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REVIEW OF BANK TRAINING REQUIREMENTS - ABIDJAN

Bureau for Private Enterprise
U.S. Agency for International Development

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INTRODUCTION

A. Study Objectives

A major objective of this report was to assess the training needs of the Banque Ivorienne de Developpement Industrial (BIDI) and the Credit de la Cote d'Ivoire (CCI). These two development banks suspended operations after suffering heavy losses of at least CFA 23 billion (US$80 million). Plans are currently under way to reorganize the banks and, if the plans are approved, BIDI and CCI will be merged and recapitalized. Two other objectives of the study were to:

- o Assess local banking practices and training needs with a focus on subsequent regional application. The study emphasized, but was not limited to, evaluation of lending practices to small and medium sized firms.
- o Evaluate the feasibility and suitability of collaboration with the African Development Bank (ADB) in the development of training programs. (REDSO has a US$17 million program with the ADB for training and expertise.)

B. Methodology

The assignment was conducted during a five-day period in Abidjan by Eric Reynal and Maurice Claeys. Personnel interviewed included senior government and Central Bank officials, as well as senior management of large foreign-owned banks, international banks, small banks, development banks, and the African Development Bank. Interviews were also conducted with officials of the Bankers Association (APB), the Union Patronale de Cote d'Ivoire (UPACI), the Agency for the Promotion of Investments in Africa (APDF)--an affiliate of the International Finance Corporation--, and Coopers & Lybrand. Discussions were also held with Mr. Soungalo Traore, Provisional Administrator of BIDI/CCI regarding the loan recovery department.

The information gathering and needs determination phases of the assignment were fully completed. Due to the short time available, however, it was not possible to verify economic data and regulatory information or conduct an in-depth analysis of BIDI/CCI. Nevertheless, the consultants believe the general conclusions of the report are valid and reasonably accurate, although certain details may not be. Appendix B suggests some areas for further verification and follow-up by REDSO/Abidjan.

Two half-days were spent at REDSO for briefings and presentation of the report.

C. Organization of the Report

This report is organized in five sections. Section I provides a brief overview of the Ivory Coast's banking system.

Section II discusses lending practices to small and medium sized businesses.

Section III discusses the situation at BIDI/CCI and the proposed reorganization plan.

Section IV addresses bank training needs in the Ivory Coast.

Section V enumerates the principal recommendations of the report.

I. OVERVIEW OF THE BANKING SYSTEM

The economy of the Ivory Coast is experiencing a financial crisis occasioned in large part by sharp falls in the prices of its primary export commodities, coffee and cocoa. Of the country's five development banks, two (BICT and BNEC) were recently closed, and another two (BIDI/CCI) are in the midst of a major reorganization. The Agricultural Development Bank (BNDA), although still operative, is also reputed to have severe credit problems. Moreover, the portfolios of most banks are said to be experiencing high delinquency rates. This situation has coincided with, and perhaps been partly aggravated by, the liberalization of banking regulation and the consequent break-down of traditionally demarcated markets for different types of loans by specialized banks. The market for good loans is quite competitive, and spreads are rather low. For this reason, the market was often described as "overbanked".

In addition to the five development banks, the banking system of the Ivory Coast is comprised of four large foreign-owned commercial banks and some small consumer finance companies, mainly affiliates of the large banks. The foreign banks account for approximately 80% of total commercial bank holdings, while international banks account for 18% and small local banks for only 2%. Some attempts are being made to develop merchant banking and leasing on a limited scale.

II. LENDING TO SMALL AND MEDIUM SIZED FIRMS

Definitions of small and medium sized companies vary according to the source. The Central Bank defines "petits et moyennes entreprises" (PME) as those with not more than CFA 30 million (US$ 107 million) in total bank credit. The Code d'Investissements uses size of staff, 5 - 50, and investment needs, including credit, of CFA 40 - 200 million. The Ministry of Industry uses different criteria, including number of employees (up to 50) and/or sales. Thus, the Ministry's definition of PME's covers larger firms than that of the Central Bank. Because total borrowings are the only criterion employed by the Central Bank, the banks' PME portfolios consist of a bit of everything, from personal loans to tiny businesses to loans to larger concerns with low credit needs.

The narrow definition by the Central Bank of small and medium sized firms constitutes a problem in so far as an important target market, comprising enterprises of about 10 - 50 employees, is not well served. This sector picks up where a very small family business or second "moonlighting" activity by a government employee leaves off. Given the low credit limit set by the Central Bank, a limit which was established regionally for all member countries of the CFA zone, including countries poorer than the Ivory Coast, an important segment of the small loan sector is disregarded. This situation is particularly unfortunate in light of the fact that it is mainly at this level that there is any real benefit, and therefore motivation, for an entrepreneur to adopt systematic business practices, such as adequate accounting, to make the small firm credit-worthy. In addition, it is only at this level and above that incremental jobs get created and the economy is impacted favorably and to a meaningful degree.

In order to encourage loans to small enterprises, the Central Bank has fixed a quota for PME loans of 3% of each bank's loan portfolio. These loans enjoy a rediscount rate of 6.5% instead of the normal 8.5%, and the banks are obliged to apply a reduced spread of 3% instead of the normal 5%. Thus, the borrower pays 9.5% instead of 13.5%. (It should be noted that the motivation for banks to make loans to riskier borrowers which are more costly to administer at lower profitability is dubious.) This policy was intended to go hand in hand with a guarantee fund which unfortunately was not funded. As a result, many banks which had made loans to small businesses suffered significant financial losses. Apparently, in many instances, banks had lent with full reliance on the guarantee fund and had not undertaken a thorough analysis of the borrower or the means of repayment.

Most interviewees expressed dissatisfaction with the results of lending to the small loan sector. Officials of large banks complained that delinquency rates were as high as 70% with losses of about 20 - 25%. In light of this experience, compliance with Central Bank and other measures is mainly paid "lip service". Banks either try to fill their quotas with good personal loans disguised as small business loans or they simply do not fill their quota, in effect leaving the 3% interest subsidy at the Central Bank.

Aside from the interest subsidy and rediscount facility, which Central Bank officials say has never been fully used, several years ago the banks also sponsored and supported financially an effort to provide free accounting instruction to entrepreneurs in the PME sector. The program became inactive due to lack of interest. Some other government and private efforts reportedly have also been made by such organizations as the Syndicat des Commercants, Importateurs, Exportateurs et Distributeurs (SCIMPEX) and PROPARCO (mentioned in the Coopers & Lybrand report).

The African Development Bank is shifting its priorities in favor of the private sector and is interested in promoting small and medium sized businesses in the region. In addition, an office of the Agency for the Promotion of Investments in Africa (APDF), a financial engineering affiliate of the International Finance Corporation, was established in Abidjan to make "bankable" projects in the private sector. It has some 40 projects under study in the region of which 8 have reached the status of complete formal proposals. Because APDF's lower lending limit is $500,000 (up to $5 million), however, its target market is at the very upper end of small and medium sized business lending by most definitions.

The following are some common constraints to lending to small businesses in the Ivory Coast and in the region as a whole:

- Lack of differentiation between personal and business finance.

  Apparently, important cultural differences exist between Ivorian/African and Western criteria in this regard that go beyond issues such as corruption and misappropriation of funds. The influence and importance of the extended family (as opposed to an independent business) was often cited as an example.

- Inappropriate conceptualization of timely debt service.

  Bank loans are often viewed as a gift and there is little preoccupation with maintaining a solid credit reputation and keeping accurate accounting books. Such concepts are not widely accepted, especially at the lower end of the range, until there is a clear benefit to be derived. This usually comes with size and complexity of the enterprise.

- Inadequate technical and financial skills.

  Borrowers lack adequate technical and financial skills, and in some instances may not even be literate.

- Difficulties in registering and particularly in foreclosing/executing guarantees.

  Registration and foreclosure/execution of guarantees, whether personal or physical, is slow and unpredictable.

- Lack of techniques, expertise, and business experience among the development banks and, to some extent, the commercial banks.

  Commercial and development banks lack any specialized techniques or criteria for dealing with the problems associated with small business lending. Only one banker from a small local bank claimed to have good experience in this area, stemming from the bank's small size which allowed officials to be more selective, to know their customers better, and to follow their affairs closely.

For reasons which are not clear to the team, between 1981 and 1983 USAID participated in, and later withdrew from, a small business funding/guarantee program called the Conseil de l'Entente, as well as the "African Enterprises Program". The experiences with these programs should be examined since the offices are in Abidjan. The ex-US representative at the Conseil confirmed that the chief differentiating factors in the business are: 1) quality of management; 2) data processing and loan administration; 3) credit skills; and 4) country policies (i.e., whether policies are supportive of the private sector, serious business criteria, and so forth).

In spite of their dismal record, bankers were unanimous in their determination to continue lending to small businessmen, and large banks have dedicated units for PME lending. The reasons appear to be a combination of enlightened self-interest, belief that this sector is the key to national development, and awareness that the emphasis in official circles may be shifting toward support of private sector activities. This was confirmed by the African Development Bank.

The government fully supports strengthening and improving training in this sector, except for a preoccupation with the costs involved, notably the unhappy experience with bailing out the developent banks.

This section of the report relies solely on information provided to the consultants by banking officials. No interviews were conducted with representatives of the small business sector or of the Ministry of Industry. The AID mission could undertake a limited examination of the demand for small business credit and attempt a rough subdivision of the different market sectors (i.e. who needs what).

III. THE REORGANIZATION OF BIDI/CCI

The proposed merger between the Banque Ivorienne de Developpement (BIDI) and the Credit de la Cote d'Ivoire (CCI) involves two very different banks. The BIDI was created in 1964 to promote the industrial development of the Ivory Coast. Its shareholders included the Ivorian government, international lending institutions, and some foreign commercial banks. The bank made large industrial long-term loans and its client base was between 50 and 100 accounts. Until the late 70's, the BIDI appeared to be operating satisfactorily. However, a combination of bad loans, poor management and, reportedly, fraud led to dismissal of the management and to closure of the bank in 1984.

CCI was created in 1955 as a small business and real estate lending bank. It later expanded into the consumer sector. Its shareholders were the Ivorian government and French public authorities. The bank's collapse was slow but steady, as poor management and the lack of controls and procedures gradually caused a growing percentage of the portfolio to fall into arrears. The bank became illiquid and was closed down in 1986.

Mr. Soungalo Traore, Provisional Administrator of BIDI/CCI has been working for 18 months on cleaning up the banks' portfolio and developing a reorganization plan. The plan is largely complete, including detailed job descriptions. The reorganization will involve selling back to the government some CFA 30 billion (US$ 100 million) of non-performing loans to government and parastatal companies and/or other uncollectable loans, through offset against a similar amount of loans from the government. The Central Bank confirmed that this part of the plan has been accepted, despite objections by the foreign shareholders, who reportedly preferred an orderly liquidation of the bank. A shareholders meeting was held on April 10th, and another one is planned shortly to complete the approval procedures.

Mr. Traore's intention is to keep the best of BIDI's industrial loans as well as some of the consumer activities of CCI. He hopes to reorient the bank's activities to lending to small and medium sized firms with funding needs of between CFA 20 and 200 million, both on a long- and short-term basis. He plans to stress financial advice to customers and close control over use of funds and ongoing business performance, partly by taking small equity participations. His first priorities, however, are to get the portfolio fully under control, to reduce staff from 400 to 270 (<u>this has not yet been announced and should remain confidential</u>), and to install proper data processing, e.g. operating and information systems, both of which are presently lacking. Simultaneously, he will be retraining his staff, for all practical purposes from scratch. In Mr. Traore's view, this process may take up to two years because the bank has no formal procedures or information system. He is looking for assistance from shareholders, thus far unsuccessfully, as well as the United Nations Development Agency and REDSO.

The reorganization plan is regarded as a "gamble" by government authorities (and Coopers & Lybrand), but one which they evidently feel obliged to take given the situation at the banks. Mr. Traore, who left a promising career at the BIAO, has an MBA from Wake Forest and is highly regarded within the government and among local banks. His training needs are in the areas of credit to small businesses, basic banking and bank management, and loan recovery and remedial loan management. He plans to present a formal proposal for training to the REDSO mission in June for implementation in October.

IV. BANK TRAINING

There is a surprising amount of training available in the Ivory Coast. This is partly due to the existence of a 1.2% tax on all payrolls for companies with more than 50 employees, which produces about CFA 4 billion annually. Revenues can only be used for training; otherwise they are made available for use by other companies.

Training is based on somewhat outdated French official and private curricula. Trainees earn certificates, modelled on those in France, ranging from basic to more specialized and advanced. Outside trainers are used for technology, human relations, and other non-traditional subjects. The big banks have their own training centers and also send officers to Paris for training. The Association Professionale des Banques is taking on two additional staffs to upgrade their training.

Credit training is regarded as fairly good, but it is evident from the problems of the banking system that better training in credit and portfolio management techniques is needed. Small business lending, in particular, is an area in desperate need of training. No serious efforts have been undertaken yet by the commercial and development banks to develop skills in this area. Training in small business credit is particularly appropriate in light of the priorities of the African Development Bank.

Interviewees also expressed a need for training in the following areas:

- loan recovery and remedial loan management;
- bank marketing;
- human resource skills; and
- senior and middle management skills.

A perceived need for training in the latter areas was not unanimous, however, and a more thorough analysis of potential dove-tailing with existing courses as well as of local and regional needs would be adviseable before attempting to line up support or make a concentrated sales pitch for this training course.

V. RECOMMENDATIONS

The major conclusion of the review of bank lending practices in Cote d'Ivoire is that there is a critical need for training in the fundamentals of lending to small businesses. There are at least two reasons why this training is important:

- Small enterprises constitute an important target market of the commercial banking institutions in the Cote d'Ivoire. The commercial banks, however, are dissatisfied with the results of lending to this sector because of high delinquency rates. As a result, most banks are in noncompliance with the Central Bank's fixed quota for loans to "petits and moyennes entreprises" of 3% of each bank's loan porfolio. There is, nonetheless, interest among the commercial bankers in lending to this sector arising from widespread recognition that small and medium enterprises are the key to national development. Moreover, a substantial portion of the problem of delinquencies can be traced to inadequate training of bank staff in small business lending and loan management techniques.

- Lending to small enterprises will help promote the growth of private sector businesses in the Cote d'Ivoire. This objective is particularly timely given the African Development Bank's shift in priorities to favor the private sector, and its interest in promoting small and medium sized firms in the region. Increased lending to small enterprises would also help further AID's objectives of supporting private sector development.

The recommendations of this report, therefore, center around the provision of training for small business lending. The training program should cover three main areas:

- o Basic Analysis of a Small Business;
- o Tools for Assisting Customers in Managing their Business; and
- o Essentials of Loan Administration.

These areas should be covered during a one week workshop. The target audience should consist of lending officers from the BIDI/CCI and Ivorian commercial banks. Representatives of the Central Bank, the Ministries of Finance and Industry, the African Development Bank, UPACI, APB, neighboring countries, and REDSO could also be invited. In addition, a "mini-course" for senior management of 1/2 to 1 day should also be offered, so that the lending officers will not be left in a vacuum.

Attendance at the workshop should be limited to 25 people in order to facilitate dialogue and syndicate work on short, simple case studies. Two sessions should be scheduled so that at least 50 people will have an opportunity to participate in the training program.

Although REDSO could be the sole sponsor of the course, joint efforts should also be considered with the African Development Bank (ranging from simply using their facilities to some form of collaboration), the Central Bank, the Association Professionale des Banques, or a combination of these. It should be noted that during the course of the interviews, officers of the Central Bank expressed interest in "godfathering" such a course.

To be most effective, the courses should be delivered by an instructor who is fluent in French. Simultaneous translation would be unreliable for the subject matter, and difficult to provide in a workshop environment. If a local instructor is recruited to provide the training, he/she might assist in course design and perhaps spend some time at a successful US small business loan office.

The treatment of the course material should be extremely clear and pragmatic. A case study approach is highly recommended. In addition, extensive use should be made of simple caselets at frequent intervals. The emphasis should be on "hands on" knowledge of the borrowers' business and monitoring/control of their cash flows.

The following pages elaborate, in detailed course outline form, the main subjects that should be covered during the proposed training program.

FUNDAMENTALS OF SMALL BUSINESS LENDING

I. Basic Analysis of a Small Business

This section of the training program is envisioned as a three-part discussion consisting of a review of:

- o credit analysis techniques required to appraise a small business concern;
- o means of verifying financial information; and
- o methods for applying financial analysis tools to assess the riskiness of a small business.

In order to use time most effectively, it is recommended that participating officers be given the cases to be discussed in the workshop ahead of time, so that class discussion can focus primarily on analysis and resolution of the cases.

A. Credit Analysis Techniques: Appraising the Small Business Concern

This portion of the course should aim at reviewing basic accounting principles and giving lending officers the main tools of financial analysis and control. Since the level of expertise among participating lending officers may vary, it is important to use a case study approach to maintain interest and to demonstrate how accounting principals and financial analysis techniques can actually be applied.

1. Introduction

The introduction should provide an overview of the course and its main objectives. It should also establish the links between the 3 major sections of the course.

2. Review of Basic Accounting Tools

a. Derivation of Financial Statements

- o The Balance Sheet
  - Assets

- Liabilities
- Net Worth

o The Income Statement
- Expenses
- Income

3. The Small Business Environment: Typical Financial Problems

This section should discuss some of the constraints small businesses typically encounter in the Ivory Coast. It should also provide an overview of the types of problems banks in the country have encountered in lending to small businesses and how the course will help in overcoming these constraints. Input from the participants is highly desirable.

4. Financial Ratio Analysis

a. Introduction to Financial Analysis
   - o Use of Financial Ratios
   - o Limitations of Financial Ratio Analysis

b. Types of Ratios
   - o Liquidity Ratios
   - o Debt Ratios (Structure of Debt)
   - o Coverage Ratios (Ability to Pay Debt)
   - o Profitability Ratios
   - o Asset Management Ratios

B. Verifying Financial Information

This section of the course should stress the importance of verifying financial information, particularly in light of the fact that small business concerns in the Ivory Coast have no audited financial statements, if they have any statements at all. The instructor should highlight the importance of on-site visits by the lending officers to observe client operations and develop an understanding of the production process behind the customer's sales. On-site visits are appropriate both before and after credit is extended. Such visits can reveal much about a client's operations, and about the causes of cash shortages and other problems that affect repayment of the loan. The verification process should include the following:

1. **Assets**
2. **Cash**
3. **Receivables**
4. **Inventory**
5. **Other Credit**
6. **Net Worth**
7. **Other Guarantees**

C. ASSESSING THE RISKS OF A BUSINESS

This section of the course should demonstrate how financial statements and financial ratios can be used to assess the risks of a small business. This requires the use of trend analysis to evaluate the significance of financial information over time and in relation to other concerns in the same line of business. It also necessitates a thorough understanding of key financial relationships, such as the causes and effects of low cash or low profits. These relationships are best illustrated through the use of financial cause and effect diagrams.

Finally, this section should also consider the importance of financial impact considerations. This requires a thorough understanding of a client's business so that different "scenarios" can be contrived involving the key factors which may affect a particular business.

1. Trend Analysis

a. Evaluation of trends in financial information over time
b. Evaluation of a business concern relative to other companies in the same line of business

2. **Key Financial Relationships -- The Causes and Effects of:**
   a. Poor Liquidity
   b. Poor Gross Profit Margin and Net Profit Margin
   c. Poor Inventory Control
   d. Low Sales

3. **Financial Impact Calculations**

4. **Financial Projections/Forecasting**
   a. Cash Budgeting: Projection of Future Cash Receipts and Cash Disbursements
   b. Projected Income: Sales and Expense Forecasts
   c. Projected Sources and Uses of Working Capital

II. Tools for Assisting Customers in Managing their Business

The report outlined a number of common constraints to lending to small businesses in the Ivory Coast and in the region as a whole which suggest inadequate financial skills and experience by small businessmen. It is strongly recommended, therefore, that the workshop include a section designed to assist borrowers in managing their business. At this point in time, it is not recommended that AID undertake direct training assistance programs to small businessmen as there is a need to explore further the interest by the Central Bank and other banking institutions in providing this assistance themselves. As noted earlier in the report, efforts to provide free accounting instruction to entrepreneurs in the small sector have been supported by banks in previous years. The problem, however, was a lack of interest on the part of the small entrepreneurs.

A. Assisting Customers in Preparing Cash Budgets and Profit Plans

B. Assisting Customers in Understanding Important Financial Relationships

1. Understanding Differences Between Profit and Cash Flow

2. Understanding Cost, Volume, and Profit Relationships

a. Calculating a Customer's Break-Even Point

C. Assessing the Impact of Seasonal Patterns

D. Assisting the Customer in Structuring Debt

1. Forecasting Short-Term Credit Needs

III. Essentials of Loan Administration

This section of the course should stress the importance of loan management and highlight the close relationship between adequate credit analysis (step I of the course) and good loan management.

It is recommended that the "mini-course" for senior officers focus primarily on the essentials of close loan administration, using a similar structure to the one that will be presented in this section. The "mini-course" could start with a discussion of the small business environment and the role of small businesses in the economic development of the Ivory Coast and the region as a whole, followed by a presentation of the basic tools for loan management.

Loan administration consists of four important steps, all of which should be touched upon during the course of the training program. The steps are the following:

A) The Credit Application Package

1. Credit Application Procedures

2. Credit Analysis

This issue was already covered in section I of the training program. At this point, what should be stressed is the importance of conducting a thorough credit analysis of the firm before extending credit, and how this analysis will serve as the basis of the loan administration process later on.

a. Assessing the risks of the business concern
b. Preparing Financial Projections

3. Bank & Trade Checkings: References

B) Problem Loan Identification and Management

1. Monitoring Customer Performance

This involves the routine gathering of information from the customer, the bank's internal information system, and other sources such as suppliers and creditors of the business concern.

a. Setting up a Monitoring System

It is recommended that a simple reporting format be used that will enable the bank to:

- o Monitor actual performance
- o Compare actual performance with expected performance
- o Determine whether variations from expected performance are good or bad.

b. Frequency of Monitoring

The frequency of monitoring depends on the type of loan extended. Short-term loans require more frequent monitoring (i.e., every month), while long-term loans can be monitored quarterly. It is generally recommended that small business loans be monitored at a minimum every 30 days.

c. Sources of Information:

- o the borrower
- o the bank
- o other external sources
  - suppliers
  - other financial institutions
  - public media

2. Controlling the Portfolio

- o liability ledger
- o tickers & follow-ups
- o past due reporting
- o visits and call memoranda

C) Review and Evaluation of Problem Loans

1. Typical Warning Signs

- o Unexpected borrowing requests
- o Inability to meet commitments on schedule
- o Recurrence of problems presumed solved
- o Noncompliance with terms of loan agreement
- o Others

2. Assessing the Severity of the Problem

a. Types of Problems

- o Temporary
- o Timing
- o Serious

b. Investigating the Causes of Trouble

- o Importance of on-site visits
- o Maintenance of a close relationship with the customer

D. Problem Loan Strategies: Taking Action

1. Importance of Collateral Management

2. Documentation and Legal Procedures

3. Workout Credits

4. Loan Renegotiation

5. Loan Restructuring

The following pages suggest one way in which the course might be organized.

FUNDAMENTALS OF SMALL BUSINESS LENDING

DAY 1

9:00 - 9:15	Introduction
9:15 - 10:15	Review of Basic Accounting Tools
10:15 - 10:30	Break
10:30 - 12:00	The Small Business Environment
12:00 - 1:00	Lunch
1:00 - 2:30	Case Discussion
2:30 - 4:45	Financial Ratio Analysis
4:45 - 5:00	Conclusion

DAY 2

9:00 - 10:30	Case Discussion
10:30 - 10:45	Break
10:45 - 12:15	Verifying Financial Information
12:15 - 1:15	Lunch
1:15 - 2:15	Trend Analysis
2:15 - 3:30	Key Financial Relationships Using Cause and Effect Diagrams
3:30 - 3:45	Break
3:45 - 4:45	Financial Impact Calculations
4:45 - 5:00	Conclusion

DAY 3

9:00 - 10:30	Financial Projections/Forecasting
10:30 - 12:00	Financial Projections/Forecasting
12:00 - 1:00	Lunch
1:00 - 2:30	Case Studies on Risk Assessment Using Above Techniques
2:30 - 2:45	Break
2:45 - 4:45	Continued Case Discussion
4:45 - 5:00	Conclusion

DAY 4

9:00 - 10:30	Tools for Assisting Customers in Managing Their Business
10:30 - 10:45	Break
10:45 - 12:00	Assisting Customers in Preparing Cash Budgets and Profit Plans
12:00 - 1:00	Lunch
1:00 - 2:30	Assisting Customers in Understanding Important Financial Relationships
2:30 - 2:45	Break
2:45 - 3:30	Assessing the Impact of Seasonal Patterns
3:30 - 4:45	Assisting the Customer in Structuring Debt
4:45 - 5:00	Conclusion

DAY 5

9:00 - 10:30	The Credit Application Package
10:30 - 10:45	Break
10:45 - 12:00	Problem Loan Identification and Management
12:00 - 1:00	Lunch
1:00 - 2:30	Review and Evaluation of Problem Loans
2:30 - 2:45	Break
2:45 - 4:45	Problem Loan Strategies
4:45 - 5:00	Conclusion

APPENDIX A: LIST OF INTERVIEWS

Ivory Coast Bankers

Mr. M. Diop, VP & Country Corporate Officer, Citibank NA
M. S. Traore, Provisional Administrator, BIDI/CCI
M. M. Kouaku, General Secretary, Banque Atlantique
M. A. Borg, Head of Branches, Societe Generale de Banques
M. P. Kouame, President, Banque Nationale pour le Developpement Agricole
M. B. Bire, Managing Director, BCIAO
M. J. Delafosse, Director, Societe Generale de Banques
M. K. Tanoh, Head Small Business Unit, SGB
M. A. Yeo, Manager, SGB Merchant Bank

African Development Bank

Mr. Donald Sherk, US Executive Director
Mr. Peter Rwelamira, Officer in Charge, Private Sector Promotion Division
Mr. Craig Olson, Former US Director, Conseil de l'Entente
Mr. Souleymane Sow, Chief Western Division, Banks & Industries
Mr. G.R. Aithnard, Director of Training
Dr. Kweku Andah, Director, External Training Program

Government

M. Lamine Diabate, Minister of State
Mme. Viviane M.E. Zunon Kipre, Acting National Division Head, BCEAO

Professional Associations and Other

M. Teissier, Director, Association Professionale de Banques
M. Debuisser, Director of Training, Union Patronale de la Cote d'Ivoire UPACI
M. Bernard Delomonie, Managing Partner, Coopers & Lybrand
M. Sekou Soumahoro, Investment Counsellor, APDF
M. Kouadio, General Manager, Centre Ivoirien de Gestion de l'Entreprise CIGE
Ms. Mary Friedel, Director, S.A. Intercon

APPENDIX B: SUGGESTED ITEMS FOR REDSO FOLLOW-UP

- Contact Ministry of Finance
- Contact Ministry of Industry
- Investigate first-hand Ivorian small business credit needs and attempt some simple needs sectorisation by industry or activity
- Check other programs such as SCIMPEX and PROPARCO
- Contact Wally Daniels at IFC - Small Enterprises
- Contact Abidjan office Conseil de l'Entente for their experience - Craig Olson at ADB can facilitate
- Obtain and analyze APB curricula for Ivorian Bankers
- Consider tie-in with PRE Revolving Loan Program, if I.C. deemed attractive for that program