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**Evaluation of the
Haitian Development Foundation
Phase IV**

**Submitted to
The Haitian Development Foundation
and USAID/Port-au-Prince
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I. INTRODUCTION AND BACKGROUND: THE HAITIAN DEVELOPMENT FOUNDATION

This evaluation was carried out from September 22 to October 17, 1986 by a two-person team from Robert R. Nathan Associates, Inc. (RRNA). The scope of work of the evaluation effort is presented in Appendix A.

The purpose of this evaluation was to:

- . Assess the strengths, weaknesses, and accomplishments of the HDF during the fourth phase of assistance from USAID¹
- . Consider HDF's future prospects and make recommendations to improve HDF's organizational structure, operating procedures, and credit programs

History of the Haitian Development Foundation

Haiti is one of the poorest countries in the Western Hemisphere, with an average annual per capita income of \$300. The actual income levels for both urban and rural poor are even lower because of skewed income distribution.

1. AID's assistance during the three previous phases covered the period from the creation of HDF (1979) until August 1984. Phase IV covers the period from September 1, 1984 to December 31, 1986, the first four months of which were defined as pre-operational and the subsequent 24 months as operational. The previous phases have already been evaluated, and will be considered here only as background.

Nevertheless, micro enterprises and micro entrepreneurs generate substantial economic activity. These businesses are numerous, active, and frequently managed with great creativity, particularly in craftsmanship, artistry, and flexibility. In Port-au-Prince alone, there are at least 8,000 micro enterprises. The growth, or even the survival, of these entrepreneurs is frequently hampered by factors such as limited or no access to credit and limited knowledge of rudimentary business techniques, i.e., simple accounting, buying raw materials advantageously, and marketing.

HDF was created to help these entrepreneurs. The Haitian business community and the Pan American Development Foundation (PADF) were the originators. AID has been heavily involved in the funding of HDF from start-up and has disbursed or allocated to HDF a total of nearly \$3.7 million since 1979. Table 1 summarizes HDF's sources of funding.

During Phases I-III, loans worth approximately \$1,200,000 were granted to micro enterprises by HDF. Due to poor management and administrative problems, only \$300,000 was repaid. A further \$300,000 may eventually be collected, but at least half, if not more, of this debt is uncollectable.

Phase IV saw a very different, vitually new HDF. A new board and management team were mandated by AID as a prerequisite to continued support in Phase IV.

Other significant changes included:

- . Reduction in the technical assistance component
- . Tightening of procedures

Table 1. HDF Funding Sources, 1979-Present

Phases	Allocated	Disbursed
<u>I-III (1979 to mid-1984)</u>		
Operations		\$ 749,523
Loan funds		325,000
Technical assistance		<u>390,477</u>
		\$1,465,000
<u>IV (mid-1984 to end of 1986)</u>		
Operations	\$ 484,000	\$ 484,000
Loan funds	1,431,000 ^a	866,000
Technical assistance	<u>285,000</u>	<u>285,000</u>
	\$2,200,000	\$1,635,000
<u>Other Sources (1979 to 1983)</u>		
Interamerican Development Foundation		
Loan funds		\$ 500,000
Technical assistance		<u>46,000</u>
		\$ 546,000
<u>PADF</u>		
Fonds de Development Industriel (FDI)		80,000
		<u>200,000</u>

a. \$69,000 transferred to operations.

- Upgrading of personnel at all levels
- Upgrading of loan quality
- Increase in average size from \$3,442 to \$4,534 on loans funded by USAID

Today, the HDF staff comprises approximately 15 people. Total assets as of June 30, 1986 were \$1.3 million. Between July 1985 and September 1986, 120 loans worth \$500,440 were extended, as compared to 272 loans, worth \$1,200,000, disbursed during Phases I-III.

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II. EVALUATION OF CURRENT PROGRAM: OVERALL MANAGEMENT

This chapter presents and discusses the evaluation team's findings with respect to HDF's Phase IV goals, policies, and strategies and analyses HDF's management and operations in this phase of the project.

Goals and Policies

The Project Paper for Phase IV states a number of goals and policies. Originally, the overall goal of HDF was to increase per capita income and employment in Haiti by improving the economic productivity of the micro business sector. The Chairman's address at the Annual General Meeting of the Foundation in August 1986 reflects this focus on medium-sized businesses as well as small: the Foundation's objectives are "to stimulate the economic and social development of the nation primarily by participating directly, and actively, in the financing of small and medium size enterprises." In light of these remarks, it is worth noting that AID-financed loans averaged \$3,400 during Phases I-III (1979 to 1984) and \$4,500 during Phase IV (since mid-1985). The current upper loan size limit is \$50,000. Only three loans, however, in the Phase IV portfolio are in excess of \$15,000.

Five very specific strategies for HDF were set forth in the Policy Paper. They were agreed to by AID, its consultant Trade Development Institute (TDI), and HDF prior to launching Phase IV. Each strategy is discussed below.

Strategy 1: Establish a Successful Base in Those Market Segments that Will Not Dissipate HDF's Limited Resources

This strategy has been fully honored by HDF. Loan applications in Phase IV have been restricted to Port-au-Prince. The training activities of HDF's own animateurs have been abolished. The animateurs themselves were replaced by a smaller number of loan officers. The restriction on HDF's activities to the Port-au-Prince area will probably have to be eased as the program and its staff develop.

Formal technical assistance to borrowers has been turned over to another AID-sponsored group, the Management and Productivity Center (MPC). HDF borrowers have the right to accept or refuse MPC training. There have been some misunderstandings between HDF and MPC about numbers of people who should attend the courses and the level of charges. Stronger linkages must be built between HDF and MPC to ensure that the MPC program meets the needs of HDF clients.

Strategy 2: Progress Toward Viability by Strict Cost Control and Aggressive Collection Action, Including Legal Remedies

Collections, mostly with respect to old loans, were turned over to a capable lawyer. During the first seven months of CY 1986, she has collected over \$16,0000 -- 17

percent higher than projected. When appropriate, she has turned her efforts to Phase IV loan delinquents.

Operating expenses during the first seven months of CY 1986 were \$151 thousand, or 15 percent less than budgeted. HDF Management and Board support this progress toward financial viability.

A word of caution: the evaluators feel that full financial viability, even in the limited sense of full recovery of all costs, including bad debt losses, is a distant objective for a financial institution carrying out the difficult task of providing credit to small and micro entrepreneurs. These small loans at subsidized interest rates result in high administration and collection costs. Nevertheless, viability is not only a reasonable objective, but an essential objective.

Strategy 3: Use of Other Haitian Institutions,
Rather than HDF Resources, to Provide
Technical Assistance to Borrowers

HDF has followed this strategy fully. Technical assistance to borrowers consists solely of "hand holding" for problem loans to improve collection probability.

Strategy 4: Find Funds From Donors
Outside USAID

HDF's principal response to this strategic objective during Phase IV has been re-establishing communications with its principal donors of the Phase I-III period. HDF is now sending comprehensive progress reports to IDB, FDI, and PADF, and is honoring interest and principal repayment

obligations to these organizations. The evaluators believe that HDF has been unable to obtain specific commitments from these and other potential donors because HDF's management has given greater priority to other goals and strategies.

Strategy 5: Set Measurable Targets for
Achievement of Short-Term and
Long-Term Objectives

HDF has a budget of expenses for the current year and has prepared the first draft of a five-year operating and financial plan (see Chapter III, "The Way Ahead", for our commentary on the five-year plan). The Position Paper specifically mentioned "a data processing system to computerize the Foundation's accounts and to assist in measuring baseline data for progress reports." The equipment is being delivered as this report is being written. Staff training is underway, and some system design has already been carried out by the computer consultant. The initial applications are accounting, loan administration, record maintenance, and word processing. Reporting on a variety of accounting and non-accounting applications is envisaged (see Appendix B, Specifications for the HDF Information System). At this time, report formats have not been designed. HDF will have to work closely with the data processing consultant to produce meaningful report formats.

We believe that the goals and strategies formulated for and by HDF for Phase IV are realistic. HDF's Board and management are committed to these goals and strategies and are working toward them. Obviously, goals such as increasing Haitian per capita income have no completion date. But even some of the specific strategies stretch into

the future. In some cases, therefore, progress can best be measured in terms of steps taken toward accomplishment of a goal. We strongly feel that HDF is moving ahead toward its goals.

Management and Operations

Since the last evaluation, and particularly in the last year, HDF management and overall operation has strengthened considerably. The Executive Director who joined HDF in March 1986 has taken firm control. Progress in developing a management system within the HDF is well within reasonable expectations for an organization that is virtually new. Although the Board is now less involved in overseeing operations, further adjustments in the relationships, authorities, and responsibilities of the Executive Director, the Board, and AID are necessary to allow management to assume more responsibility for the day-to-day operation of the Foundation. We also believe that the Board should concentrate on policy, planning, and market development and divorce itself from operations.

Loan policies and procedures are now adequate, though significant changes in loan procedures will be needed to meet future loan objectives. Financial procedures still need work, particularly the management information system. With the new computer system an improved MIS should include financial reporting, loan analysis and processing, and market analysis.

The organizational structure of HDF looks good on paper but is weak in practice. Delegation of authority and responsibility, setting of objectives for key executives,

and monitoring of progress should be emphasized. The computer system should permit more effective monitoring of operations and key officer performance.

Staff skills and competence levels are good, considering the newness of the reconstituted HDF. The "team" has worked together for no more than a year in most cases. Senior officers, particularly in the Credit Unit, are actively training staff in loan processing through day-to-day interaction. Greater use of formal training is needed to position HDF for its anticipated enhanced role as lender to the micro and small enterprise sector.

Role of the Board of Directors

There are nine Board members, plus the non-voting Executive Director. Three Board members are most active -- the Chairman, Daniel Godefroy, Philippe Allien, and Charles Clermont. The Board is harmonious, conscientious, and dedicated to promoting the goals and objectives of HDF.

The Board, particularly the more active and influential members, also promotes HDF's image. This can be done in a more structured way by including in the Five-Year Plan those Haitian companies which could be "targeted" by the appropriate Board member to promote cooperation with HDF.

We recommend that the Executive Director's job description be revised to shift responsibility for operations from the Board to the Executive Director. Increasing the Executive Director's loan approval limit to \$15,000 would be a key change. The rewritten description should be submitted to the Board for consideration.

AID should evaluate its relationship to the Board, particularly the HDF Chairman and the Executive Director. AID should reduce the current "hands on" approach and monitor HDF activity through comprehensive reports produced by HDF. This change can take place only when AID perceives HDF as an effective organization, one that meets its goals and objectives. The objectives also need to be reconciled, particularly concerning client group characteristics, number and type of new loans to be processed per month, and average loan size.

Management Structure

The organizational structure of HDF is appropriate for its current needs. Within the next month, two significant changes will strengthen the organization: there will be a new Head of the Finance Division, and a computer system will be installed. The latter will permit an improved management information system.

With the availability of current, comprehensive operations reports, the Executive Director should begin holding weekly meetings with senior staff to evaluate progress and coordinate the activity of HDF units. Whereas the current style of management is controller-oriented, management tasks should be delegated as Unit Heads demonstrate the competence to handle increased authority and responsibility. It is strongly recommended that this process be given priority. Overall, this shift in authority and responsibility should "descend" from AID to the HDF Board to the Executive Director, thence to the Unit Heads. Loan approval would be a good area in which to begin this process.

Staff

With the installation of the new Finance Division Head, HDF staff should be adequate for current needs. In the next year, an additional Collection Agent and two Loan Officers will be needed. Planning should begin now to define the scope and nature of technical assistance requirements after the Senior Advisor departs at the end of 1987.

The current AID Project Officer has made a major contribution to the renaissance of HDF. AID should now consider the appropriate background and timing of arrival of the replacement AID/HDF Project Officer. The departure of the current Project Officer, followed by the departure of the Advisor, could hamper HDF's progress.

The Senior Advisor has provided very valuable support to the Executive Director in planning and policy and as a conduit to AID. He contributed greatly to staff training, particularly of Loan Officers. Soon he should be more "advisor" than "doer," and shift some of his functions to appropriate Unit Heads. It is difficult to determine the nature of technical assistance that will be needed when the Advisor departs, but part-time, rather than full-time, assistance appears appropriate.

The Executive Director arrived in March 1986 and has concentrated on loan operations and planning. We recommend he shift his loan operations activity to the Credit Division Head as the latter's credit skills improve. The Executive Director now spends about 50 percent of his time on loan operations. He should increase his administrative activity,

particularly in coordinating and directing Senior Officers. A market development plan to complement the Five-Year Plan is also needed, and he should take the lead.

Although the Credit Division Head does not have a credit/banking background, he is improving his credit skills under the guidance of the Executive Director, who has a sound credit background from his years with Citibank. The Senior Credit Officer has strong administrative skills.

Two of the four Loan Officers are experienced. The other two have been with HDF less than six months, but have appropriate backgrounds for HDF loan operations. All four Loan Officers need more formal training. Two new Loan Officers will join HDF within a year. Two years of formal and informal training are needed to train new Loan Officers. Future part-time technical assistance is needed here, particularly as the size and number of loans increase. Without skilled Loan Officers, HDF will not progress. All other HDF operations support the loan function.

The present Finance Division Head is not adequate for this position. The Financial Consultant, who is well qualified, will replace him, and the incumbent Finance Division head will become the Accountant -- the level of his competence.

The Collection Supervisor needs direction from senior management. He provided the evaluation team with no meaningful reports. The new Finance Division Head should devote time to reorganizing the procedures and reports of this unit.

Finally, the PR and Fundraising Officer is now doing significant work in attracting new members. This activity may have peaked. We recommend she now devote time to marketing and identifying new loan outlets. She is well connected with the younger, progressive entrepreneurs in fashion and handicrafts (for example, a dressmaker who is selling high fashion to the affluent black U.S. market), where export markets exist or have good potential.

The annual advertising budget is presently \$2,000. We suggest a year-round program rather than a one-time-only campaign on radio, TV, and newspaper, such as that undertaken in January 1986. Advertising should be adapted to the specific market HDF seeks. More work is needed in defining this market; AID could likely help with its existing studies.

HDF has an employee evaluation system. The Advisor should evaluate its effectiveness, particularly in how training needs are identified. He also needs to consider HDF's capability to expand loan operations with existing staff.

Monitoring/Information

Detailed commentary on HDF's existing reporting system is not appropriate, since HDF is just getting started with the installation of a small computer. This will facilitate financial and accounting reports, loan reports, payroll reports, membership roles, and further applications. New reporting techniques will be made possible by the computer. The existing reports (shown in Table 2) are characterized by the following:

- . Annual reports are sometimes handwritten.
- . Most monthly reports are produced with delays of two to three weeks after the end of the month.
- . As with manual systems, errors are introduced, and standards of neatness and presentation are low. Underlying accounting records, in some cases (ledger, cards, loan records of repayment, etc.) are poorly designed and not neatly maintained.

Table 2. Reports Generated Within HDF

Name of Report	Contents and Use	Frequency	Prepared by	Seen by
Financial Statements	Balance Sheet, Profit and Loss Statement, Cash Flows	Monthly	Accounting	Management Board
Budget vs. Actual P&L CY 1986	First 6 months, Budget vs. Actual; Last 6 Months, Budget Only	Six Months	Senior Advisor	Management
Annual Report	Financial Statements, with notes; Chairman's remarks; Executive Director's remarks	Annual Exec. Dir. Chairman	Accounting	Members Directors Public AID
Portfolio Situation	Loans broken down by donors; breakdown by principal and interest; overdues (0-30 days, 30-60, 90 days); recoveries	Monthly	Accounting	Collection
Repayment Situation	Repayments due, repayments received, breakdown of interest and principal	Monthly	Collections	Credit
Cash Receipts and Disbursements	Broken down by operation funds and loan funds	Monthly	Accounting	Management
Management Report	Narrative with emphasis on AID funds (similar narrative reports to BID, FDI, and PADF)	On Demand	Executive Director	AID

The computer will inevitably help solve some of the problems. But the computer by itself is not going to design reports and report formats tailored to management's and AID's requirements. The users of reports, actual and potential, must make their requirements and their criticisms of existing reports known to the designers of those reports. The choice of reports is wide (refer to Appendix B, Specifications for the Data Processing and Information System). Reports, both periodic and special, should be designed not only for the managers and donors, but for the staff of HDF.

Funding

The Chairman of the Board remarked, on the occasion of the Annual General Meeting of the Members on August 1, 1986, "... the operation of HDF is made possible approximately 0.01 percent by membership dues, 29.99 percent by interest in loans, and 70 percent by USAID." These percentages apply throughout the Phase IV period. During this time, organizations that previously supported HDF held back: the Inter-American Development Bank (IDB), the Fonds de Développement Industriel (FDI), and the Pan American Development Foundation (PADF).

HDF is still suffering from its negative image of two years ago. The clean-up process is just beginning to recreate interest among donors. IDB, some time during the coming year, may consider funding. Members' dues make no significant contribution to funding at this time, nor can this source realistically be expected to become significant.

In Haiti, an annual subscription of \$120 seems too high, even for members of the established business community. We believe the primary membership objective should not be funding for the Foundation, but encouraging participation in events or programs that will promote and widen interest in the HDF and its activities. HDF should seriously consider lowering subscription rates and developing participatory programs for the members in addition to the Annual General Meeting.

Policies and Procedures

Written policies and procedures as reflected in the Loan and Operations Manuals are adequate for loan operations, but changes are needed in their application. This is covered in detail in our analysis of the Loan Manual.

Financial and other policies and procedures covered in the Operations Manual are also analyzed later in this chapter.

Following are the evaluators' observations relating to policies, procedures, and practices with recommendations for change:

- . Staff meetings are rarely held by the Executive Director with senior staff. Staff members are frequently tardy, arriving up to 20 minutes late.
- . HDF should actively identify and work with other development programs and organizations that are capable of providing technical assistance to its client base; MPC, SOFHIDES and CARE have good potential.
- . HDF should provide AID with a quarterly status report on operations.

- . A structured policy and approach to market development is needed to identify client group by size business, and loan amount.
- . A policy is needed to cooperate with SOFHIDES on HDF upstream and SOFHIDES downstream borrowers, possibly in joint financing; ventures of particular potential are SOFHIDES borrowers who could subcontract with HDF borrowers.
- . Policies and training are needed to emphasize the importance of good loan appraisal for determining loan viability. Security should be secondary because of the high legal cost in realizing security if a loan goes bad. For example, second-hand machinery is frequently the security for a loan, a practice which the evaluators seriously question.
- . A write-off policy is needed for Phase I-III loans (and, later, for Phase IV loans).
- . A loan review scheme, including a quality rating system, is needed to expand the "Suivie" program.
- . A copy of the loan collection record should be included in each loan file.
- . Procedures are needed to establish close cooperation between loan officers and collection officers.
- . The loan approval process should include a comprehensive and detailed objective assessment by the loan officer supporting the loan decision.

The Loan Manual

In this section we appraise the strengths and weaknesses of the Loan Manual and recommend changes to make it more effective.

Credit policy should have an objective of maintaining loan repayment rates of 85 percent (or whatever rate is agreed upon by AID and HDF).

Strategy to achieve loan objectives. HDF needs to define its market by amount, mix, and type of loan. For example, it could include group lending, joint financing, and loans to high risk but high opportunity business (such as high fashion women's clothing for the U.S. market).

Eligibility Requirements. "Very small 'loans" and "major portion of income" should be quantified.

Guarantee requirements. Adequate collateral should be identified by type and margin.

Changes to policy. This section of the manual should read: "major changes may be needed to accommodate anticipated extensive shifts in economic conditions." The statement "Major credit policy changes should be infrequent" is not in keeping with current political/economic conditions in Haiti. The Board of Directors and Executive Director should monitor the political/economic environment to allow HDF to react promptly to new conditions with changes in credit policy. The person responsible for testing "pilot credit programs" should be identified.

Credit program. HDF needs a clearly defined marketing program to attract new borrowers.

Loan processing. The section on good client criteria, which reads, "can pledge collateral which, if called, would close down enterprise" should be reworded to say "... which, if called, would have significant impact on income." If HDF

realizes security to the extent of closing down the enterprise, the loan repayment capacity of the borrower is eliminated.

Preparing files for submission to credit committee.

There should be greater detail in defining procedures for the Loan Officer to gather and analyze all appropriate information on the borrower, i.e., completion of the section on "justification du credit." A credit handbook would be particularly useful for new Loan Officers.

Internal credit committee. The function of this committee and the steps it follows in approving loan applications should be defined.

Approving loan applications. The time limits for the Loan Officer, Executive Director, Loan Committee, and Board of Directors to approve loans should be indicated.

Application for loans. Given HDF's clientele, the Loan Officer should be able to determine the eligibility of a borrower by questioning him or her. Businesses of typical applicants are not complex. Using the interview process effectively would eliminate the need for the lengthy questionnaire (seven pages) now completed by the applicant. The computer will permit "profile analysis" of borrowers by business, size, and experience. This analysis will permit Loan Officers to ask appropriate questions at interviews and gather key information needed for making the loan decision.

The credit and financial information required by HDF is adequate, but its scope should vary with size of loan, type of business, and experience of borrower. The financial and credit information presently required for many borrowers is more appropriate to loans of \$15,000 and above.

Loan agreement. The loan agreement is comprehensive, but the evaluators are not in a position to comment on its adequacy vis-a-vis Haitian law and practice. This also applies to promissory notes and guarantees. We recommend that legal advice be sought regarding the loan contract and guarantee forms. The HDF loan program should emphasize the analysis of loan viability and the implementation of a loan follow-up system. Security in the form of a lien on fixed assets and/or co-signers should be a very secondary consideration in the loan decision.

The loan portfolio management strategy as stated is good: "gain experience with a wide variety of loans (by size, term, enterprise); approve loans expeditiously but prudently, with a good loan size mix, and stabilize workload of credit officers." The loan portfolio should be analyzed quarterly to compare performance to objectives and amend HDF loan strategy as appropriate.

Loan approval, disbursement, and follow-up. The Head of the Credit Division, not the Executive Director, should be responsible for determining that a dossier is complete and its analysis sound, and that no major errors exist in the financial projections. The "justification of credit" aspect of loan file processing should be the Executive Director's primary concern. If this section is properly completed, the Executive Director has sufficient information to make an approval decision. The Credit Division Head should have an approval limit of \$5,000, the Executive Director \$15,000, and the HDF Board up to \$30,000 with AID approval for higher amounts. Loan officers should be given approval limits as their experience and skills justify.

In summary, the work load for approvals should be shifted downward, except for larger loans, where the Executive Director and Board should be more heavily involved. The Executive Director should rarely visit borrowers, as at present, except for larger, more complex loans where there may be questions of loan viability needing more in-depth appraisal. Time frames on approval of loans at all levels are good, with 21 days as the target and 30 days as actual turn-around. Follow-up needs to be better coordinated between the Loan Unit and Loan Collection Unit; there are no collection records in the loan files at present. This should be included to permit the Loan Officers periodic review -- preferably monthly -- of borrowers' repayment performance.

The loan follow-up program should now go beyond a "watch list" concept to requiring Loan Officers to rate loans as acceptable, problem, or a loss, with established criteria for each category. This will provide a better assessment of (1) the quality of the loan portfolio, (2) the need for loss reserves, and (3) the need for changes in loan policies and procedures.

Advice and counsel to borrowers. It is recommended that HDF obtain part-time, technical assistance to aid borrowers with production problems, quality control, design, and marketing. This can be done on a contractual basis using local professionals, which could have the additional benefit of building HDF's pool of resources and increasing the demand for local consulting expertise.

Conclusion. The loan manual is comprehensive and current, and its procedures are being followed by the Credit

Division. The changes recommended above, however, should improve its effectiveness.

The Operations Manual

Board of Directors. The Executive Director, not the President of the Board, should, in practice, be finally accountable for all acts of the Foundation. At present, and certainly in the future as HDF expands, it is unreasonable to expect the President of the Board to have a full knowledge "of all acts of the Foundation," given constraints on his time.

We recommend that the Board's role be to review and approve policy, plan market development, approve loans above \$15,000, and promote the image of HDF. HDF's Board could include the Executive Director of SOFHIDES; the Executive Director of HDF could act on SOFHIDES' Board to further cooperation between the two organizations.

Space. HDF should move to a better location when income permits. This will improve borrower access. Meanwhile, HDF should acquire the ground floor premises of its present location, if available.

Team management. The management team needs better coordination. We recommend that the Executive Director hold weekly management meetings with senior staff to facilitate better staff interaction.

Staff development. A more formal approach is needed to use staff evaluations for determining individual and unit (e.g., Loan Officer) training needs. The scope of future

operations must be evaluated to determine what skill levels are needed when larger, more complex loans are added to the portfolio.

Management style. Though the Operations Manual claims a team approach to management, the management style is hierarchical in practice. We recommend that the Executive Director strive for a team approach. The size of HDF is conducive to this style of management, though cultural traditions favor a hierarchical approach.

Personnel policy should be evaluated to determine whether it compares favorably with similar organizations (e.g., banks) to attract the best talent to HDF. Competent staff with the right background is difficult to find in Haiti.

Working hours. Evaluators observed that most employees arrived late by up to one half hour.

Job descriptions, in general, are complete and accurate. The Loan Officer's job description should include his or her most important functions -- the analysis of loan applications, recommendations supported by facts developed from the applications, financial statements, and individual observations concerning loan viability.

Credit committee. The function of the credit committee should be to develop and recommend loan policies and procedures to the Executive Director. The committee should also consider broad questions such as economic and other environmental conditions, HDF market, and overall loan quality.

Accounting. With the computer now being installed, the manual should be revised to address new accounting procedures. A number of journals and other accounting records will be maintained on the computer. The system will include payroll, loan administration, cash management, general accounting and budgeting, preparation of financial statements, and other reports. The Statement and Report Production section will have to be rewritten to accommodate the computer installation. This will be an excellent opportunity to redesign the MIS, ensuring that report users' requirements are built into the system. (This was more fully discussed in the earlier sub-section on Monitoring/Information in this chapter.)

Public relations and fundraising. As spelled out in the sub-section on funding in this chapter, members' fees should be reduced below the current \$120 per year level in order to broaden support. The activities mentioned under "in the near future" in the manual are exactly what we had in mind for "participating programs."

III. FINANCIAL AND ECONOMIC EVALUATION

This chapter presents the evaluation team's analysis of HDF's Phase IV loan portfolio and its assessment of HDF's current financial situation.

Loan Portfolio Analysis

This section compares AID Phase I-III and AID Phase IV by loan type, analyzes HDF's old portfolio of loans and the quality of its new loan portfolio, and reviews the Phase IV loans.

Price Waterhouse/COGESA reviewed HDF's administrative, accounting, and financial systems and submitted its written report in March 1986. The review included the portfolio of old loans. At Price Waterhouse's request, the Collection Supervisor reviewed the old loans and classified them as follows:

Returned to lawyer for collection	44%
Borrower cannot be found	29
Borrower destitute	7
Borrower dead	2
Subtotal, non-performing loans	82
Performing loans	<u>18</u>
Total	100%

On the basis of this analysis, it was recommended that a bad debt reserve of \$53,000, or nearly 60 percent, be constituted (compared with \$192,000 the present reserve).

Table 3 presents the breakdown of old portfolio loans by donor.

Table 3. Old Portfolio of Loans

Funding source	No. of loans	Original value	Balance 6/30/85	Balance 6/30/86
		-----\$000s-----		
AID Phase I-III	106	365	284	267
Interamerican Development Bank	139	585	471	447
Industrial Development Fund	<u>27</u>	<u>262</u>	<u>192</u>	<u>178</u>
Total	272	1,212	947	892
Reserve for bad debts	-	-	192	192

The Foundation and its lawyer continue their efforts to collect as much as possible of these old repayments, totalled at \$55,000. The lawyer takes 60 percent of amounts she recovers, which ensures an energetic effort. Assuming that the recommended increase in the bad debt reserve correctly assesses eventual losses, further recoveries of the old loans might reach \$330,000. This is an optimistic figure.

New Portfolio Quality Analysis

Judging the quality of the loans made by the new management and the new Board of Directors (AID Phase IV Loans) is made difficult because of the newness of these loans. The first so-called new loan was disbursed in July 1985. From July 1985 to September 1986, 120 loans were disbursed, with a total value of \$500,440.

Obviously, repayment difficulties are much less evident during the early days of any loan. To obtain a reasonably valid measure of quality, we decided to examine in detail the loans disbursed during the first six months of AID Phase IV. On average, these loans have been on the books about 12 months (as of October 1986).

The findings are as follows:

- Average loan size: \$3,847
- Principal repayments through September 9, 1986:
 - Total due \$41,436 (100 percent)
 - Total received \$38,402 (93 percent)
 - Total overdue \$ 3,035 (7 percent)
- Of the loans disbursed, nine had overdue amounts outstanding at the end of September 1986, four were overdue by only 30 days, and one is currently being resolved. The four remaining must be classified as problem loans.
 - Paul Damien, \$5,819 loan, has arrearages of five months totaling \$1,021.

- Emanuel Aristil, \$2,400 loan, has arrearages of two months. Subsequently disbursed loans to this borrower are also not current.
- Noel Milot, \$2,300 loan, has arrearages of two months for \$140.
- Paul Seide, \$2,000 loan, has arrearages of eight months; for \$880 has made repayments; collection has been turned over to the lawyer.

The loans analyzed fall into the following categories:

- . Thirteen borrowers are meeting their loan obligations on schedule.
- . Five borrowers present minor overdue problems; one of these only falls into this category because of the client's death.
- . Four clients can be classified as problem loans.

These results, compared to loans granted during July-December 1985, are more satisfactory. The problem loans represent 25 percent of the total originally disbursed. Only time will tell whether the rest of the AID Phase IV portfolio is equally satisfactory. In any case, close and continuing surveillance must be maintained.

Our conclusion, on the basis of this very limited sample, is that the quality of the AID Phase IV loans is vastly improved over that of AID Phase I-III loans. Of particular importance in Phase IV lending is the diversity of the portfolio. This is summarized in Tables 4 and 5.

Table 4. Number of AID Phase IV Loans by Type and Sector
July 1985 - September 1986

Sector	Type				Total	Percentage of total	Jobs created
	Small industry	Services	Commerce	Agri- business			
Small modern	5	4	1	1	11	9.1	107
Small traditional	19	9	13	6	47	39.2	69
Semi-modern traditional	13	15	3	1	32	26.7	74
Micro traditional	14	9	5	2	30	25.0	36
Total	51	37	22	10	120	100.0	286
Percentage of total	42.5	30.8	18.4	8.3	100.0		
Jobs created	177	68	27	14	286		

**Table 5. Value of AID Phase IV Loans by Type and Sector
July 1985 - September 1986**

(\$000's)

Sector	Type				Total	Average	Percentage of total	Jobs created
	Small Industry	Services	Commerce	Agri- Business				
Small modern	70.0	50.0	15.0	20.0	155.0	14.1	31.0	107
Small traditional	61.1	23.9	47.5	8.1	140.6	3.0	28.1	69
Semi-modern traditional	75.0	63.8	18.0	5.0	161.8	5.1	32.2	74
Micro traditional	<u>21.8</u>	<u>15.0</u>	<u>3.7</u>	<u>2.5</u>	<u>43.0</u>	<u>1.4</u>	<u>8.6</u>	<u>36</u>
Total	227.9	152.7	84.2	35.6	500.4	4.2	100.0	<u>286</u>
Average	4.5	4.1	3.8	3.6	4.2			
Percentage of total	45.6	30.5	16.8	7.1	100.0			
Jobs created	177	68	27	14	286			

Note: Average loan amounts are derived by using number of loans presented in Table 4 above.

Phase IV Loan Sample

A random sample of 10 Phase IV loans was made from the 98 Phase IV loans outstanding as of the end of August 1986. The sample was taken from both fixed loans and line-of-credit loans. All 10 loans were desk reviewed; nine were reviewed in the field as well. The tenth client, M. Legal, was too distant to reach near the end of the day. Following are the findings of the evaluation team; both evaluators participated in loan reviews.

Aubourg Bigny

M. Bigny, a jeweler, received a loan of \$5,300 in December 1985 to buy safe and stock (old gold) for reprocessing into jewelry. His repayments are current, and his annual sales are at \$18,000. He has a well-run operation with three employees, one of whom was added as a result of the loan.

Elie Durand

M. Durand, a tailor, received a loan of \$10,000 to buy 25 sewing machines in December 1985. He manufactures work clothes, shirts, and trousers with material brought in by clients. His loan was past due for 30 days in August and is now on the HDF monthly follow-up program. There were 10 employees before the loan; there are 22 at present. Because M. Durand was not there, it was not possible to discuss his operations; his sales volume is approximately \$36,000 per year.

Emmanuel Aristil

A poultry grower, M. Aristil is also a baker and dealer in bric-a-brac and coat hangers. His loan is for \$27,000, with \$2,000 drawn down in a line of credit and \$2,000 in a fixed loan for purchase of freezer, chicks, and feed; a second loan was for medicine and feed. The line of credit was not drawn down because no checks were available until November. The fixed loan was made in October 1985. He has small arrears that he anticipates repaying in October 1986. His poultry sales are \$30,000 per year; bakery sales are \$7,500 per year. Four employees were added as a result of the loan.

Gerard Legal

M. Legal received a leather products loan of \$1,700 in April 1986. He wants another loan of \$1,000 for expansion. This business was not visited because of distance and time constraints.

Jules Gay

M. Gay, a pottery maker, received a loan of \$13,000 in May 1986 to build a low fire oven, a 24-meter storage facility, and metal storage shelves. His sales are approximately \$80,000 per year, primarily to two Florida importers. This is a father-son operation; the father, in his late fifties, is handing over day-to-day operations to the son. Under the father's direction, products were primarily decorated flower pots and vases. The son is now adding more decorative items, such as painted masks and papier mache items. He had 25 workers before the loan and 27 after.

With the drop in sales to the U.S. and in the Haiti market, he has had to lay off potters; this could have negative repercussions in the longer term because it is difficult to rehire potters. Normal sales in the U.S. have been \$6,000 per month, but are now \$2,000 because of a drop in the number of 1986 tourists to southern Florida.

Serge Gay, the son, attended the MPC course and did well. He would benefit from technical assistance from CARE on what to produce for the U.S. market. He is experiencing difficulty in producing certain items like oversized urns, which crack at the bottom because the clay at the base of the urn is too soft (low heat process) to take weight. Gay Jr. also needs guidance on expanding his market efforts after technical and product mix problems are solved. We were told there are only two major pottery producers in Haiti. Perhaps HDF could guide Gay Jr. to sources of technical and marketing assistance, without which this loan will probably become a problem or loss loan.

Willy Dorval

M. Dorval, a tailor, received a loan of \$6,000 in December 1985 to purchase a second-hand pressing machine. His wares include pants, shirts, and suits for adults and children. Three additional employees were hired, increasing the total work force to 22. The 15 sewing machines were in full operation in very crowded conditions. M. Dorval will shift half of his workers to a second floor space now used as a living area.

Following the loan, sales volume increased from \$69,000 to \$85,000. However, September 1986 sales volume was 25

percent lower than September 1985, even though the number of customers has increased. Customers are buying less due to economic conditions. School uniform sales are 50 percent off from last year, as many former buyers are waiting for developments on reopening of schools. A sign was hung in the shop stating that M. Dorval has an HDF loan.

Seide Beaubrun

M. Beaubrun owns a grocery convenience store, which received a line of credit for \$9,500 for stocks. He sells milk, bread, soda, and other necessities. The loan is current. Sales are \$30,000 per annum; the cost of goods is \$22,000, with a gross profit of \$8,000. This is a small premises in an out-of-the way area, providing a service at the village level. The store was neat, and appeared to be well run.

Isaac Blanc

M. Blanc is a furniture manufacturer with a small work space in Petion-Ville. He received a \$8,000 loan in September 1986, which contained a line-of-credit component for \$3,000. He has a small showroom on John Brown Avenue, and produces highly stylized furniture, fake-fur-covered chairs, and antique-style furniture. He is in the Loan Follow-up Program because HDF Credit Unit thinks he is expanding too fast. He is undercapitalized and understaffed, virtually a one-man operation.

M. Blanc, who has had three months of training in furniture making in the U.S, now needs further training; the CARE program may be of assistance. He should also attend

MPC courses. Following both of these, HDF may well urge him to make quality furniture of a simpler design to appeal to a broader market. Repayment of his fixed loan of \$5,000 was one month in arrears in August.

Wouverill Naissance

M. Naissance, who rebuilds car batteries, received \$3,300 in a line-of-credit and fixed loan to buy used batteries, purchase material for rebuilding batteries, and purchase stock of new batteries for resale. The loan was made in February 1986. He repairs 20 batteries per month, with quick turnover.

This is a small, well-run operation in a central location, earning about \$10,000 per annum; it employs three men, including owner. The business provides a much needed commodity at less than one-half cost of a new (imported) battery:

<u>Old battery</u>	<u>New 60 amp battery</u>	<u>New 45 amp battery</u>
Cost: \$ 2.00	\$ 72.00	\$ 70.00
Repair material: 15.00		
Labor: <u>5.00</u>		
Total cost: \$ 22.00		
Sale Price: \$ 45.00	\$100.00	\$ 95.00
Profit: \$ 23.00	\$ 28.00	\$ 25.00
Monthly volume: 20 units	7 units	8 units
Monthly profit: \$460.00	\$196.00	\$200.00

Availability of old batteries is the only constraint which prevents M. Naissance from shifting more productive resources into this part of his business.

Joseph Altes

M. Altes is a refrigerator rebuilder, who received a line of credit of \$4,000 for material to rebuild refrigerators and to purchase used refrigerators. He maintains good "cash books" and income and expense reports. He has an excellent location at a former corner petrol station. The business has sales of \$2,000 per month with net profit of \$7,000 per annum. It employs seven men, four of whom are in training.

After the loan, business doubled. M. Alter is now requesting \$3,000 to expand further, and has just imported \$1,800 in refrigerator parts from the U.S. The loan is "watch listed" by HDF because the credit department thinks the borrower is expanding too fast for his working capital and net worth.

Conclusion

There are four HDF Loan Officers. They are conscientious in their work and motivated to improve borrower operations where possible. The loan files we reviewed were comprehensive and contained information essential for loan approval and follow-up. The skill levels of the two Loan Officers, Jean Claude Calixte and Yves Robert Jean, who accompanied the evaluators to the field, are good.

The section of loan files titled "Justification du Credit," however, is too general. It does not show a high

skill level in terms of the analysis used to quantify and qualify the loan decision. This section should indicate the strengths and weaknesses of the loan and what specific aspects of borrowers' operations need future monitoring. Formal training for Loan Officers in credit analysis should be considered. Their approach to loan making is now mechanical.

HDF is reaching its target group. A number of the loans need good evaluation and frequent monitoring because of the inexperience of borrowers. Although this follow-up is costly and time consuming, HDF Loan Officers are gaining good credit experience as they interact with borrowers on follow-up visits. Monitoring will continue to be important, but the overall cost of follow-up might be reduced by improving initial loan analysis.

Financial Analysis of HDF

Table 6 shows HDF's Comparative Balance Sheets for the past three years. Cash balances are seemingly large and have been growing during the past two years. However, the deposits in banks are largely funds from donors, earmarked for loans, but not yet disbursed. HDF cannot touch these funds except for loan disbursement unless special permission is obtained. Both sides of the most recent balance sheet make clear the importance of AID. In the moribund Phase I-III portfolio, AID represented 30 percent of the total, whereas the new Phase IV portfolio is 95 percent AID-financed.

HDF is clearly behind the financial targets originally set by AID for Phase IV. In terms of loan disbursements, the single most important indicator, \$1.5 million was

Table 6. HDF Comparative Balance Sheets
(Thousands of dollars)

	30 June '86	30 June '85	30 June '84
Cash	11	7	14
Deposits in bank	<u>278</u>	<u>101</u>	<u>59</u>
Subtotal	289	108	73
Loans:			
Phase IV			
AID	237	-	-
Reflow	<u>12</u>	<u>17</u>	<u>-</u>
	249	17	-
Phases I-III			
AID	267	284	300
BID	447	471	495
IDF	<u>178</u>	<u>192</u>	<u>244</u>
	1141	964	1039
Bad debt reserve	<u>(192)</u>	<u>(192)</u>	<u>(192)</u>
	949	772	847
Fixed assets	25	15	24
Other assets	<u>30</u>	<u>83</u>	<u>80</u>
TOTAL ASSETS	<u>1293</u>	<u>978</u>	<u>1024</u>
Loans payable			
BID	500	500	500
PADF	81	81	81
IDF	<u>180</u>	<u>194</u>	<u>232</u>
	761	775	813
Other liabilities	107	171	148
Fund balance			
Outstanding in loan	608	325	325
Cum. deficit at year end	(229)	(354)	(282)
Excess of revenue over expenses	<u>46</u>	<u>61</u>	<u>20</u>
Sub-Total	<u>425</u>	<u>32</u>	<u>63</u>
TOTAL LIABILITIES	<u>1293</u>	<u>978</u>	<u>1024</u>

allocated through the end of 1986. Through September 1986 actual disbursements were \$500,440, and by the end of 1986 this figure will probably reach no more than \$800,000. The explanation is that the restructuring at the beginning of Phase IV continued much longer than expected. Originally, AID expected a pre-operational period of four months ending in December 1984. This period was to be followed by a 24-month period of loan evaluation and disbursement.

The first AID Phase IV loan was not disbursed until July 1985, which implies that the pre-operational phase really lasted nearly 10 months. Some of the reasons for this are:

- . There were delays putting a new management team in place. The Executive Director who started in January 1985 died in January 1986. The present Executive Director started in March 1986. Other key positions have been difficult to staff, including the Credit Division Head, the Fund Raising Officer, and the Finance Division Head.
- . During the early days of Phase IV loans, the Board of Directors investigated and approved each loan, no matter how small.
- . The Foundation policy at first precluded aggressive loan promotion and depended on the initiative of loan seekers to produce business.

Table 7, HDF's Profit and Loss Statements for the last two years (during Phase IV), again show AID's importance in terms of covering deficits. In FY 1985, AID contributions (\$162,000) covered 66 percent of total expenses (\$247,000); in FY 1986, AID covered 87 percent (\$218,000 of \$250,000 total). This seeming lack of progress toward self-sufficiency was caused largely by a decrease in interest

Table 7. HDF Comparative Profit and Loss Statements
(Thousands of dollars)

	12 months ending	
	30 June '86	30 June '85
<u>Revenues</u>		
Interest on loans	66	129
Miscellaneous income	12	17
AID contribution (operating expenses)	<u>218</u>	<u>162</u>
Total	<u>296</u>	<u>308</u>
<u>Expenses</u>		
Salaries and related expenses	160	125
Operating expenses	62	50
Interest	24	27
Other	4	6
Bad debts	<u>-</u>	<u>39</u>
	<u>250</u>	<u>247</u>
<u>Excess of Revenue</u>	<u>46</u>	<u>61</u>

income in the most recent year, from \$129,000 to 866,000. This is due in part to a distortion caused by a change in accounting treatment: old portfolio loans were based on interest charged in advance, whereas new portfolio (Phase IV) loans are based on interest charged as earned.

Most of FY 1985 was spent in retraining and regrouping not in aggressively seeking new loans.

Table 8, HDF Cash Flow, once again shows AID as the biggest single participant in HDF's financial picture in terms both of additions to cash and deductions from cash.

Bad Debt Write-Off Policy

The Comparative Balance Sheets (Table 6) show the same figure of \$192 thousand for the end of FYs 1984, 1985, and 1986. This figure, which when it was established related only to the Phases I-III portfolio, is inadequate. Furthermore, no reserve for bad debts has been created with respect to the Phase IV portfolio loans. The Price Waterhouse audit at the end of FY 1985 recommended a Phase I-III bad debt reserve of \$562,845, based on a suggestion from the Collections Supervisor.

The Phase IV portfolio is clearly of a better quality than the previous loans. Nevertheless, there is a portion of bad debts, and an adequate reserve must be set up. If realistic reserves are not in place, Balance Sheet values will be overstated.

The auditors, Peat Marwich, are carrying out their examination of the FY 1986 accounts at this time. A realistic

Table 8. HDF Cash Flow
(Thousands of dollars)

	12 months ending	
	30 June '86	30 June '85
<u>Cash at beginning</u>	<u>108</u>	<u>73</u>
<u>Additions to cash</u>		
Loan grants - AID	283	-
Operating and T/A grants - AID	218	162
Interest income	66	129
Loan repayments	55	92
Miscellaneous	<u>46</u>	<u>(84)</u>
Subtotal	<u>668</u>	<u>299</u>
<u>Deductions from cash</u>		
Operational expenses	250	247
Loans to clients - AID-sponsored	237	-
- Others	<u>-</u>	<u>17</u>
Subtotal	<u>487</u>	<u>264</u>
<u>Cash at end</u>	<u>289</u>	<u>108</u>

reserve for bad debts based on an examination of the old portfolio must be put in place. Likewise, a bad debt reserve policy, probably based on a percentage of the loans coming onto the books, must be set up promptly for Phase IV loans.

Interest Rates

Currently, loans have an interest rate of 18 percent per annum. This is the same rate charged by SOFHIDES for larger loans to more creditworthy borrowers. The micro entrepreneurs' only alternatives are the informal moneylenders. The moneylenders' interest rates could be called the market rate, and this rate is as high as 18 percent per month.

We do not advocate that HDF charge at these levels, but it seems to us that HDF, faced with the high administrative cost of lending to small unsophisticated borrowers, should at least consider increasing the price of its product. If increasing the interest rate is undesirable, HDF could increase its income by charging separately for items such as processing of applications or collection charges when HDF has to send its driver to pick up cash.

Economic Assessment

Because of their newness, it is difficult to measure the effect of HDF's portfolio of loans on the Haitian economy, except in approximate terms. Between July 1985 and September 1986, 120 loans with a total value of \$500,440 have been made by HDF with funds provided by AID Phase IV. The following observations can be made:

- . GDP contribution is approximately equal to 1.5 times the loan amount, or \$750,000.
- . In terms of primary job creation, AID estimates the investment cost at \$2,000 per job. Thus, AID Phase IV-sponsored loans through HDF should have created 272 jobs. Secondary job creation is probably minimal because of the small scale of the enterprises.

The evaluation team called on a random selection of 10 HDF Phase IV borrowers. Reported employment creation is presented in Table 9.

We believe that the HDF Phase IV program has had limited effect in terms of technology transfers. These micro and small enterprises are characterized by such activities as equipment repair, clothing manufacture, and agrobusiness.

A&M Industries, a larger than average borrower, is probably more advanced technologically than any other HDF borrower. Its principal product is household electrical distribution equipment, i.e., switches, circuit breakers, and timers. Technology transfers at a level of any significance are much more likely with respect to SOFIHDES clients because of their larger loans.

Table 9. Sample of Jobs Created through Phase IV Loans

Name of borrowers	Amount of loans	Employees			Cost of added job creation
		Before	After	Change	
Bigny	5,300	3	4	1	5,300
Durand	10,600	10	22	12	800
Aristel (2 loans)	27,000	NA	NA	4	6,800
Gray Pottery	13,300	25	27	2	6,600
Dorval	6,000	19	22	3	2,000
Besubrun	9,400	2	2	-	-
Blanc	8,000	3	3	-	-
Naissance	3,300	3	3	-	-
Altes	4,000	4	7	3	1,300
Legal	1,700	NA	NA	1	1,700
	88,000			26	34,400

IV. THE WAY AHEAD

At the time of the evaluation team's visit in October 1986, the Executive Director and the Senior Advisor were in the process of developing a "Five Year Plan" for the HDF. Although the plan was still in draft and had not yet been approved by the Board of Directors, the Executive Director and the Senior Advisor gave the evaluation team the opportunity to review the plan informally.

The draft plan recognizes three scenarios. In the first, USAID continues to provide financial support to HDF beyond Phase IV, which ends December 31, 1986. In the second scenario, USAID discontinues support beyond Phase IV, but permits HDF to use Phase IV funds remaining undisbursed as of December 31, 1986. In the third scenario, USAID terminates all financial support as of December 31, 1986.

The second and third scenarios ultimately result in the demise of HDF. The first scenario, however, presents a favorable outcome for HDF. It is, moreover, a viable alternative since, during Phase IV, HDF was able to record an improvement in loan quality and an upgrading of its Board, management, personnel, and reputation.

With respect to the first scenario, the plan covers three essential points: the optimum size of the HDF loan portfolio over the next five years, the expenses associated with building such a portfolio, and the level of AID funding necessary to support the expansion in the HDF's operations.

To achieve viability, the five-year plan's goal is to have a loan portfolio of \$4.0 million by 1991. Cash expenses in 1991 would be approximately \$550,000, and the loan portfolio's interest income would cover cash expenses as well as bad debt expense. The replacement of fixed assets from interest income would also be possible.

The plan estimates that additional funding of \$1.8 million would allow for the development of a \$4 million loan portfolio on a break-even basis.

Since the evaluation team believes that the need for AID support is understated in the plan, these points need to be examined in greater depth. The team's principal assumption are as follows:

- (1) Cash. No increase is anticipated in cash balances during the forecast period.
- (2) Interest income. The portfolio at present is approximately \$1.0 million. At the end of the period, it reaches \$4.5 million. Five years' interest income at 18 percent on an average portfolio of \$2.75 million totals \$2.5 million.
- (3) Grants from AID. This is a residual figure. No effort has been made to discriminate between AID funding and operations or technical assistance support.

- (4) Operating expenses. The year just ended showed \$250,000 for this item. We have allowed an increase of \$50,000 each year, which we believe should be more than adequate. Total for the five years equals \$2 million.
- (5) Net increase in loan portfolio. The portfolio increases \$3.5 million in five years. We ignore repayments and reflow lending.
- (6) Bad debts. The loan portfolio will be diminished by bad debts. The current reserve is only \$0.2 million. We believe at least an additional \$0.5 million will be required.
- (7) Capital asset replacements. Capital assets currently on the books total \$65,000. We believe \$100,000 is adequate for replacement in the next five years.
- (8) Contributions from other donors. We anticipate that HDF will receive funds from other donors during the next five years. We assume that these funds will be earmarked for specific loan objectives of the donors, and will supplement the AID funds, rather than replace the AID funds.

On the basis of these assumptions, the following cash flow was projected:

Table 10. HDF Projected Cash Flow,
Next Five Years (7/1/86-6/30/91)

(\$000,000)

Cash at beginning	<u>0.3</u>
Additions to Cash	
Interest Income	2.5
Grants from USAID ^a	<u>3.6</u>
	<u>6.1</u>
Deductions from Cash	
Operations Expenses	2.0
Net Increase in Loan Portfolio	3.5
Bad Debts	0.5
Capitol Asset Replacements	<u>0.1</u>
	<u>6.1</u>
Cash at End •	<u>0.3</u>

a. The grants from USAID include \$0.6 million for Phase IV, as yet unallocated.

The new requirement for AID support to the HDF through 1991 is \$3 million. This figure does include funding, up to a portfolio level of \$4.5 million, whereas the HDF's management's estimate of \$1.8 million support only took the portfolio to \$4.0 million. Hence, the evaluation team's estimate of new AID support required is 1.2 million higher than the draft estimate of HDF's management.

The difference between the evaluation team's and the management's estimates of USAID support required over the next five years illustrates the need to review the assumptions of the five-year plan. Management should undertake a careful and detailed planning exercise, including preparing projected profit and loss statements, balance sheets, and source and application of funds statements and using the new computer to facilitate changes and adjustments in underlying assumptions. With this approach, a well substantiated and well documented estimate of AID support required will be obtained.

There is every reason for HDF and USAID to work closely in this planning exercise. USAID will be preparing a Project Paper at almost the same time as HDF is developing its Five-Year Plan. While cooperation and full exchange of information are certainly required, HDF will have to take the initiative in developing and preparing the programs that will underlie the financial figures.

V. CONCLUSIONS AND RECOMMENDATIONS

As a result of our evaluation, we have reached five principal conclusions with respect to HDF:

- (1) HDF, with assistance from AID, has successfully moved from a state of near collapse to a level of satisfactory performance during Phase IV (9/1/84 to 12/31/86).
- (2) The Foundation is capable of expansion, but the pace should not be forced so that loan quality suffers.
- (3) There is a big gap between AID's two development finance institutions, HDF and SOFHIDES, in size of loans and size of clients.
- (4) HDF's internal operating procedures need strengthening.
- (5) The small entrepreneurs who are HDF's borrowers would benefit from technical assistance in areas such as bookkeeping and simple management techniques. Few HDF clients are getting this help.

Phase IV

HDF, at the end of previous phases, was near collapse. The Board, management, and key personnel were seriously compromised by incompetence and accusations of dishonesty. Loan making had halted, and the Foundation's reputation was weak.

Two years later, the Board is composed of almost entirely new people; the current Executive Director is firmly in control; capable key personnel are largely in place; new loans are being processed and granted; old loans, even some considered uncollectible, are being repaid. HDF's reputation, among both borrowers and the financial community, is much improved. HDF is making a social and developmental impact. Among the 8,000 Haitian micro entrepreneurs, HDF is almost a unique source of funds.

AID should continue to support HDF. The specifics of its support should include:

- . Financial support of \$3 million over a five-year period to cover loan funding, operating income shortfalls, and technical assistance
- . Continued presence of a Senior Advisor through 1987. His duties should include strengthening the performance of key managers assisting with implementation of the Data Processing program, long-term planning, and relations with AID.
- . Technical assistance in terms of data processing, credit training, and loan development
- . Other AID help, e.g., surplus vehicles on advantageous terms

Expanding HDF

As already mentioned, AID should help HDF to expand. HDF believes that a loan portfolio of \$4.5 million in the next five years is an attainable goal, starting from today's \$1.0 million portfolio. During July of this year, HDF reached a monthly loan disbursement of over \$100,000 for the

of loan portfolio targets. Cooperation between these two financial institutions should be increased. For example, the two operating heads could sit on each other's Board of Directors.

Internal Operating Systems

The Management Information System is inadequate; accounting and record keeping needs strengthening; loan processing is slow, and not suited to a small loan size, large volume operation. These weaknesses are well recognized by HDF, and it is currently attacking the problem with installation of a DP system based on a personal computer. The equipment has recently been delivered and training has already started.

HDF should concentrate management time and effort on installation of the data processing system. Report design requirements must be stated by HDF management, not the consultant. Use of the data processing system for loan processing should introduce standardization, forms, ratio analysis, etc. to streamline and increase productivity of the Credit Division.

Technical Assistance to Clients

Prior to Phase IV, HDF provided technical assistance directly to entrepreneurs/borrowers through its own staff members or "animateurs." When the animateurs were replaced by Credit Officers, the provision of technical assistance was turned over to the Management and Productivity Centre, another recipient of AID support. MPC has been offering a basic management course to entrepreneurs/borrowers for \$300,

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which has been added to the loan amount, obviating any immediate cash payment by the entrepreneur. MPC has, at the time of this evaluation, cut the cost of the course to \$150. In general, cooperation between HDF and MPC has been lacking, and this resource has been little used. Haitian micro entrepreneurs certainly could benefit from a course in basic management techniques. The field review of loans made clear that business management training is essential to the viability of many borrowers' enterprises.

HDF should ensure that its requirements for technical assistance to the entrepreneurs/borrowers are developed and stated to MPC. MPC should continue to deliver the technical assistance. (HDF did not demonstrate satisfactory TA abilities when it had this mandate previously. Furthermore, HDF is fully occupied with making loans.) HDF should strongly encourage its borrowers to take advantage of the course. Lowering the cost is an encouragement. The course should not be compulsory or a condition of obtaining a loan. MPC should ensure that the course is "self-selling." That means, in addition to teaching fundamentals of management, there should be built into the course some immediate pay-back ideas which the entrepreneurs can use and appreciate.

Other Recommendations

The new Executive Director has demonstrated his capabilities. Adjustments in relationships, authorities, and responsibilities among the Executive Director, Board, and AID are now needed. Responsibility and authority should be delegated, particularly by the Executive Director, to division heads. The Executive Director should revise his

position description to reflect increased operating responsibility. The Executive Director should be the person finally accountable for all acts of the Foundation.

The Executive Director should coordinate the work of the management team by holding weekly staff meetings. This will promote team style management.

The Executive Director should decrease time spent on loan approval and increase time spent on administrative activity.

A major revision of financial procedures is necessary following the installation of the computer.

The Board should concentrate on policy, planning, and market development, and less on operations. Board members should "target" Haitian companies and organizations to promote cooperation with HDF.

A policy is needed stating that the Board and Executive Director should monitor economic and political conditions to permit quick change in lending strategy.

AID should reduce its "hands-on" approach to HDF operations.

Credit policy should include maintaining loan repayment rate at a specified level.

The HDF's market should be defined by size of loan, type, and percentage of portfolio in small and large loans.

The person or group responsible for "testing credit programs" should be identified.

Greater detail supporting the loan decision is needed in the "justification du credit" section of "Decision de Credit" form.

The applicant questionnaire should be eliminated.

Legal advice should be given on loan contract and guarantee forms.

The Head of the Credit Division should be responsible for determining "loan dossier complete, analysis sound, no major errors in financial projections."

Responsibility for approval of loan should be shifted downward in organization.

The loan follow-up program should go beyond a "watch list" concept to a loan quality rating system.

HDF should move to a more central location; meanwhile, it should acquire ground floor premises.

Personnel policy should be evaluated to determine whether it compares favorably with similar organizations.

Staff attendance should be monitored, perhaps by timesheets.

The Loan Officers' job description should include their responsibility for analysis of loan information and support with facts of loan decision.

Loan Officers should be given formal training in credit. AID should provide technical assistance for this.

Revise Accounting section of Operations Manual to reflect major changes in reports, accounting forms with computer installation.

Reduce \$120 per annum membership fee to increase membership.

Plan now for replacement of the Advisor and the AID Project Officer. The Advisor should now be less a "doer" and more an "advisor." The Advisor should appraise HDF's employee evaluating system.

The Public Relations Officer should concentrate on market development, particularly for new types of loans.

APPENDIX A

DUTIES OF THE CONTRACTOR¹

a) Project background

HDF has been the beneficiary of three phases of USAID assistance administered between HDF's creation in 1979 and the beginning of a fourth phase on Sept. 1, 1984. The evaluation to be conducted as specified herein, is of phase IV of USAID's assistance to HDF. Previous phases, I, II, and III have been evaluated and will be considered in the phase IV evaluation only as background, and only where background has significant bearing on HDF's operation during phase IV (i.e. after Sept. 1, 84).

For example, one duty of the contractor, specified hereinafter, is to assess HDF's loan portfolio. The contractor will be expected to assess the total portfolio in general terms, but will be expected to provide a detailed assessment of HDF's phase IV portfolio (i.e. loans disbursed after Sept. 1, 1984).

In summary, HDF does not want the evaluation specified in this contract to incorporate re-evaluation of HDF operations prior to Sept. 1, 1984.

b) Project objective

The purpose of the phase IV project to be evaluated by the Contractor is to strengthen the Haitian Development

1. Taken from HDF/RRNA Cooperative Agreement No. 521-0181-A-00-4083-00, pgs 3-6.

Fountain's institutional and financial capability to meet the credit needs of the small-scale enterprise sector in the Port-au-Prince area.

c) Scope of Work

The Contractor will provide consultants to conduct on-site evaluation of HDF's progress present situation and future prospects, and to prepare and present a draft report of their major findings and recommendations to HDF's Executive Director and Board of Directors, and to USAID/Haiti. Recommendations will be for improvement in HDF's organization structure, operating procedures, and credit program. Consultants provided by the Contractor will work in close coordination with HDF and USAID and will:

I. Review HDF's Management in order to:

- . determine whether there is clear understanding of policy and goals by HDF staff;
- . analyze the organization structure to determine its effectiveness in facilitating administration and decision making;
- . assess the capability of HDF's staff members to fulfill responsibilities delegated to them and carry out assigned duties;
- . determine the appropriateness of HDF's policies and procedures for attracting and screening applicants, approving applications, disbursing loans, collecting principal and interest, and following-up to assure the business success of clients;

- . assess the effectiveness of policy establishment, program planning, and performance evaluation by HDF's Board of Directors;
- . assess the adequacy of accounting, budgeting, monitoring, and reporting systems for tracking income and expenses, loan disbursement and repayment, and for identifying problems and maintaining overall financial control;
- . evaluate programs for attracting dues paying members, local contributions, and funding from international agencies, foundations, and lending institutions; and
- . assess the financial success of HDF in terms of 1) return on the investment of interest and other self-generated income, 2) adequacy of cash flow to meet present and future lending objectives, operating expenses, and reserve account funding, and 3) progress of HDF toward sustainability and auto-sufficiency.

II. Review HDF's Loan Portfolio in Order to:

- . Assess repayment performance;
- . Based on available information estimate the developmental impact of credit extended by HDF to various target beneficiary sectors (i.e. manufacture, service, commerce) in terms of employment creation, productivity, and client income;

- . assess the degree to which HDF has implemented intended credit policy;
- . measure HDF's rate of lending and assess what it means in terms of progress toward auto-sufficiency;
- . determine the effectiveness of HDF's loan guarantee policy, and its implementation;
- . determine the adequacy of HDF's loan guarantee policy, and its implementation;
- . compare the amount and number of loans disbursed to the total investment in phase IV operation of HDF in order to assess the cost of providing credit to HDF's target beneficiaries.

III. Review the effectiveness of HDF's lending and follow-up consustation in order to:

- . determine whether the Foundation's policies, procedures, and financial controls have acted as barriers to providing developmental credit to intended beneficiaries, or as effective guidelines incorporating constructive limitations and ocntrols;
- . assess the efficiency of HDF's application processing and loan disbursement procedures; and
- . assess the Credit Division's client follow-up effectiveness in helping clients to identify, and solve, business problems.

IV. Methodology for performing the evaluation will include:

- . review of documents: Project Paper, HDF by-laws, statements of policy and procedures, Board minutes, advisors reports, manuals, program implementation documents, progress reports, training materials etc.;
- . review of records: loan dossiers, collection files, client account ledgers etc.;
- . interviews: with USAID/Haiti staff personnel managing the Project, and staff within HDF from Board members to operating personnel; and
- . interviews with selected loan recipients.

Upon completion of the review of documents and the conduct of interviews, the findings of the Contractor's field team, along with recommendations, will be presented in the form of a draft evaluation report to HDF and USAID/Haiti and discussed before being put in the form of a final evaluation report.

APPENDIX B.

CONTENU DETAILLE CAHIER DE CHARGES INFORMATISATION SYSTEME ADMINISTRATIF FHD

1. INTRODUCTION

1.1 Situation actuelle de la FHD

- 1.1.1. Background de la FHD
- 1.1.2. Relevé des principales tâches
- 1.1.3. Limites et insuffisances du système actuel

1.2 Objectifs généraux à atteindre

1.3 Principaux domaines d'application et ordre de priorité

- 1.3.1. Principaux domaines d'applications et ordre de priorité de mise en oeuvre
- 1.3.2. Politique d'acquisition des moyens
- 1.3.3. Degré de concentration des moyens

2. DESCRIPTION DES BESOINS (PAR APPLICATION)

2.1 Identification des Applications

2.2 Caractéristiques Fonctionnelles

2.3 Bilan Quantitatif

- .. sorties (charge d'édition)
- .. entrées (charge de saisie)
- .. fichiers (volume)

ANNEXE
(suite)CONTENU DETAILLE CAHIER DE CHARGES
INFORMATISATION SYSTEME ADMINISTRATIF FHD

3. DESCRIPTION DES MOYENS

3.1 Matériel

- .. unité centrale
- .. mémoire auxiliaire
- .. unités périphériques
- .. alimentation

3.2 Logiciel

- .. logiciel de base
- .. logiciel d'application

3.3 Personnel Requis

- 3.3.1. Catégorie
- 3.3.2. Formation requise
- 3.3.3. Condition d'acquisition

4. BUDGET ESTIMATIF

4.1 Budget Investissement

4.1.1 Matériel

- .. configuration de base
- .. périphériques
- .. environnement (appareils et mobilier)

4.1.2 Logiciel

- .. logiciel de base
- .. logiciel d'application

A N N E X E
(suite)

CONTENU DETAILLE CAHIER DE CHARGES
INFORMATISATION SYSTEME ADMINISTRATIF FHD

4. BUDGET ESTIMATIF (suite)
 - 4.2 Budget de Fonctionnement Annuel
 - 4.2.1. Entretien Matériel
 - 4.2.2. Fournitures
 - 4.2.3. Assistance Technique
 - 4.2.4. Divers

5. CALENDRIER DE MISE EN OEUVRE

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1. INTRODUCTION

1.1. Situation Actuelle

1.1.1. Background de la FHD

La Fondation Haitienne de Développement (FHD) fondée en 1979 est une institution non religieuse, sans but lucratif et apolitique ayant son siège social à Port au Prince et dont le but général est d'accélérer le développement scientifique, éducatif, économique et social de la République d'Haiti. Pour atteindre son but, la FHD réalise et administre des projets et offre un programme de crédit à long et moyen terme.

Actuellement, l'institution gère un portefeuille de trois cents (300) prêts environ répartis en cinq (5) secteurs d'activité et provenant de six (6) principales sources de financement. Une augmentation de cent cinquante (150) prêts par an est prévue au cours des deux (2) prochaines années.

La FHD compte environ pour l'instant deux cents (200) membres divisés en trois (3) catégories : les membres fondateurs, les membres adhérents et les membres honoraires. Le nombre d'inscriptions de nouveaux membres est faible, soit douze (12) en moyenne par an. Dans le cadre de sa nouvelle politique, la Fondation espère voir s'accroître l'effectif de ses membres sans pouvoir chiffrer l'augmentation.

La structure organique de la FHD comprend : un Conseil d'Administration, une Direction Exécutive, une Direction de Crédit et une Direction Financière.

L'ensemble des tâches d'exécution est assurée par un effectif de quinze (15) employés (dont trois (3) secrétaires affectées à chacune des Directions et accomplissant la dactylographie de la correspondance et des rapports respectifs).

1.1.2. Relevé des Dir.

L'étude a porté sur les principales tâches au niveau de la Direction de Crédit, de la Direction Financière et de la Direction Exécutive.

Ces tâches peuvent se résumer comme suit :

Direction de Crédit

- .. Réception des clients potentiels
- .. Préparation et Appréciation du questionnaire d'éligibilité des clients
- .. Visite des lieux
- .. Préparation et Gestion du dossier "Décision de Crédit"
- .. Tenue du registre de déboursement
- .. Tenue du registre des dossiers étudiés
- .. Tenue du registre des questionnaires d'éligibilité
- .. Préparation des rapports suivants :
 - relevé des Applications reçues
 - relevé des Dossiers étudiés et soumis
 - relevé des Applications éligibles et en suspens
 - suivi des Dossiers à l'étude intitulé "Numéro des Dossiers à l'étude"
 - programmation du Suivi des Entreprises
 - Fiche de Suivi des Entreprises.
- .. Dactylographie de la correspondance, des dossiers et rapports de la Direction de Crédit.

Direction Financière

- .. Enregistrement des P.A.
- .. Préparation des Fiches de Paiement
- .. Tenue du Grand-Livre de Prêts
- .. Programmation des visites des Collecteurs
- .. Préparation des rapports suivants :
 - . rapport de Porte-Feuille
 - . état de remboursement
 - . rapport des intérêts prélevés d'avance
 - . rapport des intérêts à recevoir.
- .. Tenue de la Comptabilité Générale
- .. Préparation de la paie du Personnel
- .. Préparation et Analyse du Budget
- .. Préparation et suivi du Cash-Flow
- .. Préparation des rapports suivants :
 - . bilan
 - . pertes et profits
 - . demande de fonds de requête
 - . résumé
- .. Dactylographie de la correspondance et des différents rapports de la Direction Financière.

Direction Exécutive

- .. Tenue à jour de la liste des Membres de la FHD
- .. Gestion de la cotisation des Membres de la FHD
- .. Dactylographie de la correspondance de la Direction Exécutive.
- .. Synthèse des rapports reçus des autres directions.

1.1.3. Limites et insuffisances du système

Les limites du système administratif se situent principalement au niveau des moyens matériels utilisés et de certaines procédures en vigueur pour le traitement des données.

Les moyens matériels couramment en usage, la machine à calculer et la machine à dactylographier, présentent les inconvénients suivants :

- .. absence de mémoire de masse permettant le stockage et l'accès sélectif rapide de données volumineuses d'où la tenue manuelle de nombreux registres et fichiers entraînant des pertes de temps et des recherches selon un seul critère au moment de leur consultation dont le taux est élevé surtout en fin de mois.

- .. impossibilité d'utilisation de programmes pour les traitements routiniers et répétitifs tels le calcul des échéanciers de remboursement, du cash flow prévisionnel, des totaux, écarts et % dans les rapports.

- .. lenteur d'impression de rapports volumineux et lettres dont la préparation est faite manuellement à l'aide de machine à écrire simple. Le dossier de Décision de Crédit contient par exemple seize (16) pages.

Les procédures manuelles de mise à jour et de calcul des données renferment les lacunes suivantes :

- .. nombreux calculs manuels et fastidieux
- .. nombreux reports manuels
- .. nombreux contrôles manuels

1.2. Objectifs Généraux à Atteindre

Les insuffisances de ces moyens matériels et humains en vigueur ne permettent pas au système actuel d'atteindre les objectifs généraux qui peuvent se résumer comme suit :

- .. préparer les rapports comptables mensuels dans les dix (10) jours qui suivent la fermeture d'un mois et réduire les délais dans la préparation des rapports de gestion présentant des retards de trois (3) mois, ce en vue de faciliter la prise de décision des responsables;
- .. disposer de données supplémentaires et y accéder facilement grâce aux fichiers informatisés;
- .. améliorer la productivité du personnel administratif en le libérant des tâches routinières et fastidieuses qui seront plutôt confiées aux machines;
- .. éliminer les doubles emplois au niveau de la saisie et du stockage des données.

1.3. Scénarios de Mise en Oeuvre

1.3.1. Principaux Domaines d'Application & Ordre de Priorité de mise en Oeuvre

Compte tenu de la situation actuelle de la FHD et des objectifs à atteindre, les applications suivantes ont été retenues en vue de leur informatisation dans l'ordre de priorité qui suit :

- .. Traitement de Texte (Wordprocessing)
- .. Gestion de Chiffrier (Spreadsheet)
- .. Gestion des Membres de la FHD
- .. Gestion du Crédit

- .. Gestion du Portefeuille
- .. Comptabilité Générale et Budgétaire
- .. Paie du Personnel

Cet ordre de priorité a été établi en fonction de l'urgence des problèmes à résoudre d'une part et du degré de facilité de mise en oeuvre des applications.

1.3.2. Politique d'acquisition des moyens

Matériel

Les applications étant permanentes et d'une durée prolongée, il est recommandé d'acheter le matériel requis. Toutefois, en vue d'éviter une sous utilisation et une immobilisation peu rentable du matériel durant la période de formation des utilisateurs et de démarrage des applications, il est préférable d'utiliser un matériel loué durant cette période.

Logiciel

Les logiciels d'exploitation et de service (principaux utilitaires) ainsi que les progiciels d'aide (tableur, traitement de texte, gestionnaire de base de données) devront être acquis des fournisseurs. Par contre, les logiciels d'applications (comptabilité, paie, gestion des prêts) devront être adaptés ou développés selon les besoins spécifiques de la FHD par du personnel externe sur une base contractuelle.

Personnel

Le personnel utilisateur (opérateur, gestionnaire du système) devra être recruté parmi les employés de la FHD pour recevoir la formation adéquate et travailler à temps plein.

Les techniciens chargés de la formation, de la conception, du développement, de la mise en oeuvre et de l'entretien des applications devront faire l'objet d'un recrutement externe et temporaire.

.. Degré de concentration des systèmes

Sans le cadre de cette étude il a été retenu deux (2) solutions possibles :

La première consiste à répartir la charge de travail sur plusieurs micro-ordinateurs indépendants installés respectivement dans chacune des trois (3) directions de la FHD et des services respectifs.

La seconde revient à choisir un micro-ordinateur de grande capacité doté d'un système d'exploitation multi-utilisateurs et multi-tâches, auquel seraient connectés des écrans-claviers placés selon les besoins dans les directions et services intéressés.

Chacune des solutions présente des avantages et inconvénients pouvant se résumer comme suit :

.. La première solution est plus coûteuse à cause de la multiciplité d'acquisition des unités centrales. Par contre, elle offre plus de sécurité dans la mesure où les tâches informatiques sont réparties sur plusieurs équipements ne pouvant tomber en panne au même moment. De tels systèmes mono tâches sont plus faciles à gérer.

.. La seconde solution est moins onéreuse et offre l'avantage de permettre l'accès par interrogation ou mise à jour à l'ensemble des fichiers logiques. Toutefois, la moindre panne au niveau de l'unité centrale provoque l'arrêt simultané des tâches.

.. Compte tenu de l'organisation administrative de la FHD et de la structure des nouveaux systèmes d'information réclamant une intégration progressive des données et un taux élevé de consultation et de mise à jour de l'ensemble des fichiers, la seconde solution serait la plus adaptée aux besoins et au contexte administratifs de la FHD.

R DE CHARGES

UNION SYSTEME ADMINISTRATIF

UNION HAITIENNE DE DEVELOPPEMENT

2. DESCRIPTION DES BESOINS2.1. Identification des Applications

Cinq (5) applications ont été retenues en vue de satisfaire les besoins en traitement de données de la FHD.

2.1.a) Titre Général : Système de Traitement de Texte

<u>Personnes concernées</u>	<u>Fonction</u>	<u>Unité Administrative</u>	<u>Tel.</u>
Mikaela Seide	Secrétaire Exécutive	Direction Exécutive	
Margareth Jn.Noel	Secrétaire des Finances	Direction Financière	
Islandre Alexa	Secrétaire de Crédit	Direction de Crédit	

2.1.b) Titre Général : Système de Traitement de Tableaux

<u>Personnes concernées</u>	<u>Fonction</u>	<u>Unité Administrative</u>	<u>Tel.</u>
Guy Paul	Directeur Exécutif	Direction Exécutive	
"Vacant"	Directeur Financier	Direction Financière	
Pierre Yves Millet	Assistant Directeur Financier	Direction Financière	
"Vacant"	Assistant Directeur de Crédit	Direction de Crédit	
Jn.Claude Laforest	Comptable en Chef	Comptabilité	
Evelyne Louis Jacques	Responsable Porte-Feuille	Portefeuille	
Ronel St Fleur	Superviseur Collection	Collection	
Jn.Carmel Sylvain	Officier Chef de Crédit	Direction de Crédit	
Jn.Claude Calixte	Officier de Crédit	Direction de Crédit	

2.1.c) Titre Général : Gestion des Membres de la FHD

<u>Personnes concernées</u>	<u>Fonction</u>	<u>Unité Administrative</u>	<u>Tel.</u>
Alexandra Lutaud	Relations Publiques	Direction Exécutive	
Mikaela Seide	Secrétaire Exécutive	Direction Exécutive	

2.1.d) Titre Général : Gestion de Prêts à Moyen et Long Terme

<u>Personnes concernées</u>	<u>Fonction</u>	<u>Unité Administrative</u>	<u>Tel.</u>
Pierre Yves Millet	Assistant Directeur Financier	Direction Financière	
Evelyne Louis Jacques	Responsable Portefeuille	Portefeuille	
Ronel St. Fleur	Superviseur Collection	Collection	
Jn. Carmel Sylvain	Officier Chef de Crédit	Direction de Crédit	
Jn. Claude Calixte	Officier de Crédit	Direction de Crédit	
Islandre Alexa	Secrétaire de Crédit	Direction de Crédit	

2.1.e) Titre Général : Système de Comptabilité Générale et Budgetaire

<u>Personnes concernées</u>	<u>Fonction</u>	<u>Unité Administrative</u>	<u>Tel.</u>
Jn. Claude Laforest	Comptable en Chef	Comptabilité	
Margareth Jn. Noel	Secrétaire des Finances	Direction Financière	

2.1.f) Titre Général : Système de Paie des Employés

<u>Personnes concernées</u>	<u>Fonction</u>	<u>Unité Administrative</u>	<u>Tel.</u>
Jn. Claude Laforest	Comptable en Chef	Comptabilité	
Margareth Jn. Noel	Secrétaire des Finances	Direction Financière	

2.2. Caractéristiques

2.2.a) Application : système de Traitement de Texte

.. Entrées

- Saisie à l'écran du texte manuscrit
- Modification des paramètres d'entrée et de sortie
- Menu

.. Fonctions

- Entrée du texte :
 - par frappe "kilométrique"
 - par lecture d'un fichier de texte existant

- Modification du texte :
 - suppression, insertion, déplacement de mots et blocs de texte
 - recherche et remplacement automatique ou manuel de mots ou phrases
 - correction automatique ou semi automatique

- Mise en forme du texte :
 - justification gauche et droite
 - tabulation
 - alignement en colonne
 - centrage de titres
 - césure des mots en bout de ligne
 - soulignement automatique
 - mise en page permettant :
 - cadrage des marges
 - numérotation des pages
 - en tête et pied de page
 - espacement lignes et caractères
 - saut de page

. Affichage du texte

- menu et aide mémoire
- affichage renversé
- ligne statut
- saut de mot

. Edition du texte:

- alimentation automatique de papier en continue ou en feuille à feuille
- impression de plusieurs styles de caractères
- impression désaccouplée du clavier écran
- exposant d'indice et d'exposant
- impression renforcée et soulignage

. Gestion de fichiers d'adresse

. Utilisation de dictionnaire

. Interfaçage avec système de traitement de tableaux

.. Sorties

- . Textes visualisés à l'écran
- . Impression personnalisée sur imprimante des documents à l'aide de commandes
- . Sauvegarde des documents et fichiers sur support magnétique

2.2.b) Application : Système de Trait... Entrées

. Saisie au clavier:

- des données à tabuler et des libellés
- des commandes à exécuter

.. Fonctions

. Gestion de la grille des données :

- création du cadre des tableaux par la gestion du curseur
- mise à jour des lignes et colonnes
- Accès au chiffrier au moyen de :
 - . fenêtre
 - . déplacement par mouvement de pointeur
 - . déplacement par défilement du chiffrier

. Manipulations des cellules individuelles ou groupe de cellules :

- formatage
- protection
- total ligne et colonne
- copie
- duplication
- transfert
- cumul

. Manipulations des fichiers par des commandes de :

- sauvegarde
- affichage
- effacement
- transfert

- Présentation des sorties au moyen de :
 - paramètres de cadrage
 - en tête et pied de page
 - marges gauche et droite, début et fin
 - longueur de page
 - commandes d'impression :
 - saut de ligne et de page
 - déclenchement impression
 - annulation et sauvegarde des paramètres
- Utilisation de fonctions (pré-programmées) :
 - financières
 - statistiques
 - logiques
 - graphiques

.. Sorties

- Affichage à l'écran des tableaux ou résultats de tri
- Edition sur imprimante des tableaux ou résultats de tri
- Sauvegarde sur disquette des tableaux et paramètres d'impression
- Sauvegarde des fichiers sous format DIF et ASCII.

2.2.c) Application : Gestion des Membres de la FHD

.. Entrées

- . Saisie des données signalétiques des membres
- . Saisie des montants de cotisation et périodicité
- . Menu

.. Fonctions

- . Création et mise à jour du fichier des membres
- . Consultation du fichier sur une base sélective
- . Tenue à jour de la cotisation des membres
- . Edition des listes
- . Contrôle des données saisies

.. Sorties

- . Edition complète ou partielle de la liste des membres en fonction de différents critères
- . Edition de la liste des membres devant verser leur cotisation pour le mois en cours
- . Edition de la liste des membres dont la cotisation est échue (relance des impayés)
- . Edition du journal de l'encaissement des cotisations
- . Edition des étiquettes d'adresse des membres.

2.2.a) Application : Gestion de Prêts à Moyen et Long Terme

.. Entrées

- Saisie des données constituant le dossier de prêt
- Saisie des conditions du prêt (durée, montant total, taux d'intérêt, modalités d'amortissement, etc)
- Saisie des montants de décaissements et de remboursements
- Menu

.. Fonctions

- Création et maintenance des dossiers
- Création, consultation et mise à jour des fichiers
- Totalisation des lignes et colonnes des tableaux faisant partie des dossiers
- Calcul du plan de remboursement
- Calcul des frais financiers facilitant la comptabilisation des charges à payer et des charges payées d'avance
- Tenue des prêts individuels par bon, en cumul et en solde du principal et des charges
- Tenue du solde global des prêts par source de financement et secteur du marché.
- Suivi des demandes de prêts
- Edition des listes et rapports
- Contrôle des données saisie et séquence de traitement
- Interfaçage avec traitement de texte et tableur

.. Sorties

- Edition complète ou partielle des fichiers
- Impression du dossier de prêt
- Edition sur imprimante ou affichage à l'écran du plan de remboursement
- Edition d'un Etat agé de remboursement du principal et des intérêts par Fonds
- Edition d'un rapport de portefeuille en cumul et en solde du principal et des intérêts
- Edition d'un journal de décaissements et de remboursements
- Edition d'un rapport des intérêts à recevoir et prélevés d'avance par fonds et secteur du marché
- Edition des bons échus non payés

2.2.2. Application : Comptabilité Générale et Budgétaire

.. Entrées

- . Saisie du plan comptable
- . Saisie des écritures
- . Saisie des paramètres généraux et périodiques
- . Saisie du budget par compte
- . Saisie des en tête de journaux
- . Menu

.. Fonctions

- . Création, consultation et mise à jour des fichiers permanents et de mouvements
- . Saisie et modification des écritures dans les journaux
- . Tenue des journaux, du grand livre et de la balance
- . Cumul sur la période et l'exercice
- . Contrôle des données saisies, des journaux non équilibrés
- . Calcul des écarts budgétaires
- . Cloture et ouverture automatique de période et d'exercice
- . Edition des journaux et rapports comptables usuels
- . Possibilité de chevauchement de deux (2) périodes et deux (2) exercices
- . Comparaison de l'exercice passé et de l'exercice en cours
- . Indépendance de la date de comptabilisation et de la date de saisie
- . Gestion d'un menu

.. Sorties

- . Edition du budget comparant les réalisations et les budgets affectés
- . Affichage à l'écran ou édition sur imprimante des cumuls et soldes des écritures sur les comptes ou les journaux
- . Edition du plan comptable
- . Edition des états comptables :
 - . Grand Livre
 - . Balance
 - . Journaux
- . Edition des états de situation :
 - . Bilan
 - . Compte de Pertes et Profits
- . Historique des soldes des comptes sur deux (2) ans.

2.2.f) Application de Paiement des Employés

.. Entrées

- . Saisie des données permanentes (employés, services)
- . Saisie des données variables de la période de paye en cours
- . Saisie des paramètres fixes et périodiques
- . Menu

.. Fonctions

- . Création, consultation et mise à jour des fichiers permanents et de mouvements
- . Calcul de la paye pour la période en cours
- . Calcul de la paye en fin de mois
- . Cumul des données en cours et à date par employé
- . Cumul des données en cours et à date par compte ou service
- . Edition des listes et rapports
- . Gestion d'un menu

.. Sorties

- . Listing complet ou partiel des fichiers
- . Edition des souches individuelles ou enveloppes de paie
- . Edition des chèques
- . Edition d'un résumé de paie par service ou compte
- . Edition des retenus légales en Haiti
- . Edition du rapport mensuel de l'ONA
- . Edition du rapport mensuel d'Impôt
- . Edition du boni annuel.

2.3. Bilan Quantitatif

Le bilan quantitatif a pour but de déterminer la configuration matérielle nécessaire en fonction du volume de données et de leur répartition sur l'organisation administrative souhaitée, de la charge de saisie et d'édition et enfin sur le volume de données à stocker.

Du point de vue de l'organisation administrative, les tâches à exécuter sont considérées sous l'angle de leur décentralisation et de leur répartition fonctionnelle en distinguant les tâches d'exécution des tâches de décision. Dans cette optique, il a été prévu d'installer dans chacune des trois (3) Directions de la FHD : un poste de saisie et une imprimante pour l'ensemble des tâches d'exécution et un poste de consultation pour les tâches de décision et pour servir d'unité de secours en cas de panne et durant les périodes de pointe.

En terme de capacité de saisie et d'édition, les estimations suivantes ont été faites :

.. mille (1.000) caractères par heure pour la saisie, cent (100) caractères par seconde avec une moyenne de cinquante (50) caractères par ligne, à raison d'une journée de six (6) heures, ceci représente :

- six mille (6.000) caractères pouvant être saisis par jour, par poste;
- sept cent vingt (720) lignes pouvant être éditées par imprimante.

Les charges de saisie se répartissant tout au cours d'un mois sur une base journalière, un poste de saisie par Direction suffit. La période critique d'édition se situe aux environs de la deuxième semaine d'un mois dans la mesure où la majorité des rapports doivent être prêts le dix (10) de chaque mois. Les rapports les plus longs selon une estimation n'excédant pas trois cents (300) lignes, il faudra un (1) ou deux (2) jours pour éditer tous les rapports mensuels.

Le volume des données à stocker en ligne (on line) se répartit comme suit :

- Système de Gestion de Prêts : 1.200 K
- Système de Comptabilité : 320 K
- Système de Paie : 50 K
- Système de Gestion des Membres : 80 K
- Système de Traitement de Texte : 500 K
- Système de Gestion de Tableau : 500 K
- Programmes : 5.200 K
- Divers : 2.150 K

Soit un total de 10 MB d'où une provision de 10 MB pour les applications futures et l'accroissement des fichiers.

3. DESCRIPTION DES MOYENS

3.1. Matériel

... Un (1) micro-ordinateur central doté d'au moins 500 KB de mémoire principale, deux (2) unités de disquette, une (1) unité de disque fixe de 20 MB et pouvant supporter les unités périphériques suivantes :

.. cinq (5) portes de saisie et de consultation composés :

- d'un clavier amovible ayant un jeu de touches alphanumériques possédant les accents et signes français, un jeu de touches de fonction, un jeu de touches pour le contrôle du curseur et un jeu de touches numériques séparé des précédents;
- d'un écran monochrome pouvant afficher vingt quatre (24) lignes et quatre vingt (80) colonnes à haute résolution et permettant de régler l'intensité lumineuse, la visibilité des textes, l'absence de reflet. Il est souhaitable que les écrans soient orientables, offrant les fonctions d'inverse video, de clignotement et de soulignement.

.. deux (2) imprimantes matricielles de 132 colonnes, d'une vitesse d'au moins 100 cps, ayant plusieurs polices de caractères dont le français et permettant l'impression de qualité pour le courrier.

.. une (1) imprimante ayant des possibilités graphiques.

.. une (1) unité de cartouche d'une capacité de 20 MB au moins.

... une (1) unité d'alimentation ininterrompue (UPS) de 1.000 VA.

... une (1) table pour ordinateur.

Les principaux éléments à prendre en compte du micro ordinateur sont :

- ... l'existence d'un fournisseur établi
- ... la garantie par contrat d'un service d'entretien préventif et curatif
- ... la disponibilité d'unités de secours en cas de panne prolongée
- ... les possibilités d'extension du matériel proposé
- ... la compatibilité avec les normes d'IBM.

3.2. Logiciel

La machine devra être livrée avec les logiciels suivants :

- ... un (1) logiciel de base comprenant :
 - .. un (1) système d'exploitation pouvant supporter la configuration prévue, le langage Basic et travailler en multi-tâches et multi-utilisateurs;
 - .. des programmes utilitaires permettant :
 - . l'affichage / édition du répertoire de fichiers sur disque
 - . la gestion du répertoire de fichiers sur disque (sauvegarde, chargement, destruction, définition, changement de nom et copie de fichier)
 - . la gestion de fichier sur cartouche
 - .. un système de traitement de texte
 - .. un système de traitement de tableau

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Les logiciels d'application suivants devront être fournis par le fournisseur du matériel ou un contractuel en tenant compte des caractéristiques fonctionnelles indiquées dans le Cahier des Charges. Ce sont :

- .. un système de prêts à moyen et long terme
- .. un système de comptabilité générale et budgétaire
- .. un système de paie des employés
- .. un système de gestion des membres de la FHD.

Le fournisseur des logiciels devra remplir les conditions suivantes :

- .. pouvoir assurer la formation en Haïti du personnel utilisateur et d'exploitation
- .. fournir une assistance technique au démarrage et un encadrement technique à l'exploitation
- .. garantir l'entretien des programmes
- .. fournir un manuel de mise en oeuvre et d'utilisation des programmes. La documentation doit être compréhensible et pédagogique et rédigée, si possible, en français.

3... Personnel requis

3.3.1. Catégorie

Pour utiliser de façon efficace et rationnelle le micro-ordinateur et les logiciels prévus, il faut disposer d'un personnel bien formé et suffisamment entraîné composé :

.. d'un responsable général du système ayant une vue globale du fonctionnement des différentes unités du micro-ordinateur et des programmes-utilitaires, et pouvant planifier et coordonner les activités des opérateurs et des utilisateurs. Ce responsable pourra être choisi après le stage de formation en fonction des connaissances techniques acquises et de ses capacités administratives et d'encadrement.

.. d'opérateurs ou opératrices chargé(e)s de :

- préparer et mettre en marche les machines
- mettre en place et enlever les fournitures et accessoires nécessaires à l'exécution des tâches
- exécuter les programmes conformément aux instructions
- noter et signaler au responsable du système les anomalies et incidents détectés en cours d'exécution.

Les secrétaires-dactylographes attachées à chacune des directions de la FHD peuvent sans difficulté jouer ce rôle après avoir suivi les quatre (4) modules de cours prévus.

.. des utilisateurs du système, c'est-à-dire les employés appelés à préparer les données à traiter et à utiliser les résultats des traitements. Il est indispensable que cette catégorie de personnel suive les modules 1 et 2 concernant respectivement les notions de traitement de données et l'introduction au micro ordinateur. En outre, il serait souhaitable qu'il assiste au cours d'introduction au tableur.

Ministère de l'Éducation à l'Informatique à l'adresse du

MODULE -- COURS D'INTRODUCTION AU TRAITEMENT DE DONNEES

OBJECTIF

- Familiariser les participants aux notions de base et leur permettre d'avoir un langage commun en matière de traitement de données.

CONTENU

- Introduction
- Notion de Données
- Notion de Traitement
- Notion de Fichier
- Etude de Cas (3 applications)

DUREE

- Quinze (15) heures à répartir sur cinq (5) à dix (10) jours selon un horaire à fixer d'un commun accord dont :
 - .. dix (10) heures de théorie par groupe
 - .. cinq (5) heures de pratique par application

PRE-REQUIS

- Aucun

MODULE 2 COURS D'INTRODUCTIONOBJECTIF :

Initier le participant à la mise en oeuvre et l'utilisation quotidienne d'un ordinateur de gestion. Le cours s'adresse particulièrement aux personnes n'ayant aucune pratique sur ordinateur.

CONTENU :

- Présentation des principales unités de l'ordinateur
- Mise en oeuvre et chargement du système d'exploitation
- Manipulation des principales unités
- Principales catégories de logiciel

DUREE :

Six (6) heures à répartir sur deux (2) à cinq (5) jours selon un horaire à fixer d'un commun accord dont :

- .. quatre (4) heures de théorie par groupe
- .. deux (2) heures de pratique par personne

CONDITIONS DE PARTICIPATION :

- Etre appelé à utiliser un micro-ordinateur

MODULE 3 COURS D'INTRODUCTION AU TRAITEMENT DE TEXTEOBJECTIF

- Sensibiliser les participants sur les possibilités d'un système de traitement de texte.
- Initier les participants à l'utilisation des principales fonctions d'un système de traitement de texte

CONTENU

- Concepts de Base
- Principales Fonctions
- Travaux Pratiques sur un système de traitement de texte

DUREE

- Dix (10) heures à répartir sur deux (2) à cinq (5) jours selon un horaire à fixer d'un commun accord dont :
 - .. quatre (4) heures de théorie par groupe
 - .. six (6) heures de pratique par personne

PRE-REQUIS

- Avoir suivi le Module 2

COURS D'INTRODUCTION AU TABLEUR (SPREADSHEET)OBJECTIF

- Présenter aux participants les possibilités d'un tableur et les initier aux principales fonctions.

CONTENU

- Concepts de Base
- Principales Fonctions
- Travaux Pratiques

DUREE

- Vingt (20) heures à répartir sur deux (2) à cinq (5) jours selon un horaire à fixer d'un commun accord dont :
 - .. cinq (5) heures de théorie par groupe
 - .. quinze (15) heures de pratique par personne

PRE-REQUIS

- Avoir suivi le Module 2

3.4. Conditions de formation

Les prestataires des services de formation devront s'astreindre aux conditions suivantes :

- .. Les cours devront être dispensés en français conformément au programme prévu pour la FHD
- .. Le lieu de formation devra être à Port-au-Prince, Haiti (si possible au local de la FHD)
- .. La pratique devra être exercée sur des logiciels et équipements similaires à ceux prévus pour les besoins de la FHD
- .. Les instructeurs devront avoir au moins cinq (5) années d'expérience dans le domaine de formation concernée
- .. Les services de formation devront faire l'objet d'un contrat stipulant entre autre les modalités d'organisation, les coûts et conditions de paiement.

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ADMINISTRATIF
DEVELOPPEMENT4. BUDGET ESTIMATIF4.1. Budget d'Investissement

4.1.1. MATERIEL

.. Configuration de Base	\$ 4,500.00	
.. Périphériques	12,500.00	
.. Environnement (UPS et Mobilier)	3,000.00	
Total Matériel		\$ 20,000.00

4.1.2. LOGICIEL

.. Logiciel de Base	1,000.00	
.. Logiciel d'Application	5,000.00	
Total Logiciel		\$ 6,000.00

4.1.3. FORMATION

.. Cours d'Initiation au Traitement de Données	750.00	
.. Cours d'Introduction au Micro Ordinateur	760.00	
.. Cours d'Initiation au Traitement de Texte	840.00	
.. Cours d'Initiation au Tableur	4,650.00	
Total Formation		\$ 7,000.00

TOTAL BUDGET D'INVESTISSEMENT \$ 33,000.00

4.2. Budget de Fonctionnement Annuel

4.2.1. Entretien Matériel	\$ 2,380.00
4.2.2. Fournitures	2,400.00
4.2.3. Assistance Technique	6,000.00
4.2.4. Divers	1,000.00

TOTAL BUDGET FONCTIONNEMENT ANNUEL \$ 11,780.00

FOR ...
DE LA ...

5. CALENDRIER DE MISE EN ŒUVRE

ACTIVITES	SEMAINES																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1. Appels d'Offres	█																			
2. Evaluation des Offres		█																		
3. Choix des Prestataires			█																	
4. Formation des Utilisateurs				█																
5. Formation des Opératrices					█															
6. Formation du Resp. du Système						█														
7. Installation du Matériel																				
8. Mise en Œuvre Traitement de Texte																				
9. Mise en Œuvre Tableur																				
10. Mise en Œuvre Gestion Membres																				
11. Mise en Œuvre Gestion Prêts																				
12. Mise en Œuvre Comptabilité																				
13. Mise en Œuvre Paie																				
14. Essais Système Gestion Membres																				
15. Essais Système Gestion Prêts																				
16. Essais Système Comptabilité																				
17. Essais Système Paie																				