In either case they had no staff, and this has been the main factor preventing disbursement. Managers and accountants are now being appointed, and the Corporations are just starting to function. Disbursement will begin as soon as this stage is completed to the satisfaction of the CDB.
6. Both Antigua Livestock and Belize Electricity have also been held up for lack of crucial personnel. Belize Electricity has now made the necessary appointment, and is moving.
7. Dominica Harbour is on schedule. CDB decided to advertise for consultants. The U.K. and Canada finance most of the pre-investment studies in this region. If CDB automatically gives design and supervision to the pre-investment consultants, neither the U.S. nor the other members of the Bank will ever get a chance to bid.
8. The less developed territories of the region, to whom alone these loans are going, are very very short of personnel. They take a long time to answer letters or

sign agreements, to produce the counterpart funds, or to appoint the personnel needed to manage projects. U.S.A.I.D. must not hold it against CDB if we do not disburse funds until the governments are in a position to use them fruitfully.

9. Details of each project are appended hereto.

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APPENDIX

CARIBBEAN DEVELOPMENT BANK

Quarterly Progress Report to September 30, 1972

Government of Antigua (Livestock Farms)

This project was approved on 19th April, 1972 and the Loan Agreement was despatched on 5th June, 1972. Signature of the Agreement is still awaited.

Belize Electricity Board, Br. Honduras

Approval of the Board was given on 27th October, 1971 and A.I.D.'s concurrence was dated 19th November, 1971. The Loan Agreement was despatched on 14th April, 1972 and signed on 21st August, 1972. Advertisement for tenders for plant and equipment has been approved by us on 23rd August, 1972.

Development Corporation of St. Vincent

Both the Small Industry Credit and the Industrial Estate Loans were approved by the Board on 27th October, 1971. Loan Agreement in respect of the former was despatched on 18th February, 1972 and signed on 14th September, 1972 while the Agreement for the Industrial Estate Loan was despatched on 12th June, 1972. A new manager has been appointed by the sub-borrowers and projects (3) valued EC\$12,000 are in the pipeline.

A site has been chosen for the Industrial Estate but funds are awaited for making access roads. The Loan Agreement has not yet been signed.

Dominica Agricultural & Industrial Development Bank

The Small Industry Credit was approved by the Board on 27th October, 1971 and the Industrial Estate Loan on 17th December, 1971. The Loan Agreements were despatched on 23rd February, 1972 and 1st June, 1972 and signed on 14th June, 1972 and 4th October, 1972 respectively. The pre-requisites for disbursements have been completed in respect of the Small Industry Loan and projects (7) valued at EC\$41,000 are in the pipeline.

The site layout for the Industrial Estate has been approved and also the advertisement for the factory building.

National Development Corporation of St. Lucia

The Board approved the Small Industry Credit and the Industrial Estate Loan on 11th February, 1972. The respective Loan Agreements were despatched on 25th February, 1972 and 16th May, 1972. The Small Industry Loan Agreement was signed on 21st April, 1972 but the Industrial Estate Loan Agreement is yet to be signed. The Corporation is in the process of recruiting staff and three projects valued EC\$30,000 are in the pipeline.

Site development has begun and advertisement for factory building has been approved. A project manager has been appointed.

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Development & Finance Corporation of St. Kitts

Both the Small Industry Credit and Industrial Estate Loans were approved by the Board on 17th December, 1971. The Loan Agreements were despatched on 14th April, 1972 and 12th June, 1972 and signed on 15th May, 1972 and 2nd August, 1972 respectively.

Adequate staff is available and two projects worth \$40,000 are in the pipeline but there is some difference of opinion as regards the form of the Guarantee Agreement.

As regards the Industrial Estate, a project manager has been appointed, the site layout has been approved, and the advertisement for the factory building has been inserted.

Montserrat Development & Finance Marketing Corporation

The loan was approved on 27th October, 1971 and the Agreement which was despatched on 9th June, 1972 has not yet been signed.

No staff has been appointed and the Loan Agreement is yet to be signed by the sub-borrower. Two projects worth \$105,000 are, however, in the pipeline.

Development Finance Corporation, Br. Honduras

The two loans were approved on 19th April, 1972 and 16th June, 1972 respectively by the Board. The Loan Agreements were despatched on 17th May, 1972 and 28th June, 1972 but have not been signed so far.

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The Development Finance Corporation is being reconstituted. Thirteen (13) projects worth EC\$665,000 are in the pipeline.

A site has been chosen for the Industrial Estate but no project manager has been appointed.

Dominica Harbour

This project was approved by the Board on 16th June, 1972 and U.S.A.I.D.'s concurrence dated 12th September, 1972 was received on 18th September, 1972. The Loan Agreement was signed on 20th October, 1972 and advertisement for consultants has been approved.