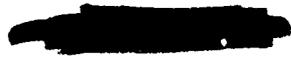


PD-AAU-176

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MONTHLY PROGRESS REPORT

Chief of Party

Agro-Industrial Development Unit

January 3, 1985

## MONTHLY PROGRESS REPORT

December 1984

### A. Meetings

#### 1. Two ADU Meetings

2. Mr. Osbourne and Mr. Boomer met with Mrs. Sutherland and Mrs. Sharp at the NCB at a luncheon to discuss forthcoming visit by Procurement Specialist Garmany, and to inquire of what areas should be covered by seminar on USAID procurement.

3. As a new member of "four tech '85," Boomer attended a committee meeting held at the ACB.

4. Met with representatives of commercial banks - ACB managing director and senior ACB officers and USAID representatives. Concerns aired were approval process and guarantee implementation. Procurement Specialist Garmany attended.

5. Osbourne, Koshy, Garmany, and Boomer met with Royal Bank officer Selvyn Goldson and two assistants from Royal's administration department. Mr. Hugh Garmany discussed with all present procedures and pitfalls on Letters of Commitment and Letters of Credit, all with the objective of making the procurement of goods simple, fast, and effective.

6. Attended exit conference with consultant Lyman Conover at USAID. Conover reported on benefits ADU would receive from the computer system recommended.

7. Osbourne, Koshy, Garmany, and Boomer met with Mr. Golding at the Bank of Nova Scotia; Mr. Day, Mr. Hill, Mrs. Sharp, Mrs. Nugent of NCB, and Mr. Blake and Mrs. Lee of the Bank of Commerce to discuss the overall procurement process and answer any questions. These meetings were held at the respective banks.

### B. Field Calls

Conferred with Mrs. Newell, Ms. Nam, and Mr. James of Tijule, Island Dairy, and Jamaica Wood Products. Also visited with Mr. Hoy and Gray of Gray's Pepper.

### C. Administrative

Presented letters of concern from Gray, Island Dairy, and Tijule on the date which determines the rate of exchange to Managing Director for consideration.

D. Consultants

Worked with Mr. Garmany and Mr. Conover on a daily basis during their stay.

E. Promotion

The meetings with bankers, the procurement seminars, and field calls were effective promotional efforts. Met with Mr. Stephenson, Vice President at NCB, who is in charge of the advance department regarding North Clarendon. Koshy and Osbourne were involved in this meeting. Stephenson is an excellent contact.

Hugh Garmany, Procurement Specialist, Unit people, and undersigned met with Royal Bank, Bank Nova Scotia, National Commercial Bank, and Bank of Commerce to explain and answer questions regarding USAID procurement procedures.

Recommendations

1. Since the approval process is painfully slow, and since time is money, and since the commercial banks are financially sound and credit-worthy, and since ACB is a wholesale bank, it is recommended that loan applications submitted from C.B.'s without request for guarantee be approved prior to their submission or be automatically approved subject only to technical conditions spelled out by the manager of the ADU, ratified by the M.S.

2. Since pro forma cash flows and financial analysis are made shortly before a L.C. is opened for the sub-borrower's benefit, and since there can be considerable delay between the opening date of the L.C. and the payout to suppliers, and since considerable trauma and financial strain have been experienced by establishing the exchange rate at disbursed rather than opening date of the L.C. to Gray, Island Dairy, and Tijule, and since the present procedure forces the sub-borrowers to speculate in local and U.S. currency between date of L.C. and payout of monies, it is recommended that the exchange rate be set for the aforementioned and all future loans on the date the L.C. is opened at the stateside bank.

Alan Boomer

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USAID/AC BANK/FINANCIAL INSTITUTIONS MEETING

December  
MONDAY, ~~OCTOBER~~ 10, 1984  
AG 3

USAID OFFICE

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<u>REPRESENTATIVE</u>	<u>INSTITUTION</u>	<u>TITLE</u>
Mr. D. Menzies	National Commercial Bank	Agricultural Adviser
Mr. I.N. Stephenson	" " "	
Mr. Herman Alvaranga	Investment Finance Corp.	Deputy General Manager
Mr. M. Smith	Bank of Commerce Ja. Ltd.	Deputy Managing Director
Mr. Basil Naar	Workers Savings & Loan Bank	Manager, Loan Admin.
✓Mrs. V. Crawford	" " " "	Asst. General Manager, Credit
Mr. Selvin Goldson	Royal Bank Ja. Ltd.	Manager, Corporate Loans
Dr. Paul Chen Young	Eagle Merchant Bank	Chairman
Mr. Roy Golding	Bank of Nova Scotia	Actg. Supervisor - Credit
Mr. D. Crawford	Girod Bank	Managing Director
Dr. Keith Roache	Jamaica Agricultural Development Foundation	Managing Director
Mr. Clive Edwards	Agricultural Credit Bank	Managing Director
Mr. D. Archibald	" " "	Director of Operations
Mr. M. S. Motta	" " "	Manager, ADU/PROJECTS
Mrs. D. Brown	" " "	Procurement Specialist