



RURAL PRIVATE ENTERPRISE PROJECT

7TH MONITORING REPORT

31ST MARCH 1991

RURAL PRIVATE ENTERPRISE PROJECT

Monitoring Report

for the period ending March 31, 1991

Prepared and Submitted by the

RPE Management Team, under the
direction of Mr K Njoroge

May 30, 1991



May 31, 1991

Holly Wise
US Agency for International Development
Office of Projects
Union Towers
Moi Avenue
Nairobi

Dear Holly

SUBJECT: RURAL PRIVATE ENTERPRISE PROJECT
7TH MONITORING REPORT

I am pleased to forward two copies of the 7th and final monitoring report for the projects assisted under the Kenya Rural Enterprise Project. A total of 52 projects were visited during the first quarter of 1991.

Most of the projects were selected for review because they had been newly approved or had a poor record of performance, especially in the early stages of implementation. In this report, we identify the problem projects and make suggestions to the banks on how some of the issues could be resolved to bring the projects back to a sound footing.

In addition, a questionnaire was sent to 100 sub-borrower, and the information received is analysed and included in this report. Only 13 projects approved at the end of March 1991 did not receive the questionnaire. Copies of the original completed questionnaires have been forwarded to your office previously.

If you have any comments or issues that you wish to discuss, please do not hesitate to contact our office.

Yours sincerely


Kimani Njotoge
Assistant Project Manager

Enclosure

Distribution: Richard Womack
 Alfreda Brewer

APPROVED LOAN SCHEDULE (as of 31 March, 1991)

PROJECT	BANK	RPE LOAN (KSh s)	ACTIVITY SECTOR	ELIGIBILITY	GENERATED EMPLOYMENT	# OF WOMEN	CBK DRAWDOWN
A. Kiaria	KCB	400	Manufacturing	*	11	*	Y
A.K. Njogu	BBK	1,500	*	*			
Aggrey Wahome	BBK	6,000	Agribusiness	*	100	30	
Ali Athumani	SCB	120	*	*			Y
Alaaoroi Ranch	SCB	1,750	Manufacturing	C	10	0	
Agripfara	KCB	350	Agribusiness	A + B	9	0	Y
Agro Development Co	KCFC	15,000	Agribusiness	B + C	*	*	Y
AIC Kijabe Printing Press	KCB	3,000	Service-Printing	B + C	40	25	Y
Athi River Mining	KCFC	30,490	Manufacturing	B + C	165	12	N
Athi Stores Limited	SCB	20,000	Mining	A	225	4	
Bakari F Lugano	SCB	300	Manufacturing	A + C	2	1	
Bedi Investments	BBK	33,474	Manufacturing	A + B	275	90	N
Benjob Amalgamated	KCB	7,200	Agribusiness	B + C	13	65	Y
Bernard G Ngunju	KCFC	1,500	Manufacturing	A + C	50	0	Y
Biota Limited	SCB	3,544	Manufacturing	*	14	4	
Bruce Madeta	KCB	165	Agribusiness	A + C	3	0	Y
C Dorman	BBK	7,000	Agribusiness	B + C	150	33	Y
Careful Construction	KCFC	2,000	Manufacturing	A	11	0	N
Challa Holdings	KCFC	4,000	Trade (F & L)	B	50	*	Y
Colotec (K) Limited	SCB	12,000	Manufacturing	*	*	0	
Commercial Fuel Injection	SCB	300	Trade (C & R)	*	16	0	
Dagimu Investments	KCFC	3,520	Manufacturing	A	22	2	Y
Ena Meid Services	KCB	600	Service	C	5	1	Y
E.R. Murango	KCB	800	Agribusiness	A + C	30	*	Y
E.N. Kariuki	KCB	400	Agribusiness	A + C	11	4	Y
E. Ngondi	KCB	695	Agribusiness	A + C	23	15	Y
E.B. Odoto	KCB	136	Agribusiness	A + C	2	0	Y
E.C. Njagi	KCB	500	Agribusiness	A + C	10	*	Y
F.M. Giatbi	KCB	275	Manufacturing	A	3	0	Y
F.M. Lutomia	KCB	96	Agribusiness	A + C	3	0	Y
G.G. Gichoru	BBK	3,360	Service-Hotel	A	30	6	Y
Galana Bakery	KCB	1,400	Service	A + C	20	0	Y
Gatoka Limited	BBK	7,000	Agribusiness	B	150	50	Y
Gnajiwan Screws & Fasteners	KCFC	10,000	Manufacturing	*	40	5	Y
Hesekiah M Kibe	KCB	240	Manufacturing	*	3	1	N
Isanga Saw Mills	BBK	1,700	Agribusiness	C	30	0	Y
Jokasa Industries	BBK	1,000	Manufacturing	A + C	30	1	Y
J. Mbiriri	KCB	540	Agribusiness	A + C	5	*	Y
J.A. Opere	KCFC	3,943	*	*	*	*	
J.E. Gakunga	KCB	300	Agribusiness	*	5	5	Y
J.K. Kamau	KCB	1,500	Service-Transport	A + C	20	0	Y
J.E. Mucheru	KCB	300	Service	A + C	10	1	Y
J.M. Kinyanjui	BBK	1,000	Agribusiness	*	*	*	Y
J.N. Kinuthia	BBK	1,200	*	*	*	*	
J.P. Waweru	BBK	1,800	Agribusiness	A + C	14	12	Y

PROJECT	BANK	RPE LOAN (000's)	ACTIVITY SECTOR	ELIGIBILITY	GENERATED EMPLOYMENT	# OF WOMEN	CBK DRAWDOWN
Kadir's Bakery	ICB	477	Agribusiness	A + C	3	0	Y
Kakusi Limited	KCFC	30,000	Agribusiness	B + C	300	100	Y
Karsan Ramji	KCFC	12,000	Quarry	A	*	*	Y
Kega Industries	ICB	2,325	Manufacturing	C	52	49	N
Kenamin Industries	SCB	8,146	*	*	39	1	N
Kenya Clay Products	SCB	35,000	Manufacturing	A + C	250	9	N
Kenya Marble	KCFC	4,500	Mining & Quarry	C	21	0	
Kenya Vineyard	ICB	4,200	Agribusiness	B + C	30	0	Y
Kenya Veterinary	KCFC	3,850	*	C	35	*	
Kilifi Bakery	BBK	2,000	Agribusiness	A + C	10	1	Y
Kimani Kiiyuru	ICB	145	Agribusiness	C	6	2	Y
Kisumu Banco	SCB	14,000	Manufacturing	*	175	0	
Leather Industries	SCB	15,000	Manufacturing	B + C	30	10	N
Levilla Limited	ICB	4,000	Agribusiness	C	102	15	Y
Magore Ligano	ICB	160	Agribusiness	A + C	3	0	Y
Malaa Industries	KCFC	15,138	Agribusiness	B + C	60	30	Y
Malda Holdings	KCFC	5,500	Tourism	B	*	*	N
Malindi General Engineering	SCB	8,217	Manufacturing	B + C	12	10	Y
Matanicare	BBK	2,000	*	*	*	*	
Mijikenda Butchery	KCFC	2,500	Trade	A + C	*	*	Y
Mirwar Investments	BBK	44,000	Tourism	A + B	70	35	Y
Maciti Engineering	KCFC	15,000	Building & Const.	A	100	*	Y
Mandi Plastics	BBK	20,000	*	*	*	*	
Ngaranda Gachubi	BBK	250	Agribusiness	A + C	12	0	Y
Ngomeni Beach Safaris	ICB	500	Tourism	*	*	*	Y
Ngorongo Tea Factory	ICB	7,500	Agribusiness	B + C	30	0	Y
Ngubia Wanyutu	ICB	300	Agribusiness	A + B + C	12	5	Y
Njeru Nwea	ICB	500	Agribusiness	A + C	14	*	Y
Nyati Plough Contractors	ICB	1,400	Agribusiness	C	6	0	Y
N. Ndigwa	ICB	120	Agribusiness	A + C	2	0	Y
P.G. Ndigwa	ICB	92	Trade (Food)	A	7	3	Y
Premier Food Industries	BBK	4,500	Agribusiness	A + C	100	80	N
Pwani Estates	KCFC	35,000	Tourism	B	120	60	N
Quality Traders & Transporters	KCFC	3,500	Agribusiness	*	*	*	Y
Raymond Woolen Mills	BBK	28,375	Manufacturing	B + C	70	0	Y
Saaba Baraka Bakery	ICB	1,250	Agribusiness	C	7	0	Y
Safari Malakwa	KCFC	670	Tourism	*	*	*	Y
Saj Ceramics Ltd	SCB	45,000	Manufacturing	B	230	40	Y
Sambu & Son	BBK	4,150	Service-Hotel	B + C	46	6	Y
Samuel Muchiri	ICB	800	Service-Hotel	B	30	10	Y
Sacuma Saw Mills	SCB	1,380	Agribusiness	A + C	30	0	Y
Scorpio Elegance	KCFC	2,500	Agribusiness	A + B	35	28	Y
Seed and General	BBK	6,000	*	*	*	*	
Shrunis Plastics	BBK	11,000	*	*	*	*	
Silver Holdings	BBK	24,176	Trade-Hotel	B	140	5	Y
Simba Tiles	KCFC	3,500	Manufacturing	*	*	*	Y
Solomon G Gakunju	ICB	120	Quarry	A	5	0	Y
Someni Industries	BBK	400	Manufacturing	C	8	*	Y
Stanley M Ngungu	ICB	180	Agribusiness	C	5	3	N
Status Dry Cleaners	BBK	1,500	Service	*	*	*	
Steel and Scrap	KCFC	21,800	Manufacturing	*	*	*	
Sun & Sand	KCFC	4,100	Tourism	A + B	36	4	Y
Sunway Bakery	ICB	1,600	Agribusiness	A + C	41	*	Y

PROJECT	BANK	RPE LOAN (000's)	ACTIVITY SECTOR	ELIGIBILITY	GENERATED EMPLOYMENT	# OF WOMEN	CBK DRANDOWN
Tapioca Limited	BBK	1,000	Manufacturing	C	20	*	N
Thika General Workshop	KCB	4,000	Manufacturing	C	6	0	Y
Thika Rubber	KCFC	7,428	Manufacturing	B	12	*	N
Timsales Ltd	BBK	60,000	Agribusiness	A	1120	*	Y
Turi Sawmills	BBK	1,000	Agribusiness	C	*	*	
Ufuta	SCB	18,000	Agribusiness	A + C	47	15	Y
Unlon Textiles	KCFC	8,380	*	*	*	*	Y
Unlited Millers	KCB	36,000	Agribusiness	C	89	9	Y
Vision Dry Cleaners	KCB	1,065	Service	A	5	4	Y
Wareng Enterprises	KCFC	4,318	Manufacturing	*	42	0	N
Waridi Limited	BBK	20,000	*	*	*	*	
Webuye Sisal Mills	KCB	2,000	Agribusiness	A + C	45	15	Y
Willie Michuki	BBK	1,000	Agribusiness	C	100	15	Y
W.W. Muthangani	KCB	625	Agribusiness	A + C	18	10	Y
TOTALS		819,635			5,452	966	

Approved Loan Schedule - Notes

- Abbreviations:
 - BBK = Barclays Bank of Kenya
 - SCB = Standard Chartered Bank
 - KCB = Kenya Commercial Bank
 - KCFC = Kenya Commercial Finance Company
- RPE Loan = total loan amount, USAID and Commercial Bank contribution.
- Eligibility Codes:
 - A = Job Creation
 - B = Foreign Exchange
 - C = Market Development/Agribusiness
- The symbol '*' indicates the estimates were not available.

MONITORING REPORT

INTRODUCTION

During the last quarter of the RPE project, 24 loans were approved by the commercial banks. This was an increase of 26% in loan approvals from the end of last year. In 1990 only 35 loans were approved while 16 loans were made in 1989. The good performance in 1991 is a reflection of the increased understanding of the RPE philosophy by bank managers. The most dramatic increase has been recorded by SCB who had approved 18 loans at the end of the period.

We have requested the banks to confirm that all loans that were booked before 31st March 1991, would not be reversed, unless circumstances beyond the control of the banks made this necessary. We have no basis for doubting the banks' commitment to these projects.

Most of the projects which were approved between 1988 and mid 1990 have been successfully implemented and are performing well. However, a few of these will not perform or will require very close monitoring by the commercial banks. Below, we provide a list of problem loans.

Project	Bank	Loan (amount) (KSh 000s)	Comments
Benjoh Amalgamated	KCB	7,200	The project is under poor management. Current owners are unlikely to succeed. We visited this project on January 22, 1991. Its managers or owners were not present and we were unable to gather adequate information to prepare a detailed report.
Stanley Ngungu	KCB	180	Sub-borrower needs guarantee during the project implementation.
Webuye Sisal Mills Ltd	KCB	2,000	Operations closed, put under receivership.
Thika General Workshop	KCB	4,000	Bank should reappraise the viability of the project.
Vestra Fishmeal	KCB	906	Operations closed. KCB recovering its money.
Nyati Plough Contractors	KCB	1,400	This loan should be foreclosed. Owners have no intention of repaying the bank loan.
Mijikenda Butchery	KCFC	2,500	Funds not used for intended purposes. Loan should be cancelled.

Project	Bank	Loan (amount) (KSh 000s)	Comments
G Gichuru (Turbo Spring Park)	BBK	3,360	Further injection of capital required, plus a good business plan.
Isanga Sawmills	BBK	1,700	Further injection of funds required, owner should increase equity.
J M Kinyanjui	BBK	1,200	Bank should foreclose this loan.
Sambu & Son (Tas Hotel, Kericho)	BBK	4,150	Unless the owner injects more funds in form of equity, the project will fail.
Malindi General Engineering Workshop	SCB	8,217	Potential for non-repayment too high. The bank should do what it can to recover the loan.

EXECUTIVE SUMMARY

A Portfolio Profile

Total number of loans (as of 28th March 1991)	113
Percentage increase from 1st January 1991	26%
Percentage increase from 1st April 1990	100%
Total value of approved loans (USAID + Bank)	KShs 819.6 million
Smallest loan	KShs 92,000
Largest loan	KShs 60 million
Total number of jobs recorded	4,849

Number of loans by range

Site (KShs)	No	Loan amounts (KShs '000)	% of total value
Under - 350,000	19	3,949	0.5%
0.35m - 1m	17	10,907	1.3%
1m(+) - 3m	24	42,270	5.1%
3m(+) - 10m	29	152,056	18.6%
10m(+) - 20m	12	187,138	22.8%
Over 20m	12	423,315	53.1%
	113	819,635	100%

Breakdown by Eligibility Criteria

A	Job creation
B	Forex
C	Market Development

Note: Loans can qualify on basis of more than one criterion.

Breakdown by Sectors

	Number of Loans
Agribusiness	54
Manufacturing	32
Service	11
Tourism - Hotels	11
Mining and quarry	4
Building and construction	1
	113
	===

B Verification of Sub-loan Activity

We have verified that the sub-borrower loan activity as reported by banks has taken place for all loans that had been approved by the banks by 1st March 1991. We received RPE Form 1's for the following loans that were approved in March 1991.

<u>Project Name</u>	<u>Bank</u>
Quality Traders	KCFC
Tropical Veterinary	KCFC
Kenamin Industries	SCB
Kisumu Banco	SCB

C Eligibility Criteria

We have advised the participating banks to reverse loans which have not met RPE conditions as detailed below. All other projects reviewed during the monitoring exercise meet the RPE criteria.

D Loan Reversals

We requested Kenya Commercial Bank to reverse an RPE loan of KShs 400,000 to Apollo Kiarie and instead offer him an overdraft facility. The entire loan amount would have been used to finance working capital as the sub borrower had requested assistance to purchase materials for assembling/posho mills.

We have also instructed KCFC to remove a loan of KShs 671,000 to Safali Nalakwa from the RPE portfolio. The company, which is a travel agency, had been advanced a two year loan to purchase a motor vehicle. During the period BBK reversed a loan to Four Seasons, a tourist hotel project which is located within the municipality of Mombasa.

Jokasa Industries prepaid its loan to BBK.

Incentive Payments

A list of all projects which qualify for incentive payments has been prepared by Central Bank of Kenya. The Bank has been requested to send a copy to USAID and to advise banks on qualifying projects where requests for incentive payments have not been received.

E Feasibility Studies

During the period 1st January to 31st March 1991, the following feasibility studies were completed.

Project name
Highview Farm
J.B. Mwaura
Kamirithu Sawmill

A total of 16 feasibility studies were undertaken during the period. Six of the projects that were reviewed were successful in obtaining RPE loans while seven studies were being reviewed by the banks as of 28th March 1991. Two loans resulting from these applications are likely to be funded by banks through their normal lending activities.

Below is a list of the studies:

Feasibility Studies

		Status
1	Bedi Investments	A
2	Limuru Blocks/Jokasa Industries	A
3	Nyange Sawmills	P
4	Kiganjo Maize Millers	A (Owner declined)
5	Tradewise	R
6	Union Textiles	A
7	Someni Industries	A
8	East African Equipment	P
9	Modern Food Industries	P
10	Kakamega Food Industries	A
11	Pet Containers	R
12	3 Printing Company	R
13	J B Mwaura	P
14	G Mwicigi	P
15	Kamirithu Sawmills	P
16	Taita Overseas Agencies	R

A - Approved
 R - Rejected
 P - Pending, bank was reviewing applications as at 28/3/91

F Loans with Export Component

In this section, we provide a breakdown of loans that have an export component or a considerable import substitution. These loans fall into five broad categories as follows:

Category 1:

Projects which are involved in traditional export - these include coffee and tea factories, sisal mills and coffee roasting facilities:

<u>PROJECT</u>	<u>000's)</u>	<u>RPE LOAN SECTOR</u>	<u>TYPE*</u>
1. Kimani Kiiyuru	145	Agribusiness	A
2. Ngubia Wanyutu	350	Agribusiness	A
3. Apip Farm	300	Agribusiness	A
4. Ngorongo Tea Factory	7,500	Agribusiness	A
5. J Mbinai	540	Agribusiness	A
6. Njeru Mwea	500	Agribusiness	A
7. J K Gakunga	300	Agribusiness	A
8. Webuye Sisal Mills	1,000	Agribusiness	A
9. W W Wathangani	625	Agribusiness	A
10. Kakuzi Limited	30,000	Agribusiness	A
11. C Dorman	7,200	Agribusiness	A
12. E Ngondi	695	Agribusiness	A
13. E R Murango	800	Agribusiness	A
14. Anglo Development Co	15,000	Agribusiness	A
14. E C Njagi	500	Agribusiness	A
Sub-Total	<u>66,455</u>		

Category 2

Companies which will manufacture products which are currently imported
e.g. ceramic tiles:

<u>PROJECT</u>	<u>000's)</u>	RPE LOAN <u>SECTOR</u>	<u>TYPE*</u>
1. Saj Ceramic	5,000	Manufacturing	B
2. Ufuta Ltd	18,000	Agribusiness	B
3. Athi River Mining	30,490	Manufacturing	B
Sub-Total	89,490		

Category 3

Companies manufacturing for export e.g. leather processing:

<u>PROJECT</u>	<u>000's)</u>	RPE LOAN <u>SECTOR</u>	<u>TYPE*</u>
1. Leather Industries	15,000	Manufacturing	C
2. Bedi Investments	33,000	Manufacturing	C
3. Raymond W. Mills	28,375	Manufacturing	C
Sub-Total	76,375		

Category 4

Horticulture:

<u>PROJECT</u>	<u>000's)</u>	RPE LOAN <u>SECTOR</u>	<u>TYPE*</u>
1. Gatoka Limited	7,000	Agribusiness	F
2. Aggrey Wahome	6,000	Agribusiness	F
3. Scorpio Elegance	2,500	Agribusiness	F
4. Malaa Industries	15,138	Agribusiness	F
5. Benjoh Amalganated	7,200	Agribusiness	F
6. Kenya Vineyard	4,200	Agribusiness	F
7. Warindi Limited	20,000	Agribusiness	F
Sub-Total	62,038		

Category 5

Hotels which cater for the foreign tourist:

<u>PROJECT</u>	<u>000's)</u>	<u>RPE LOAN SECTOR</u>	<u>TYPE*</u>
1. Mada Holdings	5,500	Hotel	H
2. G G Gichoru	3,360	Hotel	H
3. Samuel Muchiri	800	Hotel	H
4. Miramar Investments	44,000	Hotel	H
5. Challa Holdings	4,000	Hotel	H
6. Sun & Sand	4,100	Hotel	H
7. Pwani Estate	35,000	Hotel	H
8. Silver Holdings	24,176	Hotel	H
9. Sambu & Sons	4,150	Hotel	H
10. Ngomeni Beach Safaris	500	Hotel	H
Sub-total	125,586		
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Total	423,944		
	=====		

Loans in these categories comprise 336% of the total number of loans. In terms of value, they take up 51.7% of the RPE portfolio.

*Key

A =	Export - coffee, tea, sisal
B =	Import substitution
C =	Export - manufacturing
F =	Export - floriculture, flowers, french beans
H =	Hotel - tourism.

H BASE LINE DATA - Sub borrowers Questionnaire

We designed questionnaires to be completed by sub borrowers that were aimed at capturing a wide range of data. The information requested included size and type of enterprise, sales turnover, export volumes, number and categories of staff employed. The questionnaire was reviewed and approved by USAID and a copy is attached in Appendix 1.

We sent questionnaires to all sub borrowers whose loans had been approved by the commercial banks by 21st February 1990. A total of 100 questionnaires were sent out. However, by 31st March 1991, only 33 forms had been received by the RPE Management Unit. On 5th May, we sent a letter to bank managers and requested them to contact those sub borrowers who had not returned their forms and asked them to assist us in ensuring that forms had been received and would be filled and returned.

To date, we have received completed forms from 53 sub borrowers or 53% of the total sent out. Tabulated data from the questionnaires is presented in Appendix 2.

The information from the base line data questionnaire is presented as follows:

- Report 1: Provides details of project loan size, district, address and names of owners.
- Report 2: Provides a breakdown of the types of businesses and a list of products and includes names of products which are exported.
- Report 3: Shows annual sales, total assets of the project and employment by gender.
- Report 4: Provides a breakdown of the types of employees.
- Report 5: Shows loan size, total assets and number of employees by project.

We have forwarded copies of the completed questionnaires to USAID.

Many sub borrowers appear to have had difficulties in completing the forms and we have identified certain inconsistencies in employment data sales volumes and total assets. For detailed analysis of relationships between various project parameters, a further clarification of the data provided will be required from most of the sub borrowers.

G Detailed Project Report

The rest of this report contains details on 50 projects which were visited during the monitoring exercise. We also visited Benjoh Amalgamated in Njambini South Kinangop and Agro Development Company in Taveta. In both cases, we did not meet the Chief Executives and were unable to gather adequate information to prepare detailed reports.

TABLE OF CONTENT

I DETAILED PROJECTS REPORT

1. Apollo Kiarie
2. Agrip Farm
3. AIC Kijabe Printing Press
4. Athi River Mining Limited
5. Bedi Investments Limited
6. Bernard Gathu Ngunju
7. Careful Construction
8. Challa Holdings
9. Dagimu Investments
10. E. Cornelius Njagi
11. E.N. Kariuki
12. Equator Beach Village, Pwani Estate
13. F M Giathi
14. G.G Gichoru
15. Galana Bakery
16. Gatoka Limited
17. Hezekiah M Kibe
18. Isanga Sawmills Limited
19. J K Gakunga
20. J M Kinyanjui
21. J P Waweru
22. Kadir's Bakery
23. Kenya Clay Products Limited
24. Kilifi Bakery

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25. Leather Industries of Kenya Limited
26. Levilla Limited
27. Mada Holdings
28. Malindi General Engineering Works Ltd
29. Mijikenda Butchery
30. Miramar Investments, Le Soleil Hotel
31. Naciti Engineering
32. Ngubia Wanyutu
33. Nyati Plough Contractors
34. Noah Ndwiga
35. P G Ndigwa
36. Premier Food Industries Limited
37. Safari Nalakwa
38. Saj Ceramics Limited
39. Sambu & Son
40. Samuel Muchiri
41. Sasumua Saw Mills
42. Scorpio Elegance Limited
43. Silver Holdings - Blue Post Hotel
44. **Simba Tiles**
45. **Stanley M Ngungu**
46. Tapioka Limited
47. Thika General Workshop
48. Vision Dry Cleaners
49. Wareng Enterprises
50. Willie Michuki

PROJECT : Apollo Kiarie
LOCATION : Nakuru
SUB-BORROWER : Apollo Kiarie
BANK/BRANCH : KCB - Nakuru DATE: 23/1/91
MANAGER : Julius K Kibor VISIT NO: 1

PROJECT DESCRIPTION

The project is a small workshop which was set up to fabricate and recondition posho mills and germ separators.

SITE VISIT

We visited the site in the company of a credit officer from the bank. This is an impressive project which meets funding criteria under the RPE project in that it is a small scale project and has a great potential for generating rural income and employment.

The workshop was established in 1987 and operates under the name of Mobile Welders Service. Currently it employs 9 people and has a turnover of about KSh 150,000 per month.

Mr Kiarie, the sponsor of the project normally purchases old posho mills which he then refurbishes and points them. Occasionally, he assembles new ones. He operates from a rented out door space which has a temporary office and a store.

COMMENTS AND ISSUES

A loan of KSh 400,000 has been approved by KCB. This loan will be used to purchase new parts and frames to fabricate and recondition seven posho mills. The units will be completed and sold over the next 12 months. Strictly speaking, the loan has been provided to finance working capital and it is therefore ineligible for funding under the RPE term and conditions. In addition, we consider the financing plan to be unsatisfactory as it does not provide Mr Kiarie with an opportunity to sustain growth in his operations.

We have discussed the issue with the bank, and we have recommended that Mr Kiarie be provided with an overdraft facility. He should be assisted in buying additional tools and machinery or acquisition of better premises using a longer term. The bank has agreed to our recommendation, and the loan has therefore been removed from the RPE portfolio.

PROJECT : Agip Farm Limited
LOCATION : Thika
SUB-BORROWER : George Thuo
BANK AND BRANCH : KCB - Thika DATE: 15/1/91
BRANCH MANAGER : P G Kungu VISIT NO: 3

PROJECT DESCRIPTION

The project involves development of a 30 acre coffee farm which will include the construction of a two disc coffee factory.

ACTUAL COSTS TO DATE

The factory, store and drying trays have been constructed. A tractor and a sprayer have been purchased. In addition, water pipes have been laid out and electricity has been installed.

The approved loan of KSh 350,000 has been fully disbursed and the following expenditure has been incurred to date.

	KSh'000
Tractor	120
Galvanised pipes	36
Sprayer	80
Drying trays	130
Coffee store/water tank	150
Electricity installation	110
	—
	626
	===

Mr Thuo, the sponsor of the project, has contributed KSh 276,000 to date and is expected to finance the pulping machine estimated at KSh 120,000. He is reluctant to seek additional financing from the bank and will finance cost overruns and working capital with his own money.

SITE VISIT

Due to the current crisis in the coffee industry, Mr Thuo has paid little attention to the coffee plantation. He considers the coffee proceeds to be insufficient to cover his costs.

Mr Thuo operates a dairy cattle farm. He hopes that it will generate enough income to enable him to service the loan until the coffee prices improve. We do not anticipate that there will be a repayment problem on this loan.

The USAID dollar value of loan is US\$ 10,748 at an exchange rate of 1 US\$ = KSh 21.71.

PROJECT : AIC Kijabe Printing Press
 LOCATION : Kijabe
 SUB-BORROWER : AIC Kijabe Printing Press
 BANK AND BRANCH : KCB - Githunguri DATE: 16/1/91
 BRANCH MANAGER : Mr Mwangi VISIT NO: 1

PROJECT DESCRIPTION

The project involves expansion of a middle sized printing press. AIC Printing Press prints books, magazines, tracts, song-books, hymnals, invitation cards and other materials, it operates as a commercial, profit making entity.

PROJECT COST AND FINANCING PLAN

The cost of the project is KSh 4.46 million broken down as follows:

Item	Cost KSh		Financing KSh
Machinery	4,260,000	RPE-USAID	2,000,000
Working capital	200,000	Bank	1,000,000
		Owner	1,260,000
		Bank O/D	200,000
Total	4,460,000 =====		4,460,000 =====

PROCUREMENT

The project is fully operational and the following machinery has been installed.

Item	Cost KSh	Source and origin
Electronic Phototypesetter	650,000	West Germany
Stahl Paper Folding Machine	660,000	▪
Heidelberg offset Press	1,715,000	▪
High Speed Guillotine	560,000	▪
Glue Binder	675,000	UK
Total	4,260,000 =====	

SITE VISIT

The project is situated in Kijabe town among the AIC complex comprising the Kijabe Hospital, Bible College and Kijabe High. The press is fully operational and operates on well established systems. The financial systems seem reliable and the company has a resident accountant.

No problems are foreseen for this project which is doing well.

DEVELOPMENT IMPACT

In addition to job creation, this project will contribute towards the country's goal of increasing the level of literacy. The Press prints community based publications for the rural people.

ELIGIBILITY

Although the project is sponsored by a church organisation, it qualifies for RPE assistance as it is set up as a profit making enterprise. Its services extend beyond the church or religious materials. It qualified for funding under the job creation criterion. Before the expansion, AIC Printing Press employed 32 employees. Currently, it employs 55, an increase of 23 jobs. In addition it has taken on 4 trainees.

COMMENTS AND ISSUES

This project has performed extremely well. Sales have increased by 23% between 1989 to 1990 from KSh 6.8m to 8.36 m. The average monthly sales for 1991 are projected at KShs 650,000 with an expected annual profit of KSh 1.04 million.

The company has expanded too rapidly and its current level of sales are probably where they had been anticipated to be by 1996. This growth has not been matched with an equivalent development in its human resources. AIC requires an appraisal of its management structure and an analysis of its training needs to ensure that it has management team that will sustain this growth. DH&S received request for assistance to review the organisation under the RPE project towards the end of March 1991. However, it was too late to undertake the assignment under the RPE project. AIC should ensure that its structure is reviewed as a matter of urgency.

The USAID portion of the loan was US\$ 108.108 at the exchange rate of 1US \$ = 18.50.

PROJECT : Athi River Mining Limited
 LOCATION : Athi River
 SUB-BORROWER : Athi River Mining Limited
 BANK/BRANCH : KCFC - Nairobi DATE: 25/1/91
 ACCOUNT OFFICER : I Khasiani VISIT NO: 2

PROJECT DESCRIPTION

The project is an expansion of a marble and industrial minerals processing plan. It has three components as follows:

- . expansion of a granite processing facility
- . upgrading of an activated bleaching earth processing plant
- . expansion of a mineral grinding operation which processes ultra fine mineral powder.

PROJECT COST AND FINANCING PLAN

The cost of the project was originally estimated at KSh 40.66 million which was financed as follows:

	(KSh '000s)
RPE	26,490
Bank non-RPE	8,000
Owners	6,170
	40,660
	=====

The RPE loan was to pay for offshore procurement of equipment.

The project however experienced considerable delays, mainly caused by errors in opening letters of credit. As a result, there were huge cost overruns which had not been provided for. Subsequently, KCFC approved an additional RPE loan of KSh 4 million in order to bridge the financing gap.

The project was also originally underfinanced. The loan has been used to buy equipment for two plants instead of three as in the original proposal. Actual costs are as follows:

Item	Actual Cost (KSh m)	Original Estimate (KSh m)
Granite line	14.5	7.4
Ultra fine plant	12.5	9.5
Opening of LCs, clearing and forwarding	2.0	NIL
	29.0	
Balance	1.49	
	30.49	
	=====	
Total	30.49	
	=====	

The balance was inadequate to purchase a bleaching earth plant, estimated at KSh 9.5 million.

SITE VISIT

At the time of our visit, modification of existing buildings to accommodate new machinery had been completed. The granite cutting machine had been installed and was awaiting the arrival of a polishing line before being put into full operation. We were informed that this had been procured and was in transit. In addition, the ultra fine plant had already arrived into the country and was awaiting to be cleared.

The company has mainly used its own resources, and with some innovation, has fabricated a small bleaching earth plant at an estimated cost of KSh 2 million.

There are several other activities which are being undertaken by the company on the site which are not part of the RPE project. They include the establishment of a sodium silicate plant at a cost of KSh 6 million.

OFF-SHORE PROCUREMENT

The bank did give the company clear instructions on procedures for the opening of LCs. Some were properly processed while others were not routed through the right channels in accordance with the RPE guidelines. As a result, LCs worth KSh 10 million have been settled off-shore while the rest are pending. To resolve this, we suggested that all re-imbursments to KCFC for LCs which have not been settled be made locally.

COMMENTS AND ISSUES

This sub-borrower was particularly unhappy with the off-shore procurement arrangements. We interviewed Mr P Paurana, one of the directors of the company who found management of the programme inefficient in terms of co-ordination between banks and USAID. He felt that the off-shore procurement documentation was unnecessarily cumbersome and attributes cost overruns to these procedures.

Mr Paurana says that in retrospect he could have found better sources of money in the market and certainly he would not have used RPE funds, had he known of the problems before hand. The sub-borrower also complained about the changes in interest rates as he had opted for RPE funds because of subsidised interest rates.

The sentiments expressed by Mr Paurana supports our findings that off-shore procurement procedures under the RPE project were viewed to be cumbersome and that the bigger borrowers could have found alternative funding for their projects.

At the end of the RPE project, reimbursement from CBK to KCB/KCFC had not been made and the issue of offshore procurement and settlement had not been resolved.

PROJECT : Bedi Investments Limited
LOCATION : Nakuru
SUB-BORROWER : Bedi Investments Limited
BANK/BRANCH : BBK - Queensway DATE: 23/1/91
MANAGER : N/A VISIT NO: 3

PROJECT BACKGROUND

The project is an expansion of a textile factory in Nakuru.

The financing plan for this project has been revised three times. Our records show that Bedi Investments have an RPE Loan of KSh 33,474 million to date. This is part of a larger financing package of KSh 82.8 million that has been approved for the company by BBK.

SITE VISIT

The project is fully implemented. Currently it employs 550 people, an increase of 375 from 175 before the expansion. The 1990 turnover was KSh 150 million and is expected to increase to KSh 180 million this year. About 20% of the output is currently being exported.

Through RPE, technical assistance was provided in areas of marketing and production planning by IESC. In addition, DH&S reviewed the accounting controls of the company. The assistance has provided Bedi with a basis for developing the necessary management capability to handle its planned growth.

COMMENTS

We do not anticipate that the project will have any major problems in the future. It is likely to increase its export sales within the PTA region to over 30% in the next two years provided that its quality of garments is improved and a marketing strategy, which was recommended by Jack Hill, an IESC Volunteer Executive, is implemented.

This project has received considerable technical assistance from the RPE project. The management of the Bedi was aware of and keen to exploit the opportunities afforded by USAID. This contrasts sharply with many of the smaller entrepreneurs who had to be persuaded to make use of the facilities. The smaller borrowers will need to be assisted to understand the benefits of technical assistance in spite of the fact that they need it more than that companies such as Bedi Investments.

The USAID portion of the loan was US\$ 1,460,818 at the exchange rate of 1US \$ = KShs 22.23.

PROJECT : Bernard Gatu Ngunju
LOCATION : Kiambaa - Kiambu
SUB-BORROWER : Bernard Gatu Ngunju
BANK/BRANCH : KCFC - Nairobi DATE:
MANAGER : I Khasiani VISIT NO: 2

PROJECT DESCRIPTION

This is an agri-business. It is an establishment of a new sawmill in Kiambaa in Kiambu District.

PROJECT COST AND FINANCING PLAN

The total cost of project was estimated at 2.7 million to be financed through an RPE loan of 1.5 million and owner contribution of 1.2 million.

SITE VISIT

In our last monitoring report, we reported the implementation of the project to have been progressing on schedule. The shed has been completed and all the major pieces of machinery have been installed. Electrification has also been done at a cost of KSh 318,000.

By the time of our visit, the mill had not started operation although test runs had been conducted. After the test runs, the local administration stopped the operation of the sawmill arguing that the dust emitted was a health hazard to the local residents. This is a reasonable concern and we have asked the sponsor to ensure that his yard is fully enclosed to contain the dust within his premises. We have also advised the sponsor to obtain necessary public health safety clearances and to ensure that he has the required operating licences. The project, however, may have other underlying problems. The owner has just broken off a partnership in a nearby sawmill, and the intense rivalry that may ensue will have negative effects on the profitability of the project.

ACTION PLANS

We advised the bank officer from KCFC to ensure that before all the funds are fully disbursed, all the operating licences are obtained by the sponsor.

Since our visit, we have been informed that the sponsor has been given clearance from the local administration and has obtained permission to restart the mill.

Unless the borrower handles the competition from his previous partners with tact, he is likely to fail and we have suggested that the bank officer responsible for administering this loan should assist Mr Ngunju in developing an appropriate strategy for reacting to the competition.

PROJECT : Challa Holdings Limited
LOCATION : Taveta
SUB-BORROWER : Challa Holdings Limited
BANK/BRANCH : KCFC - Mombasa DATE: 1/2/91
MANAGER : S Ngangu VISIT NO: 1

PROJECT DESCRIPTION

This is a 38-bed hotel project located in the border town of Taveta, two kilometres from the Tanzania border and at the foot of Mt Kilimanjaro. Challa Hotel is intended to provide a stop-over for tourists between Kenya and Tanzania. Taveta is a gateway to Mt Kilimanjaro, Lake Jupe, Tsavo East and West National Parks and the Mzima Springs.

PROJECT COSTS AND FINANCING

The total cost of the project is KSh 5.2 million. Before applying for the RPE loan, the sub-borrower had started the construction and had spent KSh 1.3 million. A loan of KSh 4 million was sought and approved for completing the building, for purchasing kitchen equipment and furniture. The loan, and part of owner contribution, has been utilised as follows:

Item	Amount (KSh '000s)
Building	
Finishes	1,500
Plumbing	550
Electrical wires	500
Kitchen equipment	250
Furniture	750
Freezers and fridges	200
Cutlery & Crockery	350
	<hr/>
	4,100
	=====

OWNERSHIP AND MANAGEMENT

The Challa Holdings is a family business but registered as a limited liability company. The directors of the company are:

Mr Z K Nderu	- Chairman
Mr Hudson Nderu	- Managing Director of Challa Hotel
Mrs M W Nderu	- Director - Challa Hotel.

The hotel has an able and experienced management team. Mr Z K Nderu has interests in other hotels including the Lotus Hotel in Mombasa and Hotel Waterbuck in Nakuru. The Managing Director has previous hotel experience. The hotel has also employed a manager, who is a graduate of Utalii College.

DEVELOPMENT IMPACT

The hotel will cater for the tourist market and is therefore expected to generate foreign exchange. The location is ideal as a stop over point for up market tourists and is also likely to attract overnight tourists on budget packages.

The hotel will create 50 new jobs and will provide an opportunity for the local farmers to produce and sell such items as vegetables and potatoes and other items.

ELIGIBILITY CRITERIA

The project qualifies for RPE funding under the foreign exchange generation criterion.

SITE VISIT

The project has been fully implemented although there were a few touch up jobs which were being done on the building. The hotel opened to guests in December 1990 and a number of tourists have made stop-over visits on their way to Mt Kilimanjaro. Currently, it employs 26 people and is expected to employ 50 by the end of 1991.

COMMENTS AND ISSUES

The hotel is under able management and should perform well. To achieve its targetted level of sales, however, a good marketing strategy must be developed.

The USAID portion of the loan was US\$ 109,785 at the exchange rate of 1 US\$ = KShs 24.29.

PROJECT : Dagimu Investments
LOCATION : Kikuyu
SUB-BORROWER : D G Muigai
BANK AND BRANCH : KCFC - Nairobi DATE: 21/1/91
BRANCH MANAGER : I Khasiani VISIT NO: 2

PROJECT DESCRIPTION

The project involves establishment of a block making plant at Kikuyu town. Key activities include construction of a storage shed, sinking of a water borehole, installation of electricity and fencing of the site.

COST AND FINANCING PLAN

The cost of the project was estimated at KSh 5.05 million to be financed through an RPE loan of KSh 3.52 million and an owner contribution of KSh 1.53 million (see previous report for breakdown of costs).

DIRECT MANAGEMENT ASSISTANCE - ACCOUNTING SYSTEM

A simple accounting system was introduced into the company in August 1990 by DH&S. It was aimed at enabling the owner to obtain timely financial information. The areas covered were basically sales, debtors, purchases and creditors. Basic ledgers were introduced and a follow up made to ensure proper implementation.

According to Cecilia Gathoni, the accounts clerk, mistakes are occasionally made and reconciling accounts becomes difficult. Examples are:-

- payments and receipts made or received directly by the owner which are not supported by invoices or receipts.
- occasionally goods are sold without proper documentation, making it difficult to update stock records.
- Counter personnel enter credit sales in the cash sales books.
- receipts not issued when debtors settle their accounts.

The system enables the sponsor to:

- establish sales and purchase levels on a daily basis;
- analyse the debtors and creditors position;
- manage stock levels.

When the staff become familiar with the current system it will be possible to introduce additional sub-systems such as payroll and the general ledger.

ISSUES AND COMMENTS

- . The project is expected to perform well because it has able management.
- . Two members of staff attended the RPE sub-borrowers course.
- . The dollar value of the USAID portion of the loan was US\$ 102,879 at an exchange rate of 1 US\$ = KSh 22.81.

PROJECT : Ephraim Cornelius Njagi
LOCATION : Kirigi - Embu
SUB-BORROWER : Ephraim Njagi
BANK/BRANCH : KCB - Embu DATE: 1/3/91
ACCOUNT MANAGER : Mr F N Wanyoike VISIT NO: 3

PROJECT DESCRIPTION

This is an installation of a coffee processing facility on a small scale farm.

SITE VISIT

As reported after our previous visit, the implementation of the project has progressed satisfactorily. The two-disc coffee processing plant has been installed and is fully operational. This project is successful and loan repayments are being made promptly.

To construct and equip the factory, an RPE loan of KSh 500,000 was provided. The dollar value of the USAID portion of the loan is US\$ 15,354 at the exchange rate of 1 US\$ = KSh 21.71.

PROJECT : E N Kariuki
LOCATION : Njoro
SUB-BORROWER : Njau Kariuki
BANK/BRANCH : KCB-Nakuru DATE: 23/1/91
MANAGER : J K Kibor VISIT NO: 1

PROJECT DESCRIPTION

This is an expansion of a small scale cement tile manufacturing plant in Njoro. It operates under the name Evantile Limited. An RPE loan of KSh 400,000 has been provided to enable the project sponsor to acquire equipment for the expanded plant.

COSTS AND FINANCING PLAN

A number of new pieces of equipment will be added to old and very basic equipment which is currently being used. This equipment will cost KSh 260,000. The balance of the RPE loan will be used towards the cost of raw materials as indicated in the list below:

Item	Cost KSh	Source
Machinery		
Mixer	115,000	Kenya
Pump	20,000	Kenya
Trailer	70,000	Kenya
Water tank	30,000	Kenya
Vibrating machine	25,000	Kenya
	<hr/>	
	260,000	
Raw materials		
Cement & sand	100,000	
Colourings	20,000	
Sisal fibre	20,000	
	<hr/>	
	140,000	

OWNERSHIP AND MANAGEMENT

The sponsor of the project, Mr Njau Kariuki, is an owner manager of Evantile Limited. He founded the company in 1990 and towards the end of the year he achieved average monthly sales of KSh 32,000.

The process of making the tiles is simple, and Mr Kariuki has the necessary experience to undertake the task given that his first months of production have been successful. We do not anticipate that he will experience any production problems.

ELIGIBILITY CRITERIA

The project qualifies for RPE funding under the job creation criteria. The project was started in August 1990 and by the time of our visit it had employed seven people. After full implementation, it will employ 11 people.

DEVELOPMENT IMPACT

Job creation and wider availability of building materials made from local inputs.

SITE VISIT

During our visit to the site, we were accompanied by the manager of KCB, Nakuru Branch.

The loan had not been fully disbursed and the process of purchasing equipment was at early stage. Enquiries had been made to Gailey & Roberts, one of the firms which supply the proposed type of equipment.

Production using the old equipment is going on, and it is projected that sales will increase from the current level of KSh 32,000 to KSh 80,000 per month after the installation of new equipment.

The project will be able to achieve its sales target as several orders to supply tiles have been received in the last few weeks.

The USAID portion of the loan is US\$ 11,691 at the exchange of 1US\$ = KShs 22.81.

PROJECT : Equator Beach Village, Pwani Estate
 LOCATION : Mtwapa Beach, Kilifi District
 SUB-BORROWER : Pwani Estates Ltd
 BANK/BRANCH : KCFC, Mombasa DATE: 28 & 29.1.91
 MANAGERS : S Nganga VISIT NO: 1
 Mr Pandya (KCB Regional Manager)

PROJECT DESCRIPTION

Equator Beach Village, presently under construction, is planned to be a 63 room 2-3 star hotel on Mtwapa Beach, Kilifi District, about 30 kilometres north of Mombasa. The hotel is designed to be attractive to European tourists during the high tourist season and local tourists during the low season. The design is inspired by traditional swahili architecture using local building materials such as coral blocks, makuti thatched roofing, boriti poles and galana stones.

PROJECT COST AND FINANCING PLAN

The construction cost including the cost of land is estimated to be KSh 60 million and is made up as follows:

	<u>KSh (million)</u>
Land	5.6
Buildings, swimming pool, infrastructure	50.0
Furniture, fitting and equipment	2.4
Crockery, cutlery and linen	0.9
Motor vehicles	1.1
	———
Total	60.0

Financing of the project is as follows:

	<u>KSh (million)</u>
Share capital (owners)	5.0
Shareholders loans (unsecured and interest free)	20.0
RPE term loan - USAID	23.3
- KCFC	11.7
	———
Total	60.0

The owner's contribution is therefore KSh 25 million or 42% of the total cost. The contribution has already been expended towards the construction of the hotel.

The size of the loan required approval from USAID, Nairobi. Approval was given in a USAID letter to KCFC on 4 December 1990.

The USAID portion of the loan was \$916,110 at an exchange rate at the time of disbursement of \$ 1 = KSh 25.47.

SUB-BORROWER PROFILE

Equator Beach Village is sponsored by Pwani Estates Limited . The directors are Mr J S Kandhari and Mr Imdar Jit Twala. Both are Kenyan citizens and are therefore eligible for borrowing under the RPE terms and conditions. Mr Kandhari, director of several successful hotels which include The Blue Marlin Hotel, The Lawfords Hotels in Malindi and Castle Hotel in Mombasa, is experienced in the hotel business.

The hotel will be managed by a management company, Crestotel Limited an organisation which is experienced in managing hotels.

PROCUREMENT

All construction materials and equipment are being procured locally. Lack of funds has delayed the rate of procurement. Several different contractors have been employed.

ELIGIBILITY CRITERIA

The hotel is located in a rural area and qualifies for RPE funding as a potential foreign exchange earner.

DEVELOPMENT IMPACT

It is projected that 120 permanent jobs will be created in the hotel itself. In addition, there are construction workers employed in the building phase, and jobs will be created in farming and fishing, as food is needed for hotel restaurants. Finally, sports activities such as Big Game fishing will also employ a number of people from the area.

SITE VISIT

Because of a misunderstanding between the KCFC Manager and the management of Pwani Estates, no one in a position of responsibility was present during our site visit. Building was in progress. We met a foreman of one of the construction companies at the site and were told that building was behind schedule because of lack of funds. The hotel is scheduled to be finished by December 1991.

The next day a meeting was arranged with two of the directors, J S Kandhar and Imdar Jit Twala, Pwani Estates senior accountant and Mr Nitin Pandya, whose company had carried out a feasibility study for the project. On the basis of the study, KCFC believed that the hotel would be profitable.

The directors, all experienced hoteliers, have made a sizeable investment from their own resources prior to applying for the RPE loan. They confirmed that the hotel should be ready to open its doors by the end of the year. The RPE loan will be used primarily for furniture and other equipment at the last stages of completion.

Alfreda Brewer, USAID/Kenya Private Enterprises office, participated in the visit on January 28, 1991.

COMMENTS, ISSUES AND ACTION POINTS

The delay in finishing the hotel may be a blessing in disguise, given the decline in international tourism from the current world recession and the Gulf war. By the time the hotel opens, the worst effects may be over.

PROJECT : F M Giathi
LOCATION : Limuru - Kiambu
SUB-BORROWER : F M Giathi
BANK/BRANCH : KCB - Kiambu DATE: 18/1/91
MANAGER : Mr Kamau VISIT NO: 1

PROJECT DESCRIPTION

This is an establishment of a small metal workshop in Limuru town. An RPE loan of KSh 275,000 has been provided to construct a shed and to purchase tools and welding equipment. The workshop will fabricate door and window frames and other metal based household items. In addition, it will be used for repairing and welding jobs.

SITE VISIT

During our visit to the site, we were accompanied by a bank officer from the branch. The sponsor did not show up and we were therefore unable to obtain enough information to draw objective conclusions on the performance of the project.

The construction of the shed has been completed although the floor is poorly done and will need to be improved. We identified a few tools which were at the sight. Welding gas cylinders had been purchased and some welding jobs were being carried out.

The sponsor of the project, Mr F Giathi has employed 2 full time people in the workshop but they did not seem to know what their jobs were and we got the impression that Mr Giathi has not organised the project properly. We were made to understand that he has another full time job in Nairobi and the workshop was a side businesses.

The bank should keep very close to this loan to ensure that the operations take off. Mr Giathi should be advised to devote more time to the project, especially in the initial implementation stages.

PROJECT : G G Gichuru - Spring Park Hotel - Turbo
LOCATION : Turbo
SUB-BORROWER : G G Gichuru
BANK/BRANCH : BBK -Eldoret DATE: 12/2/91
MANAGER'S ASSISTANT : W J Muhira VISIT NO: 4

PROJECT DESCRIPTION

This is a wayside hotel in Turbo near Eldoret. As reported in previous monitoring reports, the project has been characterised by cost overruns from its early stages of implementation.

SITE VISIT

Project implementation is still incomplete. During the time of our visit, the floor of the main building was being completed, and painting of walls was under way. The sponsor has not yet engaged qualified designers to assist him in making sure that final touches to the building are of good quality or to landscape as had been recommended previously. This matter should be given serious consideration by the sponsor, even at this late stage of project implementation.

Parts of the project are completed. The outside restaurant/kitchen is open, and one wing of the guest houses is being utilised and has a 30% occupancy rate.

The construction of the main building was expected to be completed by the end of February. A lot, however, of work still remains to be done to polish it up. The project has no money and the sponsor should be encouraged to inject more funds by way of equity rather than credit.

The daily sales from food and accommodation are between KSh 3,000 and KSh 4,000 per day. To be able to meet loan principle and interest repayment, the project should attain daily sales of at least KSh 12,000. The loan repayment has been rescheduled to begin in January 1992 and we have advised the sponsor that if the hotel has achieved daily sales of KShs 12,000 by then the project will not generate enough revenue to service the loan.

The value of the USAID portion of the loan was US\$ 98,203 at an exchange rate of 1US\$ = KShs 22.81.

PROJECT : J P Waweru
 LOCATION : Nakuru
 SUB-BORROWER : John Peter Waweru
 BANK/BRANCH : BBK - Nakuru DATE: 23/1/91
 MANAGER : I M Chanzu VISIT NO: 2

PROJECT DESCRIPTION

This is a posho mill project located in Nakuru town. It has a capacity of milling 36 tonnes of maize meal in a 24 hour continuous production period.

PROJECT COST AND FINANCING PLAN

We reported the cost of the project to be KSh 2.9 million in our previous report. This excludes a working capital provision of KSh 200,000 raising the total cost to KSh 3.1 million. The project is financed through an RPE bank loan of KSh 1.6 million, an OD facility of KSh 200,000 and an owner contribution of KSh 1.1 million, leaving a shortfall of KSh 200,000 as shown below.

Item	Cost (KSh '000's)	Financing (KSh '000's)	
Building	1,700	RPE loan	1,600
Power installation	240	Bank OD	200
Machinery	450	Owners	<u>1,100</u>
Electrical gear	150		2,900
Vehicles	360	Shortfall	200
Working capital	200		
	<hr/>		
Total	3,100	Total	<hr/> 3,100

The sponsor has attempted to bridge the financing gap by ploughing back profits into the business and has built up stocks of maize. He has, however, fallen into arrears as he cannot buy stocks and meet loan interest repayments from the income being generated by the business.

DEVELOPMENT IMPACT

The project will generate fourteen needy jobs and will provide a market for local maize farmers.

ISSUE, COMMENTS AND ACTION POINTS

In our previous monitoring report we pointed out that the project would experience severe problems if the major issues that we raised were not addressed by the sponsor and the bank.

Some progress has been made towards increasing the sales of Jasho Flour Mills. Average monthly sales have risen to just over KSh 200,000. Production averages 800 bags of maize per month at present. This is however, below the break-even point of 1100 bags or sales of KSh 310,000 per month.

The major problem is unavailability capital. A solution to this problem is critical to the success of the project. These are currently severe cash flow problems which will persist unless the sponsor injects more money to reverse the position or the bank extends the existing credit arrangements.

We have been informed by the bank manager that the sponsor is in arrears in loan principle and interest repayments and that he has exceeded his overdraft facility by KSh 300,000. We were also informed that the bank is likely to conclude that this is a non-performing loan, which on the face of it is an appropriate conclusion. We, however, consider that the position could be reversed.

The RPE Management Unit has made an appeal to the manager of the small business unit of BBK to review the circumstances surrounding the performance of the project, to review its future viability and to recommend appropriate remedies to improve performance. The sponsor has contributed a substantial amount of money to the project, and he has the potential to succeed. We also recommend that the loan be rescheduled, and the grace period be extended from 6 months to 2 years.

The value USAID portion of the loan is US\$ 52,609 at the exchange rate of 1US\$ 1 = KShs 22.81.

PROJECT : Galana Bakery
 LOCATION : Malindi
 SUB-BORROWER : Shariff Hasan Alwi
 BANK/BRANCH : KCFC, Mombasa DATE: 30.1.91
 MANAGERS : S Nganga VISIT NO: 2
 Mr Pandya (KCB Regional Manager)

PROJECT DESCRIPTION

Galana Bakery is a modern bakery now employing 50 people, working in three shifts and presently producing 7000 loaves a day, up from 4000 half a year ago. Expansion into an adjoining building is being planned. The RPE loan was provided for the procurement of equipment.

SUB-BORROWER PROFILE

Shariff Alwi is an elderly man with an instinctive business sense. His education has been in Arabic, and he keeps the accounts in Arabic. He has two wives and 10 children. We are told that his home is a masterpiece of Arabic and Swahili architecture and furnishing.

Although he had no bakery experience, he has had years of business experience. He was inspired to open the bakery by his brothers in Tanzania, who own a bakery there.

Shariff Alwi's nephew, who had returned to Kenya from Kuwait because of the Gulf War is now doing the accounts. He is a form six graduate who has studied accounting. He speaks English.

PROJECT COST AND FINANCING PLAN

	<u>Cost (000's)</u>	<u>Financing</u>	
Machinery	1,366	USAID RPE	933
Crates	300	Bank RPE	467
Working capital	400	Owners	666
	-----		-----
	2,066		2,066

Shariff Alwi is planning to buy a smaller, additional oven from his own funds.

The dollar value of the loan is \$42,991 at an exchange rate at the time of purchase of \$1 = K.Sh 21.71. The loan was disbursed in May 1990.

PROCUREMENT

See sixth Monitoring Report for project cost and financing plans.

ELIGIBILITY CRITERIA

Agri-business, employment creation.

DEVELOPMENT IMPACT

Galana Bakery seems to be replacing the bread previously brought in from Mombasa and Kilifi and supplying a product that has at times been in short supply.

As a Muslim using bank credit facilities, Shariff Alwi is a role model for the future in the community.

SITE VISIT

It was satisfying to visit this well run business and taste the high quality bread that is baked there. Expansion is being planned including using the next door facilities to enlarge the capacity of the bakery and open a retail shop.

Alfreda Brewer from USAID accompanied us during the visit.

PROJECT : Gatoka
LOCATION : Gatanga - Muranga
SUB-BORROWER : Gatoka Limited
BANK/BRANCH : BBK - Thika DATE: 14/1/91
MANAGER : A W Kariuki VISIT NO:1

PROJECT DESCRIPTION

This is a Floriculture project. The plan is to grow tuber roses for export on a large scale farm.

COSTS AND FINANCING PLAN

The total cost of the project is in excess of KShs 12 million. An RPE loan of KSh 7 million has been provided to buy planting materials, to lay out an irrigation system and to equip a cold storage room. The owner has contributed KShs 5 millions towards the cost of constructing the cold room, land preparation and construction of green houses.

BORROWERS PROFILE

The project is sponsored by Gatoka Limited, the sole shareholders are Mr & Mrs Gacheru. Mr Gacheru is a manager with the Barclays Bank at Moi Avenue. Although he has no previous experience in floriculture, he has employed an expatriate, Mr Nick Bhatt, to manage the farm.

SITE VISIT

During our visit, we were accompanied by Mr Kariuki, the bank manager and Mr Wa, a manager and agricultural advisor with BBK.

Project implementation has been very successful. The sub-borrower has constructed 4 green houses which cover five acres of land. The roses have been planted and production has started. In December 1990, flowers worth KShs 0.5 million were exported.

Mr Bhatt is assisted by Mrs Gacheru in managing the farm. Although we found both of them on the site, they did not have enough information and we were therefore unable to establish actual costs of the project to date, future sales and profitability of the undertaking. We were however made to understand that a large part of the RPE loan was used to import planting materials.

DEVELOPMENT IMPACT

The project will generate foreign exchange. In addition, it will generate 100 new jobs and create employment for at least two crop science graduates. 75% of those employed will be women.

COMMENTS AND ISSUES

This is another project where Letters of Credit were processed without following the laid down procedures. To sort out the problem consumed a considerable amount of the RPE management unit's time. The USAID part of the loan was US\$ 204,589 at an exchange rate of US\$ = KShs 22.81.

PROJECT : Hezekiah Mwaura Kibe
 LOCATION : Kiria - Muranga
 SUB-BORROWER : H M Kibe
 BANK/BRANCH : KCB - Muranga DATE: 14/1/91
 MANAGER : S N Mucahi VISIT NO: 1

PROJECT DESCRIPTION

This is an agri-business project. The proposal is to establish a new posho mill at Kiria in Muranga District.

PROJECT COST AND FINANCING PLAN

The total cost of the project is KSh 450,000 as follows:

Item	Cost (KSh'000's)	Financing (KSh'000's)	
Land (existing)	100,000		
Building	100,000	RPE Loan	240,000
Site Development (installation of electricity)	30,000	Owner contribution	<u>200,000</u>
Electrical wiring	20,000		<u>440,000</u>
Machinery	210,000		
Machinery installation	5,000	Shortfall	45,000
Working capital	<u>20,000</u>		
Total	485,000		<u>485,000</u>

The RPE loan has been applied toward site development and purchase of machinery.

SPONSOR PROFILE

The sponsor of the project is Mr Hezekiah M Kibe a local small scale farmer. He also runs a transport business on the side. This is Mr Kibe's first venture in the posho mill business. He is aware that he does not have experience and will have a supervisor with relevant experience. He has, however, implemented the initial stages of the project well and systematically and our assessment is that he will be able to manage the project successfully.

ELIGIBILITY CRITERIA

This is an agri business project and qualifies for funding under the employment generation criteria.

DEVELOPMENT IMPACT

Besides creating jobs, the project will encourage local farmers to grow more maize as the project widens their potential market.

PROCUREMENT

A posho mill, complete with motor and hammer has been purchased and installed. The mill was bought in Nairobi and is of Brazilian origin. Purchasing decision was made on the basis of price.

SITE VISIT

The implementation of the project has progressed well. At the time of our visit, the Kenya Power and Lighting Company was in the process of connecting the mill to a main power supply line located about 1 km from the site.

Although the project is on schedule, it is underfinanced. The building has not been completed fully and the electrical contractor has not been paid. In addition, the sub-borrower requires money to pay for stocks of maize. He is negotiating with the bank to provide him with an OD facility although this may not be critical. He is prepared to increase his contribution if the bank turns his request down. Reimbursement to the bank had not been effected by the end of the RPE project but the value of USAID part of the loan was US\$ 6,282 at the exchange rate prevailing on 28th March 1991.

PROJECT : Isanga Sawmills Limited
LOCATION : North Kinangop
SUB-BORROWER : Mr D K Njiri
BANK/BRANCH : BBK - Naivasha DATE: 22/1/91
MANAGER : Mr V P Sande VISIT NO: 1

PROJECT DESCRIPTION

The project is a modernisation of a sawmill at North Kinangop in Nyandarua District. Before the modernisation programme, the sawmill operated with old and diesel driven equipment. The proposal is to install electricity and put up a new plant with capacity to produce five tonnes of timber per day.

PROJECT COSTS AND FINANCING PLANS

The original cost of the project was estimated at KSh 2.02 million as follows:

	KSh ('000s)	Financed by KSh '000s	
Land (existing)	120		
Tractors (existing)	200		
Building and installation of electricity	250	RPE loan	1,600
		Bank OD	<u>100</u>
			1,700
Machinery			
- CIF	1,300	Owner	
- Pre-operational expenses	50	Contribution (land and existing tractor)	320
- working capital	<u>100</u>		<u> </u>
	2,020		2,020
	=====		=====

The project has experienced cost overruns in the region of KSh 490,000 as follows:

Item	Projected costs	Actual costs	Overrun
Installation of electricity	50,000	210,000	160,000
Clearing and forwarding/pre-operational expenses	50,000	80,000	30,000
CBK charges	-	100,000	100,000
Machinery	1,300,000	1,500,000	200,000
	<hr/>	<hr/>	<hr/>
Total overrun	1,400,000	1,890,000	490,000
	<hr/>	<hr/>	<hr/>

As the project has run out of money, the sponsor is already experiencing problems with creditors, in particular, Ocean Freight Limited who cleared and transported the machinery from Mombasa have threatened to take legal action against the sub-borrower as they have not been paid.

SUB-BORROWERS PROFILE

Isanga Sawmills Limited (ISM) is a family owned and managed business. It is owned by Mr D K Njiri, his wife and children. Mr Njiri established Isanga Sawmills as a Limited Liability company in 1988.

Mr Njiri is a former employee of the Department of Forestry in the Ministry of Environment and Natural Resources where he was a forest officer. He has operated the existing sawmill for about 4 years and was able to attain sales of between KSh 30,000 and KSh 40,000 per month before he embarked on the expansion programme. His employment background and experience to date have provided him with good exposure to the sawmilling business. This should enable him to manage the expanded sawmill successfully.

ELIGIBILITY

This is an agri-business project and qualifies for RPE funding on the job creation criterion. At full capacity, it will create 28 new jobs.

PROCUREMENT

The following items have been procured.

Fixed circular saw (complete with a hydraulic feed unit)

Additional accessories (saw dust dan, v hat transmission and log adjusted spaw parts

Blading setting devices

The equipment originated from Finland. ISM experienced problems in opening a Letter of Credit. The RPE loan was approved in June 1989. However there was a misunderstanding between BBK and its corresponding bank in New York. The LC was opened in Finnish Marks and in the opinion of the corresponding bank this was incorrect as they understood that AID commitment covered transactions financed in US dollars only. It took over a year to resolve the issue. The LCs were finally opened in US dollars but by then, the Finnish mark had gained considerably over the Kenyan shilling and a financial loss of KSh 140,000 was experienced.

This project is an illustration of the problems which have been caused by the RPE off-shore procurement procedures. They were not clearly understood by all of the parties involved to the detriment of the sub-borrower.

SITE VISIT

When we visited the site, the machinery had not been installed. It had, however, been shipped and was awaiting clearance at the port of Mombasa. The construction work and electricity installation had been completed. We have since then been informed that the equipment has been successfully installed and is fully operational.

Due to cost overruns which had not been provided for, ISM was negotiating for additional credit facilities with the bank. In particular, it was seeking assistance to pay for freight charges and to pay electrical contractors.

In his previous sawmilling operations, Mr Njiri used two old tractors to transport logs from the forest. Using the old tractors, he can only produce three tonnes of timber per day. He will therefore be unable to fully utilise the installed capacity. This will impact on the profitability of the project and his ability to repay the loan will be reduced significantly. He intends to request further assistance from the bank to purchase new tractors.

ISSUES AND COMMENTS

Mr Njiri's request for additional financing is genuine given the circumstances surrounding the case. The bank should help out to ensure that other creditors do not cause serious threats to the existence of the sawmill. We strongly recommend, however, that the sub-borrower be encouraged to inject additional funds to the project to improve the debt/equity position. At the moment, the project is highly geared financially and it will get into an unsustainable cash flow position.

The Branch Manager is concerned by the way Mr Njiri has operated his bank account which has been dormant for a considerable period. He is sceptical that the sponsor will service additional facilities. In a letter dated 18th March 1991, he asked DH&S to reappraise the project viability. However, the request was received too close to the completion of the RPE project and the appraisal could not be funded under RPE. We consider the appraisal to be essential and we have suggested to the bank that this issue be followed up.

The USAID portion of the loan was US\$ 55,374 at the exchange rate of 1US\$ = KShs 23.92 which was prevailing at the time of disbursement in January 1991.

PROJECT : J M Kinyanjui
LOCATION : Limuru
SUB-BORROWER : J M Kinyanjui
BANK/BRANCH : BBK - Limuru DATE: 16/1/91
MANAGER : I M Chanzu VISIT NO: 1

PROJECT DESCRIPTION

This is an agri-business project. An RPE loan of KSh 1.2 million was advanced to enable the project sponsor to acquire a nine tonne truck to be used to transport milk and vegetables. A major consideration for providing the loan was that the sponsor would get a contract from KCC to supply school milk. The entire amount of the loan was used to purchase the truck.

SITE VISIT

When we visited the Limuru Branch of BBK we were unable to meet the sub-borrower as he had not been informed of our visit. The bank manager, however, provided us with enough details to prepare this report.

ELIGIBILITY CRITERIA

Strictly speaking, loans to vehicles alone should not have been approved under RPE as it would be more appropriate to provide a shorter term loan that matches the economic life of vehicles which would normally be under three years.

PROJECT PERFORMANCE

The loan to Mr Kinyanjui was approved in August 1989. This was a 3 year loan with a 2 months grace period. The truck was acquired in September of that year. The sponsor by then had won the KCC contract to supply milk.

However, in January 1990, the truck was involved in an accident and because of the non delivery that resulted, the sponsor lost the KCC contract. Mr Kinyanjui repaired the truck but he has not generated enough business to be able to service the loan. Current loan status indicates that he is 9 months in arrears and there are no indications that the position will improve. The bank manager should take action to force Mr Kinyanjui to repay the loan or should take steps to foreclose this facility.

The USAID portion of the loan was US\$ 35,072 at the exchange rate of 1US\$ = KShs 22.81

PROJECT : Kenya Clay Products Limited
 LOCATION : Ruiru
 SUB-BORROWER : Kenya Clay Products Limited
 BANK/BRANCH : SCB - Thika DATE:
 MANAGER : N/A VISIT NO: 1

PROJECT DESCRIPTION

The proposal is to establish a new tile manufacturing factory near Ruaraka on the Nairobi-Thika Road. The factory will have an output of 100 tonnes per day or 10 million tiles per annum.

PROJECT COST AND FINANCING PLANS

The total cost of the project will be KSh 55 million as follows:

<u>Item</u>	<u>Cost</u>
	(KSh'million)
Land	1.00
Site Development	1.05
Building	10.00
Machinery	34.26
Pre-operations expenses	8.69
	<u>55.0</u>
	=====

The owners will contribute KSh 20 million which will cover all local costs while an RPE loan of KSh 35 million has been approved for machinery, including duties and installation costs.

OWNERSHIP AND MANAGEMENT

The project is a joint venture between Mama Ngina Kenyatta and Mr Gonella an Italian national. The principal shareholders of Kenya Clay Products (KCP) Limited are.

	% Equity
Mutuya Holding	25%
Timsales Limited	25%
M Gonella	25%
B Giachino	25%

Total	100%
	====

Mama Ngina Kenyatta is a principal shareholder in Mutuya and Timsales. The project will be managed by B Giachino who has extensive experience in manufacturing of clay products.

ELIGIBILITY CRITERIA

The project qualifies for RPE funding under the market development criteria. It is anticipated that it will also reduce the demand for concrete tiles and iron working sheets which have large components of imported material. In addition, the project will initially create 140 new jobs and 250 at full capacity.

SITE VISIT

Loan funds have not been disbursed, but it is anticipated that project implementation will start shortly.

ISSUES AND COMMENTS

The plant equipment will be imported from Italy. The branch manager did not accompany the RPE team to the site. He should be advised on the off-shore procurement procedures which are to be followed and confirmation made as to whether the reimbursement from Central Bank to the bank will be made locally.

PROJECT : Leather Industries of Kenya
LOCATION : Thika - Industrial Area
SUB-BORROWER : Leather Industries of Kenya
BANK/BRANCH : SCB - Moi Avenue DATE: 8/2/91
ACCOUNT MANAGER : Mr A Indiazi VISIT NO: 1

PROJECT DESCRIPTION

The project is an expansion of a leather factory. The proposal is to add a new line to an existing leather operation to facilitate the production of patent leather. Leather Industries of Kenya (LIK) are processors and exporters of leather.

PROJECT COST AND FINANCING PLANS

The total cost of the expansion project will be KSh 15 million as follows:

Item	Cost (KSh'million)
Building	1.93
Machinery	11.50
Contingencies, pre-operational expenses and working capital	1.57
	<u>15.0</u>
	=====

The expansion will be financed by an RPE loan of KSh 15 million.

BORROWERS PROFILE

The principal shareholder of LIK as follows:

Name	Holding	Nationality
Industrial Promotion Services Kenya Ltd	14.3%	Kenyan
Diamond Trust of Kenya Limited	13.26	Kenyan
Jubilee Insurance Co Ltd	13.26	Kenyan
Standard Chartered Nominees (EA) Ltd	10.03	Kenyan
International Finance Corporation	23.00	International
DEG German Investment and Development Co	5.81	West German
The Aga Khan Fund for Economic Development (AKFED)	2.67	Swiss
Campagnie Lang SA	9.30	Belgian
Societe Belge D'Investissements (SBI)	8.14	Belgian
	<u>100.0</u>	
	=====	

The equity holders of LIK include foreign organisations which on their own would not qualify for funding under the RPE terms and conditions. Kenyan companies, however own 51% which make the project eligible for funding.

ELIGIBILITY CRITERIA

The project qualifies for RPE funding under the foreign exchange generation criteria.

DEVELOPMENT IMPACT

It is anticipated that the expansion will result in an increase of LIK's turnover by KSh 17 million per annum initially. The entire output will be exported. The project will also create 30 new jobs.

OFF-SHORE PROCUREMENT

LIK will purchase machinery worth KSh 8.7 million from overseas as follows:

Item	Cost (KSh '000s)	Source of Origin
Curtain Coater	1,786	EC
Brushing machine	433	EC
Oven/Dryer	566	EC
Embossing presses	3,850	EC
Hydraulic Table	720	EC
Spraying machine	1,342	EC
	<hr/>	
	8,697	
	=====	

SITE VISIT

At the time of our visit, project implementation had not started as the Letter of Agreement between the borrowers and the bank had not been completed.

ISSUES AND COMMENTS

- Because of the ownership of LIK we have requested the bank to obtain concurrence from USAID before they sign the loan agreement with the company.
- The bank should liaise with USAID before opening letters of credit to confirm whether settlement will be made off shore or locally.

PROJECT : Levilla Limited
LOCATION : Kikuyu
SUB-BORROWER : Mr and Mrs Karanja
BANK/BRANCH : KCB - Kikuyu DATE: 21/1/91
MANAGER : Mr Mburu VISIT NO: 4

PROJECT DESCRIPTION

This is a bakery project with a production capacity of 24,000 loaves per day.

SITE VISIT

This project has progressed very well. During our previous visit in November 1989, the sub-borrower was experiencing difficulties in obtaining flour to make bread. To enable him to generate adequate revenue to keep him in business, he diversified to confectionaries which kept his business afloat.

Wheat supply has improved tremendously over the past few months and at the end of 1990, the bakery had gone into nearly full production. Sales for the year were at KSh 22.8 million. Projections indicate a turnover of about KSh 30 million for the year 1991. Mr Karanja is confident that he will be able to achieve this target.

COMMENTS AND ISSUES

This project has able management and should continue to perform well based on its past performance.

The bakery currently operates on two shifts and has a total workforce of 102 employees. Initially it was projected that the company would create 40 new jobs only.

The USAID portion of this loan was US\$ 31,711 at the prevailing exchange rate of 1US\$ = KShs 18.50.

PROJECT : Mada Holding
LOCATION : Kilifi
SUB-BORROWER : Baobab Lodge, Mada Holding Co
BANK/BRANCH : KCFC, Mombasa DATE: 28.1.91
MANAGER : S Nganga VISIT NO: 1

PROJECT DESCRIPTION

Formerly the Monkey Sea Lodge, a KShs 5.5 million loan approved in December 1990 will allow for an expansion from 60 to 120 beds of this beautiful hotel located on the Kenyan Coast about 60 kilometers north of Mombasa. The Lodge will have 63 double rooms and one cottage.

Baobab Lodge will be marketed as a four-star hotel with three star rates, charging Sh 1,500 (US\$ 60) per person for full board accommodation at peak season and about half that amount off-season.

SUB-BORROWERS PROFILE

The hotel owned by Mada Holdings is part of the same chain as Castle Hotel in Mombasa.

PROJECT COST AND FINANCING PLAN

At the date of the visit no RPE I and II forms had been received. The following information was provided during the site visit.

The land was purchased seven - eight years ago. The RPE loan will be used to pay contractor and furniture costs. Approximately 60% of the cost is the investors own funds while 40% is made up of loans including the RPE loan. Working capital is financed separately.

PROCUREMENT

No information available.

ELIGIBILITY CRITERIA

Foreign exchange earnings and employment generation.

DEVELOPMENT IMPACT

When fully operational, a total of 80 people will be employed. Kilifi although close to Mombasa, is far quieter and less developed.

Kilifi until May 1991 was accessible only by ferry. A bridge which has just been opened will no doubt increase the activity in Kilifi many fold. The Baobab Lodge will help to introduce tourists to the area.

SITE VISIT

As with most other Kenyan hotels during the Gulf War, this one was markedly underutilised with only 24 guests at the time of our visit.

The final completion date for the expansion has been delayed for lack of money and a late construction schedule. The expansion is targeted for completion by the end of 1991.

Marketing is being done overseas in the U.K., Germany and Italy. The hotel is planned for individual tourists only with no seminar, or conference facilities and no charters.

Alfreda Brewer from USAID accompanied us on the site visit.

COMMENT, ISSUES AND ACTION POINTS

The RPE Management Unit has no information beyond that obtained during the site visit. Neither RPE 1 no 2 has been received.

64

PROJECT : Malindi General Engineering (MGE) Works Ltd.
LOCATION : Malindi
SUB-BORROWER : Gulam Charfare
BANK/BRANCH : SCB - Malindi DATE: 30/1/91
MANAGER : Mr Charles Malonza VISIT NO: 3

PROJECT DESCRIPTION

The sub-borrowers were described in detail in the sixth monitoring report. The only addition is that Mr Charles's son Ashfat Charfare appears to be a sincere person who has difficulty in opposing his father.

Ashfat attended the RPE course on accounting for non-financial managers and seemed to gain some in-sights into his father's business from the course materials and examples.

SITE VISITS

The RPE Project Manager and Alfreda Brewer from USAID visited the project with no result beyond what was recorded during the last monitoring visit.

At RPE management unit request, Deloitte Haskins & Sells, Mombasa tried to contact MGE's accountant, Mr S M G Daya. The purpose was to establish that books of accounts are kept properly and on an up to date basis and to generally assess what MGE are doing. Numerous attempts, including both personal visits and telephone calls, failed.

Mr Malonza has tried many different ways of assisting MGE and trying to assure repayment of the loan. He is trying to convince one of the directors, Abdulla Ismail, to provide more working capital by buying materials for production. The other directors have also promised to begin making repayments on the loan from other sources.

It is not known how successful these efforts have been or if any production has started.

The dollar value of the loan is \$331,337 at an exchange rate at the time of disbursement in February 1988 of \$1 = KSh 16.53.

COMMENTS, ISSUES AND ACTION POINTS

It is very unlikely that this business will succeed or that the loan will be repaid in a timely manner. SCB should do what it can to recover its funds.

Mr Malonza is to be commended on the conscious way that he has followed up this loan.

PROJECT : Mijikenda Butchery
LOCATION : Watamu/Malindi
SUB-BORROWER : Said O Batheif and Sons
BANK/BRANCH : KCFC, Mombasa DATE: 30.1.91
MANAGERS : S Nganga VISIT NO: 2
Mr Pandya (KCB Regional Manager)

PROJECT DESCRIPTION

The purpose of the project is to build a fully modern, refrigerated butchery in Watamu, modelled on the sub-borrower's successful butchery in Malindi.

SUB-BORROWER PROFILE

See Sixth Monitoring Report.

PROJECT COST AND FINANCING PLAN

The loan amount is Sh 166,667. The project cost and financing is unchanged from the last monitoring visit in July 1990. The funds, however, were released in May last year and have been used to buy cattle and not the equipment described. There has apparently been a problem in obtaining the piece of land in Watamu that had been selected as a site for the butchery.

The information had to be teased out of Mr Batheif to the consternation of KCB/KCFC, USAID and the RPE Management Unit. Mr Pandya instructed that the loan be cancelled if the money is not utilised for the intended purpose. He also stated that the position of the plot would be checked.

There was also an issue of the Bathieifs having an account with SCB which they had agreed to close before getting the loan. This account was apparently not yet closed, and Mr Pandya also insisted that this be done and confirmed as a condition of maintaining the loan.

The dollar value of the loan is \$7,677 at an exchange rate at the time of purchase of \$1 = KSh 21.71. the loan was disbursed in May 1990.

PROCUREMENT

See Monitoring Report no. 6 and Project Cost and Financing above.

ELIGIBILITY CRITERIA

Agri-business.

DEVELOPMENT IMPACT

Employment creation and raising the quality of life in a rural area

SITE VISIT

It was disappointing once again to visit the butchery in Malindi and be told that there was no butchery under construction in Watamu. It was explained to us that a problem with allocation of the plot had caused a delay.

We asked about the equipment that was to have been purchased with the loan and were told that it was in the Malindi butchery. When we asked to see it, we were either shown the Malindi butchery equipment or old and broken equipment that would not have fooled anyone. When we continued to require an explanation, Mr Batheif admitted that the money had been used to buy cattle while waiting for the land dispute to be settled.

This was clearly unacceptable as funds are normally not paid out in cash to borrowers but are paid directly to the supplier on the basis of a pro forma invoice. Mr Pandya asked Mr Kutogwa, Manager, KCB Malindi to follow up and to advise him. He indicated that the loan might have to be cancelled.

Alfreda Brewer from USAID accompanied us during the visit.

COMMENTS, ISSUES AND ACTION POINTS

The loan remains in the pipeline as a fully executed loan. Mr Pandya had promised to write to the RPE management unit to inform us of the outcome.

KCFC/KCB should monitor closely. If conditions are not corrected, and there is a lack of RPE funds, this is one of the loans to be removed from the RPE.

PROJECT : Miramar Investments, Le Soleil Hotel
LOCATION : Kikambala, Kilifi District
SUB-BORROWER : Ajit Singh Bhogal
BANK/BRANCH : BBK, Nkrumah Road - Mombasa DATE: 31/1/91
MANAGER : Mr S Ogana VISIT NO: 2

PROJECT DESCRIPTION

Construction of Le Soleil Hotel is complete. It has been built so that each cluster of rooms can be rented as a cottage for families or as individual self-contained hotel rooms.

SUB-BORROWER PROFILE

Mr Bhogal, a structural engineer for the last 35 years has no previous experience in the hotel industry. Using his own builders, he supervised all aspects of the construction himself. His daughter and son-in-law, Ravi, will be managing the hotel full time. Ravi was trained as a hotelier in India and has seven years relevant hotel experience.

PROJECT COST AND FINANCING PLAN

	Cost KSh 000s	Financing	
Land	5,000	USAID RPE	21,334
Site Development	32,000	Bank RPE	10,000
Machinery/equipment	38,300	Owners	45,300
Working capital	2,000		-
	<hr/>		<hr/>
	77,300		77,300
	=====		=====

The RPE funds have been used for furniture, fittings, air conditioning, swimming pool, music system and televisions. All purchases have been made in Kenya shillings. Floor tiling alone has cost KSh 7 million. A cost overrun of KSh 17 million because of fundamental changes in the project is expected; initially the plan was to build apartments but Le Soleil will now be a combination hotel with apartments and hotel rooms. A banquet hall and seminar rooms, a cold store and a grill room are also being built.

The USAID portion of the loan was \$1,285,986 at an exchange rate at the time of disbursement of \$1 = KSh 22.81. The size of the loan required approval from USAID, Nairobi. Approval was initially given in a USAID letter to BBK on 10 January 1990. In October 1990, an additional amount of KSh 12 million was approved.

PROCUREMENT

All construction materials and equipment have been procured locally. They are itemised in the sixth monitoring report.

Computer equipment is in the process of being procured with Direct Management Assistance (DMA) provided on a 50/50 cost sharing basis through RPE.

ELIGIBILITY CRITERIA

Potential foreign exchange earnings and employment generation. A total of 70 will be employed when the hotel is running fully. 59 had already been employed, but there has been a temporary cut back to 43.

DEVELOPMENT IMPACT

Tourism, which is the main economic activity of the coastal area, will be spread further up the coast by Le Soleil.

SITE VISIT

The hotel is beautiful, well equipped and ready for occupancy. The beach is excellent. Flexible layout, allowing for the combining of rooms into cottage like units or individual hotel rooms, will be very appealing. Although it is not expected that many guests will cook for themselves, there is a well equipped kitchen in each unit. A conference room and a private function room have been added to the original plan.

A few finishing touches are still being carried out. Unfortunately at the time of the visit, the hotel was empty as a result of the Gulf War damper on tourism and the reluctance of overseas travel agents to reserve hotel space where some construction equipment is still on site.

The owner and managers were understandably depressed at the total lack of business, and one could say that they had been extremely unlucky.

COMMENTS, ISSUES AND ACTION POINTS

Mr Bhogal had previously requested and was receiving assistance from RPE in setting up the hotel computer system. Consultants from RPE had drawn up a plan of work which was divided into two phases. Initially RPE was to have financed 50 per cent of Phase I. During the visit, based on the financial problems created by the lack of business, it was agreed that RPE would additionally assist with 50% of Phase II as well. The RPE funded portion of the work was carried out in February and March 1991.

Mr Bhogal also requested that his grace period for the loan be extended if possible. Mr Ogana, the bank manager, promised to look into the matter.

PROJECT : Naciti Engineers Limited
LOCATION : Kitengela - Athi River
SUB-BORROWER : Naciti Engineers Limited
BANK/BRANCH : KCFC - Nairobi DATE: 25/1/91
MANAGER : I Khasiani VISIT NO: 1

PROJECT DESCRIPTION

The project is an expansion of a large engineering workshop which currently fabricates steel structures and presses steel tanks. The expansion will involve construction of a new workshop and installation of new equipment which will include cranes, cutting machines and power folding presses.

PROJECT COST AND FINANCING PLANS

The total cost of the expansion will be in excess of KSh 19 million. This excludes existing building and machinery which are valued at KSh 20.5 million. A loan of 14.0 million has been provided by KCFC to be utilised in the following areas.

Item	Cost (KSh '000s)
Building (new extension)	4,000
Equipment	
Compressors	800
Cranes	1,800
Consultancy	500
Installation and commissioning	500
Modification of electrical installation	500
Pre-operational expenses (feasibility study)	550
Furniture and fittings	250
Water borehole	500
Vehicle (Tipper Truck)	1,700
Dye and tool	500
Working capital	2,500
	<hr/>
	14,100
	=====

OWNERSHIP AND MANAGEMENT

Naciti Engineers Limited is a local company which is owned and managed by two brothers Mr Wambugu Kariuki and Minji Kariuki who are registered engineers. They are experienced and have been operating the business since 1976. They also employ a team of administrative staff including accountants as well as qualified engineers to assist them in the management and operations of the business.

ELIGIBILITY CRITERIA

The project will have 100 permanent jobs when fully completed. At this level of job creation, it qualifies for a loan of KSh 13 million. However, we expect other people to set up other businesses to provide service in the area because of the expansion of the workshop. We anticipate that in the short run, at least 20 new indirect jobs will be created in this area as a result of the project. In addition, Naciti will employ 39 casuals who are likely to be engaged throughout the year. On this basis, the project qualified for RPE funding under the employment generation criterion.

DEVELOPMENT IMPACT

Naciti has established a fairly sizeable business in Kitengela, a small town, just outside Athi River. There are no other major businesses in this town but new income generating activities are likely to be set up to service the employees of the company. This will have a positive impact on the number of jobs created in the area over the next few years. The project also provides an opportunity for employing technical staff such as engineers and for providing them with valuable skills and experience. These are essential for the development of the country as a whole.

SITE VISIT

When we visited the project, construction work was at an advanced stage although loan funds had not been disbursed by KCFC. The owner had used his own funds to set up the foundation, walls and roofing structures for the new section of the workshop and the bulk of the construction materials were on site.

The funds will be released after clarification of the financing plan by the bank. Mr Khasiani, The Account Officer, stated the funds would be released by the beginning of February 1991.

The current operations are successful. Sales of KSh 10 million are being achieved annually and it is expected that annual turnover will average between KSh 35 million and 40 million after full implementation.

COMMENTS AND ISSUES

We expect this project to be implemented successfully because it has an experienced management team with technically qualified staff and a proven track record.

PROJECT : Ngubia Wanyutu
LOCATION : Githunguri - Kiambu
SUB-BORROWER : Mrs Ngubia Wanyutu
BANK AND BRANCH : KCB - Ruiru DATE: 18/1/91
MANAGER : Mr Marungeny VISIT NO: 3

PROJECT DESCRIPTION

A coffee factory project, the plan is to set up a small scale coffee pulping plant and to rehabilitate an eight hectare coffee plantation, including the installation of an irrigation system. An RPE loan of KSh 300,000 has been advanced for this purpose.

SITE VISIT

Although the pulping plant is complete, the project implementation status has not changed since our previous visit. The pump house has not been constructed, and the irrigation system has not been laid out.

After completion, the pulping plant operated for a few months and closed down. Mrs Ngubia Wanyutu the sponsor, did not have enough working capital to operate. The coffee yield from her farm is also too low, due to poor crop husbandry, and it would not be economical to pulp it in her factory. She takes her coffee for pulping to a nearby factory which is owned by a co-operative society.

This project has been experiencing financial problems due to poor coffee prices. In our previous visit, we advised Mrs Wanyutu to approach the bank for additional overdraft facilities to enable her to buy fertilisers and chemicals for the coffee. The bank has not taken any action and the plantation is in a very poor state. The yield in the next season will be worse unless more money is added to buy chemicals and fertilisers.

During our visit, coffee prices had not improved up and the sponsor was experiencing cash flow problems. This has affected her loan repayments which are now in arrears. The bank is optimistic that coffee prices will pick-up and that the situation will be reversed.

The USAID portion of the RPE loan was US\$ 12,099 at the exchange rate of 1US\$ = KShs 16.53.

PROJECT : Nyati Plough Contractors Limited
LOCATION : Narok
SUB-BORROWER : Essau Tessot/Francis K Keitany
BANK/BRANCH : KCB - Nakuru DATE: 23/1/91
MANAGER : J K Kibor VISIT NO: 3

PROJECT DESCRIPTION

Nyati Plough Contractors (NPC) obtained an RPE loan of KSh 1.4 million to enable it to acquire 3 new tractors, to increase its capacity for sub contracting tractor services to farmers in Narok and Nakuru districts.

SITE VISIT

In our previous monitoring reports, we stated that the performance of this project is poor. It has continued to perform poorly. The sponsors have not made any payments to the branch although reminder letters have been sent to them.

The bank manager feels that the problem is not that the project is unviable, but the sponsors are not willing to repay the loan. The matter will be handed over to the lawyers of the bank but it is unlikely that any positive action will be forthcoming from the sponsors.

One of the sponsors is a District Commissioner and it might be difficult for the bank to foreclose the loan facility. We have, however, suggested that the bank should repossess the 3 tractors if it can legally be able to do so. Apparently, the tractors are not registered in the joint names of the bank and the borrowers but in the borrowers names only. This will complicate the repossession procedures.

The value of the USAID portion of the loan was US\$ 50,450 at the exchange rate of 1US\$ = KShs 18.50.

PROJECT : Noah Ndwiga
LOCATION : Runyenjes - Embu
SUB-BORROWER : Noah Ndwiga
BANK/BRANCH : KCB - Embu DATE: 1/3/91
ACCOUNT MANAGER : F N Wanyoike VISIT NO: 3

PROJECT DESCRIPTION

This is a posho mill project that produces grade 1 maize meal. An RPE loan of KSh 120,000 was provided to set up the mill.

SITE VISIT

This project is running well. The sponsor, Mr Ndwiga has been able to obtain orders from boarding schools in the area to supply maize meal. He has also bought another posho mill and wishes to expand his business to a nearby trading centre.

COMMENTS

This project demonstrates that small rural projects, can succeed if properly managed.

The dollar value of the USAID portion of the loan was US\$ 4,324 at the prevailing exchange rate of 1 US\$ = KSh 18.50 at the time of disbursement.

PROJECT : Thika General Workshop Limited
 LOCATION : Thika
 SUB-BORROWER : W K Itume
 BANK AND BRANCH : KCB - Thika DATE: 15/1/91
 BRANCH MANAGER : P G Kungu VISIT NO: 5

PROJECT DESCRIPTION

The project has established an engineering workshop for fabricating domestic and agricultural implements. The sponsor, Mr Itume previously operated from a smaller workshop on rented premises.

SITE VISIT

We have reported huge cost overruns on this project previously. Although we have asked KCB to review the financing plan, we have not received anything from the bank.

The project is not yet operational. However, the building has been completed and some of the old machinery has been transferred to the new site. The project costs exceed the original provision of KSh 2.5 million. The latest valuation report shows the cost of the building at KSh 5 million. Funds that were to be utilised for new equipment have been used to complete the workshop.

Mr Itume is seeking additional financing of KSh 5.3 million to be applied as follows:

<u>Item</u>	<u>Cost</u>
New machinery	Sh 2,393,675
Fencing	Sh 900,000
Working capital	Sh 2,000,000

Total	Sh 5,293,675 =====

COMMENTS, ISSUES AND ACTION POINTS

The sponsor intends to start operations in the new workshop before March 1991.

A simple accounting system should be developed and put in use by the time the workshop becomes operational. Deloitte considers this to be a critical success factor and although we had suggested to Mr Itume that we develop the system, he was reluctant to receive the assistance before he completed his workshop.

Mr Peter Kamau, one of the sons of the sub-borrower attended the RPE sub-borrowers course. We have recommended on several occasions that he should be given more responsibilities in the management of the workshop.

Lack of working capital will be a major constraint. Further injection of funds will be necessary otherwise the sponsor will not be able to utilise the workshop fully. If the utilisation level is too low, the project will not be viable. The bank should reappraise the project to determine its future viability and to establish the amount of additional funds required to sustain the operations of the workshop.

The USAID portion of the loan is US\$ 122,831 at the exchange rate of 1 US\$ = KSh 21.71.

PROJECT : Visions Dry Cleaners
LOCATION : Thika
SUB-BORROWER : H G Mwangi
BANK AND BRANCH : KCB -Thika DATE: 17/1/91
BRANCH MANAGER : P G Kungu VISIT NO: 4

PROJECT DESCRIPTION

The project is an establishment of a new dry cleaning facility at Thika.

SITE VISIT

As reported in the last monitoring report, the project's performance is good. At the moment it achieves 60% capacity utilisation. The owner is in the process of acquiring a second press which will facilitate 100% utilisation of the main machine. The press will cost Sh 250,000. An additional loan for this amount has already been approved by the bank. Monthly sales have increased since our last visit from KSh 200,000 to about KSh 300,000. The turn-around time is two days at the moment because of problems with the pressing machine. When the new press is installed, Visions will offer same day service to its customers.

COMMENTS, ISSUES AND ACTION POINTS

The operation of a dry cleaning plant of this size is fairly simple and does not require elaborate accounting systems. To enable the sub borrower to make proper management decisions, however, he should develop a simple accounting system which will provide basic information on sales, debtors and cash position.

The USAID portion of the loan was US\$ 38,373 at the exchange rate of 1 US\$ = KShs 18.50.

PROJECT : Wareng Enterprises
LOCATION : Eldoret
SUB-BORROWER : Wareng Enterprises Limited
BANK/BRANCH : KCFC Eldoret DATE: 12/2/91
MANAGER : Ian Amogola VISIT NO: 2

PROJECT DESCRIPTION

The project is the establishment of a roofing tiles factory at Eldoret. A loan of KSh 4.3 million has been used to purchase plant machinery from the UK.

PROJECT COSTS AND FINANCING

The total cost of the project is KSh 10.3 million, broken down and financed as follows:

Item	Cost (KSh'000's)	Financing (KSh'000's)
Land (existing)	3,000	RPE loan 4,300
Building	1,100	Owner contribution 6,000
Machinery (CIF)	4,300	
Vehicles (including racks and folk lift)	1,500	
Equipment installation (including clearing and forwarding)	400	
	<hr/>	<hr/>
Total	10,300	10,300

SUB-BORROWER PROFILE

The sponsors of the project are well established businessmen. They have other business interests in Eldoret and other parts of the country. The major shareholders of Wareng Enterprises are directors of the Rift Valley Bottling Company. In addition they have interests in the construction industry as well as real estate. Two of the directors are British while the rest are Kenyan and their shareholding of Wareng Enterprises is as follows:

	% Equity	Nationality
A Shah	30.9	British
S Singh	19.6	British
R Singh	19.6	Kenyan
I Singh	19.6	Kenyan
H Kosgei	10.3	Kenyan
	<hr/>	
Total	100.0	
	=====	

ELIGIBILITY

The project qualifies for RPE funding under the job creation criterion. At full capacity it will employ 42 people.

DEVELOPMENT IMPACT

Employment generation and under availability of building materials.

SITE VISIT

The construction of the plant has been completed. At the time of our visit, the machinery had just been installed and test runs were being conducted under the supervision of a consulting engineer who had been sent by the equipment manufacturer from UK. The consultancy service was provided under the terms of the equipment supplier agreement.

The installed equipment has a production capacity of 4,800 tiles per day. During test runs, a daily production of 3,500 tiles was being achieved. It was anticipated that full production would be achieved within a month.

COMMENTS AND ISSUES

The project will be managed by Satjit Singh who is one of the directors. He is an experienced businessman and will be supported by a team of two engineers and production supervisors. The project has a low debt/equity ratio and the combination of experienced management and low financing leverage will make this a successful project.

The USAID portion of the loan was US\$ 187,739 at the exchange rate of 1US\$ = 23.

PROJECT : Willie Michuki
 LOCATION : Elburgon
 SUB-BORROWER : Dennis Michuki
 BANK/BRANCH : BBK - Molo DATE: 12/2/91
 MANAGER : Mr E Kariuki VISIT NO: 1

PROJECT DESCRIPTION

This is an agri-business project. It is a rehabilitation of an existing sawmill in Elburgon near Molo. The loan will be utilised towards the construction of a shed and the purchase of new equipment to be added to an existing range of old sawmilling machines.

PROJECT COST AND FINANCING PLAN

The project is estimated to cost KSh 2.9 million. An RPE loan of KSh 1.0 million has been advanced as part of a slightly wider financing package which includes an owner contribution of KSh.1.6 million and a hire purchase arrangement of KSh 310,000 for financing a lorry. The cost and financing details are as follows:

Item	Cost (KSh'000's)	Financing (KSh'000's)
Land (existing)	250	
Site development (installation of electricity)	150	RPE loan 1,000
Building	257	Hire purchase facility (vehicles) 310
Machinery	600	Owner 1,597
Lorries	950	
Tractor	200	
Working capital stock of logs	<u>500</u>	<u> </u>
	2,907	2,907

SUB-BORROWER PROFILE

The sponsor of the project is Mr Dennis Michuki who is an owner manager. He is an experienced sawmiller and an established businessman. He operates and owns another sawmill which is located less than one kilometre from this project. He has been operating the mill since 1986, and it has an annual turnover of about KSh 10 million.

ELIGIBILITY CRITERIA

This is an agri-business project and qualifies for RPE funding under the job creation criteria. At full capacity, the project will create 100 jobs.

SITE VISIT

The implementation of the project has progressed well. The shed has been completed and the equipment has been bought and installed. The mill is operational and splits about six tonnes of timber per day.

PROCUREMENT

The sponsor has acquired the following equipment:

Item	Cost	Source	Comment
1 Lorry	350,000	Kenya	Used
1 Lorry	610,000	Kenya	New - owner paid deposit of Sh 290,000. Balance under a Hire Purchase arrangement.
1 Tractor	200,000	Kenya	Used
Bandsaw	300,000	Kenya	Used
Plane	300,000	Kenya	New
<hr/>			
	1,760,000		

Although the sponsor has bought many pieces of used equipment, the RPE loan will be applied towards the cost of new equipment, machinery and building and will partly finance working capital.

DEVELOPMENT IMPACT

The project will create jobs for squatters who have been evicted from the forest zones.

COMMENTS AND ISSUES

This project is likely to perform well. The sponsor is experienced and in addition, he has contributed a substantial amount of money towards the cost of the project which has resulted in a debt equity ratio of 0.8:1.

To enhance the performance of the project an additional capital injection of KSh 750,000 will be required. A large portion of this or KSh 450,000 will be used towards working capital while the balance will be used to purchase a roller bench and a motor. These measures will enable the sawmill to produce and sell ten tonnes of timber per day.

The value of the USAID portion of the loan is US\$ 30,708 at the exchange rate of 1US \$ = KShs 21.71

PROJECT : P G Ndwiga
LOCATION : Embu
SUB-BORROWER : Mr & Mrs Ndwiga
BANK/BRANCH : KCB - Embu DATE: 1/3/91
ACCOUNT MANAGER : Mr F N Wanyoike VISIT NO: 3

PROJECT DESCRIPTION

This is a cafeteria that operates under the name Palmers Cafe.

SITE VISIT

The performance of the project has been good. Monthly sales of KSh 60,000 are currently being achieved. The project employs seven people. The cafeteria is managed by Mr Ndwiga and his wife. After they had successfully implemented the project, they found that two people managing the operations would be under employed and as a result, they have opened another restaurant in the same town. It is expected that the good performance will continue despite this expansion as Mr & Mrs Ndwiga will have enough time to manage the two projects together.

COMMENTS

The value of this loan is KSh 92,000 and it is the smallest RPE loan. Its success should encourage banks to provide term credit to small scale projects in rural areas.

It is suggested that USAID carry out a case study of this Project.

- o The dollar value of USAID portion at the time of reimbursement was US\$ 3,710 at an exchange rate of 1 US\$ = KSh 16.53.
- o Mr Ndwiga attended the RPE sub-borrowers course and has put some of the skills learnt into practice. He has for instance established simple books of account for recording daily transactions.

PROJECT : Premier Food Industries Limited
LOCATION : Ruaraka - Nairobi
SUB-BORROWER : Premier Food Industries Limited
BANK/BRANCH : BBK - Queensway DATE: 15/3/91
ACCOUNT MANAGER : Mr Mbithi VISIT NO: 1

PROJECT DESCRIPTION

This is an agri-business project located in Nairobi. The proposal is to modernise an existing plant which processes fresh fruits and vegetables and is a major producer of tomato juice. The plant also makes jam and a variety of sauces.

PROJECT COST AND FINANCING PLAN

Initially the sponsors wanted to replace obsolete equipment estimated to cost KSh 7.5 million. Barclays Bank approved an RPE loan of KSh 4.5 million while the sponsors agreed to contribute KSh 3.0 million. After a review, the sponsors changed their original plans and decided to demolish the factory and set up a modern building. The revised proposal will cost KSh 16.5 million as follows:

Item	Cost (KSh'million)
Factory building	8.9
Consultancy fee	0.6
Plant machinery	4.3
Site development	2.5
Others	0.2
	<hr/>
	16.5
	=====

They plan to finance the costs as follows:

	(KSh'million)
Equity - rights issue	3.0
RPE loan (approved)	4.5
New loan (to be applied for)	5.0
Other owner contribution	4.0
	<hr/>
Total	16.5
	=====

DEVELOPMENT IMPACT

The proposed project will create 100 new jobs. In addition, the new factory will have suitable storage facilities and will benefit farmers as they will be able to sell more fruit and vegetables to the company during peak harvesting periods. Currently most of the produce during peak seasons goes to waste.

ELIGIBILITY CRITERIA

Although the project is located in Nairobi, it is in agri-business and therefore eligible for assistance under the RPE terms and conditions. It qualified for funding under the employment generation criteria.

OWNERSHIP

The major shareholders are:

	<u>% Equity</u>
Industrial Promotion Services (K) Limited (IPS)	58%
Kamuta Investments Corner	17%
International Finance Corporation (IFC)	25%
	—
Total	100%
	—

SITE VISIT

The factory currently processes 1100 metric tonnes (MT) of fruits and vegetables per annum. It is anticipated that the new factory will produce 3000 MT mainly for the local market. The products will be of export quality and the company intends to look for new export markets. However, this is not a priority.

During our visit, the loan funds had not been disbursed and project implementation had not started.

COMMENTS AND ISSUES

This is a good project which will benefit farmers across the country. It is anticipated that 80% of the jobs which will be created will be for women.

IPS and IFC are organisations which have access to alternative sources of funding. Strictly speaking, if RPE were to be restricted to small and medium size enterprises, they would not qualify for assistance. The terms and conditions of RPE do not restrict the participating financial institutions from lending to businesses owned by these organisations provided that they qualify for funding under CBK Exchange Control Notice Number 19. If an RPE reflow fund is established it may be necessary to limit organisations that have access to other funds from participating unless availability of funds allow.

PROJECT : Safari Nalakwa
LOCATION : Malindi
SUB-BORROWER : Gianmarco Marconi and others
BANK/BRANCH : KCFC, Mombasa DATE: 30.1.91
MANAGERS : S Nganga VISIT NO: 1
Mr Pandya (KCB Regional Manager)

PROJECT DESCRIPTION

A travel agency catering for tourists from the Meditterean countries.

SUB-BORROWER PROFILE

As Mr Marconi tells it, he is an Italian pilot who came to Kenya on holiday, loved it and decided to settle here. He has a Kenyan partner in his travel agency.

PROJECT COST AND FINANCING PLAN

The loan, KSh 670,000, was used for purchasing a Pajero. There is no grace period, and the repayment time is two years.

The dollar value of the loan is \$20,459 at an exchange rate at the time of purchase of \$1 = KSh 22.81. The loan was disbursed in September 1990.

PROCUREMENT

The car was bought locally after being imported from Japan.

ELIGIBILITY CRITERIA

Potential for earning foreign exchange.

DEVELOPMENT IMPACT

Employment generation.

SITE VISIT

It was surprising to find a car loan under RPE. The reason given was that the bank had had a liquidity problem when the money was needed.

Alfreda Brewer from USAID accompanied us during the visit.

COMMENTS, ISSUES AND ACTION POINTS

The Management Unit was not aware of this loan prior to undertaking the monitoring visit. The bank was requested to remove the loan from the RPE portfolio. As of 16 April 1991, it was still included.

This loan should be removed from RPE.

The RPE questionnaire in connection with the completion of the project has not been completed and returned.

PROJECT : SAJ Ceramics
LOCATION : Athi River
SUB-BORROWER : SAJ Ceramics Limited
BANK/BRANCH : SCB - Moi Avenue DATE: 21/1/91
MANAGER : G Itela VISIT NO: 1

PROJECT DESCRIPTION

This is a manufacturing project. The proposal is to set up a tile manufacturing plant at Athi River.

PROJECT COSTS AND FINANCING PLANS

The estimated cost of the project is about KShs 60 million. An RPE loan of KShs 45 million has been provided to purchase plant machinery. The owners contribution will be used to construct the factory.

SITE VISIT

Although there were some delays caused by some misunderstanding in the opening of the Letters of Credit, we were informed that equipment was now ready to be shipped from Italy.

The construction of the factory building has started. The foundation has been started and large amounts of building materials have been brought to the site.

COMMENTS AND ISSUES

SAJ Ceramics had requested an IESC Volunteer Executive to assist in the implementation. Because of delays caused by travel restrictions resulting from the Gulf War, the assistance could not be provided before the expiry of the RPE Project. SAJ is making alternative arrangements to acquire the assistance. Because of the delays, it appears this project will have huge cost overruns.

PROJECT : Sambu & Sons
LOCATION : Kericho
SUB-BORROWER : Thomas & Charles Sambu
BANK/BRANCH : BBK - Kericho DATE: 10/2/91
MANAGER : J Ndungu VISIT NO:4

PROJECT DESCRIPTION

This is a hotel project situated one kilometer from Kericho town. The project has experienced massive overruns in the process of implementation and has been under financed.

We have reported on the project performance on several occasions. In addition the hotel has been subject to several reviews and has received considerable management assistance under the RPE project. Below we provide a brief background and an overview of the status of the project.

PROJECT BACKGROUND

The new Kericho TAS Hotel was originally sponsored by Thomas Arap Sambu who was assisted by his brother Charles Sambu. The project is located on a site which was previously a camp for a Finnish road construction firm. The site was purchased by Mr Thomas Sambu using an RPE loan of KSh 1.5 million.

Mr Sambu wanted to use the facility as a hotel without major alterations. Later the idea of converting the camp into a three star hotel with of 48 guest rooms, bar, restaurant, swimming pool and sauna was conceived.

The idea of a three star hotel was accepted, and an additional loan of KSh 1.7 million was advanced by BBK.

Construction proceeded at a slower pace than had been anticipated, and it also turned out that the costs of modification were underestimated. Major implementation problems started to crop up and in 1989, Marianne Seekircher, an IESC Volunteer Executive was assigned to the project to assist in the implementation. Some of her major recommendations were not implemented. Two major reviews were later undertaken by DH&S. The reviews reappraised the viability of the project and assisted its management in preparing business strategies.

The hotel changed ownership and management in June 1990 from Thomas to Charles Sambu. At that time it had an outstanding liability to BBK of KSh 4.126 million as follows:

	KShs '000s
USAID RPE loan	2,193
Bank RPE loan	1,097
Bank OD	356
Accrued interest	<u>480</u>
	4,126
	<u> </u>

The USAID portion of the loan was US\$ 167,373 at the exchange rate of 1US\$ = KShs 16.53.

PROJECT STATUS

There were no noticeable changes in the implementation of project from our previous visit of June 1990, except that a reception room has been completed. All other construction work was stopped because of lack of funds. Under the present circumstances, however, this should no longer be a priority and available resources should be directed towards the marketing of existing facilities.

Liability to the bank has increased from KSh 4.125 to KSh 4.55 million as follows:

Approved term loan (including capitalised interest)	3.850 m
Approved OD	0.356
Exceeded OD	0.344
	<u> </u>
Total	4.550
	<u> </u>

We have strongly recommended to the sponsors that they should add funds to the project either from their own sources or by inviting a partner on equity basis.

CONCLUSION

Since the management changed hands from Thomas to Charles Sambu there has been an improvement in daily sales which now average between KSh 5,000 - 6,000 per day. If proper marketing strategies are implemented sales of over KSh 15,000 per day can be attained.

The project, however, will only be financially viable if more funds are injected in form of equity. It will collapse if it is financed with more debt.

PROJECT : Samuel Muchiri
LOCATION : Ndakaini - Muranga
SUB-BORROWER : Samuel Muchiri
BANK AND BRANCH : Thika DATE: 17/1/91
BRANCH MANAGER : P G Kungu VISIT NO: 1

PROJECT DESCRIPTION

The project involves construction of country club hotel. The facility will cater for tourists and local residents. The proposal is part of bigger plan to acquire cottages and houses which currently are on a camp site for a construction company involved in the construction of the 3rd Naiorbi water supply dam at Thika.

The first phase of the project will be to construct a restaurant with dining and bar facilities. The second phase will involve acquisition of houses and cottages from the construction company. These facilities can be converted to guest rooms. The dam will also be used as a fishing dam and the sponsor expects to have exclusive fishing rights.

PROJECT COST AND FINANCING PLAN

The total cost of the first phase of the project is estimated at KShs 1,655,000. The bank has given a loan of KSh 800,000 under the RPE program towards the cost of this phase, the balance being owners contribution. The RPE loan will be applied as follows:

Item	Cost KSh
Site development	40,000
Building	440,000
Electrification	300,000
Contingencies	20,000
	<hr/>
Total	800,000 =====

SITE VISIT

We were accompanied by Mr Kiruthi, an advances officer at KCB Thika branch during our visit to the site. The project sponsor had not been informed about our visit, and we did not find him on the site.

The main buildings are near completion and out of the KSh 800,000 RPE loan, only KSh 320,000 has been disbursed to the borrower. The remaining part of the loan should complete the construction of buildings. According to the advances officers, the camp is on a piece of land which is leased to the construction company by the sub borrower. He stands chances of purchasing the buildings after the site is vacated.

COMMENTS, ISSUES AND ACTION POINTS

The concept of attracting tourists to this area is quite new and the project is likely to experience problems initially. The sponsor will have to undertake an aggressive sales campaign. The local market is limited because the hotel is outside the town.

The USAID portion of the loan was US\$ 23,382 at the exchange rate of 1 US\$ = KShs 22.81.

PROJECT : Sasumua Sawmill Limited
LOCATION : South Kinangop
SUB-BORROWER : Sasumua Sawmills Limited
BANK/BRANCH : SCB - Molo DATE: 22/1/91
MANAGER : N/A VISIT NO: 3

PROJECT DESCRIPTION

This is an expansion of an existing sawmill, an agri-business activity which qualifies for RPE funding under the employment generation criteria.

PROJECT PERFORMANCE

As reported in previous monitoring reports, the project is expected to perform well because it has capable management. The project owner/manager, Mr David Kirubi has demonstrated good management skills and has successfully operated the sawmill since 1986.

The project has created 26 new jobs and currently employs 38 staff. It produces approximately 4 tonnes of timber per day generating revenues of between KSh 180,000 to KSh 250,00 per month. The level of sales is expected to be maintained in the future, despite the problems discussed below.

At the moment, demand for timber has declined as activity in the construction industry has slowed down. This is a cyclic problem which sawmillers experience from time to time. During our visit, the sponsor had huge stocks of sawn timber which he had been unable to dispose of, but he expected sales to improve over the next quarter.

The operational costs of the mill are high as the machinery is diesel driven. It had been anticipated that by this time the area would have electricity under the rural electrification programme. So far, this has not been implemented and has constrained the operations of the Sawmill.

The reimbursement to the bank from the Central Bank was effected in 1988 and the USAID portion of the loan was US\$ 43,340 at the exchange rate of 1 US\$ = KShs 17.17.

PROJECT : Scorpio Elegance Limited
LOCATION : Kikuyu - Kiambu
SUB-BORROWER : Scorpio Elegance
BANK AND BRANCH : KCFC - Nairobi DATE: 21/1/91
BRANCH MANAGER : Mr I Khasiani VISIT NO: 1

PROJECT DESCRIPTION

This is a floriculture project on an eight acre farm in Ondiri near Kikuyu town. The proposal is to improve horticultural production on the farm by establishing a cold storage facility, upgrading an existing irrigation system and enhancing the delivery system.

PROJECT COSTS AND FINANCING PLAN

The total cost of the proposed project will be more than KSh 4 million. The owner will meet the costs of land preparation and planting materials while an RPE loan of KSh 2.5 million will be utilised as follows:

Item	Cost (KSh '000)
Cold store	520,000
Delivery van	620,000
Grading shed	150,000
Green houses	240,000
Irrigation improvement	600,000
Electricity installation	50,000
Working capital	300,000
	<hr/>
	2,480,000
	=====

SPONSORS PROFILE

The project is sponsored by Scorpio Elegance, a limited liability company whose Directors are Dr and Mrs Ragui. They are joint managers of their horticultural farm, and have been in floriculture farming since 1986. Dr Ragui is a former lecturer at the university of Nairobi. He resigned recently to concentrate on the management of the farm.

In running their farm, the Raguis are assisted by a German horticultural consultant who makes scheduled visits every year.

ELIGIBILITY CRITERIA

The project qualifies for RPE funding under the foreign exchange generation criterion.

DEVELOPMENT IMPACT

The expansion will also initially create 35 new jobs of which, 28 will be for women. The couple intends to encourage/assist small scale farmers in their neighbourhood to grow flowers.

SITE VISIT

At the time of our visit, funds had not been disbursed and project implementation had not started.

The current operations are successful. In 1990, the farm exported flowers worth KSh 1.2 million and the sponsors expect their export volume to double after the project is fully implemented. Based on their past performance and experience, the sponsors will meet their target.

PROJECT : Silver Holdings - Blue Post Hotel
LOCATION : Thika
SUB-BORROWER : Silver Holdings
BANK AND BRANCH : BBK -Queensway DATE: 14/1/91
MANAGER : N/A VISIT NO: 1

PROJECT DESCRIPTION

The proposal is to modernise the New Blue Posts Hotel and develop a 30 - acre plot of land on which it is situated. In doing so, the sponsors wish to elevate the establishment to a four-star country hotel. The hotel will cater for tourists and local residents.

PROJECT COSTS AND FINANCING PLAN

The cost of proposed expansion will be in excess of KSh 30 Million. An RPE loan of KSh 24 million has been provided by BBK. In addition, the hotel has been given a non-RPE overdraft facility of of KSh 5 million. The RPE loan will be applied as follows:

Item	Cost (KSh'000)
Buildings including seminar rooms, health club swimming pool, squash courts covered walkways	6,926
Other works Land scaping, aviary and sanctuary, lighting, Kitchen and laundry equipment	8,600
Restaurant, guest rooms staff quarters	8,650
Total	<u>24,176</u>

OWNERSHIP AND MANAGEMENT

Silver Spring Holdings is mainly owned by the Kenyatta Family. The directors are Mama Ngina, Uhuru and Muhoho Kenyatta. Other directors include Mr P H Jani and Mr J S Armitage (British).

Blue posts was acquired by Silver Holdings in 1987. The Kenyatta family has been in very successful businesses ventures and usually relies on qualified management teams to manage their business. They have already identified a management team for the hotel, and have put it in place. In addition, one of the directors, Mr J S Armitage is a chartered accountant and oversees the financial management aspects of the company. The implementation of the project is expected to progress smoothly.

ELIGIBILITY CRITERIA

The project qualifies for RPE funding under the foreign exchange generation criteria.

DEVELOPMENT IMPACT

The hotel will have a hundred and forty new jobs when the project is fully implemented.

SITE VISIT

The construction work at the site is progressing on schedule. Some of the buildings including seminar and guest rooms have been completed. In addition, six Curio shops have been completed and are being rented out. An aviary and a rhino sanctuary will be completed soon.

The hotel is at the moment attaining sales of KSh 14 Million per annum. Out of this, only 10% is generated from tourists. The projected sales after completion of the expansion programme are excess of KSh 22 million per year. It is anticipated that 50% of the sales will be from tourists.

The bank was unable to provide us with an officer to accompany us to the site.

The USAID portion of the loan was US\$ 706,591 at the prevailing exchange rate of 1US\$ = KShs 22.81 at the time of reimbursement from CBK.

PROJECT : Simba Tiles
LOCATION : Kilifi District
SUB-BORROWER : Ibrahim Pasta
BANK/BRANCH : KCFC - Mombasa DATE: 28.1.91
MANAGER : Symon Ngangu VISIT NO: 1

PROJECT DESCRIPTION

When fully operational, Simba Tiles will produce machine made cement tiles. Presently, clay tiles used for decorative purposes are being produced manually.

SUB-BORROWER PROFILE

The owners are the Pasta family who have been contractors and in the hauling business at the coast for many years. They had observed a need for cement tiles and noticed that they were being brought into the area from great distances. As a result, they decided to begin manufacturing tiles on land that they had bought last year.

PROJECT COST AND FINANCING PLAN

The total loan is KSh 3.5 million, all of it used for machines from Italy but not financed through the off-shore procurement facility of RPE. Both land and the building were financed with the funds of the owners. The breakdown is as follows:

	KSh
USAID RPE	2,333,333
Bank RPE	<u>1,166,667</u>
	3,500,000
	=====

An RPE loan was preferred because of the grace period and more flexibility. There is a one year grace period and repayment over five years.

The loan was approved in September 1990. The dollar value of the USAID portion was \$102,294 at an exchange rate of the time of disbursement of \$1 = KSh 22.81

PROCUREMENT

The full amount of the loan has been used to buy a mixer, an extrusion machine and a conveyor belt in Italy. At the time of the visit, the machinery was at the port of Mombasa and delivery in a week's time was hoped for. The vendor provides a technician who installs the machines and carries out training in their use.

ELIGIBILITY CRITERIA

Employment generation. Potential for export.

DEVELOPMENT IMPACT

At full production, it is expected that 90-100 people will be employed on three shifts. Ladies will be employed for fetching water and cultivating a shamba on the premises. Men are employed for the jobs that involve heavy lifting. Men earn Sh 40/day, women Sh 20.

Simba Tiles will be the only source of cement tiles available at the coast, thus reducing transport costs.

SITE VISIT

Twenty people (12 women and 8 men) are currently employed. We met Mr Patel, the manager, who will be on site full time.

Albeda Brewer, USAID Kenya participated in the visit.

COMMENTS, ISSUES AND ACTION POINTS

The buildings appeared well built. Without the machinery, it is difficult to assess the project as such. Bank monitoring should check progress with production.

PROJECT : Stanley Ngungu
 LOCATION : Nguyoini - Muranga
 SUB-BORROWER : Stanley Ngungu
 BANK AND BRANCH : KCB DATE: 14/1/91
 BRANCH MANAGER : Mr Khasiani VISIT NO: 1

PROJECT DESCRIPTION

Rehabilitation of a posho mill. The mill was established in 1966 and operated using a diesel driven motor. The operation ceased in 1987 after the machinery broke down. The proposal is to instal electricity at the site and to convert and modernise the equipment from diesel to electric power.

PROJECT COST AND FINANCING PLANS

The cost of the project was originally estimated at KSh 229,000. This excluded the cost of land and a pick up truck which were existing and each valued of KSh 200,000. The sub borrower had projected that the machinery would cost KSh 139,000 while electrification and working capital would each cost KSh 45,000. He requested a loan for this amount and only KSh 180,000 was advanced. The cost of equipment increased to KSh 157,000 and this widened the financing gap to KSh 67,000 as shown below:

Item	Cost	Financing	
Land (existing)	-		
Pick-up (existing)	-		
Electrification	45,000		
Machinery		RPE loan	180,000
New Huller - Sh 85,000		Shortfall	<u>67,000</u>
Modification			
of Poshomill - Sh 72,000	157,000	Total	247,000
			=====
Working capital	<u>45,000</u>		
	247,000		
	=====		

OWNERSHIP AND MANAGEMENT

The sponsor of the project is Mr Stanley Ngungu, a retired high school teacher. He operated the old posho mill between 1966 to 1987, but rather unsuccessfully and he was forced to close down. He blames the closure to unfair tactics by competitors. We have reservations about his ability to succeed in the future as another mill has recently been established in the area and will offer stiff competition.

ELEGIBILITY CRITERIA

The project is an agri business and qualifies for funding under the employment generation criteria. When fully implemented, it will create five new jobs.

SITE VISIT

At the time of our visit, the bank had not released any funds since security documentation was incomplete. The sponsor, however, had already started to implement the project, partly with his own funds and from credit provided to him by the modifiers of the equipment with the expectation that he will pay them after the bank releases the funds.

Mr Ngungu will experience difficulties in implementing this project. He is attempting to change from a diesel system to an electric driven mill. The existing equipment is already too old although he will buy a new huller/separator. In the end, it is likely to be more expensive to modify the equipment than to buy new machinery. The sponsor does not have a good technical background, which this makes the situation worse. The project is already under financed and if this continues, it will get into serious financial difficulties.

The premises are in need of general repair and require a face lift. Otherwise public health officials may not licence the mill. No funds have been allocated for this important aspect. The bank manager should ensure that the sponsor can raise enough money to renovate the premises, the project will be a non-starter.

We have serious doubts about cast over the management capability of the sponsor. The bank must monitor implementation closely if there is to be any hope of the loan performing.

PROJECT : Tapioca Ltd
LOCATION : Kwale District
SUB-BORROWER : D D Khagram
BANK/BRANCH : BBK - Chagamwe Road,
Mombasa DATE: 28/1/91
MANAGER : Salim Maamiry VISIT NO: 2

PROJECT DESCRIPTION

Tapioca produces starch from cassava. It is used for the production of corrugated cardboard, industrial glue, crude oil and for strengthening sacks used to hold cement. The RPE loan is for acquiring a hydrocyclone machine that refines starch, permitting additional uses for the product.

SUB-BORROWER PROFILE

The Khagrams, father and son, run the business. The son was educated in the U.K. as an engineer. They have been running the business for about 12 years.

PROJECT COST AND FINANCING PLAN

The total loan is KSh 1 million, all of it to be used for the hydrocyclone machine from the Netherlands, through the off-shore procurement facility of RPE. Disbursement has not yet taken place, because the Letter of Commitment was first approved and issued by the bank in March 1991. During our monitoring visit, with Alfreda Brewer from USAID/Kenya, we brought home to both the bank and the borrower that the loan needed to be processed quickly if RPE was to be utilised.

The loan period will be eight years including a two year grace period.

The dollar value of the loan is \$28,986 at an exchange rate at the time of purchase of \$1 = KSh 23.

PROCUREMENT

The full amount of the loan has been used to buy the hydrocyclone machine.

ELIGIBILITY CRITERIA

Agri-business

DEVELOPMENT IMPACT

Additional cassava can be purchased from local farmers, and three or four additional workers will be employed to run the hydrocyclone machine.

The effect on the health of the workers who are covered in starch dust for their entire eight hour shift should be looked into. Realistically, however, this is the only employment available. The Khagrans also seemed reluctant to discuss this issue, assuring us that the workers went outside for fresh air frequently.

SITE VISIT

Sixty-five people, all men, are employed by Tapioca. Twenty are casuals. Most earn the minimum wage of KSh 700/month and are members of the Food Workers Union.

The factory is being revamped to accommodate the hydrocyclone machine.

In addition, Mr Khargram Junior talked about a quick freezing unit that he would like to buy in order to process cassava, pineapple and french beans. Mention of this machine is also recorded in the first monitoring report from 1988. According to Mr Khargram there is a large market among immigrants from the Middle East in Europe for cassava. Many other fruits and vegetables could also be processed and thus be less susceptible to delays in transporting and products to Europe.

COMMENTS, ISSUES AND ACTION POINTS

It should be confirmed that the incentive for the loan has been requested and paid to the branch.

Progress with receiving and installing the hydrocyclone should be monitored.

Any future credit schemes linked to export should consider assisting with a loan for the quick freezing unit.

APPENDIX 1 - SUB BORROWERS BASE LINE DATA
QUESTIONNAIRE

PART 1

RPE BASELINE DATA QUESTIONNAIRE

Please fill in the gaps:

NAME: DR/MR/MRS/MISS
(First Name) (Last Name)

POSITION IN THE COMPANY

NAME OF BUSINESS:

LOCATION OF BUSINESS:

Town

Location

Division

District

POSTAL ADDRESS:

P O Box

Town

Telephone Number

List the principal owners or directors of the company.

(Circle as appropriate)	First name	Second Name	Nationality	% of shares
1. DR/MR/MRS/MISS
2. DR/MR/MRS/MISS
3. DR/MR/MRS/MISS
4. DR/MR/MRS/MISS
5. DR/MR/MRS/MISS
6. DR/MR/MRS/MISS

When was your business established?

PART II: TYPE OF BUSINESS

**A. What is your main business activity?
(please tick one)**

- Manufacturing
- Agriculture
- Hotel
- Transportation
- Tourism
- Mining/quarry
- Trade (Retail/Wholesale)
- Trade (Crafts/Repair)
- Agribusiness
- Building and Construction
- Electricity and Water
- Financial/Business Services
- Community Personal Services
- Other (specify)

B. List the main items (products) produced or sold by your company and their sales value.

Item	Average sales per month (KShs)	Average sales per year (KShs)
1.
2.
3.
4.
5.
6.

C. Summary of sales

What is the current value of your average sales?

- (i) per day KShs
- (ii) per month KShs
- or (iii) per year KShs

When did you obtain an RPE loan?

What was the value of your sales before you obtained the RPE loan?

- (i) per day KShs
- (ii) per month KShs
- or (iii) per year KShs

D. If you export any products, please fill in the following section for those products exported:

Item/product	Country(ies) Sold	Amount per year (KShs)
1.
2.
3.
4.
5.
6.
7.
8.
Total	

PART III - SIZE OF BUSINESS

A. What is the total number of employees in your company?

		Men	Women
Men	..... Full-time	.....	.....
Women	..... Part-time	.....	.....
Total	..... Non-paid	.....	.....
	..... Total	.....	.....

B. How many employees did you have before you obtained the RPE loan?

		Men	Women
Men	..... Full-time	.....	.....
Women	..... Part-time	.....	.....
Total	..... Non-paid	.....	.....
	..... Total	.....	.....

C. If you have not fully implemented your project, answer the following questions:

How many employees will you have after you implement your project fully?

		Men	Women
Men	..... Full-time	.....	.....
Women	..... Part-time	.....	.....
Total	..... Non-paid	.....	.....
	..... Total	.....	.....

D. Type of employees:

Category	Titles	Number of Staff
Management
Technicians
General Labourers
Casual staff
Total	

E. Value of assets (net book value)

Item	Market value KShs
Land
Building
Machinery
Raw materials
Other (Specify)
Total value of assets

F. In the space provided below, please describe how your project has benefitted your community.

.....
.....
.....

G. Have you or your employees received training from RPE?

YES NO

If yes state the number of people trained and their positions in the company.

.....

H. Have you received any technical assistance (i.e setting books of accounts etc)?

YES NO

If yes state the type of assistance.

.....

I. What other assistance has the company received from RPE project or the bank?

.....
.....

APPENDIX 2 - BASE LINE DATA

RFE REPORT 1

NO	NAME OF BUSINESS	LOAN SIZE (000s)	DISTRICT	EXISTING BUSINESS ?	OWNERS										
					P. D.	ROI	TOWN	NAME1	NAME2	NAME3	NAME4	NAME5	NAME6		
1	59 P.G. NDWIGA (FARMERS CAFE)	92	EMBU	n	1242	EMBU	M PATRICK	M NDWIGA	M ERIC						
2	32 F. M. LUTOMIA (MALAHA MILLEAS)	96	KAYAMEGA	y	1242	KAYAMEGA	F LUTOMIA								
3	1 HOAH NDWIGA	120	EMBU	y	120	RUNYENJES	M NDWIGA								
4	48 SOLOMON GAYUNJU	120	NAIROBI	y	767	KIAMBU	S GAYUNJU								
5	28 YIMANI KIITYURU (KAMEGA FARM)	145	KIAMBU	y	925	KIAMBU	K KIITYURU								
6	7 EJINJA POSHO MILL	160	KAYAMEGA	n	1144	KAYAMEGA	M J LIGOND								
7	29 BRUCE KANDETE (IFUNADE POSHO MILL)	165	KAYAMEGA	n	5	BISAMBI	R KANDETE								
8	53 MWANGI NGUNGU (IFIA POSHO MILL)	180	MURANGA	n	269	MARAGUA	M NGUNGU	M NARTHA							
9	10 BACHUNI NGARANDA	250	NYERI	y	404	NYERI	G NGARANDA								
10	49 WESTWOOD ENTERPRISES	275	KIAMBU	n	300	LIMURU	M GIATHI								
11	21 J.K. MUCHERU (RENTERPRISES AUTO)	300	BUNGOMA	y	1243	WEBUTE	J YAPUKI								
12	27 J.K. GAYUNGA (GAYUNGA FARM)	300	KIAMBU	n	111	MSINDUPI									
13	3 AGRIP FARM LIMITED	350	KIAMBU	n	51	THIKA	G THUD								
14	16 MOBILE WELDERS	400	NAURU	n	3898	NAURU	A K. MWANGI								
15	20 SOMET INDUSTRIES	400	NYERI	y	73465	NAIROBI									
16	24 KADIRIS BAKERY	477	LAMU	y	54	LAMU	M AHMED								
17	44 E. C. NJAGE	500	EMBU	n	382	KIRIGI	E FORNELIUS								
18	40 NJERU MWEA (YATHIOPU FARM)	500	EMBU	y	547	EMBU	M MWEYA								
19	9 MHIRIAI ESTATE	540	EMBU	n	237	EMBU	J NJOYA								
20	23 COFFEE FARMING	625	NYERI	n	358	NYERI									
21	5 SAMUEL MUCHIRI	800													
22	60 E. R. MURANGO (KIAMUGUNGO FARM)	800	KIRINYANGA	n	593	EMBU	E RUGAITA								
23	6 TAPICCA LIMITED	1,000	KILIFI	n	64059	MOMBASA	D KHAGRAM	R KHAGRAM							
24	46 WILLIE DENNIS MUCHUMI	1,000	NAURU	y	285	ELBURGH									
25	54 VISIONS OXY CLEANERS LIMITED	1,065	KIAMBU	n	1072	THIKA	M GICERU	J NJERI							
26	25 SASUMUA SAW MILL LTD	1,200	NYANDARUA	n	163	KINANGOP	D YIRUBI	D YIRUBI							
27	12 ISANGA SAWMILLS LTD	1,200		n	84	KINANGOP	D KIJANI	G YABURA	M KARURA	S WANGARI	J NGUGI				
28	56 J.P. NAWERU (JASHO FLOUR MILLS)	1,800	NAURU	n	1007	NAURU	P NAWERU								
29	13 SCOFFIO ELEGANCE LTD	2,500	KIAMBU	y	42722	KAPUFI	E KAPANJA	M WANJIRU							
30	22 KIJARE PRINTING PRES	3,000	KIAMBU	y	40	KIJARE	M AYUB	A JOHN	K GITHINJI	M MAUNDU	K GITAU	M BENSON			
31	45 LEVILLA LIMITED	4,000	KIAMBU	n	451	KIYUYU	F DAVID	F GABRIELA							
32	26 THIKA GENERAL WORKS	4,000	KIAMBU	y	412	THIKA	M WAMBU	G WANJIRU							
33	15 CHALLA HOLDINGS LTD	4,000	TAITA	y	16	TAVETA	M YAPUKI	M WANJIRU							
34	2 SUN HIGAND BEACH HOT	4,100	KILIFI	y	2	MOMBASA	A VISTRAM	R VISRAM	M VISHRAM	S VISHRAM					
35	43 KENYA VINEYARDS LTD	4,200	MURANGA	y	10304	NAIROBI	I NDUATI	Y WANJIRU							
36	42 WARENG ENTERPRISES	4,218	UASIN GISH	n	215	ELDORET	S SINGH	S A.V	R SINGH	I SINGH	S SINGH	K HENRY			
37	55 PREMIER FOOD INDUSTRIES LIMITED	4,500	NAIROBI	n	41476	NAIROBI	I	M							
38	18 KENYA PAPBLE QUARRE	4,500	NAIROBI	n	40834	NAIROBI	A LAKHANI	S LAKHANI	K LAKHANI						
39	50 C. BORMAN LIMITED	7,200		y	30147	NAIROBI	R REGISTERED	J BLODY	M ROUTH	D M'BRIJJENE	P VALCNTINE				
40	47 NGORONGO TEA FACTORY LIMITED	7,500	KIAMBU	y	364	KIAMBU	K CHARLES	C JACKSON	F JAMES	K CHARLES	K COFOA	K LIMITED			
41	14 MALINDI GENERAL ENGINEERING WORKS	8,217	KILIFI	n	419	MALINDI	G AHMED	A ISMAIL	A LATIF	A AHMED					
42	58 UNANJIVAN SCREWS & FASTENERS LIMITED	10,000	NAIROBI	y	30130	NAIROBI	D BHATTESSA	K BHATTESSA	C HOLDINGS						
43	30 LEATHER INDUSTRIES	15,000	KIAMBU	n	79	THIKA									
44	52 PALAA INDUSTRIES LIMITED	15,120	MACHAKOS	n	55235		J NZIDYA	M NZIDYA	M NZIDYA						
45	51 UFUTA LIMITED	18,000	MOMBASA	n	82191	MOMBASA	N D N	M F M	S L	H T J					
46	11 KANUJI LIMITED	30,000	MURANGA	n	45560	NAIROBI	C GARDNER	M PERKINS	M GECAGA	F BIBBY	P BENSON	C MARYHAM			
47	61 ATHI RIVER MINING LIMITED	30,400	MACHAKOS	y	41908	NAIROBI	H PAUNRANA	P PAUNRANA	J PAUNRANA						
48	60 BEDI INVESTMENTS LIMITED	35,474		n	230	NAURU	K SINGHBEDE	J SINGHBEDE	R BEDI	J BEDI	I BEDI	T BEDI			
49	8 KWANA ESTATE LIMITED	55,000	KILIFI	n	82630	MOMBASA	I TARNAR	J KANDHARI							
50	31 UNITED MILLERS LTD	56,000	KISUMU	y	620	KISUMU									
51	17 MIFAMA INVESTMENTS	44,000	KILIFI	n	84727	MOMBASA	A RHOGAL	G RHOGAL							
52	33 SAI CLEANERS LTD	45,000		n	45244	NAIROBI	A PARMAR	J PARMAR							
53	19 TUMBULES	60,000	NAIROBI	y	10490	NAIROBI	F HARRIS	G JENNINGS	E KING'ORI	M NGIRUINI	J SILVESTER				

RPE REPORT2

NAME OF BUSINESS	LOAN SIZE (000S)	TYPE OF BUSINESS	PRODUCTS	ANNUAL SALES (KSH)
1 59 P.G. MUMUGA (FAMEPS CAFE)	92	HOTEL	COOPEE FOOD	
2 32 F. M. LUTONIA (MALAMA MILLERS)	96	MANUFACTURING	MAIZE MEAL	720,000
3 48 SOLOMON GAYUNGU	120	MINING/QUARRY	QUARRY STONES	90,000
4 1 NDAH NDIGWA	120	AGRI-BUSINESS	MAIZE FLOUR	0
5 28 KIMANI KIITHURU (KAMEARA FARM)	145	AGRICULTURE		173,000
6 7 EJINJA POSHO MILL	160	MANUFACTURING	FLOUR	0
7 29 BRUCE MANDETE (KAFUMBE POSHO MILL)	165	AGRICULTURE	POSHO MILL	0
8 53 MWANGI MBUNGU (KITHIA POSHO MILL)	180	AGRI-BUSINESS		700,000
9 10 BACHUMI MBAPANDA	250	MANUFACTURING	WHEEL BARROW	0
10 49 WESTWOOD ENTERPRISES	275	TRADE (CRAFTS & REPAIR)	BUILDING BLOCKS	2,433,600
11 27 J.P. GAYUNGA (GAYUNGA FARM)	300	AGRICULTURE	COFFEE	360,000
12 21 J.P. MUCHEPU (ENTERPRISES AUTO)	300	TRADE - P/W & CRAFTS/REPAIR	CLUTCH FACINGS	0
13 3 AGRIF FARM LIMITED	350	MANUFACTURING	CATTLE	1,000
14 20 SOREMI INDUSTRIES	400	MANUFACTURING		0
15 16 MOBILE WELDERS	400	MANUFACTURING	POSHO MILL	41,000
16 24 KADIRIS BAKERY	477	MANUFACTURING	BREADS	640,000
17 44 E. C. NJABE	500	TRADE (P/W)		30,000
18 40 NJERU MWEA (KATHIDI FARM)	500	MANUFACTURING	COFFEE BERRIES	1,670,000
19 9 MBIFIAI ESTATE	540	AGRICULTURE	COFFEE	350,000
20 23 COFFEE FARMING	625	AGRICULTURE	COFFEE	14,000
21 5 SAMUEL MUCHIPI	800		DAIRYING	64,000
22 60 E. R. MURANGO (KIAMUSUNGU FARM)	800	MANUFACTURING	COFFEE PULPING	200,000
23 6 TAPIORA LIMITED	1000	MANUFACTURING & AGRICULTURE	CASSAVA FLOUR	0
24 45 WILLIE DENNIS MUCHUJI	1000	MANUFACTURING	TIMBER	3,500,000
25 54 VISIONS DRY CLEANERS LIMITED	1065	LAUNDRY	DRY CLEANING	6,000,000
26 25 SASURU SAW MILL LTD	1200	MANUFACTURING	TIMBER	720,000
27 10 IGANGA SAWMILLS LTD	1700	MANUFACTURING & SAWING TIMBER		0
28 56 J.P. WAKERU (KASHO FLOUR MILLS)	1800	AGRI-BUSINESS	WHOLE MAIZE FLOUR	0
29 13 SCORPIO ELEGANCE LTD	2500	AGRI-BUSINESS	CUTFLOWERS	NA
30 22 UJARE PRINTING PRES	7000	MANUFACTURING	RELIGIOUS BOOKS	1,220,000
31 15 CHALLA HOLDINGS LTD	4000	AGRICULTURE	AGRICULTURE	8,400
32 24 THIRA GENERAL WORKS	4000	MANUFACTURING	WATER TANKS	1,800,000
33 45 LEVILLA LIMITED	4000	MANUFACTURING	PASTRIES	1,642,325
34 2 SUN W'SAND BEACH HOT	4100	HOTEL	ACCOMMODATION	23,400,000
35 40 KENYA MINERALS LTD	4200	MANUFACTURING	COFFEE	40,700,000
36 42 WAFENG ENTERPRISES	4219	MANUFACTURING	ROOFING TILES	1,700,000
37 18 KENYA MARBLE QUARRIE	4500	MINING/QUARRY	LIMESTONE PRODUCTS	0
38 55 PREMIER FOOD INDUSTRIES LIMITED	4500	AGRI-BUSINESS	SAUCES	16,200
39 50 C. DOPHAN LIMITED	7200	TRADE (P/W) & AGRI-BUSINESS	GREEN COFFEE	78,000
40 47 NBOBONGO TEA FACTORY LIMITED	7500	MANUFACTURING	BLACK TEA	134,000,000
41 14 MALINDI GENERAL ENGINEERING WORKS	8017	MANUFACTURING	STAY FOODS	91,754,818
42 58 (NANJIVAN SCREWS & FASTENERS) LIMITED	10000		HIGH TENSILE	0
43 20 LEATHER INDUSTRIES	15000	MANUFACTURING	FINISHED LEATHER	72,000,000
44 57 MAJAA INDUSTRIES LIMITED	15170	AGRICULTURE	FLOWERS	192,662
45 11 NETA LIMITED	18000			0
46 11 KANZO LIMITED	20000	MANUFACTURING & AGRI-BUSINESS	TEA	34,326,000
47 61 ATHI RIVER MINING LIMITED	20000	MINING/QUARRY	MARBLE & GRANITE	0
48 62 BEDI INVESTMENTS LIMITED	20000	MANUFACTURING	TEXTILES GARMENTS	70,000,000
49 8 KIWANI ESTATE LIMITED	25000	HOTEL	CATERING & BAR	125,061,561
50 21 UNITED MILKERS LTD	26000	MANUFACTURING	WHEAT FLOUR	2,200,000
51 13 MAFARA INVESTMENTS	40000	HOTEL	ROOMS	0
52 77 SAI KEMBERS LTD	45000	MANUFACTURING	CERAMIC WALL TILES	0
53 19 TIMBALS	60000	MANUFACTURING	HARDBOARDS	0

RPE REPORT2

NAME OF BUSINESS	-----EXPORTS-----					
1 59 P.B. NDWIGA (FAMEPS LIFE)						
2 32 F. M. LUTONIA (MALAHA MILLERS)						
3 48 SOLOMON GAYUNJU						
4 1 NOAH NDIGWA						
5 28 LIMANI LITUYU (YAMBARA FARM)						
6 7 EJINJA POSHO MILL						
7 29 BRUCE MANGETE (KAKUADE POSHO MILL)						
8 53 MWANGI NGUNGU (KIRIA POSHO MILL)						
9 19 GACHUNI NGAFANDA						
10 49 WESTWOOD ENTERPRISES						
11 27 J.J. GAYUNGA (GALUNGA FARM)						
12 21 J.J. MUCHERU (MENTERPRISES AUTO)						
13 3 ASAP FARM LIMITED						
14 20 SOMERI INDUSTRIES						
15 16 MOBILE WELDERS						
16 24 MADIRIS SMELTY						
17 44 E. C. NJAGE						
18 40 NIEFU MWEA (DATHIOPI FARM)						
19 9 MEIPAI ESTATE						
20 23 COFFEE FARMING						
21 5 SAMUEL MUCHIPI						
22 64 E. P. MURANGO (KIAMUGUNGO FARM)						
23 6 TAPI S. LIMITED	STARCH	CASTOR OIL	OIL CAKES			
24 46 WILLIE DENNIS MUCHUMI						
25 54 VISIONS DRY CLEANERS LIMITED						
26 25 SASUMUA SAW MILL LTD						
27 12 ISANGA SAWMILLS LTD						
28 56 J.P. WAMBU (JASHO FLOUR MILLS)						
29 17 SCORPIO ELEGANCE LTD	AISTROMERA	DWITHODOPUM	STATIC	TUREROSES	MOLUCELLA	
30 22 KIJABE PRINTING PRES	RELIGIOUS BOOKS					
31 15 CHALLA HOLDINGS LTD						
32 26 THINA GENERAL WORKS						
33 45 LEVILLA LIMITED						
34 2 SUN M'SAND BEACH MOT						
35 41 KENYA VINEYARDS LTD						
36 42 WAREHO ENTERPRISES						
37 18 KENYA MARBLE QUARRIE						
38 55 PREMIER FOOD INDUSTRIES LIMITED						
39 54 C. D. SHAM LIMITED	GREEN COFFEE					
40 47 NUGUNGU TEA FACTORY LIMITED						
41 14 MALINDI GENERAL ENGINEERING WORKS						
42 58 ANAMUJWAN SCREWS & FASTENERS LIMITED	SCREWS,FASTENERS	RAIL TRACK ELEMENTS	SCREWS, NUTS,BOLTS	SCREWS,NUTS,BOLTS		
43 20 LEATHER INDUSTRIES						
44 52 MALAA INDUSTRIES LIMITED	NEW BUSINESS					
45 51 OFUTA LIMITED	VEGETABLE	VEGETABLE	VEGETABLE	COCONUT		
46 11 KAVUZI LIMITED						
47 61 ATHE RIVER MINING LIMITED						
48 62 BEDI INVESTMENTS LIMITED	TEXTILE	TEXTILE	TEXTILE	GARMENTS		
49 6 KWANI ESTATE LIMITED						
50 31 UNITED MILLERS LTD						
51 17 MIAAMAH INVESTMENTS						
52 33 SAI CERAMICS LTD						
53 19 TIMSALES	FLUSHDOORS	PLYWOOD	HARDBOARDS	FLOORBOARD	SOFTBOARDS	

REPORT 3

II	NAME OF BUSINESS	LOAN SIZE (000s)	ANNUAL SALES (KSH)	TOTAL ASSETS (KSH)	EMPLOYMENT		
					MEN	WOMEN	TOTAL
1	59 P.G. NDWIGA (PAMERS CAFE)	92	720,000	130,000	8	0	8
2	32 F. M. LUTOMIA (MALAHA MILLERS)	96	200,000	1,304,000	20	20	40
3	1 NOAH NDIGWA	120	173,000	410,000	2	1	3
4	48 SOLOMON GALUNJU	120	264,000	NA	9	2	11
5	28 ELMANI IJIYURU (KAMBARA FARM)	145	71,408	1,080,000	3	7	10
6	7 EJINJA POSHO MILL	160	60,000	450,000	2	0	2
7	29 BRUCE MANDETE (BRUMADE POSHO MILL)	165	70,000	1,010,000	1	1	2
8	53 NWANGI NGUNGU (IRIA POSHO MILL)	190	0	460,000	NA	NA	NA
9	10 GACHUHI NGARANDA	250	2,433,600	NA	3	2	5
10	49 WESTWOOD ENTERPRISES	275	360,000	3,270,000	8	5	13
11	27 J.L. GALUNGA (GALUNGA FARM)	300	0	1,500,000	2	3	5
12	21 J.L. MUCHIRO (MUCHIRO ENTERPRISES AUTO)	300	1,020,000	209,500	8	1	9
13	3 AGRI FARM LIMITED	350	50,000	NA	8	3	11
14	16 MOBILE WELDERS	400	640,000	120,000	8	1	9
15	20 SURENI INDUSTRIES	400	4,000,000	900,000	13	12	25
16	24 FABRIS BAKERY	477	3,000,000	NA	8	6	14
17	40 NILELI MUA (NILELI FARM)	500	350,000	3,125,507	11	24	35
18	44 E. C. NJAGE	500	1,800,000	500,000	2	1	3
19	9 MORIAI ESTATE	540	1,400,000	2,186,000	46	34	80
20	23 COFFEE FARMING	625	640,000	17,300,000	28	20	48
21	5 SAMUEL MUCHIRI	800	0	2,450,000	0	0	0
22	60 E. R. MURANGO (IANUGUNGO FARM)	800	200,000	1,900,000	NA	NA	NA
23	46 WILLIE DENNIS MUCHIRI	1000	6,000,000	16,000,000	35	32	67
24	6 TAPIOCA LIMITED	1000	35,000,000	22,000,000	40	0	40
25	54 VISIONS DRY CLEANERS LIMITED	1065	720,000	1,900,000	5	4	9
26	25 SASUNJA SAW MILL LTD	1380	2,100,000	7,500,000	42	1	43
27	12 ISANGA SAWMILLS LTD	1700	0	1,700,000	20	10	30
28	56 J.P. NAWERO (JASHO FLOUR MILLS)	1800	3,900,000	3,286,470	NA	NA	NA
29	13 SCORPIO ELEGANCE LTD	2500	1,220,000	8,675,000	7	28	35
30	22 FIJABE PRINTING PRES	3000	8,400,000	7,011,000	49	19	68
31	26 THIFA GENERAL WORKS	4000	1,643,325	17,969,190	14	4	18
32	15 CHALLA HOLDINGS LTD	4000	1,800,000	18,000,000	12	4	16
34	45 LEVILLA LIMITED	4000	23,400,000	11,586,282	58	57	115
35	2 SUN N SAND BEACH HOT	4100	40,700,000	59,722,167	275	71	346
36	47 FEDYA VINYARDS LTD	4200	1,700,000	10,500,000	52	34	86
37	42 WARENG ENTERPRISES	4318	4,320,000	9,531,557	38	0	38
38	18 FEDYA MARBLE QUARRIE	4500	16,200,000	24,788,000	207	3	210
39	55 PREMIER FOOD INDUSTRIES LIMITED	4500	38,000,000	31,101,000	40	105	145
40	50 C DORMAN LIMITED	7200	134,000,000	30,115,091	155	163	318
41	47 NGORONGO TEA FACTORY LIMITED	7500	91,754,838	15,878,537	100	38	138
42	14 MALINDI GENERAL ENGINEERING WORKS	8217	4,320,000	10,284,000	10	0	10
43	58 GNANJIVAN SCREWS & FASTENERS LIMITED	10000	72,000,000	232,500,000	460	160	620
44	30 LEATHER INDUSTRIES	15000	193,662,000	285,464,000	0	0	0
45	52 MALAA INDUSTRIES LIMITED	15138	0	43,000,000	50	30	80
46	51 UTOA LIMITED	18000	34,826,000	NA	53	28	81
47	11 FAUZI LIMITED	30000	140,000,000	290,000,000	2300	400	2700
48	61 ATHI RIVER MINING LIMITED	30490	70,000,000	130,000,000	NA	NA	NA
49	62 REDI INVESTMENTS LIMITED	33474	125,051,561	138,026,931	NA	NA	NA
50	8 PWANI ESTATE LIMITED	35000	22,000,000	34,600,000	0	0	0

100

REPORT 4

		NAME OF BUSINESS	LOAN SIZE (000e)	TYPE OF EMPLOYEES				
				MANAGEMENT	TECHNICAL	GENERAL	CASUAL	TOTAL
1	1	P.G. NWIGA (BAMERS CAFE)	92	NA	NA	NA	NA	NA
2	2	F. M. LUTOMIA (MALABA MILLERS)	96	1	6	6	3	16
3	3	SOLOMON GAIUNJU	129	1	4	6	NA	NA
4	1	NOAH NDIGWA	129	1	4	5	0	10
5	2	VIMANI ITHYURU (KAMBARA FARM)	145	2	0	4	6	12
6	3	EJINJA POSHO MILL	160	0	0	0	0	0
7	4	BRUCE MANDETE (DRUMADE POSHO MILL)	165	1	0	2	0	3
8	5	MWANGI NGUNGU (IRIA POSHO MILL)	180	1	NA	5	NA	NA
9	6	GACHUHI NGARANDA	250	0	0	0	0	0
10	7	WESTWOOD ENTERPRISES	275	2	8	2	3	15
11	8	J.J. MUCHIRU (ENTERPRISES AUTO)	300	2	3	4	0	9
12	9	J.J. GAIUNGA (GAIUNGA FARM)	300	0	1	6	10	17
13	10	AGRI-FARM LIMITED	350	0	0	0	0	0
14	11	SONENI INDUSTRIES	400	1	12	0	0	13
15	12	MOBILE WELDERS	400	1	13	0	0	14
16	13	FABRIS BAKERY	477	0	0	0	0	0
17	14	L. C. NJAGE	500	1	NA	NA	2	NA
18	14	NIERO NWEA (KATHORI FARM)	500	1	1	8	25	35
19	15	MIRIAT ESTATE	540	0	0	0	0	0
20	16	COFFEE FARMING	625	0	0	8	35	43
21	17	L. R. MURANGO (IAMBURONGO FARM)	800	NA	NA	NA	NA	NA
22	4	SAMUEL MUCHIRI	800	2	15	10	3	30
23	5	WILLIE DENNIS MUCHIRI	1000	NA	NA	NA	NA	NA
24	6	TAPIOCA LIMITED	1000	4	6	30	10	50
25	7	VISIONS DRY CLEANERS LIMITED	1065	2	1	6	NA	NA
26	8	SASUNUA SAW MILL LTD	1380	3	9	28	0	40
27	9	ISANGA SAWMILLS LTD	1700	5	3	27	5	40
28	10	J.P. WAWERU (JASHO FLOUR MILLS)	1800	2	1	6	5	14
29	11	SCORPIO ELEGANCE LTD	2500	1	2	70	0	73
30	12	FIJABE PRINTING PRES	3000	9	12	14	29	64
31	13	CHALFA HOLDINGS LTD	4000	3	0	10	5	18
32	14	THULA GENERAL WORKS	4000	7	2	29	27	65
33	15	LEVILLA LIMITED	4000	6	4	20	85	115
34	16	SUN M'SAND BEACH HUT	4100	7	13	206	60	286
35	16	ELIYA VINEYARDS LTD	4200	3	6	16	90	115
36	15	WARENG ENTERPRISES	4318	2	8	22	6	38
37	16	PREMIER FOOD INDUSTRIES LIMITED	4500	6	4	55	80	145
38	17	KENYA MARBLE QUARRIE	4500	12	3	85	110	210
39	18	C NORMAN LIMITED	7200	8	24	17	269	318
40	19	NGORONGO TEA FACTORY LIMITED	7500	3	15	85	26	129
41	20	MAINDI GENERAL ENGINEERING WORKS	8217	5	10	22	10	47
42	20	GNANJIVAN SCREWS & FASTENERS LIMITED	10000	NA	4	21	15	NA
43	21	LEATHER INDUSTRIES	15000	12	32	124	142	310
44	22	MAWA INDUSTRIES LIMITED	15138	3	2	230	115	350
45	23	DEFA LIMITED	18000	16	23	2	40	81
46	24	ENJOZI LIMITED	20000	47	7	245	500	799
47	25	FIVE RIVER MINING LIMITED	20490	24	116	545	NA	NA
48	26	DEBI INVESTMENTS LIMITED	25474	15	230	142	NA	NA
49	27	EMATI ESTATE LIMITED	25000	6	3	111	0	120
50	28	ORLETT MILLERS LTD	26000	70	40	64	10	184
51	29	DIRAMAR INVESTMENTS	44000	11	31	10	0	52
52	30	SAJ CERAMICS LTD	45000	10	10	220	40	280
53	31	TIKWALES	60000	127	97	205	99	528

101

REPORT 5

#	NAME OF BUSINESS	LOAN SIZE (000e)	TOTAL ASSETS (SH)	NUMBER OF EMPLOYEES
1	59 P.G. NDWIGA (PAPERS CAFE)	92	130,000	8
2	32 F. N. LUTONIA (MALANA HILLERS)	96	1,304,000	40
3	48 SOLOMON GAIUNJU	120	NA	11
4	1 NOAH NDIGWA	120	410,000	3
5	26 TIMANI FIYURU (HAMBARA FARM)	145	1,080,000	10
6	7 EJINJA POSHO MILL	160	450,000	2
7	29 BRUCE MANDETE (BRUMADE POSHO MILL)	165	1,010,000	2
8	53 MWANGI NGUNGU (IRIA POSHO MILL)	180	460,000	NA
9	10 GACHUHI NGARANDA	250	NA	5
10	49 WESTWOOD ENTERPRISES	275	3,270,000	13
11	27 J.L. GAIUNGA (GAIUNGA FARM)	300	1,500,000	5
12	21 J.L. MUCHERU (MENTERPRISES AUTO)	300	289,500	9
13	3 AGRIP FARM LIMITED	350	NA	11
14	20 SOMENI INDUSTRIES	400	700,000	25
15	16 MURILL WELDERS	400	120,000	9
16	24 FABRIS BAKERY	477	NA	14
17	44 E. C. NJAGE	500	500,000	3
18	40 NJERU MWEA (ATHIOTI FARM)	500	3,125,507	35
19	9 MBIRIAI ESTATE	540	2,186,000	80
20	23 COFFEE FARMING	625	17,300,000	48
21	60 E. E. MURANGO (IANGUONGO FARM)	800	1,900,000	NA
22	5 SAMUEL MUCHIRI	800	2,450,000	0
23	46 WILLIE DENNIS MUCHIRI	1000	16,000,000	67
24	6 TAPIOCA LIMITED	1000	22,000,000	40
25	54 VISIONS DRY CLEANERS LIMITED	1065	1,900,000	9
26	25 SASINUA SAW MILL LTD	1380	7,500,000	43
27	12 ISANGA SAWMILLS LTD	1700	1,700,000	30
28	56 J.P. WAMERU (JASHO FLOUR MILLS)	1800	3,286,470	NA
29	13 SCORPIO ELEGANCE LTD	2500	8,675,000	35
30	22 FIJABE PRINTING PRES	3000	7,011,000	68
31	45 LEVILLA LIMITED	4000	11,586,282	115
32	26 THILA GENERAL WORKS	4000	17,969,190	18
33	15 CHALLA HOLDINGS LTD	4000	18,000,000	18
34	2 SUN N'SAND BEACH HOT	4100	59,722,167	346
35	43 FENYA VINEYARDS LTD	4200	10,500,000	86
36	42 WARENG ENTERPRISES	4318	9,531,557	38
37	55 PREMIER FOOD INDUSTRIES LIMITED	4500	31,101,000	145
38	18 FENYA MARBLE QUARRIE	4500	34,788,000	210
39	50 C. DORMAN LIMITED	7200	30,115,891	310
40	47 NGORONGO TEA FACTORY LIMITED	7500	15,878,537	130
41	14 MALINDI GENERAL ENGINEERING WORKS	8217	10,284,000	10
42	58 GHANJIVAN SCREWS & FASTENERS LIMITED	10000	232,500,000	620
43	30 LEATHER INDUSTRIES	15000	285,464,000	0
44	52 DALGA INDUSTRIES LIMITED	15138	43,000,000	80
45	51 UBUJA LIMITED	18000	NA	81
46	11 LIGUZI LIMITED	20000	290,000,000	2700
47	61 ADDI RIVER MINING LIMITED	30490	130,000,000	NA
48	52 BEDI INVESTMENTS LIMITED	37474	130,026,931	NA
49	8 BWAHI ESTATE LIMITED	35000	34,600,000	0
50	51 UNITED MILLERS LTD	36000	87,478,000	134
51	17 MIRAMBA INVESTMENTS	44000	82,500,000	63
52	33 SAI CERAMICS LTD	45000	92,000,000	0
53	10 FIRSALES	60000	108,308,000	520

102