

PD-AAU-177

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MONTHLY PROGRESS REPORT

CHIEF OF PARTY

AGRO INDUSTRIAL DEVELOPMENT UNIT

JANUARY 31, 1985

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A. Meetings

- (1) Two (2) ADU Meetings.
- (2) Two (2) total department meetings.
- (3) Met on three separate occasions with AC Bank Senior Officers.
- (4) Two (2) meetings with USAID Project Officer.
- (5) One meeting with Commercial Bank (Bank of Commerce).
- (6) Two (2) meetings with the Farm Tech '85 committee.

B. Field Calls

- (1) Three (3) calls at Ministry of Finance with Mrs. Koshy, to confer with Mrs. McCalla and Mr. Pearce. (Re: Duty free Status).
- (2) Two (2) calls at JNIP with Steve Morgan to confer with Lennox Piguard. (Re: Duty Free Status).
- (3) Called twice at Custom Brokers, Andrews & Barratt retained by Tijule & Island Dairy. (Re: Removal of goods duty free from Wharf).
- (4) Phone conferences with Nam of Island Dairy on three occasions and Mrs. Newell of Tijule on two occasions (Re: Removal of goods duty free from Wharf).

C. Administrative

Drafted letter for Director of Operations which was forwarded to Ministry of Finance, making reference to the loan agreement provision, regarding free duty on goods financed by the project.

D. Consultants

Conferred with Charles Metcalf of Caribbean Development Bank (CDB) regarding joint participation in a loan which may develop on a fish processing project.

Conferred with John Pinkos, Volunteer Executive with International Executive Service Corporation (IESC), concerning marketing and production area assistance he has expertise in.

Close co-ordination and work with Steve Morgan continues to be productive and rewarding.

E. Promotion

Effort involved by overall AC Bank Farm Tech '85 committee and the resultant show of the National Arena was very effective promotion of the ADU and the AC Bank in general public awareness of AC Bank and all its services to Agriculture, including ADU is definitely of a higher level, Writer was pleased to be a part of this effort.

F. Progress

- (1) Loan Approval, since last report - Comfort Hall for US\$35,000 (J\$215,000).
- (2) Disbursals to date - US\$217,723 (J\$253,000).
- (3) An additional \pm US\$337,000 was probably disbursed on the Island Dairy project, but has not been reported to AC Bank by the National Commercial Bank of this writing.

- (4) Tijule has all but ±US\$1,700.00 of goods off the Wharf (Duty Free via JNIP registration).
- (5) Prospects for approving two (2) loans (Buck & North Clarendon) in February, have never been brighter.
- (6). Seven (7) loans for ±US\$907,000 and J\$650,000 are very actively being pursued.

G. Challenges

- (1) Resolution of the duty free status question regarding the Agro-Processing equipment and commodities that arrive in Jamaica for sub-borrowers continues.
- (2) The time required for the Loan Approval process within the AC Bank needs to be reduced.
- (3) Establishing the exchange rate at the time the Letter of Credit is opened for the sub-borrowers benefit, rather than at time of disbursement. (This will eliminate the forced speculation in J\$ by the sub-borrower).

H. Implementation for February

- (1) Continue to work to have the North Clarendon and Buck application in the AC Bank and approved.
- (2) Continue work to resolve duty free status question.
- (3) Follow-up and pursue to implement change for exchange rate date of Letter of Credit of State Side Bank rather than disbursement date to suppliers.

- (4) Continue meeting with Commercial Banks', re: Procurement and new loan development.
- (5) Follow-up and pursue the Roberts, Buck, Jay Flex, Garfield Thomas, Fletcher Bowman loan applications.

I. Report on January Implementations

- (1) Comfort Hall approved.
- (2) Still working on North Clarendon Processing.
- (3) Farm Tech '85 was a very successful show.
- (4) Continuing to meet with Commercial Banks.

Comments

To quote the Chinese proverb, "A journey of a thousand miles begins with a single step" is appropriate. The ADU has helped some Agro-Industrial processors acquire needed equipment and supplies. It is certain we will provide funds to many more. Approval, Procurement and the AC Bank - Commercial Bank relationship will continue to become faster and more effective respectively. No long journey is easy! Disturbances, changes in personnel, beauracracy, miscommunication and etc. have caused detours and delays, but the will of many in the ADU and AC Bank has prevailed and a part of the goal has been attained. At this time, we are without a Procurement Specialist in the unit, Since Daphne Brown left the Bank at the end of 1984. Mrs. Leela Koshy has announced she will join her husband in Costa Rica in the next month or so (April?). A new replacement in the Procurement/Marketing area will come on board, Monday, February 4.

I am informed the intent has been expressed by Management to locate the unit people in close proximity to one another for a most effective arrangement to perform their duties. Much work remains to be done and all seem determined to reach the goal of serving the Agro-Industrial Sector. Processing Specialist Osbourne is a very vital, capable and willing person in the unit and his services are needed now, more than any time.

In light of this, the Consultants would be pleased to be of service till the end of the year 1985, to help with training the new replacement mentioned and continue work with the Commercial Banks and sub-borrowers. In summary, it is felt a lot of good work has been done, there is a lot more to do, and we would like to be a part of it. We can look at things a year from now and decide whether or not another six months may be needed to meet the total objective of institutionalizing, within the AC Bank, the funds allocated for the Agro-Industrial Sector of Jamaica.

Recommendations

- (1) That the Managing Director initiate appropriate communication to extend this project.


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ALAN BOOMER
CHIEF OF PARTY
FEBRUARY 4, 1985