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ASSESSMENT OF NDFJ'S LOAN PROGRAM
AND COST-EFFECTIVENESS OF ITS
TECHNICAL ASSISTANCE TRAINING

EXECUTIVE SUMMARY TO FINAL REPORT
(VOL. I)

Submitted to:



JAMAICA

JANUARY 1987

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I. THE TASK AND OUR WORK APPROACH

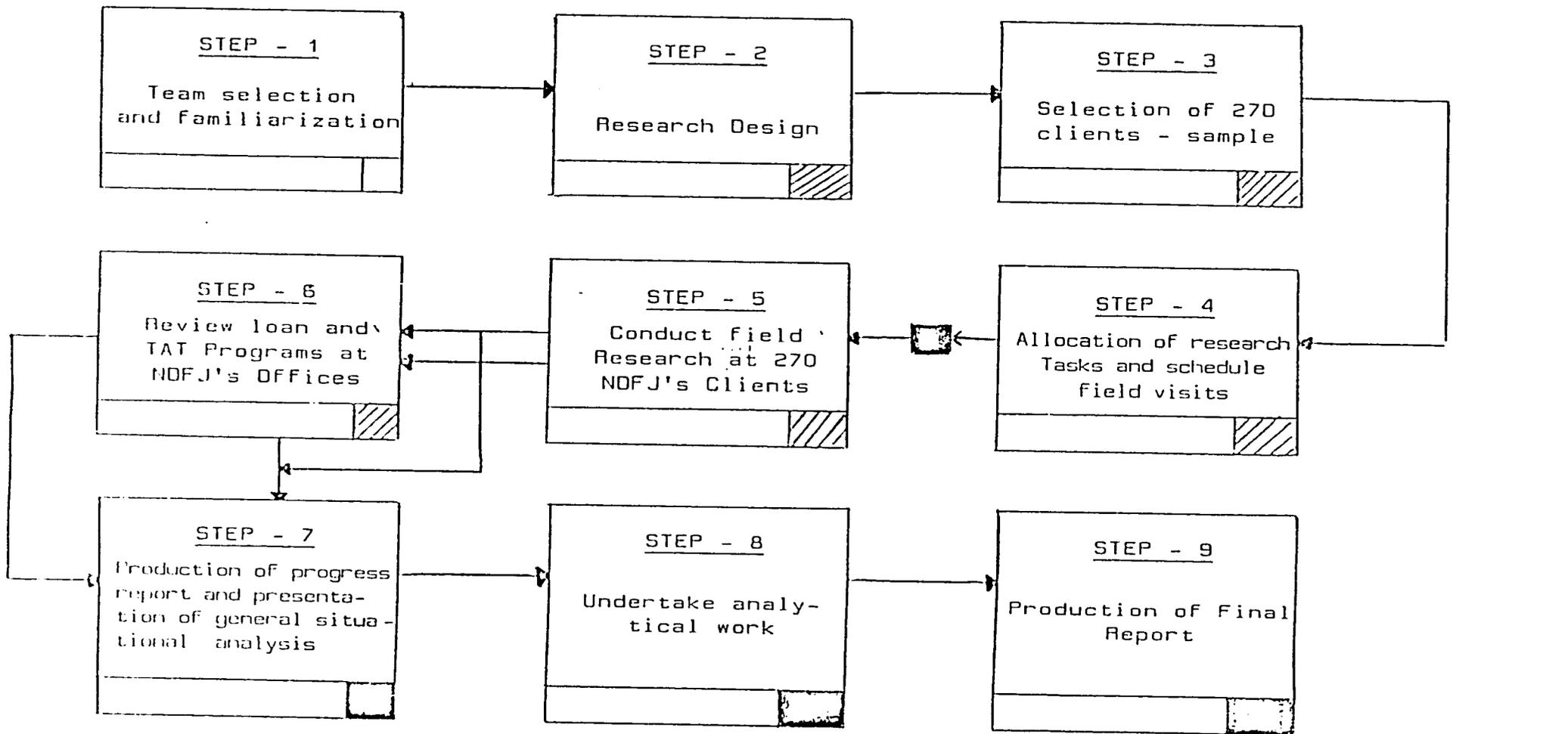
The United States Agency for International Development, (U.S.A.I.D.) Jamaica, commissioned the firm of Trevor Hamilton and Associates to undertake an assignment of National Development Foundation of Jamaica (NDFJ) loan program and cost-effectiveness of its technical assistance training, with the effective date of the contract being November 21, 1986 to March 04, 1987.

The assignment should be based on a sample of 270 loans drawn from Kingston, Montego Bay and Mandeville, distributed as follows: 120, 75, and 75 respectively.

Our sample of 270 loans has a strong bias to those loans 1 year or more, to enhance comparative impacts. The sample is also as representative as possible given the geographical stipulations and the bias to those 1 year or more.

A 13-person multidisciplinary team of research personnel and specialists undertook a 9-step work program which engaged the NDF and USAID in consultative capacities at various stages. The exhibit which follows, illustrates our 9-step work program and approach.

ASSESSMENT OF NDFJ'S LOAN AND TAT PROGRAMS: THE WORK STEPS UNDERTAKEN IN THE ASSIGNMENT



LEGEND



-- Interaction with, and presentation to USAID



-- Interaction with NDFJ

--- concurrent activities

II: OVERVIEW OF LOAN AND TAT PROGRAMS

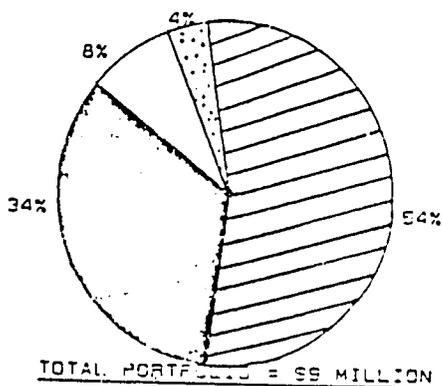
The mission of the NDFJ, a non-profit oriented organization is to develop small scale enterprises through credit and technical assistance support.

Between 1982 and 1986, over 16,000 small established and aspiring entrepreneurs applied for loan and/or TAT with 1202 receiving loans accompanied by TAT only on a one-shot-basis.

NDFJ delivered 1,202 loans valued at \$9 million with the annual growth rate in the number of loans averaging over 50% (1983-1984) but in 1985 and 1986 it fell to 40% and 9% respectively. There are 2 key reasons for the present decline in bouyancy of the loan program: the rapidly increasing value of each loan due to inflation and devaluation while the portfolio is declining, and the severe shortage of field officers and vehicles to service existing loans and simultaneously process applications for new ones. The \$9 million loan portfolio is a relatively low risk one in that \$3.1 million (34%) is already fully repaid and only 2% is regarded as bad debts. The exhibit which follows illustrates the status of the \$9 million loan portfolio.

NDFJ: STATUS OF ITS \$9 MILLION LOAN PORTFOLIO

LEGEND



Source: NDFJ

-  -- Fully repaid
-  -- payment on schedule
-  -- Non-current and bad debts
-  -- delinquent

TAT recipients (over 10,000) account for 8 times the number of loan clients because of the wide range of functions and objectives of TAT with the key ones being:

- . Technical and financial evaluation of proposed investments
- . Group training to familiarize clients with the principles of business
- . On-going technical and business advisory services to loan clients

NDFJ's financial support is oriented to manufacturing services and agriculture as follows:

NDFJ: DISTRIBUTION OF LOANS BY ECONOMIC ACTIVITY
AS AT OCTOBER 1986

<u>SECTOR</u>	<u>SHARE OF LOANS</u>	<u>SHARE OF LOAN VALUE</u>
	%	%
Manufacturing	44	43
Service	45	52
Agriculture	11	5
TOTAL	100%	100%

About 97% of the clients executed the same venture for which they acquired the loan, the 3% points variation accrued mainly in Montego Bay and Mandeville because of the seasonality, diversity and higher levels of uncertainties in tourism and agriculture which are the main activities in those areas.

Approximately 80% of the loan clients were established businesses at the time of the loan, about 65% of the enterprises have male principals. This situation is about the same for TAT clients. The bias towards male is because they own the greater share of the established businesses and most of the loans went to established businesses in order to reduce the level of risk.

The level of investment in established enterprises prior to the NDFJ loan averaged \$10,000 with equity almost being the same because the proprietors were unable to secure loan financing from conventional sources even though they were obviously very financially sound. As a result, most businesses had to operate well below their immediate potential, and they generated very marginal levels of income for the owners. Consequently, the NDFJ loan was quite timely.

Approximately 36% of loan/TAT clients had vocational training related to their venture, but only 7% had any business practice related training before securing TAT, hence NDFJ's TAT was vital for facilitating their success in business.

The loan/TAT Program is managed by an organizational structure designed to engage broad based community support, promote the work of the NDFJ, and promote equal access to its credit facilities with day-to-day operations in the hands of a multidisciplinary managerial, technical and administrative support staff with complimentary skills in a head office and 3 regional ones. The administration of the loan from its inception cost \$4 million for a \$9 million portfolio. The rate is far too high, but cannot be reduced until NDFJ increases its portfolio to about \$50 million, a minimum scale of operation for viability.

III. LOAN PROGRAM IMPACT ON CLIENTS AND COMMUNITIES

About 74% (890) NDFJ financed enterprises are growing impressively while 13% (160) are closed for varied reasons.

- . Growing ones indicated that adequate financing and TAT follow-ups from NDFJ as well as favorable environmental factors are the key driving forces behind their impressive growth rates.
- . Folded businesses are in such a situation primarily due to inadequate finance, weak management, infrequent TAT follow-ups, social factors (eg. child rearing or marriage break-ups of Principals) poor attitudes to business environment which has emerged in the last 4 years.

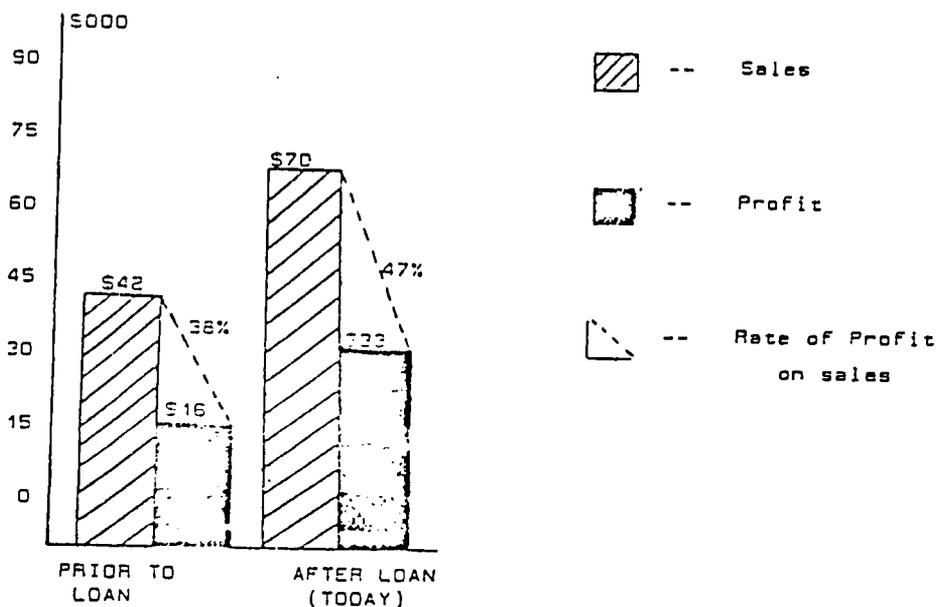
The enterprises are realizing marked increases in sales, and profitability, with average sales increasing from \$42,000 to \$70,000 and gross profits increasing from \$16,000 to \$32,800.

The relative profitability on sales has also increased from 38% to 47%.

The exhibit which follows illustrates.

NDFJ: AVERAGE ANNUAL SALES AND PROFIT OF FINANCED ENTERPRISES

LEGEND



Source: Appendix tables A-8 and A-9

Over 90% of the Principals now depend on the businesses as their sole source of income. Their levels of employment in the businesses have also increased with 72% now working 40 hours or more per week as against 51% prior to the loan.

The total employment realized so far, exceeds the owners' projections by 21% when they applied for the loan. They projected an employment level of 3,522 but have realized an estimated 4,275. The table below illustrates:

NDFJ: EMPLOYMENT PERFORMANCE OF 1,202 ENTERPRISES

<u>TIME</u>	<u>NO.</u>
At time of loan	2,507
Projected at time of loan	3,522
Actual today	4,275

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The economic benefits occurring to men and women are very significant but the impact on women is much greater especially in terms of: share of jobs they represent, and the level of employment as well. The table below illustrates.

NDFJ: IMPACT ON EMPLOYMENT OF WOMEN VS MEN

<u>FACTION</u>	<u>SEX</u>	<u>SITUATION</u>			
		<u>AT TIME OF</u>	<u>PRESENTLY</u>	<u>VARIATION</u>	
		<u>LOAN</u>			
Share of Jobs	Male	71%	63%	-	8% points
	Female	29%	37%	+	8% points
Number of Jobs	Male	995	2160	+	118%
	Female	310	911	+	194%
Percentage					
Working 40					
hours or more	Male	64%	31%	-	33% points
per week	Female	82%	80%	-	2% points

The main factors behind the more impressive impact on women are that 229 of the enterprises are garment manufacturing which employ mostly women, women represent the larger pool of available labour, and the service sector which accounts for approximately 40% of the enterprises requiring skills dominated by women.

IV: COST EFFECTIVENESS OF THE TAT

There appears to be a 32% undersupply of business and technical advisory support services delivered to loan clients on a follow-up basis while there is a 37% oversupply of group training. The undersupply of follow-up on-the-spot technical advisory services is attributed to the shortage of vehicles to travel to remote sites, and under staffing at NDFJ, while the oversupply of group training is attributable to the relatively low cost of delivering it at the NDFJ office, as well as the almost zero marginal cost of delivering it to more than half of the clients. Compliance with the management practices as advised or stipulated by the NDFJ has been very good especially those clients with more frequent visits from the field officers. The key reasons behind this good level of compliance are: it is a condition of the loan, many enterprises were established prior to the NDFJ loan, and the frequency of the loan officers' visits especially in Montego Bay and Mandeville.

The TAT however, focuses merely on accountability and helping clients to stay in business while there is an urgent need for these enterprises to become more growth and competitiveness oriented so that they could be speedily transformed from micro to modern small business status especially since many of them have the potential to do so. This urgently needed approach will require a stronger and larger team of field officers, a thoroughly developed business development plan for micro businesses and a larger loan/TAT portfolio at the NDFJ.

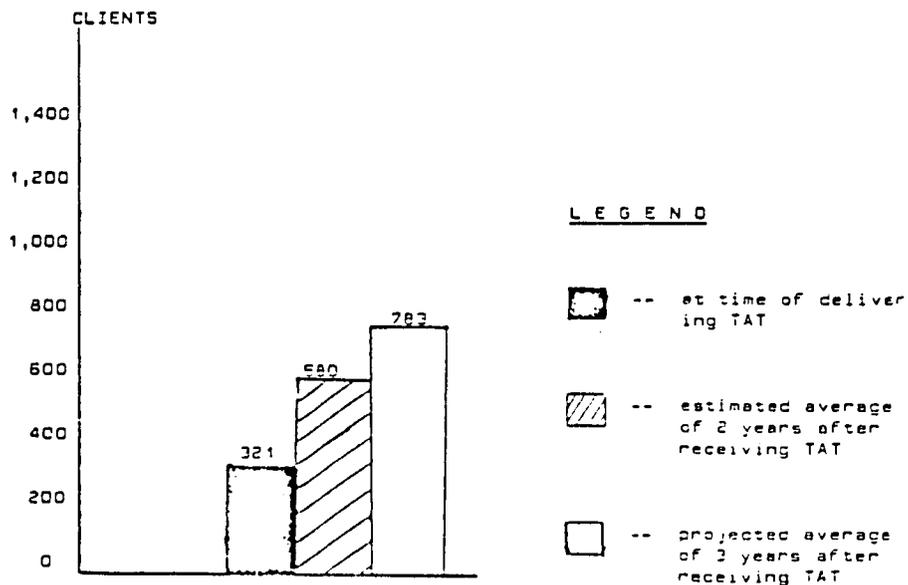
The delivery of TAT suffers from a number of staffing related constraints primarily: high turnover and inadequate experience in business. For example, only one of the field officers, the key player in the administration and delivery of TAT, has over 2 years ("hands on") business experience prior to joining NDFJ. The staff is however, adequately trained and prepared to be moulded into excellent business advisors overtime.

The frequency of the field officers' visits plays a vital role in the delivery and effectiveness of TAT and the survival of the business. Only 56% of the clients however, get monthly visits, (the minimum required) from their field officers mostly in Montego Bay and Mandeville. In Kingston however, where over 60% of the clients are represented, monthly visits are rare, most clients who get visits, get them quarterly to annually. There is a marked difference in the performance of businesses receiving frequent follow-ups on TAT and those where it is less frequent. For example, in Montego Bay where it is the most frequent, only 5 of the 154 (3%) enterprises folded while in Kingston where it is the least frequent 127 of the 767 (17%) enterprises folded.

V: ASSESSMENT OF ABILITY TO PAY FOR TAT
AND CLIENTS' ATTITUDE TO PAYING FOR IT

An evaluation of equity in terms of cash in hand at the time of the delivery of initial aspects of TAT, and also the present day net income after the loan, indicates that up to 80% of the cost of TAT could be recovered over a period of 5 years. Of the 1,042 loan clients now in business, almost 783 could repay the TAT between the time of delivery and 5 years hence. The exhibit below illustrates:

NOFJ: COMPARATIVE ABILITY TO PAY SOMETHING FOR TAT
AT THE TIME OF DELIVERY VS AN AVERAGE OF 2
YEARS AFTER, AND A PROJECTED 3 YEARS THEREAFTER



About 39% of the clients feel that they should pay for some aspects of TAT primarily: General Management, Production Management, Pre-investment evaluation, Marketing and Accounting with Accounting being the most prized aspect. Clients who are prepared to pay for TAT will pay \$167 to \$300 for each aspect or a maximum of \$924 for the entire package.

VI: OUTLOOK FOR LOAN AND TAT PROGRAMS

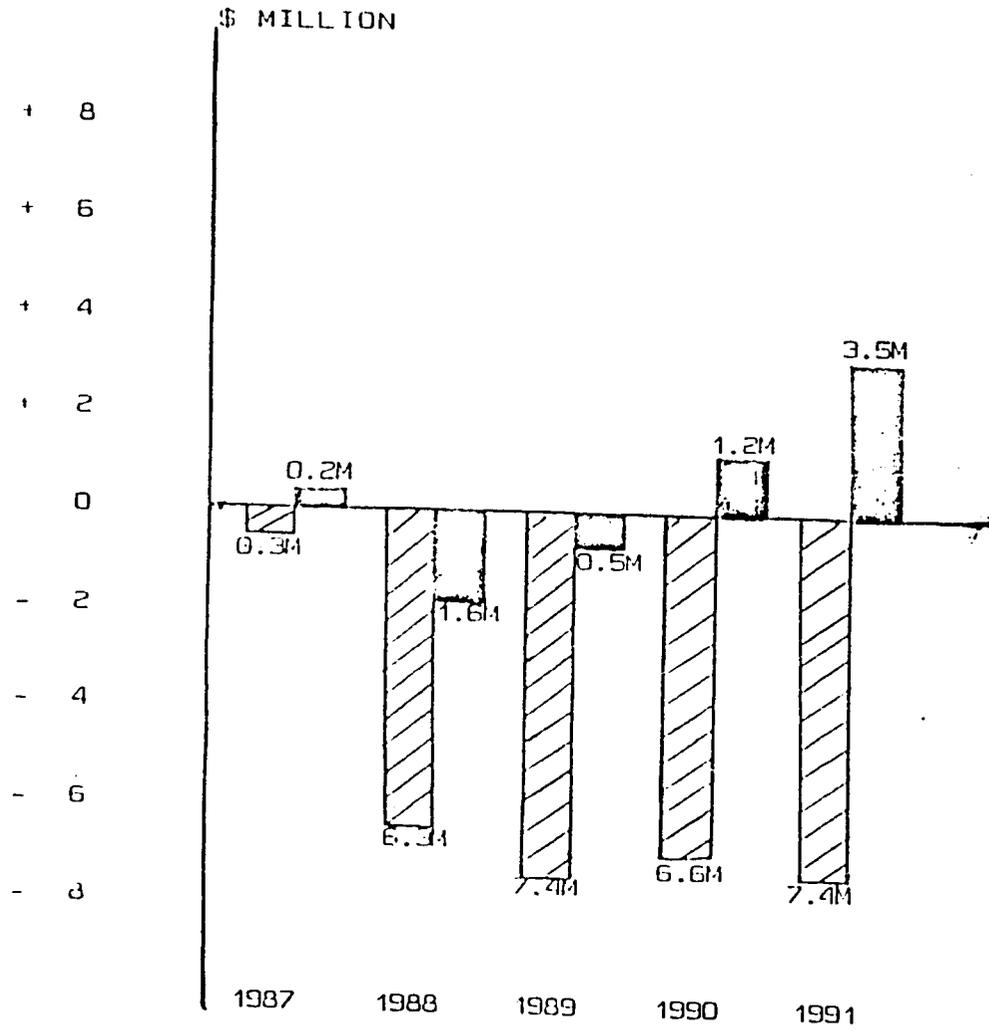
The qualified demand driven loan/TAT program (without any promotional effort) for the period 1987-1991 is for 4,325 loans and 12,975 TAT clients valued at \$50.5 million and \$9.2 million respectively, while the resource driven projection by the NDFJ is about \$45.4 million for loan and \$8.4 million for TAT.

The level of the loan and also its portfolio management strategies will not generate the self financing of NDFJ or satisfy qualified demand. The operating results are likely to be as follows:

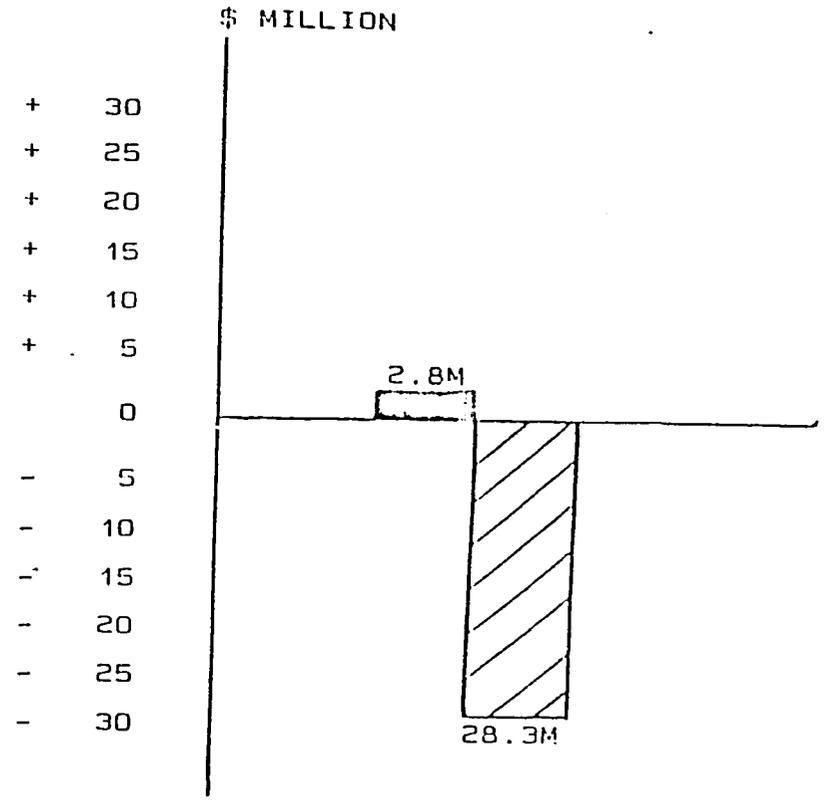
- . Accumulated operating deficit is likely to be about \$29.3 million.
- . Operating expenses will reduce from over 40% of loan disbursement but will remain high at about 31%.

The exhibit which follows, summarizes the projected financial outcome, of the projected \$45 million loan portfolio under prevailing conditions and strategies vs the qualified demand driven \$50.5 million portfolio under new portfolio management strategies.

NDFJ: COMPARATIVE PROJECTED CASH FLOW PERFORMANCE OF ITS 5-YEAR \$45 MILLION LOAN PROGRAM UNDER EXISTING STRATEGIES VS A \$50.5 MILLION PROGRAM UNDER NEW STRATEGIES



ANNUAL SITUATION



5 - YEAR SITUATION
(ACCUMULATED)

LEGEND



-- NDFJ: projected performance with \$45 million loan program under existing strategies



-- \$50.5 million loan program performance under revised strategies

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There are 3 key reasons why the present poor performance is likely to continue into the future.

- . The loan portfolio continues to be below its financially viable scale.
- . The unnecessarily long recovery periods for loan supporting projects with predominantly very short investment payback periods especially those in agriculture and service.
- . The non-recovery of part or whole of TAT.

The qualified demand driven loan portfolio of \$50.5 million and TAT of \$9.2 million could result in accumulated operating surplus of \$2.8 million and reduction of the operating cost from over 40% of loans disbursed to about 21%. The key success factors behind these projected improved results are rationalization of the loan recovery periods and a policy of recovering part of TAT as follows:

- . Recovery periods for loans
 - Agricultural loans should average 12 months
 - Service loans should be within 24 months
 - Manufacturing could be an average of 36 months
- . Recovery of part of TAT
 - 27% in year 1
 - 21% in year 2
 - 16% in year 3
 - 16% in year 4

VII. CRITICAL ISSUES TO BE ADDRESSED IN FUTURE
LOAN/TAT PROGRAMS

There are several issues revolving around the loan and TAT programs which need to be addressed in the short term to enhance improved performance of the 1987 - 1991 loan/TAT program. These issues fall into 3 categories:

- . Issues for stimulating expansion of the loan portfolio to satisfy a greater share of qualified demand.
- . Issues for improving the performance of the loan and TAT administration.
- . Issues for generating self-financing of the loan and TAT programs.

The major issues and their specific implications are summarized by categories in the 4 tables following this page.

NDFJ: CRITICAL ISSUES FOR STIMULATING EXPANSION OF
THE LOAN PORTFOLIO TO SATISFY A GREATER SHARE
OF QUALIFIED DEMAND

MAJOR ISSUES

IMPLICATIONS

- | | |
|---|--|
| <p>1. NDFJ is not mobilizing enough loan funds to meet its qualified demand.</p> | <p>. Only 36% of its qualified clients get loans.</p> <p>. The cost of delivering each dollar of loan is over \$0.40. <i>does this include TAT</i></p> <p>. Self-financing of the operations continues to be a very remote goal.</p> |
| <p>2. Non-current loans and arrears account for \$922,000 or 15% of outstanding balance.</p> | <p>. A contraction of the loan portfolio, by \$922,000 which could finance approximately 100 projects.</p> |
| <p>3. Outstanding balance as a percentage of loan on the service sector projects is larger than loans in other sectors, (68%) despite the fact that start-up and investment pay back period for service sector projects are much shorter</p> <ul style="list-style-type: none">- outstanding balance on manufacturing sector loans is 63%- outstanding balance on the total loan is 66%. | <p>. Inflows into the portfolio balance is retarded.</p> <p>. Service sector projects get relatively more favorable treatment than other sectors.</p> |

NDFJ: CRITICAL ISSUES FOR IMPROVING THE PERFORMANCE
OF THE LOAN AND TAT ADMINISTRATION

MAJOR ISSUES

IMPLICATIONS

- | | |
|---|---|
| 1. The personalized loan collection system is effective but inadequately manned due to inadequate transportation and staff to make visits to borrowers on a frequent basis. | . Higher rates of defaults
. Higher rates of arrears
. Contraction of NDFJ's lending resources |
| 2. There is no system to follow-up on TAT clients who are not loan clients. | . It is not possible to assess impact of TAT on such enterprises.
. Effectiveness of TAT might be low, since responsiveness to it could come only from several follow-ups. |
| 3. The work load for the field officers is excessive.

- each officer has over 100 loan clients to service and provide TAT, in addition

- over 400 loan applications each, to process through the various stages | . Inability to provide adequate technical assistance and business advisory services to clients.

. Neglect of many clients

. Folding of many enterprises for want of business advisory services. |
| 4. The loan administration cost which exceeds 40% of loan value is far too high. | . NDFJ operations will continue to be in a deficit position. |

NOFJ: ISSUES FOR RATIONALIZING AND IMPROVING THE
DELIVERY SYSTEM FOR THE TAT

MAJOR ISSUES

IMPLICATIONS

- | | |
|--|--|
| 1. The number of TAT recipients: loan recipients (almost 9:1) is too high. | . Inadequate human and financial resources available to enhance success of loan clients so that their mortality rate could be reduced from its present 13%. |
| 2. There is an excess delivery of group training while there is an undersupply of technical and business advisory services at the business site. | . Higher rates of business failure

. Some clients' time and resources being used in the wrong direction. |
| 3. Most members on field officers team need more business experience to be able to deliver the TAT - especially the business advisory element. | . TAT clients are not getting adequate "hands on" guidance for running their businesses.

. The impact of the TAT program is less than it could have been. |

*Not much savings will accrue from any trade off between group training for business advisory services where the cost is quite fixed - almost constant for all levels of training.

NDFJ: ISSUES FOR GENERATING SELF-FINANCING
OF THE LOAN AND TAT PROGRAMS

MAJOR ISSUES

IMPLICATIONS

- | | |
|--|--|
| 1. The loan portfolio is too small to generate self-financing. | . It is very costly per dollar of loan, consequently, there is no profit or even break-even. |
| 2. Loan repayment period could be rationalized to recover loans in 5-30 months since over 80% of clients are on-going businesses, and small businesses usually have investment payback periods of less than 3 years. | . The present portfolio makes self-financing a very remote goal.

. Increased inflow to support an increased portfolio.

. Improved rationalization of the repayment plan among the different sectors. |
| 3. There is no mechanism in place to make the TAT program partially or wholly self-financing even when there is some scope. | . Future loan programs could be affected, since the growth of loans needs the growth of TAT to enhance success of the enterprises which NDF finances. |
-

NDFJ: ISSUES FOR GENERATING SELF-FINANCING
OF THE LOAN AND TAT PROGRAMS CONT'D.

MAJOR ISSUES

IMPLICATIONS

4. TAT has the potential to be self-financing, as follows, but the NDF is not exploiting this potential.

- about 27% of recipients can pay for it at the time of receiving it.
- about 48% of recipients can pay for it within 3 years of receiving it.
- over 80% of clients could pay for it within 4 years after receiving it.

. TAT program could expand much faster

. Dependence on external financing could be reduced.

VIII. RECOMMENDATIONS

The NDFJ needs to execute a short term action plan to implement the following recommendations arising from our analysis of the loan/TAT program in terms of its: portfolio performance, impact on target clients, cost-effectiveness, ability to be self-financing and other critical issues revolving around the program. Our recommendations are as follows:

1. NDFJ should pursue a \$50 million loan program for the period 1987 - 1991 in order to satisfy qualified demands for its loans and reduce the administrative cost of its portfolio, from over 40% to about 20%.
2. NDFJ should endeavor to execute a \$9.2 million TAT program 1987 -1991 and try to recover about \$3.6 million or 39% in the same period since at least 80% of the clients will be able to repay over a 4-year period.
3. NDFJ should rationalize the loan repayment plan to realize recovery in a much shorter period, say 6 - 30 months since most borrowers are existing businesses, or new proposals with investment pay back period of less than 3 years especially in service and agriculture. This will increase the portfolio balance to enhance a larger loan program and eventual self-financing of NDFJ. It will also reduce the cost of TAT.
4. NDFJ should introduce and operate a system of periodic follow-ups to major TAT clients who did not receive loans.

5. NDFJ should reduce its ratio of TAT clients: loan clients from 6:1 to about 3:1 to become more effective in servicing them with its limited financial and human resources. Group training is an immediate area where TAT could be reduced.
6. The work of the loan/TAT program should be supported by one vehicle and one field officer per 60 (rural) - 100 (urban) loan clients, during 1987 - 1991. There should also be 5 additional vehicles to support the work of the administration.
7. The present collection system should be revised to take the burden off the field officer, where it is possible. NDFJ could investigate the feasibility of working with credit unions, rural institutions and commercial banks in this regard.
8. The payment package for the field officers should be upgraded to match the realities in the market for such skills. This will help the NDF to attract and retain more experienced field officers.
9. NDFJ should reorganize to accommodate a fund raising unit in its organization. This could be staffed by a single person who could take over the public relations functions as well, and thereby removing the need for a separate public relations officer.
10. Collection activities should be stepped-up against all non-current loans and loans in arrears. In addition, the NDFJ should consider including incentives for early payments and disincentives for late ones.

11. NDFJ should immediately modify its TAT program to include focus on more growth and competitive oriented management as part of a corporate plan to transform the sector from pre-micro-enterprises to a modern small business sector.

ASSESSMENT OF NDFJ'S LOAN PROGRAM
AND COST-EFFECTIVENESS OF ITS
TECHNICAL ASSISTANCE TRAINING

FINAL REPORT (VOL. II)

Submitted to:



JAMAICA

JANUARY 1987

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- VIII. RECOMMENDATIONS

I. THE TASK AND OUR WORK APPROACH

- . The Terms of Reference .
- . Our Approach and Work Steps .

I. THE TASK AND OUR WORK APPROACH

The purpose of this assessment is to determine the types of entrepreneurs who benefit from the NDFJ program and the efficiency of the lending program. An integral component of the loan program is the TAT which is provided to each borrower, hence the effectiveness of TAT will be assessed as well.

1. The Terms of reference

The assessment which will be based on a sample of 270 loan clients, 120 from Kingston and 75 each from Montego Bay and Mandeville should address the following:

- . How many discreet borrowers are there?
- . How many of the businesses are owned by women?
- . Of the loans made, how many are provided to begin a new enterprises, versus expanding an already established one?
- . How many new jobs have been created?
- . What proportion of new jobs are for women?
- . What types of activities were funded if the loan was made to an already established business, what was the difference in revenue before, versus after the loan?
- . Are the businesses sole proprietors, partnership, companies?
- . What sectors did women receive loans in?
- . Will the number of delinquent loan payments increase if field extension officers do not make loan collections?

2. Our Approach and
Work Steps

We started a 9-step work program on November 27, 1986 with a 13-Person team comprising:

- . Two senior consultants.
- . Ten senior business researchers, each of whom has at least 5 years of "hands on" experience.
- . A statistical analyst who has undertaken several similar assignments for the firm.

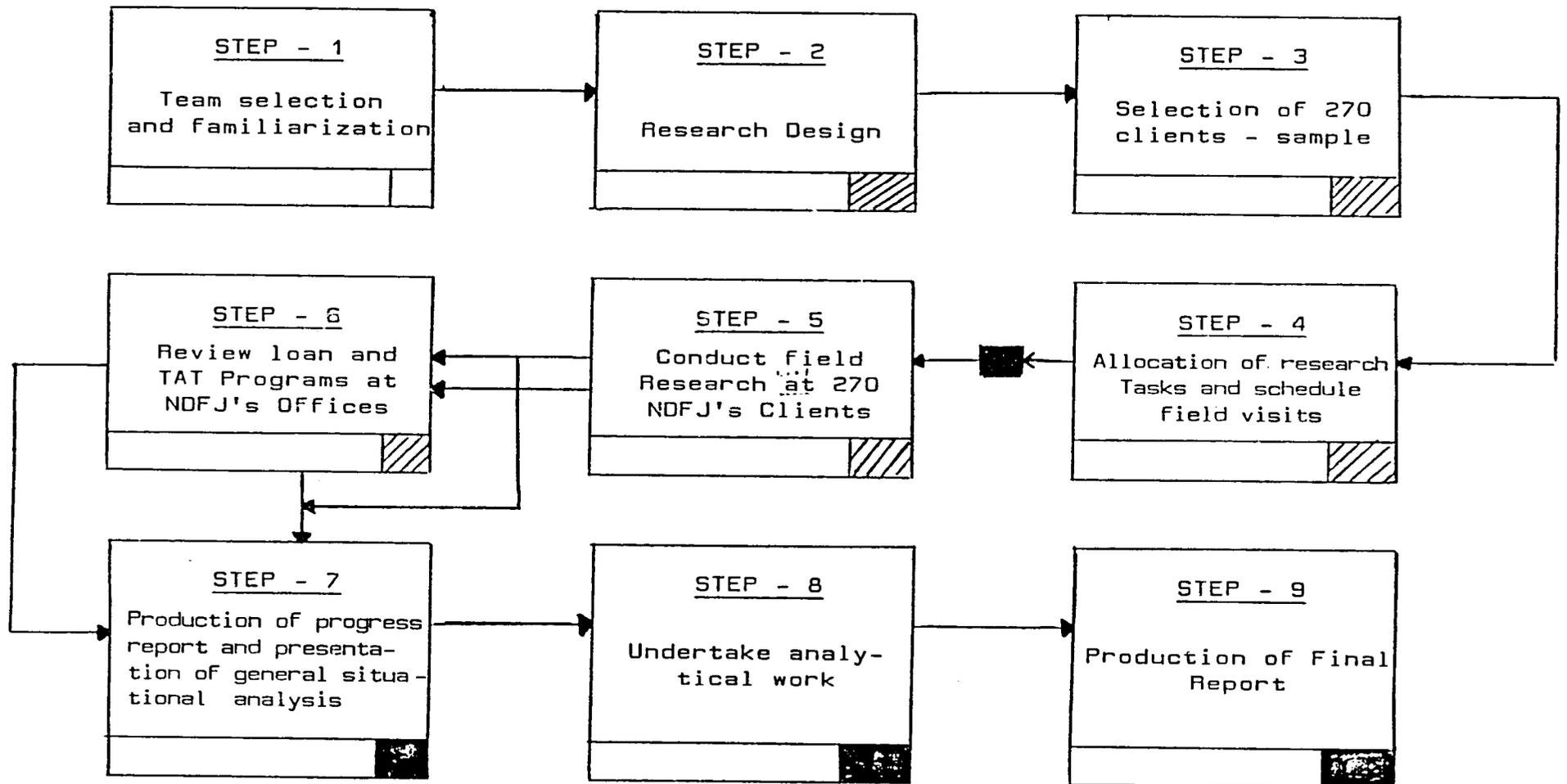
The 9-steps of the work program are set out below:

- STEP - 1 Familiarizing the project team with scope of work and challenges of the task.
- STEP - 2 Design the research to ensure that the required outputs are realized.
- STEP - 3 Selection of a sample of 270 clients from the 1,202 loan clients
- STEP - 4 Allocation of the research tasks among the researchers

- STEP - 5 Conducting field research on the 270 loan clients (enterprises) in the sample. This involved visits to the 270 individual business sites to observe the operations and interviewing the Principals of the businesses.
- STEP - 6 Review of the loan and TAT programs at the NDFJ offices to determine the size of the portfolio, status of loans, and the delivery systems and assess the administration of the programs and also collect other data pertinent to the characteristics of the enterprises (clients).
- STEP - 7 Production of an interim report summarizing the early findings and issues affecting the performance of the program to generate discussions with USAID and NDFJ and solicit further inputs from them in terms of the required outputs of our final report.
- STEP - 8 Analysis of our research findings to determine the impact of the loan and TAT Programs, their outlooks for the future, and critical issues to be addressed for future programs so that the recommendations in our final report will be relevant and implementable.
- STEP - 9 Production of a final report for the USAID, including a set of relevant and practicable recommendations.

The Exhibit which follows illustrates our 9-step work program.

ASSESSMENT OF NDFJ'S LOAN AND TAT PROGRAMS: THE WORK STEPS UNDERTAKEN IN THE ASSIGNMENT



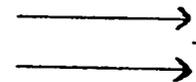
LEGEND



-- Interaction with, and presentation to USAID



-- Interaction with NDFJ



-- concurrent activities

2/

Our 270-client sample has the following characteristics:

- . A strong bias to those with NDF loans 1 year or more to enhance comparative analysis of impacts.
- . A most likely representative group from each economic activity as follows:

NDFJ: DISTRIBUTION OF 1,202 LOANS CLIENTS BY ECONOMIC ACTIVITY VS THE DISTRIBUTION OF THE 270-CLIENTS SAMPLE

<u>ACTIVITY</u>	<u>% OF NDFJ LOAN CLIENTS</u>	<u>% REPRESENTED IN SAMPLE</u>
Manufacturing	44%	48%
Commerce, trade and other services	45%	30%
Agriculture	11%	22%
<hr/>		
TOTAL	100%	100%

Sources: (1) NDFJ
(2) Appendix table A-5

The proportional variations between the sample and those of the loan program are unavoidable due to two factors.

- . The USAID stipulated that a fixed number of cases should be included from each region, while the distribution pattern by economic activities varies among regions. For example, in Mandeville, agriculture represents over 60% of the clients while 28% of the sample had to be from Mandeville. Consequently, the sample comprises 22% agricultural activities. While in the loan program it is only 11%.

- . The sampling was more biased to projects with loans of 1 year or more in existence which does not necessarily represent the program's pattern of distribution.

The sample in each region has proportional representation from the cities and outlying districts. For example, samples in Kingston, Mandeville and Montego Bay offices had cases with a geographical span as follows:

- . Kingston
 - city of Kingston
 - St. Andrew
 - St. Catherine etc.

- . Montego Bay
 - St. James
 - Westmoreland
 - Trelawny etc.

- . Mandeville
 - Manchester
 - Clarendon
 - St. Ann
 - St. Elizabeth

The NDF field officers, loan officers and management were consulted in the selection of the sample. The field research on the 270 cases was conducted by personnel with "hands on" experience in business and organizational issues, who had the expertise to make on-the-spot qualitative and quantitative assessment of the operations they visited.

The assessment focused on 19 aspects of the loan and the business as follows:

1. Operating name of the business and its establishment date and size of loan received.
2. Legal status of the business now and at the time of the loan.
3. Range of the goods and services it produces or trades presently and when it got the loan.
4. Ascertain ownership and employment status of the owner/s.
5. Ascertain its operating status and performance record, as well as driving forces behind such status and performance.
6. Review its sales performance.
7. Review employment level of its principals in the business, prior to and after the loan.
8. Review income of owners, prior to and after the loan.
9. Review employment of non-owners presently and prior to the loan.
10. Review income of non-owners, prior to and after the loan.
11. Review goods and services purchased from others.
12. Review goods and services sold to others.
13. Qualitative assessment of management practices.
14. Evaluation of training needs vs TAT received.

15. Assess the financial standing of each enterprise.
16. Assess reactions to paying for TAT.
17. Ascertain aspects of TAT clients would pay for.
18. Confirm status of loan repayment.
19. Ascertain the frequency of follow-ups TAT visits from field officers and assess the working document, appendix WD-1 outlines the details of areas of focus of the interviews and observations among the 270 clients.

In reviewing the loan and TAT programs at NDFJ's offices, we compiled general population data on the 1,202 loan clients and other data relevant to the loan and TAT portfolio comprising:

- . Portfolio status in the last 5 years and also the 5-year outlook.
- . Characteristics of loan and TAT clients.
- . Loan repayment status.
- . Business status of loan/TAT clients'.
- . Business activities of loan and TAT clients.

The working document, appendix WD-2 outlines the details of the focus of the review.

Finally, in our review task, we conducted thorough interviews with the key players at NDF offices in Kingston, Montego Bay and Mandeville, to determine the organization's: mission for loan/TAT, operational issues, and outlook and challenges for the next 5 years.

II. OVERVIEW OF LOAN AND TAT PROGRAMS OF NDFJ

- . Mission
- . Loan and TAT Delivery System
- . Loan Portfolio and Status
- . TAT Portfolio
- . Loan Sizes and Distribution
- . Distribution of Loans and TAT by Economic Activities
- . Business Status of Loan Client
- . Major Characteristics of Loan Clients
- . Major Characteristics of TAT Clients
- . Present Operating Status of Business which received Loans
- . Management of the loan/TAT Programs

II. OVERVIEW OF LOAN AND TAT PROGRAM OF NDFJ

1. Mission

The mission of the NDFJ, a non-profit oriented organization, is to develop small businesses through credit, technical assistance and training.

Its target clients are those who are of good character, with sound business intentions and/or initiatives requiring financial and TAT support to enhance success but lack the conventional requirements to access credit facilities at commercial banks and other credit institutions. This includes:

Collateral to serve as security for the loan.

Adequate know-how to convince conventional lending institutions that the business will be operated successfully.

Consequently, NDFJ's credit scheme goes hand-in-hand with its technical assistance training program to enhance the success of the enterprises it finances, so that debt servicing could be maintained. Its TAT Program comprises 3 main elements.

Business advisory services, given to non-borrowers on an ad-hoc basis and to borrowers on an on-going basis. It is technical support tailored to meet the individual nature and needs of the enterprise.

- . Training in business practices eg. cash book, inventory management, and costing, which are usually offered on a group basis.
- . Pre-investment evaluation of project proposals to determine technical and financial viability and operational issues and logistics.

The TAT Program is available to all borrowers throughout the life of the loan provided it is in good standing.

2. Loan and TAT Delivery System

The loan and TAT delivery system has a 4-stage process designed to yield 4 outputs as follows:

Screening of, and delivery of business advisory services to existing businesses requiring management and production practices to improve their financial and production performances. These clients usually get the business advisory service on a one-shot basis. This service helps the enterprises in at least 2 ways:-

- reduction of the need for loan financing, since advisory services in areas such as cash and inventory management, costing and marketing usually improves the cash flow position of the enterprises.
- improvement in management practices and the production process.

Screening of potentially stable and new business proposals and existing businesses requiring consideration for financial support.

Provision of pre-investment evaluation of the projects and group training of sponsors to determine the following:-

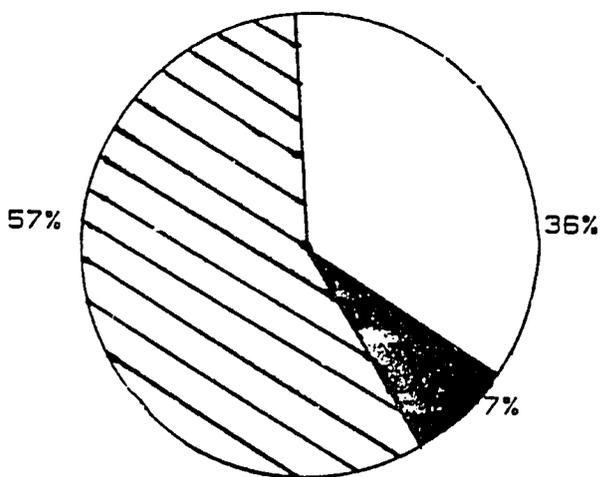
- the financial and technical viability of the proposed new projects or business expansion.
- the sponsor's attitude, discipline and other factors which enhances his preparedness to make the business a success.

Approval of loan financing and the design of a technical assistance and training package to be administered on an on-going basis to enhance success of the business and facilitate repayment of the loan.

The exhibit on the next page illustrates the process and the volumes of delivery of a program which registers 1,202 loans so far.

Over 16,000 small scale established and aspiring entrepreneurs approached the NDFJ for loan and/or TAT since its inception, with 1,202 receiving loans accompanied by TAT on an on-going basis and over 9,000 receiving TAT only, on an ad-hoc and one-shot basis. The exhibit below illustrates:

NDFJ: STATUS OF OVER 16,000 ENQUIRIES SINCE ITS INCEPTION



TOTAL ENQUIRIES = 16,000

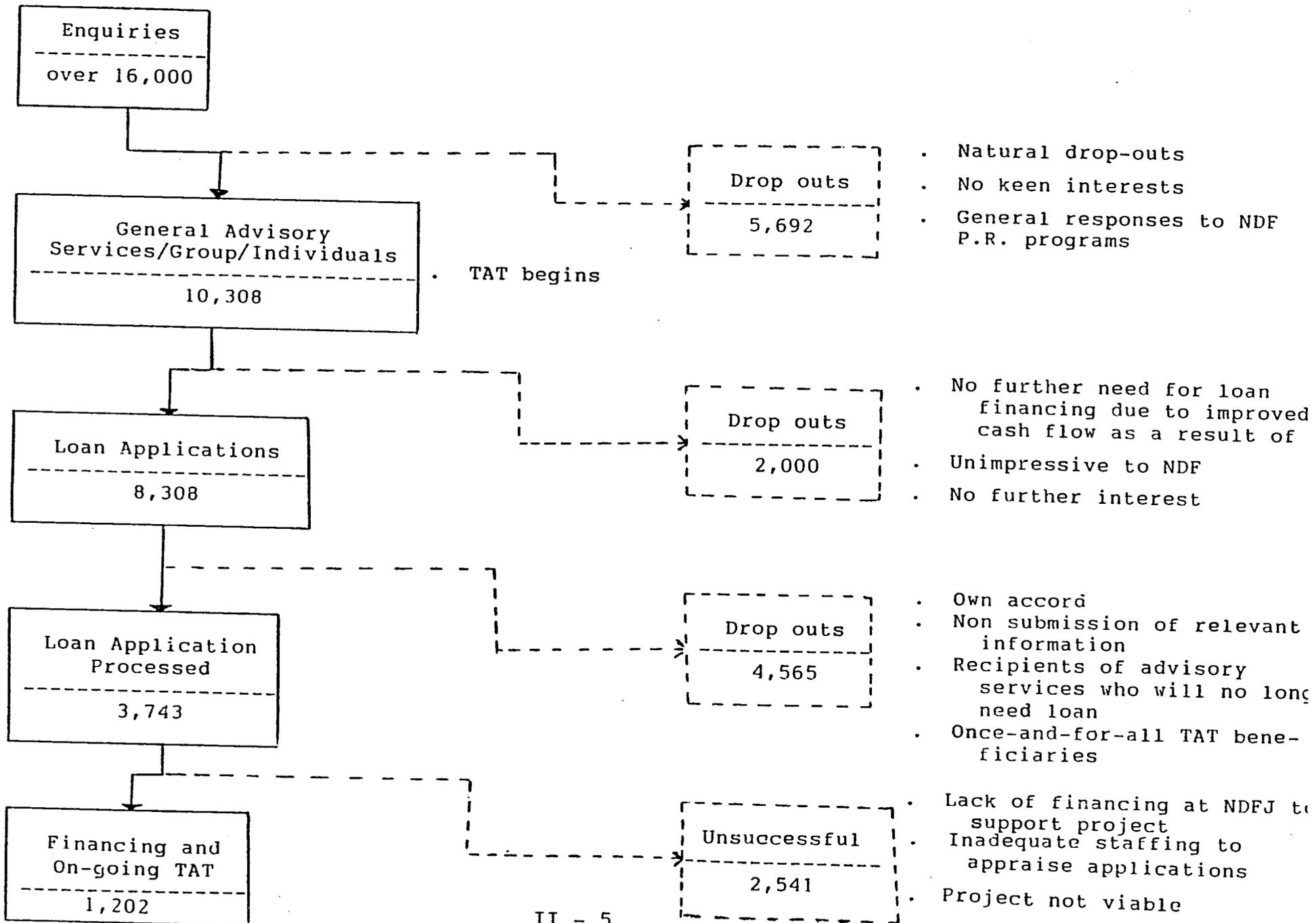
Source: NDFJ

LEGEND

- drop-outs without loans or TAT
- received some form of TAT but no loans. TAT is on a once-and-for-all basis
- received loan and TAT on an on-going basis

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NDFJ'S LOAN/TAT DELIVERY SYSTEM: THROUGH-PUTS AND OUTPUTS



The 36% (5,692) drop-outs without loan or TAT are enquiries driven mainly by NDFJ's Public relations programs geared to encourage small scale entrepreneurs to use its services. They drop out mainly for 3 reasons.

- . No keen interest in business.
- . Lack of any business idea for them to follow-up on.
- . Unpreparedness to meet the disciplined approach to doing business as required by NDFJ.

The 9,106 clients (57%) who received TAT but no loans are as a result of the following:

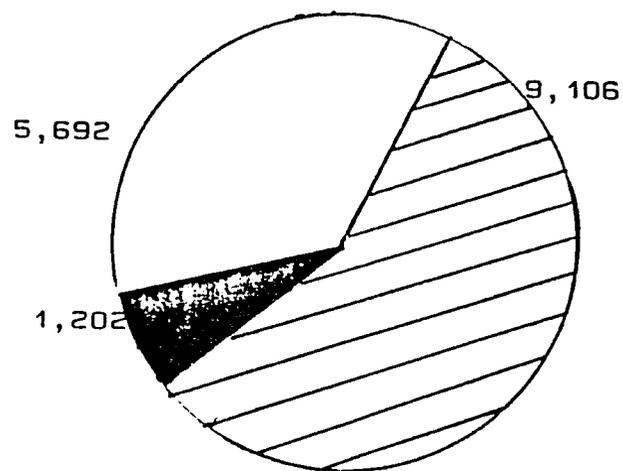
- . Most of those who received NDFJ's business advisory services subsequently realized improved cash flow as a result of improved cash and inventory management, costing pricing and marketing. Consequently, there is no longer a need for loan financing.
- . Some clients were unimpressive to NDFJ, in terms of:
 - their attitudes to good business practice
 - their seriousness about business
- . Some clients, after receiving the TAT voluntarily dropped out because of unpreparedness to practice the NDFJ stipulated disciplinary approach to doing business as a condition of the loan.

- . Non submission of relevant information to facilitate processing of the loan application.
- . Inadequate staffing at NDFJ to appraise applications hence there is a large back-log of applications.
- . Inadequate financing at NDFJ to support all viable projects on a timely basis.
- . Some projects are not viable.

About 2,160 (24%) of the 9,106 clients who did not secure loans, continue to be in the loan processing stream because of inadequate staff to execute the necessary follow-up work to complete the processing of their applications.

The exhibit which follows, illustrates the key factors and their respective share of the 9,106 TAT clients not receiving NDFJ loans.

NDFJ: KEY FACTORS AND THEIR RESPECTIVE SHARE OF THE 9,106 TAT RECIPIENTS
NOT RECEIVING LOANS

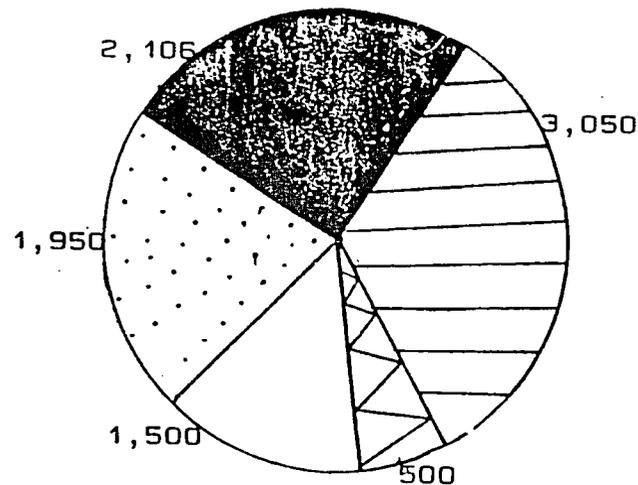


TOTAL ENQUIRIES = 16,000

Source: NDFJ

LEGEND

-  -- received TAT once-and-for-all but no loans
-  -- received loans and TAT on an on-going basis
-  -- drop-outs, without loan or TAT



TOTAL RECEIVED TAT BUT NO LOAN = 9,106

LEGEND

-  -- inadequate staffing to do follow-up
-  -- non-viability of project
-  -- unsuitability of project sponsor
-  -- no longer need loans because of improved cash flow as a benefit of TAT
-  -- other

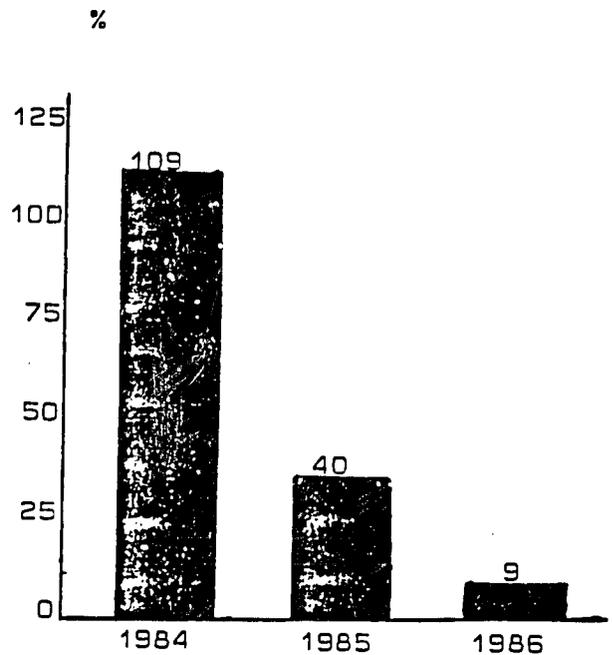
5

3. Loan Portfolio
and Status

NDFJ delivered 1,202 loans valued at \$9 million as at October 1986 with the annual increase in the number of loans being constant, averaging just under 300. The table and exhibit below illustrates:

NDFJ NUMBER OF LOANS DELIVERED ANNUALLY 1982 - 1986*		
YEAR	NO. OF LOANS	TOTAL PROGRAM TO DATE
1982	28	28
1983	303	331
1984	333	664
1985	257	921
1986	281	1,202
1,202		

NDFJ: ANNUAL GROWTH RATE IN NUMBER OF LOANS DELIVERED



Source: NDFJ

* The data for 1986 is for 10 months only, but interviews with NDF indicate that there would be only a few more, if any, further loans for the rest of 1986.

The annual growth rate in the delivery of loans has been decreasing for two key reasons:

- . The average value of each loan has been increasing faster than the supply of loan funds.
 - in 1984 the average value of a loan was \$4,800
 - in 1986 the average value of a loan is \$9,800

- . The NDFJ's field staff and equipment are too inadequate to service existing loans and simultaneously process new applications at its present ratio of one officer to over 100 loans. This present ratio allows for average visits of two clients per year.

Approximately 30% (374 loans) of the loans to date are fully repaid while 51 loans (4%) are considered as bad debt. The table below provides details on the status of the loans.

NDFJ: STATUS OF ITS 1,202 LOANS AS AT OCTOBER 1986

<u>STATUS</u>	<u>NO. OF LOANS</u>
<u>Paid off</u>	<u>374</u>
<u>Written off</u>	<u>51</u>
<u>Outstanding</u>	<u>777</u>
of which:	
- paid up to date	356
<u>ARREARS</u>	<u>302</u>
- in arrears by less than 60 days	35
- in arrears by 60-89 days	25
- in arrears by 90 days plus	242
- non-current	109
<u>TOTAL</u>	<u>1,202</u>

Source: NDFJ

Over 50% of the 302 loans arrears are so, primarily because the cash flow projections of the respective projects were over optimistic. Consequently borrowers were given shorter repayment periods with larger monthly repayments. Their businesses are performing at more realistic levels with adequate cash flows to meet more reasonable debt repayment schedules. These businesses are therefore eligible for debt rescheduling to match the more realistic cash flow situations. but the NDFJ is reluctant to reschedule them for fear that they might become complacent, while a more burdensome repayment plan, which is the main cause of the arrears will force them to operate more aggressively and efficiently in order to "catch up" with their payments. The table which follows show how many loans in each age category of arrears are in such a situation, because of over optimistic cash flow projections and are therefore eligible for rescheduling to match the more realistic cash flow levels.

NDFJ: NO. OF LOANS IN ARREARS BECAUSE OF OVER ESTIMATION OF THE CASH FLOW PROJECTIONS AND THE CONSEQUENTIAL OVER AMBITIOUS PAYMENT SCHEDULE

<u>AGE OF ARREARS</u>	<u>NO. OF LOANS</u>	<u>NO. WHERE REPAYMENT SCHEDULE IS OVER AMBITIOUS</u>	<u>%</u>
30 - 59 days	35	17	49%
60 - 89 days	25	15	60%
90 days plus	242	133	55%
<hr/> TOTAL	302	167	55%

Source: NDFJ

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The 109 loans valued \$0.5 million with non-current status means that arrears are aged in excess of 90 days and are therefore in transition between possible recovery and write-offs (bad debts). They fall into 4 categories as follows:

- . Loans being paid on an ad-hoc basis
- . Loans where payments are in the pipe line
- . Loans partially paid but no recent payments made
- . Loans with no prospect of payment

About 47 of the 109 loans with a balance of \$381,000 are likely to be recovered through ad-hoc repayment and sale of security while 62 loans with balance of \$166,000 have no prospect of payment. The table below illustrates:

NDFJ: NON-CURRENT RECEIVABLES AS AT OCTOBER 1986

<u>STATUS</u>	<u>NO. OF LOANS</u>	<u>VALUE OF OUTSTANDING BALANCE \$000</u>
1. Being paid on ad-hoc basis.	9	67
2. Payments in pipe-line	21	167
3. Partially paid, but no recent payment.	17	147
4. No. prospect of payment	62	166
TOTAL	109	547

Source: NDFJ

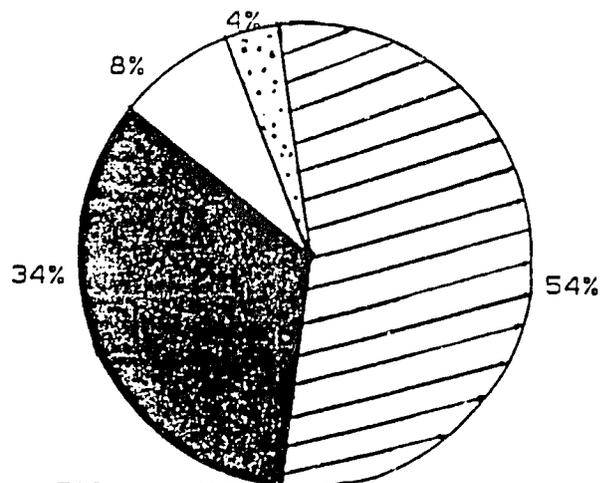
All of these businesses have folded, hence rescheduling is not possible.

NDFJ's \$9 million loan portfolio is a low risk one:

- . \$3.1 million (34%) is already fully repaid
- . Less than 5% is delinquent
- . Only 6% has been non-current
- . Bad debts accounting for 2%

The exhibit below illustrates:

NDFJ: STATUS OF ITS \$9 MILLION LOAN PORTFOLIO



TOTAL PORTFOLIO = \$9 MILLION

Source: NDFJ

L E G E N D



-- fully repaid



-- payment on schedule



-- Non-current and bad debts



-- delinquent

The driving forces behind the low risk of NDF loans are:

- . 740 (62%) of the enterprises are growing.
- . 1,042 (87%) of the enterprises are still in business.
- . The TAT has enhanced the management of the enterprises especially in the areas of cash, inventory and costing.

The personalized debt collection system executed by NDF's field officers. (98% of repayments are collected by the field officers).

These favorable factors are attributable to the thorough screening of projects and sponsors at the NDF and its on-going TAT program of business advisory services and technical advice at each client's place of business.

4. TAT Portfolio

NDFJ delivered business advisory services and project related technical assistance to over 10,000 clients including group training in business practices to over 1,500 clients since 1982. The details are provided in the table following this page:

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NDFJ: TAT DELIVERED 1982 - 1986*

<u>YEAR</u>	<u>NO. PROJECT SPECIFIC TAT</u>	<u>INCLUDING GROUP TRAINING</u>
1982	84	0
1983	1,670	0
1984	3,550	419
1985	2,604	671
1986	2,400	501
<hr/>		
TOTAL	10,308	1,591
<hr/>		

*The data for 1986 is for 10 months only.
Source: NDFJ

TAT recipients account for over 8 times the number of loan clients because of the wide range of functions and objectives of TAT. The following are the key ones :

To existing enterprises:

- to assist them to execute improved management practices in order to generate increased cash flow in lieu of loan financing
- to assist enterprises to improve the technical and production related practices so that their productivity could be increased.

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Loan applicants

- technical and financial evaluations of proposed projects or expansions.
- group training to familiarize clients with the principles of business practice and determining those with the preparedness to follow a disciplinary approach to doing business.

Borrowers

- on-going on site business advisory service.
- on-going individualized training in business practice.

5. Loan Sizes and Distribution

The average loan size has increased from approximately \$4,900 in 1984 to \$10,000 in 1986 primarily due to:

- . The massive devaluations of the Jamaican dollar between 1982 and 1985 from J\$1.78 = US\$1.0 to J\$5.50 to US\$1.0
- . Earlier loans were mostly for working capital while the more recent ones are for capital goods (which are more costly) to facilitate physical expansions

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The table below illustrates the increasing trend in the value of loans.

NDFJ: AVERAGE VALUE OF LOANS 1982 - 1986

<u>YEAR</u>	<u>AVERAGE VALUE OF LOAN</u>
1982*	5,400
1983*	6,000
1984	4,900
1985	9,600
1986	9,800

*The main reason for 1982 & '83 registering a high average cost per project is because all loans were to non-agricultural projects. Subsequently, however, over 130 loans have been made to agriculture.

Source: NDFJ

The average value of each loan could have been much higher if the NDFJ limited its support to non-agricultural projects only. However, since 1984 it supported 131 agricultural projects which are less capital intensive, consequently, the growth rate in the average value of projects has slowed down since 1985.

The greatest concentration of loans is under \$10,000 (48%), with only 7% and 3% borrowing under \$2,000 and over \$50,000 respectively. The table below illustrates:

NDFJ: DISTRIBUTION OF LOANS BY SIZE

<u>SIZE</u>	<u>% OF BORROWERS</u>
Under \$2,000	7
2,000 - 4,999	25
5,000 - 6,999	16
7,000 - 9,999	14
10,000 - 14,999	13
15,000 - 19,999	9
20,000 - 24,999	6
25,000 - 29,999	3
30,000 - 39,999	2
40,000 - 49,999	2
50,000 plus	3
<hr/>	
TOTAL	100%

Source: Appendix table B-4

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The concentration of loans, especially the earlier ones is under \$10,000 because the ceiling was at \$15,000 and the impact of the devaluation on cost was not too severe during the period 1985 during which time over 70% of the loans were made. The average loan will continue to increase for a number of reasons:

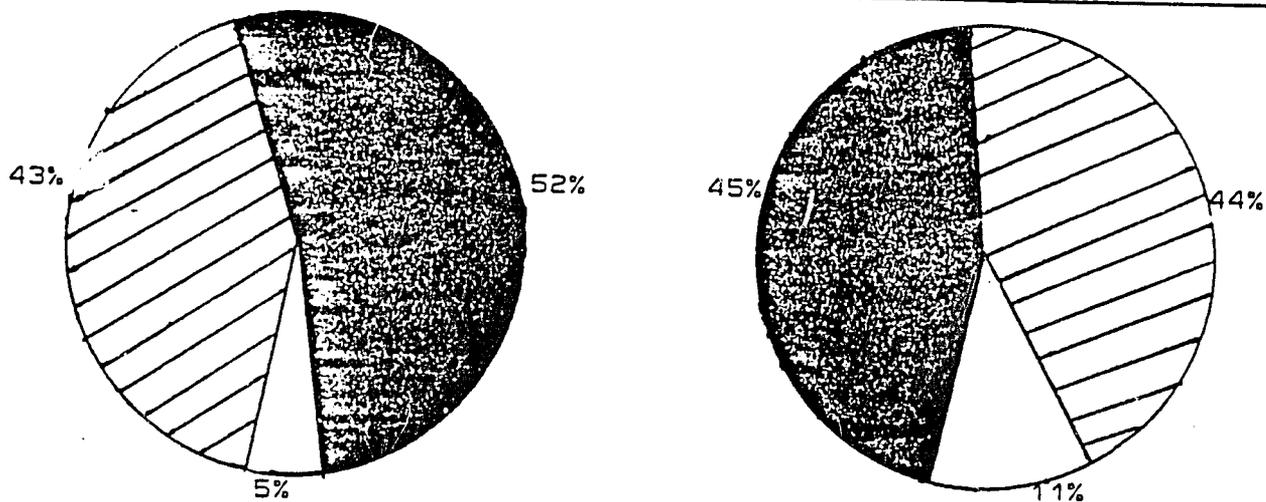
- The ceiling has been increased to range from \$50,000 to \$150,000 depending on the source of funding.
- Larger projects are now in the pipe line.

6. Distribution of Loans and
TAT by Economic Activity

NOF financial support is oriented to manufacturing, tradable services and agriculture with services accounting for 52% and 45% of the value of loans and number of projects respectively. Garment manufacturing, the single largest economic activity, accounts for 229 loans (19%).

The exhibit following this page, and the table on page II - 21 illustrate.

NDFJ: DISTRIBUTION OF LOANS BY ECONOMIC ACTIVITY AS AT OCTOBER 1986



AMOUNT LENT = \$9 MILLION

NO. OF LOANS = 1,202

Sources: NDFJ

LEGEND



-- service, including commerce, retail



-- manufacturing, fabrication and related



-- agriculture

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NOFJ: DISTRIBUTION OF THE 1,202 PROJECTS BY
ECONOMIC ACTIVITY AT TIME OF LOAN

SECTOR/ACTIVITY

<u>SERVICE</u>	<u>540</u>
Meat/retail	50
Pastry/restaurant	125
Grocery/retail	127
Others	238
<u>MANUFACTURING</u>	<u>531</u>
Craft	68
Food Processing	22
Footwear	61
Furniture	96
Garment	229
Other	55
<u>AGRICULTURE</u>	<u>131</u>
Livestock	15
Other	116
<u>TOTAL</u>	<u>1,202</u>

There have been some minor shifts in the economic activities of clients.

- . The number doing manufacturing declined by about 1%
- . The number in commerce and service as a major activity increased by 3.5%.
- . The number in agriculture as a principal activity declined by 11%.

The details are in the table below:

NDFJ: DISTRIBUTION OF ECONOMIC ACTIVITIES OF
BORROWERS AT TIME OF LOAN VS THE PRESENT
SITUATION - INCLUDING THOSE AT THE TIME
OF FOLDING

<u>ECONOMIC ACTIVITY</u>	<u>NO. AT TIME OF THE LOAN</u>	<u>ESTIMATED NO. PRESENTLY AND/ OR AT TIME OF FOLDING</u>	<u>% CHANGE</u>
Manufacturing	531	526	- 1%
Commerce and other services	540	559	3.5%
Agriculture	131	117	-11%
TOTAL	1,202	1,202	

Sources: (1) NDFJ
(2) Appendix table A-5

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A few enterprises have shifted activities for varying reasons:

- . Agriculture which registers the largest shift is primarily due to:
 - flood rains
 - praedial larceny
 - poor crop yields.

This may however be seasonal as ;

- . Commerce and services, pulled enterprises from agriculture to increase the number of enterprises engaged in it by 3.5% primarily because of the poorer operating conditions prevailing in agriculture.

7. Business Status of
Loan Clients

Approximately 80% of loans went to clients with some semblance of self-employment or very visible existing businesses because the criteria most frequently used to assess projects and sponsors are those set out to minimize the high level of risks attributable to the relaxation on security requirements. The most frequently used criteria are:

The venture must be market driven i.e.:

- the sponsor should have a clear foot hold in the market

or

- he should be familiar with marketing the proposed product

. The sponsor should have excellent working knowledge of producing the commodity.

Maturity and sound discipline compatible with those required to manage a business.

. Tangible initiatives in the business venture for which he is seeking financing.

Another key reason why 80% of the clients are existing enterprises is that many micro-enterprises are operating well below the level of operation required to provide an adequate level of employment to the owners, or to generate adequate income. Consequently, those businesses with excellent potential to generate full employment and adequate levels of income for their owners, appear to get priority considerations from the NDFJ for loan financing.

8. Major Characteristics
of Loan Clients

The following are some typical features of the enterprises, some of which help to define them as true micro-enterprises:

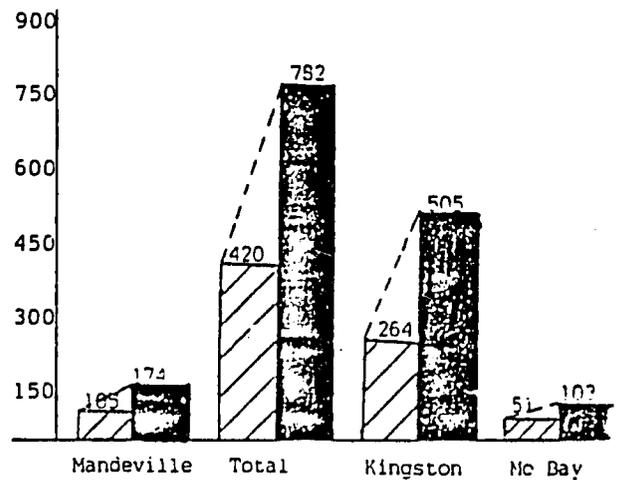
Male owned enterprises represent the larger share of loans and TAT:

- 65% of loan clients are male
- 65% of TAT clients are male

The bias is toward male because they own the greater share of existing businesses, and most of the loans went to existing businesses in order to reduce the level of risk. The table and exhibit which follows illustrate the male - female distribution of loans regionally:

NDFJ: REGIONAL DISTRIBUTION OF 1,202 LOANS BY SEX

<u>REGION</u>	<u>NO. MALE</u>	<u>NO. FEMALE</u>	<u>TOTAL</u>
Kingston	505	264	769
Mandeville	174	105	279
Montego Bay	103	51	154
TOTAL	782	420	1,202



LEGEND

- Male
- Female
- Difference between male and female

Source: NDFJ

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Women account for 38% of the loan recipients in Mandeville, while it is only 34% and 33% in Kingston and Montego Bay respectively. The driving forces behind Mandeville's higher percentage of women recipients are those associated with rural regions like Mandeville.

- rural women in Jamaica play a more significant role in economic activities.
- the division of labor and specific activities among men and women in rural areas is more significant in rural than urban areas. Hence in the Mandeville region, most non-farm activities supported by NDF are dominated by women, e.g trade and commerce and other services.

The level of under-employment among clients was very high at the time of the loan, with almost 50% working less than 40 hours per week. The table below illustrates:

NDFJ: EMPLOYMENT LEVELS OF CLIENTS AT TIME OF LOAN:
WEEKLY HOURS WORKED

<u>HOURS WORKED PER WEEK</u>	<u>% OF CLIENTS</u>
	%
Less than 10	17
10 - 19	8
20 - 29	10
30 - 39	14
40 and over	51
<hr/>	
TOTAL	100%

Source: Appendix table A-11

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- Over 80% of the enterprises are proprietorship with one very visible owner, who is usually the manager and quite often the only employee.
- The level of investment in each enterprise prior to securing NDF loan was under \$10,000 with equity being almost the same, because they were unable to attract loan financing from conventional sources. The table below illustrates the levels of investment and corresponding equity.

NDFJ: ESTIMATED LEVEL OF INVESTMENT AND EQUITY BUSINESSES PRIOR TO SECURING NDF LOAN FINANCING

<u>LEVEL OF INVESTMENT/EQUITY</u>	<u>NO. OF INVESTMENTS</u>	<u>NO. WITH EQUITY</u>
\$		
Under \$2,000	263	276
2,000 - 4,999	334	316
5,000 - 6,999	169	178
7,000 - 9,999	107	111
10,000 - 14,999	120	110
15,000 - 19,999	80	89
20,000 - 29,999	65	53
30,000 and over	64	69
<hr/>		
AVERAGE: INVESTMENT = \$8,500	EQUITY = \$8,300	

Source: Appendix table B-8

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This low level of investment with a 1 : 1 asset: equity ratio, has two implications:

- the businesses were small, but financially sound.
- even though the businesses were financially sound their financial bases were too low to attract conventional lending.
- the investments were too small to generate adequate levels of income, and therefore they needed injection of levels of income, and additional capital.

The average weekly income of each client from the business was less than \$200 at the time of the loan, primarily because of the following:

almost 50% of them were working at less than 40 hours per week.

- the level of investment was too small (under \$9,000) to generate a higher level of income.
- those who were in transition between wage employment and self-employment were earning very marginal salaries and/or were engaged in self-employment activities only on an ad-hoc basis.

The table which follows this page illustrates the estimated distribution of income of the 1,202 borrowers at the time of the loan:

NDFL: ESTIMATED DISTRIBUTION OF WEEKLY INCOME OF 1,202 PRINCIPAL
BORROWERS AT THE TIME OF THE LOAN

<u>INCOME BAND</u>	<u>NO. OF EARNERS</u>
Under \$150	859
150 - 199	116
200 - 249	62
250 - 299	85
300 - 349	45
350 and over	35
<hr/>	
AVERAGE INCOME	= \$196

Source: Appendix table A-6

These major characteristics of the clients at the time of the loan, particularly the last three, will be revisited in the next section, where we will be evaluating the economic impact of the loan on the business and the principal owners.

9. Major Characteristics
OF TAT Clients

There are two categories of TAT clients:

- . Those who received TAT only on a one-shot basis
- . Those who received TAT and loan, in which case TAT is on an on-going basis

The NOFJ has very limited data on the first category of TAT recipients, hence, our overview will be more biased to TAT/Loan clients.

The following are some typical features of the enterprises which received TAT.

An estimated 10,308 clients received technical assistance with women accounting for only 36%.

The table below illustrates:

NOFJ: DISTRIBUTION OF TAT RECIPIENTS BY SEX

<u>SEX</u>	<u>NO.</u>	<u>%</u>
Male	6,700	64
Female	3,608	36
<hr/>		
TOTAL	10,308	100%
<hr/>		

Source: NOFJ

The distribution of TAT by sex, has the same pattern as that of loans where women account for only 35% as well.

Approximately 36% of loan/TAT clients had vocational training but only 7% had any business practice related training before securing NDF loan/TAT. The two tables below illustrate:

NDFJ: NON-BUSINESS TRAINING OF CLIENTS

<u>CATEGORY</u>	<u>NUMBER</u>	<u>%</u>
Primary only	307	26
Primary/vocational	209	17
Secondary only	459	38
Secondary/vocational	53	4
Professional/ vocational	174	15
TOTAL	1,202	100%

Source: Appendix table A-8

NGFJ: NON-NDF BUSINESS TRAINING RECEIVED BY CLIENTS

<u>TYPE</u>	<u>NO.</u>	<u>%</u>
Accounts	89	7
Marketing	84	7
Management	116	10
Costing	84	7
Inventory Management	18	1

Source: Appendix table A-20

The largest percentage (57%) of the clients are graduates from secondary schools or institutions of higher education. This 57% of higher education combined with a 36% vocational and 15% professional training makes NDF clients very good material for training and dynamic entrepreneurship.

There was however a clear case of scarce training in business practice at the time of the loan/TAT. Only 7% appear to have any aspect or combination of such training as follows:

- 10% had training in management
- 7% had training in accounts, marketing and costing
- only 1% had training in inventory management

This situation clearly demonstrates the need for TAT as a critical factor for guaranteeing the success of each loan.

10. Present Operating Status
Of the Businesses which
Received Loans

Over 85% of the enterprises 1,042 are still in business, most of which are recording very impressive rates of growth as set out below:

NDFJ: OPERATING STATUS OF THE 1,202 ENTERPRISES FUNDED

<u>STATUS</u>	<u>NO.</u>
. <u>In Business</u>	<u>1,042</u>
of which:	
- growing ones	740
- no growth ones	302
. <u>Folded</u>	<u>160</u>

Source: Appendix table A-3

The key driving forces behind those registering impressive growth rates are:

- improved management techniques as a result of TAT
- adequate financing
- the projects are mostly market driven

The main factors for those which folded are:

Incompatible attitude to good business practice (35%) e.g

- non-adherence to good business practice
- using cash flow to increase personal consumption

General dynamics of the business environment (23%) e.g

- increased competition from local and foreign suppliers
- inability to find labor at attractive rates
- inability to access working capital

Social (16%) e.g

- the proprietor, who is female, is concentrating on family expansion or upbringing
- break-ups between spouses who are partners in the business

II. Management of the
Loan and TAT Program

The program management falls under an organizational structure designed to involve broad based community support, promote the work of the NDFJ, promote equal access to its financial resources, with day-to-day operations in the hands of a multidisciplinary managerial, technical and administrative support staff with complementary skills and experience.

The organization features the following:

A Board of Directors comprising leading community and business personalities.

Three committees to steer the three main operating responsibilities of the organization. They are:

- a public relations and fund raising committee to promote the image and public awareness of the organization and to promote financial support for the running of the organization and the financing of TAT.
- a finance and audit committee to protect the financial health of the organization as well as its accountability.
- a loans committee to review loan applications, loans processing, and to ensure that all potential borrowers enjoy equal access to credit.

The day-to-day operations is managed by an Executive Director with support from an operations manager, three branch managers, and several technical and senior administrative support personnel comprising:

- . 11 field officers who form an integral part of the organization with responsibilities for:
 - project appraisal
 - project monitoring
 - delivery of the TAT

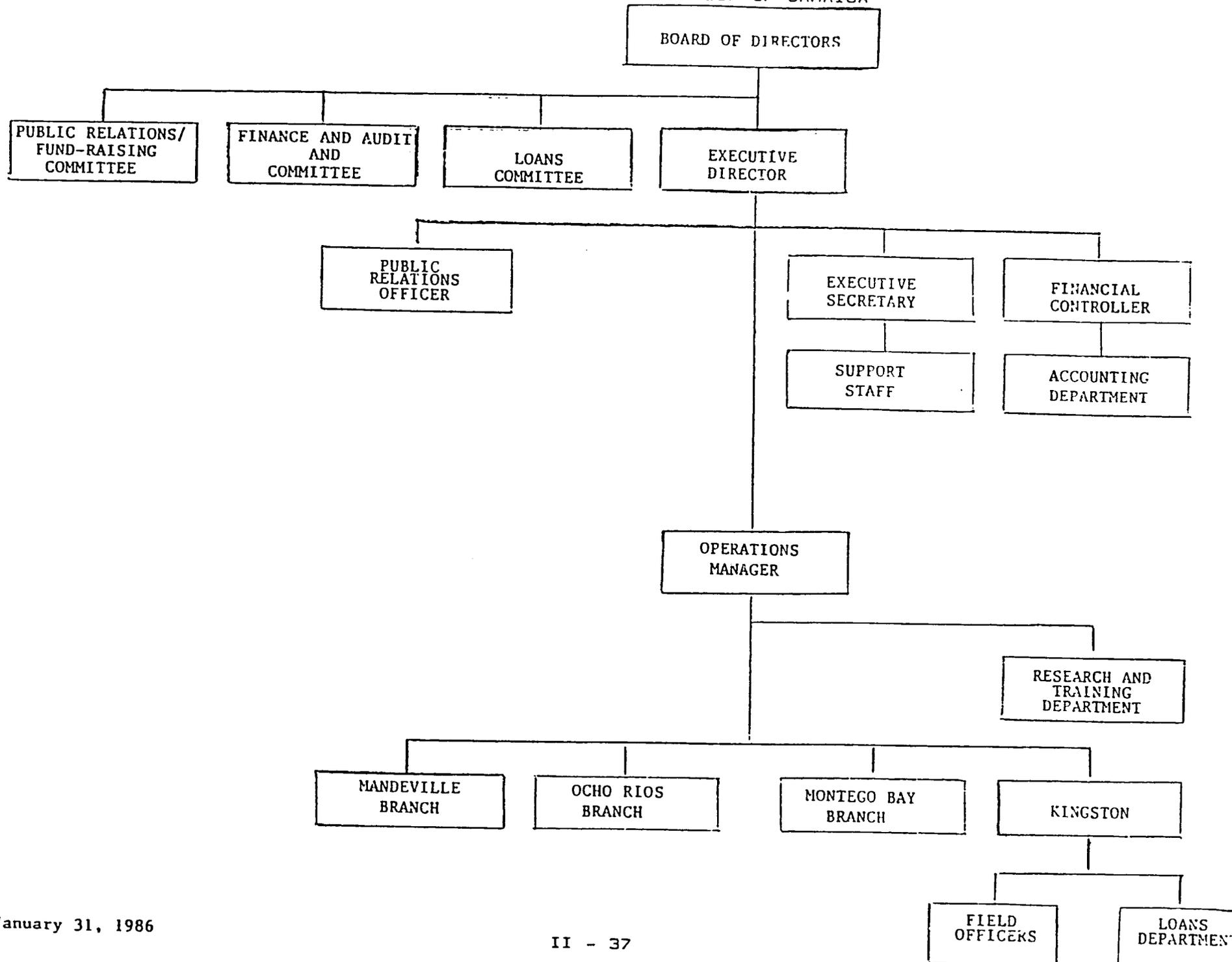
- . A training and research officer with responsibility for designing and administering group training and research and analysis of the loan portfolio.

- . A financial controller with responsibility for the financial affairs of the company.

- . A public relations officer to promote public awareness of the program.

The exhibit which follows illustrates:

NATIONAL DEVELOPMENT FOUNDATION OF JAMAICA



January 31, 1986

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The administration of the loan program (excluding TAT) to date is just over \$4 million or 45% of the value of disbursements as at November 30, 1986. The cost is very excessive but can hardly be reduced because of the minimum scale at which such an organization is required to operate to provide adequate services to its clients. The main challenge is to increase the level of the loan program by at least 300% to satisfy the large and growing number of qualified clients. This will generate an increase scale of operation and consequently, increase in the cost-effectiveness of the program.

III. LOAN PROGRAM IMPACT ON CLIENTS AND COMMUNITIES

- . Growth of the Business

- . Profitability

- . Employment of owners

- . Employment of Non-owners

- . Income of Owners

- . Income of Non-owners

III. LOAN PROGRAM IMPACT ON CLIENTS AND COMMUNITIES

This assessment is based on the sample of 270 clients, a truly representative sample of the total 1,202 loan clients. Familiarization with some of the key characteristics of this sample could be useful in order to appreciate the findings to be presented shortly. Some key characteristics are:

- . 178 enterprises were under 5 years old at the time of the loan including 49, which started as a result of the loans.
- . 220 of the enterprises are proprietorship
- . 8 of the enterprises are closed

We will now assess the impact of the loan on:

- . The growth of the enterprises
- . Their profitability
- . Employment of owners
- . Total employment
- . Employment of women
- . Income of owners
- . Income of non-owners
- . Impact on the communities

The findings from the sample which are provided in the appendix tables, will be used to assess the overall program.

The growth of Enterprises

Approximately 200 firms in the sample (74%) are registering attractive growth rates with good management and improved financing facilitated by NOF, TAT and loan programs respectively, being two key driving forces. Favorable market conditions are also another major driving force. The following table summarizes the key success factors of the enterprises and their relative contributions to the success of the 890 enterprises in the NDFJ loan program that are growing.

NDFJ: KEY SUCCESS FACTORS BEHIND GROWTH OF THE 690 ENTERPRISES IN THE 1,202 ENTERPRISES IT FINANCED

<u>KEY DRIVING FORCE</u>	<u>LEVEL OF CONTRIBUTION</u>	<u>NO. OF CASES</u>
1. Adequate financing		620
2. Cash and inventory management		540
3. Favorable economic environment		72
4. Attitude to business		602
5. Non-NOF acquired business skills		52
6. NOF-acquired business skills		615
7. Relationship with workers		259
8. Dynamic marketing		443
9. Production management		296

Source: Appendix table A-4 (Summarized)

LEGEND

 -- Significant  -- Moderate  -- Marginal

Approximately 13% (160) of NDF financed enterprises are closed on account of a long list of reasons, with the most predominant ones being:

- . Incompatible attitudes to business and debt servicing
- . The unfriendliness of the environment to inefficient enterprises
- . Poor cash management
- . Social reasons, e.g.
 - break-ups between spouses
 - female owner on maternity leave or other family development related matter

The table below provides an analysis of the closures:

NDFJ: ANALYSIS OF THE 160 FINANCED OPERATIONS WHICH FOLDED - THE KEY REASONS

<u>KEY REASONS</u>	<u>LEVEL OF IMPACT</u>	<u>NO. OF FIRMS</u>
Inadequate finance	●	22
Weak Management	◐	13
Inadequate market	◑	8
Social Reasons	●	20
Employment elsewhere	◑	7
Migration	◑	8
Poor attitudes to business	●	43
General inefficiency in a dynamic environment	●	30
Other	◑	9

Source: NDFJ

L E G E N D

● -- Significant ◐ -- Moderate ◑ -- Marginal

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2. Profitability of
the Firms

The enterprises are registering significantly increased sales and consequential increases in absolute and relative levels of profits as follows:

- . Average annual sales increased from \$42,000 to \$70,000 with the following features:
 - prior to the time of the loan, only 26% of the businesses were earning \$50,000 or more, while today 42% are earning \$50,000 and more.
 - earnings are more evenly distributed today than prior to the loans. There are now many clusters of enterprises at the various levels of earnings, while prior to the loan it was concentrated mostly at the lower and upper ends of the scale.

- . Average annual gross profits have increased from \$16,000 to \$32,800 (105%) with the following features:
 - prior to the loan, only 37% were making profit above \$10,000 as against 67% today.
 - profits are more evenly distributed among enterprises in the same activities because of a high degree of uniformity in the incremental scale of operation as a result of rational disbursement of loans to enterprises in the same trade.

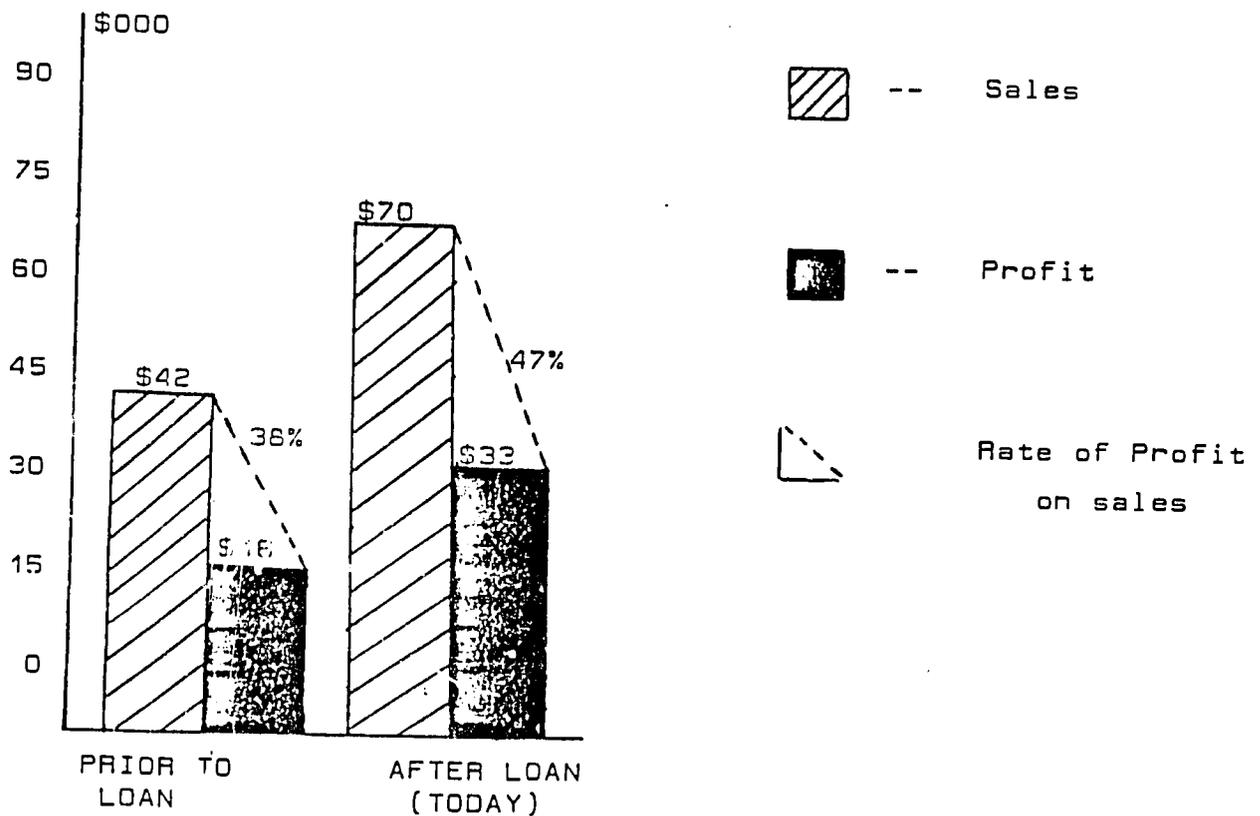
The level of relative profitability on sales has increased:

- the rate of gross profit on sales was 38% prior to obtaining the loan
- the rate of gross profit on sales is now 47%

The exhibit which follows, illustrates the impact of NDF loans on earnings and profitability of the beneficiary enterprises.

NDFJ: AVERAGE ANNUAL SALES AND PROFIT OF FINANCED ENTERPRISES

LEGEND



Source: Appendix tables A-8 and A-9

The key factor behind increased sales is the NDF loans which increased scale of production through the acquisition of additional machines and material. The other contributing factors as mentioned in section - 1 of this chapter are: improved management, dynamic marketing and improved attitude to business which are all products of the TAT.

3. Employment of owners

The principal owners' level of employment, have increased significantly since the injection of NDFJ's loans into their businesses.

- . Almost 90% of the principals now depend on the businesses as their only source of income.
- . The number working 40 hours or more in their businesses each week increased from 51% to 72% or an estimated 613 to 865.

The tables and exhibit which follow illustrate. They are based on the results of the sample.

NDFJ: FUNDED ENTERPRISES: ESTIMATED EMPLOYMENT OF PRINCIPAL OWNERS IN THEIR BUSINESS

<u>REGION</u>	<u>NO EMPLOYED IN BUSINESS ONLY</u>	<u>ELSEWHERE AS WELL</u>
Kingston	675	92
Mandeville	234	54
Montego Bay	146	10
TOTAL	1,055	147

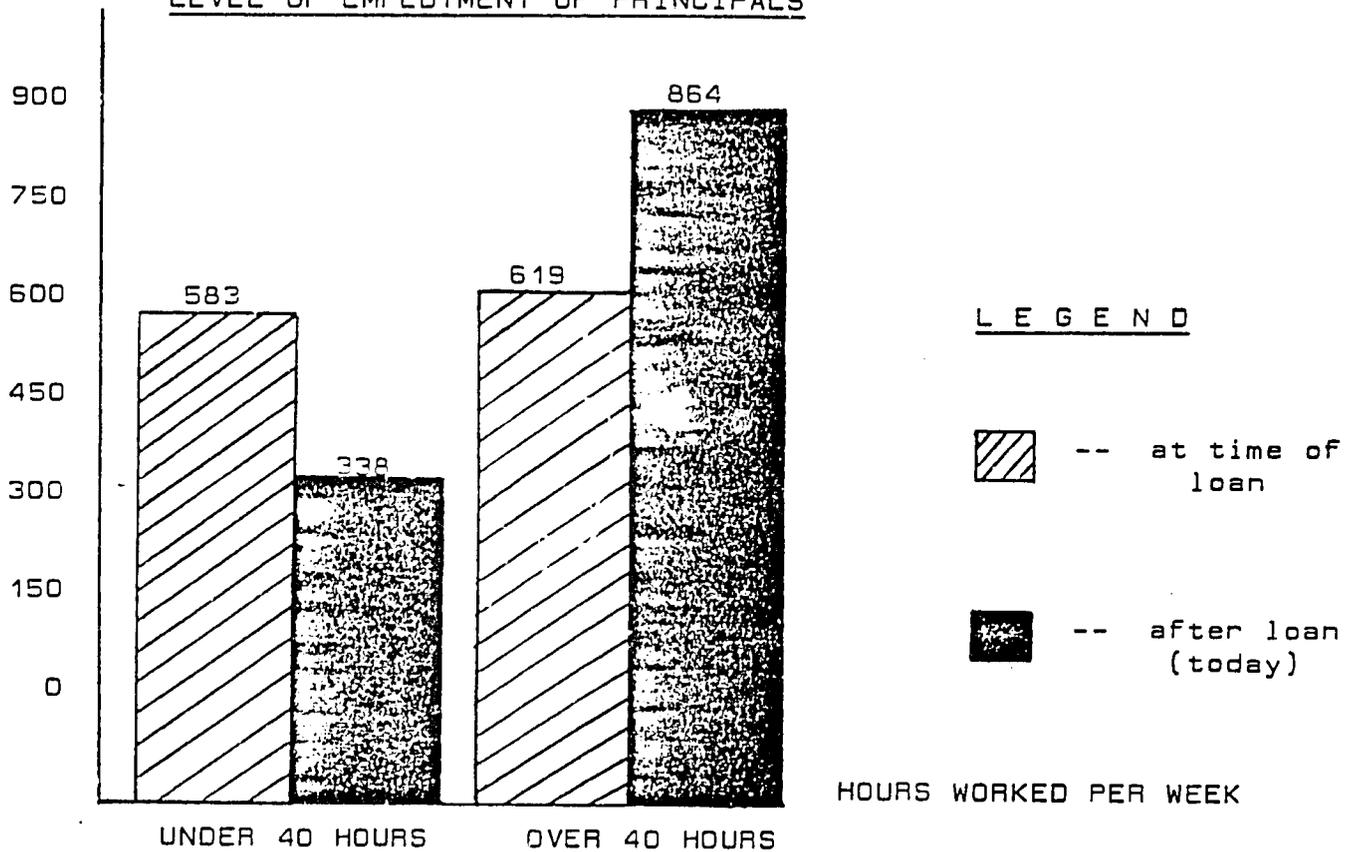
Source: Appendix table A-7

NDFJ: FUNDED ENTERPRISES ESTIMATED LEVEL OF EMPLOYMENT OF PRINCIPALS

<u>HOURS PER WEEK</u>	<u>AT TIME OF LOAN</u>	<u>PRESENTL</u>
Under 10	205	49
10 - 19	102	98
20 - 29	116	93
30 - 39	160	98
40 & over	619	864
TOTAL	1,202	1,202

Source: Appendix table A-

NDFJ: FUNDED ENTERPRISES: ESTIMATED
LEVEL OF EMPLOYMENT OF PRINCIPALS



Source: Appendix table A-11

Mandeville's level of employment in the business only, is (84%) slightly lower than the national level (88%) because of the seasonality and high risk of agriculture, the main activity funded by the Mandeville Office of the NDFJ:

- farmers seek other forms of employment when agriculture is not at the stage of reaping or planting.
- farmers have to seek other employment when their crops fail.

4. Total Employment Impact

The level of employment realized, exceeds the projections of the NDFJ and the entrepreneurs' by*21% with Kingston registering the largest impact.

- . Planned employment of owners and non-owners in the 1,202 enterprises was estimated at 3,521 but currently realized an estimated 4,278.

- . In Kingston, employment increased from an estimated 994 to 1,928. Kingston registered the most significant impact in employment, despite its higher rate of failure in business due to the following reasons:
 - the businesses were more established at the time of the loan

 - a greater percentage of the loans was to finance expansion

 - the market is larger

*The employment projections were derived from the loan appraisal documents prepared by NDF in consultation with the clients.

Employment in Montego Bay grew by 43% but is still below the projected rate of 53% or from about 726 to 1,108. The less attractive result might be due to a number of factors:

- the seasonal sensitivity of the projects to tourism
- the fact that our survey was conducted during the pre-tourism season (eventhough employment levels are based on the average for the years).

The details are provided in the table on this page, and the exhibit which follows.

NDFJ: EMPLOYMENT IMPACT OF 1,202 FUNDED PROJECTS:
ON OWNERS AND NON-OWNERS

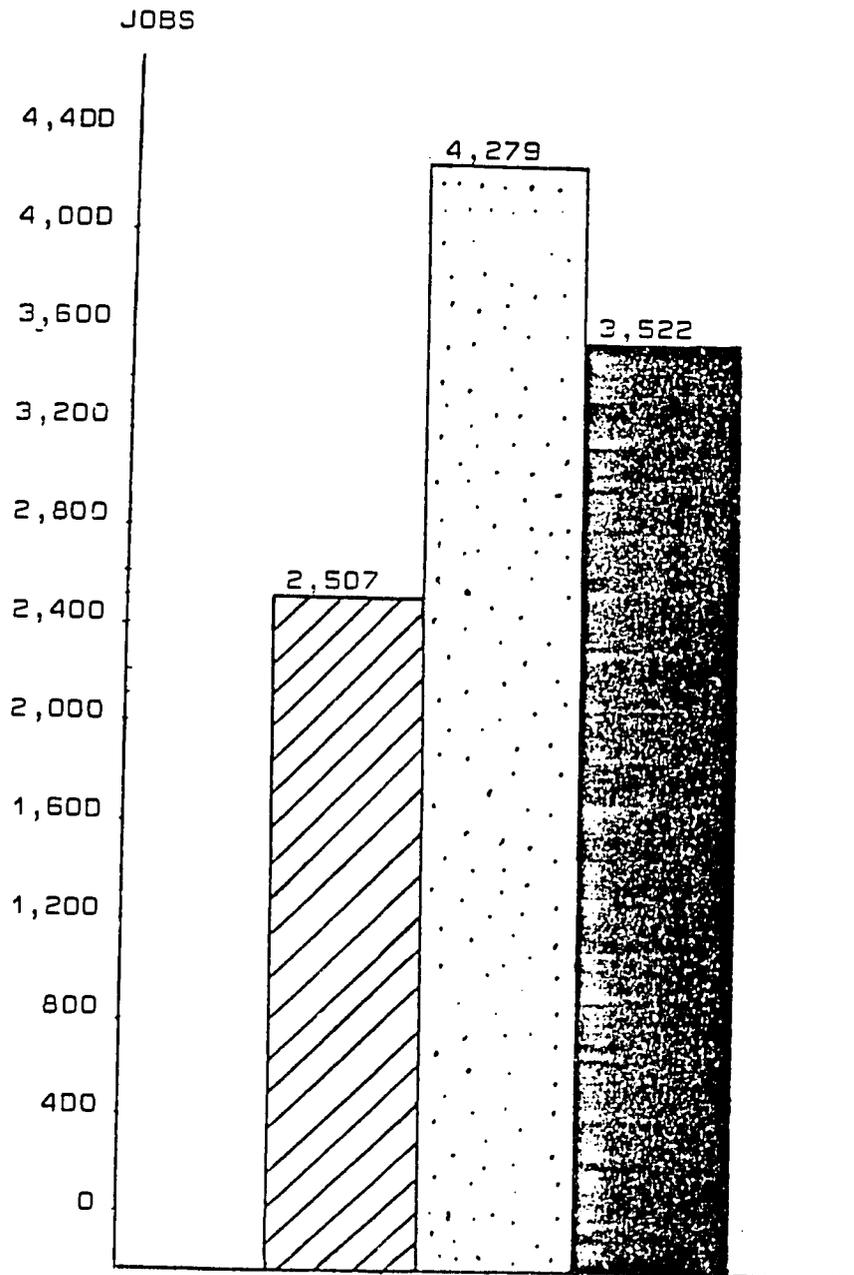
E M P L O Y M E N T L E V E L S

<u>REGION</u>	<u>AT TIME OF LOAN</u>	<u>PROJECTED</u>	<u>REALIZED</u>
Montego Bay	726	1,108	1,037
Mandeville	797	1,002	1,314
Kingston	984	1,412	1,928
TOTAL	2,507	3,522	4,279

Sources: Appendix tables A-11 and A-13

gl

NDFJ: EMPLOYMENT PERFORMANCE OF 1,202 FUNDED ENTERPRISES



Sources: Appendix table A-11 and A-13

LEGEND



-- at time of loan



-- realized



-- projected

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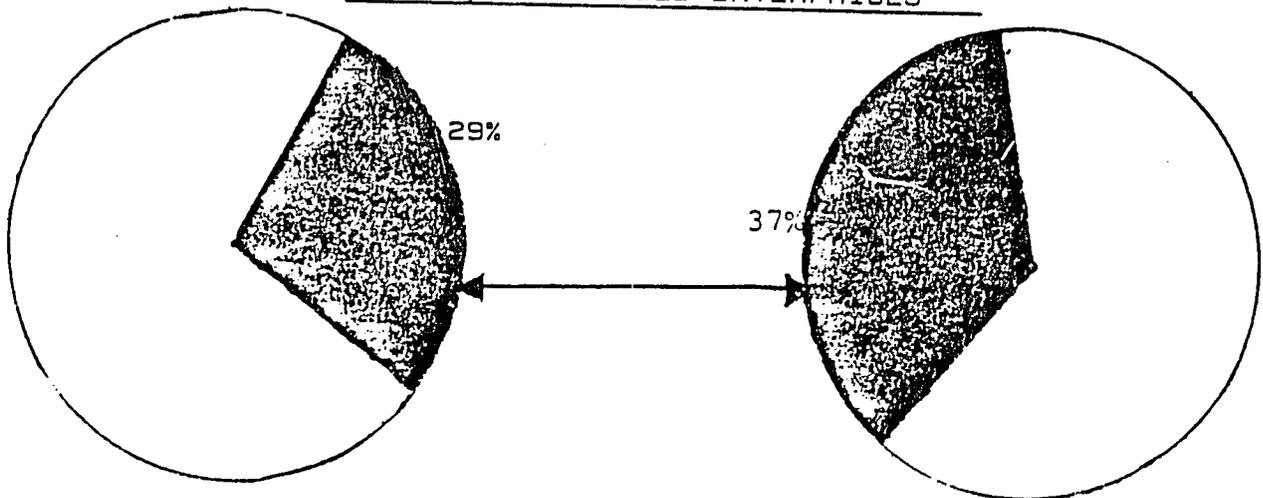
5. Employment of Women

The program made its most significant impact on the employment of women:

- . The share of jobs occupied by women increased from 29% to 37%.
- . The employment level of women in terms of hours worked per week increased from 310 working at 40 hours or more to 911.
- . Over 80% of employed women are working 40 hours or more per week, while only 31% of employed men work 40 hours or more.

The exhibit below and on the next page illustrate.

NDFJ: ESTIMATED EMPLOYMENT OF WOMEN IN ITS 1,202 FUNDED ENTERPRISES



ESTIMATED 1,305 NON-OWNERS
OCCUPIED JOBS AT TIME OF
LOAN

ESTIMATED 3,077 NON-OWNERS
OCCUPIED JOBS

Sources: Appendix table A-6 and A-11

LEGEND



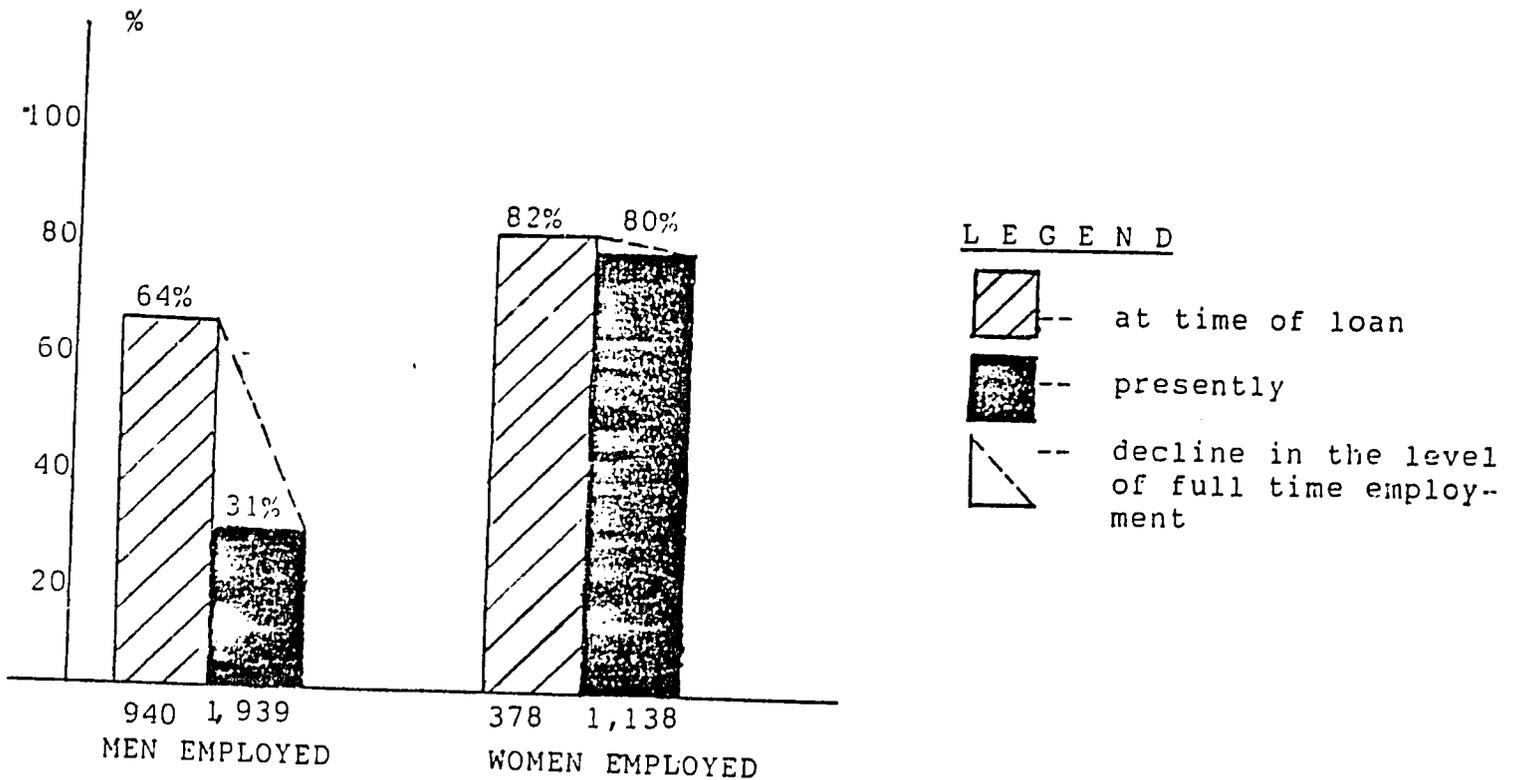
-- percentage of jobs occupied by women



-- percentage of jobs occupied by men

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NDFJ: PERCENTAGE OF EMPLOYED WOMEN AND MEN (NON-OWNERS)
WORKING 40 HOURS OR MORE WEEKLY IN THE 1,202
FUNDED ENTERPRISES



Source: Appendix tables A-6 and A-11

The main factors behind the significant impact on the employment of women are:

- . A large number of the enterprises are garments.
- . The service sector activities which account for approximately 40% of the enterprises financed by NDF also require skills traditionally dominated by women.
- . Women represent the larger pool of available labor.

IV. COST-EFFECTIVENESS OF THE TAT

- . Demand for TAT
- . Relevance of and Adequacy of Technical Assistance Given to Clients
- . Clients' Adherence to TAT Administered Program
- . Administration of TAT
- . Impact of TAT and its Administration on Performance of The Enterprises

IV. COST-EFFECTIVENESS OF THE TAT

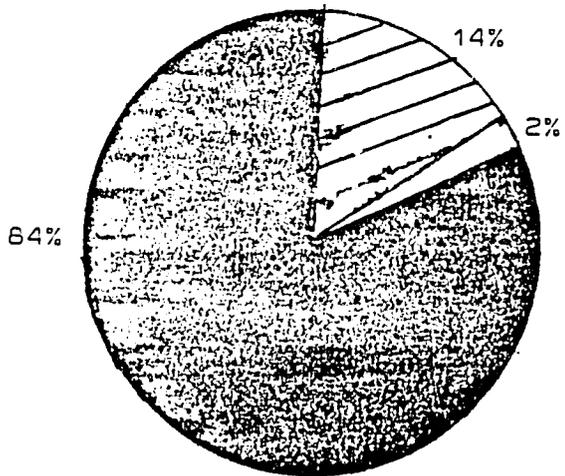
A better understanding and appreciation of the analysis of the demand for TAT, its relevance, adequacy, administration and impact will require familiarization with some of its key characteristics. They are as follows:

- . 984 or 82% of the enterprises were in business informally or formally and in many cases on an ad-hoc basis before securing loan financing from NOFJ.
- . Most of the Principals of the enterprises are in their mid-thirties with only 25% below 25 years of age.
- . About 685 or 55% of the clients have excellent technical and/or working knowledge of the business they pursue.
- . Only about 84 or 7% of the clients have rounded non-NOF administered business related training.
- . The field officer plays an integral part in the delivery and effectiveness of the TAT.
- . Only 53% of the clients see their field officers between 1 to 3 months, all others see theirs between 3 and 15 months.
- . The field officer who administers all of the follow-up technical assistance has an average of over 100 of such clients to service in addition to over 200 applications to be processed for loans and business advisors services, and he also undertakes collections.

1. Demand for TAT

TAT continues to be highly demanded by about 877 or 84% of the 1,042 clients in business, with business related advice accounting for the largest area of need, where 540 of the clients registered it as the most critical need. The exhibit below illustrates:

NDFJ: DEMAND FOR TAT, BY CLIENTS IN BUSINESS



1,042 CLIENTS IN BUSINESS

L E G E N D

- -- Business related advice eg.
 - cash book
 - costing
 - inventory management
 - marketing

- ▨ -- Technical advice relating to production eg.
 - quality control
 - crop and animal care

- -- Other, eg.
 - management of debt servicing
 - planning expansion

The TAT continues to be in high demand throughout the loan period due to the following factors:

- . The field officer's visit is not frequent enough to make an impact over a short period.
- . The loan has increased the magnitude of the operation hence, more formal management skills have to be applied
- . The market and other environmental situations are getting more dynamic.

2. Relevance of TAT
given to clients

There appears to be a significant under supply (32%) of business advisory, advisory/technical support to loan clients on a follow-up basis while group type training is over supplied by 37%. The tables which follow illustrate.

NDFJ: BUSINESS AND TECHNICAL ADVISORY SUPPORT DELIVERED
TO LOAN CLIENTS ON FOLLOW-UP BASIS VS ASSESSED
DEMAND

<u>LEVEL</u>	<u>ESTIMATED NO. DELIVERED</u>	<u>ESTIMATED NO. REQUIRED</u>
Full/com prehensive	575	616
Moderately	178	494

Source: NDFJ [Files]

NDFJ: GROUP TRAINING DELIVERED
VS ESTIMATED REQUIREMENT

<u>TRAINING COMPONENT</u>	<u>NO. RECEIVED IN COMPREHENSIVE FORM</u>	<u>NO. APPEARED TO REQUIRE IT IN COMPREHENSIVE FORM</u>
Cash book	189	142
Costing	205	135
Marketing	196	154

Source: Appendix table A-18

The undersupply of follow-up on-the-spot business advisory and technical advisory service is attributable to two key factors:

Inadequate vehicles to facilitate visits to remote areas where the enterprises are located:

- only 11 vehicles are available to service the loans, appraisal work and collections.
- at least 4 additional vehicles are required for the task.

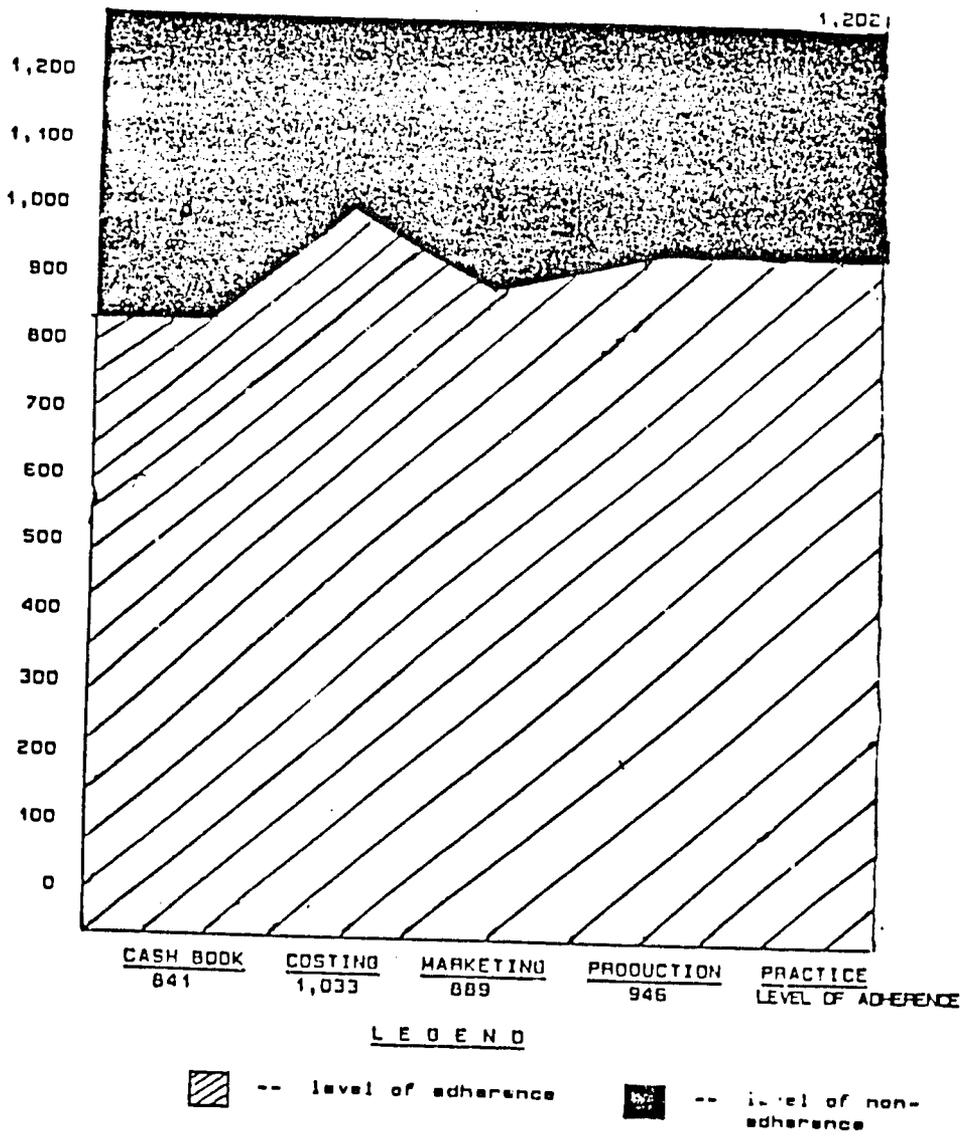
Inadequate staff to deliver and administer the TAT:

- only 11 field officers are on the organizational establishment to deliver TAT, and undertake pre-financing work as well as collections.
- the turnover of the field officer team is very high to the extent that at times the vacant positions equal as high as 50% of the establishment. The driving forces behind the high turnover are incom-
petitiveness and the remuneration package.

3. Clients' Adherence to
TAT Administered Program

Management practices as advised or stipulated by NDFJ have been adhered to, especially in costing and production, at the majority of enterprises especially the ones with more frequent visits from field officers. The exhibit following this page illustrates the level of adherence:

NOFJ: 1,202 LOAN CLIENTS' LEVEL OF ADHERENCE TO ITS RECOMMENDED MANAGEMENT PRACTICES



Source: Appendix table A-17

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The driving forces behind this reasonable level of adherence are:

- . It is part of the loan requirement for borrowers.
- . A high percentage of the enterprises existed in various forms prior to the NDFJ loan.
- . The frequency of the field officers' visits especially in Mandeville and Montego Bay.

Despite this adequate level of adherence to NDFJ's guided management practices, the focus is merely on accountability and attention of the existing level of business as follows:

- . Cash books are maintained to assist NDF in its periodic review of the financial standing of the enterprises and also assessment of the risk of its loan.
- . Marketing is almost limited to a sign board at the site of the business, to promote the products or services of the client.
- . Production and quality control focuses on inventory management and good craftsmanship.

There is however an urgent need for the TAT to focus on more growth and competitiveness oriented management to transform many of the enterprises from micro to small business status especially the many which have such potential. Such an approach would also reduce the level of mortality among the enterprises from the present 13% level to say about 7% which is considered to be an acceptable rate. This urgently needed approach will require the following:

- . A team of field officers with seasoned experience in business.

- . A thoroughly developed business development plan for micro businesses.
- . A larger loan/TAT portfolio at NDFJ to facilitate adequate financing and technical support of the enterprises.

These actions will enhance the growth and dynamism of the small business community which NDFJ serves.

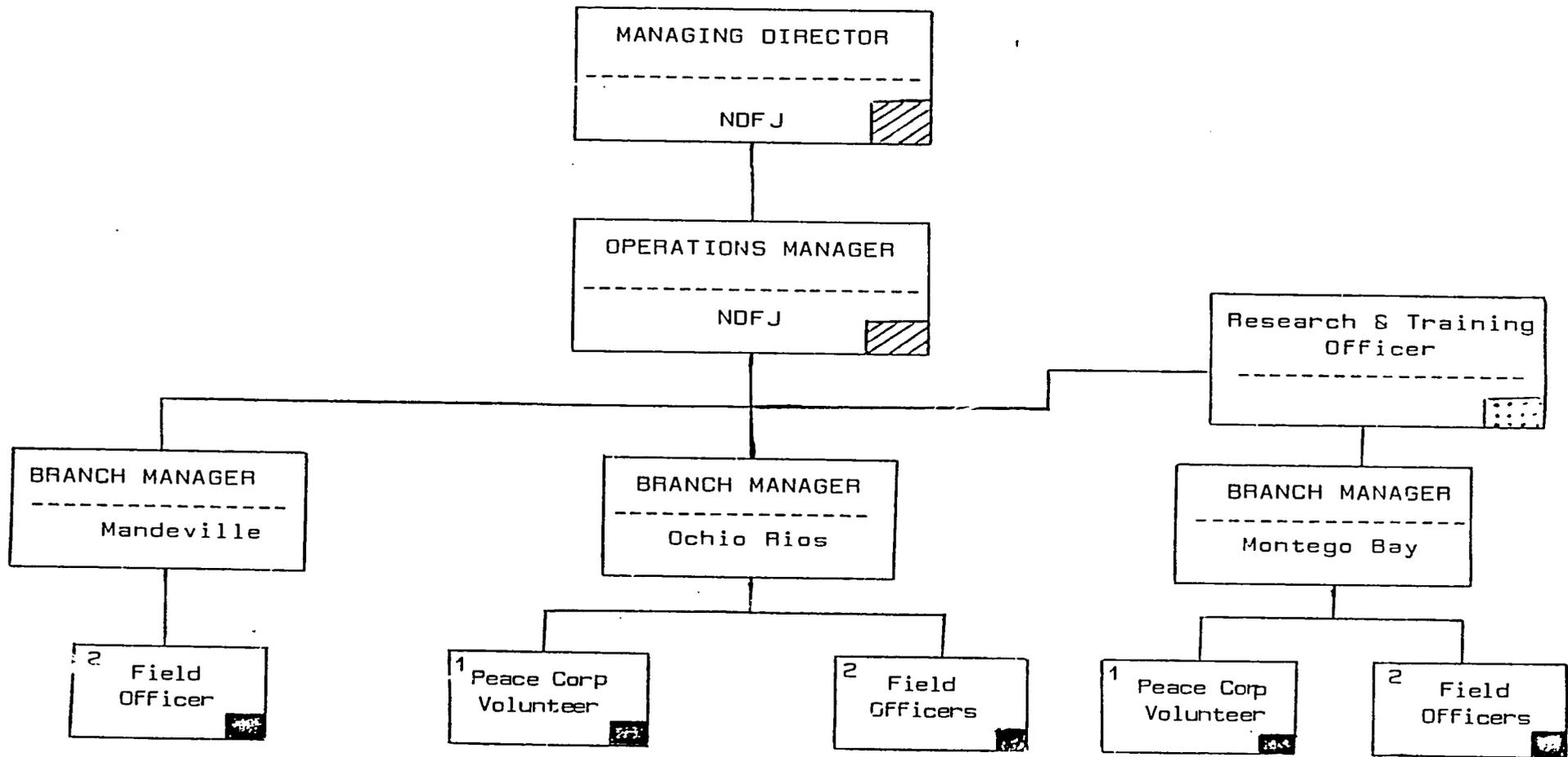
4. Administration of TAT

Administration of TAT is coordinated at the head office by the operation manager with support from the research and training officer. The actual design and delivery of TAT is however executed by the field officers. The exhibit on the next page illustrates the structure of the administration of TAT.

The administration of TAT suffers from a series of staffing related constraints with the key ones being.

- . High turnover
- . A team of field officers with inadequate "hands on" experience in business or management and inadequate familiarity with the NDFJ program.

NDFJ: ORGANIZATIONAL STRUCTURE FOR DESIGN AND DELIVERY OF TAT



L E G E N D

 -- Head office Coordination of TAT Portfolio

 -- Head office Development and coordination of group training

 -- Field Office design and delivery of TAT

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NDFJ: ASSESSMENT OF ITS FIELD OFFICERS' CAPABILITY TO DESIGN AND

EXECUTE TAT EFFECTIVELY

KEY EXPERIENCE AND SKILLS LEVELS ATTAINED

<u>LOCATION/FIELD OFFICER</u>	<u>BUSINESS EXPERIENCE</u>	<u>LEVEL OF TRAINING</u>	<u>SPECIAL BUSINESS SKILLS & TRAINING</u>	<u>SERVICE WITH NDFJ</u>
Kingston Officers				
# 1				
# 2				
# 3				
# 4				
# 5				
Montego Bay Officers				
# 1				
# 2				
Mandeville				
# 1				
# 2				
Ocho Rios				
# 1				
# 2				

LEGEND

	-- over 2 years business experience		-- less than 2 years business experience
	-- university graduate		-- less than university education
	-- very sound skills/training in business		-- average skills and training in business
	-- None		-- Over 2 years service with NDFJ
	-- 1-2 years service with NDFJ		-- less than 1 year service with NDFJ

The team of 11 field officers is very inadequate for the work load but temporary assistance is provided by 3 peace corp. volunteers all of whom have adequate business experience and training as follows:

- . One was in banking for over 3 years
- . Two were operating their own enterprises for over 3 years.
- . Each of them is a university graduate or equivalent

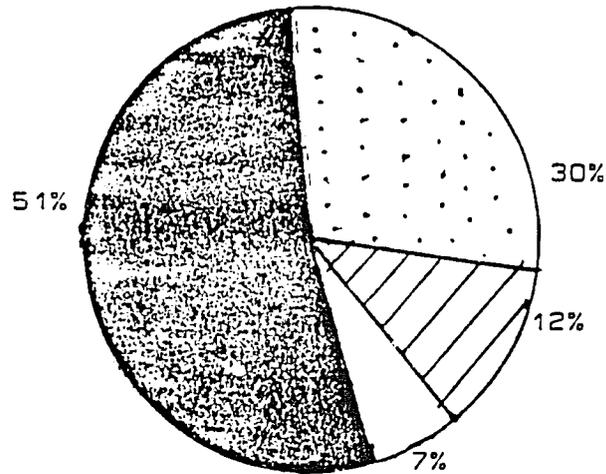
5. Impact of TAT and its Administration
on Performance of the Enterprises

The field officer plays an integral role in the delivery of the business advisory service and technical assistance required on site. Therefore, the frequency of his visits has to be very high - at least once per month to:

- . Provide follow-up technical assistance required to strengthen the business and generate growth.
- . Monitor performance to ensure that good financial health of the business is intact so that risk of the loans are minimized.

The frequency of field officers visits to the enterprises is below the required level. About 677 (56%) of the enterprises get visits within the month, while all others are quarterly and beyond. The exhibit following this page illustrates.

NDFJ: FREQUENCY OF LOAN/FIELD OFFICERS VISITS TO
ENTERPRISES FINANCED



1,202 ENTERPRISES

Source: Appendix table A-24

L E G E N D



There is a high correlation between the performance of the enterprises and the frequency of the field officers' visits to deliver follow-up technical assistance. For example:

Kingston which registered the lowest frequency of field officer visits - 77% of its enterprises get visits quarterly and later - is registering relatively poor performance when compared with Montego Bay and Mandeville where the visits are more frequent:

- the mortality rate among the enterprises is 19% as against 13% nationally and only 3% in Montego Bay where 87% of the enterprises get visits as frequently as 1 - 8 weeks.

- only 65% of the Kingston based enterprises are growing, while in Montego Bay and Mandeville where visits are more frequent, 88% of the enterprises are registering growth.
 - while Kingston accounts for 60% of the loan portfolio, its delinquency balance represents 70% of the total delinquency.
- . 135 (84%) of the 160 projects which folded are from Kingston.

The table which follows, provide the summarized information on the correlation between field officers' visits and performance.

NOFJ: KEY IMPACT INDICATORS BASED ON THE LEVEL OF TAT DELIVERED TO NOFJ FUNDED ENTERPRISES

<u>REGION</u>	<u>KEY TAT DELIVERY INDICATOR</u>	<u>LEVEL OF ADEQUACY</u>	<u>IMPACT ON BUSINESS PERFORMANCE</u>
KINGSTON	77% of visits are quarterly, less frequently or never		<ul style="list-style-type: none"> . 125 of the 767 funded enterprises folded . Only 65% of the enterprises are growing . 19% of its portfolio balance is delinquent
MONTEGO BAY	87% of the enterprises get field officer visits as frequently as 1 - 8 weeks and only 13% quarterly or later.		<ul style="list-style-type: none"> . Over 88% of the enterprises are growing . Only 5 of its 154 (3%) enterprises folded
MANOEVILLE	21% of field visits are quarterly, less frequently or never.		<ul style="list-style-type: none"> . 88% of the enterprises are growing . 30 of its 279 enterprises (11%) folded

LEGEND



very adequate



moderate



very inadequate or poor

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V. ASSESSMENT OF ABILITY TO PAY FOR TAT
AND CLIENTS' ATTITUDES TO PAYING FOR IT

- . Assessment of Ability to Pay for TAT
- . Clients' Attitudes to Paying for TAT
- . Aspects of TAT Clients would pay for
- . Level of Payment Clients would pay for each Aspect of TAT

V. ASSESSMENT OF ABILITY TO PAY FOR TAT
AND CLIENTS' ATTITUDES TO PAYING FOR IT

The assessment is based on the situations when the clients received the loan and/or TAT as well as the state of their business affairs today. Familiarization with some of the key characteristics of the TAT program could be useful in order to appreciate the forthcoming conclusions in this section and recommendations which are in section VIII.

Some key characteristics are:

The TAT comprises 4 main elements:

- technical advisory services to clients to improve their operations, these clients will not need to borrow, since advice should help to improve the operations to the extent that enough cash flow is generated to be used in lieu of loan to strengthen the business; no follow-up is undertaken for this service, it is a one-shot service.
- pre-investment evaluation of project proposals to determine viability and implementation logistics, and technical assistance support required by the client.
- group and individual training in business practice for prospective borrowers.
- on-going technical assistance advisory services to borrowers.

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- . The total TAT expenditure as at December 1986 is \$2.8 million on 10,038 clients or about \$279 per client.

The range of the cost per client is estimated at \$180 to about \$5,300:

- the client who received group training only for a minimum of 3 hours will cost about \$180.
- the client who received group training, pre-investment evaluation of his project, and on-going technical assistance could cost as high as about \$5,300.

Prior to securing a loan, all NDFJ clients are considered to be ineligible for loans from conventional financial institutions since they cannot meet the conventional conditions.

- . TAT is indispensable to the loan program since only 7% of the loan clients received non-NDFJ business training.
- . Most potential clients visit the NDFJ with the main aim being to secure a loan and therefore place very little value on TAT.

1. Assessment of ability
to pay for TAT

Clients, already in business have all of their savings tied up in it, consequently, their investment which averaged \$8,500 prior to the loan had equity of \$8,300 with cash accounting for less than \$1,000. These are considered to be the most credit worthy clients since this data is based on those who succeeded in securing loans.

Clients with new business proposals on the average, invested about \$15,000 with NDF providing about \$11,000 and they provided the balance in:

- . Cash, of about \$2,500
- . Small pieces of equipment
 - acquired when they were engaged in vocational training
 - or
 - acquired to execute a trial-and-error venture

Farming venture clients' main equity into their existing or new investment proposals is a small parcel of land, a few heads of animal and less than \$1,000 in cash to maintain the family while they undertake the production of a short term crop or a few animals.

In terms of annual net income (another measure of ability to pay), the average for clients (those in business and wage employment) is \$13,000 or just over \$1,000 per month.

The two tables which follow, illustrate the equity and net income situations among clients at the time of the loan.

NOFJ: INVESTMENT AND EQUITY OF
NOFJ CLIENTS PRIOR TO
LOAN APPROVAL

BAND	NUMBER OF PERSONS		EST. AVG. VALUE OF CASH IN HAND \$
	INVEST- MENT	EQUITY	
Under \$2,000	253	282	220
2,000 - 4,999	334	316	360
5,000 - 6,999	169	178	405
7,000 - 9,999	107	111	570
10,000 - 14,999	120	111	730
15,000 - 19,999	80	89	1,050
20,000 - 29,999	67	53	1,250
30,000 & over	62	62	2,305
TOTAL	1,202	1,202	

Source: NOFJ

NOFJ: ANNUAL NET INCOME
OF CLIENTS PRIOR TO
LOAN APPROVAL

<u>BAND</u>	<u>NO.</u>
Under \$5,000	383
5,000 - 9,999	302
10,000 - 14,999	196
15,000 - 19,999	98
20,000 - 24,999	58
25,000 - 29,999	36
30,000 - 39,999	40
40,000 - 49,999	58
50,000 and over	31
TOTAL	1,202

Source: NOFJ

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The preceding tables indicate the number of borrowers with some degree of ability to make some level of payment for TAT at the initial stage of the loan.

- . On the basis of cash-in-hand, which is part of equity, those with cash exceeding \$1,000 could possibly pay something. This represents 204 or 17% of the clients.
- . On the basis of net income, those with net income of \$15,000 or more could pay some. This represents 321

It is therefore apparent that about 204 (17%) to 321 (27%) clients had some level of ability to contribute towards recovery of the cost of the TAT they received at the time they received it.

An assessment of today's ability to pay (an average of 2 years after receiving the TAT/loan) reflects a significant improvement in capability to pay with about 580 (48%) clients being able to pay something as against 321 at the time of delivering TAT. Our assessment is based on using an annual net income of \$20,000 or more as the level where clients appear to be able to pay. This \$20,000 is the present value of the \$15,000 cut-off point used to determine the ability to pay at the time of the TAT (2 years ago) assuming a 15% annual rate of inflation and that the average period after receiving the loan/TAT is 2 years. The table and exhibit which follow illustrates:

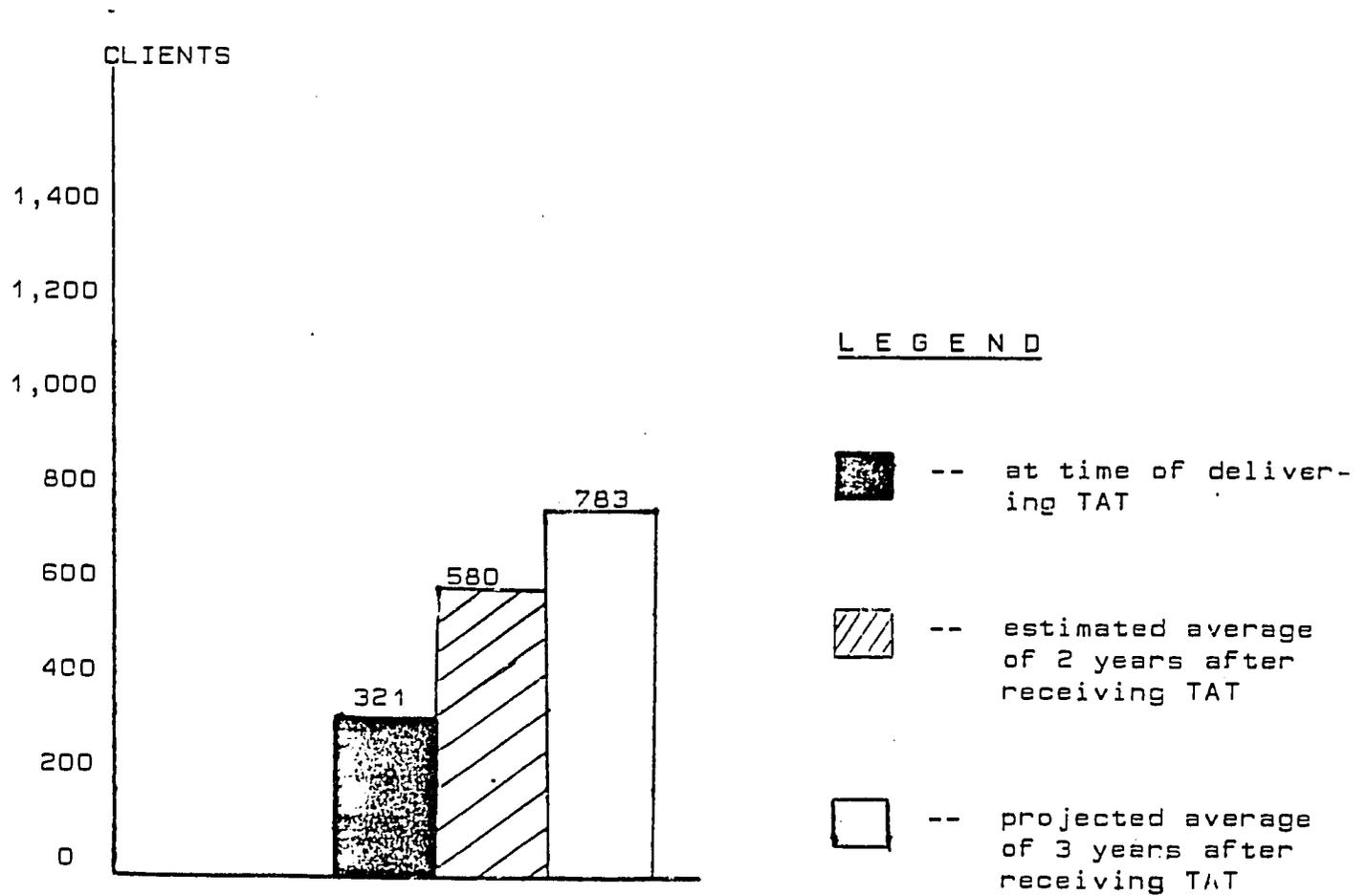
NDJF: ESTIMATED PRESENT ANNUAL NET INCOME
BASED ON GROSS PROFIT

<u>RANGE OF GROSS PROFITS</u>	<u>AVG. NET INCOME</u>	<u>NO. OF CLIENTS</u>
\$	\$	
Under \$10,000	4,000	400
10,000 - 19,999	12,000	222
20,000 - 29,999	20,000	151
30,000 - 39,999	28,000	142
40,000 - 49,999	36,000	49
50,000 - 74,999	50,000	122
75,000 and over	70,000	116
<hr/>		
TOTAL		1,202
<hr/>		

Source: Appendix table

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NDFJ: COMPARATIVE ABILITY TO PAY SOMETHING FOR TAT
AT THE TIME OF DELIVERY VS AN AVERAGE OF 2
YEARS AFTER, AND A PROJECTED 3 YEARS THEREAFTER



2. Clients' Attitude
to paying for TAT

Only 39% of TAT clients feel that they should pay for TAT as follows:

- . 10% feel they should pay for all aspects
- . 29% feel that they should pay for some aspects only

The key reasons clients feel they should pay for TAT are because of: their ability to pay for some of it, and its usefulness.

The 61% who do not feel that they should pay for TAT give the following reasons for their positions:

- . About 42% claim they do not have the ability to pay
- . About 19% claim they do not have the ability to pay, and that it should be the role of government or some voluntary organization to assist them.

The table which follows, illustrates clients reaction to paying for TAT.

NDFJ: CLIENTS' REACTIONS TO PAYMENT FOR TAT

<u>ASPECTS OF TAT THAT THEY THINK SHOULD BE PAID FOR</u>	<u>NO. OF CLIENTS</u>
All	125
Some	342
None	735
<hr/>	
TOTAL	1,202
<hr/>	

Source: Appendix table A-21

3. Aspects of TAT clients
should pay for

Accounting is the most prized aspect of TAT, of the 467 who said they would pay for TAT 289 said they would be prepared to pay for accounting and related training. The table which follows this page illustrates:

NDFJ: ASPECTS OF TAT 467 CLIENTS WOULD PAY FOR

<u>ASPECTS</u>	<u>NO. OF CLIENTS</u>
Management/Production including Pre-investment evaluation.	240
Marketing	267
Accounting and related	289
Costing	129

Source: Appendix table A-22

4. Level of Payment clients
would pay for each aspect of TAT

Clients who are prepared to pay for TAT will pay \$167 to \$300
for each aspect or a maximum of \$924 for the entire package comprising:

Marketing

Accounts

- cash book
- book-keeping
- etc.

Costing

Management and Evaluation of the project

- production
- inventory
- feasibility
- follow-up assistance

The table which follows illustrate what clients will pay for different aspects of TAT.

NDFJ: HOW MUCH CLIENTS WOULD PAY FOR TAT

NO. WHO WILL PAY FOR:

<u>PAYMENT RANGE</u>	<u>MARKETING</u>	<u>ACCOUNTS S RELATED</u>	<u>COSTING</u>	<u>MANAGEMENT/ PRODUCTION INCL. PROJECT EVALUA-TION</u>
Less than \$200	111	134	80	116
\$200 - 399	27	45	18	27
\$400 - 599	22	31	9	45
\$600 - 799	0	9	0	0
\$800 - 999	4	9	0	0
\$1,000 and over	0	0	0	18
TOTAL	164	228	107	206
AVERAGE	\$208	\$249	\$167	\$300

Source: Appendix table A-23

Clients are prepared to pay the highest fee (\$300) for management related TAT because it comprises a long list of activities, eg.:

- . Follow-up technical assistance
- . Feasibility study
- . Production management

Clients are prepared to pay the lowest fee (\$167) for costing because they continue to sell for what the market can bear as their labor, their major input does not seem to have a very rigid cost. Hence, costing is not too important as long as they are able to sell, pay their bills and have cash for personal use.

The following are some key findings in the assessment of ability to pay for TAT and clients' attitudes to paying for it.

- . About 204 to 321 (17% to 27%) clients can afford to pay for TAT at the time of receiving it.
- . About 580 or 48% of clients could pay for TAT in 2 to 3 years after delivering it, hence the maximum recoverable amount in the medium term is 48%
- . 39% (468) of clients are prepared to pay for TAT as follows:
 - 10% will pay for all aspects and 29% for some only
 - the average a client will pay for each aspect is \$242 with management including follow-up technical assistance being the one they think worth the most (\$300).
- . Accounting and related training is the aspect most marketable for sales, with marketing ranking second place.

VI. OUTLOOK FOR LOAN AND TAT PROGRAMS

- . Projected Five year Demand
- . Projected Five year Supply of Loan and TAT Programs
- . Major Driving Forces Behind Future Demand and Level of Supply
- . Portfolio required to generate self-financing

VI. OUTLOOK FOR LOAN AND TAT PROGRAMS

1. Projected 5-year demand for Loan

The annual demand for NDFJ loan financing over the past 4.5 years is 744 loans or \$5.5 million with the ability to meet qualified demand averaging 36%. Our projections for the next 5-years will take this into consideration and other factors as well, e.g.:

- . The present average loan size is \$7,450 and projected to grow by at least 15% annually.
- . The effective demand for loans (number of qualified clients) will grow by at least 5% annually.

These considerations, imply that the total qualified demand for loan over the period 1987 - 1991 will be 4,325 borrowers for a total sum of \$50.5 million. The table below illustrates:

NDFJ: PROJECTED DEMAND FOR NDFJ LOANS 1987-1991

<u>YEAR</u>	<u>NO. OF QUALI- FIED BORROWERS</u>	<u>TOTAL LOAN DEMAND \$000</u>	<u>AVERAGE VALUE PER LOAN \$000</u>
		\$	\$
1987	781	6,691	8,570
1988	829	8,071	9,840
1989	861	9,756	11,300
1990	904	11,779	13,000
1991	950	14,235	15,000
<hr/>			
TOTAL	4,325	50,532	11,700
<hr/>			

Sources: Trevor Hamilton and Associates and NDFJ

2. Projected 5-year Demand
for TAT

TAT was delivered to over 10,000 clients over the past 4.5 years at a cost of \$2.8 million or 32% of the value of the loan disbursed during the same period. The table below illustrates:

NDFJ: COST OF TAT 1982 - 1986

<u>YEAR</u>	<u>AMOUNT</u> \$000	<u>LOAN</u> <u>AMOUNT</u> \$000	<u>TAT AS %</u> <u>OF LOAN</u> %
1982	80	150	53
1983	363	1,676	21
1984	484	1,641	29
1985	949	2,464	39
1986*	950	3,033	31
TOTAL	\$2,826	8,964	32

*Based on 11 months actual

Source: NDFJ

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Our projections for the next 5 years will take the ratio of TAT:loan into consideration and other factors as well. Eg.:

- . The qualified demand for loan over the next 5 years is \$50.5 million from about 4,316 clients.
- . The qualified demand for TAT will continue to be approximately times the qualified loan clients.
- . The cost of TAT will grow by at least 15% annually.

These considerations, imply that the total demand for TAT for the period 1987 - 1991 could reach 12,975 persons on a budget of \$9.2 million as set out in the table below:

NDFJ: PROJECTED DEMAND FOR NDFJ TAT 1987 - 1991

<u>YEAR</u>	<u>NO. OF PERSONS</u>	<u>TAT EX-PENDITURE</u> \$000
1987	2,343	1,090
1988	2,487	1,250
1989	2,583	1,440
1990	2,712	1,660
1991	2,850	1,900
<hr/>		
TOTAL	12,975	9,249
<hr/>		

Source: Trevor Hamilton & Assocs.

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3. Projected 5-year supply
of Loan/TAT*

If NDFJ were to meet the qualified demand for loans, its loan portfolio for the period would amount to \$50.5 million while TAT* would amount to \$9.2 million or 18% of loan value. NDFJ's track record however, indicates an ability to satisfy only 36% of qualified demand, consequently, its most likely loan disbursement program for the period 1987-1991 is \$18.2 million with a most optimistic level of \$45.5 million accompanied by a TAT program of \$8.4 million.

The table and exhibit which follow, illustrates the projected annual outlays of loan and TAT, and the gaps between qualified demand for loans and the value of loan to be committed.

NDFJ: PROJECTED LOAN AND TAT COMMITMENTS 1987 - 1991

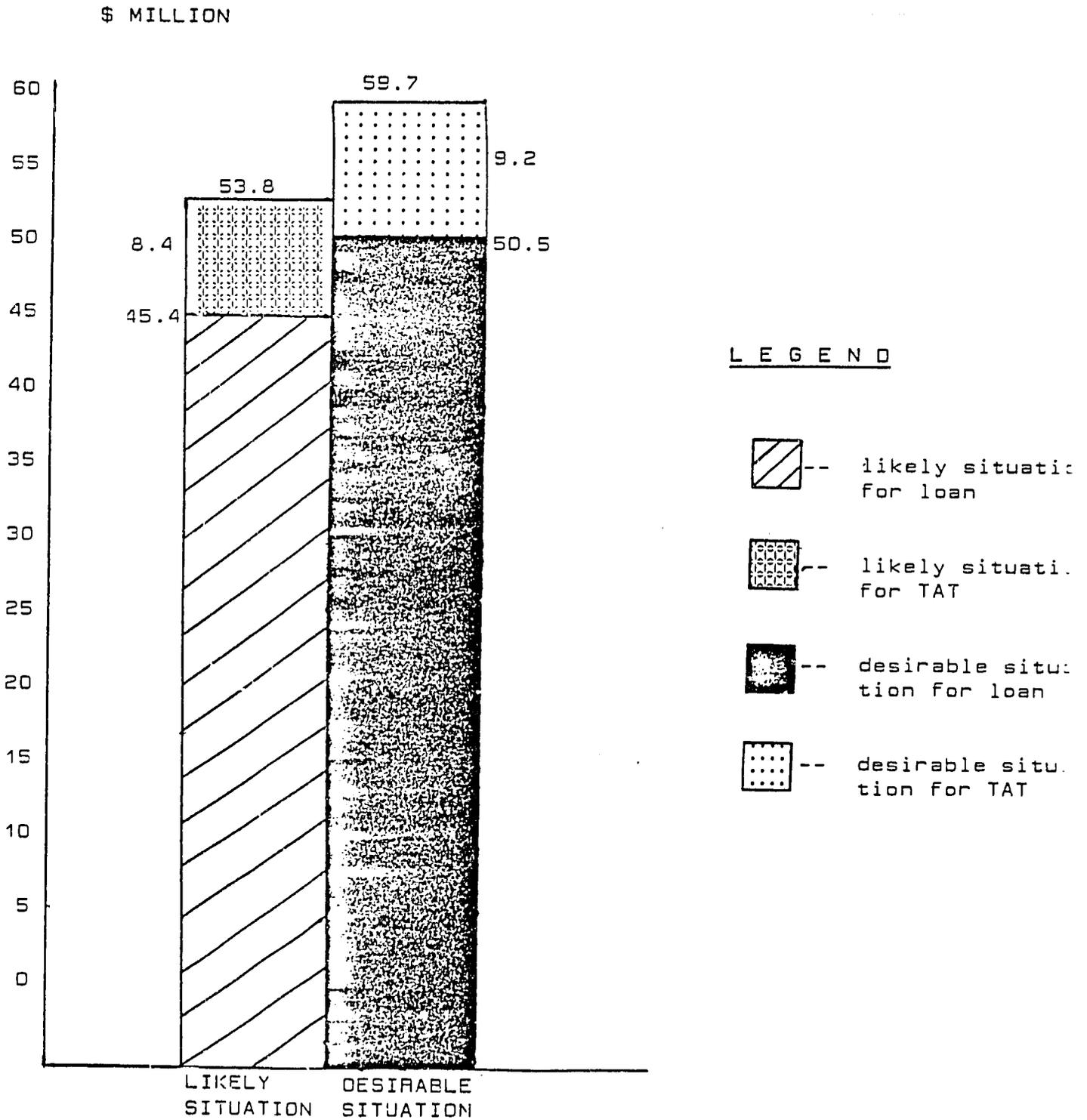
<u>YEAR</u>	<u>AMOUNT OF LOAN</u>		
	<u>BASED ON TRACK RECORD</u>	<u>BASED ON NDFJ'S PROJECTED CASH INFLOWS</u>	<u>TAT</u>
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
1987	2,409	5,269	1,165
1988	2,906	7,483	1,139
1989	3,512	8,980	1,678
1990	4,240	10,775	2,014
1991	5,125	12,900**	2,417**
TOTAL	18,192	45,407	8,413

**Trevor Hamilton and Associates' estimates based on NDFJ's projected trend.

*Qualified demand for TAT and supply are similar, since no data is available for unmet demand. NDF seems to address all qualified demand.

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NDFJ: PROJECTED LOAN AND TAT PROGRAMS 1987 - 1991



4. Major Driving forces

Behind supply

NDFJ's outlook for loan commitment is more optimistic than its track record suggests. The driving forces being:

- . Improved performance of principal recovery over a shorter term.
- . Retailing of loans provided by Jamaican financial institutions.

National Development Bank (NDB)

The Jamaica Agricultural Development Foundation
(J.A.D.F.)

- . Local contributions
- . IDB funds

The table which follows, sets out the sources of funding and respective amounts 1987 - 1990.

NDPJ: CASH INFLOW PROJECTIONS TO SUPPORT LOAN PROGRAM 1987-1990

SOURCE	1987	1988	1989	1990	TOTAL
	\$000	\$000	\$000	\$000	\$000
. Loan repayments					
- principal	2,495	2,922	3,480	5,691	14,588
- interest	1,346	1,861	2,655	3,993	9,885
. NOB	750	-	-	-	750
. USAID	2,266	-	-	-	2,266
. JADF					
- loan	800	-	-	-	800
- grant	200	-	-	-	200
. IDS	370	370	370	300	1,410
. Local contributions	120	144	150	150	564
TOTAL	8,347	5,297	6,685	10,134	30,463

Source: NDPJ

The more optimistic loan program outlook will make the TAT clients who are qualified for loans receive it.

- . Only 12% of TAT clients now receive loans
- . The optimistic loan program will commit loans to about 30% of TAT clients.

This implies that the cost of the TAT per dollar of loan will be reduced from 31¢ to 20¢.

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4. Portfolio required to
Generate self-financing

The optimistic 5-year loan program of \$45 million to be executed by NDF will improve the efficiency of the program and also deliver loans to over 80% of qualified applicants. It will however not achieve the following:

- . Self-financing
- . Satisfy the level of qualified loan applications

The table which follows reveals the following results of the proposed 5-year program*:

- . Accumulated operating deficit is \$29.3 million
- . Operating expenses reduces but continues to be quite high at approximately 31% of loan disbursements.

The main reasons for such continued level of poor performance into the future are:

- . Operation of the loan portfolio below its financially viable scale and also below the scale required for qualified applications.
- . Unnecessarily long recovery periods for loans, especially in agriculture and service projects.
- . Non-recovery of part, or whole of TAT

*The NDF projections are for 4 years, the consultants took the 4-year trend to estimate the projections for the fifth year.

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NDFJ: CASH FLOW PROJECTIONS 1987 - 1991 (BASED ON \$45 MILLION PORTFOLIO)

<u>ITEM OF INFLOW</u>	INFLOWS \$000				
	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
	\$	\$	\$	\$	\$
Loan Repayments					
- principal	2,495	2,922	3,480	5,691	7,398
- interest	1,346	1,861	2,655	3,993	5,708
U.S.A.I.D.	2,266	-	-	-	-
N.D.B. Loan	750	-	-	-	-
J.A.D.F.					
- loan	800	-	-	-	-
- grant	200	-	-	-	-
I.D.B. Loan	370	370	370	300	-
Local Contributions	120	144	150	150	150
TOTAL	8,347	5,297	6,685	10,134	13,256
<u>ITEMS OF OUTFLOW</u>	OUTFLOWS \$000				
	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
	\$	\$	\$	\$	\$
Loan Disbursements					
- principal	5,269	7,483	8,980	10,775	14,007
- interest	302	307	290	269	350
Operational Expenditure	1,830	2,196	2,635	3,152	3,794
Capital Expenditure	48	57	69	82	97
TOTAL OUTFLOWS	7,462	10,160	12,380	14,695	18,248
Net Outflow (Banking)	885	(4,863)	(5,695)	(4,561)	(4,992)
TAT Costs	1,165	1,398	1,678	2,014	2,417
NET FLOW	(280)	(6,261)	(7,373)	(6,575)	(7,409)

Sources: (a) NOFJ for 1987 - 1990
 (b) Trevor Hamilton & Associates 1991

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The \$50.5 million qualified demand driven portfolio, if executed by the NDFJ will improve the efficiency of the program and let it become self-financing as follows:

- . Accumulated operating surplus is \$2.8 million
- . Operating cost is reduced to about 21% of loan disbursement

The key success factors to these improved results are the following:

The loan recovery period is rationalized to match the average investment pay back period for each sector hence the loans are repaid over a shorter period of 12 - just over 36 months as follows:

- agriculture approximately 12 months
- service up to 24 months
- manufacturing average 36 months

The TAT program funds are recoverable up to 80% from clients at no rate of interest.

- 27% in year - 1
- 21% in year - 2
- 16% in year - 3
- 16% in year - 4

The table which follows provides the details.

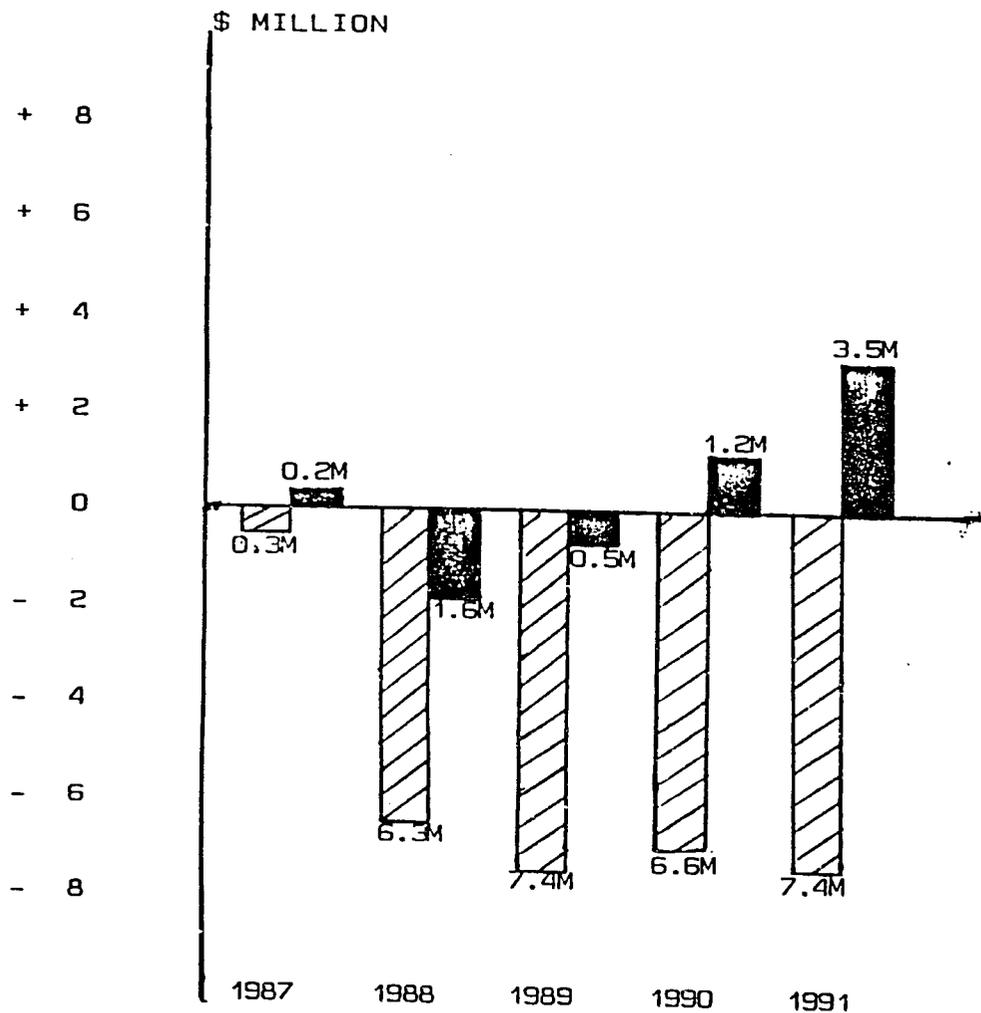
The exhibit which follows, shows the comparative projected cash flow of the 5-year \$45 million program being pursued by NDFJ under existing strategies versus the \$50.5 million qualified demand program using improved loan repayment and TAT recovery strategies.

NDFJ: CASH FLOW PROJECTIONS 1987 - 1991 BASED ON \$50.5 MILLION
QUALIFIED DEMAND DRIVEN PORTFOLIO (\$000)

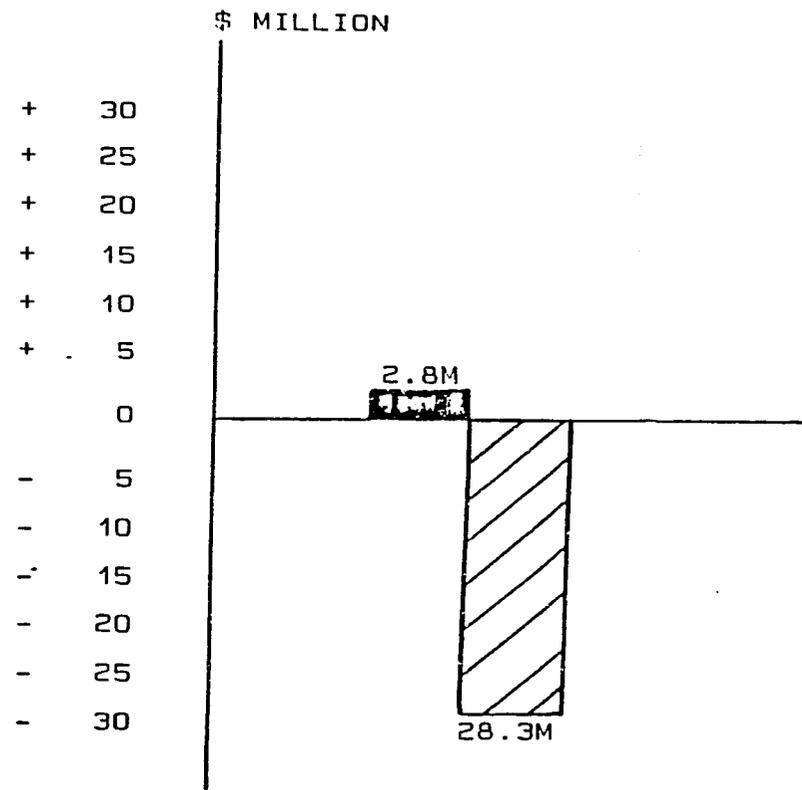
<u>ITEM OF INFLOW</u>	INFLOWS \$000				
	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
	\$	\$	\$	\$	\$
Loan Repayments					
- principal	4,219	7,383	9,599	12,205	15,440
- interest	1,494	2,066	2,960	4,432	6,691
- TAT	294	567	826	1,124	1,359
N.D.B.	750	-	-	-	-
U.S.A.I.D.	2,266	-	-	-	-
J.A.D.F.					
- loan	800	-	-	-	-
- grant	200	-	-	-	-
I.D.B.	370	370	370	300	-
Local Contributions	120	144	150	150	150
TOTAL INFLOWS	10,513	10,530	13,926	18,211	23,640
<u>ITEM OF OUTFLOW</u>	<u>OUTFLOWS</u>				
Loan Disbursement	6,691	8,071	9,756	11,779	14,235
Loan Repayments					
- principal	17	126	441	445	538
- interest	384	390	314	342	414
Operational Expenditure	2,031	2,234	2,458	2,703	2,974
Capital Expenditure	53	61	70	85	101
TOTAL OUTFLOWS	9,176	10,882	13,039	15,354	18,262
NET OUTFLOW (Banking)	1,137	(352)	887	2,857	5,378
TAT COSTS	1,090	1,250	1,440	1,660	1,909
NET FLOW	247	(1,602)	(553)	1,197	3,469

Source: Trevor Hamilton and Associates

NDFJ: COMPARATIVE PROJECTED CASH FLOW PERFORMANCE OF ITS 5-YEAR \$45 MILLION LOAN PROGRAM UNDER EXISTING STRATEGIES VS A \$50.5 MILLION PROGRAM UNDER NEW STRATEGIES



ANNUAL SITUATION



5 - YEAR SITUATION

(ACCUMULATED)

LEGEND



-- NDFJ: projected performance with \$45 million loan program under existing strategies



-- \$50.5 million loan program performance under revised strategies

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The main challenges ahead of NDFJ to realize a 5-year loan program valuing \$50.5 million and self-financing, lies within its capability to attract financing, rationalize the repayment, and administer its loan/TAT program especially in the following areas:

- . The immediate establishment and staffing of fund raising along with a well developed strategy.
- . Maintenance of a healthy collections record.
- . Improvement in the quantity and quality of staffing to undertake prefinancing activities, deliver TAT adequately and undertake project monitoring and follow-ups on TAT.
- . Increase its inventory of vehicles to facilitate the large volume of fieldwork to be undertaken.

Section VIII will recommend the specific actions NDFJ should take along these lines to enhance the success of a more buoyant NDF loan and TAT program.

VII. CRITICAL ISSUES TO BE ADDRESSED IN FUTURE PROGRAMS

- . Critical issues for stimulating expansion of loan portfolio to satisfy a greater share of qualified demand

- . Critical issues for improving the performance of the loan and TAT administration

- . Issues for rationalizing and improving the delivery system for the TAT

- . Issues for generating self-financing of the loan and TAT programs

VII. CRITICAL ISSUES TO BE ADDRESSED IN FUTURE
LOAN/TAT PROGRAMS

There are several issues revolving around the loan and TAT programs which need to be addressed in the short term to enhance improved performance of the 1987 - 1991 loan/TAT program. These issues fall into 3 categories:

- . Issues for stimulating expansion of the loan portfolio to satisfy a greater share of qualified demand.

- . Issues for improving the performance of the loan and TAT administration.

- . Issues for generating self-financing of the loan and TAT programs.

The major issues and their specific implications are summarized by categories in the 4 tables following this page.

NDFJ: CRITICAL ISSUES FOR STIMULATING EXPANSION OF
THE LOAN PORTFOLIO TO SATISFY A GREATER SHARE
OF QUALIFIED DEMAND

MAJOR ISSUES

IMPLICATIONS

- | | |
|---|---|
| 1. NDFJ is not mobilizing enough loan funds to meet its qualified demand. | . Only 36% of its qualified clients get loans. |
| | . The cost of delivering each dollar of loan is over \$0.40. |
| | . Self-financing of the operations continues to be a very remote goal. |
| 2. Non-current loans and arrears account for \$922,000 or 15% of outstanding balance. | . A contraction of the loan portfolio, by \$922,000 which could finance approximately 100 projects. |
| 3. Outstanding balance as a percentage of loan on the service sector projects is larger than loans in other sectors, (68%) despite the fact that start-up and investment pay back period for service sector projects are much shorter | . Inflows into the portfolio balance is retarded. |
| - outstanding balance on manufacturing sector loans is 63% | . Service sector projects get relatively more favorable treatment than other sectors. |
| - outstanding balance on the total loan is 66%. | |

NDFJ: CRITICAL ISSUES FOR IMPROVING THE PERFORMANCE
OF THE LOAN AND TAT ADMINISTRATION

MAJOR ISSUES

IMPLICATIONS

- | | |
|---|---|
| 1. The personalized loan collection system is effective but inadequately manned due to inadequate transportation and staff to make visits to borrowers on a frequent basis. | . Higher rates of defaults
. Higher rates of arrears
. Contraction of NDFJ's lending resources |
| 2. There is no system to follow-up on TAT clients who are not loan clients. | . It is not possible to assess impact of TAT on such enterprises.
. Effectiveness of TAT might be low, since responsiveness to it could come only from several follow-ups. |
| 3. The work load for the field officers is excessive.

- each officer has over 100 loan clients to service and provide TAT, in addition

- over 400 loan applications each, to process through the various stages | . Inability to provide adequate technical assistance and business advisory services to clients.

. Neglect of many clients

. Folding of many enterprises for want of business advisory services. |
| 4. The loan administration cost which exceeds 40% of loan value is far too high. | . NDFJ operations will continue to be in a deficit position. |

NOFJ: ISSUES FOR RATIONALIZING AND IMPROVING THE
DELIVERY SYSTEM FOR THE TAT

MAJOR ISSUES

IMPLICATIONS

1. The number of TAT recipients: loan recipients (almost 9:1) is too high.

. Inadequate human and financial resources available to enhance success of loan clients so that their mortality rate could be reduced from its present 13%.

2. There is an excess delivery of group training while there is an undersupply of technical and business advisory services at the business site.

. Higher rates of business failure

. Some clients' time and resources being used in the wrong direction.*

Most members on field officers team need more business experience to be able to deliver the TAT - especially the business advisory element.

. TAT clients are not getting adequate "hands on" guidance for running their businesses.

. The impact of the TAT program is less than it could have been.

*Not much savings will accrue from any trade off between group training for business advisory services where the cost is quite fixed - almost constant for all levels of training.

NDFJ: ISSUES FOR GENERATING SELF-FINANCING
OF THE LOAN AND TAT PROGRAMS

MAJOR ISSUES

IMPLICATIONS

- | | |
|--|--|
| 1. The loan portfolio is too small to generate self-financing. | . It is very costly per dollar of loan, consequently, there is no profit or even break-even. |
| 2. Loan repayment period could be rationalized to recover loans in 6-30 months since over 80% of clients are on-going businesses, and small businesses usually have investment payback periods of less than 3 years. | . The present portfolio makes self-financing a very remote goal.

. Increased inflow to support an increased portfolio.

. Improved rationalization of the repayment plan among the different sectors. |
| 3. There is no mechanism in place to make the TAT program partially or wholly self-financing even when there is some scope. | . Future loan programs could be affected, since the growth of loans needs the growth of TAT to enhance success of the enterprises which NDF finances. |
-

NDFJ: ISSUES FOR GENERATING SELF-FINANCING
OF THE LOAN AND TAT PROGRAMS CONT'D.

MAJOR ISSUES

IMPLICATIONS

4. TAT has the potential to be self-financing, as follows, but the NDF is not exploiting this potential.

- about 27% of recipients can pay for it at the time of receiving it.
- about 48% of recipients can pay for it within 3 years of receiving it.
- over 80% of clients could pay for it within 4 years after receiving it.

. TAT program could expand much faster

. Dependence on external financing could be reduced.

VIII. RECOMMENDATIONS

VIII. RECOMMENDATIONS

The NDFJ needs to execute a short term action plan to implement the following recommendations arising from our analysis of the loan/TAT program in terms of its: portfolio performance, impact on target clients, cost-effectiveness, ability to be self-financing and other critical issues revolving around the program. Our recommendations are as follows:

1. NDFJ should pursue a \$50 million loan program for the period 1987 - 1991 in order to satisfy qualified demands for its loans and reduce the administrative cost of its portfolio, from over 40% to about 20%.
2. NDFJ should endeavor to execute a \$9.2 million TAT program 1987 - 1991 and try to recover about \$3.6 million or 39% in the same period since at least 80% of the clients will be able to repay over a 4-year period.
3. NDFJ should rationalize the loan repayment plan to realize repayments in a much shorter period, say 6 - 30 months since most borrowers are existing businesses, or new proposals with investment pay back period of less than 3 years especially in service and agriculture. This will increase the portfolio balance to enhance a larger loan program and eventual self-financing of NDFJ. It will also reduce the cost of TAT.

4. NDFJ should introduce and operate a system of periodic follow-ups to major TAT clients who did not receive loans.

5. NDFJ should reduce its ratio of TAT clients: loan clients from 9:1 to about 3:1 to become more effective in servicing them with its limited financial and human resources. Group training is an immediate area where TAT could be reduced.

6. The work of the loan/TAT program should be supported by one vehicle and one field officer per 60 (rural) - 100 (urban) loan clients, hence the 1987 - 1991. There should also be 5 additional vehicles to support the work of the administration.

7. The present collection system should be revised to take the burden off the field officer, where it is possible. NDFJ could investigate the feasibility of working with credit unions, rural institutions and commercial banks in this regard.

8. The payment package for the field officers should be upgraded to match the realities in the market for such skills. This will help the NDF to attract and retain more experienced field officers.

9. NDFJ should reorganize to accommodate a fund raising unit in its organization. This could be staffed by a single person who could take over the public relations functions as well, and thereby removing the need for a separate public relations officer.

10. Collection activities should be stepped-up against all non-current loans and loans in arrears. In addition, the NDFJ should consider including incentives for early payments and disincentives for late ones.

11. NDFJ should immediately modify its TAT program to include focus on more growth and competitive oriented management as part of a corporate plan to transform the sector from pre-micro-enterprises to a modern small business sector.

ASSESSMENT OF NDFJ'S LOAN PROGRAM
AND COST-EFFECTIVENESS OF ITS
TECHNICAL ASSISTANCE TRAINING

APPENDIX TO FINAL REPORT (VOL. III)

Submitted to:



JAMAICA

JANUARY 1987

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TABLES A-1 - 25 (PRESENT AND COMPARATIVE SITUATION AS AT NOVEMBER 1986)

TABLE A-1 AGE OF FORMAL BUSINESSES

<u>AGE (YEARS)</u>	<u>NO.</u>
Under 3	123
3 - 4	55
5 - 7	31
3 - 10	11
Over 10	50
<hr/>	
TOTAL	270
<hr/>	

TABLE A-2 LEGAL STATUS OF THE ENTERPRISES

<u>STATUS</u>	<u>NO.</u>
Proprietorship	220
Partnership	15
Limited Co.	35
Cooperative	0
Other	0
<hr/>	
TOTAL	270
<hr/>	

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TABLES A-1 - 25 (PRESENT AND COMPARATIVE SITUATION AS AT NOVEMBER 1986)

TABLE A-3	<u>OPERATING STATUS</u>	<u>NO.</u>
	Growing	210
	Not growing	52
	Temporarily closed	7
	Permanently closed	1
	TOTAL	270

TABLE A-4	<u>MAIN REASONS FOR OPERATING STATUS</u>			
<u>MAIN REASON</u>	<u>GROWING ONES</u>	<u>STAGNANT ONES</u>	<u>TEMPORARILY CLOSED ONES</u>	<u>PERMANENTLY CLOSED ONES</u>
Market	105	17	1	0
Management	43	5	2	0
Finance, working capital etc.	39	14	2	1
Seasonal nature	1	1	1	0
Cost of production	12	5	0	0
Weather	5	7	0	0
Labor	5	3	1	0
TOTAL	210	52	7	1

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TABLES A-1 - 25 (PRESENT AND COMPARATIVE SITUATION AS AT NOVEMBER 1986)

TABLE A-5 GOODS AND SERVICES PRODUCED

<u>MAIN ACTIVITIES</u>	<u>NUMBER PRESENTLY</u>	<u>NO. AT TIME OF NDF LOAN</u>
<u>Manufacturing</u>	<u>129</u>	<u>130</u>
Furniture/wood products	31	37
Garments	49	53
Food Processing	15	7
Metal Products	4	12
Handicraft	6	13
Other	24	5
<u>Commerce/other services</u>	<u>99</u>	<u>93</u>
Wholesale/retail	18	21
Grocery	30	23
Mixed	0	3
Personal Care	9	7
Professional	2	8
Repair	13	10
Other	28	21
<u>Agriculture</u>	<u>42</u>	<u>47</u>
Livestock	5	8
Poultry	1	1
Crops	36	37
TOTAL	270	270

TABLE A-6 PRINCIPALS BY AGE AND SEX

<u>CHARACTERISTICS</u>	<u>NO. MALE</u>	<u>NO. FEMALE</u>	<u>TOTAL</u>
<u>Age (Years)</u>			
Under 25	15	11	26
25 - 29	39	13	51
30 - 34	38	24	63
35 - 39	33	20	53
40 - 49	36	18	54
50 Plus	16	7	23
TOTAL	177	93	270

TABLE A-7 EMPLOYMENT STATUS OF PRINCIPALS

<u>Employment</u>	<u>No.</u>
In the Business only	237
Elsewhere as well	33
TOTAL	270

TABLE A-8 HIGHEST LEVEL OF EDUCATION/SKILL OF PRINCIPALS NO.

Primary/vocational	47
Primary only	69
Secondary/vocational	12
Secondary only	103
Tertiary/professional	39
TOTAL	270

TABLES A-1 - 25 (PRESENT AND COMPARATIVE SITUATION AS AT NOVEMBER 1986)

TABLE A-9 GROSS ANNUAL SALES AND PROFITS OF BUSINESSES

<u>LEVEL OF EARNINGS</u>	<u>AT TIME OF LOAN</u>	<u>PRESENTLY</u>
Gross sales per annum under \$10,000	70	50
\$10,000 - \$19,999	35	40
\$20,000 - \$29,999	36	18
\$30,000 - \$39,999	31	25
\$40,000 - \$49,999	29	25
\$50,000 - \$74,999	33	33
\$75,000 - \$99,000	13	22
\$100,000 - \$149,999	17	20
\$150,000 - \$199,999	0	6
\$200,000 plus	6	31
TOTAL	270	270

TABLE A-10

	<u>GROSS PROFIT</u>	
	<u>AT TIME OF LOAN</u>	<u>PRESENTLY</u>
Under 10,000	170	90
10,000 - 19,999	51	50
20,000 - 29,999	17	34
30,000 - 39,999	9	32
40,000 - 49,999	3	11
50,000 - 74,999	11	27
75,000 - 99,000	2	13
100,000 - 149,999	2	7
150,000 - 199,999	2	0
200,000 plus	1	6
TOTAL	270	270

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TABLE A-11 EMPLOYMENT LEVELS OF PRINCIPAL OWNERS OF NDF FINANCED BUSINESS

<u>HOURS WORKED</u>	<u>PRESENTLY IN BUSINESS</u>	<u>AT TIME OF LOAN BUSINESS</u>
Less than 10	11	47
10 - 19	23	22
20 - 29	21	26
30 - 39	21	36
40 Plus	<u>194</u>	<u>139</u>
	270	270

TABLE A-12 INCOME DISTRIBUTION

<u>INCOME BAND</u>	<u>NO. PRESENTLY FROM THE BUSINESS</u>	<u>PRIOR TO THE LOAN NO. FROM THE BUSINESS</u>
\$		
Under \$150	107	193
150 - 199	36	26
200 - 249	32	14
250 - 299	47	19
300 - 349	16	7
350 - 399	9	3
400 - 449	12	2
450 - 499	0	3
500 and over	11	3
TOTAL	270	270

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TABLES A-1 - 25 (PRESENT AND COMPARATIVE SITUATION AS AT NOVEMBER 1986)

TABLE A-13 EMPLOYMENT AND INCOME OF NON-OWNERS

i.	<u>WEEKLY HOURS OF WORK</u>	<u>PRESENT</u>			<u>AT TIME OF LOAN</u>		
		<u>NO. MALE</u>	<u>NO. FEMALE</u>	<u>TOTAL</u>	<u>NO. MALE</u>	<u>NO. FEMALE</u>	<u>TOTAL</u>
	Less than 10	17	18	35	10	5	15
	10 - 19	23	10	33	19	2	21
	20 - 29	43	11	54	25	2	27
	30 - 39	53	11	64	21	6	27
	40 plus	299	210	509	134	69	203
	TOTAL	433	258	695	209	84	293

ii.	<u>WEEKLY WAGES</u> \$	<u>PRESENT</u>	<u>AT TIME OF LOAN</u>
		<u>NO.</u>	<u>NO.</u>
	Less than 80	319	194
	80 - 99	81	33
	100 - 125	142	38
	126 - 149	41	8
	150 - 175	47	17
	176 - 199	14	2
	200 plus	51	1
	TOTAL	695	293

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TABLES A-1 - 25 (PRESENT AND COMPARATIVE SITUATION AS AT NOVEMBER 1986)

TABLE A-14 EMPLOYMENT OF NON-OWNERS BY SKILLS

<u>POSITION HELD</u>	PRESENT	AT TIME OF LOAN
	<u>NO.</u>	<u>NO.</u>
Skilled support	174	71
Semi-skilled	290	107
Unskilled	192	102
Managerial/Admin.	39	13
TOTAL	695	293

TABLE A-15 LEVEL OF EMPLOYMENT FROM WITHIN COMMUNITY

<u>DISTANCE EMPLOYEES LIVED FROM EMPLOYMENT</u>	<u>PRESENT NO.</u>	<u>AT TIME OF LOAN NO.</u>
Less than 2 miles	375	177
2 - 4 miles	196	59
5 - 7 miles	74	29
8 - 10 miles	26	17
over 10 miles	24	11
TOTAL	695	293

TABLE A-16 EMPLOYMENT OF NON-RELATIVES

e. <u>RELATIONSHIP OF EMPLOYEES IN THE BUSINESS (excl. owner)</u>	PRESENT	AT TIME OF LOAN
	<u>NO.</u>	<u>NO.</u>
Relatives	117	51
Non-relatives	578	242
TOTAL	695	293

TABLES A-1 - 25 (PRESENT AND COMPARATIVE SITUATION AS AT NOVEMBER 1986)

TABLE A-17 STANDARD OF MANAGEMENT AND ORGANIZATIONAL PRACTICES

<u>KEY ACTIVITY</u>	<u>NO. SATISFACTORILY EXECUTED</u>	<u>NO. POORLY EXECUTED</u>
Marketing	228	37
Pricing of products	250	16
Production	226	35
Accounts	207	59

TABLE A-18 NEED FOR TECHNICAL ASSISTANCE TRAINING

<u>MAIN EMPHASIS</u>	<u>NO. RECEIVING IT</u>	<u>NO. NEEDED IT</u>
Cash book/Accs.	186	101
Marketing	76	80
Costing/pricing	52	46
Business Advisory Serv.	75	62

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TABLE A-19

NET ASSET

<u>NET ASSET VALUE</u>	<u>NO.</u>
\$	
Less than \$25,000	159
\$ 25,000 - \$ 49,000	50
\$ 50,000 - \$ 74,000	19
\$ 75,000 - \$ 99,000	9
\$100,000 - \$149,000	11
\$150,000 - \$199,000	6
\$200,000 Plus	16
<hr/>	
TOTAL	270
<hr/>	

TABLE A-20

NON-NDF BUSINESS TRAINING RECEIVED

<u>TYPE</u>	<u>NO.</u>
Accounts	20
Marketing	19
Management	26
Costing	19
Inventory Management	4

TABLE A-21 NDF CLIENTS' REACTIONS TO PAYMENT FOR TAT

<u>ASPECTS OF TAT THAT SHOULD BE PAID FOR?</u>	<u>NO.</u>
All	28
Some	77
None	165
<hr/>	
TOTAL	270
<hr/>	

TABLE A-22 ASPECTS OF TAT NDF CLIENTS WOULD PAY FOR?

<u>ASPECT</u>	<u>NO.</u>
Management/production	54
Marketing	60
Accounting	65
Costing	29
Other	2

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TABLE A-23 HOW MUCH WOULD CLIENT PAY FOR EACH ASPECT OF TAT

<u>VOLUNTARY PAYMENT FOR TAT</u>	<u>MARKETING</u>	<u>ACCOUNTS</u>	<u>COSTING</u>	<u>MANAGEMENT/ PRODUCTION INCL. PROJEC EVALUATION</u>
Less than \$200	25	30	18	26
\$ 200 - \$399	6	10	4	6
\$ 400 - \$599	5	7	2	10
\$ 600 - \$799	0	2	0	0
\$ 800 - \$999	1	2	0	0
\$1,000 Plus	0	0	0	4
TOTAL	37	51	24	46

TABLE A-24 FREQUENCY OF FIELD OFFICER'S VISITS
TO CLIENTS

<u>FREQUENCY OF VISIT</u>	<u>NO.</u>
Weekly	19
Fortnightly	53
Monthly	80
Quarterly/less often	118
TOTAL	270

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TABLE A-25 FIELD OFFICER'S AREAS OF FOCUS IN VISITS TO CLIENTS
VS THEIR NEEDS

<u>AREA OF FOCUS</u>	<u>NO. BY FIELD OFFICER</u>	<u>FREQUENCY OF NEEDS BY CLIENTS</u>
Loan Repayments	47	5
Technical advise	49	37
Business related advice	165	140
Other	8	15
Satisfied	0	11
TOTAL	* 269	208

* One is permanently closed

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TABLE B-1 - B-10: SUMMARY DATA ON SAMPLE OF 270 LOANS:

BUSINESS FEATURES AT TIME OF LOAN

TABLE B-1 LENDING CRITERIA USED

<u>MAIN CRITERIA</u>	<u>FREQUENCY OF USE</u>
Financial Viability	122
Marketability	154
Management	128
<u>OTHER CRITERIA</u>	
Client reliability	4
Recommendations/Field Officer's Report	147
Initiative	52
Established Clients	24
Encouragement by Friends	42

TABLE B-2 CRITERIA FOR TAT

<u>MAIN CRITERIA</u>	<u>FREQUENCY OF USE</u>
Knowledge of Business	128
Relevance of Training	214
<u>OTHER CRITERIA</u>	
Exemption from Business Management (Based on Hours of TAT received)	30

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TABLE B-1 - B-10: SUMMARY DATA ON SAMPLE OF 270 LOANS:

BUSINESS FEATURES AT TIME OF LOAN

TABLE B-3

PURPOSE OF LOAN

<u>ACTIVITY</u>	<u>NO. OF LOAN</u>
<u>MANUFACTURING</u>	<u>130</u>
- Furniture/wood products	37
- Garments	53
- Craft	7
- Food Processing	12
- Metal Products	3
- Handicraft	13
- Others	2
- Mixed Manufacturing	3
<u>COMMERCE AND OTHER SERVICES</u>	<u>49</u>
- Retail shop	21
- Grocery	23
- Mixed Commerce	3
- Pharmacy	2
<u>OTHER SERVICES</u>	<u>44</u>
- Restaurant/Bar	6
- Personal care	7
- Professional services	8
- Tourism	1
- Repairs	10
- Others	12
<u>AGRICULTURE</u>	<u>47</u>
- Crops	37
- Livestock	8
- Fishing	0
- Poultry	1
- Others	1
<u>TOTAL</u>	<u>270</u>

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TABLE B-1 - B-10: SUMMARY DATA ON SAMPLE OF 270 LOANS:

BUSINESS FEATURES AT TIME OF LOAN

TABLE B-4 LOAN SIZE

<u>CATEGORY</u>	<u>NUMBER</u>
Under \$ 2,000	18
\$ 2,001 - \$ 4,999	67
\$ 5,000 - \$ 6,999	44
\$ 7,000 - \$ 9,999	39
\$10,000 - \$14,999	34
\$15,000 - \$19,999	23
\$20,000 - \$24,999	16
\$25,000 - \$29,999	9
\$30,000 - \$39,999	6
\$40,000 - \$49,999	6
\$50,000 Plus	8
TOTAL	<u>270</u>

TABLE B-5 AGE AND SEX DISTRIBUTION OF LOAN CLIENTS

<u>AGE GROUP</u>	<u>NO. OF FEMALE</u>	<u>NO. OF MALE</u>	<u>TOTAL</u>
Under 25	11	15	26
25 - 34	37	77	114
35 - 39	20	33	53
40 - 44	12	20	32
45 - 49	6	16	22
50 Plus	<u>7</u>	<u>16</u>	<u>23</u>
	93	177	270

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TABLE B-1 - B-10: SUMMARY DATA ON SAMPLE OF 270 LOANS:

BUSINESS FEATURES AT TIME OF LOAN

TABLE B-6 INCOME AND ASSET STATUS OF BUSINESSES
AT TIME OF LOAN

<u>ANNUAL INCOME/ASSET CATEGORY</u>	<u>ANNUAL NET INCOME</u>	<u>NET ASSET</u>
Under \$ 5,000	86	33
\$ 5,001 - \$ 9,999	68	38
\$10,000 - \$14,999	44	22
\$15,000 - \$19,999	22	21
\$20,000 - \$24,999	13	11
\$25,000 - \$29,999	8	15
\$30,000 - \$39,999	9	25
\$40,000 - \$49,999	13	25
\$50,000 - \$59,999	2	9
\$60,000 - \$69,999	2	8
\$70,000 - \$79,999	0	14
\$80,000 - \$89,999	0	6
\$90,000 - \$99,999	2	6
\$100,000 Plus	0	37
	<u>269</u>	<u>270</u>

TABLE B-7 OPERATING STATUS OF BUSINESS RECEIVING LOANS

<u>STATUS</u>	<u>NUMBER</u>
New Business	50
Proposed expansion	220
TOTAL	<u>270</u>

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BUSINESS FEATURES AT TIME OF LOAN

TABLE B-8 INVESTMENT AND EQUITY LEVELS

<u>CATEGORY</u>	<u>AT TIME OF LOAN</u>		<u>PROJECTED PERFORMANCE AFTER LOAN</u>	
	<u>INVESTMENT</u>	<u>EQUITY</u>	<u>INVESTMENT</u>	<u>EQUITY</u>
Under \$ 2,000	59	62	4	46
\$ 2,001 - \$ 4,999	75	71	34	73
\$ 5,000 - \$ 6,999	38	40	29	36
\$ 7,000 - \$ 9,999	24	25	38	18
\$10,000 - \$14,999	27	25	43	33
\$15,000 - \$19,999	18	20	34	21
\$20,000 - \$29,999	15	12	39	19
\$30,000 Plus	<u>15</u>	<u>15</u>	<u>49</u>	<u>24</u>
TOTAL	270	270	270	270

TABLE B-9 SALES

<u>CATEGORY</u>	<u>AT TIME OF LOAN</u>	<u>PROJECTED</u>
Under \$10,000	70	21
\$10,001 - \$19,999	35	24
\$20,000 - \$29,999	36	20
\$30,000 - \$39,999	31	24
\$40,000 - \$49,999	29	23
\$50,000 - \$69,999	33	35
\$70,000 - \$99,999	13	43
\$100,000 - \$200,000	17	55
\$201,000 Plus	<u>6</u>	<u>25</u>
TOTAL	270	270

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TABLE B-1 - B-10: SUMMARY DATA ON SAMPLE OF 270 LOANS:

BUSINESS FEATURES AT TIME OF LOAN

TABLE B-10 EMPLOYMENT AND SKILL BACKGROUND OF LOAN CLIENTS

<u>STATUS</u>	<u>NUMBER</u>
Unemployed	3
Employed	25
Self-employed	205
Unskilled	13
Professional	24
<hr/>	
TOTAL	270
<hr/>	

WD - WORKING DOCUMENTS

- WD1 LIST OF LOAN CLIENTS IN SAMPLE
- WD2 CLIENT INTERVIEW AND BUSINESS PERFORMANCE
DATA SHEET
- WD3 NDFJ PROGRAM ASSESSMENT SHEET

WD - WORKING DOCUMENTS

WD1 -- LIST OF LOAN CLIENTS IN SAMPLE

ASSESSMENT OF NDFJ'S LOAN AND TAT PROGRAMS CLIENT INFORMATION GUIDE FOR RESEARCHERS

NDFJ'S OFFICE: Kingston

RESEARCHER: Mr. Mollison

<u>CLIENT NO.</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT PERSON/POSITION</u>	<u>NDFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
1	Alice Archer	M	125 King St, Kingston	Alice Archer	Vernal Savage	Nov 26 - Dec
2	Betty Williams	M	7 Windward Road	Betty Williams	"	"
3	Clare Davis	M	116 Harbour Street	Clarke Davis	"	"
4	Venris Henderson	M	57 St Orange St, Kgn	Venris Henderson	"	"
5	Avis Whittle	M	12 Haughton Rd Kgn 2	Avis Whittle	"	"
6	Isaac Howell	M	225½ Marcus Garvey Dr	Isaac Howell	Devon Rowe	"
7	Roy Smith	M	Small Business Complex 225½ Marcus Garvey Dr	Roy Smith	"	"
3	Harry Gordon	M	9 Pechon St., Kgr, 4	Harry Gordon	"	"
9	Oscar Jones	C	114 East St, Kgn	Oscar Jones	"	"
10	George Malcom	C	72 Mountain View Ave	George Malcom	"	"
11	Glenroy Johnson	C	12 Hitchin St	Glenroy Johnson	"	"
12	Lorna Johnson	C	44 Land Lane, Kgn	Lorna Johnson	"	"

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ASSESSMENT OF NDFJ'S LOAN AND TAT PROGRAMS CLIENT INFORMATION GUIDE FOR RESEARCHERS

NDFJ'S OFFICE: Kingston

RESEARCHER: Mr Mollison

<u>CLIENT NO.</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT. PERSON/POSITION</u>	<u>NDFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
13	Ernest Bright	S	66½ Half Way Tree Rd	Ernest Bright	Devon Rowe	Nov 26 - Dec
14	Albert Coleman	C	17 Atoll Ave, Kgn 17	Albert Coleman	"	"
15	Olga Smith	C	107 Charles St Kgn	Olga Smith	"	"
16	Victor Samuels	C	Shop # 11, Rivoli Plz 48 - 50 Spanish Town Rd	Victor Samuels	"	"
17	Everton McLeod	R	165 Windward Rd Kgn 2	Everton McLeod	"	"
18	George James	O	2½ Jacques Rd	George Jameson	"	"
19	Richard Cotterell	S	19 Rosseau Rd, Kgn 5	Richard Cotterell	Vernal Savage	"
20	Cecil Brown	O	7 Norman Rr (Central Shorting Office)	Cecil Brown	"	"
21	Reginald Murray	C	12 Upper York St	Reginald Murray	G Gayle	"
22	Ewart Hue	C	7 Darling St, Kgn	Ewart Hue	Vernal Savage	"
23	Leroy Harris	C	87 Barbican Rd	Leroy Harris	G Gayle	"
24	Gilbert Thomas	C	137 Tower St	Gilbert Thomas	Vernal Savage	"
25	Lanse Robinson	M	5 Norwich Ave Kgn 11	Lanse Robinson	G Gayle	"

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ASSESSMENT OF NDFJ'S LOAN AND TAT PROGRAMS CLIENT INFORMATION GUIDE FOR RESEARCHERS

NDFJ'S OFFICE: Kingston

RESEARCHER: Mr Mollison

<u>CLIENT NO.</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT PERSON/POSITION</u>	<u>NDFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
						Nov 26 - Dec
26	Lester Haynes	M	85 Hillview Terr	Lester Hynes	G Gayle	"
27	Esmeline Fagan	M	204 Old Hope Rd, Kgn 5	Esmeline Fagan	"	"
28	Stockley Hadden	M	23 Duke St, Kgn.	Stockley Hadden	"	"
29	Richard Jacobs	M	4 Penrith Rd, Kgn 5	Richard Jacobs	"	"
30	Owen Harriot	M	14a Lady Musgrave Rd Kgn. 5	Owen Harriot	"	"

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ASSESSMENT OF NOFJ'S LOAN AND TAT PROGRAMS CLIENT INFORMATION GUIDE FOR RESEARCHERS

NOFJ'S OFFICE: Kingston

RESEARCHER: Mr Robinson

<u>CLIENT NO.</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT PERSON/POSITION</u>	<u>NOFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
31	Yvonne Ricketts	M	954 Seaview Gdns.	Yvonne Ricketts	G Gayle	Nov 26 - Dec
32	Gail Bell	M	90 Hope Road	Gail Bell	"	"
33	Albert Gray	M	24 Slipe Road, Kgn 6	Albert Gray	"	"
34	Wilhelmina Brown/ Ransford Taylor	M	4 Barbican Rd, Kgn 8	Wilhelmina Brown/ Ransford Taylor	"	"
35	Desarie Brown	S	1c Charlton Road	Desarie Brown	"	"
36	Junior Walters	S	25a Rossey Rd, Kgn 5	Junior Walters	"	"
37	Michael Clarke	S	9 Ripton Rd, Kgn 5	Michael Clarke	"	"
38	Mary Duffus	S	8 Fagan Ave, Kgn 8	Mary Duffus	"	"
39	Wilfred Riley	S	17 Campbell Blvd.	Wilfred Riley	Nathan Barton	"
40	Leroy Henry	S	79 Tower Ave.	Leroy Henry	"	"
41	Michael Jones/Marie Reid	M	4 North Anderson Cres.	Michael Jones/Marie Reid	"	"
42	Ervin Long	C	5 Cogheil Rd; Ewarton	Ervin Long	"	"

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ASSESSMENT OF NDFJ'S LOAN AND TAT PROGRAMS CLIENT INFORMATION GUIDE FOR RESEARCHERS

NDFJ'S OFFICE: Kingston

RESEARCHER: Mr Robinson

<u>CLIENT NO.</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT PERSON/POSITION</u>	<u>NDFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
43	Everald Hunter	C	7 Dulley Cl, Mickleton Meadows	Everald Hunter	Nathan Barton	Nov 26 - Dec 1
44	Ruthlyn Minott	C	69 Mickleton Mds, Linstead	Ruthlyn Minott	"	"
45	Ornado Mantaqua	M	Lot 88 Dela Vega City Spanish Town	Ornado Mantaqua	"	"
46	Lloyd Bailey	M	279 Dela Vega City, Spanish Town	Lloyd Bailey	"	"
47	Patrick Whittingham	M	4 Wigton Avenue	Patrick Whittingham	"	"
48	Carmen & Gilroy Douglas	M	474 Dela Vega Cy, Spn Twn	Either	"	"
49	Beryl Grant	M	308 Dela Vera Cy Spn Twn	Beryl Grant	"	"
50	Mavis March	M	Lot 358 Dela Vega City Spanish Town	Mavis March	"	"
51	Iris Rooms	M	152 Dela Vega Cy Spn Twn	Iris Rooms	"	"
52	Murray Wilfred	M	Victoria District, Lnstd.	Murray Wilfred	"	"
53	Everod Stewart	M	56 Cumberland Ave, Spn Twn	Everod Stewart	"	"

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NOFJ'S OFFICE: Kingston

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<u>CLIENT NO.</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT PERSON/POSITION</u>	<u>NOFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
						Nov 26 - Dec
54	Fitzroy Morrison/ Hazelyn Durrant	M	8 Carter Avenue	Fitzroy Morrison	Nathan Barton	"
55	Yvonne Whittaker	C	4 Quarry Path	Yvonne Whittaker	"	"
56	Keith Beckford	S	92 Chisholm Avenue	Keith Beckford	"	"
57	Elkania McClean		23 Elleston Rd	Elkania McClean	"	"
58	John Cunningham	S	14 Manchester St Spm Twn	John Cunninham	"	"
59	Majorie Ellis/Wilbert Ellis	M	39 Merrivale Avenue	Majorie Ellis	Devon Rowe	"
60	Franklyn Bingham	C	110 Spanish Town Road	Franklyn Bingham	"	"

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ASSESSMENT OF NDFJ'S LOAN AND TAT PROGRAMS CLIENT INFORMATION GUIDE FOR RESEARCHERS

NDFJ'S OFFICE: Kingston

RESEARCHER: Ms Whyte

<u>CLIENT NO.</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT PERSON/POSITION</u>	<u>NDFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
61	Yvonne Grahams	M	1 Retirement Rd	Yvonne Grahams	G Gayle	Nov 26 - Dec 1
62	Pamela Bryan/Lorenzo Williams	C	38 Waltham Park Rd	Either	Devon Rowe	"
63	Estella James	C	3 West Rd, Kgn 11	Estella James	"	"
64	Ruthlyn Smith	C	8 Delamere Rd, Kgn 13	Ruthlyn Smith	"	"
65	Sonia Spence	C	121 East St, Kgn OR 13 Lindene Avene	Sonia Spence	"	"
66	Cornetha Brown	C	52 Waltham Prk Road	Cornetha Brown	"	"
67	Festus Williamson	C	19 Welworth Avenue	Festus Williamson	"	"
68	Beresford & Louidal Dawkins	C	36 Pastal Ave Kgn 20	Either	"	"
69	Roy Campbell	M	44E Waltham Prk Rd.	Roy Campbell	"	"
70	Oswald Miller	M	27 Booby Dr, Kgn 11	Oswald Miller	"	"
71	Pauline Allen	M	38 Lockhart Ave Kgn 20	Pauline Allen	"	"
72	Yvonne Saunders	M	58 Gilmour Drive	Yvonne Saunders	"	"

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NDFJ'S OFFICE: Kingston

RESEARCHER: Ms Whyte

<u>CLIENT NO.</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT PERSON/POSITION</u>	<u>NDFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
73	Mae Morrison	C	30 Lindale Avenue	Mae Morrison	Devon Rowe	Nov 26 - Dec
74	Lusan Haynes	M	46 Languard Ave, Kgn 13	Lusan Haynes	"	"
75	Errol McFarlane	M	Small Business Complex Marcus Garvey Drive	Errol McFarlane	"	"
76	Marcia Wynter	M	47 Daytona Drive	Marcia Wynter	"	"
77	George Freckleton	M	27 Maxfield Ave, Kgn 13	George Freckleton	"	"
78	Alvarine Hares	M	8 Davidson Avenue	Alvarine Hares	"	"
79	Patricia Williams	S	36 Harwood Dr, Kgn 10	Patricia Williams	"	"
80	Nadine Brown	S	32 Montgomery Ave, Kgn 13	Nadine Brown	"	"
81	Lister Anderson	M	88 Molyne's Road	Lister Anderson	T Mitchell	"
82	Anthony Edwards	S	18a Windward Road	Anthony Edwards	G Gayle	"
83	Derrick Craig	C	22 3/4 South Rd	Derrick Craig	"	"
84	Jean Russel	S	51 Slipes Rd, Kgn 5	Jean Russel	"	"

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85	Hilary Grant	S	New Kgn Shpng Centre (Up Stairs)	Hilary Grant	G Gayle	Nov 26 - Dec "
86	Earnest Mandez	O	12 August Town Rd	Earnest Mandez	"	"
87	Hazel Rutherford	M	36 August Town Road	Hazel Rutherford	"	"
88	Monica Williamson		27 Chesterville Ave Kgn 20	Monica Williamson	"	"
89	Ewart McBean	C	42 Shortwood Road	Ewart McBean	"	"
90	Rudolph Campbell	C	66 Maxfield Avenue Kingston 13	Rudolph Campbell	"	"

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ASSESSMENT OF NDFJ'S LOAN AND TAT PROGRAMS CLIENT INFORMATION GUIDE FOR RESEARCHERS

NDFJ'S OFFICE: Kingston

RESEARCHER: Mrs Knight

<u>CLIENT NO.</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT PERSON/POSITION</u>	<u>NDFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
91	Evadney Hazel	M	151 Port Antonio Rd, Waterford, St Catherine	Evadney Hazel	N Barton	Nov 26 - Dec
92	Charmaine Bowen	C	109 3/4 Red Hills Road	Charmaine Bowen	"	"
93	Beverley Brown	M	1,204 Manhurst Rd, Waterford, St Catherine	Beverley Brown	T Mitchell	"
94	Terminus Cooper	C	82 Molynes Road	Terminus Cooper	"	"
95	Sybil Trowers	C	20a South Road	Sybil Trowers	"	"
96	Patricia Nunes	C	4 Sandringham Ave Kgn 10	Patricia Nunes	"	"
97	Beryl Bennett	M	22 Westminster Rd Kgn 10	Beryl Bennett	"	"
98	Elta Mullings	M	55a Molynes Rd Kgn 10	Elta Mullings	"	"
99	Paul Foster	M	5 Waterloo Ave Kgn 10	Paul Foster	"	"
100	Oscar Derby/ Barry Miller	M	10 Camp Road, Kgn. 14	Oscar Derby	"	"
101	Kenneth Morgan	M	12a Molynes Road	Kenneth Morgan	"	"
102	Weva Nunes	M	10 Aggrey Drive	Weva Nunes	"	"

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103	Veta Palmer	M	21 Maverley Avenue	Veta Palmer	T Mitchell	Nov 26 - Dec
104	Una Davis	M	64 Sunrise Cres Kgn 19	Una Davis	"	"
105	Upert & Patricia Uubank	M	20 Truman Avenue	Eupert Eubank	"	"
106	Collin Burgess	M	18 Cassia Prk Ave Kgn 10	Colin Burgess	"	"
107	Joseph Powell	R	98 Molynes Road	Joseph Powell	"	"
108	Audeth Williams	S	8 Donmair Cl, Kgn 19	Audeth Williams	"	"
109	J. Evelyn	S	5 South Avenue	J. Evelyn	"	"
110	Elizabeth Campbell	S	4 Argyle Road	Elizabeth Campbell	"	"
111	Ainsworth Kelly	M	17½ Kew Road	Ainsworth Kelly	"	"
112	Loxley Needham/Eric Young	M	34 Molynes Road, Kgn 10	Loxley Needham	"	"
113	Norma Morris	M	105d Red Hills Road	Norma Morris	"	"
114	Lillian Davis	M	14 Holbrook Close	Norma Morris	"	"
115	Eunice Matherson	C	14 Fagan Ave Kgn. 8	Eunice Matherson	"	"

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116	Claudett Ferguson	C	Stony Hill Square	Claudette Ferguson	T Mitchell	"
117	Frank Davis	M	35 Red Hills Road	Frank Davis		"
118	Isiah Love	C	4 Laudervale Ave, Independence City, St. Catherine	Isiah Love	N Barthan	"
119	Primrose Walker	M	94 Red Hills Road	Primrose Walker	T Mitchell	"
120	Zelona Trenchfield	M	20 Wakefield Cres	Zelona Trenchfield	"	"

Nov 26 - Dec 10

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ASSESSMENT OF NDFJ'S LCM AND TAT PROGRAMS CLIENT INFORMATION GUIDE FOR RESEARCHERS

NDFJ'S OFFICE: Mandeville

RESEARCHER: Ms Zelia Saunders

<u>CLIENT NO.</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT PERSON/POSITION</u>	<u>NDFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
121	Leroy Brown	A	Cascade, St. Ann	See Business Name	G Clarke	Nov 26 - Dec 10
122	Barett Watson	A	"	"	"	"
123	Vanny Davis	A	"	"	"	"
124	Clarence Ferguson	A	"	"	"	"
125	Ralph Barnett	A	"	"	"	"
126	Lee Edwards	M	Newton, Black River	"	"	"
127	Michael Campbell	A	Top Hill	"	"	"
128	Adlin Salmon	A	Junction	"	"	"
129	Sylvester Edwards	A	Harry Watch	"	"	"
130	Crafton Gavin	A	Bethany, Devon	"	"	"
131	David Powell	A	Top Hill	"	"	"
132	Harris Baker	M	Hotel St, Mandeville	"	"	"
133	Albert Wiltshire	M	Mike Town	"	"	"

ASSESSMENT OF NOFJ'S LOAN AND TAT PROGRAMS CLIENT INFORMATION GUIDE FOR RESEARCHERS

NOFJ'S OFFICE: Mandeville

RESEARCHER: Ms Zelia Saunders

<u>CLIENT NO.</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT PERSON/POSITION</u>	<u>NOFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
134	Martel Lynch	A	Warminister	See Business name	G Clarke	Nov 26 - Dec 10
135	George Roach	A	Richmond	"	"	"
136	Raymond Stephenson	A	Devon	"	"	"
137	Philbert Collins	A	Warminister	"	"	"
138	Majorie Smith	A	Nain	"	"	"
139	George Higgins	A	Pratville	"	"	"
140	Timothy Morgan	A	Newport	"	"	"
141	Leslie Morgan	A	Newport	"	"	"
142	Peter McFarlane	A	Bethany	"	"	"
143	Eric Foster	A	St. Elizabeth	"	"	"
144	Orret Isaacs	A	St. Elizabeth	"	"	"
145	Vanriel Burton	A	Top Hill	"	"	"
146	Frederick Lambert	M	Christiana	"	"	"

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RESEARCHER: Ms Zelia Saunders

<u>CLIENT NO</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT PERSON/POSITION</u>	<u>NOFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
147	Jeremiah Morris	A	Newport	See Business name	G Clarke	Nov 26 - Dec 10
148	Donald Haylett	R	6 Jewel Cl, Santa Cruz	"	"	"
149	Sterling Scarlett	A	Cascade, St. Ann	"	"	"
150	Rupert Smith	M	Santa Cruz	"	"	"
151	Desmond Harrison	C	Childleigh Christiana	"	"	"
152	Jennifer Graham	C	Willowgate Plaza, Mandeville	"	"	"
153	Clinton Crearer	C	Lewisville Shopping Complex, St. Elizabeth	"	"	"
154	Oswald Dunn	S	42 West St, Black River	"	"	"
155	Rcy Wiltshire	M	Mike Town, Manchester	"	"	"
156	Allan Allen	M	Mike Gully, Manchester	"	"	"
157	George Davis	A	Cascade, St. Ann	"	"	"

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ASSESSMENT OF NDFJ'S LOAN AND TAT PROGRAMS CLIENT INFORMATION GUIDE FOR RESEARCHERS

NDFJ'S OFFICE: Mandeville

RESEARCHER; Mrs. Hall-Hammond

<u>CLIENT NO.</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT PERSON/POSITION</u>	<u>NDFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
158	Anthony Ellis	M	Aberdeen Dist, Siloah	See Business name	G Clarke	Nov 26 - Dec 10
159	Katheleen Swaby	M	Lincoln, Manchester	"	"	"
160	Leroy Thompson	S	Main St, Santa Cruz	"	"	"
161	Evan Robinson	A	Ricthes	"	A Walker	"
162	Clarence Reid	A	Cocoa Walk	"	"	"
163	Bunny Neil	A	Marlborough	"	"	"
164	George Wallace	A	Heartease	"	"	"
165	Samuel Thompson	A	Knock Patrick	"	"	"
166	Hexford Swaby	A	Ebony Park	"	"	"
167	Trevor Swaby	A	Ebony Park	"	"	"
168	Carlton Lopez	A	Ebony Park	"	"	"
169	Daniel Cross	A	Ebony Park	"	"	"
170	Anthony Nelson	A	Ebony Park	"	"	"
171	Jacob Dawkins	A	Banana Ground	"	"	"

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ASSESSMENT OF NDFJ'S LOAN AND TAT PROGRAMS CLIENT INFORMATION GUIDE FOR RESEARCHERS

NDFJ'S OFFICE: Mandeville

RESEARCHER: Mrs. Hall-Hammond

<u>CLIENT NO.</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT PERSON/POSITION</u>	<u>NDFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
172	Neville Gauze	A	Lenwood Spring, Ritchies	See Business name	A Walker	Nov 26 - Dec 10
173	Ficydell Bell	A	Richmond	"	"	"
174	Wilbert Davis	A	Davyton	"	"	"
175	Mitford Forbes	A	St. Elizabeth	"	"	"
176	Silbourne Reid	A	Richmond	"	"	"
177	Danzil Waysome	C	22 Main St, Mandeville	"	"	"
178	Dulcie McLeod	C	42 Paisley Scheme, May Pen	"	"	"
179	Stanford Pusey	R	50 Chapelton Rd, May Pen	"	"	"
180	Isiah Thomas	C	Balares Rd, Mandeville	"	"	"
181	Joyce McBean	C	Lionel Town, Clarendon	"	"	"
182	Donald Forrester	S	15-16 Washville Rd, Mndvl.	"	"	"
183	Rudolph Boswell	C	Bellfield, Davyton	"	"	"
184	Gwendolyn Brown	C	Blue Mountain, Davyton	"	"	"
185	Consie Brooks	R	Ward Ave, Mandeville	"	"	"

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RESEARCHER: Mrs. Hall-Hammond

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186	Lesline Cameron	S	14 Parle Cres, Mandeville	See Business name	A Walker	Nov 26 - Dec 10
187	Lola Cohen	C	Sanguinetti, Clarendon	"	"	"
188	Audrey Brown	M	Frankfield	"	"	"
189	Phyllis Dawkins	M	44 Main St, May Pen	"	"	"
190	Wayne Jones	O	Lct 574 Lead Close, Mineral Heights	"	"	"
191	Lola Douglas	M	Lot 78, Sangster Hights, Chapelton	"	"	"
192	Gregory Bonner	M	Fernleigh Ave, May Pen	"	"	"
193	Wyncliffe Blake	M	3 Brigade Rd, Mandeville	"	"	"
194	Francis Morgan	M	11 Manchester Rd, Mandeville	"	"	"
195	Lincoln Barrett	M	1 West Prk Ave, May Pen	"	"	"

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ASSESSMENT OF NDFJ'S LOAN AND TAT PROGRAMS CLIENT INFORMATION GUIDE FOR RESEARCHERS

NDFJ'S OFFICE: Montego Bay

RESEARCHER: Mr. P. Gayle

<u>CLIENT NO.</u>	<u>BUSINESS NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>CONTACT PERSON/POSITION</u>	<u>NDFJ'S OFFICER</u>	<u>DATE FOR VISIT</u>
196	-	O	Irvin	David Johnson		
					Noveil Quest	Nov 26 - Dec 10
197	-	M	Springfield, St James	Aston McCallum	"	"
198	-	O	Springfield	Osbert Johnson	"	"
199	-	M	Maroon Town	Donald Bowen	"	"
200	-	C	Garlands, Mocho	Janet Campbell	"	"
201	-	O	Elderslie	Basil Waite	"	"
202	-	M	Welcome Hall	Theresa Sutherland	"	"
203	-	C	Mt Salem, MoBay	Junior Lawson	"	"
204	-	M	10 Market St, MoBay	Donovan Campbell	"	"
205	Ittyees Beauty Salon	S	Barnett St, MoBay	Errol Shippey	"	"
206	The Yellow Sub Co.	T/S	Cass Monte Hotel	Katsina Osman	"	"
207	Medifair Pharmacy	C	20 Market St, MoBay	Errol Shippey	"	"
208	-	C	Lot 254 Farm Heights	Cornelius Gillings	"	"
209	-	C	Orange St, MoBay	Karl Carr	"	"

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210	-	C	North Lane, MoBay	Pauline Salmon	Novell Quest	Nov 26 - Dec 10
211	-	M	5 Railway Lane, MoBay	Davalon Hill	"	"
212	-	C	St. James St, MoBay	Michael Chevannes	"	"
213	-	R	Queen St, MoBay	Myron Peters	"	"
214	-	R	7 Norwood Avenue	Owen Reid	"	"
215	-	R/M	King Street	Ed Grey	"	"
216	-	C	Barkers Hill, Trelawny	Carwin Wright	"	"
217	-	O	Ulster Spring	Barrington Frater	"	"
218	-	S	Water Street, Falmouth	Joan Lyle	"	"
219	-	C	Coopers Pen, Falmouth	W. Campbell	"	"
220	-	O	Salt Marsh	F. Harriot	"	"
221	-	M	Duncans	Jane Simpson	"	"
222	-	M	Sharpe St, Falmouth	Bruce Ferrera	"	"
223	-	C	Duke St, Falmouth	Neville Wilmott	"	"

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224	-	S	Negril	Melrose Myrie	Novell Quest	Nov 26 - Dec 10
225	-	C	Hopewell	Angella Russel	"	"
226	-	S	Sav-la-Mar	Garnett Spence	"	"
227	-	M	Chester Castle	Donald Innis	"	"
228	-	M	Chester Castle	Angella Clarke	"	"
230	-	M	Sav-la-Mar	David Baugh	"	"
231	-	D	Ramble	L. Stone	"	"
232	-	S/T	Negril	Cecil Brown	"	"
233	-	M	Hopewell	Y. Guthrie	"	"

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234	-	C	Orange	George Gardner	Novell Quest	Nov 26 - Dec 10
235	-	C	Lottery	B. Brown	"	"
236	-	C	Lottery	Louise Gordon	"	"
237	-	C	Orange	Dothlyn Robinson	"	"
238	-	O	Barnett St.	Stewart Reid	"	"
239	-	S	Falmouth	Joan Lyle	"	"
240	-	C	Coopers Pen, Falmouth	W. Campbell	"	"
241	-	S	North Lane, MoBay	Aubrey Lewis	F. Whyllie	"
242	-	S	Granville	Errol Malcolm	"	"
243	-	C	Mount Salem	Evis Cunningham	"	"
244	-	C	Keeble St.	Ann Samuels	"	"
245	-	O	Shettlewood	Blandell Richards	"	"
246	-	C	Market Street	Nce. Quarrie	"	"
247	-	O	Salt Marsh	F. Harriott	"	"

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248	-	M	Union Street	Inlen Johnson	F Whytie	Nov 26 - Dec 10
249	-	M	Bouge	Olivia Russel	"	"
250	-	M	Mid Town Mall, MoBay	Elaine Stephenson	"	"
251	-	M	7 St. James Street	Errol Lindo	"	"
252	-	M	Sharpe St, Falmouth	Bruce Ferrera	"	"
253	-	C	St James Street	Eunice Forrester	"	"
254	K.D.M. Enterprises	M	Bogue	Olval Hall	"	"
255	Westvere	R	Dome Street	Delroy Tharpe	"	"
256	-	M	Beeston Spring	Patrick Gage	"	"
257	-	M	Felicity Road	Allan Clarke	"	"
258	-	M	Granville Drive	Merlene Clarke	"	"
259	-	O	Farm Heights	Calbert Reynolds	"	"
260	-	M	Bethel Town	Owen Drummond	"	"
261	-	M	Granville	Vernal Samuels	"	"

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262	-	C	Pcрто Bello	Solomon Goode	F. Whyllie	Nov 26 - Dec 10
263	-	C	Westgate	Novelette Stewart	"	"
264	-	M	Chester Castle	Dcnald Innis	"	"
265	-	S	22 Barnett Street	Sadie Cassels	"	"
266	-	R	25 Barnett Street	Leon Ramson		
267	-	A	Falmouth	B. Foote	"	"
268	-	A	Ramble	Ulton Stewart	"	"
269	-	A	Ramble	Anthony Hilton	"	"
270	-	S	Sav-la-Mar	Shari Tomblinson	"	"

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WD - WORKING DOCUMENTS

WD2 -- CLIENT INTERVIEW AND BUSINESS PERFORMANCE
DATA SHEET

N.D.F.J.: CLIENT INTERVIEW AND BUSINESS PERFORMANCE DATA SHEET

1. a. NAME OF BUSINESS: _____ b. LOCATION: _____
 c. DATE ESTABLISHED: _____ d. TAT BENEFICIARY ONLY: _____
 e. TAT/LOAN BENEFICIARY: _____ f. LOAN BENEFICIARY ONLY: _____

2. LEGAL STATUS a. PRESENT: _____ b. WHEN ESTABLISHED: _____

3. LIST OF GOODS AND SERVICES :

	PRESENT	PRIOR NDFJ LOAN/TAT	WHEN ESTABLISHED
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

4. OWNERSHIP

NAME	SINCE	AGE	SEX	PRESENTLY EMPLOYED -- ELSEWHERE ?	SKILLS/ HIGHEST LEVEL OF EDUCATION
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

5 a. PRESENT OPERATING STATUS:

	OPERATING/ GROWING	OPERATING BUT NOT GROWING	TEMPORARILY CLOSED	PERMANENTLY CLOSED
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

b. MAIN REASON FOR OPERATING STATUS

_____	_____	_____	_____
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NDFJ: CLIENT INTERVIEW AND BUSINESS PERFORMANCE DATA SHEET CONT'D.

6 a. GROSS ANNUAL SALES:

	GOODS/SERVICES	PRESENT J\$	PRIOR TO OBTAINING NDFJ LOANS/TAT J\$	ANY REMARKS?
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
OTHER	_____	_____	_____	_____
b.	TOTAL GROSS PROFIT

7. EMPLOYMENT OF OWNERS:

OWNER	HOURS/WEEKS PRESENTLY WORKED			HOURS/WEEK WORKED BEFORE OBTAINING NDFJ LOAN/TAT		
	IN THE BUSINESS	ELSEWHERE	POSITION	IN THE BUSINESS	ELSEWHERE	POSITION
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

8. INCOME OF OWNERS:

OWNER	PRESENT WEEKLY INCOME		WEEKLY INCOME PRIOR TO NDFJ LOAN/TAT	
	FROM THE BUSINESS J\$	FROM ELSEWHERE J\$	FROM THE BUSINESS J\$	FROM ELSEWHERE J\$
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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9. PRESENT EMPLOYMENT AND INCOME OF NON-OWNERS

NAME	SEX	AGE	RELATIONSHIP	POSITION	HOURS WORKED/ WEEK	WEEKLY WAGES J\$	HOW FAR HE LIVES FROM THE BUSINESS
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

10. PRIOR EMPLOYMENT AND INCOME OF NON-OWNERS (BEFORE NDF LOAN/TAT)

NAME	SEX	AGE	RELATIONSHIP	POSITION	HOURS WORKED/ WEEK	WEEKLY WAGES J\$	HOW FAR HE LIVES FROM THE BUSINESS
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

11. KEY GOODS AND SERVICES PURCHASED

TYPE GOODS/SERVICE	KEY TYPE OF BUSINESS (from which its purchased small, medium, large, households)	OWNERS OF BUSINESS	SEX	APPROX. AGE	ANNUAL AMOUNT J\$
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
OTHER _____	_____	_____	_____	_____	_____

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12. TO WHOM DO YOU SELL YOUR GOODS/SERVICES?

TYPE GOODS/SERVICES	MAIN BUYERS E.G. small business, large business, households	APPROX. AMOUNT ANNUALLY J\$
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
OTHERS _____	_____	_____
TOTAL

13. MANAGEMENT AND ORGANIZATION

KEY ACTIVITY	SATISFACTORILY EXECUTED?	POORLY EXECUTED?	ILLUSTRATE HOW IT IS EXECUTED
a. MARKETING			
- Promotion			
- Securing orders			
- Sales			
- Customer service			
b. PRICING OF PRODUCTS/ SERVICES			
- Costing of raw material			
- Costing of labor/other inputs			
- Understanding of competing prices			
- Determining mark-up			
c. PRODUCTION			
- Organizing			
- Inventory management			
- Quality control			
d. ACCOUNTS			
- Collections			
- Payments			
- Cash balancing			
- Cash flow			

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NDFJ: CLIENT INTERVIEW AND BUSINESS PERFORMANCE DATA SHEET CONT'D.

14. TECHNICAL ASSISTANCE TRAINING

(a)	MAIN EMPHASIS OF TAT RECEIVED	MAIN ASPECTS OF TAT REQUIRED BY CLIENT
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____

(b) PRESENT FINANCIAL STANDING (ESTIMATED)

ASSET	AMOUNT J\$	LIABILITIES	AMOUNT J\$
Fixed	_____	Long term loans	_____
Cash	_____	Short term loans	_____
Inventory	_____	Other payables	_____
Receivables	_____		
<u>TOTAL J\$</u>			

15. NON NDF BUSINESS TRAINING PARTICIPATED IN

TYPE OF TRAINING	NAME OF INSTITUTION	YEAR	DURATION	AMOUNT PAID J\$
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

16. DO YOU THINK CLIENTS SHOULD PAY FOR NDFJ TAT?

a. All aspects _____? b. Some aspects? _____ c. None? _____

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NDFJ: CLIENT INTERVIEW AND BUSINESS PERFORMANCE DATA SHEET CONT'D

17. ASPECTS OF NDFJ, TAT YOU WOULD PAY FOR

ASPECTS	WHAT SHOULD BE THE DURATION	HOW SHOULD IT BE EXECUTED	HOW MUCH WOULD YOU PAY?
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

18. LOAN STATUS:

- a. Loan amount _____
- b. Monthly payment _____
- c. Balance _____
- d. Payment up-to-date? _____
- e. Most recent payment _____
- f. Payment made _____
- g. Amount in areas _____

19. LOAN OFFICER:

- a. Last visit _____
- b. Frequency of visit _____
- c. Area given most attention _____
- d. Area attention most needed _____

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WD - WORKING DOCUMENTS

WD3 -- NDFJ PROGRAM ASSESSMENT DATA SHEET

NDFJ: PROGRAM ASSESSMENT DATA SHEET
(Individual clients in sample of 270)

Client No. _____

- 1a. Main lending criteria _____
- b. Main criteria for loan received _____
- c. Other criteria prevalent _____
- 2a. Criteria for training received _____
- b. Criteria used _____

3a. Purpose of loan granted _____ b. Size of loan\$ _____

4a. Sex _____ b. Age _____

5. RELEVANCE OF TRAINING RECEIVED TO CLIENT'S REQUIREMENTS

<u>Category of Training</u>	<u>Does client appear to require it?</u>	<u>Did client receive it?</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

6. RELEVANCE OF TECHNICAL ASSISTANCE (TA.) TO CLIENT'S PROJECT.

<u>Category of training</u>	<u>Does client appear to require it?</u>	<u>Did client receive it?</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

7 INCOME, ASSET, AND STATUS OF BUSINESS AT TIME OF LOAN

- a. Annual net income _____ b. Net asset _____ c. New business
- c. New business proposal _____? d. Proposed expansion? _____

8. BUSINESS, EMPLOYMENT AND SKILL BACKGROUND OF LOAN, TA, OR TRAINING CLIENT

- a. Unemployed _____ b. Self-employed _____ c. Professional _____
- b. Unskilled _____ e. Highest level of education _____

9. INVESTMENT EQUITY SALES AND EMPLOYMENT AT TIME OF LOAN, TA, OR TRAINING AND PROJECTED.

	<u>At time of loan</u>	<u>Projected as a result of lo</u>
Investment	_____	_____
Equity	_____	_____
Sales	_____	_____
Employment	_____	_____

0. STATUS OF LOAN a. Payments up to date _____ b. in arrears by _____ (days)

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