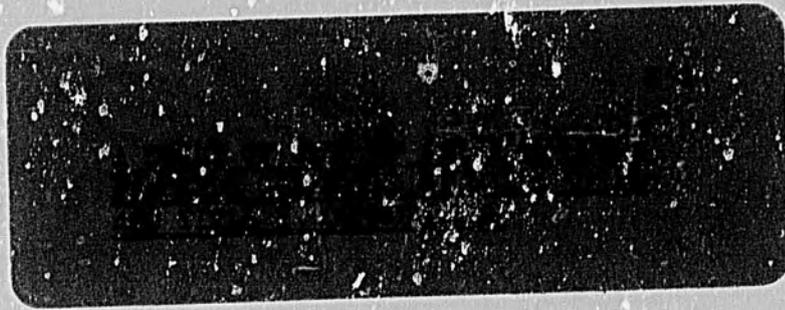


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XX

A Study of Uses of Zaire Currency Proceeds Generated
by Sales of PL-480 Title I Commodities

XX

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Mr. Norman L. Sweet, Director
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USES OF LOCAL CURRENCY PROCEEDS FROM SALES OF

PL-480 TITLE I COMMODITIES

I. BACKGROUND

Agricultural Sector

The agricultural sector consists of two major types of production: (1) three to four million traditional small family farms, operating on four million hectares, accounting for 60% of total agricultural production and growing mainly food crops for subsistence, such as cassava, maize, plantain, rice and, to a lesser extent, cash crops such as cotton and coffee; and (2) about 900 large-scale, agro-industrial plantations, covering about 400,000 hectares producing coffee, tea, rubber and cocoa for export or sugar, palm oil, and cattle for the domestic market.

Processing of agricultural products is mostly by agro-industrial enterprises which process the output of their plantations as well as additional crops purchased from small holders. Many processing plants are old, badly maintained, and lack new equipment for replacements and spare parts.

Agricultural production has been severely hampered by the political turmoil of the 1960s, disruption of transportation and commerce, deterioration of Government services, unfavorable farm prices, nationalization policies, and deterioration of the rest of Zaire's economy. The results have been a reduction in the volume of crop exports, and an increase in imports of foodstuffs to meet the needs of the fast-growing urban population. Production of some commodities, which the country formerly exported, has decreased to the extent that, in a number of cases such as palm oil and cotton, imports are needed to supply local demand. Food imports account for about 20% of merchandise imports. The effects of this situation on the balance of payments have been serious. Even more critical is that food imports are not sufficient to meet demand, which results in serious food shortage and important increases of food prices. Agricultural exports, mainly coffee, still account for 14 - 21% of all exports, depending on price fluctuations for coffee and copper. Foreign exchange allocated to importing agricultural inputs, however, has fallen and now constitutes less than one percent of total imports.

Table 1. PRDUCTION (1,000 MT/CY)

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Corn	410	412	430	430
Rice, Paddy	127	142	147	150
Millet	54	54	55	56
Wheat	2	3	4	5
Pulses	201	217	217	217
Potatoes	47	47	47	47
Cassava	9,832	9,500	9,000	9,300
Sweet potatoes	370	375	375	375
Cotton	9	12	9	9
Congo Jute	4	4	3	2
Cotton seed	18	27	18	18
Peanuts, in shell	289	295	295	295
Sesame seed	4	4	4	4
Pyrethrum flowers, dried	0	0	0	0
Bananas and plantains	1,742	1,750	1,750	1,760
Coffee	86	77	78	84
Cocoa Beans	5	5	5	4
Tea	6	7	7	6
Rubber	27	26	25	25
Sugar, raw	46	54	51	51
Palm oil	155	150	136	136
Palm kernels	63	54	57	49
Meats	69	70	72	72

Marketing of most agricultural crops is dominated by the private sector. Although prices are fixed by the Government at various levels of the marketing chain, actual prices paid by consumers are often much higher than the fixed prices as prices in the domestic market are affected by the high margins of a chain of intermediaries, by inadequate high-cost transportation, by packing and storage problems and by high losses especially of perishable products. This results in either permanent shortages of supply or intermittent supply which often does not meet demand. Export marketing is handled by commercial plantations or trading agents.

Government Structure

In spite of GOZ's intention to give priority to agricultural development, agriculture's share of the recurrent budget during 1970-76 was about 1.5%, but increased to an average of 3% in 1977-78, while its share of the investment budget fluctuated between 2% and 8%.

The Department of Agriculture and Rural Development (DOA), formed in 1979 by merger of the two components, is responsible for establishing general agricultural production policy, implementing price and marketing policies for agricultural crops, carrying out agricultural research and providing extension and village drinking-water services. The DOA is headed by a State Commissioner for Agriculture, with two State Secretaries under him, one for Agriculture and one for Rural Development. DOA is currently able to provide little effective extension service to the country's farmers. Extension is effective only for the small minority who benefit from the roughly 30 rural development projects (almost all foreign assisted). Operations are hampered by lack of research and of improved seeds and other inputs, poor transportation and communications, and weak organization in general.

The National Institute of Agronomic Research and Studies (INERA), under DOA, is in charge of agricultural research in Zaire. Its activities cover plantation and field crops as well as livestock. INERA has twenty-two research stations, not all of them active due to inadequate budget.

In 1971, Government established specialized development organizations (Offices) for each major agricultural product. ONAFITEX, the first established dealt with cotton; ONACER, the National Cereals' Office, was for maize and other grains. The principal responsibility of the Offices was to provide technical assistance to farmers, buy produce at fixed Government prices, and process and sell it either on the domestic or export market. In May 1978, most Offices, including ONACER and ONAFITEX, were abolished. The National Staple Foods Products Office (Office National des Produits Vivriers, ONPV) replaced ONACER to provide farmers with inputs and assure marketing

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of food crops. However, because of lack of funds and qualified staff, ONPV plays only a minor role in food crop marketing. For cotton marketing and processing, Government has promoted regional, mixed-capital companies in joint venture with textile firms.

The commercial agricultural sector is served by commercial banks and by a national development bank (SOFIDE) whose farm financing of agricultural investment projects has grown rapidly in the past three years. There is no institutional credit for small farmers, except for a minority that benefits from special agricultural projects. Agricultural credit demand and possible institutional structures are being studied in three projects financed by FAO, UNDP and by Italian and Canadian bilateral assistance.

Financial Sector

The principle institutions comprising the Zairian financial system are the Central Bank, the commercial banks, and one development bank (SOFIDE). These institutions are based in Kinshasa, but some, notably the larger commercial banks, have branches in most major centers in the interior. The Central Bank (BDZ) is responsible for regulating all the financial institutions in the country and for establishing and administering national monetary and credit policies. BDZ also manages Zaire's international reserves, as well as being in charge of Zaire's import licensing and foreign exchange controls systems, which it administers with the assistance of the commercial banks. As a financial institution, BDZ also lends to Government but not to public enterprises which are considered as part of the private sector as far as credit is concerned.

There are eight commercial banks with a total of 46 branches throughout Zaire. The Banque Commerciale Zairoise (an affiliate of the Belgian Societe' Generale de Banque) is by far the largest, with deposits accounting for more than 60% of all commercial banks' deposits, and 20 branch offices. The second largest is the Banque du Peuple, which is 100% state-owned, and the third largest is the Union Zairoise de Banques (UZB). Others include the almost fully Zairian-owned Banque de Kinshasa, the Banque Internationale pour l'Afrique Occidentale (BIAO), First National City Bank and Barclays Bank. Deteriorating economic conditions, high inflation rates, and maximum interest rates on commercial bank credit have meant that commercial banks have become reluctant to make medium or long term loans. Thus, most of their lending is short-term, although through some revolving, short-term credits they have also contributed to financing industrial investment, in conjunction with SOFIDE financing on some projects. Additionally, the commercial banks play an important role in the financing of imports and exports, in which they are regulated by the Central Bank. The principal source of long term finance, and only non-governmental source of term foreign exchange financing, is SOFIDE.

Credit Control and Interest Rates

During the year of economic boom in 1973 and 1974, credit controls were progressively relaxed permitting rapid growth in the money supply. In 1974, the credit ceilings limiting the volume of commercial banking operations were replaced with an obligatory reserve requirement system, and in 1975 the reserve requirements of commercial banks were raised from 40% to 45% in order to hold down expansion of credit. Having been abandoned in 1977 and replaced once more by credit ceilings, in early 1979, reserve requirements were reintroduced, commercial banks having to deposit 25% of their liabilities with BDZ. The credit ceilings system was also retained, limiting the overall volume of credit a commercial bank could provide over a given quarter, in relation to the volume of its deposits at the beginning of that quarter. Individual ceilings also were established within that overall limit regulating the relative proportions of commercial bank lending to different priority sectors and uses, e.g., agriculture, industry, commerce, transport, and local production of essential goods with a small residual remaining for other loans. Maximum interest rates on commercial bank loans were raised somewhat to between 7.5% and 20%, effective January 1979.

The decline in economic production, limitations on imports, limited convertibility of the currency, and reluctance to make term investments, have contributed to the commercial banks being highly liquid, until the reintroduction in January 1979 of reserve requirements to reduce excess liquidities. Given the limited scope for traditional commercial banking activities and the reluctance of the commercial banking systems to seek new sectors of investment, the onlending rates prior to January 1979 played little role in the allocation of local currency resources. However, the new interest rate structure introduced in January 1979 is expected to have a somewhat greater impact on resource allocation.

Inflation

Over the past three years, inflation has averaged 87% per annum (60% in 1977, over 100% in 1978 and 100% in 1979). Major contributing factors include: (1) reduction in supply of goods both imported and domestic coupled with declining but still excessive demand; (2) expansion of the money supply, in particular until early 1975; and (3) the impact of worldwide inflation on Zaire's imports. For the next three years, IBRD estimates that inflation may be 60% in 1980, 40% in 1981 and 30% in 1982.

I. AGRICULTURE CREDIT NEEDS

Credit needs in the agricultural sector can be divided into four broad categories:

1. Production credit;
2. Medium-term credit for small to middle-size borrowers;
3. Medium-term credit for large, corporate borrowers, including parastatal organizations; and
4. Credit for food marketing and stabilization.

Production Credit

Production credit is to finance short-term production inputs such as seed, fertilizer, insecticides, and other costs associated with land preparation, planting, cultivation, control of diseases and insects, and harvesting. In Zaire, financing of this type is provided almost exclusively by private sources. Large farmers and corporate producers have limited access to funds through SOFIDE, partly for production credit. Some small farmers are able to obtain small amounts of production credit through religious organizations such as Progress Populaire (Catholic), Eglise du Christ au Zaire (ECZ), Group Technique Central, and cooperatives, although there are very few cooperatives in the country which provide credit. FAO has proposed a new project to initiate production credit facilities within the rural development division of the Ministry of Agriculture. However, this proposal has not yet been approved and probably would not be ready to disperse significant amounts of loans for two to three years.

M. Raynal is an FAO agricultural credit advisor who formerly worked with SOFIDE, to help organize the SOFIDE agriculture department. However, SOFIDE has no credit program oriented to the small farmers. Two proposals were put forward in order to assist the small farmers, but they were turned down. Therefore, small farmers didn't have access to SOFIDE credit, given SOFIDE collateral conditions, and other required guarantees. With the FAO assistance, M. Raynal is developing an agriculture credit project, within the Department of Rural Development, directed to the small farmers.

The first phase of the project will be to launch two pilot projects in the Banza-Ngungu (Bas-Zaire region) and the Kwilu (Bandundu region) areas. Credits will be made to small farmers through projects (vegetable project in Banza-Ngungu and maize project in Kwilu) and cooperatives. The credit will be mostly for production (one to two years): tools, fertilizer, seeds will be provided. A small portion will be for marketing (three to six months).

Since credit will be made to the traditional sector, the FX component will be kept at a minimal level, most of the expenditures to be made in local currency (80%). The lending will start during the second semester of 1980, if funding is available to the project. The second phase of the program will focus on development of an agriculture credit institution, which will cover both the modern and the traditional sector.

In the past, the Department of Agriculture had an agriculture credit program called "Credit Agricole Controle". Credits were provided to large farmers in cash and in kind (equipments, materials, and other inputs). However, this experiment did not last very long since the Department of Agriculture was unable to collect repayments. The Department credit program is presently limited to agriculture inputs (seeds, fertilizer, small tools) provided to the small farmers through projects supervised by the department. These credits are repaid at harvest.

Since the small farmers have no access to credit made by private banks, the department believes that it is necessary to develop an institution specialized in agriculture credit. A study was made five years ago for such an institution but funding was not available.

The ONPV is providing credit to the small farmers in certain areas of the Bas-Zaire and Bandundu regions. The credit consists of agriculture inputs (e.g. hand tools, fertilizer, seeds, etc.) given to the farmers through projects or farmers organizations (cooperatives). The agriculture inputs distributed to the farmers are provided by foreign donors (e.g. Belgium, Japan, etc.). The repayment is made either in kind or in cash at the harvest of crops.

In 1979, given the large quantity of non-marketed cereals in the Kasai Occidental region, the GOZ decided to make funds available to ONPV in order to carry out marketing operations in that area. In August 22,000,000 from U.S. generated counterpart funds were loaned to ONPV for a period of six months and 5% interest rate. The ONPV, in turn, made sub-loans totaling 21,350,000 to mills operating in the concerned area. The difference or 2650,000 were used by ONPV to buy corn.

Medium-term Credit for Middle-size Borrowers

Small and middle-size borrowers need medium-term credit of two to five years duration to finance construction and expansion of buildings and tools and equipment. Part of the financing requires foreign exchange. At present, there is no lending institution providing this type of credit for loans averaging from 2150,000 to 2300,000 (\$50,000 to \$100,000). This group of farmers, with farm size ranging perhaps from ten to fifty hectares, has a recognized need for credit to expand productive operations and make them more efficient.

Medium-term Credit for Large Borrowers

Large corporate borrowers, including parastatal organizations, have access to a limited amount of credit through SOFIDE, which was established as a limited liability company in 1970. IDA and AFC were instrumental in creating SOFIDE, with IFC subscribing 19% of the initial share capital. Since then, IDA has granted four credits totaling U.S. \$35,000,000 and is considering a fifth credit of \$18.5 million. SOFIDE's objectives are to:

1. Provide economical and term loan finance for investment in the productive sector of the economy; and
2. Foster the distribution of shareholdings and development of a capital market in Zaire.

Subscribed share capital was 24,000,000 as of June 30, 1979, 40% provided by GOZ and Banque du Zaire, 9.45% by commercial banks, 14.82% by other private investors, 9.38% by IFC, 26.35% by foreign share holders, including Morgan Guaranty Corporation and Philadelphia National Investment Corporation.

Average investment costs per job for projects approved by SOFIDE have been \$30,000, which is high, reflecting emphasis on modernization and rehabilitation projects. At the end of 1979, SOFIDE had approved 263.7 million in manufacturing, transportation, construction, agriculture and agro-industry projects, of which 226.2 million (41%) were for agriculture and agro-industry. Most borrowers were corporate and parastatal organizations (See Annex III).

\$7.5 million of the new proposed IDA credit is for the agriculture sector. Thus far, SOFIDE loan maturity averages five years, including a one-year grace period. From 1982 onward, average maturity is expected to increase to eight years with two years grace period.

IDA and IFC require complete economic analysis, including calculation of the economic rate of return on all non-service sector projects, and full qualitative economic analysis for all small-scale enterprises and service sector projects. These rigid lending criteria, including collateral requirements, in effect, preclude utilization of SOFIDE credit by small and medium-size, non-corporate borrowers. Under the new IDA credit, SOFIDE will lend for fixed and working capital investments at 15% annually, plus commitment and appraisal fees, with the foreign exchange risk being borne by all medium and large scale industrial and agricultural service borrowers. Small scale enterprises are defined as Zaire-owned enterprises with total assets not exceeding U.S. \$100,000 equivalent, for which IDA funds will be loaned to agricultural borrowers at an interest rate of 15%, with the Government taking the foreign exchange risk for a fee of 2.5%. SOFIDE's debt/equity ratio is to be maintained at 5:1.

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Food Marketing and Stabilization

Many developing countries have major organizations with responsibilities to stabilize fluctuations in market prices of farm commodities, particularly cereals, and to finance the marketing and distribution of agricultural products. To former British countries these organizations actually are known as produce marketing boards or marketing companies. In the Philippines, for example, the National Grain Authority is responsible for purchasing and releasing grains in the open market to moderate fluctuations in food grain prices. In Zaire there is no similar marketing board or grain management fund, even for rice or maize, the main food crops. Financing of marketing is almost exclusively a function of private traders, with the exception of ONPV (Office National des Produits Vivriers).

III. USES OF COUNTERPART FUNDS

The Secretariate for counterpart funds under the Commissariat General du Plan, in cooperation with USAID, implements the 1979 Title I agreement signed July 27, 1979. The GOZ is required to submit a plan for the distribution of rice under the agreement. USAID and representatives of the Commissariat General of Plan meet quarterly to plan and program allocations from counterpart fund accounts. Agreement on programming of counterpart funds is finalized through an exchange of letters between the Commissariat General of Plan and USAID. No disbursements are permitted until the budgets have been accepted in writing by both parties. Use of counterpart funds are in accordance with the objectives of Title I sales agreements and other loan agreements, including amendments and written understandings. When counterpart funds have been programmed by joint GOZ/USAID projects, a Project Agreement must be approved by the Commissariat General of Plan. Counterpart funds are released by the Commissariat General of Plan on receipt of a signed Project Agreement. For other uses, a project description and budget is provided by GOZ to USAID, and agreement on programming of such uses is accomplished by exchange of letters.

The Rice Culture Fund to revitalize rice production is funded by deposits of the difference between the selling price of the 1979 PL-480 rice and its cost price, plus 22% profit margin, and is deposited in the FY 1979 PL-480 Title I special account in the Bank of Zaire. Small self-help projects, usually under 210,000, are funded through a trust fund administered by USAID.

Commissariat General of Plan reports monthly on the status of counterpart accounts and makes a quarterly activity report to the USAID/Controller.

Item 6 of the 1979 agreement specifies that proceeds and taxes accruing to the GOZ from the sale of PL-480 commodities will be used for economic development projects which directly benefit needy people. The specific programs authorized are summarized in Annex 2 (attached). About 41% of the counterpart funds programmed for CY 1980 is for joint USAID/GOZ projects, and 53% is for projects and activities proposed by the Commissariat General of Plan.

Compliance with the procedures has been generally satisfactory with the primary exception of certain funds released by the GOZ without concurrence in writing by USAID. The GOZ subsequently has restored these funds. While compliance with the provisions of the agreement has been generally acceptable, USAID has expressed dissatisfaction with the provisions of the agreement and memoranda of understanding which, for example, have not explicitly precluded loans to private individuals, who also are officials of the GOZ, and have not required

standard project analysis procedures for assessing economic and financial feasibility of proposed projects. No limit has been placed on the size of loans. Possible modifications of the guidelines are discussed below.

Utilization of counterpart funds by religious groups has been hampered significantly by delays and weak administrative procedures in the Commissariat du Plan.

The Eglise du Christ au Zaire represents 6 1/2 million Zairians in 50 Protestant denominations. Through its Development Secretariat's (Groupe technique Centrale) efforts, thirty-five rural development centers in nine regions of Zaire receive various funding inputs which serve as revolving funds to increase agricultural productivity, (production credits). In Bandundu region, an agricultural loan fund, MEDA, has funded over 95 loans (medium term) at low interest to small village or parish-level cooperative agricultural efforts. The EX? nationally has drawn up a plan to extend the MEDA experience to the other eight regions. The ECZ has a national loan fund, ECLOF (Ecumenical Cooperative Loan Fund) which has made many loans to the agricultural sector, presently assisting the transport of agricultural products to markets (marketing credits).

IV. POLICY ISSUES

Hyper-inflation

As indicated above, the Zaire economy has experienced up to 100% inflation during the last three years. The IBRD has characterized the situation as a crisis in its latest report (Zaire Economic Memorandum, October 1979). Production in all sectors has declined sharply. An important element in the decline has been the absence or ineffectiveness of GOZ measures to maintain profitability of production and export. Particularly damaging was failure to adapt producers' prices, interest rates, and the foreign exchange rate to the rapid rise of domestic inflation. The scarcity of imports has severely restrained production, particularly in manufacturing. In the agricultural sector, imports of agricultural inputs, such as fertilizers and pesticides, were 80% lower in 1977 than in 1974. Zairianization and nationalization measures also contributed to reduced production efficiency. Overvaluation of the currency did not allow producers to take full advantage of export opportunities; increasingly negative interest rates encouraged capital flight and dissaving; and erratic price policies discouraged both production and investment. The main beneficiaries of high inflation were relatively high-income groups and the commercial and public service sectors.

The production crisis and associated hyper-inflation have so altered relative prices and cost structures, distorted the pattern of production, and changed the role and behavior of economic agents, that it has become difficult to introduce policies to provide production incentives which are effective in all sectors. The IBRD Working Group on agriculture endorsed the approach of stimulating production through priority, integrated programs for major crops, which simultaneously addresses the problems of the producers' prices, inputs, credit, extension, marketing, and ownership.

Agriculture Sector Policies

The adequacy of producer incentives are so important to increasing agriculture production and success of agricultural credit programs that consideration should be given to a major reassessment of policies and performance of the agriculture sector. A Working Group in Agriculture, organized by IBRD, met in Kinshasa in March 1978. An agriculture sector assessment ideally would be conducted under the auspices of IBRD with strong encouragement of the consultative group. USAID should consider proposing a major agriculture assessment study for endorsement by the consultative group at its next meeting in May.

V. LONG-TERM USAID STRATEGY

Guidelines

Perhaps the primary objective for effective use of local currency proceeds is financing of development activities through devices such as revolving funds or development credit institutions which recycle the principal and interest payments, to the extent possible, for productive, investment activities rather than consumption or welfare programs.

Second, since the availability of A.I.D. staff for monitoring and administering uses of local currency is very limited, the guidelines should be implemented by a Zairian institution.

Third, since effective utilization of development funds requires standard project analysis and lending procedures, the administering institution should be, if possible, an experienced credit organization rather than an informal adjunct to an office of the Commissariat of Plan.

Fourth, uses of local currency should be consistent with national economic development policies.

Fifth, a ceiling of perhaps \$250,000 or Z600,000 should be placed on the size of loans.

Sixth, maximum loan size should be revised upward semi-annually, in proportion to the rate of inflation during the preceding 6-month period.

Seventh, GOZ and parastatal prices and incentive policies must be consistent with profitable agricultural production and repayment of principals.

Eighth, the Mission should adopt a firm, up-beat, positive attitude toward repayment requirements which permits no inference that USAID does not expect loans to be repaid. However, implementation of repayment requirements depends to a large extent on the integrity of the lending institution.

Ninth, financing should be limited to production and marketing of food crops, thereby excluding financing of cash, export crops.

Tenth, initiation of a major agricultural credit program should be undertaken in conjunction with a major reassessment of agricultural sector policies.

Specific Loan Criteria

For better assurance that loan currency proceeds satisfy the development objectives envisioned by Congress and USAID, a number of specific additional criteria can be included in the 1980 PL480 Title I Agreement.

1. Borrowers should be private individuals or groups, thereby excluding financing for government enterprises;
2. The maximum loan should be in the range of 2600,000, adjusted semi-annually for inflation;
3. Formal economic and financial analysis of all proposed projects;
4. Loans are to be devoted primarily to medium-term credit for tools, equipment and construction;
5. Amortization to correspond to the economic life of the items financed, averaging perhaps 5-7 years;
6. Credit should not be primarily for financing or marketing of food commodities; and
7. Government officials are ineligible borrowers while holding office.

IV. INTERIM PROCEDURES FOR FY 1980 PL480 AGREEMENT

Discussions during the past week suggest that, while there are many agricultural credit needs which are not supplied by public institutions, the most urgent need is for financing capital and equipment needs of small and medium size farmers. Since there is no government or semi-government institution to provide this credit, USAID should consider steps to encourage the GOZ to establish such an institution, while, in the interim, developing a nucleus of agricultural development expertise within the Commissariate of Plan.

In order for such a project to be undertaken with assurance of sound organizational and financial structure, a feasibility study should be made by a team of internationally recognized experts in agricultural credit in developing countries. Such a team would require up to 6 person months of consultative effort by 2 or 3 members. The objective of such a study would be to investigate the feasibility and appropriateness of establishing an autonomous, agricultural credit institution to serve primarily non-corporate, small and medium size farm credit requirements. In the interim, the Commissariate of Plan should be encouraged to identify an agricultural credit unit within its staff which would further formalize the development finance procedures for assessing the feasibility of loan applications to be financed by counterpart funds and for preparing the legal, organizational, and operational policies and procedures for an agricultural development bank.

ANNEX 1

Hadley Smith Meetings

4/11/80

Tuesday - April 15

Mr. Norman Sweet, USAID - Mission Director
Mr. Leland Voth, USAID - Chief Food and Agriculture Division
Mr. Kirschbaur, FAO - Agriculture Cooperative Advisor

Wednesday - April 16

Mr. Bob Johnson, US Embassy - Agricultural Attache'
Mr. Leonard Lange, US Embassy - Commercial Attache'
Mr. Renald, Dept of Rural Development
Cit. Mwamba, Office National de Promotion des Produits Vivriers (ONPV) -
Administrator - Commercial Director

Thursday, April 17

Cit. Mikobi, Department of Plan, Director of Counterpart Funds
Cit. Mubenga, Department of Agriculture - Bureau d'Etude
Mr. Jim Conway, ECZ - Group Technique Central
Mr. Marticou, SOFIDE - Director Generale
Cit. Mbagala, SOFIDE - Director of Agriculture Department
Cit. Kazadi, SOFIDE - D.C.

Friday, April 18

Ambassador Robert Oakley, US Embassy

ANNEX

Programming Counterpart Funds for CY 1980

A.	Joint USAID/GOZ projects and activities	228,183,203.00
B.	Projects and activities proposed by the General Commissariat of Plan	236,553,637.43
C.	Other proposed allocations	Z 4,100,000.00
D.	Catholic Relief Services (CRS)	Z 5,000,000.00
	TOTAL	<u>273,836,840.43</u>
		=====

PRM: 4/16/80

Programming Counterpart Funds for CY 1980

B. Projects and activities proposed by Plan	
1. Agriculture Projects Initiated by Individuals	Z 210,000,000.00
2. Public Organizations (including the FED road project)	Z 215,332,000.00
3. Missionaries and non-profit organizations (including CRS request)	Z 3,490,000.00 Z 5,000,000.00
4. Rice Culture Funds	Z 3,078,125.00
5. Anti-bottleneck Funds	Z 3,500,000.00
6. SFC operating budget	Z 283,512.43
7. Loan to Agro-Industry enterprises	Z 880,000.00
	<hr/>
TOTAL	Z 41,553,637.43
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PRM: 4/16/80

Programming Counterpart Funds | for CY 1980

A. Joint USAID/ONZ Projects

1. Health Systems Development	Z 632,000
2. Endemic Diseases	2,213,000
3. Ag. Economic Development	2,767,581
4. Nutrition Planning	2,337,500
5. N. Shaba Rural Development	2,276,939
6. INERA Support	2,004,000
7. Cassava Outreach	970,900
8. ERTS - Zaire	600,000
9. Project Design Trust Fund	200,000
10. Fish Culture Expansion	1,500,000
11. Self-Help Trust Fund	500,000
12. IMELOKO Project	450,000
13. KARAWA Project	413,367
14. Development Manpower Training	2,792,362
15. Communications Center	60,000
16. VITC CEDECO	86,550
17. AMDP/Zaire	875,804
18. Loan 025	4,070,000
19. Loan 026	1,483,200
20. IRT (Intermediate Rural Technology)	500,000
21. Ag. Sector Studies	370,000
22. IFA Rehabilitation	560,000
23. IRC (International Rescue Committee)	300,000
24. Travel Trust Fund	<u>200,000</u>
TOTAL	Z28,183,203

Programming Counterpart Funds for CY 1980

A. Joint USAID/GOZ projects and activities	228,183,203.00
B. Projects and activities proposed by the General Commissariat of Plan	236,553,637.43
C. Other proposed allocations	<u>24,100,000.00</u>
Total	268,836,840.43

PRM: 4/16/80

3. Agriculture and Agro-Industry

76 borrowings

Project	Sector	Activity	Type of Project	Project Location	Estimated Total Project Costs (\$'000s)	Proposed SWDIB Investment (Amount \$'000s)
46. FENKAS	Mixed Swartop	Livestock, Poultry, Maize	Rehabilitation	Kasai Occidental	600	300
47. LAHBA	Livestock	Poultry	New	Kinshasa	5,350	2,000
48. LADRE	Livestock	Poultry	New	Kinshasa	850	425
49. KATUBU	Livestock	Cattle & Goats	New	n.e.	115	92
50. WEMBA	Agriculture	Vegetables	Expansion	Bandundu	150	100
51. KITE	Agro-Industry	Oil Mill	Rehabilitation	Bandundu	88	66
52. BOMBA	Agro-Industry	Coffee Processing	Expansion	Equateur	112	72
53. BAMBUBU	Agro-Industry	Oil Mill	Rehabilitation	Bandundu	200	150
54. KIS. FELD	Agro-Industry	Rice Mills	Modernization	Kasai Oriental	200	150
55. CHONGAF	Agro-Industry	Textilestry & Saw Mill	Expansion	Kasai	200	150
56. BOPUTUBU	Livestock	Cattle	Expansion	Shaba	200	150
57. BOMBI	Livestock	Poultry	Expansion	Shaba	200	150
58. B.S. KANBU	Livestock	Cattle	New	Bas Zaire	150	110
59. B.S. SABBATA	Livestock	Cattle	Expansion	Bandundu	200	100
60. B.S. KANGZ	Livestock	Pigs & Poultry	Expansion	Bandundu	250	120
61. B.S. MACKIZINGUA	Livestock	Cattle	Expansion	Shaba	150	100
62. B.S. TSHIKALA	Livestock	Cattle	Expansion	Kivu	400	200
63. KAZARE MOKRA	Fisheries	Lake/River Fishing	Modernization	Shaba	200	150
64. BOMBI	Agro-Industry	Fishing & Processing	Modernization	Bas Zaire	200	150
65. BOMBI	Agriculture	Maize & Groundnuts	New	Kivu	300	220
66. KALONGA-LUKOMBOLO	Agro-Industry	Coffee & Coffee Processing	New	Shaba	460	350
67. N'SELE OKOVO	Agriculture	Vegetables	Modernization	Kasai Occidental	140	100
68. BOMBI BILONGO	Agriculture	Vegetables	Expansion	Equateur	354	177
69. BOMBI	Agriculture	Vegetables	New	Bas Zaire	15	12
70. KALONGA-TSHISYA	Agro-Industry	Coffee & Coffee Processing	Expansion	Equateur	145	116
71. Plantation LUTEYA	Agriculture	Tea	Rehabilitation	Bas Zaire	175	131
72. CHIMONCE NYANA	Agriculture	Vegetables & Chinchona	Expansion	Kivu	30	23
73. B.S. BOMBI	Agro-Industry	Coffee & Coffee Processing	Expansion	Kivu	200	150
74. MUKONITA SHABANDU	Agro-Industry	Coffee & Coffee Processing	Rehabilitation	Kivu	200	150
75. TELA	Agriculture	Maize Cultivation	Rehabilitation	Kivu	250	180
76. BAFIT	Agriculture	Vegetables	New	Bas Zaire/Bandundu	400	200
77. BILAMBA	Agriculture/Agro-Industry	Vegetables & Flour Milling	Expansion	Haut Zaire	300	220
78. BECA	Agriculture	Coffee Plantation	New	Bandundu	1,500	750
79. Baiterie de KIBETI	Agro-Industry	Oil Mill (Transport Equipment)	Modernization	Equateur	300	200
80. DIONCE WANA	Agro-Industry	Rice Mill	Modernization	Bandundu	50	35
81. B.S. BAKAJIRA	Agro-Industry	Coffee & Coffee Processing	Modernization	Bandundu	48	33
82. YENGE B'IDOMI	Agro-Industry	Coffee & Coffee Processing	Modernization	Kasai Occidental	300	220
83. B.S. S. Y.	Agro-Industry	Oil Mill	New	Equateur	100	50
84. BOMBA-TSHILAU	Agro-Industry	Coffee Processing	Modernization	Bas Zaire	650	350
85. BILILEKOR	Agro-Industry	Oil Mill (Transport Equipment)	Modernization	Haut Zaire	200	150
86. BILILEKOR DE KISOLA	Agro-Industry	Oil Mill (Transport Equipment)	Modernization	Kasai Occidental	100	80
87. BOMBA	Agro-Industry	Coffee Processing	Modernization	Bandundu	150	120
88. Plantation MUYINGA	Agro-Industry	Coffee Processing	Expansion	Kivu	300	200
89. BILILEKOR	Transportation	Lake/River transport of Vegetables	Modernization	Kasai Occidental	60	45
90. MALISON ASSA	Forestry	Logging	New	Equateur	600	300
91. MALISON ASSA	Forestry	Logging	Modernization	Haut Zaire	200	150
92. P.A.P.	Fisheries	Fish smoking plant	Modernization & Expansion	Shaba	1,820	1,365
93. TRELARI MADIKA	Livestock	Cattle	Expansion	Bandundu	600	450
94. SHAMBA MULARURA	Agriculture	Transport Equipment	Expansion	Shaba	320	240
95. TSHINGARICA	Livestock	Cattle	Expansion	Kivu	300	230
96. Generalees Agricoles Forestieres	Forestry	Logging & Wood Transport	Expansion	Shaba	450	340
97. Ste de Cultures au Zaire	Agriculture	Oil Farm Plantation	Expansion	Bas Zaire	1,500	1,200
98. ZENZI	Agriculture	Transport & Agricultural Equipment	Expansion	Equateur	1,000	750
99. SIDIURI	Agriculture	Transport & Agricultural Equipment	Expansion	Equateur	250	190
100. B.S. MALINDA	Agro-Industry	Processing of Coffee, rice & maize	Expansion	Haut Zaire	250	190
101. BOMBI	Agro-Industry	Processing of Coffee, rice & maize	Expansion	Kasai Occidental	624	330
102. BOMBI	Agriculture	Vegetable Oil Processing	Expansion	Kasai Occidental	624	330
103. BOMBI	Agriculture	Maize	n.e.	Bandundu	514	300
104. BOMBI	Agriculture	Maize	New	Shaba	4,000	2,000
105. BOMBI	Agriculture	Fruit & Vegetables	Expansion	Kinshasa	1,780	900
106. BOMBI	Agriculture	Maize	Expansion	Bas Zaire	380	290
107. BOMBI	Agro-Industry	Processing of fruit & veg.	n.e.	Kasai Oriental	650	470
108. BOMBI	Agriculture	Maize	New	Bas Zaire	400	250
109. BOMBI	Agro-Industry	Tea Processing	Modernization/Expansion	Kivu	2,000	1,000
110. BOMBI	Livestock	Cattle	Expansion	Kivu	700	500
111. BOMBI	Agro-Industry	Coffee Processing	Expansion	Haut Zaire	600	400
112. BOMBI	Agro-Industry	Milk Processing & Dairy Prod.	Expansion	Kivu	2,000	1,500
113. BOMBI	Livestock	Cattle	Expansion	Shaba	700	400
114. BOMBI	Livestock	Cattle	New	Shaba	400	300
115. BOMBI	Livestock	Cattle	New	Shaba	400	300
116. BOMBI	Livestock	Cattle	New	Shaba	400	300
117. BOMBI	Livestock	Cattle	New	Shaba	400	300
118. BOMBI	Agro-Industry	Coffee Processing	n.e.	Haut Zaire	300	230
119. BOMBI	Agro-Industry	Coffee Processing	n.e.	Kasai Oriental	500	350
120. BOMBI	Livestock	Cattle	n.e.	Kinshasa	1,600	800
121. BOMBI	Livestock	Cattle	n.e.	Haut Zaire	300	240
122. BOMBI	Livestock	Cattle	n.e.	Haut Zaire	300	240
123. BOMBI	Livestock	Cattle	n.e.	Shaba	500	400
124. BOMBI	Agro-Industry	Coffee Processing	Expansion	Kivu	200	150

ANNEX 13
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344,500