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VITA/CHAD PRIVATE ENTERPRISE DEVELOPMENT PROJECT

Business Plan and Project Extension Proposal

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I. EXECUTIVE SUMMARY

For more than ten years, the VITA Private Enterprise Development Project (VITA/PEP) has served the needs of a large number of small, medium, and micro enterprises in Chad Since its initial operation began in N'Djamena in 1984, the project has expanded the scope and nature of its activities to include disbursing agricultural loans to farmers in the town of Bongor, opening a second office in the city of Moundou, and introducing a micro-lending program to reach the informal sector In July of 1990, VITA also began transforming VITA/PEP into an independent financial institution To this end, VITA worked to foster the appropriate organizational commitment in local staff and develop the institutional capabilities required for a successful enterprise development program VITA helped the project establish organizational objectives and priorities and install cost-effective financial, administrative, and managerial operating systems In July, 1993, the appointment of Mr Evariste Kebba as Project Director transferred the management of VITA/PEP operations to a Chadian

VITA/PEP now has a fully-trained Chadian staff, standardized lending policies and procedures, and a demonstrated commitment to the continued development of the private sector in Chad VITA requests a final two-year grant from USAID in the amount of $2 0 million dollars to provide the project with the financial support needed to complete its transition from a project to an independent financial institution The grant will support operations and logistics in the main office in N'Djamena and in the Moundou office During this period, the project will streamline the costs associated with the provision of technical assistance, broaden its client base, and initiate its legal transition to an independent private sector financial institution VITA requests USAID support in the form of a grant instead of a Cooperative Agreement in order to minimize the management burden on the Agency

In addition to the $2 0 million in operating funds, it is anticipated that the project will need $2 5 million dollars in loan funds during this transitional period to meet the expanding demand for loans The World Bank has already committed loan funds to VITA and the UNDP is negotiating additional financial support for the Moundou office from the United Nations Investment Fund

In the first year of the requested grant, VITA will streamline the lending process even further and cut down technical assistance costs by using contractors to provide some of the services which have been provided directly by the project in the past It is anticipated that some of these contractors will be non-governmental organizations and others will be small businesses who might themselves be credit clients Individual professionals will also be used when appropriate This will allow VITA/PEP to reduce technical assistance costs and become a financial institution whose professional personnel and support staff will be directly linked to the disbursement and collection of loans

During the first year of the grant activities, VITA will also help the project broaden its clientele by diversifying and disbursing larger loans that encourage value-added activities VITA/PEP will assist entrepreneurs to identify new businesses in manufacturing and services that have been successful in other enterprise development programs throughout the world The project might serve as a small scale investment bank for such businesses, if it can negotiate and obtain concessional lines of credit to support the program

The second year of the grant will be the first full year of the project's operation in a fully re-structured mode It will also witness the project's actual legal transition to the status of an independent private sector financial institution

The liberalization of interest and fee rates approved by the Government of Chad (CCC) in early June 1995 represents an important step for VITA/PEP to achieve institutional sustainability

II. HISTORY AND PURPOSE

VITA/PEP began its operations with funding from USAID in mid-1984 when Chad was suffering from the effects of the twin disasters of war and drought The project has been donor-funded for almost eleven years Its original success led to USAID funding for a second phase, and then a third phase which was extended to June 30, 1994, to March 31, 1995 and then to May 31, 1995 It may be extended for another four-month period The increased number of loans and support staff provided in the new budget approved in 1992 allowed VITA/PEP to better respond to the increased demand for loans from the growing private sector Indeed, the demand appears almost insatiable and continues to exceed disbursements by a wide margin

VITA/PEP has been providing important services to the local economy and has therefore attracted on-going support from the UNDP and the World Bank The UNDP provided financing to open and run the Moundou office from July 1991 to December 1994, and is working on a program with the United Nations Investment Fund to extend the office activities The World Bank has supported VITA/PEP's effort under its PADS Project since 1991 and recently with the PNE (Projet National d'Elevage) for the export of livestock products

VITA/PEP is currently part of the PVO Umbrella Project extended to May 31, 1995 by USAID The purpose of this proposed two-year grant is to permit the transition of the Project into a self-supporting financial institution which continues to provide lending services to the Chadian private sector

III OBJECTIVES TO BE ACHIEVED

The primary objective of the two-year extension is to permit VITA/PEP to become viable as an independent financial institution The objective is well defined in the Crouzet study cited below

> In the case of VITA/PEP, financial viability defined in a conventional fashion will require that income will be sufficient to cover all operating costs, write off a reasonable percentage of unrecoverable loans and make sound provisions for such loans, acquire equipment and other capital goods, and enjoy adequate resources and/or have access to capital and concessional long term credit lines in order to meet the anticipated growth in lending activities

In order to achieve this objective, it is necessary to significantly increase income by raising interest and fee rates and restructuring operations It will also be necessary to reduce expenses and control loan losses

Throughout the remainder of this proposal, VITA/PEP activities in the past and present will be referred to as "the Project " Activities during the period of the requested grant, will be referred to as "the Institution" to signify the process of institutionalization

IV. BUSINESS FEASIBILITY

A. OPERATING PLAN

The proposed operating plan will establish the means by which VITA/PEP will make the transition to a self-supporting financial institution The project will decentralize many of the services it now provides directly by turning them over to non-governmental organizations, small businesses who are themselves legitimate candidates for loans, and individual professionals VITA/PEP will provide training to these contractors as needed, and establish and monitor performance standards

The Institution will focus on loan disbursement while reducing the cost per loan to a level more readily covered by interest and fees earned

In addition to organizational changes, the Institution will seek to diversify its portfolio and explore new lending opportunities In the past, most of VITA/PEP's clients have been traders While these loans will continue to be made, the Institution will actively seek opportunities to promote value-added businesses For example, an agreement has been reached with the Chadian Government and the World Bank for a line of credit of about one and a half million dollars to be administered by the Project to finance the export of livestock products Discussions are also continuing between the VITA home office and the World Bank in Washington for a line of credit to finance solar energy equipment and installations

1 Extension of Credit

At present, the project provides technical assistance and other services to borrowers that are not ordinarily part of a typical lending institution's operations These are organized vertically and carried out by project personnel While they are all valuable to the borrower and have contributed significantly to the success of the Project, they are costly Below is a description of these services by client category and the changes planned to reduce costs to the Institution

a Micro Clients

A major purpose of the VITA/PEP project is to encourage the creation of an entrepreneurial culture in Chad Micro loans are important in themselves not only because of the benefits that accrue to the borrower, but also because they serve as an entry point for potential entrepreneurs, particularly women Because of this, they are given special treatment which is not accorded other categories of borrowers Loan officers often provide these services In the future, the Institution will select qualified NGOs, small businesses, and individual professionals to deliver services for a fee

Currently the project performs a number of technical assistance and credit-related activities for its micro clients that, if decentralized as mentioned above, can reduce project costs These include

Organizing Groups--Virtually all lenders require collateral for loans but few micro borrowers have any collateral to offer In an effort to qualify them for loans, the Project accepts groups in which at least three people sign for a loan In addition, a single person can co-sign if he or she has a monthly salary of at least three times the amount of the loan payment or adequate collateral The process of explaining this and screening applicants is time consuming

Verification of Existence of Prospective Client's Business--Even before a loan request is analyzed, each client's place of business and home are visited by a team that includes at least two loan officers and occasionally the project director Doubts about the existence of the business or the ownership of claimed inventory are resolved by making a second unannounced visit Visits are made everyday according to a schedule established by loan officers and take two to four hours each time

Preparation of Loan Information--This includes completing four one-page forms that provide (i) background information, (ii) cash flow during the past (or a typical previous) one-month period, (iii) projected cash flow for a one-month period after the loan is disbursed and (iv) a two-sided form that includes an abbreviated cash flow based on the past one-month cash flow mentioned in (ii) above and a balance sheet The only documents updated for individual members of a group before the disbursement of a second loan are the projected cash flow (iii) and an update of the balance sheet (second side of iv) Normally the preparation of these documents should be simple However, most micro clients are illiterate and, as a result, the information is often difficult to obtain

Pursuit of Past-due Borrowers--When clients default, the loan officers must travel to the clients' place of business and/or home to pursue collection This can be time-consuming, especially for first-time clients

Training--At present, an average of one hundred (100) micro loan clients receive training in simple accounting-by-symbols each month This training makes the clients better business people and, thus, better loan risks Loan officers often follow-up through visits in the field to insure maximum benefit to the client

These services can be effectively decentralized and delivered from market locations by private individuals, small businesses, or indigenous NGOs with the Institution's loan officers providing oversight To accomplish this, the Institution would select the contractors and contract their services for a period of six

months The period of service could be renewed and the project might even provide loans to help contractors commercialize the services. As a first step, the Institution would help contractors set up offices near the major markets in N'Djamena and Moundou and would provide office rent, utilities, and rudimentary equipment (chairs, tables and minimum furniture). It would also pay contractors fees based on repayment of the loans they disbursed These fees would in turn be added to each client's loan to be repaid over the life of the loan

The transition from the Project to an Institution will not be a simple one Recognizing this, the Project will be very careful not to complicate the process with unnecessary innovations The decentralization of services discussed above is not a completely new departure, but is based in part on the Project's successful cooperation with CARE/Chad's N'Djamena Market Women's Project which ended on June 30, 1994 Through this collaboration some of the poorest market women in N'Djamena received loans and the record of repayment was good

CARE's five extension workers delivered the services and one VITA/PEP project loan officer (a woman) worked with them She set up the loan file, reviewed the documents prepared by the CARE extension people, prepared the final loan contract, repayment schedule, loan tracking and approval documents, and submitted the loan package to the loan committee, consisting of herself and the VITA/PEP director, for approval To maintain and ensure good repayment of outstanding loans after June, 1994, VITA/PEP hired one of the extension workers on a temporary contract basis to follow up and at the same time establish direct contact between the women and the project As these loans are repaid and applications for new loans are made, the contractor continues to deliver the services originally performed by the loan officer She is a good candidate as one of the five new loan officers to be hired during the transition period

b SME Clients

SME clients fall into two major categories

Former micro clients who have received progressively larger loans until they achieved SME status

First-time SME clients

The technical assistance and credit-related activities related to existing and former micro clients would be essentially the same as proposed above This section will address the second category, that is, SME clients who are substantially larger than the typical micro entrepreneur Technical assistance and credit-related activities that could be carried out in part or in full by outside resources are listed below

Client Screening and Site Visit--A more analytical investigation is carried out during site visits for SME clients than micro clients Inventories are usually counted and

detailed information is gathered to prepare the financial documents

Financial Document Preparation--The loan officer prepares a balance sheet for each client together with a statement of operations and cash flow for the past year In addition, a projected cash flow is prepared The standard financial documents prepared for a business by its auditor include a balance sheet, statement of operations, statement of cash flow and a statement of change in capital Normally an SME borrower would bring these documents to his lender with a projected cash flow prepared internally or with paid outside help Very few SME clients use the services of an auditor or other outside help, and the loan officers are therefore usually required to do all financial document preparation

Simple Written Accounting and Inventory Control--VITA/PEP requires that most SME clients maintain at least a simple accounting system in order to measure daily and monthly revenue and expenses The loan officers often must help the client set up the system, then provide follow-up through monthly visits after loan disbursement

Proposed Change

There are public accountants in N'Djamena who can be trained to prepare financial documents in a format acceptable to the Institution SME clients will be referred to accountants selected and trained by the Institution The accountants would also have to agree to charge for their services according to a schedule of fees negotiated with the Institution These will be made known to the clients who would, in the case of SME clients, pay them directly to the accountant The work-up to be done by the accountant would include balance sheets, statements of operation and cash flow, and the provision of details on inventories, accounts receivable, cost of equipment, accumulated depreciation, accounts payable, and other debts

This would relieve loan officers of time-consuming work in preparing financial documents, and permit them to specialize in analyzing loan information, thereby speeding up the process considerably Loan officers will, however, still be responsible for checking the information through site visits, and credit checks They will also be responsible for preparing business plans and perhaps training clients in book-keeping

Farmer groups and rural women in areas 30 to 100 kilometers from the VITA/PEP offices in N'Djamena and Moundou are important Project targets However, servicing them is relatively expensive because of transportation and the time required In most cases, these groups already receive counseling and extension services from other NGOs The Institution will seek to formalize its relationship with such NGOs so they will assume full responsibility for clients located in rural areas thereby relieving the loan officer of that burden

In the alternative, the Institution may seek funding from donors for a rural credit component of the project or perhaps a separate project to handle such loans so that the Institution will not be required to administer loans whose cost far exceeds the norm

In summary, the Institution would no longer directly provide most types of technical assistance to clients but would transfer the function to selected consultants, small businesses and NGOs who agree to provide them for reasonable fees Loan officers will supervise the delivery of these services and ensure quality and price control Accountants identified by the Institution under the same rules will be responsible for credit-related services now provided by loan officers

The discontinuation of technical assistance by the institution should allow loan officers to manage larger loan portfolios In addition, new jobs and businesses will be created in the delivery of services

2 Organizational Structure

These changes will permit a small reduction in staff from 50 to 46 However, the number of loan officers will be gradually increased Table 1 on the next page gives a summary of positions in the current project and those to be retained in the financial institution

Table 1 Employee Structure

Numbers of employees	For the Year Ending Dec 1994	Dec 1995	Dec 1996	Dec 1997	Dec 1998	Dec 1999	Dec 2000	Dec 2001	Dec 2002
N Djamena									
Director (a)	1	1	1	1	1	1	1	1	1
Admin/Asst Director (b)	1	1	1	1	1	1	1	1	1
Accountant	1	1	1	1	1	1	1	1	1
Loan Officers	11	13	14	14	15	15	16	17	18
Collections Officer (c)	1	1	0	0	0	0	0	0	0
Computer Spec	2	2	2	2	2	2	2	2	2
Trainer	1	1	1	1	1	1	1	1	1
Cashier	2	2	2	2	2	2	2	2	2
Chief Sec/Admin Asst (d)	1	1	0	0	0	0	0	0	0
Receptionists	2	2	2	2	2	2	2	2	2
Messengers (e)	1	1	0	0	0	0	0	0	0
Drivers (e)	4	4	3	3	3	3	3	3	3
Cleaners (f)	2	2	0	0	0	0	0	0	0
Guards (f)	5	5	5	5	5	5	5	5	5
Total N Djamena	35	37	32	32	33	33	34	35	36
Moundou									
Office Manager	1	1	1	1	1	1	1	1	1
Accountant	1	1	1	1	1	1	1	1	1
Loan Officers	4	4	5	6	6	7	7	7	7
Cashier	1	1	1	1	1	1	1	1	1
Receptionist	1	1	1	1	1	1	1	1	1
Drivers	2	2	2	2	2	2	2	2	2
Cleaners	1	1	1	1	1	1	1	1	1
Guards	2	2	2	2	2	2	2	2	2
Total Moundou	13	13	14	15	15	16	16	16	16
Total N Djamena & Moundou	48	50	46	47	48	49	50	51	52

Comments on the positions footnoted are as follows

(a) The Regional Director in Moundou reports to the Director in N'Djamena

(b) The Administrator position will be replaced with that of assistant director/credit supervisor The current administrator handles personnel issues and supervises the non-professional staff in N'Djamena His duties also include preparing reports on project operations for the GOC and preparing reports and funding proposals to for donors other than USAID His supervisory duties would be assumed by the project director or assigned to the assistant director/credit supervisor or accountant

(c) The collections officer position will be eliminated A collections specialist, perhaps the present collections officer, will work for the project on a contract/contingent fee basis

(d) Most of the administrative duties carried out by the Chief Secretary will be carried out by the head driver/messenger The secretarial duties will be carried out by the secretary/receptionist

(e) The duties of the messenger will be carried out by one of the drivers

(f) Cleaning tasks will be assigned to the guard, except in Moundou

3 Logistics and Overhead

Providing technical assistance to clients has cost a great deal in terms of vehicle, equipment, and photocopying expenses The revised procedures for credit disbursement will reduce this cost The Institution will retain, at most, the five 4WD vehicles and nine motorcycles purchased during Phase III All older units will be sold This should reduce the cost of operating and maintaining the vehicle pool to a more reasonable level

The mid-1992, Phase III extension proposal called for moving the project to larger quarters As the number of loan officers increases, the project will need more office space and more room to safely park its vehicles The project is currently exploring the possibility of purchasing its own building in N'Djamena or moving to a larger building

B PROSPECT FOR NEW CLIENTS

The potential for promoting activities other than those previously financed by VITA/PEP loans appears to be promising for a country like Chad which has a resource-poor but thriving private sector

Chad's economy is dominated by agricultural and livestock production However, except for cotton, sugar cane, and a few other products, only primary materials are produced with limited technology and no processing The mining sector remains underdeveloped, despite persistent rumors of existing mineral wealth Chad also remains economically dependent upon imports of essential goods which are often in short supply due to transportation difficulties

In thirty years of political independence, the country has never had a clear policy for rural development This sector has been practically ignored by both policy makers and financial institutions VITA/PEP regards value-added activities in the rural sector to be an area of great opportunity and is working with other interested groups to expand this area

Currently the World Bank, VITA, and the "Projet National d'Elevage" (PNE) have authorized VITA/PEP to administer a line of credit worth 1,270,000 Special Drawing Rights (about $1,500,000), to promote and finance the export of livestock products The contract has been signed for half of the available funds, with a provision to provide the second half as soon as the first is depleted Local commercial banks have shown little interest in managing the operation which they consider insufficiently profitable, due to perceived risk and costs of monitoring the loans VITA/PEP's experience in eleven years of lending activities in Chad, however, has proven that these borrowers could be more reliable than the usual commercial bank clients With the steps being taken to decentralize the technical assistance and monitoring components to minimize costs, VITA/PEP has accepted the responsibility to administer the line of credit This establishes a precedent that will have applications in many areas of the economy and whose success will encourage donors to channel other resources into the Chadian economy

Another example is a request made to the World Bank in Washington by VITA for three hundred thousand dollars in loan funds to support renewable energy sales and installation to consumers on credit The Institution will explore additional donor priorities for pockets of money available for loan purposes that will promote business development The Institution will also look for concessional lines of credit from banks and donors to promote value-added activities

1 The Entrepreneur

The most important consideration in all of VITA/PEP's planning is the borrower and his or her success as an entrepreneur The Project and its successor, the Institution, will promote the development of the entrepreneurial culture in Chad Both will try to identify potential entrepreneurs and encourage their participation in the program However, all VITA/PEP clients must meet certain criteria to qualify for loans

2 Projected Increase in Loan Disbursements

As seen in Table 2, the project handled on average 10 6 SME and 237 micro loans per loan officer during the year 1994 The five new loan officers hired in early 1993 are fully trained in lending and have become more productive Five new loan officers will be hired during the transition period (3 in N'Djamena and 2 in Moundou) Based on the first quarter 1995 statistics, the project anticipates handling an average of 12 1 SME loans and 254 micro loans per loan officer during the year 1995

Projections show average increases of 3 0 SME loans handled per loan officer in 1996 and 1997, with a total of 18 loans per year per loan officer as of 1997 Following this, the increase in loan officers by one each year contributes to growth in total SME loans disbursed Average micro loans handled per loan officer increases by 3 in 1996 and by 2 in 1997 The average number of loans rises from 259 in 1997 to 270 in 1998, and increases by 4 through year 2000, then by 2 through year 2002

For the year ending December 31, 1994, the average SME loan size was $4,687 down from $6,772 in 1993 This was largely due to the change in the average exchange rate from 258 to 377 FCFA for one dollar (resulting from the FCFA's devaluation in January, 1994) It is projected that the average loan size will drop to $3,606 in 1995, as the exchange rate will continue to deteriorate to 500 FCFA for one dollar As larger loans will progressively be extended to finance the export of livestock products and other businesses, the average SME loan size will increase to about $4,048 in 1996 and by an average of $62 in 1997, $86 in 1998 and by more than $200 from 1999 through 2002

The FCFA devaluation also decreased the average micro loan size from $291 to $209 between the years 1993 and 1994 Since in July 1994, micro loan ceilings were raised to $1,000 as compared to $600 previously Therefore, despite the further deterioration of the average exchange rate in 1995, it is anticipated that the average micro loan size will increase by $12 in 1996 and 1997, and by an average of $10 5 each year thereafter

Table 2 Loan Disbursements, Average Loan Size and Average Portfolio Value
(Values in $US)

	1994	1995	1996	1997	1998	1999	2000	2001	2002
SME NEW LOANS PER MONTH / LO	0,59	0,67	0,83	1,00	1,00	1,00	1,00	1,00	1,00
NOMINAL SME LOAN TERM–MONTHS	18,00	18,00	18,00	18,00	18,00	18,00	18,00	18,00	18,00
TOTAL SME CLIENTS–CREDIT AGENT	10,60	12,06	14,99	18,00	18,00	18,00	18,00	18,00	18,00
AVG SME LOAN SIZE	4 687	3 606	4 048	4 110	4 196	4 394	4 602	4 824	5 056
TOTAL AGENT SME LOAN VOLUME/YR	33 124	43 488	60 693	73 980	75 528	79 092	82 836	86 832	91 008
NUMBER OF CREDIT AGENTS	15 00	17 00	19 00	20 00	21 00	22 00	23 00	24 00	25 00
TOTAL SME PORTFOLIO BOOK VALUE	496 854	739 302	1 153 219	1 479 600	1 586 088	1 740 024	1 905 228	2 083 968	2 275 200
AVG BALANCE COMPENSATING FACTOR	2 00	2 00	2 00	2 00	2 00	2,00	2,00	2,00	2,00
AVG TOTAL PERFORM SME PORTFOLIO	534 331	421 846	576 609	739 800	793 044	870 012	952 614	1 041 984	1 137 600
ANNUAL SME INTEREST RATE	13,00%	13 00%	24 00%	24 00%	24,00%	24,00%	24,00%	24,00%	24,00%
ANNUAL SME INTEREST INCOME	69 163	54 840	138 386	177 552	190 331	208 803	228 627	250 076	273 024
MIE NEW LOANS PER MONTH / LO	26,29	28,24	28 55	28,73	29,98	30,46	30,91	31,13	31,29
NOMINAL MIE LOAN TERM–MONTHS	9,0	9,0	9,0	9,0	9,0	9,0	9,0	9,0	9,0
TOTAL MIE CLIENTS–CREDIT AGENT	237	254	257	259	270	274	278	280	282
AVG MIE LOAN SIZE	209	273	285	297	312	328	344	361	379
TOTAL AGENT MIE LOAN VOLUME/YR	65 891	69 301	73 116	76 800	84 218	89 859	95 748	101 196	106 814
NUMBER OF CREDIT AGENTS	15	17	19	20	21	22	23	24	25
TOTAL MIE PORTFOLIO BOOK VALUE	988 361	1 178 114	1 389 197	1 536 600	1 768 579	1 976 892	2 202 200	2 428 697	2 670 340
AVG BALANCE COMPENSATING FACTOR	1,5	1,5	1,5	1,5	1,5	1,5	1,5	1,5	1,5
AVG TOTAL PERFORM MIE PORTFOLIO	431 408	785 409	926 131	1 024 400	1 179 052	1 317 928	1 468 133	1 619 131	1 780 227
ANNUAL MIE INTEREST RATE	13,00%	13,00%	24,00%	24,00%	24,00%	24,00%	24,00%	24,00%	24,00%
ANNUAL MIE INTEREST INCOME	56 083	153 155	333 407	368 784	424 459	474 454	528 528	582 887	640 882

C PROJECTED INCREASE IN INTEREST AND FEES

The GOC has just given its approval for the liberalization of interest and fee rates

This proposal projects a reasonable increase in interest and fees rates charged to clients, from the current 13% per annum for SME and Micro loans, with 4% of principal for fees, to 24% per annum for both SME and Micro loans, with 6% fees levied on principal

These levels of interest and fee charges are about the same as those currently charged by local commercial banks

D PROJECTED FINANCIAL STATEMENTS

The basic financial projections give the statement of operations and the loan funds needs to support the operations for both N'Djamena and Moundou offices

1 Statement of Operations

The statement of operations shows revenues and expenses through the year 2002 During the extension period, the institution will have the same financial operation as the actual project that is, through 1997, expenses will entirely be covered by the grant and the commission revenues, and interest revenues will serve to extend additional loans Table 3 illustrates how total income increases by year-end 1996 to cover all operating costs After the transition period, beginning in 1998, expenses are covered by the interest and commission revenues

a Revenues

The statement of operations shows the impact of liberalizing interest and fee rates Current rates of revenue generation are used for 1995 projections 13% per year for interest and 4% of fee on principal as seen in Table 3 on page 16 and based on the first quarter 1995 trend, the anticipated increased volume of loans disbursed will increase interest revenues by 65%, fro $125,546 in 1994 to $207,995 in 1995

Starting from 1996, the rates of interest and fee are increased to 24% and 6% respectively Since it is anticipated that loan disbursements will continue to expand in 1996, revenues are projected to more than double, reaching $471,794 during this year After this period, as loan officers increase in efficiency and number, loan volume continues to expand, resulting in rapid and steady increase in interest income $546,336 in 1997 (+16%), $614,789 in 1998 (+13%), $683,257 in 1999 (+11%), $757,155 in 2000 (+11%), $832,963 in 2001 (+10%), and $913,906 in 2002 (+10%)

Commission income totaled $59,147 in 1994 It will increase to $72,836 in 1995 (+23%), to $148,987 in 1996 (+105%), and increase proportionally to interest income from 1997 through 2002

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Table 3 Statement of Operations
(Values in $US)

	1994	1995	1996	1997	1998	1999	2000	2001	2002
Interest Income SME	69 463	54 840	138 386	177 552	190 331	208 803	228 627	250 076	273 024
Interest Income MIE	56 083	153 155	333 407	368 784	424 459	474 454	528 528	582 887	640 882
Total Interest Income	125 546	207 995	471 794	546 336	614 789	683 257	757 155	832 963	913 906
(Interest Expense)	0	0	0	(35 407)	(39 574)	(43 904)	(48 574)	(53 396)	(58 546)
Net Interest Income (NII)	125 546	207 995	471 794	510 929	575 215	639 353	708 582	779 568	855 359
(Provision for Loss)	(79 336)	(109 274)	(110 869)	(120 078)	(132 362)	(146 308)	(161 327)	(177 059)	(193 870)
NII After Provisions	46 210	98 721	360 925	390 851	442 854	493 045	547 254	602 508	661 489
Commission Income	59 147	72 836	154 837	182 112	204 930	227 752	252 385	277 654	304 635
Operating Revenues	105 357	171 557	515 761	572 963	647 783	720 797	799 639	880 163	966 124
(Salaries)	(233 535)	(264 130)	(287 020)	(295 464)	(338 173)	(374 693)	(416 588)	(462 868)	(513 977)
(Administrative Costs)	(255 222)	(229 925)	(267 200)	(271 595)	(274 191)	(287 424)	(301 094)	(315 550)	(330 842)
(Depreciation)	0	0	0	0	(1 502)	(1 385)	(1 385)	(701)	(258)
Net Income Bef Interest & Tax	(383 400)	(322 498)	(38 520)	5 904	33 617	57 296	80 572	101 044	121 048
(Interest Expense)	0	0	0	0	0	0	0	0	0
Net Income Before Tax	(383 400)	(322 498)	(38 520)	5 904	33 617	57 296	80 572	101 044	121 048
(Tax)	0	0	0	0	0	0	0	0	0
Net Income/Loss	(383 400)	(322 498)	(38 520)	5 904	33 617	57 296	80 572	101 044	121 048

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b. Expenses

The institution's immediate goal is to achieve operational self-sufficiency (revenues/operating costs ≥ 1) in the short and medium terms The ultimate objective in the long term is commercial self-sufficiency (revenues/all costs ≥ 1) All costs include operating costs, depreciation of fixed assets, reinvestment in plant and equipment for expansion, and reserves to strengthen the capital base

Projections for the statement of operations focus on operational self-sufficiency Operating expenses incurred by the institution include salaries, administrative costs, interest expenses and provisions for loan losses However, to be more realistic, depreciation of fixed assets is also included after the transition period It is assumed that both VITA/PEP and the subsequent institution are exempted from income tax

Salaries Table 1 details the number of positions to be phased out and those to be filled during the two-year-extension and the following five years Salaries for all employees are based on current levels and projected increases (8% on an average for each employee per annum) Table 10-a gives all salaries for N'Djaména and Moundou over the period of the analysis

Administrative costs Administrative costs include rent and utilities for offices, office equipment and maintenance, vehicle fuel and maintenance, travel and transportation, training, communications expenses, advertising and publicity, computer system supplies, legal fees, bank charges, and other miscellaneous expenses Projected total administrative costs for 1995 decreased by 10% to $229,925, from $255,222 in 1994 (actual costs) This is due to the change in exchange rate of the Franc CFA in favor of the dollar, and also to the fact that housing rent and utilities were paid up to April 30, 1994 for the residence of the previous project director However, overall expenditures will be reduced or minimized To compensate for cost increases due to inflation, it is anticipated that total administrative costs will increase by 5% in 1996 and the years thereafter Table 10-b gives the details of projected administrative costs during the extension period and the five following years

Interest expenses The line item, interest expenses, represents the costs of borrowed capital for loans disbursement, should this be necessary So far, the project and its successor institution have enough funds committed by donors to disburse loans at the projected levels until year-end 1996 The institution may need to rely on borrowed funds in part starting in 1997, if donor contributions prove insufficient or unavailable The estimated interest expenses represent about 6 5% of the interest income revenues

Provisions for loan losses So far, provisions for estimated loan losses are not provided, since interest revenues are used to extend additional loans Thus, potential loan losses are assumed to be covered Furthermore, as of March 31, 1995,

accumulated interest revenues over the past eleven years ($642,746) represented about one and half the estimated losses over the same period ($358,050) During the quarter ending December 31, 1994, an evaluation of all loans over 90 days past due indicated a 10 0% loss on principal disbursed for SME loans and 3 0% for micro loans over the life of the project The accumulated potential losses should be written off at the end of the transition period, upon the completion of an accounting audit Therefore, provisions for loan losses should be made starting in 1996 and will be covered by interest revenue Beginning in 1998, the Institution will include provisions for loan losses in its operating expenses These provisions will be based on observed loan portfolio quality since 1990, where projected loan losses are estimated at 6 0% of principal for SME and 3 0% for micro loans

Depreciation of fixed assets It is anticipated that after institutionalization, the institution will earn the property title to all available equipment at its book value Hence, depreciation will not be charged until that time Nonetheless, future planning must provide for the depreciation of acquired old equipment and for replacing virtually all equipment over a ten-year period

Table 3 (Statement of Operations) above shows that at a 24% interest rate and 6% fee rate, the institution will be able to cover its operating e penses during the second year of the transition period and start showing a substantial profit by 1998 ($33,617)

2 Loan Funds

The level of revenue generation is based on loan disbursement projected in Table 2 These assumptions, in turn, are based on the availability of loan funds

Loan funds received from the World Bank during Phase III up to March 30, 1995, totaled $1 05 million Of this amount, $800,000 was received before the end of June, 1993 and with an additional $250,000 in August, 1993 The lack of additional loan funds in 1994 forced the project to slow down loan disbursement Since February 1995, the World Bank has committed another $1,000,000 line of credit, as part of a $9 8 million package to extend the PADS (Programme d'Action et de Développement Social) project A request for $400,000 of this fund was made in March 1995 In addition, the World Bank has committed another line of credit worth $750,000 to finance the export of livestock products An equivalent amount could be made available as soon as this last sum is exhausted As indicated in Table 4, of the total $2,500,000 fund to be obligated, the institution anticipates needing $650,000 during the second semester of 1995, $1,050,000 during the year ending 1996, and $800,000 during the year ending 1997 The World Bank, the African Development Bank, and several United Nations Agencies have indicated interest in providing additional loan fund capital

Table 4 Loan Funds Provision - $US

Year	Proj 1995	Proj 1996	Proj 1997
PADS	400,000	300,000	300,000
Livestock	250,000	750,000	500,000
Total	650,000	1,050,000	800,000

The projections made in this proposal are based on committed obligations for the next two years The continuity of the Project and its recognized success in disbursing loans to entrepreneurs is perhaps the best assurance that even if expected support after this period is not forthcoming, alternatives will be available

E LEGAL FRAMEWORK

Two major areas of interest are the regulatory/supervisory environment and the tax structure under which the financial institution will fall VITA/PEP, has had quite favorable treatment in both areas, which can be maintained only through careful and on-going negotiation with the GOC and the BEAC

The VITA/PEP Chief-of-Party, Evariste Wouado Kebba, is a very experienced, respected and well-known Chadian banker VITA/PEP's remarkable reputation, the strong support of the major donors, and the active participation of VITA's president are all factors which encourage some optimism that negotiations with the relevant Chadian Government regulatory agencies will result in an understanding of the need for continuing autonomy of the program

1 Regulatory/Supervisory Environment

As a donor-funded project, VITA/PEP falls under the oversight authority of the Minister of Planning and Cooperation The project provides quarterly reports to SPONG--a department of the supervisory Ministry that oversees the activities of non-governmental organizations

As an autonomous financial institution, supervisory oversight responsibilities would normally shift to the Ministry of Finance through BEAC (Banque de Etats de l'Afrique Centrale), Chad's central bank, and COBAC (Commission Bancaire de l'Afrique Centrale), Chad's banking regulatory authority Related discussions with the BEAC and COBAC have already taken place Both have indicated that the project should already be under BEAC supervision since the project was engaged in lending By definition, any entity lending money was already under the central bank and COBAC's authority COBAC further stated that it is planning to audit the project's activities This audit is likely to conclude with a request from the Government of Chad to register VITA/PEP as a financial institution This procedure would automatically liberalize the interest rate that the institution charges its

clients At the time of this writing, however, no effort has been made to change the status of the project nor is it clear what the implications of such a change might be

The major interest of a government's central bank in regulating the activities of a financial institution relate to protecting the interests of depositors To date, the project has received only limited amounts of money through deposits (as partial guarantee to cover unpaid loans) This status is not expected to change significantly under the financial institution, except that the increasing number of borrowers and amounts lent will mean greater levels of guarantee funds held for micro clients Since receiving deposits will not be a major thrust of the institution, it is hoped that the central bank will be more flexible in its approach to supervising the project

A central bank, such as the BEAC (Banque des Etats de l'Afrique Centrale), or the Federal Reserve in the US, will normally have certain liquidity and reserve requirements that must be maintained These requirements, while applicable to a commercial bank, may not be appropriate for an institution providing SME and micro loans to small entrepreneurs Therefore, carefully negotiated legislation and regulation will be needed to cover the institution

During the first year of the two-year extension, the project director will initiate discussions with the Minister of Planning Negotiations should then move to the Ministry of Finance, BEAC and COBAC The negotiating parties should agree, informally, on the framework for central bank supervision, required legislation, regulations that apply or are to be written, and the type of articles and by-laws that the institution will have They will also agree on an approach to preparing the appropriate formal legal framework, whether using local legal council, or obtaining outside expertise The budget for the two-year extension that accompanies this proposal provides enough consulting time for this purpose

2 Tax Considerations

The project is so far exempted from taxes and duties on imported equipment and will continue to benefit from this favorable treatment throughout the two-year transition period However, before its registration as a specialized financial institution, VITA/PEP should seek and obtain the B regime of the investment code, which provides for income tax exemption and only 5% tax on imported equipment

The project currently provides a significant amount of revenue to the treasury of the GOC (Government of Chad) each year Employer-paid and employee-paid payroll taxes total over $20,000 annually Taxes on rent paid total 18 percent of the rental amount, or about $7,500 annually Taxes on fuel, utilities, office supplies, services and other consumable items comprise at least one-third of their price, with the GOC receiving approximately $25,000 from the project in this area The above three

items total over $50,000 of revenue per year that the GOC receives directly from the project and in taxes on goods purchased

The project also requires that borrowers pay appropriate fees to the GOC prior to loan disbursement Each SME loan is registered at "Service des Domaines" for a fee equal to three percent of principal plus anticipated interest During the year 1994, this amount totaled $25,000 Other fees are also paid each time an action is taken in court or a lien or mortgage is taken

The above analyses do not include the revenue that accrues to the government from the significantly increased level of economic activity resulting from the lending activity and the expenditures of all VITA/PEP employees In summary, the GOC annually receives several hundred thousand dollars of additional revenue by virtue of the project's presence in Chad This amount will increase as the project becomes a financial institution and expands

There is one additional source of GOC revenue from which VITA/PEP borrowers are currently exempted Borrowers at Chadian commercial banks pay an additional tax called the "Taxe sur le Chiffre d'Affaires", which represents 17 65 percent of interest charged This tax is added to the interest bill by the bank, and subsequently remitted to the COC The tax would add 4 24 percentage points to a 24 percent rate and would raise an eventual 24 percent rate to 28 24 percent In addition, the collection of this tax would be a significant administrative burden to the financial institution, costing a great deal in MIS/accounting staff's time Care must be taken to ensure that the GOC continues to exempt the financial institution's borrowers from paying this tax

V SOCIAL IMPACT

A CLIENT PRODUCTIVITY AND PROFITABILITY

The original Phase III proposal called for at least a ten percent increase in client output after loan disbursement USAID defined output to include gross return and sales The project's quarterly reports provide this information by measuring and reporting on the financial performance of a sample of micro clients and most SME clients The client data are averaged and reported to USAID

SME clients' balance sheets are taken just prior to loan disbursement and one year, not necessary coinciding with the disbursement of a subsequent loan The results from a sample of 19 SME clients are given in Table 5 The first statement of operations and cash flow is for the year prior to loan disbursement and the second is for the year following loan disbursement Gross return improved by 42 percent during the year following loan disbursement Sales increased by 41 percent, net margin (profit) by 57 percent, and net cash flow by 59 percent (45 percent after loan repayment)

The balance sheets, statements of operation and cash flows for a sample of 59 micro clients are given in Table 6 The statements of operation cover a one-month period prior to loan disbursement, and another one-month period after the disbursement of the first loan but before the disbursement of the second loan As can be seen, gross return increased 70 percent for the micro clients in the sample For the same period, sales increased by 104 percent, net margin by 60 percent, and net cash flow by 60 percent (7 percent after loan repayment) It is important to note that the clients' standard of living improved as the family living expense increased significantly by 57 percent The level of wealth also improved as seen in the 22 percent increase in net worth following loan disbursement

For both categories, the measured improvement in client output exceeded the amount called for in the Cooperative Agreement by a wide margin

Table 5 Improvements in SME Clients Business Performance and Standard of Living

Changes in Financial Condition of 19 SME Clients During the Year Following Loan Disbursement

	Average Exchange Rate			282 FCFA/$1 00			
ALANCE SHEET	Before Loan (000 FCFA)	After Loan (000 FCFA)	Difference (000 FCFA)	Before Loan ($ U S)	After Loan ($ U S)	Difference ($ U S)	Per Cent Change
SSETS							
ixed Assets							
eal Estate	3 526 667	4 697 067	1 170 400	12 506	16 656	4 150	33%
quipment	1 053 467	1 544 133	490 667	3 736	5 476	1 740	47%
olling Stock	2 295 000	2 730 000	435 000	8 138	9 681	1 543	19%
ess Depreciation	(1 094 800)	(1 825 200)	(730 400)	(3 882)	(6 472)	(2 590)	67%
et Book Value – F A	5 780 333	7 146 000	1 365 667	20 498	25 340	4 843	24%
ther Noncurrent Assets	18 667	25 333	6 667	66	90	24	36%
urrent Assets							
ventories	2 657 200	3 332 667	675 467	9 423	11 818	2 395	25%
ash on Hand	306 200	597 000	290 800	1 086	2 117	1 031	95%
ash in Bank	896 667	1 023 467	126 600	3 180	3 629	449	14%
cts Receivable	353 667	652 933	299 267	1 254	2 315	1 061	85%
ther Current Assets	0	0	0	0	0	0	0%
otal Current Assets	4 213 933	5 606 067	1 392 133	14 943	19 880	4 937	33 %
OTAL ASSETS	10 012 933	12 777 400	2 764 467	35 507	45 310	9 803	28 %
EBTS & NET WORTH							
hort Term	20 000	74 333	54 333	71	264	193	272%
edium & Long Term	0	0	0	0	0	0	0%
otal Debts	20 000	74 333	54 333	71	264	193	272%
et Worth	9 992 933	12 703 067	2 710 133	35 436	45 046	9 610	27%
OTAL DEBTS & N W	10 012 933	12 777 400	2 764 467	35 507	45 310	9 803	28%
TATEMENT OF OPERATIONS & CASH FLOW							
ALES & REVENUE							
ales	21 914 467	30 897 800	8 983 333	77 711	109 567	31 856	41%
ss Cost of sales	(17 246 600)	(23 989 867)	(6 743 267)	(61 158)	(85 070)	(23 912)	39%
oss Margin	4 667 867	6 907 933	2 240 067	16 553	24 496	7 943	48 %
rvice Revenue	2 002 267	2 553 333	551 067	7 100	9 054	1 954	28%
ROSS RETURN	6 670 133	9 461 267	2 791 133	23 653	33 551	9 898	42 %
SS EXPENSES							
laries	610 800	672 133	61 333	2 166	2 383	217	10 %
lities	126 267	139 600	13 333	448	495	47	11%
xes & Insurance	106 133	115 733	9 600	376	410	34	9 %
erest	96 867	207 000	110 133	343	734	391	114%
nt	173 333	179 333	6 000	615	636	21	3%
preciation	735 200	755 067	19 867	2 607	2 678	70	3%
her	112 000	0	(112 000)	397	0	(397)	-100%
TAL EXPENSES	1 960 600	2 068 867	108 267	6 952	7 336	384	6 %
T MARGIN	4 709 533	7 392 400	2 682 867	16 700	26 214	9 514	57%
Depreciation	735 200	755 067	19 867	2 607	2 678	70	3 %
s Family Living Exp	(1 156 000)	(1 334 000)	(178 000)	(4 099)	(4 730)	(631)	15 %
CASH FLOW	4 288 733	6 813 467	2 524 733	15 208	24 161	8 953	59 %
Loan Repayment	(1 066 667)	(2 151 933)	(1 085 267)	(3 783)	(7 631)	(3 848)	
After Loan Repaymen	3 222 067	4 661 533	1 439 467	11 426	16 530	5 104	4 %

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Table 6 Improvements in Micro Clients Business Performance and Standard of Living

Changes in Financial Condition of 50 Micro Clients that Received a Second Loan From VITA/PEP

BALANCE SHEET	Average Exchange Rate Before Loan (FCFA)	After Loan (FCFA)	Difference (FCFA)	545 FCFA/$1 00 Before Loan ($ U S)	After Loan ($ U S)	Difference ($ U S)	Per Cen Chang
ASSETS							
Fixed Assets							
Real Estate	412 153	430 898	18 746	756	790	34	5%
Equipment	84 024	107 320	23 297	154	197	43	28%
Rolling Stock	0	678	678	0	1	1	NA
Less Depreciation	0	0	0	0	0	0	0%
Net Book Value – F A	496 176	538 897	42 720	910	989	78	9%
Other Noncurrent Assets	40 220	64 763	24 542	74	119	45	61%
Current Assets							
Inventories	54 541	97 439	42 898	100	179	79	79%
Cash on Hand	35 419	49 992	14 572	65	92	27	41%
Cash in Bank	5 644	13 831	8 186	10	25	15	145%
Accts Receivable	3 781	9 763	5 981	7	18	11	158%
Other Current Assets	0	0	0	0	0	0	0%
Total Current Assets	99 386	171 023	71 638	182	314	131	72%
TOTAL ASSETS	635 782	774 183	138 901	1 166	1 421	255	22%
DEBTS & NET WORTH							
Short Term	718	2 372	1 653	1	4	3	230%
Medium & Long Term	0	0	0	0	0	0	0%
Total Debts	718	2 372	1 653	1	4	3	230%
Net Worth	635 064	772 811	137 247	1 165	1 417	252	22%
TOTAL DEBTS & N W	635 782	774 183	138 901	1 166	1 421	255	22%
STATEMENT OF OPERATIONS & CASH FLO							
SALES & REVENUE							
Sales	231 252	472 407	241 155	424	867	442	104%
Less Cost of sales	(184 460)	(391 987)	(207 523)	(338)	(719)	(381)	113 %
Gross Margin	46 788	80 420	33 632	86	148	62	72%
Service Revenue	720	500	(220)	1	1	(0)	–31%
GROSS RETURN	47 509	80 920	33 411	87	148	61	70%
LESS EXPENSES							
Salaries	5 717	10 799	5 082	10	20	9	89%
Utilities	0	0	0	0	0	0	0%
Taxes & Insurance	0	0	0	0	0	0	0%
Interest	0	0	0	0	0	0	0%
Rent	0	0	0	0	0	0	0%
Depreciation	0	0	0	0	0	0	0%
Other	0	3 390	3 390	0	6	6	NA
TOTAL EXPENSES	5 717	14 188	8 471	10	26	16	148%
NET MARGIN	41 792	66 732	24 940	77	122	46	60%
Plus Depreciation	0	0	0	0	0	0	0%
Less Family Living Exp	(8 714)	(13 696)	(4 982)	(16)	(25)	(9)	57%
NET CASH FLOW	33 078	53 036	19 958	61	97	37	60%
Less Loan Repayment	(1 148)	(18 846)	(17 698)	(2)	(35)	(32)	
NCF After Loan Repayment	31 929	34 190	2 261	59	63	4	7%

B. JOBS CREATED

During Phase III, from July, 1990 through December, 1994, 5,135 jobs were created and $998 lent per job This translates to 5,145 jobs created per million dollars lent Assuming that this relationship will carry through, and based on the projected disbursement of nearly $16 6 million from 1995 to 2002, roughly 85,000 additional new jobs will be created during the extension and the subsequent five years By year 2002, the Institution's activities will be creating close to 10,600 jobs per year Table 7 provides data from the project's inception, through December 1994

Table 7 Employment Creation
Phases I II III – N Djamena & Moundou

SUS	Phases I & II N Djamena	Phase III N Djamena & Moundou					TOTAL Phase III	TO Ph I II
	Jul 1984 to Jun 1990	Jul 1990 to Dec 1990	Jan to Dec 1991	Jan to Dec 1992	Jan to Dec 1993	Jan to Dec 1994	Jul 1990 to Dec 1994	Jul 1 to Dec 1
No. Jobs Created								
SME	NA	51	200	359	213	258	1 081	1
Micro	NA	13	186	391	1 138	2 326	4 054	4
Total	951	64	386	750	1 351	2 584	5 135	6
Total amount disbursed								
SME	1 406 479	278 560	806 505	1 016 656	622 997	496 854	3 221 593	4 628
Micro	9 311	4 176	70 094	218 205	6 9 159	988 361	1 903 026	1 912
Total	1 415 790	282 756	879 600	1 234 893	1 241 814	1 485 200	5 124 619	6 540
SUS Lent per job								
SME	NA	5 462	4 003	2 832	2 925	1 926	2 980	4 2
Micro	NA	321	393	558	544	425	469	4
Average All Loans	1 489	4 4 6	2 279	1 647	919	575	998	1
Jobs for women								
SME	NA	3	13	62	11	30	119	1
Micro	NA	3	136	303	312	658	1 412	1 4
Total	NA	6	149	365	323	688	1 531	1 5
Percentage of jobs to women								
SME	NA	6%	7%	17%	5%	12%	9%	10
Micro	NA	23%	70%	77%	27%	28%	55%	66
Per Cent of Total	NA	9%	39%	49%	24%	27%	31%	26

C. LOANS TO WOMEN

Table 8 summarizes the Project's loans to women In 1991, the first full year of Phase III, loans to women accounted for twelve percent of the amount disbursed and 60 percent of the number of loans disbursed by the project This increased to 31 percent of the amount and 71 percent of the loans at the end of the year 1994 The major reason for this change is that micro loan volume has been replacing SME volume during the past four years of Phase III and nearly 80 percent of micro loans are made to women As micro loan clients graduate to SME status, the percentage of SME clients who are women will increase as well.

The project's experience is that the loan repayment rate for women is better than that for men, hence the shift toward women clients has been a positive one for the Project VITA/PEP has continually sought to maximize repayment performance, so the shift toward women micro clients has been a natural trend not based on an explicit objective Based on women's good repayment performance, it is anticipated that the women's share of the loan portfolio will continue to increase when the project is transformed into a lending institution

Table 8 Loans Disbursed to Date in Total and to Women
Phases I II III – N Djaména & Moundou

$ J S	Phases I & II N Djamena Jul 1984 to Jun 1990	Phase III N Djamena & Moundou Jul 1990 to Dec 1990	Jan o Dec 1991	Jan to Dec 1992	Jan to Dec 1993	Jan to Dec 1994	TOTAL Phase III Jul 1990 to Dec 1994	TOTA Phas I II & Jul 199 to Dec
Value								
SME	1 406 479	278 580	806 506	1 016 656	622 997	496 854	3 221 592	4 628
Micro	9 311	4 176	73 094	218 237	619 159	988 361	1 903 027	1 912
Total	1 415 790	282 756	879 600	1 234 893	1 242 156	1 485 215	5 124 619	6 540
Number of Loans								
SME	185	17	78	104	92	106	397	
Micro	72	14	232	625	2 352	4 732	7 955	8
Total	257	31	310	729	2 444	4 838	8 352	8
Average Loan Size								
SME	7 603	6 087	10 340	9 776	6 772	4 687	8 115	7
Micro	129	298	315	349	263	209	239	
Average All Loans	5 509	9 121	2 837	1 694	508	307	614	
Loans to Women – Value								
SME	120 753	8 843	61 533	118 164	58 987	79 127	326 654	447
Micro		1 755	46 761	145 014	437 290	628 568	1 259 388	1 259
Total	120 753	10 598	108 294	263 178	496 277	707 696	1 586 042	1 706 7
Loans to Women as % of Total Loans								
SME	9%	3%	8%	12%	9%	16%	10%	1
Micro		42%	64%	66%	71%	64%	66%	6
Per Cent of Total	9%	4%	12%	21%	40%	48%	31%	2
Loans to Women – No of Loans								
SME	20	2	7	17	18	29	73	
Micro		4	178	501	1 818	3 368	5 869	5 8
Total	20	6	185	518	1 836	3 397	5 942	5 9
Loans to Women as % of Loans Disbursed								
SME	11%	2%	9%	16%	20%	27%	18%	16
Micro	0%	2%	77%	80%	77%	71%	74%	7
Per Cent of Total	8%	5%	60%	71%	75%	70%	71%	6

VI. IMPLEMENTATION PLAN FOR A SPECIALIZED FINANCIAL INSTITUTION

The purpose of this section is to clarify the implementation plan for VITA/PEP's transition into a financial institution VITA intends to register the VITA/PEP institution with the Central Bank supervisory authority, COBAC (Commission Bancaire de l'Afrique Centrale), as a non-bank, Special Financial Institution Its specialized organizational mission would be to provide credit and credit-related services to SMEs, MiEs, and the informal sector in Chad, just as the VITA/PEP project has done for the past ten years It would not take retail or demand deposits but would fund its loan portfolio with special lines of credit and/or borrowed funds, thereby avoiding the onerous banking regulations relating to deposit-taking institutions ("banks")

The proposed institution would be a private sector, non-governmental institution, with its own capital and governance provided by an independent board of directors elected by shareholders Because VITA/PEP's organizational mission continues to serve small and micro businesses and deliver an important social welfare function, it would seek to retain some of the tax and import perquisites of its former NGO status which would help it grow during the next transitional stage As a Special Financial Institution, it would charge borrowers interest and fees sufficient to cover the cost of operations and provide internal funds for continuing growth

The institutions's base capital (equity) would conform to COBAC financial regulations, consisting of several capital account components The first component would be converting donor funding into capital reserves at its historical asset value net of depreciation For primary common stock the institution would then seek non-profit, institutional venture capital to purchase a private placement issue of voting stock of which VITA, Inc could be the major shareholder VITA wishes to continue to exercise its governance, managerial support and technical guidance through the transition into the next growth stage

The time period of transition is two years During this time, VITA/PEP would continue to expand its lending activities and increase its operating margins while transforming its financial structure and administration into a private sector institution The key issues and milestones for the achievement of that transition deal with the

registration as a Special Financial Institution,

equity capital subscriptions,

development of financial projections and transition activity scheduling,

installation of an accounting system,

annual financial audit,

issuing of shares

1 Registration as a financial institution

VITA/PEP has been operating with a private sector, commercial-credit orientation for ten years, demonstrating that it is substantively different from other NGO's Therefore it is entirely appropriate that a transformed VITA/PEP operate under monetary and banking authorities of the BEAC Zone as a Specialized Financial Institution rather than under the Ministry of Planning and Cooperation as an social-development NGO

The Secretary General of COBAC informed the project management that VITA/PEP is already on COBAC's list of credit institutions to be audited Further, Mr Madji stated that COBAC is going to request of the government that VITA/PEP be officially registered and fall under control of the Ministry of Finance and the Central Bank (COBAC) Thus, COBAC will force the play which will result in an increase in the interest rate

According to COBAC authorities, VITA/PEP would define the exact nature of its proposed special financial institution in the registration application It would make a case for its optimum operating and financial structure while respecting the intent of the banking laws Because VITA/PEP would be "special," it falls within a unique class of financial institution in Chad, reflecting aspects of a number of categories of the banking law in the BEAC Zone

Registration procedure

According to the Chadian and Central African Countries banking law, VITA/PEP would address its registration application to the Ministry of Finance, whose approval is subject to the approval of the COBAC Once the application is received, the Ministry of Finance has one month to respond or request more information, otherwise the registration is considered automatically approved COBAC indicates that it will unilaterally request that VITA/PEP be registered as a financial institution

The content of the request includes the following documents

Bylaws proposal
List of subscribing shareholders, board of directors and the managers with supporting documentation (CVs, identification documents, etc)
Projections of financial activities and of the availability of technical and financial resources
Explanatory documents, studies and other evidence justifying VITA/PEP's structure and classification

Given the probability that the authorities would request additional information, it is estimated that the registration process could take up to six months, from January to June 1996

2 Equity capital subscriptions

If the GOC allows donors to convert their historical net asset value into equity, VITA/PEP would then have a substantial, non-governmental capital base This would be the best-case solution Otherwise, there are two second-best alternatives The first option is to convert the GOC's claims on net asset value into non-voting shares and cede them to the government The second option is to acquire the GOC rights, which were given to the government under the Cooperative Agreement, through a negotiated, long term purchase contract

The advantage of the first option, converting GOC claims to non-voting shares, is the valuation of the government's claims Even more importantly, holding non-voting shares, the government would not have direct control As non-voting common stock, the shares would pay dividends at the discretion of the board of directors and would not incur a fixed debt-service burden on operating revenues The stock would be subordinated to other creditors The disadvantage in this solution can be seen in the case of ACEP in Senegal If the government still controlled a significant part of VITA's capital base, as is the case with ACEP, that concentration of government ownership would put VITA/PEP's non-governmental independence in jeopardy Government control, explicit or implicit, is a barrier to raising private sector capital

The second option is to negotiate a purchase of the government's claims on VITA/PEP's assets VITA/PEP might apply a Brady Plan restructuring format, by covering eventual principal payments with a risk-free, zero-coupon bond VITA/PEP could also issue a callable, amortizing principal bond with terms equivalent to IDB funds with a slight spread The advantage of the purchase option is that it secures VITA/PEP's non-government status while acknowledging the government's claim to some negotiable asset value The disadvantage in the second option is the negotiated cost and the debt-service payments With regard to the loan asset value, however, VITA/PEP might be purchasing lendable funds at a discount to market value

The capital structure

The balance sheet below shows that liabilities currently consist principally of donors' contributions According to the above options, these existing donor accounts would be converted into capital accounts With urgency, VITA will discuss capitalization parameters with its different partners (GOC, USAID, UNDP and World Bank) and with BEAC (Banque des Etats de l'Afrique Centrale--the central bank) VITA will also discuss alternatives with the private sector divisions of the IFC and ADB It would need to reach a decision by July 1995

The closing, simplified balance sheet below of the VITA/PEP project prior to its transformation into a Specialized Financial Establishment would show the following assets and liabilities

ASSETS	Cash	USAID loan funds World Bank loan funds
	Bank accounts	USAID loan funds World Bank loan funds
	Receivable accounts Outstanding loans	
	Fixed assets	Equipment and vehicles
LIABILITIES	Payables	Salaries and vender accounts
	Donors' subsidies	World Bank loan fund USAID loan funds USAID operating funds (net fixed asset value) UNDP operating funds (net fixed asset value)

Bylaws

As soon as VITA defines the capital structure, it can draft the company bylaws As most bylaws tend to be boilerplate, with reference to an appendix of existing operating procedures and practices, the exercise should require only several days of a local lawyer's time This could be completed in August 1995

3 Financial projections and transition activity scheduling

These projections are required for the registration application and involve updating the different projections made in the business plan and casting them into the form of a financial institution's accounts These projections can be checked by a local accounting firm to notate them according to the accounting code designations specified in the OCAM (Organisation Commune Africaine et Malgache) accounting standards of the BEAC Zone Once completed, the valuation process begun in April 1995 could be completed Financial projections and valuation of equity and total assets based on the projections would be completed in September 1995

4 Install an accounting system--Generate financial statements

VITA needs to transform the rest of its accounting system to a computerized general ledger accounting conforming to generally accepted accounting standards As such, it could efficiently generate accurate and reliable financial statements and management information The loan accounting system, which is the most difficult part, is already operational As part of the new

system, VITA would review, revise and document the procedures and structure of internal controls

Computerized accounting would allow VITA/PEP to reduce annual auditing costs and manage the organization by profit center and cost center budget controls 1995 OCAM financial statements would be submitted to regulatory authorities US GAAP financial statements consisting of balance sheet, income statement and a statement of cash flows would be available for shareholders, investors, and creditors Installing the accounting system would require one to three months and would be completed by December 1995

5 Annual financial audit

Annual audits are necessary to verify that financial statements comply with generally accepted accounting principles The first audit by an internationally recognized accounting firm (local partnership) would initiate a reliable January-to-December fiscal year as required by law Audited statements are mandatory for fund raising, investment, and commercial borrowing, all activities that VITA/PEP would pursue in different measures This 1995 audit would be scheduled for January 1996

6 Issuing shares

It is unreasonable to expect that VITA/PEP could issue shares in its operations until it is duly registered and audited Commitments for share subscriptions, however, can be solicited from potential venture capital shareholders Conditional letters of agreement to buy shares would indicate the shareholding and board membership as stipulated for the registration application

The equity financing cycle of a growing firm typically follows three stages owners capital, venture capital, and public offering In VITA/PEP's case the first stage corresponds to its eleven years of donor funding (thirteen with the two year transition) The next stage requires venture capital which brings expertise and technology to drive the institution through high, second-stage growth

The third stage of equity financing would be a public offering of stock This stage may be preceded by private placement of stock or equity equivalents It is not expected that VITA/PEP would make an initial public offering of stock in an organized stock market (none exists in Chad) until it had at least five years of audited statements showing a competitive return on equity

Garnering venture capital would be the goal in the next two years, a challenge that VITA Inc has already initiated VITA/PEP would continue to identify and negotiate appropriate concessionary lines of credit from development banks for its loan fund capital

CRITICAL PATH SCHEDULING

ACTIVITY EVENT	1995								1996					
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Define capital structure														
Establish by laws														
Financial projections														
Valuate firm and equity														
Install accounting system														
Annual financial audit														
Publish financial statements														
Commitments for share subscription														
Official registration														
Issue shares														+
Re engineer operations														+

N B Empty spaces > 1 box before shaded boxes indicate earliest start-time for activity

1	Define capital structure	Apply banking laws to level of risk assets and liabilities to compute various components and their proportions
2	Establish by-laws	Write by-laws that conform to the law and represent the organizational mission, governance and structure of VITA/PEP
3	Financial projections	Prepare proforma balance sheet, income statement, and cash flows until 2002 (1997 plus five years)
4	Valuation of firm and equity	Using financial projections, apply several conventional methods of valuating VITA/PEP as a financial institution
5	Install accounting system	Install a general ledger, computer driven accounting system that is compatible with the loan accounting system
6	Annual financial audit	Contract for an annual audit to get an opinion on the financial statements of 1995
7	Publish financial statements	Publish audited annual financial statements for 1995 in OCAM and in US GAAP
8	Commitments for share subscription	Examine VITA/PEP's investment prospects with non-profit and institutional investors
9	Official registration	Complete the official registration process for VITA as a Specialized Financial Institution under banking authority supervision
10	Issue shares	Having registered, fill subscriptions for VITA's shares, call board meeting, etc After June 1996
11	Re-engineer operations	Beginning in May 1995, examine opportunities for improving operating management to improve profit margins

VII BUDGET

The budget in Table 9 covers the two-year extension period In addition, a four-month budget is provided in Table 9 which explains projected expenditures for the remainder of the Phase III budget It is assumed that during this period, the project will continue to extend additional loans with interest income All the operating expenses previously listed in Table 3 will be covered by the USAID grant and by the commission income

The budget presented in Table 9 takes into account the inflation resulting from the devaluation of the FCFA, and uses an exchange rate of 500 FCFA per $US 1 00 Total projected costs for the two-year extension represent $2,337,073 These costs will be covered by $336,949 in commission revenues and $2,000,124 from the USAID grant (rounded to $2,000,000)

The lettered headings in this section of the report will follow the line items in the budget given in Table 9

A EXPATRIATE PERSONNEL

Several areas of the project will continue to need support during VITA/PEP's two-year transition to a financial institution One major area is the computerized loan accounting system The system has been converted to data base software and needs to be maintained by a computer loan accounting specialist

VITA proposes to maintain the position of Assistant Project Director--Expatriate (APD-E)--through the two-year extension period Over and above the loan accounting area, the APD-E will assist the Project Director (PD) in preparing or supervising the preparation of monthly and quarterly statistics used in the preparation of monthly reports to the VITA home office and quarterly reports to all donors He or she will also help the PD revise lending procedures and implement the changes in providing technical assistance given earlier in this proposal Finally, he/she will provide training in computerized loan accounting to the loan accounting staff as well as training in Lotus, WordPerfect and data base software to all staff

VITA/PEP proposes hiring Martha Sullins, the project's loan accounting consultant, to fill the position of APD She has been with the project for one and a half years, knows the project and the loan accounting area well and has already worked on training the staff in computer applications Furthermore, VITA would not have to recruit another APD, nor spend money shipping personal effects to Chad, and the project would save on rent and utilities usually provided to the APD (Martha's housing is already furnished by the Peace Corps) In addition to the responsibilities listed above, Martha would also be responsible for training the new Chadian APD, probably the Moundou office manager

Table 9 VITA/PEP Extended Budget -- Page 1

(For N'Djamena & Moundou)

Values in $US	Estimated Expenditures as of May 31, 1995	Projected Expenditures June 1995 USA $US	June 1995 Chad $US	July 1995 USA $US	July 1995 Chad $US	August 1995 USA $US	August 1995 Chad $US	September 1995 USA $US	September 1995 Chad $US	Total Phase III July 7 1990 to Sept 30 1995	2-Year Grant Budget Year One Oct 1 1995 to Sept 30, 1996 USA $US	Year One Oct 1 1995 to Sept 30, 1996 Chad $US	Year Two Oct 1 1996 to Sept 30, 1997 USA $US	Year Two Oct 1 1996 to Sept 30, 1997 Chad $US	Total Projected Expenditures 2-Year Grant Period USA $US	Total Projected Expenditures 2-Year Grant Period Chad $US	Total Projected Expenditures July 7 1990 to Sept 30, 1997
A. US Personnel Salaries																	
Home Office																	
1 VITA President	25 153	658		678		698		719		27 906	8 136		8 380		16 516	0	44 422
2. Project Officer	46 595	767		790		814		838		49 804	10 000		10 300		20 300	0	70 104
3 Secretary	16 100	536		552		569		586		18 342	6 624		6 823		13 447	0	31 789
Subtotal US	87 848	1 961	0	2 020	0	2 080	0	2 143	0	96 052	24 760	0	25 503	0	50 263	0	146 315
Field Staff																	
1 Project Director	175 037	0		0		0		0		175 037	0		0		0	0	175 037
2. Asst Proj Director	56 102	0		0		3 750		3 750		63 602	45 000		47 250		92 250	0	155 852
3 Post Differential	59 793	0		0		938		938		61 668	11 250	0	11 813	0	23 063	0	84 730
Subtotal Field Staff	290 931	0	0	0	0	4 688	0	4 688	0	300 306	56 250	0	59 063	0	115 313	0	415 619
Total US Salaries	378 779	1 961	0	2 020	0	6 768	0	6 830	0	396 358	81 010	0	84 565	0	165 575	0	561 934
B. Host Country National Salaries	1 038 249		33 875		32 500		33 150		33 813	1 171 587		287 020		295 464	0	582 484	1 754 071
Aggregate Salaries	1 417 028	1 961	33 875	2 020	32 500	6 768	33 150	6 830	33 813	1 567 946	81 010	287 020	84 565	295 464	165 575	582 484	2 316 005
	1 417 028		35 836		34 520		39 918		40 643	1 567 946		368 030		380 029		748 059	2 316 005
C. Contractors/Consultants																	
1 Financial consultants	10 000	4 440		3 330				10 000		27 770	15 500		3 500		19 000	0	46 770
2. Legal Consultant										0	3 500				3 500	0	3 500
3 Passport/Medical				200				500		700	700		700		1 400	0	2 100
4 Computer/Acctg Consultant	91 212	11 000		4 000		10 000		0		116 212	9 000				9 000	0	125 212
5 Micro Contractor Fees	0									0		10 000		20 000	0	30 000	30 000
Total Contractors/Consultants	101 212	15 440	0	7 530	0	10 000	0	10 500	0	144 682	28 700	10 000	4 200	20 000	32 900	30 000	207 582
Aggregate Consultants	101 212		15 440		7 530		10 000		10 500	144 682		38 700		24 200		62 900	207 582
D Fringe Benefits -- 37 2%																	
1 Home Office	146 961	729		751		774		97		1[illegible] 013	9 [illegible]		9 487		18 098	0	170 710
2 Overseas		0		0		1 744		1 7[illegible]4		3 488	20 925		21 371		42 296	0	46 384
Total Fringe Benefits	146 961	729	0	1	0	518	0	41		55 [illegible]	30 130	0	11 [illegible]	1	11 534	0	17 034
Aggregate Fringe benefits	146 961		7[illegible]		1		13		[illegible]	1 [illegible]		30 [illegible]		31 [illegible]		61 [illegible]	1[illegible]
E. Travel & Transportation																	
1 Staff Travel	45 549				3 000					48 549	10 500		7 000		17 500	0	66 049
2. Consultants	21 703	1 750				3 500		3 500	1 785	31 738	7 000		4 000		11 000	0	42 738
3 Shpg Personal Goods	6 660									6 660					0	0	6 660
4 In-Country Travel	2 632									2 632		2 777		2 336	0	4 585	7 198
5 HCN Training Trav & PD	9 767		1 500		1 575		1 654		1 736	16 732		6 661		7 015	0	13 696	30 428
6 HCN Travel & PD	23 666		980		1 029		1 080		1 134	27 310		22 584		23 713	0	46 297	73 607
Total Travel & Transp	109 558	1 750	2 480	0	6 041	3 500	7 41	3 500	1 [illegible]	1[illegible] 321	17 500	31 492	11 000	33 067	8 500	64 559	[illegible]
Aggregate Travel	109 558		4 230		5 604		6 234		7 656	119 250		48 [illegible]		44 067		63 [illegible]	212 480
F Allowances																	
1 Temporary Lodging	3 465									3 465					0	0	3 465
2. Housing Rent & Utilities	114 412									114 412					0	0	114 412
3. Shg Personal Goods	8 644									8 644					0	0	8 644
4 Cost of Living Allowance	40 875									40 875					0	0	40 875
5 Per Diem Staff	9 541							2 600		12 341	2 000		2 100		4 100	0	16 441
6 Per Diem Consultants	52 351	0	200			4 800		2 000		59 651	10 000			5 000	10 000	5 000	74 651
Total Allowances	228 488	0	200	0	0	4 800	0	600		248 388	12 000	0	2 100	5 000	14 100	5 000	267 488
Aggregate Allowances	228 488		200		0		4 800		4 800	248 388		1 000		7 100		10 100	267 488

Table 9 VIIA/PEP Extended Budget -- Page 2

	Estimated Expenditures as of May 31, 1995	Projected Expenditures June 1995 USA$US	June 1995 Chad$US	July 1995 USA$US	July 1995 Chad$US	August 1995 USA$US	August 1995 Chad$US	September 1995 USA$US	September 1995 Chad$US	Total Phase III July 7 1990 to Sept 30 1995	2-Year Grant Budget Year One Oct 1 1995 to Sept 30 1996 USA$US	Year One Chad$US	Year Two Oct 1 1996 to Sept 30 1997 USA$US	Year Two Chad$US	Total Projected Expenditures 2-Year Grant Period USA$US	Total Projected Expenditures 2-Year Grant Period Chad$US	Total Projected Expenditures July 7 1990 to Sept 30 1997
G Other Direct Costs																	
1 Office Rent	236 842		4 200		0				7 000	247 842		30 960		33 960	0	64 920	312 762
2 Office Utilities			1 500		1 500		2 400		2 400	7 800		26 000		29 300	0	55 300	63 100
3 Meeting Expense	84									84					0	0	84
4 Recruiting Fees	1 198									1 198					0	0	1 198
5 Legal Fees	877		0							877		525		551	0	1 076	1 953
6 Marketing & Publicity	5 899		200		210		220		232	6 561		2 512		2 638	0	5 150	11 711
7 Translation Fees	5 869									5 869	150		150		300	0	6 169
8 Project Equipment Shipping	25 781	200		4 687		2 105		1 570		34 274	22 058		5 003		27 061	0	61 335
9 OS Med/Predepart Expense	5 610									5 610					0	0	5 610
10 Home Maintenance	36 608		0							36 608					0	0	36 608
11 Office Maintenance	10		3 000		3 150		3 307		3 473	12 940		23 806		24 996	0	48 802	61 743
12 Temporary Help	720									720					0	0	720
13 DBA/Medevac	17 046									17 046	2 500		2 500		5 000	0	22 046
14 Miscellaneous	14 798		1 000		1 050		1 103		1 158	19 108	1 000	5 764	1 000	6 052	2 000	11 816	32 924
Subtotal Other Direct Costs	350 924	200	9 900	4 687	5 910	2 105	7 031	1 570	14 521	395 538	3 708	89 567	8 653	97 498	34 361	187 065	617 964
Aggregate Oth Dir Costs	350 924		10 100		10 59		9 136		15 782	396 538		115 275		106 151		221 426	617 964
H Procurement																	
Vehicles, Equipment & Furnishings																	
1 Vehicles	112 839									112 839	152 775	8 000	0	0	152 775	8 000	273 614
2 Computer Equipment	32 056	1 000		43 367		1 000		13 000		90 423	32 855	20 000	18 480	18 000	51 135	38 000	179 558
3 Home Furnishings	7 032									7 032					0	0	7 032
4 Office Furniture & Equip	134 778	1 000		3 300		70 054		2 200		161 532	0	7 150	0	13 550	0	20 700	182 232
5 Building Purchase	0									0					0	0	0
Subtotal Veh Equip & Furn	286 706	2 000	0	46 667	0	71 054	0	15 200	0	371 626	185 630	35 150	18 480	31 550	203 910	66 700	642 437
Maintenance, Insurance & Fuel																	
1 Vehicle Misc/Repairs	109 090		6 000		6 300		6 615		6 946	134 951		36 470		18 235	0	54 706	189 657
2 Vehicle Regs & Ins			2 000						1 000	3 000		4 490		4 715	0	9 205	12 205
3 Equipment Misc	692		3 700		3 885		4 079		4 283	16 640		22 341		22 767	0	45 308	61 947
4 Computer Misc	25 327		1 000		600		600		600	28 127		5 541		5 767	0	11 308	39 435
5 Vehicle Fuel	59 615		2 000		2 730		2 866		3 010	70 621		18 816		19 757	0	38 572	109 394
Subtotal Misc Ins & Fuel	194 725	0	15 300	0	13 515	0	14 161	0	15 839	253 540	0	87 659	0	71 240	0	159 099	412 638
Materials & Supplies																	
1 Office Supplies	84 793		2 000		2 100		2 205		2 315	93 414	365	23 630	383	24 068	748	47 698	142 060
2 Copier Expense	24 184		300		300		300		300	25 384	605	1 666	633	1 683	1 240	3 349	29 972
3 Communications	91 249	75	2 000	75	2 100	75	2 205	70	2 315	100 164	550	12 155	578	12 763	1 128	24 918	126 210
4 Postage	7 243	60	200	60	210	60	220	60	232	8 345	300	1 754	300	1 842	600	3 597	12 541
5 Delivery	4 121	60		60		60		60		4 441	500		525		1 025	0	5 466
6 Printg Record Art	3 566	53		56		58		61		3 816	220	1 460	212	1 532	412	2 992	7 220
7 Publctns Subscrptns	7 097	50	300	50	200	50	200	50	200	8 197	636	1 140	816	1 197	1 452	2 337	11 986
8 Computer Supplies	8 034	1 000	150	400	100	400	100	400	104	10 688	1 150	1 072	1 030	1 125	2 180	2 197	15 065
Subtotal Mtrls & Supl	230 308	1 318	4 950	721	5 010	723	5 031	721	5 466	254 448	4 305	43 077	4 479	44 211	8 785	87 288	350 521
Tot Veh Eq Mtrls Supl	711 738	3 318	20 250	47 588	18 525	21 778	19 391	15 921	21 305	879 614	189 935	166 086	22 959	147 001	212 695	313 087	1 405 596
Aggregate Procurement	711 738		23 568		66 113		41 169		37 226	879 614		355 822		169 960		525 782	1 405 596
L Training	36 036	600		600		600		600		38 436		10 806		11 346	0	22 152	60 588
Aggregate Training	36 036		600		600		600		600	38 436		10 806		11 346		22 152	60 588
+ Credit Study	20 752									20 752							20 752
	3 134 736	23 995	67 005	63 176	62 539	52 069	62 306	46 713	73 536	3 585 577	384 790	594 972	164 935	609 375	549 725	1 204 347	5 320 700
J Total Direct Costs	3 134 736		91 033		125 715		114 374		115 749	3 585 577		679 761		774 311		1 754 072	5 339 649
K Overhead (39 7%)	1 065 518		34 978		30 987		36 675		41 066	1 209 246		298 358		284 642		583 001	1 819 791
L Contingency	0		0		0		0		0	0		0		0		0	0
M Total Costs	4 200 254		125 982		156 702		151 049		160 836	4 794 823		1 278 120		1 058 953		2 337 073	7 159 441
N Service Fee Revenues	(215 602)		(4 260)		(4 494)		(4 718)		(4 954)	(234 049)		(154 837)		(182 112)		(336 949)	(570 997)
O Total USAID Cost	3 984 652		121 70		152 208		1 6 331		155 882	4 560 77		1 123 283		676 6 1	0	2 000 124	6 588 443
P Cumul USAID Cost by Phase	3 984 652		4 106 354		4 258 561		4 404 892		4 560 774	4 560 77		1 123 283		2 000 124			
Cumul USAID Cost Ph. III & IV	3 984 652		4 106 354		4 258 561		4 404 892		4 560 774	4 560 774		3 684 057		6 560 898			
Q Remaining USAID budget flow rate at end of period	5 8 17		5 701		30 717		155 88		10	10		876 717		(124			

Note Beginning in June 1995 USAID operating funds cover Moundou office expenses

Table 10a Host Country National Salary Costs

Values in $US

N'Djamena Positions	For the Year Ending Dec 1994	Dec 1995	Dec 1996	Dec 1997	Dec 1998	Dec 1999	Dec 2000	Dec 2001	Dec 2002
Director	39 426	40 749	44 009	47 530	51 332	55 439	59 874	64 664	69 837
Loan Officers	65 729	73 235	85 277	93 688	108 515	119 241	137 478	157 855	180 603
Mid management	25 730	24 159	9 612	10 573	20 830	22 729	24 804	27 069	29 544
Support staff	24 923	30 414	24 145	26 232	28 514	31 011	33 744	36 735	40 010
Unskilled employees	15 598	15 497	10 207	11 153	12 190	13 329	14 578	15 948	17 452
Temporaries	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260	1 260
Total N'Djamena	172 666	185 314	174 509	190 436	222 642	243 009	271 736	303 531	338 706
Moundou Positions									
Office Manager	11 708	15 316	16 847	18 532	20 385	22 424	24 666	27 133	29 846
Loan Officers	30 924	39 508	48 059	57 165	63 211	71 132	81 516	89 700	98 670
Mid management	0	0	0	0	0	0	0	0	0
Support staff	12 041	15 750	17 326	19 058	20 964	23 060	25 366	27 903	30 693
Unskilled employees	5 746	7 516	8 268	9 094	10 004	11 004	12 105	13 315	14 647
Temporaries	450	726	799	878	966	1 063	1 169	1 286	1 415
Total Moundou	60 869	78 816	91 298	105 028	115 531	131 684	144 852	159 337	175 271
Subtotal N'Djamena & Moundou	233 535	264 130	265 807	295 464	338 173	374 693	416 588	462 868	513 977
Cost of N'Djamena staff reduction			21 213						
Total N'Djamena & Moundou	233 535	264 130	287 020	295 464	338 173	374 693	416 588	462 868	513 977

Table 10b Administrative and Recurrent Cost Projections

(Values in $US)	1994	1995	1996	1997	1998	1999	2000	2001	2002
Contractors									
Micro Contractor Fees	0	0	10 000	20 000	22 000	24 200	26 620	29 282	32 210
Travel and Transportation									
HCN Travel & Per Diem	26 398	29 993	31 492	33 067	34 720	36 456	38 279	40 193	42 203
Allowances									
Housing Rent & Utilities	8 207	0	0	0	0	0	0	0	0
Other Direct Costs									
Office Rent	26 400	26 400	30 960	33 960	35 658	37 441	39 313	41 279	43 343
Office Utilities	18 809	19 535	26 000	29 300	30 765	32 303	33 918	35 614	37 395
Legal Fees	0	500	525	551	579	608	638	670	704
Marketing & Publicity	2 180	2 393	2 512	2 638	2 770	2 908	3 054	3 207	3 367
Home Maintenance	0	0	0	0	0	0	0	0	0
Office Maintenance	12 358	13 149	23 806	24 996	16 436	17 258	18 121	19 027	19 978
Miscellaneous	5 139	5 489	5 764	6 052	6 355	6 672	7 006	7 356	7 724
Procurement									
Vehicle Maintenance	33 285	34 734	36 470	18 235	19 147	20 104	21 110	22 165	23 273
Vehicle Insurance & Reg	3 979	4 277	4 490	4 715	4 951	5 198	5 458	5 731	6 018
Equipment & Computer Maint	52 064	22 318	22 541	22 767	22 994	23 224	23 456	23 691	23 928
Vehicle Fuel	17 291	17 920	18 816	19 757	20 744	21 782	22 871	24 014	25 215
Materials and Supplies									
Office Supplies	23 151	23 594	23 830	24 068	24 309	24 552	24 798	25 046	25 296
Copier Expense	0	1 587	1 666	1 683	1 767	1 855	1 948	2 045	2 148
Communications	11 125	11 576	12 155	12 763	13 401	14 071	14 775	15 513	16 289
Postage	1 591	1 671	1 754	1 842	1 934	2 031	2 133	2 239	2 351
Printing, Reproductions	1 388	1 390	1 460	1 532	1 609	1 690	1 774	1 863	1 956
Publications, Subscriptions	1 142	2 393	1 140	1 197	1 257	1 320	1 386	1 455	1 528
Computer Supplies	457	715	1 072	1 125	1 182	1 241	1 303	1 368	1 436
Training	10 258	10 291	10 806	11 346	11 913	12 509	13 134	13 791	14 481
Total Administrative Expenses	255 222	229 925	267 260	271 595	274 491	287 424	301 094	315 550	330 842
Deprec of Fixed Assets	0	0	0	0	1 502	1 385	1 385	701	258
Total No of Employees	48	50	46	47	48	49	50	51	52
Admin Cost per Employee	5 317	4 599	5 810	5 779	5 719	5 866	6 022	6 187	6 362

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not submitted

IX. ASSESSMENT OF PRIMARY FACTORS INFLUENCING PROPOSED STRATEGY

The business plan has focussed on developing a strategy through which VITA/PEP can expect to achieve sustainability within a reasonable timeframe VITA will be both opportunistic and creative in its efforts to reach that goal The following factors will influence those efforts

the availability of sufficient loan funds until 1997,

the continuation of VITA/PEP's exemption from commercial bank taxes for its clients,

legislation and regulations that are conducive to allowing VITA/PEP to develop into an independent financial institution,

no further devaluation of the Franc CFA against the dollar,

relative political stability in the country

A AVAILABILITY OF LOAN FUND

The availability of an adequate loan fund is important both because loans are the purpose of the Project and the Institution, and because they generate the income necessary to achieve self-sufficiency According to the Crouzet Report, loan demand is expected to remain very high despite the requested increases

The World Bank has provide a line of credit for $1 05 million that the project has been using In order to better respond to the increasing loan demand, the World Bank has committed two additional lines of credit $1 0 million to pursue current lending activities and 0 65 million in Special Drawing Rights (about $0 8 million) to extend loans to Chadian exporters of livestock products, with the possibility to double this amount if deemed necessary The World Bank has also indicated that it will favorably examine any request for additional loan funds if needed The United Nations Development Program has also indicated its intention to renew its support of the program

It appears that loan funds will be available in the longer term Since the procedure for requesting loan funds normally takes time, it was feared that loans would have to be temporarily limited to money made available through the repayment of loans until new funds became available This difficulty has been averted by an agreement with a commercial bank to co-finance up to 80 percent of the principal of some project loans

B TAX EXEMPTION

The Chadian investment code provides different levels of tax exemption for new or expanding businesses The one that is best

suitable for VITA/PEP is the B regime (from the GOC investment code) It provides for income tax exemption and only 5% duty taxes on imported equipment for a maximum period of ten years The new institution should negotiate and obtain at least five years exemption in order to reduce capital costs in future investment Otherwise, the institution would have to reduce its investment program, or negotiate for funding or loans to finance its future investments

The Chadian investment code exempts small businesses from paying the TCA (Taxe sur le Chiffre d'Affaires) In a recent declaration, the Minister of Economy and Tourism has indicated that the investment code is currently under review An abolition of the above tax exemption for VITA/PEP's clients would raise a 24% interest rate to 28 34%

However, given the context of the Minister of the Economy's declaration (at the seminar on the promotion of arabic gum production and export) it is likely that the projected new investment code will continue to provide tax exemption and even define new mechanisms to promote Chadian small businesses

C LEGAL STATUS

It is likely that the supervisory oversight responsibilities of the autonomous financial institution would shift from the Ministry of Planning to the Ministry of Finance through the central bank (BEAC) This implies that the institution would then be subject to legal control regulations In fact, the central bank has already asserted that given present banking procedures in central African countries (including Chad), it is entitled to control VITA/PEP's activities Despite this, it does not exercise such control because of the particular nature of the project Furthermore, the control that the bank will likely impose will be beneficial since it would create the possibility of providing the Institution with lines of credit to support loans extended to its clients

The Institution hopes to negotiate a light regulatory hand as is the case in other countries for institutions of this kind Clearly, the potential relationship with the central bank does not appear to be completely negative and might well hold interesting opportunities

VITA/PEP's lending activities have been expanding over the past ten years Sooner or later, it will be necessary for the Institution to negotiate a regular status for itself

D THE FRANC CFA EXCHANGE RATE

The projected budget for this business plan is based on the exchange rate of 500 Francs CFA for one dollar up to the end of the transition period in 1997 A further devaluation of the Franc CFA would probably result in savings being realized, despite

inflation This might buy the Institution more time for the transition However, should the dollar drop significantly below 500, this would reduce the resources available Under these circumstances, the Institution would either have to reduce expenditures or seek additional financial support

E. THE POLITICAL CLIMATE

The elections to be held in late 1996 carry with them the possibility of instability If the political situation remains stable, the transition process is likely to be accelerated Otherwise, the process will continue more cautiously

The informal sector throughout the world is known to be less sensitive to political instability and the project has learned to deal with this kind of situation Since the personnel is entirely Chadian, with one exception, there would be no evacuation and the program would presumably continue albeit at a reduced level

X CONCLUSION

VITA has demonstrated its dedication to small enterprise credit and sustainable development through an eleven-year presence in Chad Such development is not possible without a sustained presence In Chad, VITA/PEP is seen as a foundation for expanded credit activity which can stimulate initiatives in education, health, the environment, agriculture, and virtually every other part of Chadian life

VITA is less an implementor of projects than a presence whose traditional information resources permit it to integrate successful ideas from all over the world into the countries in which it operates VITA remains as long as its presence permits it to add value to the resources available Therefore, the project is over only in the sense that the funding is depleted VITA, however, maintains an on-going connection with project colleagues and organizations which is beneficial to all involved

The grant requested herein will permit the Project to survive the withdrawal of the USAID mission in Chad and facilitate its transition into a self-sufficient financial institution The present director of the Project is an experienced and knowledgeable Chadian who is well qualified to lead the organization into the future, whatever it might hold The leadership of VITA in Arlington, Virginia, will remain constant during the life of the project and througnout its transformation into an independent financial institution in Chad

JUSTIFICATION DU RELEVEMENT DES CONDITIONS DE REMUNERATION DE VITA/PEP

PREAMBULE

Lors de sa mise en exécution en juillet 1984, VITA/PROJET D'ENTREPRISES PRIVEES s'est donné comme objectif d'apporter son appui à la promotion des PME/PMI par des crédits et une assistance technique adaptee Le but recherché était de soutenir ce secteur durement frappé par plusieurs années de guerre désastreuse et par la sécheresse Cette activité a enregistré un succès sans precédent comme en temoigne la demande sans cesse grandissante de prêts depuis dix ans Ce qui explique que depuis 1990, deux autres bailleurs de fonds (PNUD et Banque Mondiale) se soient joints à l'USAID pour soutenir les actions du projet

Au moment où VITA/PEP a pris de l'ampleur et tend à devenir un outil indispensable de la promotion du secteur prive informel, son avenir suscite des inquietudes, dans la mesure où ses bailleurs de fonds traditionnels affirment ne pas pouvoir lui garantir indéfiniment leurs soutiens financiers pour deux raisons essentiels Premièrement et à l'instar d'organisations ayant connu le même parcours, ils estiment qu'après dix ans d'allaitement, il est temps de le sevrer pour qu'il devienne un outil permanent de développement du secteur qu'il a choisi de promouvoir Deuxièmement, les ressources destinées aux aides gratuites tendant à devenir de plus en plus rares, il serait illusoire de bâtir l'avenir du projet sur des financements aussi incertains Dans ces conditions, il devient imperatif d'explorer les moyens de le doter de ressources lui permettant de s'autosuffir Cela revient à augmenter les revenus (intérêts et commissions), reduire ou contenir les dépenses et restructurer le projet pour accroître son efficience

Le niveau actuel des conditions de rémuneration des prêts (13% l'an d'interêt) et des services (4% de commission sur le principal des prêts) de VITA/PEP reste faible par rapport a celui des organisations similaires dans beaucoup de pays en voie de développement Il est clairement etabli que les institutions qui realisent leur autosuffisance benéficient des conditions nettement superieures à celles du marché Pour donner une certaine chance de perennite à VITA/PEP, il est souhaitable de lui offrir des conditions de remuneration raisonnables

I ANALYSE DE QUELQUES EXPERIENCES DANS LE MONDE

Le tableau ci-après fournit des statistiques sur des organisations de type VITA/PEP dans quelques pays en voie de développement

Les taux d'intérêts affiches sont des taux effectifs, c'est-à-dire la somme des intérêts et des commissions éventuelles Le taux plus bas est celui appliqué par la BRK (Bankin Raya Karkara) a Maradi au Niger voisin (18%) Il comprend 12% d'intérêt sur les prêts et 6% de commission Il n'est pas surprenant de constater

- que cette institution dégage une rentabilité (résultats/fonds propres) négative (-9,1%),
- qu'elle couvre seulement 44% de ses charges opérationnelles,
- qu'elle n'autofinance que 43% de ses ressources de prêts

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Traits Marquants de quelques Institutions dans les Pays en Voie de Développement

Nom	Nature	Pays	Age	Taux Int	Taux Infl	U,R ou U+R	Rté	ASO	ASF
BKD	Ensemble de petites banques urbaines	Indonesie	40+	55%	10%	R	3,8%	197%	118%
Grameen Bank	Institution financiere	Bangladesh	19	20%	8%	R	-9,7%	107%	79%
ADOPEM	ONG affiliee a Women s World Banking	Republique Dominicaine	13	72%	5%	U	-3,3%	94%	89%
BRI	Banque d Etat pour le developpement rural	Indonesie	11	34%	10%	U+R	31,0%	113%	110%
LPD	Reseau d institutions financieres villageoises (sous autorite provinciale)	Indoresie	11	36%	10%	U+R	32,7%	148%	137%
FINCA	Institution de financement agricole	Costa Rica	11	32%	9%	R	-18,7%	98%	75%
ACEP	Institution mutualiste	Senegal	9	20%	8%	U+R	0,1%	142%	100%
BANCOSOL	Banque commerciale pour MiE	Bolivie	8	55%	9%	U	4,3%	107%	103%
ACTUAR	ONG en voie d institutionalisation	Colombie	7	71%	19%	U	22,5%	124%	104%
K-REP	ONG devenue independante	Kenya	5	38%	47%	U+R	-15,2%	106%	38%
BRK	Programme CARE (Niger) de credits aux PME et MiE	Niger	4	18%	0%	R	-9,1%	44%	43%

(Voir légende en Annexe 1)

La Grameen Bank au Bangladesh et l'ACEP (Alliance de Crédit et d'Epargne pour la Production) au Sénegal ont des taux effectifs de 20% chacun La premiere couvre ses charges d'exploitation (107%), assure ses capitaux de prêts à 79%, mais elle a une rentabilite negative de 9,7% L'ACEP parait en équilibre sur le plan de la rentabilite et reste globalement autosuffisante Mais en réalite elle dépend, du point de vue des ressources pour les prêts, presqu'essentiellement des contributions initiales de l'USAID

Il est paradoxale de constater que l'institution la mieux nantie, l'ADOPEM de la République Dominicaine avec un taux effectif de 72%, n'est ni rentable (-3,3%), ni autosuffisante (elle couvre 94% de ses charges opérationnelles et assure 89% de ses capitaux de prêts)

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Toutes ces institutions financent le développement à la base comme VITA/PEP Les retombées sociales attendues se mesurent en termes de création d'emplois, d'amélioration des revenus et des conditions de vie des bénéficiaires de leurs prêts et de leurs services (épargne, suivi des projets, assistance technique, etc) En somme, les objectifs poursuivis sont principalement les mêmes que pour VITA/PEP

II AUGMENTATION DES REVENUS

La récapitulation des revenus et des dépenses (fonctionnement et équipement) du projet VITA/PEP, au cours des cinq dernières années, est fournie par le tableau ci-après

Etat des Revenus et Dépenses (X 1000 F FCA)

Libellé	07/90 a 12/90	1991	1992	1993	1994	Phase III 7/90-12/94
Coûts locaux programme	**28 006**	**87 150**	**110 127**	**159 118**	**199 942**	**584 344**
Intérêts perçus	6 687	26 818	33 900	38 515	48 201	154 122
Comm perçues	0	8 655	13 097	13 346	29 080	64 177
Total Revenus	**6 687**	**35 473**	**46 997**	**51 861**	**77 281**	**218 299**
Rev/Coûts (%)	**24%**	**41%**	**43%**	**33%**	**39%**	**37%**

Les conditions actuelles de rémuneration du projet sont les suivantes 13% l'an d'intérêt et 4% de commission perçue sur le principal des prêts En tenant compte de la durée moyenne des prêts (15 mois environ), le taux de rémuneration pondéré est de 16,2%, c'est-a-dire inférieur au taux effectif applique par la BRK, l'institution la moins remunerée de l'échantillon précedemment analyse VITA/PEP et la BRK ne sont pas autosuffisantes du point de vue de la couverture des charges, bien que la BRK reste plus performante que VITA/PEP (44% et 39% respectivement) Heureusement que toutes les deux sont encore prises totalement en charge par leurs bailleurs de fonds respectifs, ce qui leur permet pour le moment d'affecter leurs revenus d'intérêt à la distribution des prêts Mais les chiffres restent revélateurs d'une insuffisance préoccupante, dans la mesure où les deux institutions ambitionnent de devenir autosuffisantes et pérennes

La situation est toutefois moins inquiétante pour la BRK qui est autorisée à appliquer librement ses taux d'intérêt et de commission VITA/PEP reste nettement moins favorisé en la matière C'est la raison pour laquelle il est souhaitable de revoir sa situation dans le sens qui pourrait lui permettre de disposer d'une chance d'acquérir son indépendance durant la période transitoire de deux ans que l'USAID est encore disposé à financer

5h

Après une série de simulations, il se dégage que les conditions minimales susceptibles de garantir l'autosuffisance de VITA/PEP sont les suivantes (voir tableau ci-après)

taux d'intérêt 24% l'an
taux de commission 6% du principal

Comptes de Résultats Prévisionnels (millions CFA)

Comptes	1995	1996	1997	1998	1999	2000
Int PME	21,4	66,1	87,3	96,0	105,3	115,3
Int MiE	68,6	157,9	184,4	212,2	237,2	264,2
Comm perçues	54,6	74,5	90,3	102,5	113,9	126,2
Prod Banc Bruts	**144,6**	**298,5**	**362,0**	**410,7**	**456,4**	**505,7**
Charges Bancaires	0	(8,6)	(17,5)	(19,8)	(22,0)	(24,3)
Prod Net Bancaire	**144,6**	**289,9**	**344,5**	**390,9**	**434,4**	**481,4**
Frs Gx (dont Pers)	(212,9) (105,5)	(276,7) (159,7)	(289,1) (166,3)	(311,9) (182,9)	(336,6) (201,2)	(363,5) (221,4)
Résul Brut d'Expl	**(72,3)**	**13,2**	**55,4**	**79,0**	**97,8**	**117,9**
Chges+Prod Divers Nets	0	0	0	0	0	0
Amort	0	0	0	0	0	0
Prov	(43,3)	(43,3)	(51,7)	(57,7)	(63,6)	(70,0)
Résul Net d'Expl	**(115,6)**	**(33,0)**	**3,7**	**21,3**	**34,2**	**47,9**

Comme cela apparait dans le tableau, les taux de rémunération ci-dessus permettraient au projet de couvrir entièrement ses frais locaux dès l'année 1997, c'est-a-dire immediatement après la période de transition Elle dependra encore des contributions des bailleurs de fonds ou de lignes de credit concessionnel pour nourrir ses prêts Mais à partir de l'année 1998, elle commence à dégager des benefices (21,3 millions CFA) qui devraient lui permettre de couvrir en partie le coût éventuel des capitaux d'emprunt

Les propositions de taux ci-dessus suscitent les observations suivantes

i) Dans l'hypothèse d'une durée moyenne de 15 mois pour les prêts de VITA/PEP, le taux annuel pondéré s'établirait à 28,8% l'an Par rapport à ceux des institutions de l'échantillon choisi, il se situe plutôt parmi les taux les plus bas observes

ii) L'USAID a finance une étude en mai et juin 1993 sur la pratique de crédit

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et de taux d'intérêt dans le secteur informel à N'Djaména et les environs L'un des constats les plus frappants établit que le crédit y est couramment pratiqué sous diverses formes, avec des taux d'intérêt variant entre 80% et 3 000% l'an Ce qui rend pratiquement insignifiant le niveau des taux sollicités par VITA/PEP qui alimente ce secteur en crédit

III LIMITATION DES DEPENSES

Dès la première année de la transition, VITA/PEP se propose de s'engager dans un processus de restructuration destinée à lui assurer une performance optimale et à réduire ses charges d'exploitation

Dans ce contexte, le projet envisage de décentraliser une partie des services qu'il fournit directement pour les transférer à des organisations non-gouvernementales, à de petites entreprises (candidates probables au crédit) et à des professionnels Ces sous-traitants recevront une formation appropriée, et leur performance sera jugée selon des normes bien établis Ce qui permettra à VITA/PEP de se concentrer sur les opérations de distribution de crédit Cette politique de devrait permettre de traiter un volume plus important de dossiers de crédit, avec un personnel plus réduit et plus spécialisé Elle devrait egalement permettre d'elargir la base des revenus attendus

Parallèlement aux réformes structurelles à engager, VITA/PEP cherchera à diversifier sa clientèle en explorant de nouvelles opportunités La plupart de ses clients sont des commerçants Tout en continuant a traiter avec ceux-ci, l'institution s'attellera a promouvoir les entreprises génératrices de valeur ajoutée C'est ainsi que VITA/PEP n'a pas hésité à accepter la gestion de la ligne de crédit destinee à financer les exportations des produits de l'elevage Des efforts seront intensifies pour explorer d'autres opportunités L'objectif visé est d'accroître le portefeuille de prêts en nombre et en montant, de manière à améliorer le niveau des revenus

IV IMPACT ET CONSIDERATION SOCIAUX

Dans la mesure où le taux d'interêt effectif proposé reste largement inferieur aux taux pratiqués sur le marché informel, il ne devrait pas affecter la demande de prêts Toute reduction éventuelle dans ce domaine sera certainement limitée et de courte duree Par contre, cet ajustement devrait permettre a VITA/PEP de devenir un outil permanent de la promotion des activités génératrices de revenus, et par voie de conséquence de la création d'emplois et de l'amelioration des conditions de vie des populations démunies

L' opinion publique tend à considérer VITA/PEP comme un projet social Cette opinion a été plus ou moins officialisée au moment où le projet a ete appelé à participer au PADS (Programme d'Action et de Développement Social) En réalité, c'est un projet de developpement d'entreprises privées, qui participe au PADS dans le cadre du volet "création d'emplois", par le crédit Dans le cadre de cette activité, la Banque Mondiale fournit seulement des fonds pour les prêts, alors que VITA/PEP doit supporter des charges de structure Sans l'aide d'autres bailleurs de fonds (USAID et PNUD), il serait impossible au projet d'exécuter sa part de programme

Il est important de distinguer un projet social d'un projet de développement Le premier est souvent limité dans le temps et fournit généralement des biens

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ou des services gratuits Il a besoin d'être soutenu par des subventions Le second a des objectifs plus économiques qui ont besoin d'être auto-entretenus Ses produits ou ses services sont forcément onéreux VITA/PEP un projet de développement, ce qui suppose que ses services doivent bénéficier d'une juste rémunération En principe, les candidats au crédit appartenant à des groupes sociaux vulnérables ne peuvent pas constituer des clients ordinaires potentiels du projet Il est souhaitable de concevoir un programme social adapté pour cette clientèle, ou négocier des financements pour la subvention partielle ou totale d'intérêt, comme le préconise le PNUD

V LA PROBLEMATIQUE DE L'AVENIR DE VITA/PEP

Pour la phase III actuellement en cours depuis juillet 1990, le PNUD et l'USAID financent le fonctionnement du projet, tandis que la Banque Mondiale assure les fonds pour les prêts Le financement du PNUD a cessé depuis décembre 1994 Celui de l'USAID va prendre fin le 31 mai 1995 Bien que la Banque Mondiale ait renouvelé son concours financier, la poursuite du programme reste intimement liée à la possibilite de couvrir les charges opérationnelles du projet Si les subventions ne peuvent plus être assurées, il faut se résoudre à mettre fin au programme de VITA/PEP, avec toutes les conséquences que cela comporte perturbation dans les activites des entreprises bénéficiaires de prêts et risque d'impayés, donc de pertes de capitaux distribués L'échec éventuel d'un tel programme risquerait de créer un climat de méfiance à l'égard des institutions financières et pourrait compromettre toute tentative de renouvellement de la même expérience

Pour éviter une situation aussi malheureuse, l'USAID propose une solution qui offre de meilleures chances de survie au projet A partir du 1er juin 1995, l'agence américaine est disposee à soutenir financièrement un programme de restructuration étale sur une periode de deux ans, au cours de laquelle il sera nécessaire de rechercher, de definir et de doter VITA/PEP des moyens lui permettant de se prendre en charge A l'issue de cette période, VITA/PEP doit se transformer en une institution financière spécialisee autonome Un programme précis de réalisation de cette transformation est en cours d'élaboration

Actuellement, les revenus d'interêt et de commission que perçoit VITA/PEP sur ses opérations ne lui permettraient de couvrir que 40% de ses charges opérationnelles Il est donc indispensable qu'il puisse relever le niveau de ses taux de rémunération tel que proposé au chapitre II L'objectif principal étant de promouvoir la libre entreprise, l'USAID souhaite, pour sa part, que le taux d'intérêt de VITA/PEP soit libéralisé, sans pour autant crever le taux d'usure genéralement admis par les autorités monétaires et la par banque centrale Si cette condition n'est pas remplie, il serait illusoire de penser que VITA/PEP pourrait survivre autrement et il serait inutile de poursuivre le programme

Le problème se pose en terme d'un défi à savoir si le secteur prive tchadien est capable de contribuer à son propre développement L'expérience de VITA/PEP ainsi que l'étude de Mr Jean G Crouzet sur le "Crédit et le Taux d'Intérêt" tendent à prouver que le secteur privé informel tchadien peut aisément supporter les taux de remuneration qui sont sollicités En plus, la possibilité offerte aux entrepreneurs operant dans ce secteur d'accéder au crédit à des coûts relativement bas les met à l'abri de la dépendance des usuriers Il s'agit en definitive, de passer d'une situation d'assisté à celle d'une autonomie, ce qui est tres important

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A la lumière de ce qui précède, il apparait souhaitable de soutenir les efforts de l'USAID pour la sauvegarde de la survie de VITA/PEP, en libéralisant les taux de rémunération de ses interventions

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ANNEX 1

LEGENDE (Tableau 1)

ACP	Alliance de Crédit et d'Epargne pour la Production (Dakar, Senégal)
ADOPMI	La Association Dominicana pare el Desarrollo de la Mujer (Dominican Republic)
BANCOSOL	Banco Solidario (La Paz, Bolivia)
BKD	The Badan Kredit Desa (Indonesia)
BRI	Bank Rakat Indonesia
BRK	Bankin Raya Karkara (Maradi, Niger)
FINCA	Fundaction Integral Campesina (Costa Rica)
K-REP	Kenya Rural Enterprise Programme (Nairobi, Kenya)
LPD	The Lembaga Perkreditan Desas (Indonesia)
ASF	Auto Suffisance Financière
ASO	Auto Suffisance Opérationelle
RTE	Rentabilite
R	Rural
U	Urbain
INFL	Inflation
INT	Intérêt

PROJET D'ENTREPRISES PRIVÉES

March 9, 1994

Mr Richard M Fraenkel
Representative
United States Agency for International Development
B P 413
N'Djamena, Chad

Dear Mr Fraenkel

In order to effectively continue its lending activities in Chad, VITA/PEP would like to apply for an extension of Phase III of its private enterprise development project, scheduled to end as of March 31, 1995 This proposed extension would begin on April 1, 1995 and end on June 30, 1995 We are enclosing a budget to cover this three-month, no-cost extension, using the USAID funds remaining for the Phase III period of the project (refer to Table 1) As of March 31, 1995, we estimate that the remaining operating funds for the project will be approximately $720,000 An extension of the project using these funds would allow us to make some changes in our lending operations and effect some important equipment purchases It should be noted that in applying for this extension, we are asking for a total budget revision since two line items (consultant and training expenditures) have exceeded 15% of the allowed budget line items with respect to the initial funding obligation It should also be noted that we have used the exchange rate of 450 FCFA for one dollar, instead of 500 FCFA/$1, since the rate is falling The following provides a description of major expenditures to be incurred during the three-month extension period

In the second quarter of 1995 VITA would like to bring in an expatriate assistant director to support the project's daily operations The budget for this individual includes salary (refer to Table 1, Field Staff A 1), medical fees (C 3), travel (E 1&3), and housing (F 1,2&3) Furthermore, VITA will begin employing local contractors to disburse micro loans and conduct follow-up in markets around N'Djaména These contractors will be paid a fee based on the amount disbursed and recovered (see line item C 1) Their presence in the field will increase disbursements, improve loan repayment and give loan officers more time to study and process loan applications

Several consultancies are also planned for the second quarter of 1995 First, in preparation for transforming VITA/PEP into an independent financial institution, we would like to bring in a specialist to study and prepare the legal foundations for this process (see line item C 2) Second, and also included in the same line item, is a provision to bring in a communications consultant (possibly from VITA/Arlington) to repair our e-mail and packet radio systems

Under section E of the budget, travel is planned for both VITA/PEP personnel and for the two consultants (items E 1&2) Staff travel includes a trip to South Africa eventually made by

17 AV CHARLES DE GAULLE – B P 1109 N DJAMENA REPUBLIQUE DU TCHAD – TÉL 51 40 00 / 51 41 48 – FAX 51 50 45
SIS VILLA BOUR RUE NGARTA TOMBALBAYE B P 131 MOUNDOU – TÉL 69 13 74 – FAX 69 18 12

the project director and the Moundou office manager, and the project director's trip to Senegal The trip to South Africa, organized by the "Confédération Internationale des Associations de Diplômés de l'Institut Technique de Banque," will take place in mid-May of 1995 and focus on the South African banking system and development credit The director will go to Sénégal to examine the institutionalization process of the ACEP (Alliance de Crédit et d'Epargne pour la Promotion)

Section G includes an increase in both office rent and utilities (items G 1&2) coinciding with the extension of VITA's lending activities into N'Djaména markets These expenses cover the establishment of small satellite offices to serve customers in the field

The project intends to make some essential equipment purchases in the second quarter For example, three four-wheel drive vehicles will be purchased in order to replace four older vehicles, one for Moundou and two for N'Djaména (see line item H 1 in Table 1, and line 1 in Table 2) Maintaining older vehicles has increased VITA's maintenance expenses, and replacing the three oldest vehicles will significantly reduce these recurrent expenditures Two motorcycles will also be purchased to replace the two oldest bikes used by the staff for loan collections and follow-up (see line item H 1 in Table 1, and line 1 in Table 2)

In order to support expanding credit activities, VITA plans to replace several older computers which are not compatible with its new dBase loan accounting system, and also replace the least reliable dot matrix printers (see line item H 2 in Table 1, and line 2 in Table 2) The purchase of two laptop computers is also budgeted VITA's current Rank Xerox photocopying machine in N'Djaména is often out of service and has proven extremely costly to maintain Therefore, the project foresees purchasing a machine from a local supplier during the second quarter This expenditure is included under computer equipment in Table 1 Finally, the project would like to replace some of the original furnishings which are currently in poor condition, including several chairs, desks and air conditioners (see line item H 3 in Table 1, and line 3 in Table 2)

This three-month extension budget would allow the project to continue to improve its operations by facilitating its current expansion and up-grading some older, more costly equipment Total expenditures for personnel, allowances, procurement, and other costs related to VITA/PEP's lending activities would come to $685,900 for the three-month period from April 1 to June 30, 1995 (after deduction for service fee revenues generated by loan disbursements) We would appreciate careful consideration of this request, and remain available to answer any questions or provide any clarifications necessary

Sincerely,

Evariste Kebba
Project Director

PROJET D'ENTREPRISES PRIVEES VITA N'DJAMENA

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VOLUNTEERS IN TECHNICAL ASSISTANCE

Chad Private Enterprise Project
C A No 677-0051-A-00-0029-00

Proposed Budget

	Description by Cooperative Agreement Line Item	(1) Actual Exp to 31-1-95	(2) Proj Exp 1-2-95 to 31-3-95	(3) Proj Exp 1-4-95 to 30-6-95	(4) Total Exp of Oblig Funds to 30-6-95	(5) Total Oblig Funds per Cooperative Agreement (Current)
A	Salaries	1 327 924	42 940	135 702	1 506 566	1 497 759
B	Consultants	76 885	3 334	59 000	139 219	109 449
C	Fringe Benefits	152 412	1 217	6 719	160 348	177 132
D	Travel & Transportation	102 234	648	32 552	135 434	138 133
E	Allowances	238 488	0	17 008	255 496	278 752
F	Other Direct Costs	336 688	5 917	69 027	411 632	405 904
G	Procurement	677 315	22 981	230 342	930 638	939 947
H	Training	33 998	3 050	10 355	47 403	24 262
I	Credit Study	20 752	0	0	20 752	30 407
J	Overhead	1 053 548	31 167	145 717	1 230 432	1 207 875
K	Contingency	0	0	0	0	15 125
	Total Costs	4 020 244	111 254	706 422	4 837 920	4 824 745
L	Less Service Revenue	(205 136)	(10 743)	(20 523)	(236 402)	(223 226)
	Total AID Contribution	3 815 108	100 511	685 900	4 601 519	4 601 519

Table 1 3-Month Extension Budget -- Page 1

N Djamena and Moundou
450 FCFA/$1

	April 1995		May 1995		June 1995		Total
	USA $US	Chad $US	USA $US	Chad $US	USA $US	Chad $US	3 Months
A U S Personnel Salaries							
Home Office							
1 VITA President	788		827		868		2 483
2 Project Officer	1 213		1 274		1 338		3 825
3 Secretary	315		330		347		992
Subtotal U S	2 315	0	2 431	0	2 553	0	7 299
Field Staff							0
1 Asst Proj Director	0		4 200		4 410		8 610
2 Post Differential	0		1 050		1 103		2 153
Subtotal Field Staff	0	0	5 250	0	5 513	0	10 763
Total US Salaries	2 315	0	7 681	0	8 065	0	18 062
							0
B Host Country National Salaries		36 631		38 744		42 266	117 641
Aggregate Salaries – 3 Months		38 946		46 425		50 331	135 702
							0
C Contractors/Consultants							0
1 Micro loan Contractors		0		1 500		1 500	3 000
2 Legal Consult/Com Consult	0		30 000		15 000		45 000
3 Passport/Medical	0		1 000		1 000		2 000
4 Comp/Acct Consultant	3 000		3 000		3 000		9 000
Total Contractors/Consultants	3 000	0	34 000	1 500	19 000	1 500	59 000
Aggregate Consultants – 3 Months		3 000		35 500		20 500	59 000
							0
D Fringe Benefits – 37 2%							0
1 Home Office	861		904		950		2 715
2 Overseas	0		1 953		2 051		4 004
Total Fringe Benefits	861	0	2 857	0	3 000	0	6 719
Aggregate Fringe Benefits – 3 Months		861		2 857		3 000	6 719
							0
E Travel & Transportation							0
1 Staff Travel	0	2 000	3 500	6 000	0	2 000	13 500
2 Consultants	0		7 000		0		7 000
3 Shpg Personal Goods	0		0		5 000		5 000
4 In Country Travel		330		412		495	1 237
5 HCN Training Trav & PD		495		619		742	1 856
6 HCN Travel & PD		990		1 485		1 485	3 959
Total Travel & Transp	0	3 815	10 500	8 516	5 000	4 722	32 552
Aggregate Travel – 3 Months		3 815		19 016		9 722	32 552
							0
F Allowances							0
1 Temporary Lodging	0		700		0		700
2 Housing Rent & Utilities		0		2 450		2 572	5 022
3 Strg Personal Goods	0		200		200		400
4 Cost of Living Allowance	0		700		735		1 435
5 Per Diem Staff	200		210		220		631
6 Per Diem Consultants	0		4 410		4 410		8 820
Total Allowances	200	0	6 220	2 450	5 566	2 572	17 008
Aggregate Allowances – 3 Months		200		8 670		8 138	17 008

Table 1 3-Month Extension Budget -- Page 2

	April 1995		May 1995		June 1995		
	USA $US	Chad $US	USA $US	Chad $US	USA $US	Chad $US	
G Other Direct Costs							
1 Office Rent		5 666		5 666		5 666	16 997
2 Office Utilities		4 655		5 819		6 982	17 456
3 Meeting Expense		500		500		500	1 500
4 Recruiting Fees	500		500		500		1 500
5 Attorney Fees		153		153		153	459
6 Marketing & Publicity		200		210		220	631
7 Translation Fees	0		0		0		0
8 Project Equipment Shipping	3 262		15 000		1 030		19 292
9 Overseas Medical Expense	0		500		0		500
10 Home Mtce		100		110		121	331
11 Office Mtce		735		919		1 103	2 756
12 Temporary Help	100		100		100		300
13 DBA/Medevac	0	333	0	333	0	334	1 000
14 Miscellaneous		2 000		2 100		2 205	6 305
Subtotal Other Direct Costs	3 862	14 342	16 100	15 809	1 630	17 284	69 027
Aggregate Oth Dir Costs – 3 Months		18 204		31 909		18 914	69 027
H Procurement							
Vehicles Equipment & Furnishings							
1 Vehicles		0	0	120 000	0	3 000	123 000
2 Computer Equipment	900	30 600	0	22 000	0	7 000	60 500
3 Office Furniture & Equip	0	1 120	0	8 000	0	300	9 420
Subtotal Veh Equip & Furn	900	31 720	0	150 000	0	10 300	192 920
Maintenance Insurance & Fuel							
1 Vehicle Mtce Repairs		2 246		2 552		3 062	7 860
2 Vehicle Regis & Ins		561		561		561	1 684
3 Equipment Mtce		1 348		1 531		1 837	4 716
4 Computer Mtce	0	572	0	715	0	857	2 144
5 Vehicle Fuel		1 405		1 756		2 107	5 268
Subtotal Mtc Ins & Fuel	0	6 131	0	7 115	0	8 426	21 672
Materials & Supplies							
1 Statnry Suppl Svc	125	1 731	125	2 164	125	2 597	6 868
2 Copier Expense	50	531	50	531	50	531	1 743
3 Tel Telex Fax		1 347		1 347		1 347	4 042
4 Postage		167		167		167	502
5 Delivery	100		105		110		315
6 Printg Reprod Art	50		53		56		159
7 Publctns Subcriptns		133		133		133	398
8 Computer Supplies	167	368	167	413	167	441	1 722
Subtotal Mtrls & Supl	492	4 277	500	4 756	508	5 216	15 749
Tot Veh Eq Mtrls Supl	1 392	42 128	500	161 871	508	23 942	230 342
Aggregate Procurement – 3 Months		43 520		162 371		24 451	230 342
I Training		2 809		3 430		4 116	10 355
Aggregate Training – 3 Months		2 809		3 430		4 116	10 355
J Total Direct Costs		111 355		310 178		139 172	560 706
K Overhead (39 3%)		32 120		62 950		50 647	145 717
L Contingency (9% Total Costs – A B C & D)		0		0		0	0
M Total Costs		143 475		373 128		189 819	706 422
N Revenue Service Fees		6 510		6 835		7 177	20 523
O Total AID Cost		136 965		366 293		182 642	685 900

Table 2 Vehicles, Equipment, & Furnishings

Ex Rate FCFA/$US 450	April 1995 ($US)		May 1995 ($US)		June 1995 ($US)		Total 3 Months ($US)	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
1 Vehicles (3 year depr)								
Four Wheel Drive	0	0	3	120 000	0	0	3	120 000
Motorcycles	0	0	0	0	2	3 000	2	3 000
Bicycles	0	0	0	0	0	0	0	0
Subtotal Vehicles		0		120 000		3 000	0	123 000
2 Computer & Communication Equipment								
Desk Top Computers	5	18 000	0	0	0	0	5	18 000
Portable Computers	2	7 000	0	0	0	0	2	7 000
Dot Matrix Printers	3	5 600	0	0	0	0	3	5 600
Laser Printers	0	0	0	0	0	0	0	0
UPSs	0	0	0	0	1	7 000	1	7 000
Voltage Regulators	0	0	0	0	0	0	0	0
HF Radios	0	0	0	0	0	0	0	0
Modem	0	0	0	0	0	0	0	0
Fax Machine	0	0	0	0	0	0	0	0
Photocopiers	0	0	1	15 000	0	0	1	15 000
Telephone System	0	0	1	7 000	0	0	1	7 000
Miscellaneous		0		0		0		0
Subtotal Computer Related		30 600		22 000		7 000		59 600
3 Office Furniture & Equipment								
Executive & Secretary Chairs	2	720	0	0	0	0	2	720
Office Chairs	0	0	0	0	3	300	3	300
Desks	2	400	0	0	0	0	2	400
Cabinets	0	0	0	0	0	0	0	0
Air Conditioners	0	0	5	8 000	0	0	5	8 000
Generator	0	0	0	0	0	0	0	0
Miscellaneous		0		0		0		0
Subtotal Office Furn & Equip		1 120		8 000		300		9 420
Total Vehicles, Equip & Furn		31 720		150 000		10 300		192 020

SHORT REPORT ON
MISSION TO COTONOU (BENIN) AND ABIDJAN (IVORY COAST)
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COTONOU -- From April 19 to 22, 1995, I attended a forum in Cotonou (Benin) on "Savings Mobilization for Entrepreneurship" organized by ACCT (Agence de Coopération Culturelle et Technique) The forum focussed on the exchange of experiences between organizations and individuals involved in this field The main objective was for ACCT to provide African french-speaking countries with different successful methods of raising savings for financing enterprises

During the workshop, I had the opportunity to meet with Mr Mayoro Loum, the General Manager of the ACEP (Alliance de Crédit et d'Epargne pour la Production) in Senégal Since February 1995, REDSO officials in Abidjan have suggested that I should visit this organization to investigate its institutionalization process Initially a USAID funded project at its creation in 1986, ACEP has become a private independent credit union since May 29, 1993 Its lending activities generate enough interest and fee revenues to cover its operating costs It even showed 116,283,877 Francs CFA of benefit in the fiscal year ending September 30, 1994 So far however, it uses, free of any charge, the accumulated loan funds previously provided by USAID (FCFA 1,223 3 million) and the Government of Senegal (FCFA 443 7 million), to extend loans The total loan funds are registered as capital in the balance sheet In fact, they should instead be considered as the Government subsidies, as long as they do not belong to the shareholders As of September 30, 1994, 2,239 shares were sold to shareholders for a total amount of FCFA 22 39 million (the share face value is equal to FCFA 10,000) Shareholders do not earn dividends, but get 5% discount on interest paid on loans they receive

The organizational structure comprises a Board of Shareholders, a Board of Directors and a General Manager ACEP reports monthly to the Ministry of Finance who also has the authority to control and audit its operations and accounts

In summary, ACEP appears to be operationally self-sufficient However, the existence of an important Government subsidy for loan funds make it financially and politically dependent

A loan officer from VITA/CAR, Mr Fred AZENE, was also a participant at the Cotonou Forum On Saturday April 22, 1995, we both met with Mr Ross CROULET and the VITA/Bénin'staff to exchange experiences It was decided that the three VITA micro-enterprises projects in Africa should keep in close contact and exchange experiences on a regular basis

ABIDJAN -- On April 25, 1995, I met with four REDSO officials in Abidjan

Mr John F Wall, Jr , Assistant Director,
Mr Carey Gordon, the Contracting Officer,
Mrs Oren Whyche, the Private Enterprise Officer,
Mr Glenn Rogers, the Regional Economist Officer

The meeting was open and relaxed and concentrated mainly on the finalization of the two-year Business Plan The four officers clearly confirmed USAID's intention to provide $ 2 0 million to support operations during the projected two-year transition period The PIL (Project Implementation Letter) should be introduced to the Ministry of Planning and Cooperation as soon as possible, so that it can be signed before May 31, 1995 In support of the PIL, VITA should propose the type of institution VITA/PEP is supposed to become, together with the implementation plan of the new institution I indicated that based on our recent discussions with officials from BEAC (Banque des Etats de l'Afrique Centrale), the appropriate choice should probably be a "Specialized Financial Institution" whose mission is to provide credit and credit-related services to SMEs, MiEs, and the informal sector in Chad Upon my return to N'Djaména, I intend to work closely with Mr Raditz and sell the idea to the Chadian authorities

REDSO officials suggested that we may want to contact the WORLD COUNCIL CREDIT UNION in Madison, Wisconsin, for possible future collaboration The person to contact is

Mr Rowland Thurlow
Regional Manager for Africa
P O Box 2982
Madison, Wiscossin, 53701-2982

A proposal prepared by Mr Raditz and myself on the implementation plan of the new institution is attached

Kebba Wouado Evariste

ANNEXE A LA CONVENTION PORTANT HARMONISATION DE LA REGLEMENTATION BANCAIRE DANS LES ETATS DE L'AFRIQUE CENTRALE

TITRE I – DISPOSITIONS LIMINAIRES

Article 1 – Les dispositions du present acte s appliquent a l'ensemble des établis sements de credit opérant sur le territoire des Etats membres de la Banque des Etats de l Afrique Centrale ci apres denommes Etats signataires

Article 2 – Au sens du present document l Autorité Monétaire est le Ministre chargé de la Monnaie et du Crédit

Article 3 – La Commission Bancaire de l Afrique Centrale, ci après dénommée la Commission Bancaire ou COBAC, a autorite sur le territoire des Etats signataires pour l exercice des attributions qui lui sont devolues par la Convention du 16 octobre 1990

Ses decisions sont executoires de plein droit des notifications a l'Autorité Monétaire et aux etablissements concernés conformement aux dispositions de la Convention susvisee il appartient a l Autorite Monetaire de prendre toutes mesures appropriées a cet effet

L'Autorite Monetaire a pleine competence sur les matières autres que celles dévolues a la Commission Bancaire ou n exigeant pas l avis conforme de celle ci

Au sens du present acte l avis conforme de la COBAC s entend comme un avis dont les termes lient l autorite competente qui ne peut passer outre

Article 4 – Les etablissements de credit sont les organismes qui effectuent à titre habituel des operations de banque Celles ci comprennent la réception de fonds du public l octroi de credit la delivrance des garanties en faveur d'autres établissements de credit la mise a la disposition de la clientele et la gestion de moyens de paiement

Article 5 – Sont consideres comme fonds reçus du public les fonds qu une personne recue l'e d un tiers notamment sous forme de depots, avec le droit d en disposer pour son propre compte mais a charge pour elle de les restituer Toutefois, ne sont pas consideres comme fonds recus du public

1) – Les fonds recus ou laisses en compte par les associes en nom ou les commanditaires d une societe de personnes les associés ou actionnaires au moins 5 pour 100

du capital social les administrateurs les membres du directoire et du conseil de surveillance ou les gerants ainsi que les fonds provenant de prêts participatifs

2) – Les fonds qu une entreprise recoit de ses salaries sous réserve que leur montant n excede pas 10 pour 100 de ses capitaux propres Pour l'appréciation de ce seuil, il n'est pas tenu compte des fonds recus des salaries en vertu de dispositions législatives particulieres

Article 6 – Constitue une operation de credit pour l application du présent texte tout acte par lequel une personne agissant a titre onereux met ou promet de mettre des fonds a la disposition d'une autre personne ou prend, dans l'interêt de celle ci, un engagement par signature tel qu un aval, un cautionnement, ou une garantie

Sont assimiles a des operations de credit le crédit bail, et, de manière générale toute operation de location assortie d une option d achat

Article 7 – Sont consideres comme moyens de paiement tous les instruments, qui, quel que soit le support ou le procede technique utilise permettent à toute personne de transferer des fonds

Article 8 – Les etablissements de credit peuvent effectuer les opérations connexes a leur activite telles que

1) – Les operations de change

2) – Les operations sur or metaux precieux et pieces

3) – La location de compartiment de coffre forts

4) – Le placement, la souscription l achat la gestion, la garde et la vente de valeurs mobilieres et de tout produit financier

5) – Le conseil et l assistance en matiere de gestion de patrimoine ou financiere, l ingenierie financiere et d une maniere generale tous les services destinés à faciliter la creation et le developpement des entreprises sous reserve des dispositions législatives relatives a l exercice illegal de certaines professions ,

6) – Les operations de location simple de biens mobiliers ou immobiliers pour les établissements habilites a effectuer des operations de credit-bail

Article 9 – Les etablissements de credit ne peuvent

– prendre ou detenir des participations dans des entreprises,

– exercer a titre habituel une activite autre que celles visees aux articles 4 à 7

que dans les conditions definies par reglements de la Commission Bancaire, qui definiront le niveau maximal autorise pour ces operations et par décret pris sur avis conforme de la COBAC au titre d imperatifs nationaux spécifiques

Article 10 – Les etablissements de crédit sont classés en différentes catégories par decrets pris apres avis des Conseils Nationaux du Credit Le decret fixe pour chaque categorie le capital minimum requis, la forme juridique et les activités autorisées

Article 11 – Sous reserve des dispositions de l article 36 sont exclus du champ d application du present acte

– les comptables du Tresor public ,

– la Banque des Etats de l Afrique Centrale – BEAC – ,

– les services financiers de l Administration des Postes ,

– les organismes financiers multilateraux et les institutions publiques étrangères d aide et de cooperation dont l intervention sur le territoire des Etats signataires est autorisés par des traités accords ou conventions souscrits par ceux-ci

TITRE II – AGREMENT DES ETABLISSEMENTS DE CREDIT

Article 12 – Lexercice par des organismes de droit local et par des succursales d etablissements ayant leur siege a l etranger, de l activite d établissement de crédit telle que def nie a l article 4 du present acte est subordonne à l'agrément de l'Autorité Monetaire prononce sur avis conforme de la Commission Bancaire

Article 13 – Les etablissements de credit ayant leur siege à l'étranger sont aurotises a ouvrir sur le territoire des Etats signataires des bureaux ayant une activité d information de liaison ou de representation

Louverture de ces bureaux est subordonnee a l agrement de l Autorité Monétaire concernee sur avis conforme de la Commission Bancaire

Article 14 – Les demandes d agrément dans l une des catégories d'établissements de credit visees a l article 10 sont formees aupres de l'Autorité Monétaire

Le dossier depose en double exemplaire contre recepissé devra notamment comporter le projet de statuts la liste des actionnaires et dirigeants accompagnée des pièces justificatives enumerees a l article 21 les previsions d activité, d implantation et d organisation le detail des moyens techniques et financiers dont la mise en œuvre est prevue ainsi que tous autres elements susceptibles d eclairer la décision des autorites

Les dossiers sont transmis pour instruction par l Autorité Monétaire à la COBAC Celle ci verifie si le demandeur satisfait aux obligations fixées par les articles 16, 18, 19 27 et 28 du present acte Elle apprecie l aptitude de l entreprise à réaliser ses objectifs de developpement dans les conditions que requierent le bon fonctionnement du systeme bancaire et la securite des deposants

Dans le cadre de cette procedure la COBAC est habilitee a recueillir tous renseignements jugés utiles a l instruction de la demande

Article 15 – Lagrement est prononce par arrete pris par l Autorité Monétaire sur avis conforme de la Commission Bancaire La COBAC dispose d'un delai de six mois pour statuer a compter de la reception du dossier Labsence de décision à l expiration de ce delai vaut avis conforme

Le refus d agrement est notifie par l Autorite Monetaire au demandeur

Lacte d agrement est publie au Journal Officiel et dans au moins un des principaux organes de la presse nationale aux frais du beneficiaire Il precise la catégorie dans laquelle est classe l etablissement de credit et enumere en tant que de besoin les opérations de banque qui lui sont autorisees

Les Conseils Nationaux du Credit dressent et tiennent a jour la liste des établissements de credit agrees auxquels est affecte un numero d inscription Cette liste et ses mises a jour sont publiees au Journal Officiel

Les etablissements de credit doivent faire figurer leur numero d inscription sur toute correspondance ou publication

Article 16 — Les etablissements de credit sont obligatoirement constitués sous forme de personne morale a l exception des succursales d'etablissements de crédit ayant leur siege a l etranger

Ils doivent disposer d'un capital libere ou d'une dotation versee dont le montant minimum est fixe par le decret prevu a l article 10

Les actions ou parts sociales des etablissements ayant leur siege social dans les Etats signataires doivent revêtir la forme nominative

Le capital ou la dotation doivent etre representes en permanence par un excédent au moins equivalent des actifs au regard du passif a l égard des tiers

La dotation minimale des succursales d etablissements de crédit étrangers doit demeurer en permanence representee par des emplois sur le territoire de l Etat d'accueil

Les modalites d application des dispositions des alineas 4 et 5 du présent article sont definies par reglements de la Commission Bancaire

Article 17 — Le retrait d agrement est prononce par l'Autorite Monétaire soit à la demande de l etablissement de credit soit d office lorsque l'etablissement ne remplit plus les conditions auxquelles l agrement est subordonné lorsqu'il n'a pas fait usage de son agrement dans un delai de douze mois ou lorsqu il n exerce plus son activité depuis au moins six mois

Il peut aussi etre prononce a titre de sanction disciplinaire par la Commission Bancaire conformement aux dispositions de l article 13 de la Convention du 16 octobre 1990

Il est notifie a l etablissement concerne et publie au Journal Officiel et dans au moins un des principaux organes de la presse nationale

Tout etablissement de credit dont l agrement a été retire entre en liquidation Celle ci est prononcee d office par les instances judiciaires competentes sur saisine soit de l Autorite Monetaire soit du Liquidateur nomme par la COBAC en vertu de l article 15 de la Convention du 16 octobre 1990

Pendant la duree de la liquidation l entreprise demeure soumise au controle de la Commission Bancaire Elle ne peut effectuer que des operations strictement nécessaires a l apurement de sa situation Elle ne peut faire etat de sa qualité d etablissement de credit qu en precisant qu elle est en liquidation

Le liquidateur designe par la COBAC est responsable de la liquidation du fonds de commerce de la banque Les syndics ou liquidateurs judiciaires assurent la liquidation des autres elements du patrimoine de la personne morale

TITRE III — AGREMENT DES DIRIGEANTS ET DES COMMISSAIRES AUX COMPTES DES ETABLISSEMENTS DE CREDIT

Article 18 — La direction generale des établissements de crédit doit être assurée par deux personnes au moins

Les etablissements de credit dont le siege social est a l étranger désignent deux personnes au moins auxquelles ils confient la direction effective de leur succursale sur le territoire de l Etat signataire concerne

Ces dirigeants doivent etre agrees dans les conditions prévues à l'article 20 et être residents permanents dans l Etat d accueil de la succursale

Article 19 – Les operations des etablissements de credit sont contrôlées par au moins deux commissaires aux comptes agrees conformement aux dispositions de l article 20 du present acte Dans les conditions fixees par les textes qui régissent la profession ceux ci procedent a la certification des comptes annuels, s'assurent et attestent de l exactitude et de la sincerite des informations destinées au public

Lorsque le total du bilan d un etablissement de credit est inférieur à un seuil fixé par decret, l intervention d un seul commissaire aux comptes est requise

Article 20 – L'agrement des dirigeants et des commissaires aux comptes prévu aux articles 18 et 19 est prononce par arrête pris par l Autorite Monétaire sur avis conforme de la Commission Bancaire et publie au Journal Officiel de l'Etat concerné La COBAC statue dans un delai d un mois a compter de la reception par son secrétariat du dossier complet Labsence de decision a l expiration de ce délai vaut avis conforme

En cas de rejet le refus est notifie a l'etablissement de credit concerné

Article 21 – La demande d agrement est formee par l etablissement de crédit devant l Autorite Monetaire qui en transmet copie a la Commission Bancaire

Depose en double exemplaire contre recepisse le dossier doit notamment comporter les pieces et renseignements suivants sur les interesses dont l'agrement est sollicite

- une copie d acte de naissance
- deux photographies d identite
- un extrait du casier judiciaire datant de moins de trois mois ,
- un curriculum vitae
- les copies des diplomes requis
- une expedition du proces verbal du Conseil d Administration portant nomination des interesses
- un certificat de domicile
- une carte de sejour en cours de validite pour les étrangers

Certificat de domicile et carte de sejour ne sont pas requis pour les commissaires aux comptes

La remise d un recepisse de demande de carte de sejour est autorisée à défaut de certificat de domicile et de carte de sejour, lesquels devront être en ce cas produits à la COBAC dans les trois mois suivant la decision d agrement sous peine des dispositions de l article 23

L instruction du dossier comporte notamment le controle du respect des conditions prevues par l article 27

Article 22 – Les dirigeants des etablissements de crédit visés a l article 18 doivent

– soit être titulaires d au moins une licence en sciences economiques, bancaires, financières juridiques ou de gestion ou de tout autre diplôme reconnu équivalent au moment du depôt du dossier et justifier de solides references et d une experience professionnelle de cinq ans au moins dans des fonctions d'encadrement de haut niveau

– soit en l absence d un diplôme de l enseignement supérieur, justifier d une expérience professionnelle de dix ans au moins dans des fonctions d'encadrement de haut niveau

Article 23 – Le retrait de l'agrement des dirigeants et des commissaires aux comptes des etablissements de credit est prononce par l'Autorite Monetaire soit d'office lorsque les personnes visees ne remplissent plus les conditions de leur agrément, soit a la demande de l etablissement de credit interesse

Il peut aussi être prononce a titre de sanction disciplinaire par la COBAC conformément aux dispositions de l article 13 de la Convention du 16 octobre 1990

Les decisions portant retrait d agrement doivent etre motivées et notifiées à l intéresse elles sont publiees au Journal Officiel de l Etat concerne et dans au moins un des principaux organes de la presse nationale

TITRE IV – INTERDICTIONS

Article 24 – Il est interdit a toute personne autre qu'un etablissement de crédit d effectuer des operations de banque a titre habituel

Article 25 – Sans prejudice de dispositions particulieres qui leur sont applicables, les interdictions definies a l article 24 ci dessus ne visent ni les personnes et services énumeres a l article 11 ni les entreprises regies par le code des assurances, ni les societes de reassurance ni les agents de change

L interdiction relative aux operations de credit ne s applique pas

1) – Aux organismes sans but lucratif qui dans le cadre de leur mission et pour des motifs d ordre social accordent sur leurs ressources propres, des prêts à conditions preferentielles a certains de leurs ressortissants

2) – Aux organismes qui exclusivement a titre accessoire à leur activité de constructeur ou de prestataire de services consentent aux personnes physiques accédant a la propriete le paiement differe du prix des logements acquis ou souscrits par elles

3) – Aux entreprises qui consentent a leurs salaries pour des motifs d'ordre social des avances sur salaires ou des prets de caractere exceptionnel

Article 26 – Les interdictions definies a l article 24 du présent acte ne font pas obstacle a ce qu une entreprise quelle que soit sa nature puisse

1) – Dans l exercice de son activite professionnelle consentir à ses contractants des delais ou avances de paiement

2) – Conclure des contrats de location de logements assortis d une option d achat

3) – Proceder a des operations de tresorerie avec des sociétés ayant avec elle, directement ou indirectement des liens de capital conferant à l une des entreprises liees un pouvoir de controle effectif sur les autres

4) – Emettre des valeurs mobilieres ainsi que des bons ou billets à court terme negociables sur un marche reglemente ,

5) – Emettre des bons et cartes delivres pour l achat aupres d'elle d un bien ou d un service determine

Article 27 – Nul ne peut être membre du Conseil d'Administration d'un etablissement de credit ni directement ou par personne interposee, administrer, diriger ou gerer un etablissement de credit ni disposer du pouvoir de signer pour le compte d un tel etablissement

1) – S'il a fait l'objet d'une condamnation

– pour crime atteinte a la securité ou au credit de l'Etat, tentative ou complicité de ces infractions

– pour vol abus de confiance escroquerie, emission de cheque sans provision, infraction a la reglementation des changes ou des transferts ,

2) – S il a ete declare en faillite sauf réhabilitation en sa faveur ,

3) – S il a ete condamne en tant que gerant ou dirigeant d'une société en vertu des legislations sur la faillite ou la banqueroute, sauf rehabilitation intervenue en sa faveur ,

4) – S il a fait l'objet d'une mesure de destitution de fonctions d'officier minis teriel ,

5) – Si le systeme bancaire et financier des Etats signataires porte des créances douteuses au sens defini par les reglements de la COBAC, sur sa signature, ou, à l appreciation de la Commission Bancaire sur celle d entreprises placées sous son contrôle ou sa direction

Article 28 – Il est interdit a toute entreprise autre qu'un etablissement de credit d utiliser une denomination une raison sociale, une publicite ou d une façon générale des expressions faisant croire qu elle est agréee en tant qu etablissement de crédit, ou de creer une confusion a ce sujet

Il est interdit a un etablissement de credit d effectuer des opérations non autorisées pour la categorie au titre de laquelle il a obtenu son agrement ou de créer une confusion sur ce point

TITRE V – ORGANISATION DE LA PROFESSION

Article 29 – Dans chaque Etat tout etablissement de credit est tenu d adhérer à l Association Professionnelle des Etablissements de Credits

L'Association Professionnelle des Etablissements de Credit a pour objet la représentation des interets collectifs des etablissements de credit notamment auprès des pouvoirs publics l information de ses adherents et du public, l etude de toute question d interêt commun et l elaboration des recommandations s y rapportant en vue le cas echeant de favoriser la cooperation entre reseaux ainsi que l'organisation et la gestion de services d interêt commun

Ses statuts sont soumis a l approbation de l Autorite Monétaire

L'Association est tenue d adherer a une federation professionnelle commune aux établissements de credit de l Afrique Centrale chargee de poursuivre le même objet aupres des institutions a caractere sous regional

Article 30 – Les Conseils Nationaux du Credit sont des organismes consultatifs, a competence nationale charges d emettre des avis sur l'orientation de la politique monetaire et du credit ainsi que sur la reglementation bancaire dans les conditions definies par le present acte

Les Conseils Nationaux du Credit sont placés auprès de l Autorité Monétaire Leur composition leur organisation et leurs modalites de fonctionnement sont fixees par decret

Ils etudient les conditions de fonctionnement des etablissements de crédit, notamment dans leurs relations avec la clientele et proposent toutes mesures qu'ils jugent appropriées

Article 31 – Les Conseils Nationaux du Credit recoivent de tous les établissements de credit, suivant une periodicite et selon les modalites determinées par l'Autorité Monetaire, des renseignements relatifs a leur activité et notamment à leur ressources et a leurs emplois

Ils etablissent tous les ans un rapport relatif a la monnaie, au crédit et au fonctionnement du systeme bancaire et financier

Ce rapport est adresse au President de la Republique de l Etat dont ils relèvent

TITRE VI – REGLEMENTATION ET CONTROLE DES ETABLISSEMENTS DE CREDIT

CHAPITRE I – RECLEMENTATION

Article 32 – Pour les etablissements de credit assujettis au présent acte, la Commission Bancaire fixe les regles relatives

1) – Aux conditions de prise ou d extension de participations directes ou indirectes dans ces etablissements definies en liaison avec l Autorite Monétaire

2) – Aux normes de gestion que ces etablissements doivent respecter en vue notamment de garantir leur liquidite leur solvabilite et l equilibre de leur situation financiere

3) – Au plan comptable aux regles de consolidation des comptes et à la publicité des documents comptables et autres informations destinées tant aux autorités competentes qu au public

4) – Aux conditions dans lesquelles ces etablissements peuvent prendre des participations et accorder des credits a leurs actionnaires administrateurs et dirigeants

Article 33 – Pour l application des dispositions de l article 3 alinéa 2, les règlements adoptes par la Commission Bancaire sont transmis à l Autorité Monétaire Ils sont publies au Journal Officiel de l Etat concerne

Article 34 – LAutorite Monetaire prend, sur avis du Conseil National du Crédit et pour les questions relevant du point 3 du présent article sur avis conforme du Gouverneur de la BEAC les decisions relatives

1) – Au capital minimum des etablissements de credit ,

2) – Aux conditions d implantation des reseaux

3) – Aux conditions des operations que peuvent effectuer les établissements de credit en particulier dans leurs relations avec la clientèle ainsi que les conditions de la concurrence

4) – A l organisation de services communs ,

5) – A toutes questions concernant l organisation et le fonctionnement des établissements de credit autres que celles relevant des competences de la Commission Bancaire et du Comite Monetaire National

Article 35 – Les reglements et decisions relatifs aux etablissements de crédit peuvent differer selon le statut juridique de ceux ci l etendue de leurs réseaux ou les caracteristiques de leurs activites

Ils peuvent en tant que de besoin prevoir des dérogations individuelles, à titre exceptionnel et temporaire

Article 36 – Les etablissements de credit assujettis au présent acte sont tenus de transmettre a l Autorite Monetaire, à la Banque Centrale et à la Commission Bancaire, dans les formes et selon la periodicite prescrites par celles ci, les informations, renseignements, eclaircissements et justifications utiles a l exercice de la mission dévolue a ces autorites

Ces dispositions peuvent egalement être appliquees aux services et organismes vises a l'article 11 autres que la BEAC et les comptables du Trésor

Article 37 – Tout etablissement de credit doit publier ses comptes dans les conditions fixees par l Autorite Monetaire apres avis du Conseil National du Crédit

La COBAC s assure que ces publications sont regulierement effectuées

Les Autorites de tutelle citees a l article 36 peuvent ordonner aux établissements concernes de publier des rectificatifs dans le cas ou des inexactitudes ou omissions alterant la sincerite des informations en cause auraient eté relevées

Elles peuvent porter a la connaissance du public toutes les informations qu elles estiment necessaires

CHAPITRE II – CONTROLE

Article 38 – Le controle des etablissements de credit assujettis aux dispositions du present acte est exercé par la Commission Bancaire dans les conditions prévues a l'article 10 de la Convention du 16 octobre 1990 instituant la COBAC

Les établissements concernes les commissaires aux comptes et toutes autres personnes ou tous organismes dont le concours peut etre requis sont tenus de satisfaire aux demandes qui leur sont adressées dans le cadre de ces contrôles

Article 39 – La Commission Bancaire est habilitee a adresser des injonctions ou des mises en garde aux etablissements assujettis a prononcer à leur encontre comme a celle de leurs dirigeants ou de leurs commissaires aux comptes des sanctions disciplinaires a leur nommer un administrateur provisoire ou un liquidateur, conformement a la Convention du 16 octobre 1990 instituant la COBAC et aux dispositions de l article 3 du present acte

TITRE VII – DISPOSITIONS DIVERSES

Article 40 – Lorsque la situation d un etablissement de credit le justifie, le Président de la Commission Bancaire invite les actionnaires ou sociétaires de cet établissement a rechercher les solutions que la situation de celui ci commande

Il peut egalement demander a l Association Professionnelle des Etablissements de Credit concernee d examiner et de lui soumettre les conditions dans lesquelles ses autres adherents pourraient concourir au redressement d un établissement en difficulte

Article 41 – Les autorites judiciaires par la voix du Ministre de la Justice, sont tenues d aviser la Commission Bancaire de toutes poursuites engagées en application des dispositions du present acte

La Commission Bancaire est habilitee a se constituer partie civile dans le cadre de ces poursuites

En tant que de besoin un representant de la COBAC peut être entendu à titre d expert par les autorités judiciaires competentes

Article 42 – Tout membre du Conseil d Administration ou du Conseil de Surveillance d un etablissement de credit, toute personne qui a un titre quelconque participe a la direction ou a la gestion d'un tel etablissement ou est employée par celui-ci, est tenu au secret professionnel dans les conditions et sous les peines prévues à cet égard par le code penal de l Etat d implantation

Outre les cas ou la loi le prevoit, le secret professionnel ne peut être opposé à la Commission Bancaire conformement aux dispositions de l article 11 de la Convention du 16 octobre 1990

Article 43 – L'exercice, a titre principal ou accessoire, de la profession d'intermédiaire en operations de banque par toute personne autre qu'un etablissement de crédit est subordonne a l autorisation prealable de l Autorite Monetaire L'autorisation est delivree dans des formes precisees par decret sur avis conforme de la Commission Bancaire

Est intermediaire en operation de banque quiconque, à titre de profession habituelle met en rapport, sans se porter ducroire les parties intéressées à une opération de banque dont l une au moins est un etablissement de crédit N'entrent pas dans cette categorie les notaires et l activite de conseil et d assistance en matiere financiere

L exercice de cette profession est interdit a toute personne qui tombe sous le coup des dispositions de l article 27 du present acte

Article 44 – Les intermediaires en operations de banque exercent leur activite en vertu d un mandat délivre par un établissement de crédit Ce mandat mentionne la nature et les conditions des operations que l intermediaire est habilité à accomplir

Tout intermediaire en operations de banque qui, même a titre occasionnel, se voit confier des fonds en tant que mandataire des parties est tenu à tout moment de justifier d une garantie financiere specialement affectee au remboursement de ces fonds Cette garantie ne peut resulter que d un engagement de caution pris par un établissement de credit

La Commission Bancaire est habilitee a contrôler le respect par lesdits intermédiaires des conditions regissant leur activite et propose le cas échéant à l Autorité Monétaire le retrait de l autorisation visee a l article 43

Article 45 – Sans prejudice des sanctions que pourra prendre, du même chef, la Commission Bancaire sera puni d un emprisonnement de 3 mois à 2 ans et d une amende de 500 000 a 25 millions de francs ou seulement de l une de ces deux peines quiconque agissant soit pour son compte soit pour le compte d'une personne morale aura contrevenu aux dispositions et aux textes d application des articles suivants du present acte

– 12 pour defaut d agrement pour l exercice de l activite d etablissement de credit

– 17 al nea 4 pour poursuite des activites d etablissement de crédit apres retrait d agrement

– 18 al nea 3 pour defaut d agrement pour l exercice des fonctions de dirigeant d etablissement de credit

En tant que de besoin un representant de la COBAC peut être entendu à titre d expert par les autorites judiciaires competentes

Article 42 – Tout membre du Conseil d Administration ou du Conseil de Surveillance d un etablissement de credit toute personne qui a un titre quelconque participe a la direction ou a la gestion d un tel etablissement ou est employée par celui ci, est tenu au secret professionnel dans les conditions et sous les peines prévues à cet égard par le code penal de l Etat d implantation

Outre les cas ou la loi le prevoit, le secret professionnel ne peut être opposé à la Commission Bancaire conformement aux dispositions de l article 11 de la Convention du 16 octobre 1990

Article 43 – Lexercice, a titre principal ou accessoire, de la profession d'intermédiaire en operations de banque par toute personne autre qu'un établissement de crédit est subordonne a l autorisation prealable de l Autorité Monetaire L'autorisation est delivree dans des formes precisees par decret, sur avis conforme de la Commission Bancaire

Est intermediaire en operation de banque quiconque à titre de profession habituelle met en rapport sans se porter ducroire les parties interessées à une opération de banque dont l une au moins est un etablissement de crédit N'entrent pas dans cette categorie les notaires et l activite de conseil et d assistance en matiere financiere

Lexercice de cette profession est interdit a toute personne qui tombe sous le coup des dispositions de l article 27 du present acte

Article 44 – Les intermediaires en operations de banque exercent leur activite en vertu d un mandat delivre par un etablissement de crédit Ce mandat mentionne la nature et les conditions des operations que l intermediaire est habilité à accomplir

Tout intermediaire en operations de banque qui meme a titre occasionnel, se voit confier ces fonds en tant que mandataire des parties, est tenu à tout moment de justifier d'une garantie financiere specialement affectee au remboursement de ces fonds Cette garantie ne peut resulter que d un engagement de caution pris par un établissement de credit

La Commission Bancaire est habilitee a contrôler le respect par lesdits intermédiaires des conditions regissant leur activite et propose le cas echeant à l'Autorité Monetaire le retrait de l autorisation visee à l article 43

Article 45 – Sans prejudice des sanctions que pourra prendre du même chef, la Commission Bancaire sera puni d un emprisonnement de 3 mois à 2 ans et d une amende de 500 000 a 25 millions de francs ou seulement de l'une de ces deux peines quiconque agissant soit pour son compte soit pour le compte d'une personne morale aura contrevenu aux dispositions et aux textes d'application des articles suivants du present acte

– 12 pour defaut d agrement pour l exercice de l activité d'etablissement de credit

– 17 alinea 4 pour poursuite des activites d etablissement de crédit apres retrait d agrement

– 18 alinea 3 pour defaut d agrement pour l exercice des fonctions de dirigeant d etablissement de credit

– 24, pour realisation illégale d opérations de banque à titre habituel ,

– 27 et 28 pour violation des interdictions enoncées auxdits acticles

Le tribunal pourra ordonner que le jugement soit publie intégralement ou par extraits dans les journaux qu il designe et qu il soit affiche dans les lieux qu'il détermine, aux frais du condamné sans que ceux ci puissent excéder le montant maximum de l'amende encourue

Article 46 – Sans prejudice des sanctions enoncees a l'article 39, sera puni d'un emprisonnement d'un mois a un an et d'une amende de 100 000 à 5 000 000 de francs ou de l une de ces peines seulement, quiconque aura sciemment

– mis obstacle aux contrôles de la Commission Bancaire ou des commissaires aux comptes d un etablissement de credit ainsi qu a l accomplissement de la mission impartie par la Commission Bancaire à l administrateur provisoire ou au liquidateur qu elle aura designe au titre de l article 39

– donne certifie ou transmis des renseignements inexacts au titre des dispositions et textes d application des articles 14 21 31, 36, 37, 38 ,

– contrevenu aux dispositions et textes d application des articles 9, 16, 18 alinéas 1 et 2 28 32 34

Article 47 – Est passible des peines stipulees a l article 46 quiconque aura contre venu aux dispositions et aux textes d application des articles suivants du présent acte

– 13 pour ouverture sans agrement de bureau de représentation, d information ou de liaison au nom d un etablissement de credit ayant son siège à l'étranger ,

– 19 pour non designation de commissaires aux comptes ou absence d'agrément préalable de ceux ci

– 43 et 44 pour exercice illegal de l activite d intermediaire en opérations de banque

Article 48 – Les etablissements de credit qui n auront pas satisfait dans les délais impartis aux obligations prescrites au titre des articles 31, 36 et 37 ou aux injonctions de la Commission Bancaire encourent les astreintes suivantes par jour de retard et par omission

– 50 000 francs pour les quinze premiers jours

– 100 000 francs pour les quinze jours suivants ,

- 300 000 francs au dela

Le prononce de ces astreintes releve de l autorite initiatrice des prescriptions trans gressées

Les sommes sont recouvrees par la Banque Centrale et versées au compte du Trésor de l Etat concerne

TITRE IX – DISPOSITIONS TRANSITOIRES ET FINALES

Article 49 – Les etablissements de credit immatricules auprès des Conseils Natio naux du Credit avant l entree en vigueur du present acte sont de plein droit agrées dans l une des categories visees a l article 10 et inscrits sur les listes dressées au titre de l article 15

Les dirigeants des établissements de credit, au sens de l'article 18, nommés a ant l'entre en vigueur du present acte sont agrees de plein droit

Article 50 – Les modalites d application du présent acte seront en tant que de besoin précisées par decrets pris apres consultation de la Commission Bancaire, dont l'avis conforme sera requis sur tous domaines ou il est prescrit par la Convention du 16 octobre 1990 et par le present acte

Sont abrogees toutes dispositions nationales contraires

CONVENTION PORTANT CREATION D UNE COMMISSION BANCAIRE DE L'AFRIQUE CENTRALE

Sur recommandation du Comite Monetaire institué par la Convention de Coopération du 22 novembre 1972

le Gouvernement de la Republique du Cameroun
le Gouvernement de la Republique Centrafricaine
le Gouvernement de la Republique Populaire du Congo
le Gouvernement de la Republique Gabonaise,
le Gouvernement de la Republique du Tchad
le Gouvernement de la Republique de Guinee Equatoriale,

Determines à asseoir le developpement de leurs economies sur des bases saines

Unis dans leur ferme volonte de promouvoir la realisation des objectifs qu ils se sont assignes dans le cadre de la Convention susvisee et decides à preserver les fondements de leur communaute de monnaie

Conscients à cet egard de la necessite de renforcer la surveillance exercee sur les etablissements de credit de leurs Etats

Convaincus de l importance d une action solidaire pour répondre à cette exigence commune

Sont convenus de creer une Commission Bancaire de l Afrique Centrale (C O B A C) ci dessous denomme « Commission Bancaire » et de modifier en conséquence la Convention de Cooperation Monetaire du 22 novembre 1972 dans les termes ci apres

Article 1 – Le Titre premier de la Convention du 22 novembre 1972 est complété comme suit

– article 3 – Les organes charges de la mise en œuvre de la coopération monétaire entre les Etats Membres sont

– le Comite Monetaire
– la Banque des Etats de l Afrique Centrale
– la Commission Bancaire de l Afrique Centrale

A – Du Comite Monetaire
(sans changement)
B – De la Banque
(sans changement)
C – De la Commission Bancaire

– article 7 bis – La Commission Bancaire est chargee, dans les conditions fixées en annexe, de veiller au respect par les etablissements de crédit des dispositions législatives et reglementaires edictees par les Autorites par la Banque ou par elle même et qui leur sont applicables et de sanctionner les manquements constatés

Article 2 – L Annexe jointe a la presente Convention fait partie integrante de la Convention du 22 novembre 1972

Article 3 – Ces dispositions redigees en un exemplaire unique en langues française anglaise et espagnole le texte francais faisant foi en cas de divergence entre ront en vigueur des notification de la ratification de la presente Convention par les Etats signataires a la Banque

En foi de quoi ont apposé leur signature au bas de la presente Convention

Fait a Yaounde le 1990

Pour le Gouvernement de la
Republique du Cameroun
Le Ministre des Finances

S BASSILEKIN

Pour le Gouvernement de la
Republique Gabonaise
Le Ministre des Finances
du Budget et des
Participations

P TOUNGUI

Pour le Gouvernement de la
Republique Centrafricaine
Le Ministre d Etat charge
de l Economie des Finances
du Plan et de la Coopération
Internationale

D VAZOUA

Pour le Gouvernement de la
Republique du Tchad
Le Ministre des Finances
et de de l Informatique

N MBAILEMDANA

Pour le Gouvernement de la
République Populaire du Congo
Le Ministre des Finances
et du Budget,

E GAKOSSO

Pour le Gouvernement de la
République de Guinée
Equatoriale
Le Ministre Secrétaire
General a la Présidence
de la Republique

C NVONO AKELE

ANNEXE A LA CONVENTION PORTANT CREATION D UNE COMMISSION BANCAIRE DE L AFRIQUE CENTRALE

Article 1 – Il est institue une Commission Bancaire de l Afrique Centrale ci apres denommee « la Commission Bancaire » et en abregé « C O B A C », chargée de veiller au respect par les etablissements de credit des dispositions legislatives et réglementaires edictees par les Autorites nationales par la Banque des Etats de l Afrique Centrale (B E A C) ou par elle meme et qui leur sont applicables, et de sanctionner les manquements constates

En particulier la Commission Bancaire controle les conditions d exploitation des établissements de credit veille a la qualite de leur situation financiere et assure le respect des regles deontologiques de la profession

Article 2 – Tous les etablissements de credit lui sont assujettis et sont tenus de se conformer a ses decisions

Les etablissements de credit sont des organismes qui effectuent à titre habituel des operations de banque Celles ci comprennent la reception de fonds du public, l octroi de credits la delivrance de garanties en faveur d autres etablissements de crédit la mise a la disposition de la clientele et la gestion de moyens de paiement

Ne relevent pas des presentes dispositions les Tresors Publics les services financiers des Postes et la B E A C

TITRE I – Organisation et fonctionnement

Article 3 – La Commission Bancaire est presidee par le Gouverneur de la B E A C, assiste du Vice Gouverneur suppleant

Elle comprend en outre

– les trois Censeurs de la B E A C ou leurs suppleants

– sept membres ou leurs suppleants choisis pour leurs competences en matieres bancaire financiere et juridique et leur honorabilite Ils sont nommés, pour un mandat de 3 ans renouvelable deux fois sur proposition du Gouverneur, par le Conseil d Administration de la B E A C qui a seul competence pour mettre fin à leur mandat Celui ci est incompatible avec l exercice de fonctions remunerées ou non, dans un établissement assujetti et avec l appartenance au Conseil d Administration de la B E A C

– un representant de la Commission Bancaire française, ou son suppléant, désignes par le Gouverneur de la Banque de France

– le cas echeant avec voix consultative des personnalites exterieures conviees par le Pres dent

Article 4 – La Commission Bancaire est reunie au moins deux fois par an à l initiative et sur convocation du Pres dent qui arrete l ordre du jour des seances

Elle deliibere valablement lorsque deux tiers de ses membres sont présents

Les decisions sont arretees a la majorite des deux tiers des voix exprimees

Le Conseil d Administration de la B E A C approuve le reglement intérieur de la Commission il a competence pour connaitre de toutes difficultes eventuelles

Article 5 – La B E A C assure sur son budget et avec le concours de son personnel le fonctionnement de la Commission

Article 6 – Les membres de la Commission et les personnes habilitées à agir en son nom ne peuvent faire l objet d aucune poursuite pour les actes accomplis dans l exercice de leurs fonctions Ils sont tenus au secret professionnel Cette astreinte n est pas opposable à l autorité judiciaire agissant dans le cadre d'une procédure pénale

La Commission Bancaire est autorisée à échanger des informations avec ses homologues de pays tiers sous réserve de réciprocité et d'un assujetissement identique de ces Autorités au secret professionnel

TITRE II – Attributions

Article 7 – Dans le cadre de la mission qui lui est impartie la Commission Bancaire a autorité sur le territoire des Etats Membres de la B E A C pour l exercice des attributions énumérées ci après Ses décisions sont exécutoires de plein droit dès leur notification aux Autorités Monétaires Nationales et aux établissements concernés

Les Autorités Nationales demeurent compétentes en toutes autres matières Elles se réservent la faculté d imposer des normes plus strictes que celles édictées par la Commission Bancaire dont l avis conforme est alors requis

Article 8 – L agrément des établissements de crédit la désignation des commissaires aux comptes de ces sociétés toute modification dans la répartition du capital social supérieure au seuil qu elle fixera sont subordonnés à l avis conforme de la Commission Bancaire

La Commission Bancaire dispose d un délai maximum de six mois pour se prononcer L absence de réponse à l expiration de ce délai vaut acceptation

Les agréments prononcés par les Autorités Nationales avant l entrée en vigueur des présentes dispositions demeurent valables

Article 9 – La Commission Bancaire fixe les règles destinées à assurer et à contrôler la liquidité et la solvabilité des établissements de crédit à l égard des tiers et plus généralement l équilibre de leur structure financière

A cet effet après avis le cas échéant des autres Autorités concernées, elle est notamment habilitée à définir le plan et les procédures comptables applicables aux établissements de crédit et à prescrire des ratios de liquidité, de couverture et de division des risques

Elle détermine la liste la teneur et les délais de transmission des documents et informations qui doivent lui être remis

Elle peut demander aux établissements de crédit tous renseignements ou justificatifs utiles à l exercice de sa mission

Article 10 – La B E A C organise et exerce au nom de la Commission Bancaire le contrôle sur pièces et sur place des établissements de crédit

La Commission Bancaire arrête le programme des enquêtes En cas d urgence celles qui peuvent être urgentées par son Président qui lui rend compte à sa prochaine séance

Les contrôles sur place peuvent être etendus aux filiales d un établissement de crédit, ainsi qu a toutes autres societes apparentees

Les Autor tes Nationales prêtent en tant que de besoin leur concours aux contrôles effectues par la B E A C L Autorite Monetaire est informee du declenchement et des resultats des enquetes

Ceux ci sont communiques au Conseil d'Administration de l'etablissement concerne, ou a l organe en tenant lieu Ils font l objet d une deliberation spéciale, dont copie conforme est adressee a la Commission Bancaire

Article 11 – Le secret professionnel n'est pas opposable a la Commission Bancaire

Article 12 – En cas de manquement d un etablissement de crédit aux règles de bonne conduite de la profession la Commission Bancaire peut, apres avoir mis en demeure ses dirigeants de s expliquer leur adresser une mise en garde

Lorsque la situation d un etablissement de credit le justifie la Commission Bancaire peut adresser une injonction a l effet notamment de prendre dans un délai déterminé toutes les mesures destinees a retablir a renforcer son equilibre financier ou à corriger ses me thodes de gestion

L Autorite Monetaire Nationale concernee en est avisee

Article 13 – Si un etablissement de credit n a pas defere à une injonction ou n a pas tenu compte d une mise en garde ou a enfreint gravement la réglementation la Commission Bancaire peut prononcer une ou plusieurs des sanctions disciplinaires suivantes

- l avertissement
- le blâme
- l interdiction d effectuer certaines operations ou toutes autres limitations dans l exercice de ses activites
- la revocation du ou des commissaires aux comptes,
- la suspension ou la demission d office du ou des dirigeants responsables,
- le retrait d agrement

Ces decisions doivent etre motivees Elles ne peuvent être prononcées qu apres que les responsables de l etablissement en cause, qui peuvent requérir l'assistance d un representant de leur Association Professionnelle aient été invités à formuler leurs observations soit par ecrit soit lors d une audition

Les sanctions sont executoires des leur notification aux intéressés Pour le retrait d agrement celle ci n intervient qu a l expiration d un delai d un mois a compter de la communication de la decision a l Autorite Monetaire Nationale Ce délai est prorogé en cas de saisine du Conseil d Administration de la B E A C selon la procédure prevue a l article 18

Article 14 – La Commission Bancaire est habilitee à designer un administrateur provisoire dote de toutes attributions necessaires a l administration et à la direction de l etablissement et du pouvoir de declarer la cessation des paiements

Cette nomination peut intervenir notamment si la gestion ne peut plus être assurée dans des conditions normales ou lorsque la demission d'office des dirigeants est prononcee au titre de l article 13 ci dessus

De maniere generale cette nomination intervient lorsqu il y a carence dans l administration la gerance ou la direction de l etablissement

En cas d'urgence le President de la Commission Bancaire procede lui-même à la designation d un administrateur provisoire sous réserve de ratification par la Commission lors de sa prochaine seance

Article 15 – La Commission Bancaire peut nommer un liquidateur aux établissements qui cessent d être agrees ou qui exercent sans agrement l'une des activités visees a l article 2

Article 16 – Administrateurs provisoires et liquidateurs sont désignes par la Commission Bancaire sur une liste dressee par l Autorite Monetaire Nationale ou, à défaut, de sa propre initiative

TITRE III – Dispositions diverses

Article 17 – Le President ou son suppleant assure l exécution des décisions de la Commission Bancaire Il est habilite en cas d'urgence à prendre toutes decisions necessaires dans le cadre des pouvoirs enumeres aux articles 8, 9 alinéas 3 et 4, 12 et 15

Article 18 – Les sanctions prises en vertu de l article 13 ainsi que les avis formulés au titre des articles 7 et 8 sont susceptibles de recours devant le Conseil d Administration de la B E A C seul habilite a en connaitre en dernier ressort Ils ne peuvent être modifies ou rapportes qu a la majorite qualifiee prevue a l'article 38 alinéa 3 des statuts de la Banque Centrale

Le recours doit être signifie au President de la Commision Bancaire dans un délai de deux mois suivant la notification de la decision ou de l avis Il n a pas de caractère suspensif, sauf en cas de saisine du Conseil d Administration prealable à la notification du retrait d agrement Il peut être forme par les dirigeants sanctionnés, par l etablissement concerne ou par l Autorite Monetaire Nationale

Article 19 – Le Conseil d Administration de la B E A C peut evoquer toute question relative a l exercice de la profession bancaire La Commission Bancaire, par son President, lui soumet pour examen les difficultes eventuelles rencontrées dans l exercice de sa mission

Article 20 – La Commission Bancaire rend compte chaque année aux Autorités Monetaires Nationales et au Conseil d Administration de la B E A C de l exercice de sa mission Elle etablit un rapport annuel qui est publie

Article 21 – Les presentes dispositions dont les modalités d'application seront definies par reglements de la Commission Bancaire peuvent etre modifiées par décision du Conseil d Administration de la B E A C prise a l unanimite

PROJET D'ENTREPRISES PRIVÉES

May 18, 1995

Mr Samir Zoghby
General Development Officer for Special Projects
United States Agency for International Development
B P 413
N'Djamena, Chad

Dear Mr Zoghby

Enclosed are the quarterly financial reports for the period January 1 through March 31, 1995 The following schedules are included

1 Financial Status Report -- Standard Form 269A
2 Financial Report as of March 31, 1995
3 Actual Expenditures Compared to Budget and Time Elapsed
4 Source and Origin Disbursement Data

As of the first quarter 1995, Phase III of the project was revised to extend until May 31, 1995 (although budget documents still cite the extension only through March 31, 1995), for a total of four years and eleven months of operation The budget was revised at the beginning of this quarter and currently the amount spent during the preceding nineteen quarters of Phase III is less than budgeted for all line items, except for the training line item which has surpassed the amount allotted Factors relating to individual line items include the following

CREDIT AND INTEREST RATE STUDY - It should be noted that during the first quarter of 1995, there were no additional expenditures to be reported for the Credit and Interest Rate Study At the time the "Modification of Grant" providing funding for the study was signed in November, 1992, USAID Controller George Zegarac, RCO John May and FFPO Les McBride requested that VITA provide details on the amount of overhead that relates specifically to the study

SALARIES - The revised Phase III budget called for hiring a significant number of additional national staff Most of the new positions were filled in the first and second quarters of 1993 Two computer personnel and two cashiers were hired during the fourth quarter of 1993 and the first quarter of 1994 Despite these additional personnel expenditures, approximately 92% of the salary line item for Phase III has been spent but only 41% of the amount allotted for the extension period

CONSULTANTS - The $80,441 spent through March 31, 1995 (nineteen quarters), represents 73% of the amount budgeted for Phase III (which currently extends through May 31, 1995)

17 AV CHARLES DE GAULLE – B P 1109 N'DJAMENA REPUBLIQUE DU TCHAD – TEL 51 40 00 / 51 41 18 – FAX 51 50 45
SIS VILLA BOUR RUE NCARTA TOMBALBAYE B P 131 MOUNDOU – TEL 69 13 74 – FAX 69 18 12

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Most of these expenditures were incurred in 1994 when VITA/PEP contracted with two separate consultants (Martha Sullins to support the loan accounting and reporting areas, and the team of Michel Nadon and Mireille Gadbois to install a dBase loan accounting system) The latter consultancy was completed at the beginning of September 1994 VITA/PEP also anticipates hiring a financial consultant and a legal specialist to prepare the project for its transformation into an independent financial institution

TRAINING - $34,443 has been spent over the past nineteen quarters of Phase III, representing 142% of the total training budget The training line item was previously revised from $41,804 to $24,262, to reflect lower than anticipated training expenditures as called for in the original Phase III budget However, it should now be reviewed again to reflect the costs of recent training provided for VITA/PEP personnel

OVERHEAD - As of March 31, 1995, only 87% of the allotment for this line item had been spent By the end of the first quarter 1995, only 25% of overhead budget for the fifth year had been spent due to lower than anticipated direct cost expenditures

In conclusion, given that approximately 80% of the total budget for the fifth year remains unspent, we have submitted a request to USAID for an extension of this same budget to September 30, 1995

We are pleased that all other line item expenditures remain within budget at this time We continue to try to maximize productivity and minimize expenses

If you have any questions please do not hesitate to call

Sincerely,

Evariste Kebba
Project Director

PROJET D'ENTREPRISES PRIVEES VITA N'DJAMENA

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FINANCIAL STATUS REPORT
(Short Form)
(Follow instructions on the back)

1 Federal Agency and Organizational Element to Which Report is Submitted	2 Federal Grant or Other Identifying Number Assigned By Federal Agency	OMB Approval No	Page	of
Agency for International Development Letter of Credit Branch	677-0051-A-00-0029-00	0348-0039		pag

3 Recipient Organization (Name and complete address including ZIP code)
Volunteers in Technical Assistance
1600 Wilson Blvd., Suite 500
Arlington, VA 22209

4 Employer Identification Number	5 Recipient Account Number or Identifying Number	6 Final Report	7 Basis
14-6033882	Chad 1042 - 195	☐ Yes ☒ No	☐ Cash ☒ Accru

8 Funding/Grant Period (See Instructions) From (Month Day Year)	To (Month Day Year)	9 Period Covered by this Report From (Month Day Year)	To (Month Day Year)
7-3-90	3-31-95	1-1-95	3-31-95

10 Transactions	I Previously Reported	II This Period	III Cumulative
a. Total outlays	3,908,105.73	187,810.88	4,095,916 61
b Recipient share of outlays	(194,858 48)	(20,947 29)	(215,805 77
c Federal share of outlays	3,713,247 25	166,863 59	3,880,110 84
d Total unliquidated obligations			-0-
e Recipient share of unliquidated obligations			-0-
f Federal share of unliquidated obligations			-0-
g Total Federal share (Sum of lines c and f)			3,880,110 84
h Total Federal funds authorized for this funding period			4,601,520 00
i Unobligated balance of Federal funds (Line h minus line g)			721,409 16

11 Indirect Expense	a. Type of Rate (Place X in appropriate box) ☒ Provisional ☐ Predetermined ☐ Final ☐ Fixed			
	b Rate 39.3%	c Base 134,212 16	d Total Amount 52,745 38	e Federal Share 52,745 38

12 *Remarks Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation*

13 Certification **I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents**

Typed or Printed Name and Title	Telephone (Area code number and extension)
Amelia G. Saxton, Assistant Controller	(703) 276-1800
Signature of Authorized Certifying Official	**Date Report Submitted**
Amelia G Saxton	April 13, 1995

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CHADS1
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4 11 95

VOLUNTEERS IN TECHNICAL ASSISTANCE
VITA CHAD PRIVATE ENTERPRISE PROJECT
C A No 677 0051 A 00 0029 00
FINANCIAL REPORT AS OF MARCH 31 1995

	DESCRIPTION BY Cooperative Agreement Line Item	PROJECT BUDGET 7 3 90 TO 3 31 95	EXPEND THIS PERIOD 1 1 95 TO 3 31 95	INDIRECT COST ADJ FY93	PREVIOUS EXPEND 7 3 90 TO 12 31 94	TOTAL EXPEND TO DATE 3 31 95
A	SALARIES					
	HOME OFFICE PROFESSIONAL					
	1 President H Norman	20 696	1 602		22 563	24 165
	2 Project Officer M Shah	54 135	2 211		42 991	45 202
	3 Secretary D Granados	16 737	1 328		13 722	15 051
	SUBTOTAL	91 568	5 141	0	79 276	84 417
	FIELD STAFF PROFESSIONAL					
	1 Project Director	191 034	0		175 038	175 038
	2 Assist Proj Dir	98 101	0		56 102	56 102
	3 Post Differential	73 808	0		59 792	59 792
	SUBTOTAL	362 943	0	0	290 932	290 932
B	LOCAL SALARIES	1 043 248	74 966		930 139	1 005 106
	TOTAL SALARIES	1 497 759	80 107	0	1 300 347	1 380 454
C	CONSULTANTS	109 449	4 662		75 778	80 441
D	FRINGE BENEFITS @ 37 2%	177 132	1 912		141 962	143 874
	FRINGE BENEFITS @ 37 2% (FY90)				1 099	1 099
	FRINGE BENEFITS @ 37 3% (FY91)				2 814	2 814
	FRINGE BENEFITS @ 37 2% (FY92)				(102)	(102)
	SUBTOTAL	177 132	1 912	0	145 773	147 685
E	TRAVEL & TRANSPORTATION	138 132	3 743		100 764	104 507
F	ALLOWANCES	278 752	0		238 489	238 489
G	OTHER DIRECT COSTS	405 905	33 814		331 192	365 006
H	PROCUREMENT	939 947	853		672 276	673 130
I	TRAINING	24 262	9 973		24 470	34 443
J	CREDIT STUDY	30 407	0		20 752	20 752
K	OVERHEAD @ 39 3%	1 207 875	52 745		968 892	1 021 637
	OVERHEAD @ 36 7% (FY90)				3 203	3 203
	OVERHEAD @ 34 0% (FY91)				(6 186)	(6 186)
	OVERHEAD @ 39 3% (FY92)				32 357	32 357
	SUBTOTAL	1 207 875	52 745	0	998 266	1 051 011
L	CONTINGENCY	15 125	0	0	0	0
M	TOTAL	4 824 745	187 811	0	3 908 106	4 095 917
N	MINUS REVENUE SERVICE FEE	(223 226)	(20 947)		(194 858)	(215 806)
O	TOTAL AID	4 601 519	166 864	0	3 713 248	3 880 111

CHAD195
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4 11 95

VOLUNTEERS IN TECHNICAL ASSISTANCE
VITA CHAD Private Enterprise Project
C A No 677 0051 A 00 0029 00
Financial Report as of March 31 1995

	LOP Budget 7 3 90 to 3 31 95	Previous Expend 7 3 90 to 12 31 94	Current Quarter Jan	Feb	Mar	Expend This Qtr 1 1 95 to 3 31 95	Total Expend To Date 3 31 95	Funds Available as of 3 31 95
A U S PERSONNEL								
HOME OFFICE PROFESSIONAL								
1 President	20 696	22 562 56	658 03	457 76	486 37	1 602 16	24 164 72	(3 468 72)
2 Project Officer	54 135	42 991 30	748 75	665 56	796 29	2 210 60	45 201 90	8 933 10
3 Secretary	16 737	13 722 21	314 55	419 40	594 15	1 328 10	15 050 31	1 686 69
Subtotal	91 568	79 276 07	1 721 33	1 542 72	1 876 81	5 140 86	84 416 93	7 151 07
FIELD STAFF PROFESSIONAL								
1 Project Director	191 034	175 037 29	0 00	0 00	0 00	0 00	175 037 29	15 996 71
2 Assist Proj Dir	98 101	56 101 51	0 00	0 00	0 00	0 00	56 101 51	41 999 49
3 Post Differential	73 808	59 792 67	0 00	0 00	0 00	0 00	59 792 67	14 015 33
Subtotal	362 943	290 931 47	0 00	0 00	0 00	0 00	290 931 47	72 011 53
Total U S Personnel	454 511	370 207 54	1 721 33	1 542 72	1 876 81	5 140 86	375 348 40	79 162 60
B HCN LOCAL SALARIES	1 043 248	930 139 83	25 855 21	13 890 72	35 220 53	74 966 46	1 005 106 29	38 141 71
C CONSULTANTS	109 449	75 778 26	1 106 35	1 667 43	1 888 70	4 662 48	80 440 74	29 008 26
D FRINGE BENEFITS								
Fringe Benefits @ 37 2%	177 132	141 859 62	640 33	573 89	698 17	1 912 40	143 772 02	29 447 51
Fringe Benefits @ 37 2% (FY90)		1 098 77				0 00	1 098 77	
Fringe Benefits @ 37 3% (FY91)		2 813 70				0 00	2 813 70	
Fringe Benefits @ 37 2% (FY92)		0 00				0 00	0 00	
Subtotal	177 132	145 772 09	640 33	573 89	698 17	1 912 40	147 684 49	29 447 51
E TRAVEL & TRANSPORTATION								
1 Travel Staff	62 809	45 548 88	0 00	0 00	0 00	0 00	45 548 88	17 260 12
2 Travel Consultants	12 266	16 433 74	0 00	0 00	0 00	0 00	16 433 74	(4 167 74)
3 Relocation APD PD	0	0 00	0 00	0 00	0 00	0 00	0 00	0 00
4 Shipping/Freight HHE	22 860	6 860 10	0 00	0 00	0 00	0 00	6 860 10	15 999 90
5 In Country Travel Staff/Cons	2 436	2 620 33	12 00	0 00	0 00	12 00	2 632 33	(196 33)
6 HCN Training Travel & Per Diem	17 081	10 193 44	1 019 93	0 00	0 00	1 019 93	11 213 37	5 867 63
7 HCN In Country Travel & PD	20 680	19 107 07	438 11	91 55	2 181 42	2 711 08	21 818 15	(1 138 15)
Subtotal	138 132	100 763 56	1 470 04	91 55	2 181 42	3 743 01	104 506 57	33 625 43

CHAD195
QTRREP
4 11 95

VOLUNTEERS IN TECHNICAL ASSISTANCE
VITA CHAD Private Enterprise Project
C A No 677 0051 A 00 0029 00
Financial Report as of March 31 1995

		LOP Budget 7 3 90 to 3 31 95	Previous Expend 7 3 90 to 12 31 94	Current Quarter Jan	Feb	Mar	Expend This Qtr 1-1 95 to 3 31 95	Total Expend To Date 3 31 95	Funds Available as of 3 31 95
F	ALLOWANCES								
	1 Temporary Lodging	6 465	3 464 68	0 00	0 00	0 00	0 00	3 464 68	2 999 82
	2 Housing Rent/Utilities	121 955	114 412 43	0 00	0 00	0 00	0 00	114 412 43	7 542 57
	3 Storage HHE	10 644	8 844 01	0 00	0 00	0 00	0 00	8 844 01	1 799 99
	4 Cost of Living Allowance	59 981	49 874 86	0 00	0 00	0 00	0 00	49 874 86	10 106 14
	5 Per Diem Staff	20 295	9 540 97	0 00	0 00	0 00	0 00	9 540 97	10 754 03
	6 Per Diem Consultants	59 413	52 351 41	0 00	0 00	0 00	0 00	52 351 41	7 061 09
	Subtotal	278 752	238 488 36	0 00	0 00	0 00	0 00	238 488 36	40 263 64
G	OTHER DIRECT COSTS								
	1 Office Rent/Utilities	251 613	219 959 83	5 087 74	1 559 20	5 971 69	12 618 63	232 578 46	19 034 54
	2 Meeting Expense	1 089	83 64	0 00	0 00	0 00	0 00	83 64	1 005 36
	3 Doc Center	0	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	4 Recruitment Fees/Ads	1 198	1 198 29	0 00	0 00	0 00	0 00	1 198 29	(0 29)
	5 VITA/PEP Attorney Fees	6 127	876 84	0 00	0 00	0 00	0 00	876 84	5 250 16
	6 Marketing & Publicity	5 236	5 315 65	122 42	33 84	51 21	207 47	5 523 12	(287 12)
	7 Translation Fees	7 929	5 869 25	0 00	0 00	0 00	0 00	5 869 25	2 059 75
	8 Proj Equipment Shipping Cost	57 078	25 761 42	0 00	0 00	0 00	0 00	25 761 42	31 316 58
	9 Predeparture Expenses	5 688	5 610 21	0 00	0 00	0 00	0 00	5 610 21	77 79
	10 Home/Office Maintenance	36 686	36 208 92	164 72	234 24	0 00	398 96	36 607 88	78 12
	11 Miscellaneous	16 548	12 889 01	120 79	89 51	2 02	212 32	13 101 33	3 446 67
	12 Temporaries	720	719 50	0 00	0 00	0 00	0 00	719 50	0 50
	13 DBA/Medevac/Other Insurance	15 993	16 699 32	0 00	0 00	292 00	292 00	16 991 32	(998 32)
	Subtotal	405 905	331 191 88	5 495 67	1 916 79	6 316 92	13 729 38	344 921 26	60 983 74
H	PROJECT EQUIPMENT & SUPPLIES								
	1 Vehicles	132 714	112 839 21	0 00	0 00	0 00	0 00	112 839 21	19 874 79
	2 Computer Equipment	146 047	32 056 01	0 00	0 00	0 00	0 00	32 056 01	113 990 99
	3 Home Furnishing	16 745	7 032 14	0 00	0 00	0 00	0 00	7 032 14	9 712 86
	4 Office Furniture & Equipment	187 664	133 371 15	517 81	335 53	0 00	853 34	134 224 49	53 439 51
	Subtotal	483 170	285 298 51	517 81	335 53	0 00	853 34	286 151 85	197 018 15
	MAINTENANCE INS FUEL								
	5 Equipment/Vehicle Maint	107 256	95 002 47	1 863 53	2 166 24	810 55	4 840 32	99 842 79	7 413 21
	6 Computer Maintenance	23 447	22 794 37	19 17	696 52	1 313 21	2 028 90	24 823 27	(1 376 27)
	7 Vehicle Fuel	64 406	53 935 23	823 50	1 453 34	715 78	2 992 62	56 927 85	7 478 15
	Subtotal	195 109	171 732 07	2 706 20	4 316 10	2 839 54	9 861 84	181 593 91	13 515 09

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VOLUNTEERS IN TECHNICAL ASSISTANCE
VITA CHAD Private Enterprise Project
C A No 677 0051 A 00 0029 00
Financial Report as of March 31 1995

		LOP Budget 7 3 90 to 3 31 95	Previous Expend 7 3 90 to 12 31 94	Current Quarter Jan	Feb	Mar	Expend This Qtr 1 1 95 to 3 31 95	Total Expend To Date 3 31 95	Funds Available as of 3 31 95
	MATERIALS & SUPPLIES								
	8 Stationery/Supplies/Svc	94 554	77 558 16	1 004 64	1 765 96	3 254 08	6 024 68	83 582 84	10 970 66
	9 Copier Expenses	34 410	23 860 23	2 55	20 40	290 35	313 30	24 173 53	10 236 47
	10 Telephone/Telex/Fax	100 185	85 788 20	631 80	748 20	1 399 41	2 779 41	88 567 61	11 616 89
	11 Postage	7 822	6 495 90	120 31	194 61	184 91	499 83	6 995 73	826 27
	12 Delivery	4 667	3 885 24	0 00	103 80	51 90	155 70	4 040 94	626 06
	13 Printing/Reproduction/Art	2 248	3 320 35	55 36	125 11	0 00	180 47	3 500 82	(1 253 32)
	14 Publications/Subscriptions	7 059	6 401 35	0 00	171 41	0 00	171 41	6 572 76	485 74
	15 VITA Pubs for Projects	0	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	16 Computer Supplies	10 725	7 936 02	0 00	0 00	97 89	97 89	8 033 91	2 691 09
	Subtotal	261 668	215 245 45	1 814 66	3 129 49	5 278 54	10 222 69	225 468 14	36 199 86
	Total Equipment & Supplies	939 947	672 276 03	5 038 67	7 781 12	8 118 08	20 937 87	693 213 90	246 733 10
I	PARTICIPANT TRAINING								
	1 Training	24 262	24 470 68	9 527 07	383 47	62 50	9 973 04	34 443 72	(10 181 72)
	Subtotal	24 262	24 470 68	9 527 07	383 47	62 50	9 973 04	34 443 72	(10 181 72)
J	CREDIT STUDY	30 407	20 751 58	0 00	0 00	0 00	0 00	20 751 58	9 655 42
K	TOTAL DIRECT COSTS	3 601 745	2 909 839 81	50 854 67	27 847 69	56 363 13	135 065 50	3 044 905 31	556 839 69
L	OVERHEAD @ 39 3%	1 207 875	968 891 91	19 782 39	10 812 28	22 150 71	52 745 38	1 021 637 29	156 863 66
	OVERHEAD @ 36 7% (FY90)		3 202 72				0 00	3 202 72	
	OVERHEAD @ 34 0% (FY91)		(6 185 96)				0 00	(6 185 96)	
	OVERHEAD @ 39 3% (FY92)		32 357 29				0 00	32 357 29	
	Subtotal	1 207 875	998 265 96	19 782 39	10 812 28	22 150 71	52 745 38	1 051 011 34	156 863 66
M	CONTINGENCY	15 125	0 00	0 00	0 00	0 00	0 00	0 00	15 125 00
N	TOTAL	4 824 745	3 908 105 77	70 637 06	38 659 97	78 513 84	187 810 88	4 095 916 65	728 828 35
O	LESS SERVICE FEE REVENUE	(223 226)	(194 858 48)	(10 277 98)	(4 845 46)	(5 823 85)	(20 947 29)	(215 805 77)	(7 420 23)
P	TOTAL USAID COSTS	4 601 519	3 713 247 29	60 359 08	33 814 51	72 689 99	166 863 59	3 880 110 88	721 408 12

Volunteers In technical Assistance
VITA Chad Private Enterprise Project
C A No 677-0051-A-00-0029-04

Actual Expenditures Compared to Budget and Time Elapsed
Quarter Ending March 31, 1995

	Fifth Year Only – Phase III					
Line Item	Revised Project Budget 1-1-95 to 3-31-95	Expends To Date 1-1-95 to 3-31-95	No Qtrs To Date	Per Cent Time Elapsed	Per Cent Budget Spent	% Budget Spent/ % Time Elapsed
Salaries	197 412	80 107	1	100,0%	40,6%	40,6%
Consultants	33 671	4 662	1	100,0%	13,8%	13,8%
Fringe Benefits	31 359	1 912	1	100,0%	6,1%	6,1%
Travel and Trans	37 368	3 743	1	100,0%	10,0%	10,0%
Allowances	40 263	0	1	100,0%	0,0%	0,0%
Other Dir Costs	74 713	33 814	1	100,0%	45,3%	45,3%
Procurement	267 671	853	1	100,0%	0,3%	0,3%
Training	(208)	9 973	1	100,0%		
Overhead	209 609	52 745	1	100,0%	25,2%	25,2%
Credit Study	9 655	0	1	100,0%	0,0%	0,0%
Contingency	15 125	0	1	100,0%	0,0%	0,0%
Total	916 638	187 809	1	100,0%	20,5%	20,5%
Minus Svc Fee Rev	(28 368)	(20 947)	1	100,0%	73,8%	73,8%
Total AID	888 270	166 862	1	100,0%	18,8%	18,8%

	Four Years, Nine Months – Phase III					
Line Item	Revised Project Budget 7-3-90 to 3-31-95	Expends To Date 7-3-90 to 03-31-95	No Qtrs To Date	Per Cent Time Elapsed	Per Cent Budget Spent	% Budget Spent/ % Time Elapsed
Salaries	1 497 759	1 380 454	19	100,0%	92,2%	92,2%
Consultants	109 449	80 441	19	100,0%	73,5%	73,5%
Fringe Benefits	177 132	147 685	19	100,0%	83,4%	83,4%
Travel and Trans	138 133	104 507	19	100,0%	75,7%	75,7%
Allowances	278 752	238 489	19	100,0%	85,6%	85,6%
Other Dir Costs	405 904	365 006	19	100,0%	89,9%	89,9%
Procurement	939 947	673 130	19	100,0%	71,6%	71,6%
Training	24 262	34 443	19	100,0%	142,0%	142,0%
Overhead	1 207 875	1 051 011	19	100,0%	87,0%	87,0%
Credit Study	30 407	20 752	19	100,0%	68,2%	68,2%
Contingency & Rdg	15 125	0	19	100,0%	0,0%	0,0%
Total	4 824 745	4 095 918	19	100,0%	84,9%	84,9%
Minus Svc Fee Rev	(223 226)	(215 806)	19	100,0%	96,7%	96,7%
Total AID	4 601 519	3 880 112	19	100,0%	84,3%	84,3%

VITA Private Enterprise Promotion Project
First Quarter, 1995

Source and Origin Disbursement Data
Obligation No 677-0051-A-00-0029-04
Total Amount Approved $166,864

Source (Shipped from)	Origin (Mfg'd in)	Approp-riation	Waiver Refrnce	Value $US
000 USA	000 USA			66 082
000 USA	677 Chad			0
000 USA	935 ODCs			0
000 USA	941 OLDCs			0
677 Chad	000 USA			0
677 Chad	677 Chad			89 118
677 Chad	935 ODCs			8 574
677 Chad	941 OLDCs			2 993
935 ODCs	000 USA			0
935 ODCs	677 Chad			98
935 ODCs	935 ODCs			0
935 ODCs	941 OLDCs			0
941 OLDCs	000 USA			0
941 OLDCs	677 Chad			0
941 OLDCs	935 ODCs			0
941 OLDCs	941 OLDCs			0
			Total	166 864

ODCs = Other Developed Countries
OLDCs = Other Less Developed Countries

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