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AN EVALUATION

of

AID's  
AFRICAN ENTERPRISE LOAN

to the

MUTUAL AID AND GUARANTY FUND

of the

COUNCIL OF THE ENTENTE STATES

to

ASSIST SMALL AFRICAN ENTERPRISES AND ENTREPRENEURS

625-0717

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by

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Council of the Entente States

(Conseil de l'Entente)

Ivory Coast	Republique de Cote d'Ivoire
Benin	Republique Populaire de Benin
Togo	Republique Togolaise
Upper Volta	Republique de Haute Volta
Niger	Republique de Niger

Development Banks

CCI	Credit de la Cote d'Ivoire Abidjan, Ivory Coast
BIDI	Banque Ivoirienne de Developpement Industriel Abidjan, Ivory Coast
BBD	Banque Benoise Pour le Developpement Cotonou, Benin
BTD	Banque Togolaise de Developpement Lome, Togo
BND	Banque Nationale de Developpement de Haute Volta Ouagadougou, Upper Volta
BDRN	Banque de Developpement de la Republique du Niger Niamey, Niger

## Introduction

This evaluation results from nine weeks of field work in the five Entente States followed by three weeks of analysis in Washington, D. C. The presentation begins with a brief history of the African Enterprise Program followed by summarized data on the loans made to the ultimate beneficiaries. Next is a description of the structural channels through which flowed the funds, loan decisions and technical assistance provided under the program. Program accomplishments, and the structure through which they have been realized, are then related to the program's objectives, which in turn are evaluated. Deductions from the materials thus presented are contained in the last section on recommendations.

Complete data were available on loans through June 30, 1978. For consistency in comparison, the several analytical tables cover this same set of loans. Tangential effects and actual results are covered through the last day of field work, December 18.

Where CFA currency is translated into U.S. dollars a uniform rate of 200 CFA per U.S. dollar is used. The actual local rate on arrival (October 17) was 195; on January 5, 1979 it was 212. Actual rates varied considerably over the four-year period of program operations.

## I. PROGRAM HISTORY

### A. Origin of concept

The Program's concept originated in January 1968 in OCAM ("The Common Organization for Africa", comprising fourteen French-speaking African countries). The stated objective was "Africanization" of existing enterprises and "promotion of new African enterprises." This occurred at the end of the first decade of emergence of independent African nations; it followed a period of some four centuries of increasing influence of the European powers in Africa, culminating in a century of their control over most of the African continent, as colonies. The introduction of European cultures, political structures and industrial activities gathered momentum over the last half of this century of control. The results included, inter-alia, the organization of African economic and commercial activities within a framework patterned upon the then prevailing European structure of democracies based upon self-government and private enterprise. However, although the African colonies became independent states, their economic activities continued to be dominated by commercial entities which for the most part were established, controlled and managed by private entrepreneurs and nationals of the former European colonial powers.

It was natural and inevitable, therefore, that progress towards economic as well as political independence should include the desire and objective to "Africanize" the controlling levels of existing enterprises, as well

as to encourage emerging "African" enterprises and entrepreneurs.

The degree of success in this endeavor could be said to reflect the degree of success in completing the process of transition from colonies to fully independent nations. The Program's conceptual origin and original objectives thus reflect an inherent and important facet of the metamorphosis of African colonies into fully independent African nations.

### B. Evolution of the Program

In the spring of 1969 the Program's concept moved towards action when the Conseil de l'Entente (organized by the Presidents of five of the OCAM countries located in West Africa) was directed to assist in the development of an "African Enterprise" program in its five countries. The Conseil then requested assistance from U. S. AID.

In June 1969 AID responded by financing a study of "The Feasibility of a Regional Program to Encourage African Entrepreneurs in the Entente Countries." This early study generated the basic structure and technical assistance framework required for such a proposed program (obviously based, as subsequently indicated, on the conditions and environment then extant, some ten years ago).

In late 1971 AID and the Conseil together conducted a subsequent survey which indicated the desire for such a program by the five entente countries, and the necessity of providing not only technical assistance

but also financial resources, to serve as a catalyst to induce effective program action and results.

In late 1971 AID financed a further study on "The Development of African Enterprises in the Entente Countries," which substantiated the need for financial resources to permit such an assistance program to be effective.

In June 1972 AID authorized a loan of \$10.0 million to the Conseil, to implement an "African Enterprise" program. The loan was signed by AID and the Conseil in March 1973. By 1975 the \$10.0 million loan funds thus made available had been exhausted, and a further loan was requested.

In early 1975 AID carried out an evaluation of the results of the first loan, and a second loan of \$10.0 million was proposed and initiated in early 1976.

By mid-1978 this loan was being rapidly depleted, and consideration was given to the form, content and amount of possible further AID assistance to the Program. The present evaluation is a part of this process of consideration.

## II. LOANS TO ENTREPRENEURS

### A. Total

Loans totalled CFA 2,547.239 million (430 loans) as of December 31, 1978. CFA 1,746.581 million (299 loans) were from the first tranche, and CFA 800.658 million (131 loans) were from the second. Uniformly detailed data were available on CFA 2,304.295 million (397 loans) as of June 30, 1978.

### B. Relation to population

There is a considerable difference in total loans in relation to population, as shown by the following tables.

	<u>Population (m) (1)</u>		<u>Percent increase</u>	
	<u>1970</u>	<u>1975</u>	<u>Annual</u>	<u>1970-75</u>
Ivory Coast	4.310	4.885	2.5%	13.3%
Benin	2.718	3.112	2.7	14.5
Togo	1.960	2.222	2.5	13.4
Upper Volta	5.380	6.032	2.3	12.1
Niger	<u>4.024</u>	<u>4.600</u>	2.7	14.3
Total	18.392	20.851	2.5	13.4

(1) UN Statistical Yearbook, 1976

Loans Related to Population

	<u>Loans (billion CFA)</u>	<u>Popula- tion</u>	<u>Billion CFA per million population</u>	<u>Index</u>
Upper Volta	.239	6.032	.040	100
Niger	.344	4.600	.075	188
Benin	.341	3.112	.110	275
Togo	.376	2.222	.169	423
Ivory Coast	<u>1.004</u>	<u>4.885</u>	.206	515
Total	2.304	20.851	.110	

When the entire second tranche is applied, total loans in million U.S. dollars (17.5) per million population projected to 1980 (at the same rate of increase as from 1970 to 1975 and in the same proportion of loans between countries as in the past) would result in the following relation.

Projected Relation to Population

	<u>Loans (million U.S. \$)</u>	<u>Projected population (millions)</u>	<u>Million U.S.\$ per million population</u>	<u>Index</u>
Upper Volta	1.8	6.684	.269	100
Niger	2.6	5.176	.502	187
Benin	2.6	3.506	.742	276
Togo	2.9	2.484	1.167	434
Ivory Coast	<u>7.6</u>	<u>5.460</u>	1.392	517
Total	17.5	23.310	.751	

Total loan amount, in relation to population, has been concentrated most heavily in the Ivory Coast, less so in Togo and Benin, and least of all in Niger and Upper Volta. This would appear to be in reverse ratio to the need. Ivory Coast is the most advanced country in terms of the opportunities offered to and accomplishments of entrepreneurs, while Niger and Upper Volta exhibit the least evidence of existence of a modern entrepreneurial class. With population increase being less in Upper Volta than in the other countries, the trend is for a greater future imbalance in this aspect. If only one of the two development banks in Ivory Coast were to be used as a channel for the program loans, this imbalance would be significantly reduced. Of these two development banks, CCI and BIDI, the former makes more and smaller loans than the latter. Its clientele is believed to be more relevant to the program's objective, since the entrepreneurs needing most help are the smaller ones; also the greater the number of entrepreneurs assisted, the greater will be the program's probable impact.

C. Number and volume, by channels

Loans are summarized and analyzed by country, development bank, tranche and in total. Within each of these categories loans are classified in size by statistical cells. Because the size distribution is skewed considerably towards the smaller end of the spectrum, the cells are divided into three categories: by .1 million CFA from .1 to .9 million; by 1 million CFA from 1.0 to 9.0 million; and by 10.0 million from 10.0 to 100.0 million.

The total number of analysed loans is as follows.

<u>Country</u>	<u>Development Bank</u>	<u>Number of Loans</u>		
		<u>1st Tranche</u>	<u>2nd Tranche</u>	<u>Total</u>
Ivory Coast	CCI	145	16	161
	BIDI	<u>13</u>	<u>6</u>	<u>19</u>
Subtotal		<u>158</u>	<u>22</u>	<u>180</u>
Benin	BBD	42	42	84
Togo	BTD	28	23	51
Upper Volta	BDHV	18	-	18
Niger	BDRN	<u>53</u>	<u>11</u>	<u>64</u>
Total		299	98 <sup>(1)</sup>	397 <sup>(1)</sup>

(1) Second tranche loans had increased to 131 (CFA 800.658 million) by the year-end, but completely detailed information was not available on the additional loans, for inclusion in this set of uniformly analysed data.

Upper Volta shows no loans in the second tranche because their loan agreement for the second tranche had not yet become effective.

CCI (Ivory Coast) shows a considerable reduction in the number of loans from first to second tranche, although the second tranche as a whole had not proceeded to a considerable proportion of total available loan funds. CCI, as will be seen in the subsequent analysis by loan size, granted a considerable number of quite small loans in the first tranche, but increased the average size of the loan in the second tranche. BIDI, by comparison with CCI, made only considerably larger loans, but a relatively smaller number.

Total loan amounts are summarized as follows:

<u>Country</u>	<u>Development Bank</u>	<u>Total Loans (million CFA)</u>		
		<u>1st Tranche</u>	<u>2nd Tranche</u>	<u>Total</u>
Ivory Coast	CCI	238.6	163.3	401.9
	BIDI	<u>402.1</u>	<u>200.6</u>	<u>602.7</u>
Sub-total		640.7	363.9	1,004.6
Benin	BBD	229.4	111.3	340.7
Togo	BTD	241.0	134.9	375.9
Upper Volta	BDHV	238.7	-	238.7
Niger	BDRN	<u>226.1</u>	<u>118.3</u>	<u>344.4</u>
Total		1,575.9	728.4	2,304.3

D. Size

The average loan size shows a considerable diversity between countries, as indicated below.

<u>Country</u>	<u>Development Bank</u>	<u>Average Size (million CFA)</u>		
		<u>1st Tranche</u>	<u>2nd Tranche</u>	<u>Total</u>
Ivory Coast	CCI	1.645	10.205	2.496
	BIDI	<u>30.931</u>	<u>33.427</u>	<u>31.719</u>
Sub-total		4.055	16.543	5.581
Benin	BBD	5.461	2.651	4.056
Togo	BTB	8.608	5.864	7.371
Upper Volta	BDHV	13.262	-	13.262
Niger	BCRN	<u>4.266</u>	<u>10.755</u>	<u>5.381</u>
Total		5.270	7.433	5.804

It will be noted that BIDI's larger loans, in comparison with CCI, are made to older borrowers, as indicated later, under "Age of borrowers."

The shift to fewer total small loans, from first to second tranche, resulted largely from this shift by CCI (Ivory Coast). The detailed classification by number, size and tranche, for each development bank, is set out in Appendix A. The distribution by number, statistical cell size and tranche is summarized in the following table.

Loans by Number, Size and Tranche

Cell Size (m CFA)	Tranche				Total	
	1st		2nd		No.	Amount
	No.	Amount	No.	Amount		
<u>To 1.0</u>						
.1	10	1,681	-	-	10	1,681
.2	17	4,504	-	-	17	4,504
.3	31	10,435	-	-	31	10,435
.4	16	7,025	-	-	16	7,025
.5	16	8,475	-	-	16	8,475
.6	11	7,049	-	-	11	7,049
.7	6	4,601	-	-	6	4,601
.8	7	5,892	1	884	8	6,776
.9	7	6,625	-	-	7	6,625
Sub-total	121	56,287	1	884	122	57,171
<u>1.0 to 10.0</u>						
1	46	65,003	6	8,508	52	73,511
2	37	80,061	27	56,424	64	136,485
3	16	52,297	7	22,030	23	74,327
4	12	48,900	1	4,700	13	53,600
5	10	51,755	17	85,250	27	137,005
6	9	55,080	4	25,967	13	81,047
7	7	50,808	2	14,386	9	65,194
8	5	40,950	4	32,955	9	73,905
9	6	55,752	3	27,950	9	83,702
Sub-total	148	500,606	71	278,170	219	778,776
<u>10.0 to 100.0</u>						
10	10	138,050	20	243,860	30	381,910
20	6	146,500	2	49,280	8	195,780
30	5	172,000	3	97,000	8	269,000
40	3	125,000	-	-	3	125,000
50	2	102,800	1	59,280	3	162,000
60	1	60,000	-	-	1	60,000
70	-	-	-	-	-	-
80	1	83,577	-	-	1	83,577
90	-	-	-	-	-	-
100	2	191,000	-	-	2	191,000
Sub-total	30	1,018,927	26	449,420	56	1,468,348
<b>Total</b>	<b>299</b>	<b>1,575,821</b>	<b>98</b>	<b>728,474</b>	<b>397</b>	<b>2,304,295</b>

E. Interest rates

Interest rates charged by the development banks on their loans to the Program's clients range from 5% to 12%, with two-fifths being from 5% to 8%, another two-fifths at 8% to 9%, and one-fifth at from 9% to 11%. By percentages they range as follows:

<u>Interest rate</u>	<u>Percent of total loans</u>
5% to 6%	2.0 %
6% to 7%	26.0
7% to 8%	8.9
8% to 9%	44.2
9% to 10%	6.0
11% to 12%	<u>12.9</u>
	100.0 %

These data cover 95% of the loans made during the total period to June 30, 1978.

The weighted average rate charged by commercial banks over the period of the above program loans is not available. However, the interest rates accorded to the program loan recipients are, on average, approximately four percent less than commercial bank loans.

#### F. Activities supported

Loan activities are regarded as an important measure of the success of the program, as a measure of the scope of its impact. A careful analysis provides a basis for this assessment, as well as an indication of the extent to which the program activities have been applied in the areas identified in the program's stated objectives.

Practically all of the activities were identified in the program records, in one way or another. In many instances two generic characterizations were used - "Commerce" and "Artisan". These were kept in those identification categories in collecting and analysing the loan activities.

After all activities had been collected, they were classified by major categories, so that a summary would show a logical break-down. This break-down is presented in the following table summarizing loan activities for the entire program. A detailed break-down by tranche, development bank and size is contained in Appendix 3.

Perusal of these data leads to the conclusion that the scope of the program's activities is very broad, with the exception of an obvious gap in what are defined as purely agricultural activities - the production of foodstuffs on farms.

These data also serve as the background for recommendations on a suggested re-emphasis in the scope of the program and its allocation of effort among the spectrum of activities thus far in effect.

Loan Activity

(By size, tranche and activity category)

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
000	Construction	13	28	3	44		6	2	8	13	34	5	52
100	Manufacturing	10	19	8	37		6	6	12	10	25	14	49
200	Transportation	4	19	6	29		9	7	16	4	28	13	45
300	Sales	34	41	4	79	1	38	6	45	35	79	10	124
400	Service	17	19	3	39		3	2	5	17	22	5	44
500	Education and Health	3	6	1	10		2	2	4	3	8	3	14
600	Agri-industry & Fishing	6	9	4	19		1	2	3	6	10	6	22
700	Agriculture												
800	Other	2	1		3		2		2	2	3		5
900	Artisans	29	1		30					29	1		30
999	Unknown												(12)
	<b>Total</b>	<b>118</b>	<b>143</b>	<b>29</b>	<b>290</b>	<b>1</b>	<b>67</b>	<b>27</b>	<b>95</b>	<b>119</b>	<b>210</b>	<b>56</b>	<b>385</b>

Size: S = Small, up to 1 million CFA  
M = Medium, 1 to 10 million CFA  
L = Large, 10 to 100 million CFA

The individual activity description is not always clear from the adumbrated description shown in the records. In these cases the classification applied is believed to be generally correct by sub- and major so that deductions may be valid for the major groupings. A few loans were found to be incorrectly described, but these instances were not frequent enough to detract from the usefulness of the classification.

The following table summarizes the data by activity, tranche and size. A detailed further break-down by development bank and country is contained in Appendix B, with an analysis of each category.

G. Age of borrowers

Data were available on the age of borrowers for 193 loans made to individuals (excluded are those made to companies). Age data were not available for Upper Volta or Niger or for BIDI in Upper Volta. A summary of the available data follows.

Age of Borrowers

	<u>CCI</u>		<u>BBD</u>		<u>BTD</u>		<u>Total</u>		
	<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>	<u>Both</u>
No. in Sample	111	36	11	21	-	14	122	71	193
Average age	37.8	35.3	50.4	42.7	-	51.8	38.9	40.7	39.6
Oldest	24	21	35	22	-	34	24	21	21
Youngest	66	52	74	60	-	63	74	60	74

Age by years

20 - 29	16	5	-	3	-	-	16	8	24
30 - 39	58	22	2	4	-	3	60	29	89
40 - 49	28	8	4	9	-	2	32	19	51
50 - 59	6	1	2	4	-	6	8	11	19
60 - 69	3	-	2	1	-	3	5	4	9
70 - 79	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total	111	36	11	21	-	14	122	71	193

There appears to be some correlation between age and size of loans, as indicated subsequently.

#### 8. Loans to Women

Data available on loans to women, by volume and size, are not conclusive. Loans are classified by "Individual" and "Company." "Individual" loans are identified when the borrower is a woman. Instances in which a woman is the promoter, principal shareholder or manager of a project organized as a company, are not indicated in the available statistical data. There undoubtedly are projects in this category. (Indeed, an excellent project visited in Upper Volta had been promoted, organized as a company and operated as President and General Manager by a local woman who had been educated in France, and had travelled abroad to gain practical information on the equipment and equipment layout for her bisquit factory.)

Thus, loan volume and size for women borrowers can only be indicated in general. However, since there appear to be few instances of a woman as principal in a company borrower, reasonably valid deductions can be made from the data. Deductions are set out in the Section on Women.

Loans to women, included in the previously presented total loans, are summarized in the following tables.

Loans to Women  
(By number, amount, size and tranche)

<u>Cell Size</u> <u>(m CFA)</u>	<u>Tranche</u>				<u>Total</u>	
	<u>1st</u>		<u>2nd</u>		<u>No.</u>	<u>Amount</u>
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>		
<u>To 1.0</u>						
.1	3	.582	-	-	3	.582
.2	6	1.691	-	-	6	1.691
.3	9	2.918	-	-	9	2.918
.4	4	1.748	-	-	4	1.748
.5	2	1.050	-	-	2	1.050
.6	1	.613	-	-	1	.613
.7	1	.758	-	-	1	.758
.8	2	1.729	-	-	2	1.729
.9	3	2.773	-	-	3	2.773
Sub-total	31	13.862	-	-	31	13.862
<u>1.0 to 10.0</u>						
1	6	7.689	3	4.008	9	11.697
2	14	26.921	12	24.000	26	50.921
3	5	16.150	2	6.500	7	22.650
4	4	16.000	-	-	4	16.000
5	2	10.000	9	45.000	11	55.000
6	3	18.800	1	6.751	4	25.551
7	2	15.898	1	7.268	3	23.166
8	-	-	-	-	-	-
9	-	-	1	9.000	1	9.000
Sub-total	36	111.458	29	102.527	65	213.985
<u>10.0 to 100.0</u>						
10	-	-	1	10.000	1	10.000
20	-	-	-	-	-	-
30	-	-	-	-	-	-
40	-	-	-	-	-	-
50	-	-	-	-	-	-
60	-	-	-	-	-	-
70	-	-	-	-	-	-
80	-	-	-	-	-	-
90	-	-	-	-	-	-
100	-	-	-	-	-	-
Sub-total	-	-	1	10.000	1	10.000
<b>Total</b>	67	125.320	30	112.527	97	237.847
<b>Average loan size</b>		1.870		3.751		2.452

Loans to Women - By Banks

<u>Bank</u>	<u>Number</u>			<u>Amount (m \$) (1)</u>		
	<u>No.</u>	<u>% of Bank's Total No.</u>	<u>% of all Women's Loans</u>	<u>Amount</u>	<u>% of Bank's Total Loans</u>	<u>% of all Women's Loans</u>
<u>Ivory Coast</u>						
CCI	43	26.7%	44.3%	\$ .284	14.1%	23.9%
BIDI	-	-	-	-	-	-
Sub-total	43	23.9%	44.3%	.284	5.7%	23.9%
<u>Benin</u>						
BBD	29	34.5%	29.9%	.335	19.7%	28.2%
<u>Togo</u>						
BTD	25	49.0%	25.8%	.570	30.3%	47.9%
<u>Upper Volta</u>						
BDHV	-	-	-	-	-	-
<u>Niger</u>						
BDRN	-	-	-	-	-	-
Total	97	24.4% (2)	100.0%	\$ 1.189	10.3% (2)	100.0%

(1) A standard 200 CFA/US \$ is used in all conversions from CFA to \$.  
(Some reference to dollar values is made in the Section on Women.)

(2) Note that these are the percentage of total loans, including those to women, men and to corporations.

## I. Ancillary program effects.

Ancillary effects of the program cover a wide range, not only as implied in the stated program objectives (presented in Section IV) but also as suggested in the contract Scope of Work (Appendix I). Evaluation of the program, however, has tended to re-arrange the relative importance of program effects. The essential test of the program's effectiveness is considered to be the actual loans made, and the kind of borrowers thus assisted. Attention thus has concentrated upon these data. More quantitative and objective evaluation is feasible in this area, whereas the tangential effects become more subjective, and the resulting comments are largely a matter of judgment. These result, however, from a considerable number of contacts with program clients and related program institutions, and thus acquire some measure of validity.

Ancillary program effects are discussed in Appendix C.

### III. OPERATIONS CHANNELS

#### A. Development Banks

The six development banks represent, collectively, some half billion equivalent U.S. dollars in total assets, as indicated later in their financial statements. They represent an important share of the institutional structure of the Entente States, especially in the four countries other than Ivory Coast. In two countries (Upper Volta and Niger) they are depositary banks, operating in the commercial bank sector. Thus they are an important part of the financial community, quite aside from their role as developmental institutions.

Their principal characteristics, in-so-far as they are relevant to the African Enterprise Program, have to do with their objectives, method of operation, and relations with the Program's Project Office.

Essentially, they all are interested primarily in developing their economies, not their African entrepreneurs as such. They also operate under quite an apparent compulsion to show a profit, which carries with it an aversion to small/high-risk loans of the type generally represented by those in the African Enterprise Program.

Again in general terms, their internal organizations and methods of operation have improved (significantly in some cases), over the past year or two, with the expert assistance of advisors financed by France.

Delinquencies in their portfolios, depending upon the sources of information depended upon, ranges from quite good to poor. Annual statements generally present delinquencies properly, including ageing. However, relevant information is not given on the extent of rescheduling of loan repayments, which could be relied upon to result in any pre-determined percentage of delinquencies. Sources in a position to have a fairly good impression of the over-all status indicate that some categories of the loan portfolio might ultimately be uncollectible to a considerable degree. This applies to the complete portfolio which includes large government-initiated and supported infra-structure and economic development projects. This reflects the objectives and operations of development banks per se. It is clear that the banks are important and effective in developing the economies, and thus may be said to be effective and successful operations.

The delinquency record of loans made under this Program are, on the record, quite good. The inference is that in making these Program-related loans, the banks prefer to take less risk, and to minimize their risk by adequate collateral arrangements, especially for the smaller loans. Instances in which Program-type loans are large enough to be included within the banks' basic economy-development objective are few in number. This is the thin overlap between the banks' general objective and the Program's objective.

The development banks' relations with their comparable promotion centers is generally not auspicious. The former tend to look down upon the latter as new-comers, lacking in financial acumen or analytical ability. One reason would appear to be that they both are government institutions or "fiefs", headed by politically appointed and ambitious personalities, in countries with relatively few such highly qualified administrators. Their competitive status in this context probably is a factor in their apparently competitive, rather than cooperative, relationships.

Their relationships with the Conseil and Program Project Office is cordial but correct. This is reflected in the Project Office approach to them, which is a highly important aspect of the Program's effectiveness. The most important result is the (apparent) necessity for the Project Office to clear its contacts with the Program's clients (borrowers of the banks) in each instance of such desired action. This contact apparently must, in most cases, be made through the bank's Chief Executive Officer, rather than on an established basis with some lower echelon to whom has been delegated this function. In most instances, also, the bank arranges for one of its staff to accompany Project Office personnel on such visits to the Program's "clients." This state of affairs is explained, by the Project Office, as being required under the agreement with the development banks and that, because the program loan recipients are "clients" of the bank, Project Office personnel have no authority automatically to contact borrowers direct.

Finding the program client is, for most of the borrowers and especially the smaller and shorter-maturity borrowers, beyond the independent capability of the Project Office. Thus, an expressed desire to see a particular program client (such as those selected on the basis of random sampling technique) requires assistance from bank personnel in locating the client. Addresses in the Entente countries usually consist only of a post office box number. Actual location of the client's post office may bear little relation to the activity site - which may itself change from time to time, with no knowledge of the bank. Arranging an interview at a Project Office request thus usually results in the bank mailing a letter to the client requesting that they come to the bank for an interview. If the client feels that his loan payments are current (or even perhaps if they are not) he simply ignores the request. The bank apparently is not disturbed or concerned at this, since its loan generally is amply secured by legally recorded collateral or guarantees to which recourse can be had if collection action is required.

The result is to isolate Project Office personnel almost completely from the Program's ultimate beneficiaries. About the only instances in which such a contact materializes is when the bank itself refers a borrower to the Project Office for assistance - usually when the borrower is well in arrears.

This isolation of the Project Office from the point-of-contact with actual borrowers, or potential borrowers before their loan is approved, has a

further deleterious impact on the program's effectiveness. This is the lack of any apparent effort to advertise the availability of such program loans, or even the existence of the Program itself. It would appear that use of program funds is decided, by the bank, either after the loan has been made, or as an integral part of the loan-approval decision itself.

Given the banks' apparent reluctance to take on high-overhead-cost small loans, as indicated above, it is surprising that the number and amount of loans made is so large, and accumulate so rapidly after the loan funds become available. The inference is that a very significant number of potential beneficiaries of the program (and those who would most completely implement the program's stated objectives) are by-passed - largely because they have never heard of its opportunities.<sup>(1)</sup> This also may explain why the scope of the program's activities (as described in Section II E and H) is concentrated in a rather narrow range of areas - and not necessarily the most desirable areas.

The development banks are financially quite sound. With one exception, (CCI, for which complete recent data were not available) their equity and net return has increased in the period over which the Program has been in operation. Excerpts from their annual reports are given in the following table.

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(1) An example is described in Appendix H.

Development Bank Financial Data

(million CFA)

	<u>Ivory Coast</u>		<u>Benin</u>	<u>Togo</u>	<u>Upper Volta</u>	<u>Niger</u>
	<u>(CCI)</u>	<u>(BIDI)</u>	<u>(BBD)</u>	<u>(BTD)</u>	<u>(BDHV)</u>	<u>(BDRN)</u>
<u>Total Assets</u>						
1975	na	13.0	5.7	na	12.9	24.0
1976	14.9	15.2	8.8	8.8	17.3	29.2
1977	na	18.1	11.3	7.9	20.2	35.6
<u>Equity</u>						
1975	na	1.6	1.0	na	1.9	3.4
1976	5.4	1.7	1.1	.5	2.1	4.4
1977	na	1.9	2.0	.5	2.5	5.5
<u>Net Income</u>						
1975	.01	.06	.03	na	na	1.0
1976	.003	.12	.07	.01	na	1.4
1977	na	.25	.09	.01	na	1.9
<u>Loan portfolio</u>						
1975	na	9.2	4.1	na	11.0	14.4
1976	12.1	9.3	6.9	6.4	15.2	17.9
1977	na	12.1	8.0	7.4	17.2	23.3
<u>Long term debt</u>						
1975	na	6.9	.8	na	6.9	1.3
1976	7.8	8.6	1.0	1.8	8.8	1.3
1977	na	9.9	1.0	1.7	9.8	1.2

### B. Promotion Centers

Promotion centers are in a transition phase, from recently organized and ineffective organizations to improved (and improving) institutions receiving, recently, an increased amount of technical and financial assistance from other aid-donors, including the US, the World Bank and France. This improvement is of considerable significance to the Program's potential effectiveness, especially in the future.

The missing element in the Program's channels to ultimate loan "clients" has been the direct contact with them, the follow-up technical assistance made available, and the promotion or advertising of the Program's availability to potential clients. These aspects appear difficult or impossible to evolve successfully through the development bank channels for the reasons previously cited. The promotion centers have precisely this assignment - at least in-so-far as concerns direct contact, technical assistance, and advertising of available financial resources.

The missing element, for the promotion centers, is a means to acquire, for their clients, actual financial assistance. Normally, they would propose a potential client to their associated development bank for financing, together with the application data they had helped the potential client prepare. Here, the continuity breaks down. The banks' personnel tend to regard the promotion centers' loan applications as inadequate, particularly in the financial analysis sections; they further denigrate the possibility of the centers' ability to improve such sections in future. In a few instances the idea was expressed

that applicants coming to the banks through the promotion centers were "tagged" as inferior to those coming direct to the bank.

There undoubtedly is a measure of validity in these adverse comments, but reservations need to be made about this attitude, given the competitive relationship, previously described, between the banks and the promotion centers. Overlooked is the generally recent organization of the centers, and the increasing amount of good technical assistance they now are receiving. It is believed that the centers can and will become, in the near future, reasonably effective entities in the critical area of this Program's operations - the contact with the potential or actual client.

One important factor in effectiveness of the centers is their ability to exert at least some influence on the selection of potential clients for loan financing by the development banks. While they lack the capability, now, of making sophisticated financial analyses of the potential client's project, the banks lack the capability (or incentive) to seek new clients, give technical assistance to them, or follow-up the clients in actual operation. In this respect the two institutions are inherently complementary. Missing is the nexus in their areas of operations. The recommendations propose the general adoption of the "Loan Committee" concept, in which the potential client's project is reviewed by representatives of the centers, the bank and the Project Office.

C. Conseil de l'Entente

The Conseil de l'Entente is the critical channel in the Program's operations, not only in the present, but for the indefinite future. Upon it depends the long-term continuance of the objective and capability of the Program to continue after foreign aid ceases. The Conseil exists for the purpose, among others, of inducing foreign aid for the five Entente countries, and channelling it to them in productive programs. Their scope of operations not only is thus quite wide, but also they initiate and test out various types of development efforts which can be or are financed by aid, especially in the testing phases. This is a very valuable contribution to the Entente states collectively, as none of them would appear individually to have the capability of instituting such forward-looking programs of economic development.

In this activity the Conseil finds itself under the necessity of financing not only its own overhead but also a significant portion of the operational expenses of each project. These funds are contributed by the five Entente states, on budget projections which excellently outline proposed program activities over some five years in the future. Given the imbalance between national resources and relevant needs, these contributed funds by the Entente countries are not easily provided to the Entente. The result is the necessity of shaving to the minimum the expense for each program. (Efforts also are continually made to improve the productivity of the Conseil itself, in which progress is apparent.) Under these conditions, the

immediate deletion is the cost of providing counterparts to each of the foreign aid supported personnel in the Project Office. This is the weakest link in the progress to a long-term continuance of the Program within the Conseil, after aid ceases, as referred to later in the Recommendations section.

The Conseil may therefore be epitomized as an excellently conceived institution, effectively administered, but constrained by lack of financial resources to develop each of its programs as independent efforts organized to continue indefinitely.

The Conseil's Project Office, solely concerned with this Program, is organized and operated as effectively as is possible under the existing external constraints. These constraints include, principally, its insulation from the Program's loan clients, the absence of an organization of operations effective at the point-of-contact with such clients, and the absence of counterparts being trained to carry on the program after aid ceases. It has little or no opportunity to promote the Program's opportunities to potential clients. It has little or no opportunity to follow-up each actual client to assist and assess progress. It is managed and operated almost solely by the aid-financed personnel. The recommendations later presented addresses each of these constraints.

Project Office administrative expense and personnel are described in Appendix D.

D. AID

AID/REDSO has delegated responsibility for monitoring the program to a high echelon officer - an appropriate and potentially very effective arrangement, carried out effectively under the existing program agreements. Deficiencies in the Program's basic structure of operations, as detailed elsewhere, prevent a continuous and meaningful current follow-up of the program's effectiveness in attaining its objectives. Reliance therefore has, in the past, been placed upon periodic evaluations of the entire Program, as a contribution to the decision-making process when the program loan is presented for renewal. The most effective arrangement would be one in which the program's current operations are reported upon and thus capable of being reviewed by AID/REDSO. The program's structural deficiencies previously described serve to emasculate such a current follow-up activity. Improving the structural aspects of the program, as subsequently recommended, would permit a far more meaningful and effective AID/REDSO monitoring effort. This is believed to be especially important in this program, because of the importance and astuteness of its ultimate objective, and the desirability for AID/W to interest itself in its evolving effectiveness, for potential application elsewhere. This is the basis for recommending an AID/W officer's sole assignment to this program these, not only to bring its current operations under review at that level, but also to provide some types of support and coordination with other aid-donors that cannot effectively be accomplished by AID/REDSO. Again, attention to the relevant recommendations is suggested.

#### IV. OBJECTIVES

##### A. Evolution of objectives

The objectives, as indicated in successive proposals and their adoption, have proceeded through a subtle degree of evolution, as indicated by the following phrases used in their description:

###### 1968

- Africanization of staffs of existing enterprises, and
- Promotion of new African enterprises

###### 1969

- A program to encourage African entrepreneurs

###### 1971

- The development of African enterprises

###### 1975

- The development of a modern African entrepreneurial class.

The original description addressed a specific problem carried over from the recently-ended colonial period. The most recent description reflects a more generalized objective, implying continuance of a political structure in which private entrepreneurs can exist and prosper.

##### B. Stated objectives and expected impacts

The specifics of the current program's stated goals and purposes (as described in the second loan recommendation) merit attention, as

they provide one set of criteria against which the program can be evaluated.

These are:

A. Development of a modern entrepreneurial class by:

(a) strengthening

- development banks
- promotion centers
- guarantee funds

(b) encouraging commercial bank lending to African entrepreneurs

B. Encouragement of development banks and other participating financial institutions to sustain local programs of:

(a) assistance to African entrepreneurs in preparing viable private sector projects

(b) expansion of sources of capital available to African entrepreneurs

(c) provision of

- credit services
- technical assistance.

In addition to stated specific objectives, a wide range of indirect and/or ultimate effects, incidences or impacts was expected or recognized as flowing from the program. These are couched in various forms, including the following:

- An increase in the capital resources available to African entrepreneurs
- Initiation of a shift in social/economic power and participation, away from foreigners and into the hands of nationals, both in enterprises and in development banks

- African nationals other than the Program's entrepreneurs will benefit indirectly through increased availability of:
  - commercial services
  - industrial products
  - lower prices
- Benefits to Entente Governments through increases in revenue from a larger tax base (small in the short-run but may become significant over the long-run)
- Improvement in the overall performance of the Entente countries' economies by:
  - alleviating bottlenecks
  - increasing competition in commercial and service sectors
  - broadening the industrial base
  - complementing national efforts in rural development programs
- Social-spread effects are expected to occur, individually, in employment increases and income increases for entrepreneurs' families and, collectively, from the widening pool of African entrepreneurs, the concomitant expansion in the industrial and commercial sectors, improvement in income distribution for Africans, improvement in the quality of life, and an impact on the rural-urban migration rate.
- Nurture an entrepreneurial class which will:
  - Enhance
    - the quality of economic decision-making and
    - social change
  - reduce dependence on
    - foreign managers and
    - imports

- increase
  - exports
- improve the intersectorial balance of the Entente economies
- strengthen government fiscal status
- create new jobs
- encourage deposits in national development banks
- reduce money outflow to Europe
- Create an ever-widening pool of African entrepreneurs whose contribution to the economic, social and political development of the Entente countries will become increasingly important over time.

Underlying these objectives and expected impacts was the explicitly restated assumption:

The commitment of the Entente governments to the policy of providing credit for the promotion of African enterprises is based on their recognition that the development of an indigenous entrepreneurial class is essential to the long-term political, social and economic development of the Entente nations.

And further:

The failure to involve Africans more directly in the management of modern enterprises of their own economies can mean a deterioration of the political climate and consequent economic stagnation and retrogression.

These wide-ranging and rather ambitious results and impacts expected from the program, as seen from the context and problems of the donor's industrialized economy, to some extent omits consideration of expected

results as seen from the context of the recipient countries. This aspect is considered subsequently.

C. Time perspective

1. Program phases. It is important to recognize the time perspective involved in the origin and evolution of the program to its present phase. The first phase was development of the "Africanization" concept and objective, which began ten years ago; it evolved into an "African Entrepreneur" program over the succeeding five years. The second phase, over these last five years, constituted the implementation period.

2. Program structure. The program's existing objectives, structure, methods and requirements date from the early studies, from 1969 through 1971, which crystallized the program's form and structure. Experience in testing the efficacy of these basics did not accumulate and mature until some five years later, when the first loan not only had been authorized but also had been translated into loans disbursed to actual African entrepreneurs.

The effectiveness of the program's form and structure can now be more clearly evaluated than has been possible previously. Consideration of this structure constitutes a significant facet of the evaluation and recommendations subsequently presented.

3. Program objective. The most important time-perspective characteristic concerns the implicit philosophy of the program objectives and its relevance to changes, over the last ten years, in the environment in which the program is being applied, with expectations of wide-ranging results.

The tenet implicit in the objective - the development of a class of African entrepreneurs - assumes a priori that its successful attainment (again repeated) "is essential to the long-term political, social and economic development of the Entente Nations," which essentiality their governments have recognized "through their commitments to the program's policy."

This implicit assumption probably invoked no significant challenge in the African context of the late 1960's. Over the intervening decade, and especially in the last several years, the African context has changed materially, as the emerging independent African nations elected political organizations based either upon the encouragement of private enterprise operating in a "democratic" milieu (as that phrase is defined in Western democracies) or the alternative - a political organization based upon centralized government planning and initiative, in lieu of a wide scope of initiative afforded to private entrepreneurs. Examples of a change in this choice in recent years or months are Algeria, Libya, Mozambique, Angola, Uganda, Somalia and Ethiopia, with other examples potentially imminent.

Especially, among the Entente States to which this program applies, one country (Benin) already has elected to try out the alternative, although it continues as a member of the Conseil de l'Entente.

It is taken for granted, of course, that each of the sovereign Entente States possesses the inherent right to make this choice as it sees fit. Presumably the choice is influenced, at least to some extent, by the demonstrated capacity and success of their nationals, as successful private entrepreneurs, increasingly to replace expatriate practitioners or private enterprise, and thus to "Africanize" their economic and commercial activities. (This reflects one expected result as seen from the context of the recipient countries.)

The importance of the program's concept and objectives thus has changed considerably since the program was conceived and initiated, principally because the African environment in which the program operates has itself changed significantly, and particularly rapidly in the last year or so. The prospects of continued rapid changes in Africa, affecting election or rejection of the program's basic concept and tenets, emphasizes the increasing importance of a successful demonstration of the validity of those tenets.

## V. EVALUATION CHARACTERISTICS

### A. Approach and scope

This evaluation is required to "make recommendations with respect to:

- (a) improvements in the implementation of the project as currently structured,
- (b) whether additional donor assistance should be made available, and,
- (c) if donor assistance is recommended, the nature and scope of such assistance."<sup>(1)</sup>

The approach is that of the "zero budget" evaluation. It assesses the effectiveness of the program's entire cost and effectiveness, rather than merely the desirable additions to or subtractions from the existing program costs and methods. This has induced consideration of some broader characteristics and factors.

A critically important factor in the execution and effectiveness of such a program, no matter how well it may have been conceived in the abstract, is the cultural and historical environment within which it seeks to attain its objectives. What will work well in one country may fail abysmally in another - because the methods employed run afoul of deeply perceived and firmly held precepts which are the result of historical precedents and/or the existing stage of cultural, religious, social, political or economic

(1) Article II, paragraph F of REDSO/WA contract No. 78-149, under which this presentation is prepared. For complete "Scope of work" see Appendix I.

factors. The five States under review differ significantly in these respects from one another and, indeed, within the individual countries. The heritage of the colonial era, overlaid upon a previous tribal and religious competition dating back over some centuries, has left indelible and enduring characteristics in the existing environment of the program. To ignore these characteristics is to operate blindfolded, with consequent (and apparently inexplicable) failures. Accordingly, the relevant backgrounds of the five States are considered.

The advantages (and disadvantages) of a government conducted effort concerning private enterprise, as represented by this Program, likewise is relevant to its degree of success. This aspect is kept in mind, though not specifically evaluated; however, some tangential observations inject themselves, more or less in the guise of obiter dicta.

The recommendations are presented in several levels, representing successively declining costs, with an assessment of the related degree of effectiveness to be expected from each level. This is necessary since other factors, unknown to the author, undoubtedly must be considered in any final decision.

It is believed that, for the benefit of those charged with the responsibility of deciding upon the future of the Program, this wider perspective will prove helpful. The objective is a program so designed and implemented as to gain an acceptable level of success with the least cost and misapplied effort.

### B. Sources

The presentation does not espouse the characteristics of a doctoral thesis seeking to expand the horizon of existing knowledge; instead, it is designed for busy executives who must make decisions on the basis of practicality, using the available information. It therefore eschews footnotes quoting other authorities for each statement of fact. The authority is that of the author, based upon his thirty years of experience in developing countries (seven of them in West Africa) and his direct participation in U. S. Government assistance efforts abroad, beginning with the Truman Doctrine effort in 1948, preceding the initiation of the presently named Agency for International Development (AID). (1)

Sources are indicated only for the purpose of providing further detail for readers wishing to pursue specific aspects of the evaluation in which they are particularly interested.

The presentation of the evaluation, and its conclusions and recommendations, necessarily are subjective in nature, though based upon nine weeks of field work in the five countries, and three weeks of summarization in the author's home office in Washington, D. C.

(1) The relevant experience background is outlined in Appendix J.

C. Environment

The time period over which the program's concept originated and its implementation to date has occurred cover a period of ten years, from January 1968 to November 1978. The relevant environment in West Africa has changed dramatically over that time. The Program thus has faced the necessity of constantly re-evaluating its relevance in this changing context. Previous evaluations, while responsive to the then-current conditions, are no longer necessarily valid or helpful.

The present evaluation occurs at a strategic period in the development of African affairs. Probable changes in the next few years are of such significance as to require some projection of such probable changes. Otherwise the evaluation could be valid as of the date of its presentation, but not necessarily valid over the period in which future efforts would be crystallized on the basis of present decisions. Trends therefore are as important as the present static position of the Program. This requires a degree of prognostication, necessarily based upon subjective deductions and subject to error - albeit subject to greater error if a future Program were to be based solely upon past or presently existing conditions.

## VI. EVALUATION

### A. Perspective

The AID loan program which is the subject of this evaluation has become, in concept, one of the most astute U. S. Government efforts abroad. While not originally so planned, the program's objectives and activities have been pushed into this prominent position by a developing trend of events over the decade in which the program's concept evolved and subsequently was implemented. Stripped of verbiage and circumlocution, the program seeks to encourage, and to demonstrate the effectiveness of, private enterprise operating in a democratic framework - in contrast with government controlled enterprises operating in a Marxist milieu.

The geographic location of the program's operations is felicitous. The five former French colonies comprising the "Council of the Entente States" (Ivory Coast, Togoland, Benin, Upper Volta and Niger) are located in Africa - an arena in which the two opposing ideologies presently are engaged in an all-out competition for adoption of, or acquiescence to, one or the other of the two competitive precepts.

The considerable diversity among the five Entente States, from one completely committed to the Western thesis of private enterprise to one already embarked upon the testing of a Marxist-oriented political structure,

provides a wide spectrum of environments within which the program's concept, objectives and methods are being tested in a real-life laboratory.

The timing of this evaluation occurs, fortuitously, at a strategic period in the evolution of African affairs. The success, or failure, of this effort may well be a harbinger of trends in the unfolding history of underlying ideological competition - not only in Africa but also in other parts of the world where that competition is accelerating.

In sharp contrast to this broader perspective, the evaluation begins by zeroing in on the concrete accomplishments of the program thus far - the loans actually made to African entrepreneurs. These are analyzed by their distribution by country and development bank, in amount, in size, by successive tranches, by the age and sex of the entrepreneur, and by the area of activity supported. The result is compared with the stated objectives, to assess the extent to which those stated objectives have been accomplished. The evaluation then enlarges its scope by an analysis of the stated objectives themselves, in relation to the broader perspective above described.

Reasons for the accomplishments thus far are identified, but more attention is given to the factors inhibiting a greater accomplishment, not only in attaining the stated objectives but also (and probably more important in the long run) how the basic objective itself may be attained - i.e., the development of a modern African entrepreneurial class.

## B. Accomplishment

The program has had a significant impact on a wide range of activities, conducted by entrepreneurs of all ages and of both sexes. The impact thus has permeated all sectors of the economy and its population. Its impact on ancillary aspects is more difficult to determine with any precision, but the effect undoubtedly has materialized, certainly to the extent to which reasonable expectations could require.

The most direct and obvious accomplishment is the emergence of some hundreds of private entrepreneurs encouraged and assisted to apply their efforts as entrepreneurs. A quite evident disposition toward private initiative is observed in all the countries, whether as an inherent characteristic, or as partly the result of the program, is difficult to assess. But the general level of enthusiasm exhibited by the program's loan clients certainly is due significantly to their awareness of a demonstrated desire by organized institutions to assist them - as entrepreneurs. The positive accomplishments thus are concrete and observable, in terms of the basic program objective.

The persistent pursuit of this basic objective is a major reason to assess the program as outstandingly successful. It has delved into a complex and difficult area where the most successful methods have not previously been so thoroughly explored and tested. Because this area and its basic objective are so important, the experience thus gained constitutes a highly valuable end result - the opportunity

to profit from experience. In no other pragmatic way could this experience be gained. In addition to demonstrating that a significant body of potential entrepreneurs can be attracted, assisted and confirmed in their entrepreneurial tendencies, the program has provided the basic information required to re-structure it to attain an even greater measure of success in creating successful entrepreneurs. Evaluations tend to emphasize deficiencies, as a prelude to recommended modifications, and this effort may be no exception. However, concentration on identified deficiencies should not be allowed to detract from the obvious success of the program, as delineated above.

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A fundamental reason for the success of the program is the quite evident existence of a large pool of individuals who exhibit a strong propensity to engage in self-directed and risk-taking entrepreneurial activities, with the inherent individualism thus demonstrated. In the absence of this backdrop, previous and future success would be much more difficult to achieve. This strong motivation has been inculcated in the indigeneous culture from a long history of individual competition within relatively small tribal groups - more evident in the central part of Africa than in other areas of the world, where larger political groupings have competed under long-continued constraints on the individual, flowing from religious, cultural and other pressures exerted from their centers of control.

Another reason for the program's success has been the considerable zeal and efforts of the Project Office personnel, who have operated under the difficult conditions outlined in Section VI F. A less dedicated effort would have reduced the program's effectiveness and success.

### C. Areas for improvement

Areas for improvement are identified by categories in the introduction to Recommendations, in the following Section. Considered in direct relation to the program accomplishments, presented in the foregoing Sections, the areas are seen to be responsive to the present and potential accomplishments. The success in bringing a considerable number of potential and existing entrepreneurs within the scope of the program argues strongly for its continuance, as indicated subsequently, but with structural improvements that will shift the center of program activities from the Project Office to the "point-of-contact" with the entrepreneurs, where the program's availabilities can be more effectively promoted, and where individual attention can be devoted to the entrepreneurs taken on as clients.

This structural modification brings in its train a modification of the Project Office organization and activities, together with the "Country Representative" concept. This would permit, among other results, a somewhat closer control over the continuing use of program funds, so that they are directed as closely as possible to the basic objective.

Institution building is a directly related area of improvement, for the program's long-range and ultimate effect.

The greater emphasis on non-financial as compared with loan assistance is another area identified for improvement.

Expansion of this subject is contained in Section VII, below.

D. Summary

Evaluation of the program results in the conclusion that it is eminently successful in terms of the selection of its highly relevant objective, and outstandingly successful in serving as a real-life laboratory in developing the organization, methods and activities required for success in that objective. Considered in terms of the number of entrepreneurs it has brought within the class of successful entrepreneurs, it has acquitted itself well, and has served the related objective with quite adequate results. Ancillary effects, not considered for the most part as the true determinants of the success of the program in achieving its basic objective, are judged to be all that could reasonably be expected in such diverse areas.

It is believed that the program therefore should be included among the more successful AID programs, and merits strong support for its continuation.

## VII. RECOMMENDATIONS

### A. Areas covered

Recommendations cover the following major subjects:

Structural inadequacies.- This area constitutes the largest single factor limiting the program's effectiveness. Events subsequent to establishment of the initial project structure, and the experience gained over the past three years, permit a more effective structure to be identified.

Closer control over use of AID funds - Procedures and methods for closer control over utilization of the AID funds provided for the program is considered second in importance. Specific methods to obtain this improved control are proposed.

Improved Project Office organization and operational facilities - Third in importance is the organization of, and facilities available to, the Program's Project Office in the Conseil de l'Entente. While this is an aspect relevant to structure, the organization and proposed facilities provided to it can significantly affect the benefits obtained from a given Program input-cost, in terms of objective attainment.

More emphasis on non-financial assistance - Experience with and results of the Program thus far shed considerable light on the relative importance of money and know-how, for a fledgling entrepreneur to be successful. A

cost/benefit approach results in placing considerable emphasis on a proposed rebalancing of the two categories of assistance.

More institution building efforts - The desirability of continuance of the Program and its objectives, after AID assistance ceases, induces recommendations designed to shift responsibility for program operations from AID supported to indigeneous personnel.

Continue the Program - The program results obtained thus far, and the experience gained in the methods for attaining a highly valuable objective, leads to a strong recommendation to continue the Program, as revised under these recommendations.

Use of project as laboratory prototype - As indicated previously, the Program's objective has become increasingly relevant in the existing competition between two opposing methods of organizing human endeavor. Several converging trends emphasize the value of, and necessity for, persistence in evolving an effective way to demonstrate the advantages of private initiative operating in a free society. This program's status and experience provide a serendipitous opportunity to proceed with that demonstration, without having to start from scratch again, in other programs with the same objective. In the final analysis, this opportunity is one of the basic reasons for continuing the program.

B. Relations with and participation of the focal agencies

The Conseil de l'Entente is the critical factor in the program structure, and the only institution capable of carrying on the Program's objectives after AID assistance ends. Therefore it should be adopted as the recipient of "institution building" assistance, as described below under that heading. Thus far institution building efforts in the Program have been tenuous, at best, or (by implication) addressed to the development banks. Africanization of the personnel of the Project Office is a *sin qua non* for the institution building effort. This objective should be included in the agreement with the Conseil, together with its contribution of a "permanent" African counterpart for each AID financed individual in the Project Office. A required function of each of the latter would be to train his counterpart to take over his function, before the end of the then-current AID Program. This training activity would be expected to occupy a significant portion of the time and effort of the AID financed staff member.

Built-in requirements for quarterly reporting on the Program's progress, status and prospects should be included in the agreement with the Conseil. While these reports would be prepared by the Project Office, they would be submitted to AID/WA formally by the Conseil.

The reports should cover, *inter alia*:

1. List of loans made during quarter, by country and by development bank, showing for each loan:

- Name
  - Address
  - Type of activity
  - Loan - amount
    - maturity
    - interest rate
2. Record of contacts with loan recipients made by Project Office Personnel and its Country Representatives, showing:
- Loan recipient (by number)
  - Dates of contacts
  - By whom made
  - Whether report of contact results is available in Project Office files
3. Progress of counterpart training showing, for each counterpart:
- Counterpart and AID-financed staff member responsible for training
  - Areas of training conducted during the quarter
  - Status of counterpart's capacity (in whole or in part) to assume responsibilities of his trainer

An annual presentation of the Conseil's budget for required support of the Program should be required to be submitted to REDSO/WA, as well as semi-annual reports on budget realization. This should cover not only the Conseil's agreed support of costs of the Program, but also its budget (and realization) for the Africanization of the Project Office.

With presentation of the annual budget should be presented the Conseil's views on the prospects for support of the Program over a five year period

in the future, together with its indication of potential attainments of Program results over this period.

The Conseil's efforts in Africanization of the Project Office should be supported by AID plans (and budget) for training for one year (in the U.S.) of the counterpart selected (and committed to) assuming the functions of Project Office Director. Such training should be afforded on the basis of agreements, by the trainee and by the Conseil, for the trainee to continue as Project Office Director for a period of at least three years following completion of the U.S. training.

Such training should include:

1. A period of intensive study of English (especially conversation);
2. Three months of training in projects loan applications preparation and analysis (preferably in one of the World Bank's training sessions, or alternatively with a cooperating U.S. Commercial bank);
3. Three months in business administration (preferably in one of the short courses offered by U.S. Universities for middle-echelon Managers);
4. One month in familiarization of U.S. office equipment, from typewriters and filing equipment to calculators and computer types (preferably by visits to office equipment manufacturers' sales departments);
5. Two months of familiarization with U.S. factory production equipment, together with accumulation of five sets of equipment catalogs, specifications and prices, to take back to the Project Office, with one set provided to each of the five country representatives.

Direct telex communication between the Project Office and its Country Representatives is a critical factor in reducing the need, cost and delays inherent in Project Office staff members' travel to the several countries to contact, assist and follow-up loan clients. This can utilize the Conseil's present telex installation (preferably with arrangements for immediate telephoned/messenger delivery to the Project Office Administrative Officer, and comparable arrangements for outgoing telex messages from the Project Office to its Country Representatives. Each Country Representative (except the one located in Abidjan) should be provided with a telex communication facility for sending or receiving telexes to the Project Office. This can be a contracted arrangement with the development bank, promotion center or other local institution having a telex installation.

Africanization of the Project Office personnel should be initiated by provision (if not already provided) of two typists, a librarian (possibly as a counterpart to a librarian already on the Project Office staff, provided by aid-donors other than AID) and two filing clerks, to be attached to and trained by the Project Office Administrative Officer.

Some of these requirements for support of the Project Office, by the Conseil may appear to be too minor to merit inclusion in the agreement with the Conseil. However, experience has demonstrated that certain of these detailed requirements, if left to generalities, are not adequately implemented, the

result being that expensive AID-financed staff members are forced to reduce their level of activity to much lower echelon activities, with a significant decrease in their effectiveness on the job for which they are being compensated.

Development Banks - For reasons indicated in the text, the Program structure should be revised in relation to the Development Banks (DB's) to:

1. Maintain the DB's participation as a conduit for channeling loan funds to recipients, and assuming risk thereon.
2. Eliminate presently required DB approval of and arrangements for Project Office personnel to contact loan recipients directly, after loan is approved.
3. Require analysis of loan applications, before formal presentation to DB's, by a Country Loan Committee in which are representatives of:
  - The Development Bank
  - The Promotion Center
  - The Program Office's Country Representative
4. Continue required utilization of loan repayments (re-flow) up to a calendar date set five years after the date of agreement with the DB.
5. Require access to DB's individual loan records, for Project Office audit of utilization of loan funds, until loan is repaid.

These recommended changes are required to avoid the present difficulties of the Project Office personnel in contacting loan recipients, to assist them in making a success of their projects, to permit the promotion centers and Project Office personnel to assist loan applicants to prepare and present

their loan applications, and to offer comments on desirability of financing the Entrepreneur's project, before the DB acts officially on the loan application.

The DB will, of course, continue to exercise its independent judgment on whether to approve or reject the loan application.

This should permit desirable applicants, who would not otherwise be considered by the DB's, to be brought to their attention.

It also would provide a grass-roots screening of loan applications, against the specified requirements for an "African" entrepreneur, for the source of proposed purchase of equipment, and for potential success (and objectives attainment) of the Program. It also would provide the Project Office Country Representative with the initial record of a new "client" to be added to his portfolio of loan recipients, for assistance and follow-up.

Promotion Centers (PC's) - As indicated in the text, the Promotion Centers are now evolving into bona-fide organizations having a function uniquely adapted and relevant to this program's objectives and effectiveness. With the assistance they are beginning to receive from other aid-donors they have good prospects of improving, despite their other past deficiencies. Therefore, they should be incorporated as an integral part of the Program through Agreements with them by the Conseil (or alternatively, or in addition, by AID direct) under the following recommendations.

A Promotion Center representative should be designated to participate in the Loan Committee established in each country to consider African entrepreneur loan applications, together with the development bank representative and the Project Office's Country Representative.

The PC should provide a staff member as a trainee counterpart for the Project Office's Country Representative, for activities and training as outlined below under "Project Office Country Representatives."

Two percent of the proceeds of each loan to a client of the Program should be paid directly by the Development Bank to the Promotion Center, as compensation for its activities in the Program, and to impress upon the loan recipient that he (or she) is paying for continued assistance, and should therefore seek and receive it.

Commercial Banks - The commercial banks have been excluded from the existing Program structure, despite the fact that they comprise the ultimate target - for the Program's clients to be able to become valid borrowers from commercial banks. The latter should therefore be included in the Program structure, in order that the objective (Commercial bank loans to project clients) may be more immediately encouraged. This will require incentives to the commercial banks - at least as attractive as those presently offered to the Development Banks.

The commercial banks' disincentives are the same as those of the development banks, i.e., overhead cost of small loans, and risk inherent in loans to

relatively new enterprises. However, any significant subsidies to the commercial banks to induce their loans to Project clients would erode the essential objective - i.e., preparing the client for unassisted existence in the commercial bank-borrowing-cum-industry-competition environment in which he must continue to exist on his own efforts and capabilities.

One way to reduce the commercial banks' aversion to making small loans is to facilitate and improve the loan application. Presumably the applicant already has had this type of assistance during his initial loan application for the Conseil's Project Office loan. However, the commercial banks' requirements in a loan application, if not already known, could be ascertained and incorporated in the loan application. The adequacy of the resulting application should be, at least, the equivalent of those presented by other loan applicants to the commercial bank. In addition, the financial record of the loan applicant, incorporated in the application, might well be superior to the comparable data provided by the run-of-the-mill applicants of the commercial bank.

Another way to meet the commercial banks' aversion to the overhead required on small loans is to provide some of the activities and functions otherwise required of the commercial bank's staff. This could be combined with the desirability of continued Project Office follow-up of its clients, in the effort to see them "graduate" from the Program.

This incentive for the commercial bank could be provided through an agreement, by the Conseil with the commercial bank, that all "certified" borrowers

from the bank would be assisted, followed-up and reported upon to the commercial bank. In addition to the continuing range of other contacts and assistance to the client by the Country Representative would be the requirement to report to the bank (at least once each quarter) on the borrower's progress, status, problems and prospects. While this provides no assurance to the bank that the loan would be repaid, it at least reduces the bank's overhead cost in following up the loan, and this is a major cause of commercial banks' reluctance to take on small borrowers.

Here the Project Office Country Representative becomes the critical ingredient.

In addition, this commercial bank coordination would provide the "capping" of the Program's ultimate objective: the evolution of an African entrepreneur capable of obtaining financial support from normal commercial channels in the normal milieu in which an entrepreneur must exist.

An indirect "fall-out" from this arrangement would be an awareness of, and sensitivity to, the prospects of the applicant for an initial loan from the Project - whether the applicant has prospects of ultimately becoming a successful commercial bank borrower. This implied discipline would in itself tend to discourage loan application approvals for entrepreneurs with only small prospects of developing into a larger (and profitable) enterprise.

Finding an amenable commercial bank to enter into this kind of agreement with the Conseil may not be easy. Appeals to public spirited commercial banks

should be relied upon to a minimum extent. It may be necessary to seek a commercial bank whose management looks ahead, to the prospect of growing with the growth of small indigeneous borrowers. The founder of the largest U.S. bank, Mr. Ganinni of the Bank of America, successfully adopted this policy early in his career, with demonstrated good results.

C. Coordination with other donor agencies

Increasing instances of other donor agency assistance to the elements and objectives of this program present both an opportunity for and a potential inhibition to the Program's effectiveness.

Other donor assistance to the Conseil, the development banks and the promotion centers and to the clients themselves, risks being at cross-purposes with this program - not by intention or design, but merely because the methods and procedures for implementing their programs may, in their multiplicity and unique requirements, ensnarl the recipients in a plethora of unique and varying requirements and criteria for such assistance. This could have the result that (and may already have reached the point at which) the recipients consider selecting one alternative donor to the exclusion of another. For the good of the Program objective, this should be avoided.

This factor is especially important with the scope of recommendations here presented, as they will entail more procedures, commitments and reporting procedures by the recipient institutions, particularly the development banks and promotion centers. It is incumbent upon the Program Office,

therefore, to become aware of the situation - not only for the other reasons pointed out below - but also so that the accumulated experience with this Project can contribute to an amelioration of the attendant disadvantages when considering the Program as a prototype for other applications.

Conversely, the opportunity exists for improved effectiveness of the Program, in pursuing its objectives on a cost-benefit approach, to know where other donor agencies are providing a needed assistance, and where there is a gap. Lastly, the existence of other aid donor agencies, with either the same or similar objectives (or with opposed objectives) is a highly relevant aspect of the overall Program objective, the evolution of a body of successful practitioners of private enterprise in a free society.

The recommended action consists of two elements: contacts and coordination with other such similarly oriented aid donor agencies at the local operating level, and a comparable effort between the headquarters of such donors.

The local level donor agency contacts should be a prescribed function of the Project Office Director. This would require the evolution of coordinating contacts with, inter alia, the local operations of the World Bank (including its International Finance Corporation), the U.N. agencies, the Development Bank of West Africa, and the Peace Corps of the U.S. (and similar operations of other countries). Other relevant agencies may be discovered by an alert Project Office Director. (Some passing mention was made, during travel in

Niger, of a U.S. based "Partners in Productivity" activity, assisting entrepreneurs in the hinterland, about which no effective information was available in the Project Office.)

There appears to be a reluctance (or even aversion), on the part of local personnel of the aid donor agencies, to "consort" with other comparable agencies. Diplomacy may serve to bridge the existing chasm between them. Alternatively the second recommendation might serve.

The second recommendation is the establishment of effective formal contacts between the home offices of such aid donor institutions. While this exists in some instances (e.g., between AID and the World Bank), it is at such a rarefied level as to be limited to global policies and planning, of little effect at the local operating level. Adoption, at the upper level, of a policy to encourage their respective local agencies to maintain meaningful contacts with each other could be effective at the level where cooperation and coordination are relevant.

The result should be an annual report by the Project Office, describing such similar-objective agencies, their related programs, and how cooperation between them can be mutually effective.

A specific recommendation is made: That AID/W contact the Canadian Aid donor agency which, through their Mr. Bergeron, has just completed a survey

of this program's activities, with the potential result of their institution of a Canadian Program having the same objective.

It was agreed with Mr. Bergeron that both his survey report, and this report, would recommend that copies of the two reports be exchanged between AID/W and the Canadian Agency concerned so that each might profit from the other's evaluation.

This recommendation is here specifically made. (1)

D. Closer control over use of loan funds

Progress of the Program in accomplishment of its objective depends in some significant measure upon the limited AID assistance being concentrated concisely on the objective target (with some reemphasis among the target area, as indicated later). This is the essential purpose of these recommendations for closer control to be exercised by the Project Office itself, for the benefit of the Conseil's present and future effective conduct of the Program. The experience thus gained by the Conseil should improve its own capability (internal control in other of its programs and activities) in which the Project Office Director's counterpart will have been trained. Not incidentally, continuing audit results will serve as a feed-back for assessing the results of continuing changes or modification of the methods

(1) The responsible individual to contact is Mr. Guy Salesse, Manager for French Africa, Canadian International Development Agency, 200 Main Street, Hull, Quebec KIA 0G4, Telephone (603) 997-6263.

adopted to improve the objective attainment. This aspect requires audit results to be transmitted to AID's REDSO/WA.

The project agreements are designed to accomplish the objective with the least inhibition of innovative, or self-generated ideas and policies by the Conseil. Correlation of audit results with temporary modifications permitted in the agreement provisions could permit gradual relaxation of agreement requirements, to the end that the Program could become more and more an independent and self-controlled Conseil Program, by the time the Agreements expire.

Compliance with certain Agreement requirements is necessary, on the assumption that the Agreements were properly and constructively drawn. These include compliance with requirements for the definition of African Entrepreneurs, the area of borrower's activity, and purchase of equipment from specified source countries.

Status of the loan repayment reflow funds is an essential measure of incentives to both the Conseil and the development banks.

Lastly, the ultimate disbursement of the loan funds for purposes for which the loan was approved is necessary both to protect the development banks against increased loan-risk from deflection of the funds to less productive purposes, and to assure that the borrower is making the best use of financial

resources, not only to improve chances of his ultimate success, but also as a discipline enhancing his demonstrated trustworthiness when he ultimately approaches a commercial bank for a loan.

The audit procedure and report needs to be a middle ground between a theoretically perfect audit, and the time and cost of such an audit. (Audit procedures specified solely by the audit recipient tend to be too severe - thus inherently self-defeating if the resulting cost and effort required are out of proportion to the benefit obtained.) Thus, the audit procedure and content, within the limiting framework outlined below, should be the result of continuing discussion between AID and the Conseil. Audit results continually evidencing no need for better operational control can and should have the audit requirements lessened, by such devices as random sampling or spot audits.

The above Agreement requirements can be met by the Conseil's Quarterly Report to REDSO/WA including an audit appendix in which the new loans are listed, showing for each:

1. Percent of ownership by the African Entrepreneur(s) of the entity receiving the loan
2. The area of Project activity, by a more precise coding, such as that outlined in the tables presented previously showing "Activities supported" (Section II E)
3. Country source and amount of order placed for equipment.

Ultimate disbursement of the loan funds by the borrower can be shown by including:

4. Loan disbursement allocations, by percentage according to a simplified coding system.

The status of loan repayment (reflow) funds is more difficult, but also more important to the Conseil. It requires a quarterly report by the development banks on loan repayments, by loan number and amount. This should also assist the development bank by showing the loan repayment performance of Program loans, in comparison with its other loan repayments record. The additional assistance and follow-up applied to Program loan recipients should permit the development bank to know its degree of risk-assumption in Program loans, and serve as a measure of the effectiveness of its own follow-up procedures.

A relatively simple part of the quarterly report content would be the Conseil's record of loan funds disbursed versus non-financial assistance costs, divided into Conseil supported costs and AID supported costs.

These include purchase of equipment, personnel costs, and overhead services provided to the Project Office, e.g., rent, lights, telex, etc. . . .

The Conseil's contribution should identify that part of its cost due to its program of Africanization of the Project personnel.

Collection and summary of the audit data on clients will depend critically on the Project Office's Country Representatives. Most of the remaining data will come from the Project Office Administrative Officer, which highlights the importance of this position in the organization chart of the Project Office, as referred to in the relevant later section.

E. Re-emphasis in scope of program

The principle here involved is concentration of the available (limited) funds and effort on a sufficiently emphasized (reduced) area to insure significant results on the most important of the target areas - and on those most susceptible to Program efforts.

Theoretically, the scope should be as wide as possible, so as not to exclude aspiring entrepreneurs in a category of activity justifiable on other grounds. In practice, this is not desirable, if the objective is demonstrated success by African Entrepreneurs so assisted. Otherwise, the Program risks being categorized as an AID public relations effort, rather than as a serious effort to attain the program's specific objective.

The selection of loan activity areas to emphasize is based on the factors:

- Needed services and products in the country's current stage of development, which are
  - Within the capability of an appreciable number of African Entrepreneurs to provide, and
  - Which result in the most favorable cost/benefit ratio for the Program.

The provision of services, rather than products, is high in the list. This includes, for example:

- Repair and maintenance of vehicles, motorcycles and bicycles, including:
  - tire repair
  - battery charging

- motor tuning
- damaged body and frame repair
- Plumbing installation maintenance
- Electrical installation maintenance
- Radio and TV repair
- Personal services:
  - Laundries
  - Beauty parlors
  - Tailoring
  - Shoe repair

Next in importance is the production of relatively simple products for local markets. This eschews production of more complicated products which tend to require production machinery with capacities beyond the country's domestic demand.

These include, for example:

- Clothing manufacture
- Simple house construction
- Food processing preparation and/or packaging, principally of domestic raw materials.
- Machine shop production of simple spares (Parts for vehicles, motorcycles and bicycles, as well as special jobs contracted for other spare parts.)

Also included would be agri-industry projects, servicing local farm production. Examples are husking (decorticating), grinding, drying, storage,

cold storage, fumigating and transport.

Contra should be a reduced emphasis on (or practical elimination of):

- Farm production
- Trading/Commerce (the simple purchase and resale of the same products - unless organized as a grocery store or super-market operation)
- Tourism

Farm operations have not yet reached the point at which the average farmer is in the money economy, and produces on a relatively large scale requiring more than simple farm equipment which requires loans to finance. This area requires government support, and rather massive seasonal loans, which are beyond the purview of this Program. Supporting food production, and rural development, and seeking to minimize the rural-urban migration, are excellent objectives - but for other programs which zero-in on those objectives. But to load down and divert this program to those objectives is unwise; it merely dilutes the effort applied to this program's specific objective. The cost/benefit ratio for the program can be quite adversely affected.

Trading is a centuries-old profession, in which little can be taught to the individual traders, most of which training and financial support comes from parent-practitioners. These principals (many of whom are women) could probably teach the Project Office personnel, rather than vice-versa. They need only short term working capital loans. In the end they are not much helped (or improved as traders) by program loans. (See the Section on "Women".)

"Tourism" is well beyond the practical limits of the program's capabilities. Essentially, this area means hotel construction and management, an area of expertise well beyond the present limits of almost all existing or potential African Entrepreneurs. (The one "Hotel" visited, where one day and night was spent as a client in the hotel, could not by any stretch of imagination be classified as a "tourist" hotel.) Later, this area could come within the scope of African Entrepreneurs, but not now, if any consideration is given to a "cost/benefit" approach.

These areas for desired emphasis and de-emphasis come into focus at the level of the Project Office Country Representative, in his activities in promoting the program to potential entrepreneurs, and in the "Loan Committee" discussions.

F. Improved Project Office organization and operational facilities

This area of recommendations implies practically a re-organization and re-orientation of the Project Office, to the end that it can operate more easily and more effectively. Present limitations inherent in the Program as now supported cause a very significant reduction in potential overall results. These obstacles and problems in effective operation are not readily realized by distant determiners of Program organization. For example, an exorbitant amount of time, effort and expense are wasted because of the difficulties of travel and communications between the Project Office in

Abidjan and the loci of operations in Cotonou, Lome, Ouagadougou and Niamey.

This is not unique for a program in a less developed area of the world. Practical solutions should be applied, for the benefit of the program especially, and as an example for other program concept applications - considered strictly on a cost/benefit basis. Therefore, serious attention is invited to this area of recommendations.

The organization and equipping of the Project Office should be revised in major aspects. The importance of this effort suggests the desirability of a short-term AID financing consultant to assist in determining the details of the proposals here made, and to estimate the costs. Such a survey of practical field operations efficiency could be valuable to AID/W in assessing and providing relevant improvements in other of its aid programs in less developed areas.

An organization chart designating functions, and simple job descriptions, of the local personnel, should be prepared. These should include at least the Project Office Director, Administrative Officer, Librarian, and the several Advisors in the areas where special expertise is required. If a trade-off is required, more relative emphasis should be placed on administrative office operations and less on added advisors in individual fields of expertise. The results from this re-emphasis on operating efficiency can increase the prospects for success of the Program.

The level of expert advisors tends to be above the level of expertise required by the average African entrepreneur, and the level of program operations and control tends to be below the level required. This observation is based on a close evaluation of this Program's effectiveness, buttressed by previous experience with similar programs' effectiveness in less developed areas.

The survey above proposed should include an outline of basic procedures required by the Project Office, based upon the profiting from its own previous experience. These procedures should include the audit operations, reporting functions and client visits scheduling and reporting systems.

Proper equipment also is badly needed, and can do much to assist the Conseil and Project Office to learn to use modern methods of operations. This equipment should include modern typewriters, filing equipment, transportation equipment and communication facilities (all of U.S. manufacture). Transport should include a jeep for each Country Representative.

Communication equipment should include readily available telex communications between the Project Office and the outlying Country Representatives. While apparently costly, this facility can be one of the biggest cost-reduction efforts available. The cost of air travel to the outlying areas is several times that applicable in the U.S. In addition the lack of air-travel capacity, and prevalent over-booking by air-lines, results in the necessity

of booking air travel for from ten days to two weeks in advance, with no assurance that one will not be "bumped" from a confirmed seat reservation. Schedules are not daily, normally only two or three times per week. To make one round trip to the four out-lying capitals, with at least three days in each, takes about three weeks and costs, with hotel room, about \$1,000 (equivalent to 30 telex messages).

Once arrived at destination, hotel reservations present an equal waste of time and energy. Firm reservations (difficult to acquire by telex, almost impossible to obtain by telephone) usually can be obtained only for dates two weeks in advance. Confirmed reservations, again, are sometimes "misplaced" or otherwise unavailable and competing hotels, also "sold-out", provide no back-stop. Ultimate reliance sometimes has to be placed on friends (or even casual acquaintances) to provide lodgings for the night. Hotel costs range up to \$40.00 equivalent per night.

These details are presented in order to give the reader a "feel" for the cost, loss of time, and effort expended merely for the purpose of contacting Program loan clients who are being assisted and followed up by the Project Office. The proposal for Country Representatives and communications facilities can increase the cost-effectiveness of the Program operations by a quite significant amount.

The essential and critical factor in increasing the Program's demonstrated success is the Project Office's Country Representative in each of the Entente

Countries. The Country Representative should have his own office, probably combined with his living quarters, equipped with telephone, typewriter and basic filing equipment and supplies, and have his own self-driven jeep. The office should not be either in the development bank or the promotion center as these two (competing) organizations could not then be treated in a manner deduced to be neutral. With his counterpart supplied by the promotion center, as indicated under that heading, the Country Representative becomes the local operations activator, in his country, for the entire gamut of Program activities. He will be thoroughly and responsibly occupied, with assigned functions as below outlined.

Functions and responsibilities of the Country Representative should encompass the following:

1. Advertising (promoting) the availability of the Program's opportunities, and finding (screening) potential African entrepreneurs who could become good borrowers and successful Program clients
2. Assistance to the potential client in preparing (or preparing for him) his loan application and supporting data. (In this, he would work with the Promotion Center through his counterpart, whom he trains specifically in this function)
3. Participation in the "Loan Committee" which (including a representative also from the development bank and the promotion center) discusses and evaluates the loan application, before it is submitted to the development bank for decision
4. Maintaining a complete file record of all loans subsequently approved by the development bank, as well as a file on those disapproved (together with the reason for disapproval). This file subsequently should contain records of the client's operations, planning, equipment purchase and visits.

5. After loan approval, assist the client in layout of production equipment (if involved), selection and ordering of equipment (with references to his own file of equipment catalogs)
6. Assisting in setting up simple accounting records to record income and expense, with simple cost accounting methods for costing and pricing the product or service
7. Advise and assist in ways to develop and hold the market for the product or service
8. Assist in preparing rudimentary balance sheets and income statements, for eventual use in a later loan application to a commercial bank
9. Schedule regular visits to clients at a frequency of at least once a month; record such visits and observations or comments thereon, in the client file.
10. Prepare a weekly (mailed) summary report on his activities, accomplishments re the Program objective, and problems - either the client's or his own. Telex the Project Office a brief (coded) message on the week's progress or problems.
11. Prepare a one-page quarterly report on the progress, status, problems and prospects of each client. Attach an over-all summary of the quarter's program accomplishments, problems and action plans for the succeeding quarter.
12. Train his counterpart on all aspects of his operations and functions, and delegate responsibility to him for an increasing portion of his operations, as rapidly as the counterpart can assume them; report quarterly to the Project Office and to the promotion center on the counterpart's progress.

This gamut of responsibilities and implied capabilities illustrates the strategic place of the Country Representative in improving the effectiveness of the program's operation, and the ultimate degree of its success. It also raises the problem of finding five successful candidates for the job, as discussed below.

Minimum requirements for and capabilities of the Country Representative are as follows:

- a) Graduate level degree in Business Administration
- b) Little or no actual experience in business
- c) Aggressive energy and the desire to assume responsibility for a wide range of the subjects he has studied, with the aptitude for self-direction and initiative
- d) French speaking

The first three characteristics can be found among recent graduates of the U.S. graduate schools of business administration. Despite immediate possible contra-conclusions, the report author persists in the belief, supported by his previous experience in recruiting Harvard Business School graduates for similar functions in less developed countries, that appropriate candidates can be found.

The French speaking characteristic probably would have to be acquired in an intensive short term training (at AID expense) in the U.S., and continued in the early period of the actual assignment. This would be one of the incentives to attract internationally minded graduates.

These recommendations will increase the cost of the non-financial Program support. They are considered so important as to advise the reduction of expenditure for highly qualified Project Office Advisors, if necessary, to support the Country Representative recommendation.

Very highly qualified consultants are not essential to success of the Program. The level of expertise actually required is sometimes so far below that of a highly qualified advisor that he may become frustrated, lack a real challenge to his capabilities, or become disinterested, with a "what's the use" syndrome. The challenge to well motivated junior level staff tends to induce the opposite (and more desirable) response.

Very few of the projects this Program has brought into being require a highly sophisticated level of expert advice. When this occurs, the Country Representative can call on the Project Office advisors. These should represent and reflect, as far as possible, a broad business experience, rather than high qualifications in a narrow speciality.

This corresponds to the assistance requirements for emerging African entrepreneurs, whose greatest need is in the basics of business, not the middle or upper echelons of business acumen and sophistication.

G. Emphasis on non-financial assistance

The following recommendations are based on the need for greater relative emphasis on non-financial assistance to potentially successful entrepreneurs in comparison with the loan assistance per se. Both are necessary, since the (at least initial) desire of most potential clients is only the loan. The one induces the other to become effective, or sought after (increasingly

if demonstrated successful results follow the non-financial assistance. Charging the client 2 percent of his loan amount for such assistance (as recommended above) tends to increase his request for, and expectation of, such assistance.

The major aspects of non-financial assistance have been covered under previous recommendations. The staff of the Project Office is a further relevant aspect.

AID supported Project Office personnel, besides the Director, should include an Administrative Officer whose functions (together with that of his counterpart) should include:

- a) Maintenance of loan, reflow and other financial aspects of the Program
- b) Expense and budget records of the Project Office operation
- c) Collection and filing of data, and preparation of the reports required thereon by the Project Office, for the Conseil and for its submissions to AID's REDSO
- d) Supervision and training of the Project Office staff other than advisors (who would report directly to the Director). This includes the Message Center and library as well as the typists and filing clerk.
- e) As required, serve as Director pro-tem when Director is travelling or otherwise unavailable for pro-teming decisions.

As the AID financed assistance is phased out, the Administrative Officer can succeed to the Director's functions, with an increasingly Africanized staff conducting Project operations as it approaches the point of independent operation as an on-going institution.

## H. Institution building efforts

Thus far the Program's efforts have been so concentrated on daily operations (in the face of the operating obstacles introduced by the existing Program structure and the dissipation of time and effort in its operation's milieu) that an insufficient amount of effort has been available to apply to building an institutional structure that can continue to acquit itself well after AID donor activities are phased out.

Institution building activities are an integral part of the foregoing recommendations. In summary they are:

- a) Explicit adoption of the Conseil as the recipient of assistance through institution building activities,
- b) Explicit adoption of the promotion centers as adjuncts to the Conseil institution building process,
- c) Emphasis on Africanization of the Project Office staff, at all levels, on an agreed target time schedule,
- d) One year of training in the U.S. for the selected African Director of the Project Office,
- e) Monitoring and assisting the Country Representatives in the training of counterparts seconded to them by the promotion centers.

Although the primary objective of the program is to encourage and assist potential African entrepreneurs now, the long-term results from expenditure of a given quantity of money and effort will be greater if an on-going institutional entity continues independently in the future.

An acid test of the Program's success would be an audit of the extent of African entrepreneurship in existence a decade after the AID sponsorship has been completely phased out. The possibility of a favorable result to such a presumed audit is the long-term objective of the program. Thus no particular emphasis on the desirability of institutional building efforts would appear necessary, which is assumed a priori.

I. Continuation of program support

Implicit in the recommendations, and here explicit, is the strong recommendation to continue the program.

The reasonably successful results thus far, in the face of serious inhibitions resulting from structural inadequacies built into the original program concept as incorporated in the loan agreements, augurs well for significantly increased results from a following phase.

The experience gained thus far, in a relatively new type of program endeavor, can be capitalized upon in a continuing program. This program thus far has served as a very practical laboratory in which some structures and techniques have been successful, and some have been found wanting (the latter are the aspects brought into focus in the recommendations sections; those not focused upon are the ones not requiring revision).

Evolution of the program concept and its implementation, as a prototype for application in other parts of the Third World, would be helped by the following recommendations.

The delegation, to a single AID/W officer, of responsibility for monitoring this program, and preparing proposals for its appropriate application elsewhere. This would avoid the hiatus between an initial project approval and the point in time, two years later, when the program is brought under bright lights for a periodic reassessment. Continuous monitoring by one full time staff member would bridge this gap, and permit constructive suggestions and criticisms while the program can still profit therefrom. This kind of attention and surveillance by AID/W is not practicable for all programs, and not required for those in which long experience has been accumulated and applied to needed improvements.

This program is unique in a basic aspect: it is a practical program seeking to induce, and prove, the superior advantages of a thesis which is fundamental to the Western World, and to the U.S. in particular. Now increasingly challenged in worldwide trends, that thesis (and a realistic demonstration of its advantages to Third World individuals, economies and governments), merits a high priority, not only by AID, but also by the U.S. Congress and its constituents.

Fortunately, and serendipitously, the emerging trend in thinking by the U.S. Congress and citizens is toward greater realization of the importance

of maintaining the thrust of the individual enterprise concept, operating in a free society. It is believed that this program's objective, refined and improved in successive applications, would find increasing acceptance by those whose conclusions determine the extent and kind of AID programs most desirable for increased support and funding.

## VIII. LEVELS AND SOURCES OF PROGRAM SUPPORT

### A. Costs

Support of the program at the level indicated by adoption of all the recommendations would increase the non-loan costs considerably, both for AID and for the Conseil.

For AID the major cost items would be:

- A-1. Project Office Director
- A-2. Project Office expert consultants
- A-3. Project Office Administrative Officer
- A-4. Country Representatives
- A-5. Training in U.S. of Project Office Director's permanent counterpart
- A-6. Project Office equipment and maintenance
- A-7. Vehicles for Country Representatives

For the Conseil the major cost items would be:

- C-1. Project Office personnel counterparts
- C-2. Support costs for Project Office expert consultants
- C-3. Project Office clerical personnel, including chauffeur
- C-4. Project Office space costs including utilities and supplies
- C-5. Project Office vehicle and maintenance
- C-6. Project Office and Country Representative telex and telephone facilities
- C-7. Local travel costs of Project Office personnel

For the promotion centers the major cost item would be the Country Representative counterparts. With the allocation of 2 percent of loan proceeds to the centers, no appreciable added cost is foreseen.

For the development banks, no significant added costs are foreseen.

### B. Cost Priorities

Alternative levels of support, with declining levels of cost, involve adoption of priorities among the indicated major cost items. These priorities are recommended as follows:

- A. Project Office personnel (including counterparts), other than expert consultants
- B. Country Representatives and their logistics support
- C. Project Office equipment, maintenance and supplies
- D. Project Office expert consultants.

This priority emphasizes the relative (priority) importance of:

- 1. Institution building in the Conseil
- 2. Emphasizing program operation effectiveness at the point-of-contact with client borrowers
- 3. Increasing the effectiveness of Project Office contact and control over point-of-contact operations
- 4. Providing sophisticated expert advice from the Project Office to client borrowers.

C. AID program support levels

After the following suggestions have been considered and the prospects of assistance from non-AID sources have to some extent materialized, AID program support might be considered at the following three levels.

- I. Full support of the program, with all recommendations incorporated, in a continuing program at the existing level of loan tranches
- II. Intermediate level of support, excluding most or all Project Office consultants, but including the Project Director and Administrative Officer
- III. Minimum level of support, providing only the Project Office Director and four of the Country Representatives.

Level I would involve an estimated cost level of \$2.5 million for non-loan support, combined with a recommended \$10.0 million in loans (with no allocation for specific areas such as agricultural and rural development end-uses). Total estimated cost level, \$12.5 million.

Level II would involve an estimated cost of \$2.0 million for non-loan support, combined with a recommended \$6.5 in loans. Total, \$8.5 million.

Level III would involve an estimated \$1.0 million for non-loan support combined with \$4.0 million in loans. Total, \$5.0 million.

These broad areas of estimated cost, at levels of \$12.5, \$8.5 and \$5.0 million are subject to significant probable variation, depending to a considerable extent upon AID/W's aggressiveness and success in inducing program support from other sources, as described later.

D. Expert Advisors

Trade-offs required, under this set of priorities, should be to maintain the effectiveness of the point-of-contact operations, at the expense of more sophisticated Project Office expert advisory services. In the lowest level of AID cost, all such advisors could be left to be provided by other aid donors, such as France and the U.N., who now provide three such experts (engineer, documentalist and long range planner). AID might provide (besides the Administrative Officer, who preferably has had a broad range of actual private business experience) a single advisor in business management, who preferably is not a narrow-field expert, but has had considerable experience in small businesses.

E. Country Representatives

This is the focal factor in moving the locus of operations from the Project Office to the point-of-contact with the actual loan recipients. Five are needed, one for each country. At a lower level, the Country Representative for Ivory Coast could be substituted by one of the Project Office expert advisors, but this would exclude the institution building support for the Ivory Coast's promotion center, and is not advised. Alternative sources for the Country Representatives are proposed under "Aid-donor cooperation." For AID the source already indicated - recent graduates from U.S. graduate business schools - is proposed as an initial effort.

F. Aid-donor cooperation

The recommended cooperation and coordination with other aid-donor sources could provide (or reduce the AID cost of) some of the personnel and equipment proposed. Possibilities are suggested as follows.

The U.S. Peace Corps possibly could provide some or all of the Country Representatives. Other countries' similar contribution (Canada, France, West Germany, Israel, Taiwan) might, if properly approached, be willing to provide at least one Country Representative each. (The U.S. "Partners in Productivity" effort should be assessed, for a possible contribution.)

The U.S. International Executive Service Corps (IESC) should be approached to provide three to six months assistance to each of the Country Representatives.

The relevant U.S. trade associations should be approached for contributed effort, on the basis of their support for the program's ultimate objective, "inculcating and advancing the 'private enterprise' concept abroad." The American Management Association is one example.

Office equipment associations might donate equipment and supplies. Jeeps or equivalent vehicles (even including motorcycles) might be donated by their manufacturers - not overlooking German and Japanese manufacturers. (The marketing "spear-head" advantages to equipment and vehicle donors could well be a partial motivation for them to provide assistance.)

The UNDP might consider providing an expert in several of the fields of expertise required in the Project Office. Approached at the proper level by AID/W, other aid-donors might consider such assistance. France and Canada are the outstanding examples, because of their greater ease in providing French-speaking personnel.

The World Bank should be consulted, not only with the idea of providing support, but also to assess the possibilities of coordinating their already existing programs and expertise in the Program's area of operations.

G. AID/W Private Enterprise Program Officer

The recommended AID/W Private Enterprise Program Officer would find a challenge and a full scope of initiative and operations in seeking assistance for this program from sources other than AID's budget. (Experience in this instance might suggest to AID/W the desirability of instituting a similar policy of seeking cooperative and integrated support for others of its programs.) A potential candidate for such a post is presented in Appendix E.

H. Conseil costs

One of the most difficult cost aspects is the support to be provided by the Conseil. Organized to receive and allocate foreign aid assistance to programs in the five Entente States, the Conseil faces real difficulty in acquiring resources to support already existing programs, let alone the

new programs it may plan to introduce. Probably doubling its costs for this program (mainly the cost of counterparts and communication facilities) will present budget problems. In addition to the 2 percent of loan proceeds recommended to be provided by the development banks to the promotion centers, it may be desirable to consider increasing this to 3 percent, with the added 1 percent going to the Conseil. A one-time 3 percent cost to the loan recipients, compared with an annual interest rate several percentage points below the normal commercial bank rate, should not be prohibitive. At an annual loan rate of, say, five million dollars per year, the resulting \$50,000 support to Conseil could be effective in permitting it to finance the additional costs. One important cost element is the local support costs for Project Office expert advisors. Keeping their number at a minimum, in consonance with the lower priority recommended for them, would assist the Conseil in providing the finance required for the recommended higher priority program aspects.

## IX. ROLE OF WOMEN

The contract under which this report was prepared requires, in Article II, E:

"Incorporate in the final report a separate section concerning the 'Role of Women' which will be prepared under a separate contract and provided to the contractor."

The field work and report for this section was presented, under a separate contract,<sup>(1)</sup> by Ms. Philomena Fraidman under the title "Women and the African Enterprise Program." This report is reproduced and incorporated verbatim in the following pages.

The relevant field work and report conclusions were well done. Their conclusions are fully supported. (It should be noted that sample sizes and source data sets were not in all cases coextensive with those presented in the foregoing Section II G, "Loans to Women." The differences are small or insignificant and in no way affect conclusions drawn.)

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(1) Contract No. REDSO/WA 78-151.

Women and the African Enterprise Program

**BEST AVAILABLE DOCUMENT**

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### Background

In 1973 the Congress amended the Foreign Assistance Act of 1961 to this effect:

In recognition of the fact that women in developing countries play a significant role in economic production, family support, and the overall development process, U.S. aid shall be administered so as to give particular attention to those programs, projects and activities which tend to integrate women into the national economies of developing countries, thus improving their status and assisting the total development effort.

This provision has become known as the "Percy Amendment" and efforts to comply with it have proliferated within the Agency for International Development. As a corollary to these efforts, this report considers the relationship to women of an AID-financed project in international assistance which was planned before passage of the Percy Amendment and which made no specific provision for women.

It was in March of 1973 that the United States Government accorded a loan, over a long term and at concessionary rates of interest, to the Mutual Aid and Loan Guaranty Fund of the

Council of the Entente, a regional political organization of which the members are: the Ivory Coast, Togo, Niger, Upper Volta, and Benin.

The loan was designed to promote the development of an African entrepreneurial class. Leaders of the Entente governments were concerned at the small role still played, a decade after independence, by Africans in the private sectors of their own economies. The American help was an expression of support for their view that, economically, socially, and politically, it was desirable to increase the number of businesses owned and operated by Africans.

The Entente undertook to re-lend the money to development banks in its member countries. These banks were, in turn, to lend the money to small and medium-sized African enterprises. These final borrowers were required by the original contract to be at least thirty-five percent African owned; when a second installment was added to the loan in 1975, the mandatory percentage was increased to fifty-one. At the same time, the requirement for African management was more strictly defined than it had been in 1973. It was made mandatory that "management and operation of the enterprises on a day to day basis" be "substantially in the hands of Africans". Eligible for loans were enterprises in industry, agro-industry, commerce, and artisanry.

The Entente is responsible for the management of the program. Its African Enterprises project office works with the national development banks, the national promotion centers, and sometimes with individual entrepreneurs. The project office helps to develop projects for loans/assists the banks in processing the loans. The office offers technical assistance and personnel training to the banks, the promotion centers, and the entrepreneurs. It does such things as advise on the prospects for success of a proposed business, help a borrower find and select machinery, send a management expert to advise a firm which is floundering, and give seminars in management techniques. The project office responds to virtually any request for help from anywhere in the loan system. Ideally, it also coordinates the efforts of the other parts of that system.

The development banks are national institutions, sharing a general aim of promoting the development of balanced economies within the framework of their respective national economic plans. They have a common role of providing credit to Africans within their own countries. Apart from the commercial operations of some of them, the banks aim at development rather than profit. They emphasize development of the economy as a whole rather than of individual enterprises within it. They are intended to provide funds for desirable projects which are too risky for commercial banks.

The promotion centers are organizations set up by the individual countries, often with a variety of foreign support, to promote national economic development. It is their task to find possible enterprises--commercial, industrial, agricultural, or other--and to find and train people to develop them. They also work from the other side of the problem, assisting people who have ideas for enterprises but lack the means to develop them.

In an idyllically hypothetical operation, African Enterprises would work like this: A promotion center team establishes the need for a shoe factory in x country. It ascertains that there exists an appropriate combination of demand, material, transport, power, and labor. It locates two people with adequate experience, ability, and interest to manage such an undertaking. With them it plans the enterprise and prepares an application for a loan from the development bank. Funding in prospect, the promotion center complements the potential proprietors' experience with training in management and sales techniques, the while training laborers for the new factory. The development bank analyzes the loan application and, deciding to grant the loan, requests and receives the approval of the Entente project office. The latter contributes training for the new firm's accountant, learns for the new proprietors where they can buy the machinery they will need, and helps to select it and arrange for its

delivery. In this best of all possible worlds, profits arrive  
space.

The first five years of African Enterprises' existence have  
been passed in conditions somewhat less ideal than those. Still,  
with all the difficulties of establishing a complex program  
simultaneously in five different developing nations, in every one  
of which women's economic position is far inferior to that of men,  
and without obligation to do so, African Enterprises has made a  
considerable number of loans to enterprises owned and managed by  
women.

Neither of the parties to the original loan contract and to  
the amendment which initiated the second installment to the loan  
undertook to make any particular provision for women. Nor was  
special consideration foreseen for any category of borrower which  
might be construed to include women rather than men.

In 1975 AID commissioned an evaluation of the first installment  
of the African Enterprises loan which was, simultaneously, a  
prospectus for the implementation of the second installment which  
it recommended. The evaluation contained a brief reference to the  
role of women in the program, in which three points were made:

1. The experience of women under the first installment  
represented a good beginning.
2. Women's traditional entrepreneurial activities

should not be substituted for a strong potential role in a modern economy.

3. There remained much room to expand the participation of women in the program, particularly in Upper Volta, Niger, and Dahomey (since renamed Benin).

The section of the report which dealt with implementation of the second installment included this paragraph:

A special effort will be made to extend opportunities to women under this loan. A strategy for reaching women must be combined with technical assistance capable of transforming traditional entrepreneurial skills into modern entrepreneurial skills. Experience under the first loan should assist in the formulation of an approach to this difficult task. The example of successful entrepreneurs should also help. Finally, women will be specifically included in publicity arrangements.

There is no indication that any obligation to carry out such intentions was established anywhere in the system. In 1977 the Entente commissioned Bernard Spiro Associates, Inc., which had done one of the preliminary studies for African Enterprises, to do another evaluation, and it specifically requested that note be taken of the role of women. The report was submitted in January

of 1976. Again, cursory attention was given the subject; again there was a bland assertion that more might be done.

The most public attention paid to the question was a talk entitled "Loans to Women", given by the director general of the Togolese development bank at the meeting of the bank directors in the Ivory Coast in the summer of 1978. He spoke of the many loans to women by his bank and of the problems of dealing with small and often illiterate entrepreneurs. He maintained that even very small businesses, whether in the hands of men or women, represented an accumulation of local capital and should be encouraged.

Within the Entente project office there is considerable awareness of the desirability of lending to women. It is clear that the staff appreciates the current emphasis on consideration for women both in U. S. government policy in general and particularly within the policies of AID. Staffs in the banks and promotion centers show much less interest in the subject.

Running through the cultural maze of the Entente countries, with their dozens of complexly different groups, is a general pattern of an economically disadvantaged position for women. Myriad cultural factors, a workable knowledge of which would demand deep professional competence in social anthropology,

hinder women's participation in modernizing economies. Both the economies and the women need that participation. Every Entente government has, at one time or another, pronounced itself in favor of improving the condition of women. In not one of these countries, most of which have immense economic problems and two of which are among the poorest countries in the world, is the promotion of the condition of women a prime concern of the government.

#### The Experience of Women in the African Enterprises Program

From its beginning until 31 October, 1978, the African Enterprises program has accorded four hundred and thirty-three loans. Of that total, one hundred and eight--25%--have been made to women.

These totals contain an increase in both the number and the size of loans to women between the first and second installment of the AID loan to the Entente. Twenty-two and one-half percent of the loans made on the first installment went to women. Of loans made on the second installment until October 31, 1978, thirty and one-half percent were to women.

From the first installment, nine percent of the total money lent was borrowed by women. From the amount of money loaned from the second installment until 31 October, 1972, twenty percent went to women. Since the entire second installment will not have been disbursed until some time in 1980, it is impossible to predict the final loan pattern.

There have been very marked differences in the occurrence of loans to women among the five Entente countries. With only one loan to a woman in Niger, and none in Upper Volta, African Enterprises can be said to have had some effect on women in only Togo, the Ivory Coast, and Benin.

The Banque Togolaise de Developpement has made 39% of its African Enterprises loans to women. A few have been to enterprises such as a small hotel and a maternity clinic, but the majority has been to market women, sellers of bolts of printed cotton cloth--pagres--from which clothing, especially women's dresses, is made. Two of these borrowers have businesses large enough to deal wholesale, ordering directly from Europe and selling in other African countries as well as in Togo. The rest of them buy from local wholesalers a stock of from thirty to perhaps one hundred and fifty pagres, and sell, with long and lively discussion, retail. Most of their merchandise is imported. The majority of their

customer is Togolese, though Europeans, prized for their lack of acuity in bargaining, form a constant minority. These are the famous Togolese market women, many of them illiterate, who can figure into millions of francs and keep their records entirely in their heads. The legend of their ability to calculate mentally is probably quite accurate: she who counts wrong gets out of business quickly.

Bankers being less charmed by mental bookkeeping than are tourists, the lack of accounting is one factor which has kept the market women ineligible for credit. Those who have received African Enterprises loans in Togo have agreed to use the part-time services of an accountant. With this concession, these women who are at the very heart of traditional African commerce, have taken a small step toward a more modern economy.

Just as in other countries, there was no visible publicity to attract women borrowers. For neither the market women nor for the small shopkeepers is it really needed. Word of mouth is a more effective way of reaching them than it would be to reach women not yet in business.

It is probable that the first loan application came from a woman with a brother, a cousin, or a friend at the bank. The first loan apparently sparked the demand for the others. Whether the bank's decision that it would be well suited by a batch of small loans to market women was made before or after the spark is unknowable and

not particularly significant.

In the Ivory Coast forty-four of the one hundred and seventy-seven African Enterprises loans have been made to women. Sellers of ragues are prominent in this list, too, but the enterprises are much more varied than in Togo. They include restaurants, an infirmary, beauty shop, general stores, a fish market, a bakery, and a small ice cream plant. The greater variety of Ivorian loans reflects a number of factors external to the loan program. The Ivory Coast has more than double the population of Togo and a much more active, varied, and productive economy. African Enterprises has made about twice as many loans, to men and women, in the Ivory Coast as in Togo. Conversations with bankers and borrowers indicated clearly that the differences in numbers and patterns of loans were not due to subjective differences, to contrasting attitudes between Ivorian and Togolese lenders and borrowers. Ivorian bankers are not more disposed to lend to women; in fact, they seem somewhat less disposed to do so. (Although the point is not precisely pertinent, it is perhaps not totally irrelevant that the only two development banks which employ no women in professional level jobs are in the Ivory Coast.) Nor have Ivorian women a more highly developed entrepreneurial sense. Togolese women give resounding indication of deserving their reputation for alacrity and acuteness in business.

The Togoese women's pride in their own reputation does not dilute the magnanimity with which they describe the business talents of the women of Benin. They seemed virtually unanimous in the opinion that it is among the women of Benin that the African entrepreneurial spirit has been honed to its finest point.

Of the ninety-five African Enterprises loans made in Benin, thirty-six have been made to women. This high proportion is not directly related to the women's undoubted skills. The Banque Beninoise pour le Developpement quite deliberately set out to make a series of loans to small businesswomen because it was having trouble committing the money allotted to it by African Enterprises. The bank's problem was political.

In 1974 the government of Benin announced that it would henceforth pursue a policy based on Marxist-Leninist principles. Since then, a number of private firms, some of them foreign-owned, have been nationalised. The government has made some compensation for expropriated property and promises more. It also maintains that there is still a place for private enterprise in the national economy. The United States continues to provide Benin a small amount of economic aid. Some foreign observers feel that government pronouncements have recently become less prickly and speculate that the pleasures of early imperialist-baiting may be palling. Still, the domestic political atmosphere is such that

businessmen, particularly those with enterprises of any considerable size, see possible inconveniences in borrowing American money.

In this situation, the bank found itself with more African Enterprises money than takers. It decided to use up part of this money in small loans to businesswomen. The plan succeeded handsily for, even if the women knew from where the money came, which was certainly not true in at least some cases, they were too insignificant to be politically vulnerable.

In Benin, thirty-one percent of all loans on the first installment were made to women. Of loans made through the end of October, 1978, on the second installment, forty-three percent were to women. That increase, which occurred for political reasons, is solely responsible for the corresponding increase in the percentage of loans made to women through the whole program, from twenty-two and one-half percent of the first installment to thirty and one-half percent of the second installment.

In both Togo and the Ivory Coast, the percentage of loans to women on the second installment is running below the final rates achieved on the first installment: in Togo the number dropped by

by a quarter, in the Ivory Coast by almost two-thirds. At the same time, the percentage of the total money lent which went to women has increased by two-thirds in Togo and dropped by two-thirds in the Ivory Coast.

There is no significant difference between the periods for which credit is granted or the rates of interest which are charged on loans to women and loans to men. The average period for loans to men was thirty months; for loans to women, just under thirty-one months. The average rate of interest on loans to men was 8%; on loans to women, 8.5%.

Particularly low interest rates are not a feature of African Enterprises loans. Rates of interest on small loans are regulated in the Entente countries and borrowers would pay close to the same rate of interest in commercial banks, if they could get the loans. As part of its design to prepare entrepreneurs to enter the everyday world of commercial banks, the Entente project office encourages the development banks to charge interest rates approaching commercial ones. The program's advantage to borrowers is the adaptability of its loan conditions. For women, so far, its most attractive aspect seems to have been the possibility of borrowing working capital, a category of money difficult to borrow elsewhere.

Loans to women have been consistently smaller than those to men.

The average loan to a woman to date has been \$13,500; to a man, \$12,500.\* Many of the loans, to both men and women, were for less than the amount originally requested. There is no reason to think that the percentages of the sums requested which have actually been received have varied according to the sex of the borrower. Since the bank records often contain little beyond the bank-prepared loan agreement, it is impossible to compare the experiences of men and women applicants, or even the quality of their applications. The bankers, without exception, said that the quality of the written application itself was of little importance. Bank employees actually prepare the final application and the applicant's ability to do so herself or himself is of small consequence.

The bankers were generally of the opinion that women were more conservative than men, less willing to run risks, more inclined to keep their loan requests to the lowest sum possible for their purposes.

\*Converted at a rate of 200 CFA, the currency common to the Entente countries, to one U. S. dollar.

The enterprises owned and managed by women seem to have had loans commensurate to their sizes and earnings. The security provided for them—life insurance, fire insurance, a family member's salary—was of the same kind as provided for loans to men.

In all three countries the same picture emerges: women receive fewer and smaller loans because that is what they ask for. Their applications are less numerous and more modest than men's because they have fewer and smaller businesses. The important questions about the economic position of women are to be answered at this level: why do fewer women than men own and operate businesses, and why are women's businesses smaller than men's? The banks' loan activities are an indication of the disadvantaged economic position of women. They are not a prime cause of it.

Of the one hundred and eight enterprises owned or operated by women which received loans, thirty-four have been classified by the banks as new enterprises. Differences in definition make that figure ambiguous. For example, that a loan to restock a business which has been closed for several months should be classified as being made to a new enterprise seems debatable.

Whether the borrowers are starting, enlarging, or simply maintaining businesses is less relevant to the aim of African

Enterprises than are the nature and prospects of those businesses. Here there is a clear pattern.

The loans to women have been concentrated among small merchants, particularly dealers in ragues and keepers of general stores. Nursery schools, beauty shops, restaurants, and clothing stores also recur. The lists include a certain number of less common enterprises, such as logging, trucking, a bottling plant, a small hotel. There are no startlingly different or remarkably innovative enterprises. No one seems to have started a business of a kind which had never before existed in her country.

The success of the loans themselves, considered as a simple banking operation, is difficult to determine. Not one of the banks has supplied the requested data on defaults. In almost identical words, officers of the Togolese, Ivorian, and Beninoise banks have insisted that "les petites femmes" are "better payers" than the men; but they have provided no figures. Nothing about loans to women can be validly inferred from this failure to supply information. The Entente project office frequently has similar difficulties; getting any kind of information from the banks sometimes takes months.

In the absence of statistics, extensive conversations with bankers and clients present a fairly comprehensive picture of

how the loans have been handled. It is apparent, for instance, that the reputation for being better credit risks than men was earned substantially by the market women, already well established in their businesses at the time they borrowed, typically, to enlarge their stocks. The bankers may unconsciously be applying an additional safeguard in the cases of women borrowers; virtually all of the bankers were more inclined to emphasize the importance of character among women borrowers than among men. Time and again they first mentioned the businesses and their assets when discussing men borrowers, while almost always beginning a description of a loan to a woman with a judgment of her character. Bankers to whom this impression was mentioned accepted that it might well be valid; they suggested that personal qualities were likely to be among the most important assets of a person who must cope with a social and economic situation which discriminates against her, as they felt the African one did against women.

Some of the small loans are supervised little or not at all and may have a very high rate of default. Lack of supervision was particularly evident in the case of the most active bank in the program, Credit de la Cote d'Ivoire. Of the first twelve women borrowers selected for visits, all in Abidjan, three were found to be no longer in business. Unknown to the bank, they had closed and left.

Four others, who had been financed to do free lance selling and had no fixed business address, could not be found. Two more were requested, by letter to post office boxes, the bank's only means of reaching them, to present themselves for interviews. They did not appear. Such difficulties in finding client are less than shocking in the context of vague African street addresses and the ease with which business locations are sometimes changed. Still, the bank's lack of information was impressive. A representative of Credit/Cote d'Ivoire<sup>de la</sup> said that, with a percentage of the loan guaranteed to the bank, it is simply not worth the time and trouble to pursue very small borrowers who are in default.

The banks admit freely that they would prefer not to bother with very small loans. The size of the loan, not the sex of the borrower, determines the amount of attention it gets from the bank. The fact that the average loan to a woman is considerably smaller than the average loan to a man puts more women borrowers among the less supervised.

The lack of follow-up obviates the possibility of assembling valid data on the borrowers' loan experiences. It also has bleak implications for any prospect of counsel and technical assistance to the borrower, such as are foreseen in the African Enterprises program.

For example, Credit de la Cote d'Ivoire made a loan to several women who have formed a cooperative to buy and sell fish. The loan is being repaid, though the business is barely surviving. The women believe, perhaps quite accurately, that their business would prosper if they could become suppliers to a national food sales cooperative. They are illiterate and have no idea how to begin to make such an arrangement. The bank, which could easily establish the necessary contact, appeared unaware of their problem. Its services to them stopped with the delivery of the loan.

The banks frequently give general financial advice at the time loans are made; bank officials reported that women usually followed such advice more closely than did men. Most of the women borrowers have been owner-managers of businesses too small to be likely candidates for professional advice on principles of management.

Although the bankers are clearly more aware of the situations of women borrowers who have larger enterprises, there is no indication of any of them ever having requested or received any technical or management counsel. No successful application for a loan by a woman ever seems to have reached the banks by way of a promotion center. It should be remembered that most

loans to men have not come through the promotion centers. Even among the better educated women, who tended to have the larger businesses, there seemed to be only a remote knowledge of the promotion centers and their functions. Women borrowers' only contact with African Enterprises has been at the banks. Most of them are not aware that the loans are part of a system which offers other kinds of assistance, too.

Close observation of the African Enterprises program and of some of the women who have borrowed from it strongly suggests the shape of the likely results of its performance to date. A very, very few of the market women and small shopkeepers will default on their loans; these will have failed and gone out of business. Almost all of the market women and shopkeepers will repay the loans; some have already done so. One or two of them, partly because of the impetus of the loans, will go on to become wholesale dealers in the same merchandise and will increase their incomes severalfold. Perhaps one of this pair will invest beyond her own business and become a generative force in the economy.

Most of these women will go on with business as usual, finding, as have the earliest borrowers, that the enlarged stocks made

possible by the loans will increase their monthly income by some ten to fifteen percent. They will continue importing three-quarters of their stock, have no salaried employees, helped only by daughters who will eventually take over the businesses. They will have attained their dream of a nice, solid business to pass on to the daughters. They seek no more and their futures will be limited perhaps even more by their aspirations than by their abilities.

Of the women with more fragile projects--the government secretary who opened a leather goods shop, the owner of the French baby clothes boutique who borrowed to pay customs on the new season's stock--a good number will fail. Their fatalities will certainly be no less than the 50% which is the current rate of failure for new shops in Abidjan. Some of these women are the ones the bank cannot find. Failures or successes, the women in this group were among the least likely to have gotten a loan without the African Enterprises program. They will at least have had some kind of chance.

Of the approximately twenty more substantial undertakings--the hotel, a maternity clinic, the logging operation, the bottling plant--there will survive at least whatever is the current percentage of survival in their business communities, and perhaps more.

They will grow, create employment, use local as well as imported products, and be conspicuous examples of women who are contributing to the prosperity of their societies. They will become members of the African entrepreneurial class.

#### Effects of African Enterprises on Women

Reduced to bare bones, the effects of African Enterprises on women may be said to have been:

1. A modest number of loans has been made to enterprises owned and operated by women which are likely to contribute to the program's goal of developing an African entrepreneurial class.
2. A greater number of loans has been made to enterprises owned and operated by women which have small economic significance, that is, which are not really going to change anything. These, the loans to market women, have some positive aspects: they embody an element of social justice, bringing otherwise unavailable help to deserving women; in the long run some of them may have contributed to significant accruals of capital.

3. An affirmation of a principle of social justice and a demonstration of its practicability have been made.
4. A number of women's awareness of new economic possibilities has been increased.
5. Key African bankers in five countries have been made aware of the practicability and uses of lending to women.
6. Experience useful in any similar program has been gained.

#### Conclusions and Recommendations

Three approaches to the question of loans to women seem open to an extended African Enterprises program. Things could be permitted to go on as they are, with no special obligation regarding loans to women, AED simply making clear to the Entente that its now well-known concern for loans to women continues.

This approach should secure marginally better results. The bankers' experience should help them to avoid earlier errors being repeated. The lack of pressure would avoid the resentment the bankers would inevitably feel toward any kind of quota for loans to women, as well as the temptation to make less than good loans to meet such a quota.

Substantively, this approach offers only very limited gains. Conversely, it entails only limited drawbacks.

The second possible course would be to establish a quota, either required or recommended, for loans to women. A quota might simply be inserted into the present system of administering the loans or into a system altered to accommodate it. In neither case would it meet a real need. The experience of the first loan does not indicate that fewer women are getting loans because more men are getting them; the problem is not to divide the pie more fairly.

The one hope of such a quota, that it would force the bankers to find women borrowers, is a poor way to produce good loans. There is not known to be a large, untapped reserve of qualified women borrowers. The fact that the bankers, including all of the women bankers, would object to it could only worsen its prospects for success.

The third possible approach is the one toward which the experience of the first two installments points: the establishment within African Enterprises of a serious program of loans for women.

It should be small, intensive rather than extensive, but not limited to a pilot project in one country. Experience has not demonstrated the existence of a considerable number of women ready, with the help that African Enterprises can give, to establish

economically significant enterprises. Rather, it has shown that there are a few women able really to benefit from the program in each country, definitely including the countries where women are most disfavored economically. The tradition of women in commerce in Togo has not produced a large pool of embryonic female entrepreneurs, lacking only capital. The restrictive attitudes toward women in Niger's society have not prevented two women reaching management level in the national bank, nor a tiny handful of women from operating successful small businesses. In both places, as in the other Entente countries, there are a few women who would be good candidates for loans.

Helping these few women should be the task of African Enterprises. It would require expertise where the project office has it: in business. Undertaking a broader program which would amount to trying to develop a class of women entrepreneurs in the complex and highly varied cultures of five developing countries would exceed the competence of African Enterprises. It would be amateur social engineering, and by amateurs who were foreign into the bargain. African Enterprises cannot overcome the social constraints which have let so few women into responsible positions in the modern economy. It can and should help those women who have themselves overcome those constraints and are in a position to be helped to become entrepreneurs.

For such a program to succeed, several changes would be needed in the African Enterprises structure. A special officer for the women's program would have to be added to the project office. The present staff is benignly inclined toward a women's program but it would be essential to have someone who cared deeply about its success. That person, preferably an economist or business manager, would have to be fluent in French, have immense patience and energy, and an ability to sympathize with antipathetic cultural attitudes. The latter problem might be solved by finding a West African to fill the job.

The person in charge of the women's program would have to run it, not just supervise it, at all levels. His or her immediate and continuing task would be to establish a network of contacts among promotion centers, banks, chambers of commerce, community leaders, university faculties, government ministries, etc. Within such a field of contacts, the operation might be conducted along the lines of an executive talent hunt.

AID representatives in each country could be extremely useful in spotting candidates, spreading word of the program, in perhaps occasionally following-up a loan. African Enterprises' position vis-a-vis local AID offices is awkward. It is a regional program in an area where there are local programs. Familiarity with African

Enterprises is not marked in local AID offices, though a close liaison with them, particularly with local Women in Development Officers, could be of great value.

The training facility of the project office would have to be considerably strengthened. Training would be crucial for women. The standard, pre-packaged courses in management and marketing which have been the center of the training operation have been almost totally irrelevant to women. A better and more active training function for the program as a whole could simultaneously benefit women but individualized training, including study abroad and training stints in foreign companies, would be necessary. With the motor of the program in the project office, the considerable competence in finance, management, and engineering which is located there and is very under-employed, could be available to women entrepreneurs.

The promotion centers have apparently provided no training to women entrepreneurs. Nor do they give any indication of inclination or ability to do so. Even if their budgets increase, as there are signs they will, there is no promise of rapid solution to the bureaucratic and political problems which beset the centers. The

prospect of finding good people or projects through the centers must not be precluded, but they offer little hope for much that is useful in the near future.

The project office must have direct contact with the entrepreneurs. Much energy and initiative are now dissipated in the dead air which separates the project office, banks, promotion centers, and entrepreneurs. The project office must bypass the stultifying slowness of the banks' cooperation and the inadequacy of its follow-up on loans. Since there is no habit of close cooperation with the promotion centers, none would have to be gotten around. Obviously the project office must be alert for any improvement in the promotion centers, most particularly for any promise in the one now being established in Niger.

Discretion should make it reasonably easy to increase the project office's role in a task the banks are not eager to do anyway, the development work with the borrower. If that diminishes a bit the bankers' opportunity to broaden their professional experience, the loss could be more than compensated by a program of working/learning stints in the project office for bank employees. Such a system might improve mutual comprehension and broaden the bankers' conception of development.

Women will remain a minority in the African Enterprises program. There will not soon be enough appropriately qualified women to be a major part of the program. Still, with special help, they can be a valid minority and not a token one.

The African Enterprises program is not the place for a major program of aid to women. It is a good place for a serious small program.

## Appendices

**Persons consulted:**

**Ivory Coast**

- M. Alphonse Diby, Director General, Banque Ivoirienne de Developpement Industriel
- M. Anthony Kangah, Assistant Director, Credit de la Cote d'Ivoire
- M. Sekou Soumahoro, Director for Investments, Banque Ivoirienne de Developpement Industriel
- Mlle. Gaudrey, Manager, Cocody Branch, Societe Generale de Banques en Cote d'Ivoire
- M. Membe, Credit Department, Banque Internationale pour le Commerce et l'Industrie de la Cote d'Ivoire
- M. Patrice Sahiri, Commercial Section, L'Office de Promotion de l'Entreprise Ivoirienne
- Mme. Jeanne Garvais, Ministre de La Condition Feminine
- M. Kone, Director for Administration, Banque Ivoirienne de Developpement Industriel
- Mme. Annie Girard, Institut Africain de Developpement Economique et Social
- Mme. Tracre, Ministere de La Condition Feminine
- Mme. N'cho Tracre, businesswoman, Abidjan
- Mme. Angelique Kouassi, businesswoman, Abidjan
- Mme. S. Amani Ahoua, businesswoman, Abidjan
- Mme. Gabrielle N'zogbo, businesswoman, Abidjan
- Mme. Antoinette Kanga, businesswoman, Abidjan

Mme. Luci N'gnlu, businesswoman, Abidjan  
Mme. Adams Ekele, businesswoman, Abidjan  
Ms. Carla Schwerer, U.S. Peace Corps Volunteer, Minister de la  
Condition Feminine  
Mr. LeRoy Wagner, Entente Liaison Officer REDSO  
Mme. Tadjou N'dindin, businesswoman, Abidjan  
Mme. Cuatara Kplembo, businesswoman, Abidjan  
Mmes. J.V.C. women's cooperative, fish sellers, Grand Bassam  
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M. Paul Dossou, Assistant Director, Banque Beninoise pour le  
Developpement  
M. Charles Dossou, Director of Research, Banque Beninoise pour le  
Developpement  
Mme. Felicienne T. Ayayi, Director Juridical Section, Banque Beninoise  
pour le Developpement  
Mme. Augustine Codjia, businesswoman, Cotonou  
Mr. Herbert L. Woods, Representative USAID, Benin

Mme. Rosine Sopko, businesswoman, Cotonou  
Mme. Bernardine Gadjovi, businesswoman, Cotonou  
Mme. Therese Aissi, businesswoman, Cotonou  
Mme M. W. Gahcu, businesswoman, Cotonou  
Mme. L. T. Nazuma, businesswoman, Cotonou

Niger

M. Amadou Nounou, Director General, Banque de Developpement de la  
Republique du Niger  
M. Marcellin Mouskoura, Director, Office de Promotion de l'Entreprise  
Nigerienne  
M. Dia, Assistant Director of Development, Banque de Developpement de  
la Republique du Niger  
Mme. Binta Coulibaly, Manager, New Market Branch, Banque de Developpement  
de la Republique du Niger  
Mme. Eako Abatoo, Director for Foreign Relations, Banque de Developpement  
de la Republique du Niger  
Mr. Herbert Miller, Program Officer, USAID, Niamey  
Ms. Rosemary Crockett, Public Affairs Officer, U.S. Embassy, Niamey  
Mme. Fatimata Toure, businesswoman, Niamey  
Mme. A Cuattara, businesswoman, Niamey  
Mme. Mody, businesswoman, Niamey  
Mme. Aissa Ibrahim, businesswoman, Niamey

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Togo

M. Bawa Markoubi, Director General, Banque Togolaise de Developpement  
M. M. A. Kinde, Director, Le Centre National pour la Formation de  
Petites et Moyennes Entreprises  
M. Kidjie Kantchil, Director of Credit, Banque Togolaise de Developpement  
M. Adam Boukari, Director of Credity, Union Togolaise de Banque, Lome  
Mme. Wenyedano Barandao, Director, Commercial Section, Banque  
Togolaise de Developpement  
Mme. Jeanette Kuevi Baku, businesswoman, Lome  
Mme. A. M. Franklin, businesswoman, Lome  
Mme. Akvetey, Augusta, businesswoman, Lome  
Mme. Adjani Heklokje, businesswoman, Lome  
Mme. Madeline Abbey, businesswoman, Lome  
Mme. A. Diabate, businesswoman, Lome  
Ms. Vicky Kinkle, Women in Development Officer, USAID, Togo

Upper Volta

M. A. Patrice Cuattara, Director General, Banque Nationale de  
Developpement de Haute Volta  
M. Hamade Diallo, Director General, Office de Promotion de l'Entreprise  
Voltaique  
M. Diace T. Douamba, Assistant Director, Banque Nationale de  
Developpement de Haute Volta

Mlle. Josephine Gissou, sociologist, Ministere du Plan, Upper Volta  
Mrs. Yameogo, Director of Credit and Repayment, Banque Nationale  
de Developpement de Haute-Volta  
Mrs. Napon, Assistant Director of Research, Banque Nationale de  
Developpement de Haute-Volta  
Ms. Mary Ann Riegelman, Women in Development Officer, USAID, Upper Volta  
Mrs. Marianne Traore, businesswoman, Ouagadougou  
Mrs. Alice Cuarego, businesswoman, Ouagadougou

African Enterprises Program Statistics Relating Particularly to Women

Total number of loans (men and women)

1st installment:	302
2nd installment:	131*

Number of loans to women

1st installment:	68
2nd installment:	40*

% of loans made to women

1st installment:	22.5%
2nd installment:	30.5%*
Overall: (adjusted for partial 2nd installment)	25 %

\*Until 31 October, 1973.

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% of loans to women by bank

	1st installment	2nd installment*
Banque Beninoise pour le Developpement	31%	43.3%
Banque Ivoirienne de Developpement Industriel	6.2%	0
Credit de la Cote d'Ivoire	28.2%	12.5%
Banque Internationale pour le Commerce, l'Industrie et l'Agriculture de la Haute- Volta	0	0
Banque de Developpement de la Republique du Niger	1.2%	0
Banque Togolaise de Developpement	42.8%	31%

% of total money lent which went to women

1st installment:	9%
2nd installment:	20%
overall: (adjusted for partial 2nd installment)	12%

\*Until 31 October, 1978.

\$ of total money lent which went to women by bank

	1st installment	2nd installment*
Banque Beninoise pour le Developpement	14.8%	37.4%
Banque Ivoirienne de Developpement Industriel	5 %	0
Credit de la Cote d'Ivoire	19.1%	8.6%
Banque Internationale pour le Commerce, l'Industrie et l'Agriculture de La Haute- Volta	0	0
Banque de Developpement de la Republique du Niger	.4%	0
Banque Togolaise de Developpement	20.1% ,	36.9%

Average size of loans

To women: \$13,500  
To men: \$32,500

\* Until 31 October, 1978

Average period for which money was lent

To women: 30.7 months

To men: 30 months

Average rate of interest

To women: 8.5%

To men: 8 %

PRETS AUX FEMMES OCTROYES PAR LE CREDIT DE LA COTE D'IVOIRE

	<u>Montant</u>	<u>Date du Prêt</u>
TAUTHI Louise, fabrique de bonbons glacés	294 000	11.07.74
KOUASSY Aïcpa, Librairie-papeterie à Koumassé	899 850	19 07 74
KOUADIO née AMON Colette, Maroquinerie	956 000	28.08.74
DJA AMALAN Jeanne, Epicerie	242 000	28.08.74
PORQUET née SANOGO Salimata; Restaurant "Tante Sally" à Treichville	1 995 000	06.09.74
CISSE née DAO Modoussou, Commerce à Gagnoa	420 000	11.09.74
LIGAN née AHLOU Juliette, Salon de coiffure "La Pleiade" à Cocody	901 000	24.09.74
APPIAH Marcelle, Garderie d'enfants à Adjamé	6 300 000	74
DIAMAN née TOURE Mariam, Ecole maternelle et primaire "La Ruche" San Pédro	7 898 000	74
KOUASSI Amélie, Magasin de lingerie à Cocody "Cité des Arts"	3 150 000	74
KONE Mariam, Salon de Coiffure à Adjamé	829 500	24.10.74
AVI née AKHEL YOU Odile, Commerce de pagnes à Dabou	315 000	21.10.74
DAO Aminata, Commerce	367 000	74
N'DRI Thérèse YOBOUE, Infirmerie Treichville	357 000	19.11.74
ZEKRE SESSEGNON Marie, Commerce de pagnes	280 000	19.11.74
KOUASSI AYA Madeleine, fabrique de pains de glace à Abobo-Gare	758 000	19.11.74
RAGGI Anne-Marie, fabrique de bonbons glacés à Grand-Bassam	1 013 250	19.11.74
AOUSSOU née QUENUM Lydie, Restaurant rue de la Paix à Marcory	1 435 600	20.12.74

OKOU Françoise, Salon de coiffure à Marcory	1 144 000	29.02.75
BREVET Hélène, Machiné à décortiquer le café et le riz	906 000	01.03.75
DIBI LATH née ZIBA Marie, Moulin à riz et café	435 000	14.01.75
AMANI née YEYI, Salon de coiffure à Treichville	1 090 000	11.02.75
KOUAME AKOUBA Léontine, Commerce de pagnes	294 000	11.02.75
BOUALI LOU SEHI Catherine, Atelier de couture à Yopougon	326 000	24.02.75
TADJO N'DINDIN, Commerce de pagnes	304 000	28.05.76
N'CHO SOPI, Commerce de marchandises en provenance de pays voisins	473 000	21.11.75
KONE née MAHOUA BAIKORO, Commerce de pagnes	283 500	26.01.76
GUEI née SELE Marie, Commerce de marchandises diverses	194 000	19.02.76
MAGNANA KONE, Commerce de pagnes	194 000	24.02.76
N'GUESSANMOIN, Commerce d'articles ménagers à Aboisso	525 000	21.04.76
OUATARA KPLENBO, Commerce de marchandises en provenance de pays voisins	315 000	09.04.76
ANOU ANON Antoinette, Commerce de marchandises de pays voisins	297 000	11.03.76
ONANDIE PETIT Hélène, Commerce de pagnes à Dimbokro	315 000	12.04.76
KOFFI N'DRI Hélène, Commerce	304 500	08.04.76
OKAGNON Simone, Atelier de couture à Abobo-Gare	613 000	05.03.76
BAKAYOKO Fatou, Commerce de pagnes à Blokossou	315 000	28.04.76
N'GUESSAN née DIARRA R.J. Fabrication de chaussures à Adjamé	420 000	05.07.76
G.V.C. Vendeuses de poissons congelés à Grand-Bassam	2 296 000	13.08.76

<b>DIONANDE NANA, Confection d'habillement à Abidjan</b>	<b>2 625 000</b>	<b>13.09.76</b>
<b>AGBADOU GUINENE Anne, Commerce de boissons</b>	<b>525 000</b>	<b>15.11.76</b>
<b>LOUE KOUDOUGON Colette, Commerce de prêt à porter à Marcory</b>	<b>194 045</b>	<b>23.11.76</b>

2<sup>ème</sup> TRANCHE

<b>POTÉY, Camion-benne pour transport de matériaux de construction de routes</b>	<b>7 260 140</b>	<b>10.01.77</b>
<b>BAH Eugénie, Transport</b>	<b>6 751 000</b>	<b>26.06.77</b>
<b>AKA Jeanne, Transport</b>	<b>17 313 000</b>	<b>10.08.78</b>

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PRETS AUX FEMMES OCTROYES PAR LA BANQUE IVOIRIENNE DEVELOPPEMENT INDUSTRIEL

	<u>Montant</u>	<u>Date</u>
ANGAMA Niamké, "LA FORESTIERE IVOIRIENNE"	29 280 000	05.06.78

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PRETS AUX FEMMES OCTROYES PAR LA BANQUE DE DEVELOPPEMENT DE LA REPUBLIQUE DU NIGER

HADJIA SABOUA ABDOULAYE, Commerce	1 000 000	26.03.75
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PRETS AUX FEMMES OCTROYES PAR LA BANQUE TOGOLAISE DE DEVELOPPEMENT

	<u>Montant</u>	<u>Date du Pr</u>
CONFORT Anthony, Commerce de tissus au marché	4 000 000	30.04.74
AKITANI B.D., Commerce de poissons congelés	4 000 000	30.04.74
AMETOZION A.F., Commerce de tissus	1 000 000	30.04.74
CESAR R., Commerce de bois de construction	2 000 000	30.04.74
KAUIMANN Lydie, Vente d'articles de confection et d'artisanat	6 500 000	30.04.74
FRANKLIN A.M., Commerce de tissus	4 000 000	30.04.74
ESSEIN Agnès, Commerce de tissus	8 000 000	30.04.74
KUEVI BEKÚ Jeannette, Clinique-Maternité	5 000 000	19.08.74
AKUETEY Augusta, Commerce de tissus	3 500 000	19.08.74
DE SOUZA Berthe, Commerce de tissus	4 000 000	19.08.74
APEDO AMAH Eugénie, Commerce de tissus	3 500 000	19.08.74
AYEVA Mariana, Poissonnerie, chambre froide	3 000 000	23.11.76

2ème TRANCHE

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EKOUÉ Jeanne, Commerce de tissus	3 500 000	23.11.76
ABBEY Madeleine, Commerce de tissus	5 000 000	23.11.76
EKUE Flora, Commerce de tissus	5 000 000	23.11.76
d'ALHEIDA Ayélé Agodoé, Commerce de tissus	5 000 000	23.11.76
KUEVI BEKU Jeannette, Clinique-maternité	3 000 000	23.11.76
KITTY KOUDOYER ADAKOU, Commerce de tissus au marché	5 000 000	23.11.76
d'ALHEIDA Assiba, Commerce, société de transport et de ciment	10 000 000	29.07.77
SEWOA MANAVI, Commerce de tissus en gros au marché	9 000 000	11.11.77
AMETOZION AKUAVI F., Commerce de tissus	5 000 000	11.11.77
CONFORT Anthony, Commerce de tissus	5 000 000	11.11.77
FRANKLIN Marie Ayoko, Commerce de tissus	5 000 000	11.11.77
CEZAR Régine, Commerce de bois de construction	5 000 000	11.11.77
BRUCE Eugénie, Exploitation agricole, production maïs, manioc, arachide	2 500 000	16.08.78
ADJAMAGBO Dédé, Cultures vivrières, exploitation cunicole	2 000 000	16.08.78
DAGBOVI Ayoko, Elevage avicole	2 000 000	29.09.78

BANQUE BENINOISE POUR LE DEVELOPPEMENT, COTONOU

	<u>Montant</u>	<u>Date du prêt</u>
BOUSSOU Florence, Commerce de tissus	2 000 000	13.03.74
HOUNGUE Elisabeth, Salon de coiffure à Cotonou	2 000 000	28.08.74
SOULTON Edith, Commerce de tissus	2 000 000	02.12.74
ALI CHERIFATOU, Commerce cigarettes, piles, cosmétiques, alimentation	2 000 000	02.12.74
KANCHEMEY Pauline, Commerce alimentation	2 000 000	25.04.75
PARAVICINI Lise, Comptoir sous douane à l'aéroport de Cotonou (nationalisé)	3 000 000	25.04.75
FARAJ Vincentia, Fabrication de carreaux et dalles en agglomérés de ciment	6 000 000	06.06.75
FADE Anike, Commerce liquers, cigarettes, marchandises diverses	2 000 000	06.06.75
DIABATE Aqueline, Commerce	2 000 000	06.06.75
DOSSA Céline, Commerce de pagnes	2 000 000	06.06.75
QUENUM Suzanne, Ets Chez Suzy, Commerce boissons, alimentation, cigarettes	5 000 000	02.02.76
SOULE Thérèse, Commerce pagnes	2 000 000	02.02.76
SOKPO Rosine, Commerce de pagnes	2 000 000	03.02.76
	1 006 064	09.03.77

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2<sup>e</sup>me TRANCHE

ABVALESSI Virginia, Commerce marchandises diverses	1 000 000	09.09.7
ALAO épouse AGADJE TAIHO, Commerce	2 000 000	09.12.7
AISSI Christine, épouse AGUTAR, Commerce	2 000 000	09.12.7
HAZOUNE, née KOKOSSOU Marthe, Commerce de tissus	2 000 000	09.12.7
AHO, née BALLEY Odette, Commerce	2 000 000	09.12.7
DE SOUZA Georgette "LA JOIE", Commerce	2 000 000	09.12.7
ASSOGBA Jeannette Hortense, Librairie	2 000 000	09.12.7
AKOVY, née SOUHOU Aimée Philomène, Commerce	2 000 000	09.12.7
AICHEHOU, née AKANNI Félicité, Commerce	2 000 000	09.09.7
ADJAI Catherine, Commerce de tissus	5 000 000	09.12.7
ABOUE, née NOUNAGNON Fidélia, Commerce	2 000 000	05.02.7
HOUNHAMINOU AKISSIKPE Nathalie, Commerce	2 000 000	15.02.7
HOUNKPE Madelaine, Boulangerie "LA JOIE"	1 500 000	15.02.7
GAHOU Marguerite, Commerce	2 000 000	20.05.7
DADE Henriette, Commerce	2 000 000	20.05.7
ATTIOGBE Bente, Commerce tissus, tabac, divers	1 500 000	20.05.7
QUEBUN Annie, Commerce	2 000 000	13.09.7
BEDOU Eleonore, Commerce	2 000 000	13.09.7
CODJIA Catherine, Commerce	2 000 000	13.09.7
DANMAOOU Marguerite	2 000 000	13.09.7
TOLODOU Marie-Clémentine	2 000 000	13.09.7
JOHNEON Therèse	2 000 000	13.09.7
DJIVOHESOU Eugénie	1 500 000	13.09.7

## Loan Volume and Size

Total loans by development bank, country, size and tranche are detailed in the following pages. The overall total is set out in the text, in Section II. (In the tables, rounding sometimes causes the last digit in a column not to add. The totals are held at correctly rounded figures.)

Loan size, overall, increased by 50% from the first to the second tranche. This trend is most pronounced in CCI, which rather abruptly increased the size of its loans in the second tranche. However, a large proportion of its first tranche loans were of short maturities, ranging from as low as eighteen months. These may have been the easiest to make initially - and the short maturity resulted in a more immediate re-flow of funds available to CCI to use under fewer restrictions.

It is observed that the larger the loan amount, the more likely the management control is influenced by or actually in the hands of expatriates. As the loan amount increases, greater care would appear necessary to assure that the actual beneficiary is in fact and African and not an expatriate operating the facade of an African entity that meets the stated program requirements.

Loan Volume and Size

Ivory Coast - CCI

Cell Size (m CFA)	Tranche				Total	
	1st		2nd		No.	Amount
	No.	Amount	No.	Amount		
<u>To 1.0</u>						
.1	9	1,638	-	-	9	1,638
.2	15	4,104	-	-	15	4,104
.3	31	10,435	-	-	31	10,435
.4	13	5,718	-	-	13	5,718
.5	12	6,475	-	-	12	6,475
.6	9	5,799	-	-	9	5,799
.7	5	3,901	-	-	5	3,901
.8	5	4,292	-	-	5	4,292
.9	7	6,625	-	-	7	6,625
Sub-total	106	48,987	-	-	106	48,987
<u>1.0 to 10.0</u>						
1	22	32,282	-	-	22	32,282
2	5	11,832	1	2,363	6	14,195
3	2	6,870	-	-	2	6,870
4	1	4,200	-	-	1	4,200
5	1	5,355	-	-	1	5,355
6	1	6,300	3	19,967	4	26,267
7	3	22,809	2	14,385	5	37,194
8	-	-	1	8,155	1	8,155
9	1	9,902	1	9,450	2	19,352
Sub-total	36	99,550	8	54,320	44	153,870
<u>10.0 to 100.0</u>						
10	1	10,000	8	109,060	9	119,060
20	-	-	-	-	-	-
30	1	30,000	-	-	1	30,000
40	-	-	-	-	-	-
50	1	50,000	-	-	1	50,000
60	-	-	-	-	-	-
70	-	-	-	-	-	-
80	-	-	-	-	-	-
90	-	-	-	-	-	-
100	-	-	-	-	-	-
Sub-total	3	90,000	8	109,060	11	199,000
Total	145	238,537	16	163,380	161	401,917
Average Size		1,645		10,205		2,496

Loan Volume and Size

Ivory Coast - BIDI

Cell Size (m CFA)	Tranche				Total	
	1st		2nd		No.	Amount
	No.	Amount	No.	Amount		
<u>To. 1.0</u>						
.1	-	-	-	-	-	-
.2	-	-	-	-	-	-
.3	-	-	-	-	-	-
.4	-	-	-	-	-	-
.5	-	-	-	-	-	-
.6	-	-	-	-	-	-
.7	-	-	-	-	-	-
.8	-	-	-	-	-	-
.9	-	-	-	-	-	-
<u>1.0 to 10.0</u>						
1	-	-	-	-	-	-
2	1	2,400	-	-	1	2,400
3	-	-	-	-	-	-
4	-	-	-	-	-	-
5	1	5,900	-	-	1	5,900
6	-	-	-	-	-	-
7	-	-	-	-	-	-
8	-	-	-	-	-	-
9	1	9,000	-	-	1	9,000
Sub-total	3	17,300	-	-	3	17,300
<u>10.0 to 100.0</u>						
10	3	44,800	1	15,000	4	59,800
20	1	26,000	1	29,280	2	55,280
30	2	74,000	3	97,000	5	171,000
40	2	80,000	-	-	2	80,000
50	-	-	1	59,280	1	59,280
60	1	60,000	-	-	1	60,000
70	-	-	-	-	-	-
80	-	-	-	-	-	-
90	-	-	-	-	-	-
100	1	100,000	-	-	1	100,000
Sub-total	10	384,800	6	200,560	16	585,360
Total	13	402,100	6	200,560	19	602,660
Average Size		30,931		33,427		31,719

Loan Volume and Size

Ivory Coast - Total

<u>Cell Size</u> <u>(m CFA)</u>	<u>Tranche</u>				<u>Total</u>	
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
<u>To 1.0</u>						
.1	9	1,638	-	-	9	1,638
.2	15	4,104	-	-	15	4,104
.3	31	10,435	-	-	31	10,435
.4	13	5,718	-	-	13	5,718
.5	12	6,475	-	-	12	6,475
.6	9	5,799	-	-	9	5,799
.7	5	3,901	-	-	5	3,901
.8	5	4,292	-	-	5	4,292
.9	7	6,625	-	-	7	6,625
Sub-total	106	48,987	-	-	106	48,987
<u>1.0 to 10.0</u>						
1	22	32,282	-	-	22	32,282
2	6	14,232	1	2,363	7	16,595
3	2	6,870	-	-	2	6,870
4	1	4,200	-	-	1	4,200
5	2	11,255	-	-	2	11,255
6	1	6,300	3	19,967	4	26,267
7	3	22,808	2	14,386	5	37,194
8	-	-	1	8,155	1	8,155
9	2	18,902	1	9,450	3	28,352
Sub-total	39	116,849	8	54,321	47	171,170
<u>10.0 to 100.0</u>						
10	4	54,800	9	124,060	13	178,860
20	1	26,000	1	29,280	2	55,280
30	3	104,000	3	97,000	6	201,000
40	2	80,000	-	-	2	80,000
50	1	50,000	1	59,280	2	109,280
60	1	60,000	-	-	1	60,000
70	-	-	-	-	-	-
80	-	-	-	-	-	-
90	-	-	-	-	-	-
100	1	100,000	-	-	1	100,000
Sub-total	13	474,800	14	309,620	27	784,420
Total	158	640,636	22	363,941	190	1,004,577
Average Size		4,055		16,543		5,581

Loan Volume and Size

Benin - BBD

Cell Size (m CFA)	Tranche				Total	
	1st		2nd		No.	Amount
	No.	Amount	No.	Amount		
<u>To 1.0</u>						
.1	-	-	-	-	-	-
.2	-	-	-	-	-	-
.3	-	-	-	-	-	-
.4	-	-	-	-	-	-
.5	-	-	-	-	-	-
.6	-	-	-	-	-	-
.7	-	-	-	-	-	-
.8	-	-	1	884	1	884
.9	-	-	-	-	-	-
Sub-total	-	-	1	884	1	884
<u>1.0 to 10.0</u>						
1	6	7,421	6	8,508	12	15,929
2	17	34,800	24	49,478	41	84,278
3	3	9,500	4	12,530	7	22,030
4	2	8,000	1	4,700	3	12,700
5	5	25,000	5	25,250	10	50,250
6	4	24,100	-	-	4	24,100
7	-	-	-	-	-	-
8	-	-	-	-	-	-
9	1	9,000	-	-	1	9,000
Sub-total	38	117,821	40	100,466	78	218,287
<u>10.0 to 100.00</u>						
10	2	33,750	1	10,000	3	43,750
20	1	25,000	-	-	1	25,000
30	-	-	-	-	-	-
40	-	-	-	-	-	-
50	1	52,800	-	-	1	52,800
60	-	-	-	-	-	-
70	-	-	-	-	-	-
80	-	-	-	-	-	-
90	-	-	-	-	-	-
100	-	-	-	-	-	-
Sub-total	4	111,550	1	10,000	5	121,550
<b>Total</b>	<b>42</b>	<b>229,371</b>	<b>42</b>	<b>111,350</b>	<b>84</b>	<b>340,721</b>
<b>Average Size</b>		<b>5,461</b>		<b>2,651</b>		<b>4,056</b>

Loan Volume and Size

Togo - BTB

<u>Cell Size</u> <u>(m CFA)</u>	<u>Tranche</u>				<u>Total</u>	
	<u>1st</u>		<u>2nd</u>		<u>No.</u>	<u>Amount</u>
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>		
<u>To 1.0</u>						
.1	-	-	-	-	-	-
.2	-	-	-	-	-	-
.3	-	-	-	-	-	-
.4	-	-	-	-	-	-
.5	-	-	-	-	-	-
.6	-	-	-	-	-	-
.7	-	-	-	-	-	-
.8	-	-	-	-	-	-
.9	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
<u>1.0 to 10.0</u>						
1	1	1,000	-	-	1	1,000
2	3	6,000	2	4,584	5	10,584
3	4	13,000	3	9,500	7	22,500
4	5	20,000	-	-	5	20,000
5	2	10,000	12	60,000	14	70,000
6	1	6,500	-	-	1	6,500
7	3	21,000	-	-	3	21,000
8	2	16,950	-	-	2	16,950
9	2	18,565	1	9,000	3	27,565
Sub-total	23	113,015	18	83,084	41	196,099
<u>10.0 to 100.0</u>						
10	2	25,000	5	51,800	7	76,800
20	1	20,000	-	-	1	20,000
30	1	38,000	-	-	1	38,000
40	1	45,000	-	-	1	45,000
50	-	-	-	-	-	-
60	-	-	-	-	-	-
70	-	-	-	-	-	-
80	-	-	-	-	-	-
90	-	-	-	-	-	-
100	-	-	-	-	-	-
Sub-total	5	128,000	5	51,800	10	179,800
<b>Total</b>	<b>28</b>	<b>241,015</b>	<b>23</b>	<b>134,884</b>	<b>51</b>	<b>375,899</b>
<b>Average Size</b>		<b>8,608</b>		<b>5,864</b>		<b>7,371</b>

Loan Volume and Size

Upper Volta - BDHV

<u>Call Size</u> <u>(in CFA)</u>	<u>Tranche</u>				<u>Total</u>	
	<u>1st</u>		<u>2nd</u>		<u>No.</u>	<u>Amount</u>
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>		
<u>To 1.0</u>						
.1	-	-	-	-	-	-
.2	-	-	-	-	-	-
.3	-	-	-	-	-	-
.4	-	-	-	-	-	-
.5	-	-	-	-	-	-
.6	-	-	-	-	-	-
.7	-	-	-	-	-	-
.8	-	-	-	-	-	-
.9	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
<u>1.0 to 10.0</u>						
1	1	1,700	-	-	1	1,700
2	3	7,029	-	-	3	7,029
3	3	10,927	-	-	3	10,927
4	2	8,600	-	-	2	8,600
5	-	-	-	-	-	-
6	1	6,180	-	-	1	6,180
7	-	-	-	-	-	-
8	2	16,000	-	-	2	16,000
9	1	9,285	-	-	1	9,285
Sub-total	13	59,721	-	-	13	59,721
<u>10.0 to 100.0</u>						
10	1	10,000	-	-	1	10,000
20	2	48,000	-	-	2	48,000
30	1	30,000	-	-	1	30,000
40	-	-	-	-	-	-
50	-	-	-	-	-	-
60	-	-	-	-	-	-
70	-	-	-	-	-	-
80	-	-	-	-	-	-
90	-	-	-	-	-	-
100	1	91,000	-	-	1	91,000
Sub-total	5	179,000	-	-	5	179,000
Total	18	238,721	-	-	18	238,721
Average Size		13,262	-	-		13,262

Loan Volume and Size

Niger - BDRN

Cell Size (m CFA)	Tranche				Total	
	1st		2nd		No.	Amount
	No.	Amount	No.	Amount		
<u>To 1.0</u>						
.1	1	43	-	-	1	43
.2	2	400	-	-	2	400
.3	-	-	-	-	-	-
.4	3	1,307	-	-	3	1,307
.5	4	2,000	-	-	4	2,000
.6	2	1,250	-	-	2	1,250
.7	1	700	-	-	1	700
.8	2	1,600	-	-	2	1,600
.9	-	-	-	-	-	-
Sub-total	<u>15</u>	<u>7,300</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>7,300</u>
<u>1.0 to 10.0</u>						
1	16	22,600	-	-	16	22,600
2	8	18,000	-	-	8	18,000
3	4	12,000	-	-	4	12,000
4	2	8,100	-	-	2	8,100
5	1	5,500	-	-	1	5,500
6	2	12,000	1	6,000	3	18,000
7	1	7,000	-	-	1	7,000
8	1	8,000	3	24,800	4	32,800
9	-	-	1	9,500	1	9,500
Sub-total	<u>35</u>	<u>93,200</u>	<u>5</u>	<u>40,300</u>	<u>40</u>	<u>133,500</u>
<u>10.0 to 100.0</u>						
10	1	14,500	5	58,000	6	72,500
20	1	27,500	1	20,000	2	47,500
30	-	-	-	-	-	-
40	-	-	-	-	-	-
50	-	-	-	-	-	-
60	-	-	-	-	-	-
70	-	-	-	-	-	-
80	1	83,577	-	-	1	83,577
90	-	-	-	-	-	-
100	-	-	-	-	-	-
Sub-total	<u>3</u>	<u>125,577</u>	<u>6</u>	<u>78,000</u>	<u>9</u>	<u>203,577</u>
Total	53	226,077	11	118,300	64	344,377
Average Size		4,266		10,755		5,381

## Activities Supported

The type of activity of loan recipients is shown in Project Office records for almost all of the borrowers. In some instances only a general identification is indicated, such as "artisan" or "commerce." All types of activity shown were classified under the major categories:

000	Construction
100	Manufacturing
200	Transportation
300	Sales
400	Service
500	Education and health
600	Agri-industry and fishing
700	Agriculture
800	Other
900	Artisans

(Agriculture (700) is defined as production of foodstuffs on farms, of which no instances were recorded.)

The indicated activities within these categories were classified by related sub-categories and individually within sub-categories.

Size is summarized by small (up to 1.0 million CFA), medium (1.0 to 10.0 million) and large (10.0 to 100.0).

in sales, of the "trade" and "commerce" type, as described in the loan records. Of the ten categories of activity, one-third of the loans occur in this area. At the opposite end of the spectrum, there are no purely agricultural loans, defined as tilling the soil to produce a marketable food product. The other categories are at intermediate levels, ranging from approximately 5% to 15% of the total.

Inclusion of agriculture, as defined above, in the program may be questioned in terms of the type of assistance needed and the ability of this program to supply that need. Subsistence farming still is the norm in these countries. Barter-type marketing characterizes the outlet for most of the farmers, as it has for centuries past. Development of modern food production methods and increased output to supply the domestic need is a highly desirable objective. However, this would appear feasible only through two broad alternatives: large scale farming using highly productive (and expensive) equipment, or a slow evolution of improvement through long continued programs such as that conducted by the U.S. Department of Agriculture in the past half century, with County Farm Representatives working directly and individually with farmers. Both these alternatives require large investments of capital over long periods of time, under government direction. Other programs (even in the Conseil) are addressed to this objective, with better prospects of success. For this program to attempt to contribute to the desired end would appear not only impracticable but also unproductive in terms of the cost/benefit ratio. This may

be an instance in which objectives are designated for a program on the basis of high-level policy directives, without adequate consideration of their practicality.

Agri-industry projects, however, show a small but respectable volume. These activities, such as cereal decortication and lumbering, make a definite contribution to the agricultural community. They also are activities in which potential entrepreneurs have the skill to advance themselves by the addition of better equipment - a specific opportunity afforded by the program. The closest these activities come to agriculture per se is in the half dozen instances of chicken farming, the several cases of cattle feeding and sales, and in the provision of cold storage facilities. These are definite adjuncts to pure farming activities, and would well be encouraged to occupy a larger portion of the program activities.

Construction, manufacturing, transportation and services are highest on the intermediate list, to good effect. These are the areas where budding entrepreneurs can most likely find a foothold in commercial activities, and these are the areas in which developing countries in general, and these five countries in particular, have a real need. Highway transportation is depended upon for most of the internal transport. Trucks and busses need constant repair, in which existing performance is poor. Mechanics employed by expatriate vehicle dealers provide a pool of potential entrepreneurs needing management technique assistance - and some small financial assistance, to set up for themselves. Battery charging and tire repair already are served by a large number of very small entrepreneurs, who have exhibited the

proper propensities and need only encouragement to enlarge their operations, with possibly some improved equipment. Service activities are also important in fields other than transportation, especially in the maintenance of simple building equipment such as plumbing and electrical fixtures, air conditioners and repair or alteration of buildings themselves. Here again there is a (smaller) pool of expatriate-trained workmen who could be helped to go into business themselves. Manufacturing, even of simple products (beyond the range of the artisan), is a larger step for most potential entrepreneurs, since it involves a greater complexity in the time-span between purchase of raw-materials and marketing of a properly costed product. However, this is an area in which the ceiling in ultimate size is much greater than in service activities. Transportation service itself, by entrepreneurs who may have gained their start from servicing trucks, presents a viable prospect for the program. "Services" also include restaurants, beauty parlors, laundries and tailors, which are quite appropriate for this program. Though they may not contribute directly to overall economic development, they do serve the essential objective - putting Africans into business for themselves.

Activities in education and health are a good omen for increased scope in the range of activities. Mostly concentrated in kindergarten and nursery level activities, they provide an outlet, or an entrepreneurial basis, for less sophisticated levels of training and equipment. Maternity clinics, infirmaries and pharmacies are included in this category. Not large in total number, this activity category could well be encouraged in future.

"Artisans" are defined in the records as the activity of a significant number of loan recipients. Their immediate contribution to the program's objectives may be doubtful, as they generally are those possessing a particular but limited skill, and their metamorphosis into entrepreneurs of some substance may be a difficult gap to jump. However, they have exhibited the desire to operate on their own initiative, and generally are as skilled in assessing their market as they are in fashioning the products desired. They represent a traditional activity with a long history in the cultures of the region. How the program activities may assist them is not specifically evident, given their small size and limited requirements in technical assistance. Possibly small power-driven tools, and working capital for the accumulation of finished goods of a seasonal demand, may be relevant. In any event, their inclusion in the program's scope of activities should be continued.

An activity of less relevance to the program's objective is that part of the "sales" category represented by the simple purchase and sale of the same commodity. These have constituted an appreciable portion of the total number of loans, though less so in terms of total amount. For the most part they are women "traders" engaged in trading in various commodities. In terms of technique, these "market women" have nothing to gain from the program, as they probably could teach the program's "experts" rather than vice-versa. Financial assistance is used mostly to increase their inventory faster than would otherwise be the case. Their further development as an enlarging class of entrepreneurs seems doubtful. This activity is another of the traditional ones with a long history, and

undoubtedly will continue, with or without the program's assistance. The limited ceiling for their emergence as a larger and more successful class of entrepreneurs indicates a low cost/benefit ratio for the program's activities. The training and skills required traditionally are taught by and obtained from a parent (mother) who introduces her daughter to the same trading business. This undoubtedly is a far better educational process than any the program could afford. Mostly, those who seek financial assistance do so on the security of a husband or relative who has a good-paying job. This collateral generally is of a level sufficient for an interested commercial bank to supply finance. Indeed, instances are known in which West African market women are granted surprisingly large loans on an unsecured basis, with good results for the lender. In sum total, this area does not appear to be one to be expanded in future program activities. (A more comprehensive evaluation of this area of activity is contained in the Section on women.)

An exception to the foregoing is the operation of fixed-location groceries and especially "super-markets". Here the management capabilities are much greater than in the case of the itinerant "trader", and the contribution to the economy can be greater. This area of activity should be encouraged.

"Tourism" as a specified program objective appears to be either impractical, or an exercise in semantics. Tourists demand a level of service well beyond that which can be offered by most potential African entrepreneurs without the dominance of expatriate expertise. The existing tourist hotels are either government financed and

operated or are completely expatriate enterprises. The level of capability among the existing entrepreneurs, as of their present stage of development, is well below that required to own and manage such facilities. Their real opportunities come from experience they have gained as employees of such establishments, but these lead to services such as building equipment maintenance. Provision of entertainment, food services and drinks is another opportunity area - also classified as "services" rather than "tourism". The few "hotels" classified as "tourism" could not by any stretch of the imagination be termed "tourist hotels". (One day and night was spent as a guest in one of these establishments, to ascertain first-hand the facilities offered and the clientele attracted; the evidence was clear, that local travelers on business some distance from their residences, were the market - not tourists.) This type of activity can well be continued, but not identified in the specified objectives as "tourism".

In summary: The scope of activities supported by the program's loans should be encouraged to expand in services, simple manufacturing, transport and agri-industry. It should (continue to) avoid agriculture per se, and should de-emphasize purely trading activities. Other tangential activity areas need neither greater nor less emphasis.

## Loan Activity

Code	Activity	Development Bank				All banks							
		1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
000	Construction; Building Maintenance												
001	Construction Materials Mfg.		5	1	6		1	2	3		6	3	9
002	Tile Mfg.		1		1		1		1		2		2
003	Nail Mfg.		1		1						1		1
004	Paint Mfg.												
005	Mirror Mfg.						1		1		1		1
021	Building Materials Sales												
022	Hardware Sales			1	1							1	1
023	Chain Saw Sales		1		1					1			1
041	Carpentering		3		3					3			3
042	Painting			1	1						1	1	2
043	Plumbing		2	3	5		2		2		2	5	7
061	Woodworking		7	16	23		1		1		7	17	24
081	Construction			1	1						1		1
	Sub-total - 000	13	29	1	44	6	2	3	11	13	24	5	57
100	Manufacturing												
101	Clothing			1	1		2		2		1	2	3
102	Shoes		1	1	2					1	1		2
103	Perfume			1	1						1	1	2
121	Food Mfg. Processing		1	7	10		4		4		1	11	14
122	Ice Mfg.		4	2	6					4	2		6
141	Mattress Mfg.												
142	Furniture Mfg.			1	1		1		1		1	2	3
143	Kitchen Stove Mfg.				1							1	1
144	Kitchenware Mfg.												
145	Trunk Mfg.			1	1						1		1
146	Music Record Mfg.				1							1	1
147	Musical Instruments Mfg.						1		1				1
161	Plastics Mfg.			1	1								1
162	Sheet Metal Mfg.		1	2	3					1	2		3
163	Foam Sheet Mfg.			2	2		2		2		1	5	5
181	Industry		1	1	2		1		1		1	2	5
	Sub-total - 100	10	19	3	37	6	6	12	10	10	15	14	49
200	Transportation												
201	Vehicle Sales			1	1						1		1
202	Vehicle Parts Sales			2	2						2		2
221	Vehicle Maintenance		1	8	9		2	3	5		1	10	14
222	Bicycle/Motorcycle Mfg.												
241	Gasoline Filling Station			1	1						1		1
281	Transport		1	7	8		7	4	11		3	14	27
	Sub-total - 200	1	19	5	29	9	7	16	14	4	13	13	45

Loan ActivityDevelopment Bank All banks

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
<b>300</b>	<b>Sales</b>												
301	Food/Grocery/Supermarket	4	2		6		1		1	4	3		7
302	Fish	1	3		4					1	3		4
321	Houseware	2			2					2			2
322	Textiles	12	13		25	10			10	12	23		35
323	Clothing		1		1						1		1
324	Leather Goods		1		1						1		1
341	Spectacles	1			1					1			1
342	Music Records	1			1	1			1	1	1		2
361	Stationery		2		2					2			2
362	Book Store		1		1	2			2		1		1
363	Office Equipment	2			2					2			2
381	Commerce	11	18	4	33	1	24	5	31	12	42	10	64
	sub-total - 300	34	47	4	79	1	38	5	45	35	79	10	124
<b>400</b>	<b>Service</b>												
401	Hotel	1	4		5			1	1	1	4	1	6
402	Restaurant	4	4		8					4	4		8
403	Bar	1	1		2					1	1		2
404	Discoteca	1			1					1			1
405	Orchestra	1			1					1			1
421	Tailor	2	2		4					2	2		4
422	Laundry	1	1		2	1			1	1	2		3
423	Beauty Parlor	3	4		7					3	4		7
441	Photographing	1			1	1			1	1	1		2
442	Photo Development	1	1		2					1	1		2
443	Printing		1	2	3			1	1		1	1	4
461	Customs Broker		1	1	2						1	1	2
462	Map Making	1			1					1	1		2
	sub-total - 400	17	19	3	39	1	2	3	17	22	25	5	44
<b>500</b>	<b>Education and Health</b>												
501	School	1	1	1	3		1	2	3	1	2	3	6
521	Nursery	1			1					1			1
541	Maternity Clinic		1		1	1			1		2		2
561	Infirmary	1			1					1			1
581	Pharmacy		4		4						4		4
	sub-total - 500	3	6	1	10		2	2	4	3	8	3	14
<b>600</b>	<b>Agri-Industry and Fishing</b>												
601	Cattle Feeding and Sales			1	1	1			1		1	1	2
602	Chicken Farming	2	4		6					2	4		6
603	Lumbering		2	3	5			2	2		2	5	7
621	Cereal Decorticating	2			2					2			2
641	Cold Storage	1	3		4					1	3		4
661	Fishing	1			1								1
	sub-total - 600	6	9	4	19		1	2	3	6	10	5	22

Loan ActivityDevelopment Bank All banks

Total		1st Tranche				2nd Tranche				Total			
Code	Activity	S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
700	<u>Agriculture</u>												
	sub-total - 700												
800	<u>Other</u>												
801	Electric Power Generation	1	1		2					1	1		2
821	Coal Mining	1			1					1			1
841	Finance					2			2	2			2
	sub-total - 800	2	1		3	2			2	2	1		3
900	<u>Artisans</u>												
	sub-total - 900	29	1		30					29	1		30

	Total								Total				
000	Construction	13	28	3	44		6	2	8	13	34	5	52
100	Manufacturing	10	19	8	37		6	6	12	10	25	14	49
200	Transportation	4	19	6	29		9	7	16	4	28	13	45
300	Sales	34	41	4	79	1	38	6	45	35	79	10	124
400	Service	17	19	3	39		3	2	5	17	22	5	44
500	Education and Health	3	6	1	10		2	2	4	3	8	3	14
600	Agri-Industry and Fishing	6	9	4	19		1	2	3	6	10	6	22
700	Agriculture												
800	Other	2	1		3		2		2	2	3		5
900	Artisans	29	1		30					29	1		30
999	Unknown												(12)
	Total	118	143	29	290	1	67	27	95	119	210	56	385

## Loan Activity

Ivory Coast		Development Bank CCI											
Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
000	Construction/Building Maintenance												
001	Construction Materials Mfg												
002	Tile Mfg												
003	Nail Mfg												
004	Paint Mfg.												
005	Mirror Mfg.												
021	Building Materials Sales												
022	Hardware Sales												
023	Chain Saw Sales												
041	Carpentering		3		3						3		3
042	Painting												
043	Plumbing		1	1	2		1		1		1	2	3
061	Woodworking		7	5	12						7	5	12
081	Construction												
	sub-total - 000		11	6	17		1		1		12	5	17
100	Manufacturing												
101	Clothing												
102	Shoes		1		1						1		1
103	Perfume												
121	Food Mfg. Processing		1	2	3						1	2	3
122	Ice Mfg.		4		4						4		4
141	Mattress Mfg.												
142	Furniture Mfg.				1	1						1	1
143	Kitchen Stove Mfg.				1	1						1	1
144	Kitchenware Mfg.												
145	Trunk Mfg.												
146	Music Record Mfg.				1	1						1	1
147	Musical Instruments Mfg.												
161	Plastics Mfg.												
162	Sheet Metal Mfg.												
163	Foam Sheet Mfg.												
191	Industry												
	sub-total - 100		6	2	8						6	2	8
200	Transportation												
201	Vehicle Sales												
202	Vehicle Parts Sales			1	1								
221	Vehicle Maintenance		1		1		1	1	2		1	1	2
222	Bicycle/Motorcycle Mfg.												
241	Gasoline Filling Station												
291	Transport			1	1		1	2	3		1	2	3
	sub-total - 200		1	1	2		2	3	5		2	2	4

Loan ActivityDevelopment Bank CCI

## Ivory Coast

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
<b>300 Sales</b>													
301	Food/Grocery/Supermarket	4	1		5					4	1		5
302	Fish	1	2		3					1	2		3
321	Houseware	2			2					2			2
322	Textiles	12			12					12			12
323	Clothing												
324	Leather Goods		1		1						1		1
341	Spectacles	1			1					1			1
342	Music Records	1			1					1			1
361	Stationery												
362	Book Store												
363	Office Equipment	2			2					2			2
381	Commerce	11			11			4	4	11		4	15
	sub-total - 300	34	4		38			4	4	34	4	4	42
<b>400 Service</b>													
401	Hotel		1		1						1		1
402	Restaurant	2	4		6					2	4		6
403	Bar	1	1		2					1	1		2
404	Discoteque	1			1					1			1
405	Orchestra	1			1					1			1
421	Tailor	1	2		3					1	2		3
422	Laundry	1	1		2					1	1		2
423	Beauty Parlor	3	3		6					3	3		6
441	Photographing	1			1					1			1
442	Photo Development	1	1		2					1	1		2
443	Printing												
461	Customs Broker												
462	Map Making	1			1			1	1	1			2
	sub-total - 400	13	13		26			1	2	13	14		27
<b>500 Education and Health</b>													
501	School	1			1			1	1	1			2
521	Nursery	1			1					1			1
541	Maternity Clinic												
561	Infirmary	1			1					1			1
581	Pharmacy												
	sub-total - 500	3			3			1	1	3		1	4
<b>600 Agri-Industry and Fishing</b>													
601	Cattle Feeding and Sales												
602	Chicken Farming												
603	Timbering												
621	Cereal Decorticating	2			2					2			2
641	Cold Storage	1			1					1			1
661	Fishing	1			1					1			1
	sub-total - 600	4			4					4			4

Loan ActivityDevelopment Bank CCI

Ivory Coast

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
700	<u>Agriculture</u>												
	Sub-total - 700												
800	<u>Other</u>												
	801 Electric Power Generation												
	821 Coal Mining		1		1					1			1
	841 Finance												
	Sub-total - 800		1		1					1			1
900	<u>Artisans</u>												
	981 Artisans		28		28					28			28
	Sub-total - 900		28		28					28			28

	Total											
000 Construction	12	6		18		1		1	12	7		19
100 Manufacturing	6	2	3	11				6	2	3	11	
200 Transportation	1	5		6		6	3	9	1	11	3	15
300 Sales	34	4		38			4	4	34	4	4	42
400 Service	13	13		26		1		1	13	14		27
500 Education and Health	3			3			1	1	3		1	4
600 Agri-Industry and Fishing	4			4					4			4
700 Agriculture												
800 Other	1			1					1			1
900 Artisans	28			28					28			28
999 Unknown												(10)
<b>Total</b>	<b>102</b>	<b>30</b>	<b>3</b>	<b>135</b>		<b>8</b>	<b>8</b>	<b>16</b>	<b>102</b>	<b>38</b>	<b>11</b>	<b>151</b>

Loan Activity

Ivory Coast

Development Bank BIDI

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
000	Construction; Building Maintenance												
001	Construction Materials Mfg												
002	Tile Mfg												
003	Nail Mfg												
004	Paint Mfg.												
005	Mirror Mfg.												
021	Building Materials Sales												
022	Hardware Sales												
023	Chain Saw Sales												
341	Carpentering												
342	Painting												
343	Plumbing												
361	Woodworking												
381	Construction												
	sub-total - 300												
100	Manufacturing												
101	Clothing												
102	Shoes												
103	Perfume												
121	Food Mfg. Processing												
122	Rice Mfg.												
141	Mattress Mfg.												
142	Furniture Mfg.												
143	Kitchen Stove Mfg.												
144	Kitchenware Mfg.												
145	Trunk Mfg.												
146	Music Record Mfg.												
147	Musical Instruments Mfg.												
161	Plastics Mfg.												
162	Sheet Metal Mfg.												
163	Foam Sheet Mfg.												
181	Industry		1	1	2			2	2		1	3	4
	sub-total - 100		1	1	2			3	3		1	4	5
200	Transportation												
201	Vehicle Sales												
202	Vehicle Parts Sales												
221	Vehicle Maintenance												
222	Bicycle/Motorcycle Mfg.												
241	Gasoline Filling Station												
281	Transport	2	1	5	8					2	1	5	8
	sub-total - 100	2	1	5	8					2	1	5	8

Loan ActivityDevelopment Bank SIDI

## Ivory Coast

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
300	Sales												
301	Food/Grocery/Supermarket												
302	Fish												
321	Houseware												
322	Textiles												
323	Clothing												
324	Leather Goods												
341	Spectacles												
342	Music Records												
361	Stationery												
362	Book Store												
363	Office Equipment												
381	Commerce												
	Sub-total - 300												
400	Service												
401	Hotel												
402	Restaurant												
403	Bar												
404	Discotheque												
405	Cinemas												
421	Tailor												
422	Laundry												
423	Beauty Parlor												
441	Photographing												
442	Photo Development												
443	Printing												
461	Customs Broker												
462	Map Making												
	Sub-total - 400												
500	Education and Health												
501	School												
521	Nursery												
541	Maternity Clinic												
551	Infirmery												
581	Pharmacy												
	Sub-total - 500												
600	Agri-Industry and Fishing												
601	Cattle Feeding and Sales												
602	Chicken Farming												
603	Lumbering												
621	Cereal Secorricating												
641	Cold Storage												
661	Fishing												
	Sub-total - 600												

Loan Activity

Ivory Coast

Development Bank BIDI

Code	Activity	1st Tranche				2nd Tranche				Total			
		\$	M	L	Tot.	\$	M	L	Tot.	\$	M	L	Tot.
700	<u>Agriculture</u>												
	sub-total - 700												
800	<u>Other</u>												
301	Electric Power Generation												
321	Coal Mining												
341	Finance												
	sub-total - 800												
900	<u>Artisans</u>												
	981 Artisans												
	sub-total - 900												

Total													
000	Construction												
100	Manufacturing		1	1	2			3	3		1	4	5
200	Transportation	2	1	5	8					2	1	5	8
300	Sales												
400	Service			1	1							1	1
500	Education and Health												
600	Agri-Industry and Fishing			3	3			2	2			5	5
700	Agriculture												
800	Other												
900	Artisans												
999	Unknown												
	Total	2	2	10	14			5	5	2	2	15	19

## Loan Activity

Ivory Coast		Development Bank CCI & SIDI											
Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
000	Construction/Building Maintenance												
001	Construction Materials Mfg												
002	Tile Mfg												
003	Nail Mfg												
004	Paint Mfg.												
005	Mirror Mfg.												
021	Building Materials Sales												
022	Hardware Sales												
023	Chain Saw Sales	1			1					1			1
041	Carpentering	3			3					3			3
042	Painting												
043	Plumbing	1	1		2		1		1	1	2		3
061	Woodworking	7	5		12					7	5		12
081	Construction												
	Sub-total - 300	12	6		18	1	1		1	12	7		19
100	Manufacturing												
101	Clothing												
102	Shoes	1			1					1			1
103	Perfume												
121	Food Mfg, Processing	1	2		3					1	2		3
122	Ice Mfg.	4			4					4			4
141	Mattress Mfg.												
142	Furniture Mfg.			1	1			1	1			2	2
143	Kitchen Stove Mfg.			1	1							1	1
144	Kitchenware Mfg.												
145	Trunk Mfg.												
146	Music Record Mfg.			1	1							1	1
147	Musical Instruments Mfg.												
161	Plastics Mfg.												
162	Sheet Metal Mfg.												
163	Foam Sheet Mfg.		1	1	2			2	2		1	1	4
191	Industry												
	Sub-total - 100	6	3	4	13			3	2	6	3	2	11
200	Transportation												
201	Vehicle Sales												
202	Vehicle Parts Sales		1		1						1		1
221	Vehicle Maintenance	1			1		1	1	2	1	1	1	3
222	Bicycle/Motorcycle Mfg.												
241	Gasoline Filling Station												
291	Transport	2	5	5	12		5	2	7	2	10	7	19
	Sub-total - 200	3	6	5	14		5	3	8	3	12	8	23

Loan ActivityDevelopment Bank CCI & BIDI

## Ivory Coast

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
<b>300</b>	<b>Sales</b>												
301	Food/Grocery/Supermarket	4	1		5					4	1		5
302	Fish	1	2		3					1	2		3
321	Houseware	2			2					2			2
322	Textiles	12			12					12			12
323	Clothing												
324	Leather Goods		1		1						1		1
341	Spectacles	1			1					1			1
342	Music Records	1			1					1			1
361	Stationery												
362	Book Store												
363	Office Equipment	2			2					2			2
381	Commerce	11			11					11			11
	sub-total - 300	34	4		38					34	4		42
<b>400</b>	<b>Service</b>												
401	Hotel		1		1						1		1
402	Restaurant	2	4		6					2	4		6
403	Bar	1	1		2					1	1		2
404	Discoteque	1			1					1			1
405	Orchestra	1			1					1			1
421	Tailor	1	2		3					1	2		3
422	Laundry	1	1		2					1	1		2
423	Beauty Parlor	3	3		6					3	3		6
441	Photographing	1			1					1			1
442	Photo Development	1	1		2					1	1		2
443	Printing												
461	Customs Broker			1	1							1	1
462	Map Making	1			1	1			1	1			2
	sub-total - 400	12	13	1	27	1			1	13	14	1	28
<b>500</b>	<b>Education and Health</b>												
501	School	1			1			1	1	1			2
521	Nursery	1			1					1			1
541	Maternity Clinic												
561	Infirmary	1			1					1			1
581	Pharmacy												
	sub-total - 500	3			3			1	1	3			4
<b>600</b>	<b>Agri-industry and Fishing</b>												
601	Cattle Feeding and Sales												
602	Chicken Farming												
603	Lumbering			3	3			2	2			5	5
621	Cereal Decorticating	2			2					2			2
641	Cold Storage	1			1					1			1
661	Fishing	1			1					1			1
	sub-total - 600	4		3	7			2	2	4		5	9

## Loan Activity

Development Bank CCI &amp; BDI

## Ivory Coast

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
700	<u>Agriculture</u>												
	sub-total - 700												
800	<u>Other</u>												
801	Electric Power Generation												
821	Coal Mining	1			1					1			1
841	Finance												
	Sub-total - 800	1			1					1			1
900	<u>Artisans</u>												
991	Artisans	28			28					28			28
	Sub-total - 900	28			28					28			28

	Total												
000	Construction	12	6		18		1		1	12	7		19
100	Manufacturing	6	3	4	13		3	3	6	3	7		16
200	Transportation	3	6	5	14		6	3	9	3	12	8	23
300	Sales	34	4		38			4	4	34	4	4	42
400	Service	13	13	1	27		1		1	13	14	1	28
500	Education and Health	3			3			1	1	3		1	4
600	Agri-Industry and Fishing	4		3	7			2	2	4		5	9
700	Agriculture												
800	Other	1			1					1			1
900	Artisans	28			28					28			28
999	Unknown												(10)
	<b>Total</b>	<b>104</b>	<b>32</b>	<b>13</b>	<b>149</b>		<b>8</b>	<b>13</b>	<b>21</b>	<b>104</b>	<b>40</b>	<b>26</b>	<b>170</b>

## Loan Activity

Senin

Development Bank 38D

Code	Activity	1st Tranche				2nd Tranche				Total			
		\$	M	L	Tot.	\$	M	L	Tot.	\$	M	L	Tot.
000	Construction/Building Maintenance												
001	Construction Materials Mfg.		1		1						1		1
002	Tile Mfg.		1		1						1		1
003	Nail Mfg.												
004	Paint Mfg.												
005	Mirror Mfg.												
021	Building Materials Sales												
022	Hardware Sales			1	1							1	1
023	Chain Saw Sales												
041	Carpentering												
042	Painting												
043	Plumbing		1		1		1		1		2		2
061	Woodworking		6		6		1		1		7		7
081	Construction		1		1						1		1
	Sub-total - 000		9		11		2		2		12		13
100	Manufacturing												
101	Clothing												
102	Shoes												
103	Perfume		1	1	2						1	1	2
121	Food Mfg. Processing						3		3		3		3
122	Ice Mfg.												
141	Mattress Mfg.												
142	Furniture Mfg.												
143	Kitchen Stove Mfg.												
144	Kitchenware Mfg.												
145	Trunk Mfg.		1		1						1		1
146	Music Record Mfg.												
147	Musical Instruments Mfg.						1		1		1		1
161	Plastics Mfg.												
162	Sheet Metal Mfg.		2		2								2
163	Foam Sheet Mfg.							1	1				1
181	Industry		1	1	2						1	1	2
	Sub-total - 100		5	2	7		4	1	5		9	3	12
200	Transportation												
201	Vehicle Sales		1		1								1
202	Vehicle Parts Sales												
221	Vehicle Maintenance						1		1		1		1
222	Bicycle/Moped/Motorcycle Mfg.												
241	Gasoline Filling Station												
281	Transport												
	Sub-total - 200		1		1		1		1		2		2

## Loan Activity

Development Bank 89D

Benin

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
300	Sales												
301	Food/Grocery/Supermarket												
302	Fish												
321	Houseware												
322	Textiles		4		4						4		4
323	Clothing		1		1						1		1
324	Leather Goods												
341	Spectacles												
342	Music Records												
361	Stationery												
362	Book Store		1		1		2		2		1		1
383	Office Equipment												
381	Commerce		10		10	1	24		25	1	14		15
	Sub-total - 300		16		16	1	26		27	1	42		43
400	Service												
401	Hotel												
402	Restaurant												
403	Bar												
404	Discoteque												
405	Orchestra												
421	Tailor												
422	Laundry						1		1		1		1
423	Beauty Parlor		1		1						1		1
441	Photographing						1		1		1		1
442	Photo Development												
443	Printing		1		1						1		1
461	Customs Broker		1		1						1		1
482	Map Making												
	Sub-total - 400		3		3		2		2		5		5
500	Education and Health												
501	School												
521	Nursery												
541	Maternity Clinic												
561	Infirmary												
581	Pharmacy		3		3						3		3
	Sub-total - 500		3		3						3		3
600	Agri-Industry and Fishing												
601	Cattle Feeding and Sales			1	1		1		1		1	1	2
602	Chicken Farming												
603	Lumbering												
621	Cereal Decorticating												
641	Cold Storage												
661	Fishing												
	Sub-total - 600			1	1		1		1		1	1	2

Loan ActivityDevelopment Bank BBD

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
700	<u>Agriculture</u>												
	sub-total - 700												
800	<u>Other</u>												
801	<u>Electric Power Generation</u>												
821	<u>Coal Mining</u>												
841	<u>Finance</u>					1			1	1			1
	sub-total - 800					1			1	1			1
900	<u>Artisans</u>												
	991 Artisans												
	sub-total - 900												

	Total											
000 Construction		10	1	11		2		2		12	1	13
100 Manufacturing		5	2	7		4	1	5		9	3	12
200 Transportation		1		1		1		1		2		2
300 Sales		16		16	1	26		27	1	42		43
400 Service		3		3		2		2		5		5
500 Education and Health		3		3						3		3
600 Agri-Industry and Fishing			1	1		1		1		1	1	2
700 Agriculture												
800 Other						1		1		1		1
900 Artisans												
999 Unknown												(3)
Total		38	4	42	1	37	1	39	1	75	5	81

## Loan Activity

Togo		Development Bank STD											
Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
000	Construction: Building Maintenance												
001	Construction Materials Mfg.												
002	Tile Mfg.												
003	Nail Mfg.		1		1							1	1
004	Paint Mfg.												
005	Mirror Mfg.												
021	Building Materials Sales												
022	Hardware Sales												
023	Chain Saw Sales												
041	Carpentering												
042	Painting			1	1							1	1
043	Plumbing												
061	Woodworking		2		2							2	2
081	Construction												
	sub-total - 000		1	1	2							1	1
100	Manufacturing												
101	Clothing							2	2				
102	Shoes												
103	Perfume												
121	Food Mfg. Processing							1	1			1	1
122	Ice Mfg.												
141	Mattress Mfg.												
142	Furniture Mfg.												
143	Kitchen Stove Mfg.												
144	Kitchenware Mfg.												
145	Crunk Mfg.												
146	Music Record Mfg.												
147	Musical Instruments Mfg.												
161	Plastics Mfg.		1		1							1	1
162	Sheet Metal Mfg.												
163	Foam Sheet Mfg.			1	1							1	1
181	Industry							1	1			1	1
	sub-total - 100		1	1	2			2	2			3	3
200	Transportation												
201	Vehicle Sales												
202	Vehicle Parts Sales		1		1							1	1
221	Vehicle Maintenance												
222	Bicycle/Motorcycle Mfg.												
241	Gasoline Filling Station												
281	Transport		1		1			1	1	2		2	3
	sub-total - 200		1		1			1	1	2		3	4

## Loan Activity

Development Bank STD

Togo		1st Tranche				2nd Tranche				Total			
Code	Activity	S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
300	Sales												
301	Food/Grocery/Supermarket						1		1		1		1
302	Fish		1		1						1		1
321	Houseware												
322	Textiles		8		8		10		10		19		18
323	Clothing												
324	Leather Goods												
341	Spectacles												
342	Music Records						1		1		1		1
361	Stationery		1		1						1		1
362	Book Store												
363	Office Equipment												
381	Commerce		1	2	3			2	2		1	4	5
	sub-total - 300		11	2	13		12	2	14		23	4	27
400	Service												
401	Hotel												
402	Restaurant												
403	Bar												
404	Discoteque												
405	Orchestra												
421	Tailor												
422	Laundry												
423	Beauty Parlor												
441	Photographing												
442	Photo Development												
443	Printing			1	1			1	1			2	2
461	Customs Broker												
462	Map Making												
	sub-total - 400			1	1			1	1			2	2
500	Education and Health												
501	School			1	1			2	1			2	2
521	Nursery												
541	Maternity Clinic		1		1		1		1		2		2
561	Infirmary												
581	Pharmacy												
	sub-total - 500		2	1	3		1	1	2		3	2	5
600	Agri-Industry and Fishing												
601	Cattle Feeding and Sales												
602	Chicken Farming												
603	Smuggling		2		2						2		2
621	Cereal Securitizing												
641	Cold Storage		1		1						1		1
661	Fishing												
	sub-total - 600		3		3						3		3

## Loan Activity

Development Bank BD

Togo

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Loc.	S	M	L	Loc.	S	M	L	Loc.
700	Agriculture												
	sub-total - 700												
800	Other												
	801 Electric Power Generation												
	821 Coal Mining												
	841 Finance												
	sub-total - 800												
900	Artisans												
	981 Artisans												
	sub-total - 900												

	Total												
000	Construction		3	1	4						3	1	4
100	Manufacturing		1	1	2		2	2	4		3	3	6
200	Transportation		2		2		1	1	2		3	1	4
300	Sales		11	2	13		12	2	14		23	4	27
400	Service			1	1			1	1			2	2
500	Education and Health		2	1	3		1	1	2		3	2	5
600	Agri-industry and Fishing		3		3						3		3
700	Agriculture												
900	Other						1		1		1		1
900	Artisans		1		1		1		1		2		2
999	Unknown												
	Total		23	6	29		18	7	25		41	13	54

## Loan Activity

Upper Volta		Development Bank BDV											
Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
000	Construction; Building Maintenance												
001	Construction Materials Mfg.		2		2							2	2
002	Tile Mfg.												
003	Nail Mfg.												
004	Paint Mfg.												
005	Mirror Mfg.												
021	Building Materials Sales												
022	Hardware Sales												
023	Chain Saw Sales												
041	Carpentering												
042	Painting												
043	Plumbing		1		1							1	1
061	Woodworking		1		1							1	1
081	Construction												
	sub-total - 000				4							4	4
100	Manufacturing												
101	Clothing												
102	Shoes												
103	Perfume												
121	Food Mfg. Processing		1		1							1	1
122	Ice Mfg.												
141	Mattress Mfg.												
142	Furniture Mfg.												
143	Kitchen Stove Mfg.												
144	Kitchenware Mfg.												
145	Trunk Mfg.												
146	Music Record Mfg.												
147	Musical Instruments Mfg.												
161	Plastics Mfg.												
162	Sheet Metal Mfg.												
163	Foam Sheet Mfg.												
181	Industry				1							1	1
	sub-total - 100		1		2							1	2
200	Transportation												
201	Vehicle Sales												
202	Vehicle Parts Sales												
221	Vehicle Maintenance												
222	Bicycle/Motorcycle Rep.												
241	Gasoline Filling Station												
281	Transport												
	sub-total - 200												

Loan ActivityDevelopment Bank 30HV

Upper Volta

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
300	<u>Sales</u>												
	301 Food/Grocery/Supermarket												
	302 Fish												
	321 Houseware												
	322 Textiles		1		1					1			1
	323 Clothing												
	324 Learner Goods												
	341 Spectacles												
	342 Music Records												
	361 Stationery												
	362 Book Store												
	363 Office Equipment												
	381 Commerce		6	2	8					6	2		8
	Sub-total - 300		7	2	9					7	2		9
400	<u>Service</u>												
	401 Hotel												
	402 Restaurant												
	403 Bar												
	404 Discoteque												
	405 Orchestra												
	421 Tailor												
	422 Laundry												
	423 Beauty Parlor												
	441 Photographing												
	442 Photo Development												
	443 Printing												
	461 Customs Broker												
	462 Map Making												
	Sub-total - 400												
500	<u>Education and Health</u>												
	501 School		1		1								
	521 Nursery												
	541 Maternity Clinic												
	561 Infirmary												
	581 Pharmacy												
	Sub-total - 500		1		1					1			1
600	<u>Agri-Industry and Fishing</u>												
	601 Cattle Feeding and Sales												
	602 Chicken Farming												
	603 Lumbering												
	622 Cereal Decorticating												
	641 Cold Storage												
	661 Fishing												
	Sub-total - 600												

## Loan Activity

Development Bank BDNV

Upper Volta

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
700	<u>Agriculture</u>												
	sub-total - 700												
800	<u>Other</u>												
801	Electric Power Generation			1								1	1
821	Coal Mining												
841	Finance												
	sub-total - 800			1	1							1	1
900	<u>Artisans</u>												
	981 Artisans												
	sub-total - 900												

	Total												
000	Construction	4		4						4		4	
100	Manufacturing	1	1	2						1	1	2	
200	Transportation												
300	Sales	7	2	9						7	2	9	
400	Service												
500	Education and Health	1		1						1		1	
600	Agri-industry and Fishing												
700	Agriculture												
800	Other	1		1						1		1	
900	Artisans												
999	Unknown												
	<b>Total</b>	<b>14</b>	<b>3</b>	<b>17</b>						<b>14</b>	<b>3</b>	<b>17</b>	

## Loan Activity

Niger		Development Bank BDN											
Code	Activity	1st Tranche				2nd Tranche				Total			
		\$	M	L	Tot.	\$	M	L	Tot.	\$	M	L	Tot.
000	Construction/Building Maintenance												
001	Construction Materials Mfg.		2	1	3		1	2	3		3	3	6
002	Tile Mfg.						1		1		1		1
003	Nail Mfg.												
004	Paint Mfg.												
005	Mirror Mfg.						1		1		1		1
021	Building Materials Sales												
022	Hardware Sales												
023	Chain Saw Sales												
041	Carpentering												
042	Painting			1	1						1		1
043	Plumbing	1			1					1			1
061	Woodworking		2		2						2		2
081	Construction												
	sub-total - 000	1	2	1	4	1	2	1	4	2	4	1	7
100	Manufacturing												
101	Clothing		1		1						1		1
102	Shoes		1		1						1		1
103	Perfume												
121	Food Mfg. Processing	2	4		6					2	4		6
122	Ice Mfg.		2		2						2		2
141	Mattress Mfg.												
142	Furniture Mfg.		1		1						1		1
143	Kitchen Stove Mfg.												
144	Kitchenware Mfg.												
145	Trunk Mfg.												
146	Music Record Mfg.												
147	Musical Instruments Mfg.												
161	Plastics Mfg.												
162	Sheet Metal Mfg.	1			1					1			1
163	Foam Sheet Mfg.												
181	Industry	1			1					1			1
	sub-total - 100	4	9		13					4	9		13
200	Transportation												
201	Vehicle Sales												
202	Vehicle Parts Sales												
221	Vehicle Maintenance		8		8		2		2		8	2	10
222	Bicycle/Moped/Motorcycle Mfg.												
241	Gasoline Filling Station		1		1						1		1
281	Transport	1		1	2	1	1		2	2	1		3
	sub-total - 200	1	10	1	12	1	3		4	3	11	1	15

## Loan Activity

Development Bank 3DRN

Niger

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
300	Sales												
301	Food/Grocery/Supermarket		1		1						1		1
302	Fish												
321	Houseware												
322	Textiles												
323	Clothing												
324	Leather Goods												
341	Spectacles												
342	Music Records												
361	Stationery		1		1						1		1
362	Book Store												
363	Office Equipment												
381	Commerce		1		1						1		1
	Sub-total - 300		3		3						3		3
400	Service												
401	Hotel	1	3		4			1	1	1	3	1	5
402	Restaurant	2			2					2			2
403	Bar												
404	Discotheque												
405	Cinema												
421	Tailor	1			1					1			1
422	Laundry												
423	Beauty Parlor												
441	Photography												
442	Photo Development												
443	Printing			1	1							1	1
461	Customs Broker												
462	Map Making												
	Sub-total - 400	4	3	1	8			1	1	4	3	2	9
500	Education and Health												
501	School							1	1		1		1
502	Nursery												
541	Maternity Clinic												
561	Infirmary												
581	Pharmacy												
	Sub-total - 500							1	1		1		1
600	Agri-Industry and Fishing												
601	Cattle Feeding and Sales												
602	Chicken Farming	2	4		6					2	4		6
603	Lumbering												
621	Cases, Secortising												
641	Cold Storage		2		2						2		2
651	Fishing												
	Sub-total - 600	2	6		8					2	6		8

## Loan Activity

Development Bank 30000

Code	Activity	1st Tranche				2nd Tranche				Total			
		S	M	L	Tot.	S	M	L	Tot.	S	M	L	Tot.
700	Agriculture												
	Sub-total - 700												
800	Other												
801	Electric Power Generation	1			1					1			1
821	Coal Mining												
841	Finance												
	Sub-total - 800	1			1					1			1
900	Artisans												
	Sub-total - 900	1			1					1			1

	Total											
000 Construction	1	5	1	7		3	2	5	1	8	3	12
100 Manufacturing	4	3		13					4	9		13
200 Transportation	1	10	1	12		1	3	4	1	11	4	16
300 Sales		3		3						3		3
400 Service	4	3	1	8			1	1	4	3	2	9
500 Education and Health						1		1		1		1
600 Agri-Industry and Fishing	2	6		8					2	6		8
700 Agriculture												
800 Other	1			1					1			1
900 Artisans	1			1					1			1
999 Unknown												
<b>Total</b>	<b>14</b>	<b>36</b>	<b>3</b>	<b>53</b>		<b>5</b>	<b>6</b>	<b>11</b>	<b>14</b>	<b>41</b>	<b>9</b>	<b>64</b>

Ancillary Program Effects

Ancillary program effects are covered below in the sequence in which they are enumerated in the contract provisions, as set out in Appendix I.

Economic impact

Political/economic environment. The most relevant factor is the political re-alignment of Benin, occurring largely since the initiation of the program. Its recent adoption of an officially proclaimed Marxist-Leninist form of political structure under a single party ("Parti Revolutionnaire de Peuple Beninois") implies a situation in which government controlled collectives are relied upon, rather than private entrepreneurs. The present situation and the probable future loans are set out in Appendix K - "Trends", to which attention is directed for further observation on the subject. The economic environment, in the other Entente countries, affords no meaningful deductions concerning the extent to which the Program has been inhibited or encouraged. Presently, there appear to be no significant frustrations.

Impact on commercial banks. Little present impact on commercial banks is noted, though the recommendations include proposals for bringing them more closely into Program activities. In future, some effect could be foreseen, if the bank's high-overhead costs of small loans could be partly borne by point-of-contact program activities.

Increase in number of African entrepreneurs. This aspect is treated directly in Section II.

Capacity of development banks. The capacity of the development banks to make entrepreneurial loans depends upon the extent to which their overhead costs are minimized by program action, as described in Section III A.

Availability of credit resources for entrepreneurs. The revolving and guaranty funds provide adequate resources for the banks and entrepreneurs; the greater relative need is for non-financial assistance, as presented in the recommendations.

Tax exemptions. Tax exemptions already are provided to African entrepreneurs, in most cases equivalent to that afforded expatriate enterprises. Little advantage is seen in pursuing this tangential aspect, with the results considered in relation to the time and effort involved.

Competition with expatriate entities. Thus far the program has had little effect in promoting competition with the expatriate entities that enjoy a near-monopoly position in the economies. The latter are large and well-financed projects, at a level to which the African entrepreneurs presently do not, and probably should not in the immediate future, aspire.

Linkages between countries. Some linkages are possible (and to some extent evident) in the program funds availability to other entrepreneurs than local nationalities (See Appendix H). Broadly speaking, the

Conseil is the principal factor in this linkage, and an effective Conseil Program for entrepreneurs can enhance its reputation and effectiveness.

Employment opportunities and income distribution. The program has had a definite but unmeasurable result in increasing employment, in the activities supported. Income distribution improvement is merely an inferred result, not quantifiable.

Alleviating bottlenecks. A definite contribution is being made, and much more is possible, in alleviating bottlenecks in such areas as services, where the need - and gap - are quite evident. To this extent competition with expatriate activities is and can be increased significantly. Broadening the base of the economies may therefore be deduced, if the term is defined as increasing the scope and breadth of activities in which African entrepreneurs are engaged.

Bankable entrepreneurs. The program is making a definite contribution in preparing African entrepreneurs to become bankable prospects for commercial banks. The process necessarily is slow, maturing only after the original loans have been paid off, and further loans are sought. The practical absence of "second loans" in the program suggests that at least the early stages of this process are in train.

Economic soundness of loans. Economic soundness is reasonably high, if that is defined as contribution to the overall economy in services provided and products produced. Only in the sales sector, and especially in the "market women's" activities, does the program not appear to add

much to what would in any event materialize. The aspect of cost-benefit analysis has permeated the entire evaluation. The results are a quite favorable ratio in manufacturing and service, less high in the "commercial" area, and lowest in the "artisanal" area.

Administrative costs. It is apparent that the least proportion of administrative costs are borne by AID, in comparison with that of the Conseil and the development banks. A higher level of administrative costs is entailed in an improved program effectiveness. That of the Conseil may be the most difficult to accomplish. For the development banks, overhead costs are minimal, kept that way because of their profit-orientation. A re-structured program can assist, by its activities, in minimizing development bank overhead costs in an expanded scope of those of their operations relevant to the program. Direct costs appear in the same relationship as the overhead and administrative costs.

Types of sectors receiving loans. This aspect is treated at some length in Section II.

Finding and encouraging African entrepreneurs. This is one of the weakest aspects of the program thus far, largely because of the program's operating structure. The promotion centers are beginning to move in this direction, and greater emphasis on point-of-contact activities, and especially initiation of the "Country Representative" recommendation, should materially improve the effectiveness of the program in this regard.

Agriculture area/rural development targets. Identifying a target in this area is difficult, because the program does not, by its inherent nature

and objective, have real prospects of effectiveness in this area. Indeed, the recommendations clearly imply the abandonment of the purely agricultural area as an appropriate objective, given the nature of the necessary effort involved, the inclusion of such programs in other more appropriate programs, and the low cost-benefit of complementary efforts by the Program. The nearest identifiable target area is in agri-industry. Here, the processing and storage of farm-produced foodstuffs is suggested.

Improvement in the African enterprise sector. The amount of credit resources available to African entrepreneurs is quite inadequate, in relation to the existing and potential demand. This must be qualified by the observation that such credit would become more easily available if the entrepreneurs concerned had a higher degree of sophistication in their entrepreneurial activities. I.e., what they need is more non-financial assistance, in relation to financing. The former would in itself increase the funds available, both from development banks and from commercial banks.

Number and quality of new or more effective entrepreneurs. The number of new or more effective entrepreneurs, as a result of the program, is impressive, as summarized in Section II. Their quality can be described as adequate, by their very continued existence. It is beyond doubt that the program has improved their overall effectiveness, though the effect is not quantifiable. The promotion centers have and will be more effective than the development banks in increasing their effectiveness. The former are emerging as the real non-financial assistance source,

while the development banks tend to consider the smaller entrepreneurs are a necessary but not highly profitable part of their activities.

Promotion center assistance. The promotion centers have been most effective in general training in accounting and management, as well as in the technical aspects of production processes. They have been least effective in training in dossier preparation and project analysis. Dossier preparation is improving, except for the financial analysis part, in which they thus far are inadequately equipped with the proper personnel capacities.

Self-financing entrepreneurs. It is too early in the program to assess accurately the extent to which the program results in a class of entrepreneurs able to self-finance a considerable proportion of new investment requirements, as most of the loan terms have yet to mature (except for the small short-term "market women" loans). There is the indication, however, that additional, though small, added investments are being made by the loan recipients in their business, possibly partly because they find added working capital requirements are greater than originally perceived. (Here the program is accomplishing a real service in providing working capital.)

Technical assistance. The program has made a quite definite contribution in technical assistance to a relatively limited number of medium size (or larger) entrepreneurs who have developed problems that cause the development banks to refer them to the Project Office. The same type of assistance, at a lower level of required sophistication, is needed, as indicated in the "Country Representative" recommendation.

Technological sophistication level. The recommended type of technical organization designed to assure that the level of technical sophistication is appropriate, and can be maintained, is inherent in the recommendation for greater emphasis at the point-of-contact with the entrepreneur, where the level of technology is determined. There are indications that the level of sophistication of equipment installed sometimes is too high, and too costly to maintain in the local setting. Too sophisticated and too high capacity equipment is sometimes installed, causing market problems when the domestic market cannot absorb all of the product. While this results in export oriented efforts of value to the economy, a better approach would be to obtain simpler equipment of lower (and less costly) capacity. Here the promotion centers are beginning to be helpful. Equipment catalogs, in the hands of the recommended "Country Representatives", would be a definite contribution.

Dossiers and disbursements. Dossiers generally are prepared for the smaller loans by the development banks themselves. They are terse, and concentrate on the collateral arrangements. Little is recorded of the project's inherent viability, or characteristics of the potential management. Promotion centers are beginning to fill this vacuum to a considerable extent. Requests for loans, submitted directly to the development banks, generally go through their normal channels of approval, with low-echelon assessment, but quite high-level final approval. Disbursements are relatively fast, in comparison with that of development banks in other countries, - one to two months at a maximum, and sometimes a few weeks only are required for funds to be disbursed.

Project organization and guarantee fund requirements. No significant problems are foreseen in the technological organization of the program

because of the guarantee fund requirements. The guarantee provisions are working reasonably well, and do not appear to result in any directly-related need for reorganizing the program's technological structure.

Development bank procedural systems. Some reservations are required in this area. Development banks are uneven in their apparent accomplishment in rapidly and effectively disbursing the program funds. BIDI exhibits less enthusiasm than does CCI in accepting and applying the program facilities. The other banks seek the funds and apply them promptly. All of them however, have made full use of the funds, as the demand far exceeds the supply of program loan funds. The extent to which the funds are applied in an equitable manner is difficult to assess. It would appear that persons close to bank personnel learn about and gain access to the funds most rapidly. None of the banks appear to have received funds not used for the effective purposes of the program.

Financial soundness of banks and promotion centers. The development banks are quite sound financially (see Section VII B). The promotion centers, as government organizations, are "financially sound" since they are government financed, and not organized as profit-making institutions.

Revolving funds. The accumulated revolving funds are well applied to the direct and overhead costs of program loan administration by both the development banks and the Entente Fund. Accumulation has been slow, as they mature only over the course of loan maturities. To some extent early and very short maturity loans has caused a more immediate accumulation.

The recommendations bear on this aspect, in suggesting a minimum period in which the repayment re-flows may be applied by the recipients without program restrictions.

Training programs. These have been conducted, in seminars, on accounting and business management. (The training Advisor's contract has terminated, and is not in prospect for renewal or replacement.) These seminars have been enthusiastically received, especially by some of the promotion centers, whose activities they directly supplement. The need for them in the program, however, appears to have declined - both because the promotion centers are beginning to supply this need, and because the program activities could better be concentrated on direct point-of-contact activities. The extent to which the training programs have made a direct contribution to project identification and analysis, and project financing, is debatable. The nature of such training has necessarily been more general; individual assistance appears necessary in these specific categories. As noted previously, project identification has thus far been practically non-existent, in terms of promotion of the opportunities presented by the program.

Immediate and extended families. African culture in general places a high value on the successful individual's support of less fortunate members of his immediate family. To a lesser extent this applies to the extended family. This is evident in the Entente countries. Free access to the services or products of the successful entrepreneur is expected and accepted. There is no direct evidence that this has militated seriously against entrepreneurial success by the program's

clients. The characteristic is one that must be accepted as a continuing cultural aspect; to attempt to modify or eliminate it would be quite counter-productive.

Effect on existing entrepreneurs. No evidence was noted of an unfavorable effect by program-assisted entrepreneurs on non-program entrepreneurs. This may be partly due to the fact that the opportunities waiting to be grasped by African entrepreneurs is considerable; the level of competition between them is far from reaching the point at which there is evident and serious competition between the two categories. Mostly the non-program entrepreneurs are not aware of the program's existence, or of program-assisted competitors.

Social-spread effects. Expansion of entrepreneurialship undoubtedly has had some effect upon the distribution of income and upon the quality of life in both urban and rural areas. The increased social status and improved income of successful entrepreneurs reflect directly upon that of their immediate and extended families. The quality of life is affected through this increased income and by being drawn closer to the circle of more affluent individuals participating in the cash economy of industrial and commercial activities. However, deductions are quite suspect when based upon such limited field research, though some inferences may be drawn (or sensed) from tangential observations, especially in urban areas, on both income distribution and quality of life. As far

as the latter effect is concerned in rural areas, little is identifiable, as program activities do not impact directly upon purely rural activities; agri-industrial applications have undoubtedly had some effect, though again not quantifiable.

Age and successful entrepreneurialship. As indicated by the data presented in Section II G, age has varied widely among program clients. Only some small correlation is observed between age and size of loan, and no correlation is observable between age and success.

Benefits to non-participating nationals. The benefit, if any, is not directly observable. When and if the program promotion efforts are expanded and the loan clients reach a higher proportion of all entrepreneurs, a direct effect may become significant enough to be observable.

Demographic factors. This interesting area of observations would require a very extensive field research to assess with any degree of validity. Only generic observations, partly in the form of deductions, is feasible. Increase in the population of the countries (see Appendix F) is relatively rapid; the average age of the population is low; ethnic composition is identifiable only as "traditional" and "Moslem" in the available published data. Moslems constitute a higher proportion of total population the further north the country is situated. Dozens of non-Moslem and non-Christian ethnic or religious categories exist, each tending

to cross the existing national frontiers established during the colonial period. In the southern areas, nearer the coastal city activities and in the region of tropical vegetation, there is less mobility and more permanence in individuals' habitats. Further North, into and through the savanna region and into the desert areas, mobility becomes greater as fixed plot land cultivation and established industrial or commercial activities give way to a more nomadic existence. These affect the program's target population by ethnic composition (more Moslems in the North) and seasonal nature of activities (as subsistence relies more and more on sparsely distributed natural resources of the land. Concentration of the Program's target population follows that of the population itself, with possibly a greater gradient due to the smaller participation of the purely agricultural activity of the North, and the greater concentration of industrial and commercial activities in the South. Operation of a successful business, in this milieu, would appear to be more probably successful in the southern reaches than in the North, if only because of the greater proportion of the population engaged in the cash-economy in the South, as compared with the more nomadic population of the Northern regions.

Target population's perceptions. Relation to need appears to concentrate on money, rather than non-financial assistance, as far as the target population is concerned. It is an endemic characteristic of many less developed economies, in which money tends to be regarded

as the major (or only) obstacle to success. In actual fact, the money incentive is a factor in inducing those concerned to avail themselves of the non-financial assistance required for their success. This quite important aspect is approached by recommendations that a fee be charged, and extracted from loan proceeds, to induce greater demand for the non-financial assistance so greatly needed. Religious factors do not appear to correlate with the perceived need, though attention was directed to the possible existence of a Moslem thesis that interest should not be charged on loans. Cultural environment could have some correlation with perceived needs, but only a minimal relationship was observed, in the relatively large demand (in numbers) for loans in the "sales" area. The cultural heritage would appear to emphasize bartering rather than more modern methods of manufacturing, or servicing the products of a modern industrial society. These characteristics outline a context in which the program objectives need to be geared to a relatively simple phase of industrialization, to encourage and attract the largest possible fraction of this culturally related phase of development.

Social consequences. Some deductions and inferences may be made in this area. Who will and who will not participate in the program has, thus far, been determined largely by who has heard of the program and who has not. If all potential clients were equally informed, little is observed to indicate any distinctive differences between those who will and those who will not participate in the program.

How a successful program implementation would affect the two categories is inferred as making participants more successful, with consequent copying by non-participants - but this is still only an inference. However, an unsuccessful program implementation may be deduced to have a considerable though intangible result. As indicated in the description concerning Benin in Appendix H, the on-going process of comparison of a private-enterprise oriented political structure, versus a collective-enterprise structure, may be related to the observed success (or failure) of the program to demonstrate the success of the former structure. To this extent, an unsuccessful program might well have intangible but important results in the African competition between the two opposing precepts.

Institutional and organizational factors. Informal relationships among the top-echelon personnel of the formal institutions concerned is of considerable importance, as it is in most developing countries where there is a limited number of highly qualified persons available for these positions, and they have great opportunities (engendering personal competitions) in advancing to higher responsibilities. They are well known to each other, and their individual perceptions and incentives have an intangible effect upon the program, in ways difficult to identify and describe. Mention has been made of the probability that loan clients may (especially at the outset) be those known to the institution's staff personnel. As a promotion effort, this has something to be said for it, in the absence of an organized promotion effort. Some inequities may thus be introduced.

Formal organizations, as represented by the development banks and the promotion centers, reflect the results of competition between their top-level executives - as has been observed in the apparent competition between the two types of organization. Given a re-structured program, as recommended, this factor could have less impact on the project.

Alternative approaches. Alternatives are presented in two categories: the relative emphasis of the program on its multi-faceted stated objectives, and alternative levels of recommended program continuance. Both these aspects are treated in the recommendations; the former is a revised allocation of effort among the several objectives and types of potential clients, and the latter in three alternative levels of recommended support for a continuing program.

- - - -

These comments, deductions and inferences on the ancillary program effects are necessarily subjective, as they generally do not lend themselves to quantitative analysis within the scope of a nine-week field effort. However, they do reflect the background that has gradually emerged from exposure to the multiplicity of contacts with individuals and organizations directly concerned with the program. They can be taken as valid only within these limitations and subject to the ensuing implicit qualifications.

Project Office Administrative  
Expense And Personnel

A. Administrative expense

AID grant administrative expense as of June 30, 1978, amounted to \$1.001 million, with \$.499 million budgeted for the period July 1978 through December 1979. Conseil de l'Entente administrative expense as of June 30, 1978 amounted to CFA 130.0 million, with CFA 85.0 million budgeted for July 1978 through December 1979.

A major part of administrative expense is for consulting personnel. Such expense, besides salary, include as support: housing, utilities, some household appliances, local transportation, and foreign travel expense, as well as per diem during a temporary period after arrival at post.

Other expense consists of an automobile, driver, local staff, office equipment, office rent and office supplies.

Project Office administrative cost, by source of funds, is as follows:

Administration Cost

<u>Source</u>	Actual 1974 <u>6/1978</u>	<u>Budget</u> 6/1978 - <u>12/1979</u>	<u>1980</u>	<u>Total</u>
AID	\$1,001,000	\$490,000	\$189,000	\$1,680,000
CE	CFA 130. m	CFA 85. m	NA	CFA 215. m
CE in Equiv. \$	+ \$600,000 <u>                    </u>	+ \$400,000 <u>                    </u>	NA <u>                    </u>	+ \$1,000,000 <u>                    </u>
<b>Total</b>	<b>+ \$1,601,000</b>	<b>+ \$890,000</b>	<b>\$189,000+</b>	<b>\$2,680,000+</b>

In relation to total actual loan funds of \$7.5 million, administration has represented 13 percent for AID and 8 percent for CE, as a total of 21 percent. For \$10.0 million of further loan, AID budgeted expense represents 16.8 percent, with CE's budget portion not yet available.

B. Project Office personnel

The Project Office personnel financing and contract termination dates are as follows:

Project Personnel Contracts

<u>Name</u>	<u>Function</u>	<u>Financing</u>	<u>Contract Termination</u>
Boucher	Project Manager	AID	Feb. 1980
Weber	Management Consultant	AID	June 1980
Gattie	Management Training	AID	Dec. 1978
Sardargues	Engineering Consultant	France	June 1980
Colas	Librarian	France	Renewed Annually
Muller	Long Range Programming	UN	Dec. 1979

In addition to the above, Charles Mann (USAID financed) serves as Economic Development Advisor to the Secretary General of the Conseil de l'Entente.

Curricula vitae of the above personnel are set out in the following pages.

Charles A. Mann  
(b) March 22, 1916

Education

- 1941 University of New Mexico (Credit Analysis)
- 1966 - 1967 Senior Seminar in Foreign Policy, Foreign Service Institute, Department of State, Washington, D. C.

Experience

- 1978 - Present Economic Development Advisor, Conseil de l'Entente, Abidjan, Ivory Coast
- 1977 - 1978 Development Officer, International Human Assistance Corporation, New York
- 1975 - 1977 Assistant Administrator, Bureau of Program and Management Services, Agency for International Development, Washington, D. C. (Retired February 28, 1977)
- 1968 - 1975 Director, USAID/Laos and Counselor of Embassy for Economic Affairs
- 1967 - 1968 Director, USAID/Congo, now Zaire (Kinshasa) and Counselor of Embassy for Economic Affairs
- 1965 - 1966 Director-Minister, USAID/Vietnam
- 1962 - 1965 Director, USAID/Laos and Counselor of Embassy for Economic Affairs
- 1960 - 1962 Director, USOM/Cambodia
- 1958 - 1960 Deputy Director, USOM/Cambodia
- 1957 - 1958 Assistant Director for Program Planning Operations, USOM/Cambodia
- 1954 - 1957 Chief, Program and Requirements Division, USOM/Vietnam

1952 - 1954      Requirements Specialist, USOM/Vietnam

1951 - 1952      Assistant Supply Advisor, USOM/Vietnam

1949 - 1951      Port Operations Consultant and Liaison Officer,  
USOM/Korea

1947 - 1948      Pier Superintendent, Department of the Army, Pusan,  
Korea

1945 - 1947      Port Traffic Officer, Brindisi, Italy, U.N. Relief  
and Rehabilitation Administration, Washington, D. C.  
and New York

(Listed in "Who's Who in America")

Armand A. Boucher

Education

1958 - 1960 MA, Economics, Harvard University

Experience

1976 - Present Project Manager, African Enterprise Program,  
Conseil de l'Entente, Abidjan, Ivory Coast

1971 - 1976 Independent Consultant, U.S. and Europe

1966 - 1971 Director, Administration and Planning, International  
Telephone and Telegraph, Financial Services Group

1962 - 1966 Supervisor, Corporate Treasury Office, Ford Motor  
Company

1960 - 1962 Economist, U.S. Chamber of Commerce, Washington,  
D. C.

Mark S. Weber

Education

1949 - 1953 AB, Amherst College  
1955 - 1957 MBA, Harvard University Graduate School of  
Business Administration

Experience

1978 - Present Management Consultant, African Enterprise Program,  
Conseil de l'Entente, Abidjan, Ivory Coast  
1976 - 1977 Partner, Consulting Group of New York  
1975 Executive Agent, Creditor's Committee, Boston  
Good Hope Industries, Chapter XI Bankruptcy  
1970 - 1975 Manager, Project and Financial Analysis, TEXACO  
1969 - 1970 Director, Long Range Planning, Iranian Explora-  
tion and Producing Company, Tehran, Iran  
1967 - 1969 Controller, Field Operations, Iranian Exploration  
and Producing Company, Masjud-i-sulimain, Iran  
1962 - 1966 Senior Economic and Financial Analyst, TEXACO  
1962 Assistant to Controller, Philco Corporation,  
Philadelphia  
1959 - 1962 Planning analyst, Central Staff, Ford Motor Company  
1957 - 1959 Program and Budget Analyst, Thompson Ramo Wooldridge  
1953 - 1955 Ltjg, USN; Staff Communications Aide, Supreme  
Allied Commander, Atlantic, NATO

Robert A. Gattie  
(b) December 15, 1943

Education

- 1966 MA, Economic and Social Development, University of Pittsburgh
- 1965 BA, Economics and Politics, University of Leeds, Yorkshire, England

Experience

- 1976 - 1978 Management Advisor, African Enterprise Program, Conseil de l'Entente, Abidjan, Ivory Coast
- 1974 - 1975 Director, Business Development, Warren Gorham and Lamont Inc, New York
- 1970 - 1973 Director, Education Services, Management Development International SA, Brussels
- 1968 - 1970 Program Director, European Management Centre, Brussels
- 1966 - 1967 Junior Consultant, H. B. Maynard & Co, Pittsburgh

Paul Sadarques

Education

1963 - 1968 Graduate in Physics, Universite de Toulouse, France  
Graduate, Ecole Nationale Superieure d'Ingenieurs,  
Toulouse, France

Experience

1978 - Present Industrial Engineer, African Enterprise Program,  
Conseil de l'Entente, Abidjan, Ivory Coast

1976 - 1978 Chief Service Engineer, Compagnie Generale d'Electricite,  
Dakar, Senegal

1974 - 1976 Chief, Research Department, Energy Co. of Senegal

1971 - 1974 Project Chief, Radio Netherlands, Tananarive,  
Madagascar

1968 - 1971 Engineer, Energy Co. of Madagascar

Mrs. Françoise Colas  
(b) July 10, 1943

Education

- 1961 - 1962 Certificate of Education in Philosophy, Secondary studies Lycee Paul Bert, Paris
- 1963 Diploma in Letters, Sociology, Lycee Paul Bert
- 1964 Secretarial studies, CPSS Chamber of Commerce School, Paris
- 1964 - 1966 CELG Diploma, Literature, and CES Social Psychology, University of Sorbonne, Paris
- 1969 CES Sociology, CES Political and Social Economics, and CES Sociology and Ethnography of North Africa, University of Algiers

Experience

- 1968 - Present Librarian, African Enterprise Program, Conseil de l'Entente, Abidjan, Ivory Coast
- 1975 - 1977 Librarian, African Institute, Abidjan, Ivory Coast
- 1974 - 1975 Professor of Sociology, Women's Technical Institute, Lille, France
- 1972 - 1973 Professor of Land and Economic Politics, Technical Girls School, Algiers
- 1968 - 1969 Librarian, Ministry of Industry, Abidjan
- 1965 - 1967 Management Secretary and Laboratory Accountant, National Laboratory of Scientific Research, Abidjan

George Muller  
(b) August 18, 1920

Education

1944 Central School of Arts and Manufacture, Paris

Experience

1978 - Present Technical Advisor, African Enterprise Program,  
Conseil de l'Entente, Abidjan, Ivory Coast

1976 - 1978 Engineering Advisor, International Labor Organization  
(ILO), Douala, Cameroun

1972 - 1975 Principal Technical Advisor, ILO, Douala

1967 - 1972 Director, School of Scientific Organization, French  
Management Center, Paris

1963 - 1967 Secretary General, Association of French Management  
Consultants, Paris

1958 - 1963 Director, Manufacturing, CEREBAT, Paris

1952 - 1958 Chief, Methods Department, Peugeot, Paris

1944 - 1952 Manufacturing Department, Peugeot, Paris

## Appendix E

### AID/W Private Enterprise Program Officer

The AID/W Private Enterprise Program Officer, as recommended in the report, probably should not be filled by transferring an existing AID/W officer to this post, since it is believed that no existing AID/W personnel has had direct operating experience in promoting this type of program in West Africa.

There are very few who have the relevant experience and capability to meet the obvious challenge of such an assignment. However, during the field work in the Entente Countries, one possibility was uncovered, in contacts with the agencies already operating in this area and in the program's scope of activities. This is Mr. Gerard R. Latortue, a consultant under contract to the UNDP. His background is summarized here, with the suggestion that AID/W might find it rewarding to request his complete CV.

Mr. Latortue is an American citizen, a native of Puerto Rico, where he obtained his Master's Degree in business administration and finance. His prior experience was in the academic environment in Puerto Rico, where he was a professor in the local university. His desire to see greater progress by indigeneous entrepreneurs, first in Puerto Rico and later abroad, led to his assignment, under UNDP auspices, to promotion centers in West Africa. He has spent some eight years in this capacity, first in Togo and now in Ivory Coast, where he is under a UN contract until mid-1980.

Mr. Latortue exhibits the needed intangible characteristics which are not necessarily evident from written CV's, in the absence of personal contact. These are, especially, diplomacy and tact in contact with others, articulate and logical in oral presentations and, particularly, possessing an obvious personal commitment to the challenge of helping potential African entrepreneurs develop into successful private entrepreneurs.

A potential problem is that he already is committed, under contract with UNDP, until mid-1980. Provided he were interested in considering such an assignment in AID/W, it might be possible to induce UNDP to shorten his contract term, for an early AID/W assignment, either as permanent personnel or as a consultant. The which commitment preferably should be a minimum of two years, to permit close follow-up of the African Private Enterprise Program, viewed as a laboratory for testing the effectiveness of structure and technique, and preparing a proposed program for application of tested techniques in other relevant areas. Since Mr. Latortue (an American citizen, born in Puerto Rico) speaks fluent French and has some acquaintance with Spanish and Portuguese, he would be at home in English and French speaking areas of Africa, as well as in the Caribbean, Central and South America.

Personal contact with Mr. Latortue, at some length, has provided an assessment of his capabilities for the challenge of the AID/W Private Enterprise Officer proposed in the recommendations. He not only has a thorough and detailed grasp of the problems and opportunities for development of African entrepreneurs, but he also is demonstrably able to present his persuasive views thereon in logical and well-organized terms. Equally important, he exhibits the considerable degree of tact and diplomacy such a position would require. Of basic importance is his personal commitment to the need for entrepreneurs of developing countries to receive the encouragement and assistance they need to develop into successful proponents of the private enterprise concept.

His experience in this area in both Puerto Rico and in West Africa has prepared him for a broader assignment. He is fluent in English and French, and has a working knowledge of Portuguese and Spanish.

His address is:

Mr. Gerald R. Latortue  
Conseiller Principal de l'Onudi  
Project d'Assistance au Developpement Industriel  
P.O.Box 1318, Abidjan  
Ivory Coast  
Telephone 32-42-38

Country Characteristics

The several Entente countries exhibit a considerable diversity in their characteristics. They all are French-speaking countries, and former French colonies. The ethnic, geological, political, cultural, and political attributes reflect the accidents of history and the long traditional influences which have shaped them. Homogeneity is evident only within areas of the tribal areas, and there are literally dozens of these, each occupying more or less identifiable geographical areas. Historical colonial influences are reflected in the railroads, which run from coastal cities directly into the interior, where they served the purposes of colonial control and development of interior resources. In centuries past, incursions of the emergent Moslem empires in the North swept south to the boundaries of the tropical forest, where their traditional desert mobility became less effective. Moslem influence is greater, as an ethnic and religious factor, in the more northern regions. Expatriates have been less in proportion in the more inhospitable northern regions than in the coastal areas, where the largest proportion is concentrated, especially in Ivory Coast. Their appearance on the scene came much later than the incursions from the North, as they became possible only after the 15th and 16th centuries, when Europeans developed the technique of sailing against prevailing winds, and could navigate the western bulge of the continent. Competitive efforts to establish outposts on the coasts gave way about a century ago to designated areas of influence which emerged as colonies - all French except for Togo, which was German until the end of World War I, when it too

became French.

Development of natural resources, especially raw materials, characterized a good part of the colonial century. Introduction of the effects of Europe's industrial revolution began during this period, in which the indigeneous population began to be trained in industrial pursuits, in distinction to their former subsistence farming and hunting. This provided a solid base for the body of increasingly sophisticated technicians, though at less than top-echelons in the industrial structure.

The greater responsibilities placed upon individuals, when independent states emerged from the colonies beginning in the 1960's resulted in a rapidly increasing experience in all the phases of a modern industrial state. This process is still under way, but a distinctly different levels in the several states. Ivory Coast has progressed further than the others, and the two northern states are perhaps at the lower levels of the process. This has had an influence of the degree of sophistication among potential entrepreneurs for the program.

The most pervasive common denominator is the French language, in which France has concentrated its efforts, with excellent results. All the states are oriented toward French culture rather than that of other countries, and particularly not English or American. The French government has been quite generous in its contribution to the development of all phases of the Entente countries, as represented by such agencies as "Proparco", a French supported organization "for the promotion and

participation in economic development". French dominance in the aid-donor category merits recognition, with implications in the recommendations concerning co-ordination among the aid-donors relevant to the program. A certain degree of competitiveness among the aid-donor sources has naturally evolved, but recognition of their community of interest in the ultimate objective of this program should serve to bridge or ameliorate this competitive stance.

Some characteristics of the Entente states are summarized in the following table, which reflect the background above described.

Country Characteristics Compared<sup>(1)</sup>

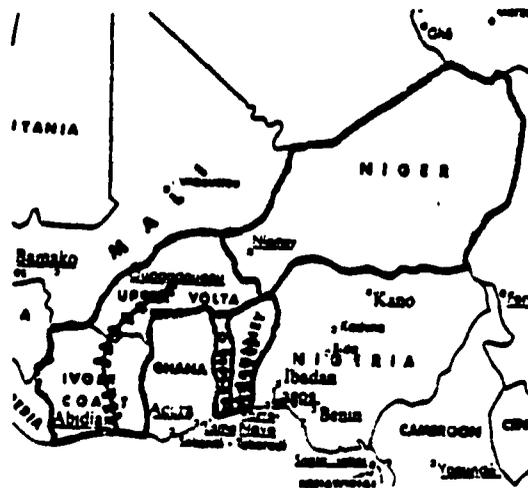
	<u>Ivory Coast</u>	<u>Benin</u>	<u>Togo</u>	<u>Upper Volta</u>	<u>Niger</u>
<u>Area</u> (m km <sup>2</sup> )	.322	.123	.057	.274	1.185
% under cultivation	28%	9%	41%	20%	12%
<u>Government</u> (2)	A	B	C	D	E
<u>Population</u>					
Millions (1976/77)	7.3	3.2	2.3	6.2	4.7
% Urban	33%	15%	20%	10%	10%
% Rural	66%	85%	80%	90%	90%
% Moslem	(na)	15%	7%	30%	80%
<u>Capital</u>	Abidjan	Cotonou	Lome	Ouagadougou	Niamey
Population (m)	.904	.190	.200	.140	.125
<u>Gross National Product</u>					
Total (m. US\$)	2,930.	370.	556.	520.	540.
Per Capita (US\$)	460.	120.	250.	90.	120.

Notes:

- (1) Source: "Afrique Economique", 1977-78 edition, published by "INADES", 15, Avenue Jean-Mermoz, Abidjan, Ivory Coast
- (2) A. President with a one-party system, under Constitution of 1960, revised in 1971 and 1975.  
 B. Military regime, officially Marxist-Leninist oriented.  
 C. Military, with a President; Constitution of 1963 was abrogated in 1967.  
 D. Presidential with a Parliament, under a Constitution adopted in 1977.  
 E. Military; Constitution of 1960 was suspended in 1974.



Zones of tropical vegetation, savanna and desert



Railroads

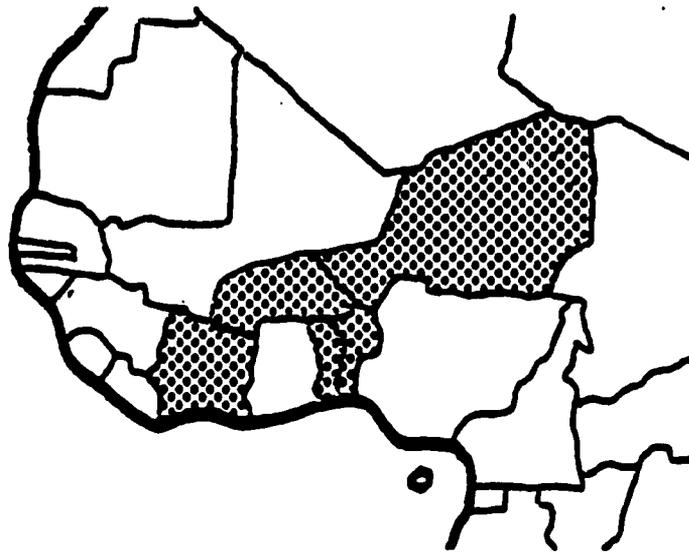
- Abidjan to Ouagadougou
- Lome to Palime and Blitta
- Cotonou to Parakou

Currency

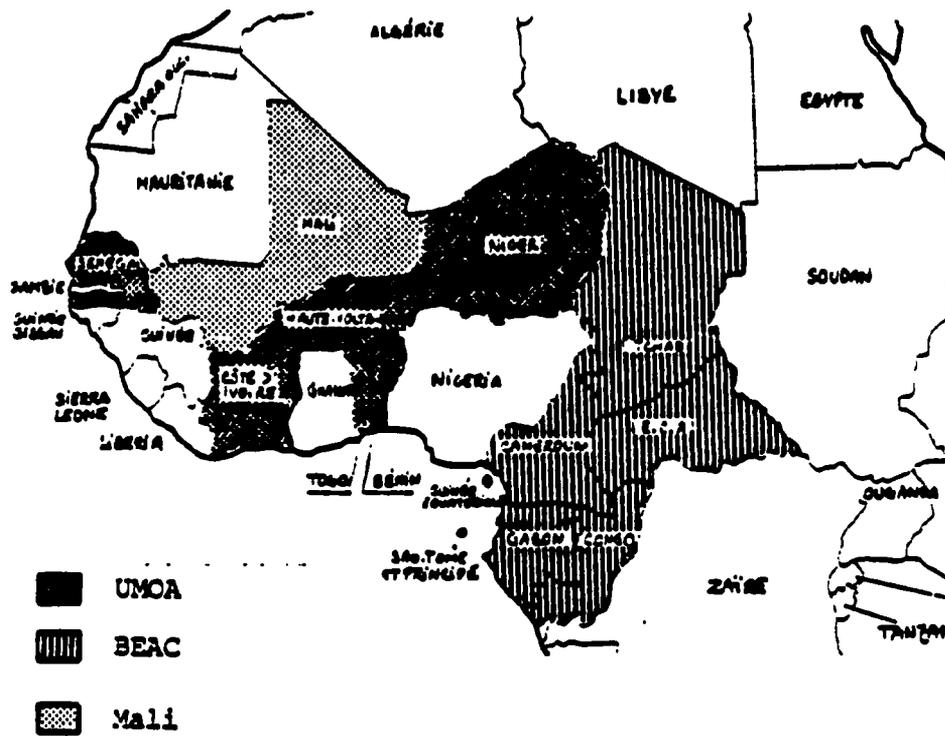
The currency in each of the five Entente States is the CFA ("Communaute financiere africaine") of the French franc zone, established in 1945 by the then French colonies in West Africa, continued after their independence. The French franc zone comprises three areas: (1) UMOA (l'Union monetaire Ouest africaine) including the five entente states plus Senegal; for which the issuing entity is BCEAO (Banque centrale des Etats d'Afrique de l'Ouest); (2) five central African countries (Cameroun, Central Africa, Congo, Gabon, and Tchad), for which the issuing entity is BEAC (Banque des Etats d'Afrique centrale); and (3) Mali and the Comores and Reunion Islands, for whom the issuing entity is the BCM (Banque centrale du Mali).

CFA coins are issued in denominations of 1, 5, 10, 50, 100 and 500 CFA, each inscribed with "Union Monetaire Ouest Africaine" and "Banque Centrale, Etats de'Afrique de l'Ouest".

The CFA is tied to the French franc, with 50 CFA = 1 Fr. franc. The French franc was quoted in New York, on January 5, 1979, at 4.236 per U. S. dollar. At this rate 1 U. S. dollar equals 211.8 CFA.



The five Entente States



The French franc zone

Potential and Existing Client Examples

The attached loan application was prepared by Dr. Bienvenu-Magloire Quenum who, with his wife, had recently established a business service in the Hotel Ivoire in Abidjan. His objective is to earn the necessary capital to launch a much more ambitious project, in several years, for the production of plastic pipe and conduit in Ivory Coast. His technical training appears to be well above the average for African entrepreneurs, encompassing his academic work leading to the equivalent U.S. PhD degree, together with several years of actual experience in plastics manufacturing in France.

Dr. Quenum became intensely interested in the opportunities for assistance from the program,<sup>(1)</sup> and in the short space of two days prepared an application which he presented to the Program's Project Office shortly after the author's departure from Abidjan. If he is successful in his low-key effort in a business service activity, he will become a much more important program prospect later.

This example is believed to reflect the undiscovered talent among potential entrepreneurial clients, as a result of the lack of an effective promotional effort for the program, geared to the actual individuals, at the point-of-contact with them in the field.

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(1) With which he became familiar when his business service office typed a rough draft of this report. About two hours were spent in assisting him in preparing his application.

LOAN APPLICATION

BY

Bienvenu-Magloire QUENUM, PhD

for

Business and Secretariat Service Enterprise

December 16, 1978

## GENERAL

The loan is to expand the equipment and scope of facilities at an existing Business and Secretariat Service, located in the Hotel Ivoire Abidjan.

### Existing operations

Established October 1, 1978, the existing operation offers services and facilities for business executives, both domestic and foreign. It includes stenographic, photocopy, telephone messages and receipt, mailing address, telex transmissions and receipt. (a full description of services is set out in Appendix A)

### Projected expansion

The planned expansion includes (a) opening of a second office in down-town Abidjan and (b) adding a photo offset printing service.

### Market

The existing operation has an established clientele, presently largely among temporary and permanent guests at Hotel Ivoire, where the present office is located. The volume of the market, and its projected expansion, is set out in Appendix B;

The offset printing service would have, at the start, the Hotel Ivoire printing business. The greater market is to be found among the business and industrial concerns in Abidjan, and in outlying near-by towns.

Presently, the comparable equipment and capacity in operation in Abidjan is considerably below the capacity required to meet existing demand. The facilities are so inadequate in capacity that such printing services have large order backlogs. The normal delay in delivery of printing orders runs from two to three months. There is no facility offering a fast, guaranteed service. It is planned to operate the new printing service on a guaranteed 48 hour delivery basis, by means of two or three shift operation, if necessary, to meet current demands. No other existing printing service is organized for this type of fast service.

It is projected that the new printing service will be occupied at least on one-shift basis, 26 days per month. The projected income is based on that production basis. The actual income level is expected to be greater, with overtime and two-shift operation being required at times.

The service will be priced at rates competitive with the current rates, even though the service will be much faster. This premium characteristic is expected to result in obtaining a considerable share of the existing market demand.

#### EQUIPEMENT PURCHASE

Part of the loan proceeds will be used to purchase the required offset printing equipment as described in Appendix C.

CIF cost of the equipment is F.CFA 5,386,380 based on the quotation recently received.

Installation of the equipment is estimated to cost 425,000 F.CFA

Part of the loan proceeds will be used to open a second office in down town Abidjen, in which the offset printing equipment and service will be located. Equipment, furniture and fixtures other than the installed printing equipment will consist of basic office facilities and a small office for order production control and accounting records. These facilities are more fully described in Appendix D.

A part of the loan proceeds will be applied to working capital, covering supplies inventory, accounts receivable and other working capital requirements.

#### The loan required

The loan required is 10,000,000 F.CFA to be applied as follows :

	F.CFA
Equipment purchase	5,386,380
Equipment installation	425,000
Office furniture and equipment	<u>2,625,000</u>
TOTAL fixed assets	8,436,380
Working capital	<u>1,563,620</u>
TOTAL loan	10,000,000

The projected cash flow will support the loan requested, as follows :

Principal : 10,000,000 F.CFA  
Maturity : five years  
Grace period : one year  
Repayment : quarterly, beginning 12 months after loan disbursement.

### Projected financial statements

A pro-forma income statement for the first year of operation, as set out in Appendix E, projects a gross income of 3,377,000 + 11,112,724 or 14,489,724 F.CFA per year, from the combined services offered from the two offices.

A pro-forma Balance Sheet, as of the end of the first years operation, also is set out in Appendix F. It shows a net worth of 11,591,779, after taxes.

Return on the total fixed assets investment in the business thus is projected at 113,8% (after all expenses, including amortization of organization expenses depreciation on equipment on a ten-year-life basis, and after income and other taxes (about 30%))

This will provide a cash flow equal to 5.3 times the loan repayment requirements (assuming 2,100,000 debt service, 1st year)

### Loan Security

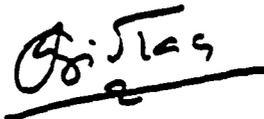
Security available for the loan would include (a) chattel mortgage on the equipment and fixed assets of the enterprise;  
(b) fire and casualty insurance on the enterprise's assets;  
(c) life insurance on the proprietor (Dr. B.M. Quenum) and on the Manager of the Hotel Ivoire Office (Mrs Quenum)

### The proprietor and Manager

Mr QUENUM, a native of Dahomey, was educated in France, where he obtained his Master's and PhD degree. His specialty has been in the technical field of the chemistry and production of plastic products, on which he has published a number of technical treatises. He has served as a Professor in this field in Universities in France and Africa.  
(A detailed Curriculum Vitae is contained in Appendix G).  
His present business is expected to provide sufficient income and savings to permit him, after several years, to proceed with the organization and operation of a plastic products factory in Abidjan.

---

Further details concerning the above loan application can be furnished upon request.



B.M. QUENUM

APPENDIX A .

Description of services provided by the existing operation.

The existing office, located in Hotel Ivoire, gives help, assistance and information for the businessmen who check in at that Hotel.

The main occupation is translation of documents from and to English, German, Spanish and French

There is a big market for translation as many businessmen coming to Ivory Coast are American or English speaking people. They need their documents to be translated into French to facilitate communication with their Ivorian interlocutors

The potential of Abidjan itself is a good one. The local resident businessmen receive English written letters, documents and contracts.

Apart from this, the existing operation can supply many other facilities as photocopy, typing, telex and phoned messages, messenger...

APPENDIX B

Volume of market and projected expansion.

The Hotel Ivoire complex has 750 rooms which are booked 100% during the tourism season i.e. from October to July.  
(It is really difficult to reserve a room if it has not been booked three or four months in advance)

The businessmen who check in at that hotel comprise about 30% of total booking. Their average stay is about one week.

Most of the businessmen (about 75%) are English speaking, who need typing, translation and other facilities provided by the existing operation.

With the projected exploitation of oil, it is reasonable to expect an annual increase of 20% in businessmen traffic in Abidjan as a whole.



APPENDIX C

SOCIETE IVOIRIENNE DES MATERIELS DE REPROGRAPHIE

S.A.R.L. AU CAPITAL DE 10 MILLIONS CFA - R.C. 23 000 - BP 21 000 ABIDJAN TEL: 36-40-00 - 36-77-30 - 36-41-03

SECRETARIAT ET AFFAIRES  
Monsieur et Madame QUENUM  
Bienvenu

BP 28.464

ABIDJAN

FACTURE PROFORMA N° 1016/78-JM/DC

le, 8 Septembre 1978

FOURNITURE DE :

1 OFFSET GEHA 2300 AUTOMATIQUE.....	2.725.000
1 BLOC D'ENCRAGE GEHA.....	290.000
1 TAQUEUSE.....	130.000
1 MASSICOT 36 U.....	185.000
1 CHAMBRE DE REPRODUCTION AGFA-GEVAERT REPROMASTEUR MARK 3.....	1.368.420
1 COPYRAPID OFFSET TYPE 0421.....	687.960

TOTAL TTC..... 5.386.380

LIVRAISON : Offset, bloc d'encrage, taqueuse  
et massicot, sur stock.  
Chambre de reproduction, copyrapid, délai 3 mois.

GARANTIE : Offset et bloc d'encrage, 1 AN, pièces et main-  
d'oeuvre, excepté rouleaux caoutchouc et blanchet.  
Le reste du matériel, 6 mois, pièces et main  
d'oeuvre.

REGLEMENT : 3.946.914 F.CFA à la commande.  
Le solde 1.439.466 à la livraison de la chambre  
de reproduction et du copyrapid.

ARRETE LA PRESENTE FACTURE PROFORMA A LA SOMME DE : CING MIL-  
LIONS TROIS CENT QUATRE VINGT SIX MILLE TROIS CENT QUATRE VINGT  
FRANCS CFA.

JOËL MAREC

APPENDIX D

The offset equipment we will use to give a 48 hour delivery service as stated before, is a new one put on the market these last three years.

Its operation is very easy and is quickly learnt after fifteen days training

The supplier of this equipment provides a training program for the operator of the equipment.

This equipment associated with the rapid plate maker permits output of 7,000 copies per hour, i.e. about 50,000 copies per day on one shift basis.

With this equipment, it will be possible to give a 48 hour delivery service.

Traductions techniques, juridiques, commerciales et bancaires  
 (Anglais, Allemand, Espagnol)  
 Dactylographie.  
 Photocopies, multiples copies.  
 Prises de contacts, rendez-vous.  
 Secrétariat de cabinets.  
 Location de voitures, etc...

Help, assistance and information for businessmen.

Judicial, technical and commercial translations in French.  
 Receipt and transmission of telex and phoned messages  
 Appointments, meetings and so on...  
 Other quick print, typing, photocopies...  
 Rent a car...

## Secrétariat & Affaires

06 BP 306 ABIDJAN (République de Côte d'Ivoire)

Office : M 27

HOTEL IVOIRE

Bureau :

Tél. : 34 94 81

Poste : 30027

Phone :

Extension :

Télex : INHOTEL 3555

R. C. Abidjan : 32113

### APPENDIX E (A)

#### Projected Income Statement - Existing operation

I October 1978 - 31 September 1979

#### CAPITALIZED EQUIPMENT AND START-UP COSTS

2 office desks	330,000 F.CFA
1 typist chair	32,000
2 chairs	45,000
1 electrical typewriter	342,000
Advertising and promotion	1,000,000

TOTAL 1,749,000 F.CFA

#### INCOME

- Translation of commercial,  
 juridical, technical documents from  
 and to English, German and Spanish and  
 French 6,240,000 F.CFA

- Office services :  
 typing, telex, telephone and  
 messenger service, etc. 3,120,000 F.CFA  
 9,360,000 F.CFA

9,360,000 F.CFA

#### EXPENSE

Business premises	2,400,000 F.CFA
Salaries and leasing charges	2,000,000
Stationery	500,000
Motor fuel and maintenance expenses	500,000
Amortization, capitalized costs	583,000

5,983,000 F.CFA

- 5,983,000 F.CFA

3,377,000 F.CFA

Traductions techniques, juridiques, commerciales et bancaires  
 (Anglais, Allemand, Espagnol)  
 Dactylographie.  
 Photocopies, multigraphes offset.  
 Presses de contacts, rendez-vous.  
 Secrétariat de sociétés.  
 Location de voitures, etc...  
 Help, assistance and information for businessmen.  
 Judicial, technical and commercial translations in French.  
 Receipt and transmission of telexed and phoned messages  
 Appointments, meetings and so on...  
 Offset quick print, typing, photocopies...  
 Rent a car...

**Secrétariat & Affaires**  
 06 BP 306 ABIDJAN (République de Côte d'Ivoire)  
 Office : M 27 HOTEL IVOIRE  
 Bureau : M 27  
 Tél. : 34 84 81 Poste : 30027  
 Phone : Extension : 32113  
 Télex : INHOTEL 3555 R. C. Abidjan : 32113

APPENDIX E (B)

Projected Income Statement -Offset Printing

CAPITALIZED EQUIPMENT AND START-UP COSTS

1 Offset printing machine	5,386,380 F.CFA
Equipment, installation	425,000
2 Office desks	330,000
1 typist chair	32,000
2 chairs	45,000
1 typewriter (type-setting model)	1,500,000
Advertising and promotion	718,000
Sub-TOTAL	<u>8,436,380</u>
Working capital	<u>1,563,620</u>
	10,000,000

INCOME 18,000,000

EXPENSE

Rent	2,450,000
Salaries + leasing charges	2,006,000
Stationnery	500,000
Motor fuel and maintenance	250,000
Amortization and depreciation	<u>1,682,276</u>
	<u>6,887,276</u>

Operating profit ..... 11,112,724

APPENDIX F

PRO-FORMA BALANCE SHEET

(November 30, 1978)

ASSETS

Cash and accounts receivable	13,871,675
Inventory, supplies	1,800,000
Fixed assets and organization expense, less depreciation and amortization	<u>7,920,104</u>
TOTAL	23,591,779

LIABILITIES and EQUITY

Accounts payable	2,000,000
Long term debt	10,000,000
Equity	
Accumulated earnings	14,489,724
less taxes	<u>2,997,945</u>
	<u>11,591,779</u>
TOTAL	23,591,779

C U R R I C U L U M V I T A E - APPENDIX G -

Dr QUENUM Bienvenu-Magloire

Born 15th March 1943, in Porto-Novo, DAHOMEY.

Dahomean passport

Married, two children

Present address : 06 B.P. 305 - ABIDJAN 06  
République de Côte d'Ivoire

Permanent address : QUINCIE-en-Beaujolais  
69 430 BEAUJEU (France)

Present Position :

Since October 1978 : Manager of a translation and facilities office for businessmen, Hotel Ivoire - Abidjan.

Previous jobs :

Sept 1969 - Sept 1974 : Assistant at the Department of Chemistry and biochemistry of Claude Bernard University - Lyon (France)  
Macromolecular Chemistry section.

Sept 1974 - Sept 1975 : Visiting Professor in Physical Chemistry at the Polytechnic Institute of LUBUMBASHI -Zaire.

Sept 1975 - July 1978 : Lecturer in Chemistry at the National University of Gabon

Academic record

February 1974 : French Doctorat ès Sciences Physiques in Macromolecular Physico-chemistry. Specialization in Plastics materials, Lyon (France) (equivalent PhD degree)

1969 : Maître ès Sciences chimique Lyon (France)(Equivalent : MS degree)

1963 : French Baccalaureat (Equivalent : BA degree)

See attachment for list of publications.

-Fluent in English

-Working knowledge in Spanish

References : Professor Philippe Berticat  
114, av. Alexander Fleming  
69 300 Caluire et Cuire (France)

Mr Mohamed T. DIAWARA - Former Minister of Planning(Ivory Coast)  
Acting President, Dakar Club  
Immeuble Alpha 2000  
Abidjan (Ivory Coast)

Traductions techniques, juridiques, commerciales et bancaires  
(Anglais, Allemand, Espagnol)  
Dactylographie  
Photocopies, messages offset  
Prises de contacts, rendez-vous.  
Secrétariat de sociétés.  
Location de voitures, etc...

Notes, assistance and information for businessmen.

Judicial, technical and commercial translations in French.  
Receipt and transmission of telexed and phoned messages  
Appointments, meetings and so on...  
Offset quick print, typing, photocopies...  
Rent a car...

## Secrétariat & Affaires

06 BP 306 ABIDJAN ( République de Côte d'Ivoire )

Office : M 27  
Bureau :

HOTEL IVOIRE

Tél. : 34 84 81  
Phone :

Poste : 30027  
Extension :

Télex : INHOTEL 3555

R. C. Abidjan : 32113

### SEMI-ANNUAL CONTRACT FOR COMPREHENSIVE SECRETARY FACILITIES

#### Including

Receipt and forwarding of mail  
Receipt and transmission of phoned messages  
Appointments  
Telex, typing  
Files (at your disposal in our office)

Rental fee 10.000 F.CFA

Monthly subscription rate 10.000 F.CFA

i.e. at the beginning of each six months period : 190.000 F.CFA

#### The subscriber privileges are :

- works done on priority,
- typing tariff rate abatement  
from 2000 F.CFA to 1500/for each typed page in french  
from 2500 F.CFA to 2000/for each typed page in English, german or spanish.
- sliding-scale tariff for the photocopies, added up at the end of each month.

A provision of 200.000 F.CFA is due at the contract beginning.  
It must be refunded when the bill oversteps it.

Invoice is send every month, payable on presentation in case  
of overstepping of the provision.

Telex, phone-calls, stamps, and carriers are billed cost price charged  
ISS for service.

Any other facility asked for will be invoiced on estimate.

A 23,46% Tax (TCA) is applied on each invoice.

The contract is renewed on tacit agreement and notice of termination must be  
done by registered letter one month before the termination of the contract  
period.

The undersigned NAME

FUNCTION

ADDRESS OF THE COMPANY

read and approved the above terms of this contracts.

Starting date :

Signature and Seal

Productions techniques, techniques, commerciales et bancaires  
(Anglais, Allemand, Espagnol)  
Dactylographie.  
Photocopies, multicoopies ather.  
Prise de contacts, rendez-vous.  
Secretariat de sociétés  
Location de voitures, etc...

Help, assistance and information for businessmen.

Juridical, technical and commercial translations in French.  
Receipt and transmission of telexes and phoned messages  
Appointments, meetings and so on...  
Office work print, typing, photocopies...  
Rent a car...

## Secrétariat & Affaires

06 BP 305 ABIDJAN (République de Côte d'Ivoire)

Office : M 27

HOTEL IVOIRE

Bureau :

Tél. : 34 94 81

Poste : 30027

Phone :

Extension :

Télex : INHOTEL 3585

R. C. Abidjan : 32113

### SECRETARIAT DE SOCIETE COMPLET SUR LA BASE DE CONTRATS SEMESTRIELS

#### GENERALITE :

Réception et réexpédition de courrier  
réception et messages téléphonés - prise de rendez-vous  
réception et dilution de télex  
dactylographie  
tenue de classement à la disposition de la société.

OUVERTURE DU DOSSIER	10.000 F.CFA
ABONNEMENT MENSUEL	30.000 F.CFA
<b>PAYABLE EN DEBUT DE CHAQUE SEMESTRE</b>	<b>190.000 F.CFA</b>

#### Avantages offerts par le contrat sur facturation des prestations :

- réduction du taux habituel de dactylographie  
de 2000 à 1500 F/la page en français  
de 2500 à 2000 F/la page en langue étrangère.
- tarif dégressif des photocopies additionnées en fin de mois

UNE AVANCE SUR FRAIS DE 200.000 F.CFA EST EXIGEE  
EN DEBUT DE CONTRAT

Le renouvellement de l'avance est réclamé chaque fois que le montant  
de la facture indique son épuisement.

Les factures sont établies chaque fin de mois, et payables à réception  
en cas de dépassement de l'avance.

Les frais de télex, téléphone, timbres, courses en ville  
sont facturés au prix de revient + 15% de prestation de service.  
Les autres prestations qui peuvent être demandées, études diverses,  
démarches administratives, .... sont facturées sur devis.

La taxe de prestation de service de 6% est appliquée sur chaque facture.

Le contrat est renouvelable par tacite reconduction.  
Sa dénonciation se fera par lettre recommandée, un mois avant la fin  
du contrat.

Je soussigné :

NOM DE LA SOCIETE :

accepte les conditions du présent contrat  
à compter du :

SIGNATURE et cachet

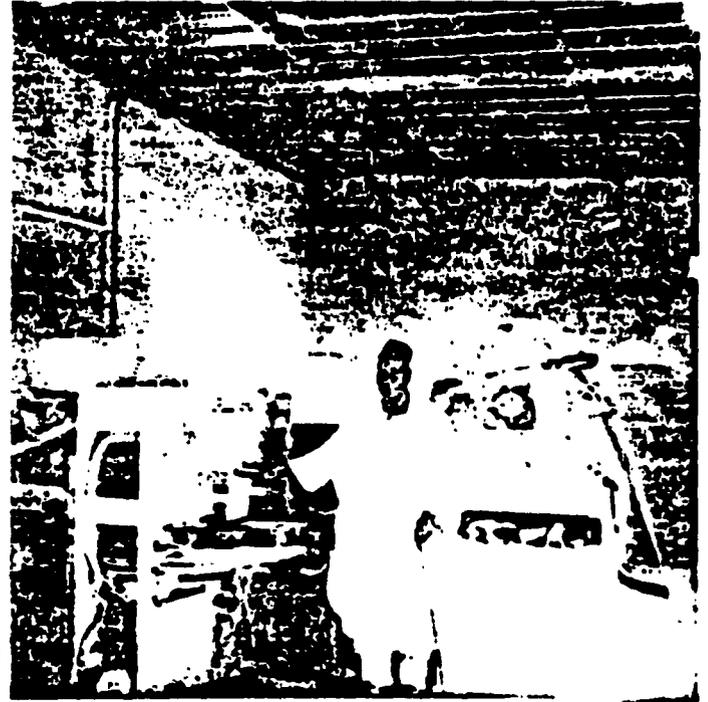
## PUBLICATIONS SCIENTIFIQUES

- 1 - Communication au colloque du groupe français des polymères  
Juin 1970 - Lyon  
Etude comparée de la chloration d'un polychlorure de vinyle  
et d'un polyéthylène.
- 2 - Détermination de la teneur en chlore des polymères.  
CHIMIE ANALYTIQUE vol.53, n°10, Octobre 1971
- 3 - Etude comparative de la chloration des polyéthylènes linéaire et  
ramifié.  
EUROPEAN POLYMER JOURNAL vol.7, 1527, 1971
- 4 - Chloration d'un polyéthylène ramifié.  
Influence de la température et du solvant.  
EUROPEAN POLYMER JOURNAL vol.9, 777, 1973
- 5 - Etude de la chloration et du polychlorure de vinyle en fonction  
de sa tacticité.  
EUROPEAN POLYMER JOURNAL vol.10, 1974
- 6 - Etude de la microstructure de polyéthylène de basse densité,  
chloré en solution et en suspension.  
DIE MAKROMOLEKULARE CHEMIE vol.175, 1597, 1974
- 7 - Relation entre la structure et les propriétés mécaniques dynamiques  
de polyéthylènes haute pression chlorés.  
DIE MAKROMOLEKULARE CHEMIE, vol 175, 1611 (1974)
- 8 - Chlorinated polyethylene.  
I - INFRA-RED STUDY  
POLYMER JOURNAL (Japan) vol 7, n°3, 277-286, 1975
- 9 - Chlorinated polyethylene.  
II - MECHANISMS OF CHLORINATION  
POLYMER JOURNAL (Japan) vol 7, n°3, 287-299, 1975
- 10- Chlorinated polyethylene.  
III - MICROSTRUCTURE THERMAL-PROPERTIES RELATIONSHIPS.  
POLYMER JOURNAL (Japan) vol 7, n°3, 300-311, 1975

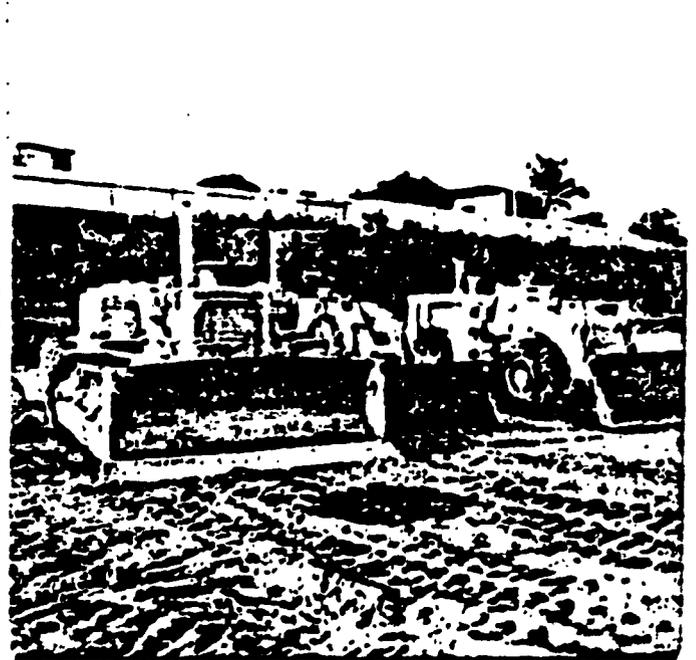


Dr. and Mrs. Quenum in their business service office

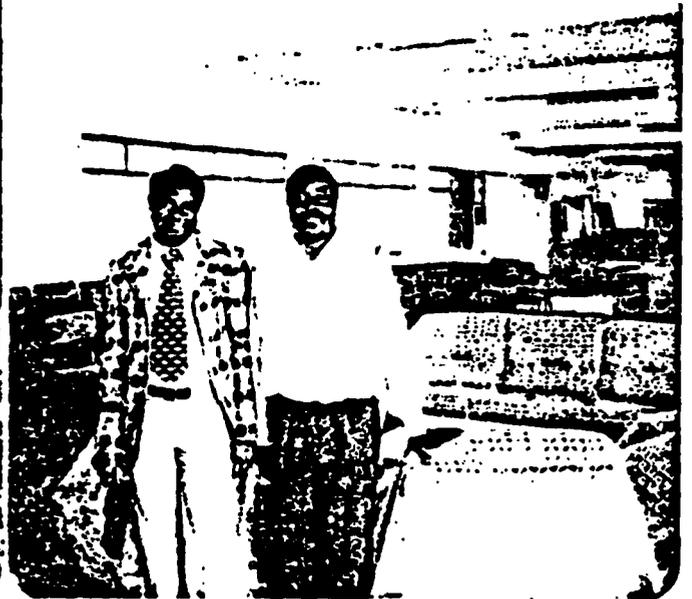
Typical examples of existing clients



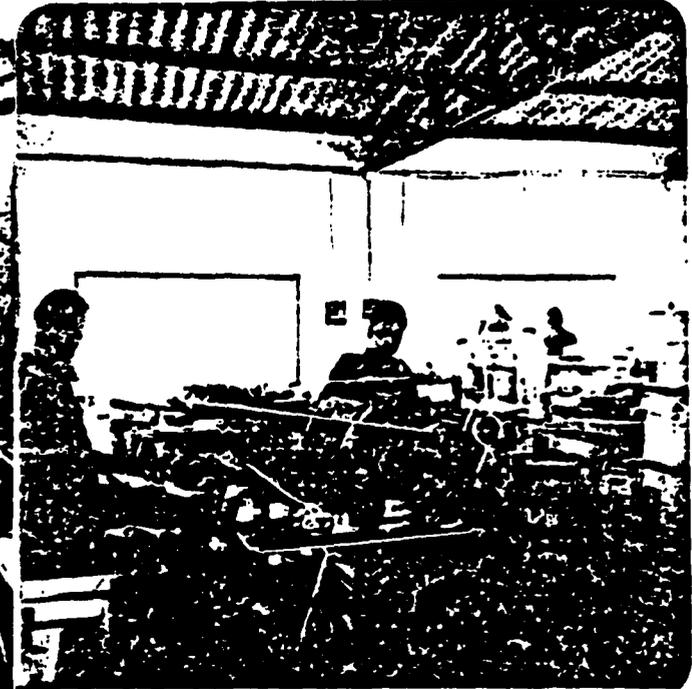
Marble tile plant, Niger. Proprietor and Project Office Director (Mr. Boucher)  
(1). Proprietor and one of tile presses (2).



Garbage collection company, Togo. Proprietor and trucks (3). Bulldozers used  
to level collection yard for future park (4)



Furniture factory, Togo. Factory floor (5); Sales room with proprietor (right) and Promotion Center officer (left) (6)



-Left: Bisquit factory, Upper Volta; President of Company (center) with officers of Promotion Center. (7) -Right: Printing plant, Niger (8)



Promotion Center, Upper Volta. -Left: road sign for Koudougou branch (10)  
 -Right: headquarters buildings, Ouagadougou



Hotel, Niger. Owner (left), Promotion Center officer and Receptionist (11)

Paint factory, Togo. Owner (right) Promotion Center officer (left) (12)

Contract No. REDSO/WA 79-149  
(Dated October 24, 1978, as  
amended December 5, 1978)

Excerpt: "Scope of work:

\* \* \*

"ARTICLE II - Scope of Work

. . .The Evaluation Report. . .shall:

A. Economic Impact

1. Assess the relevant political/economic environment, with particular attention to factors encouraging or frustrating the development of an African entrepreneurial class and Africanization of existing enterprises.
2. Assess the extent of present or future impact on commercial banks resulting from: (a) increasing the number of African entrepreneurs who are bankable within the terms of reference of commercial banks, i.e., African entrepreneurs who possess basic skills in dossier preparation, management and accounting; (b) increasing the efficacy of guaranty funds so that commercial banks may be encouraged to use them; and (c) increasing the competition commercial banks face from development banks.
3. (a) Assess the increase in the number of African entrepreneurs who have been drawn into the modern banking systems; (b) assess the increase in the capacity of the six national development banks to lend to African entrepreneurs; and (c) assess the increase in the credit resources (revolving funds and guaranty funds) available to development banks and to African entrepreneurs.
4. Assess the feasibility of small business entrepreneurs receiving tax exemptions.
5. Assess the extent to which the project promotes competition with foreign enterprises and financial institutions which enjoy near-monopoly positions in the economies.
6. Assess the extent to which the project has: (a) promoted smooth linkages between and among the key sectors of the Entente economies by alleviating bottlenecks, and (b) aided the African entrepreneurs to identify investment opportunities which address these bottlenecks.
7. Assess the extent to which the project has improved employment opportunities and income distribution.

8. Assess the extent to which the project has improved the economies of the Entente Countries by: (a) alleviating the bottlenecks in the key sectors of the economies as Africans identify economic opportunities; (b) increasing the overall competition in the commercial and service sectors; and (3) broadening the industrial base of the economies.

9. Assess the extent to which the project has provided the participants with skills that will make them sufficiently sophisticated in their entrepreneurial activities to be bankable from the viewpoint of the development banks.

10. (a) Assess the economic soundness of the loans made to African entrepreneurs; and (b) undertake a benefit-cost analysis on selected types of enterprises, e.g., manufacturing, commercial, artisanal.

11. Assess the level of (a) direct costs borne by the primary beneficiaries; and (b) the administrative costs to: (1) AID, (2) the Entente Fund, and (3) the development banks.

#### B. Small Business/Finance/Credit

1. (a) Review the types of industries, businesses and commercial sectors that have received loans; and (b) assess the effectiveness of the promotion centers and development banks in finding and encouraging entrepreneurs to initiate and develop projects.

2. Review the on-going activities of the development banks in order to: (a) identify potential rural areas for promoting business; and (b) assess the manner of their participation as sub-loan recipients.

3. Identify a target group in the agricultural area/rural development that would fit within the framework of the private enterprise concepts of the program.

4. Assess the extent of improvements made in the African enterprises sector of the Entente Countries by analyzing: (a) the amount of credit resources now available to African entrepreneurs; (b) the numbers and quality of new or more effective African enterprises; and (c) the demonstrated ability of banks and promotion centers to assist African entrepreneurs.

5. Assess the extent to which the promotion centers have assisted entrepreneurs through general training in: (a) accounting; (b) management; (c) dossier preparation; and (d) project analysis.

6. Assess the extent to which a class of entrepreneurs has been developed with sufficient capital to self-finance a substantial portion of new investments, thereby meeting a critical qualification required by commercial banks.

7. Assess the extent to which the provision of technical assistance has ameliorated the constraints imposed by the limited technical management and accounting skills possessed by existing African enterprises.

8. Recommend the type of technical organization best fitted to ensure: (a) that the choice of technology in the enterprise is appropriate to the relevant cost factors of production in that country; (b) that the technology is not too sophisticated for practical use; and (c) that the technology is capable of maintenance support in the local economy.

9. Assess: (a) the process of submitting dossiers for a loan; (b) the approval mechanism; and (c) the disbursement procedures, for loans by the development banks.

10. Assess the area of potential difficulties in the technological organization of the project as a result of the requirement that the Guaranty Fund guarantees the loans.

11. Assess the extent to which the development bank's procedural systems have been successful: (a) in assuring that loan funds have been rapidly and efficiently disbursed in an equitable manner; and (b) in assuring that lines of credit have not been committed by the Entente Fund to banks which do not utilize them effectively.

12. Assess the financial soundness of: (a) the development banks; and (b) the promotion centers.

13. Assess: (a) the extent to which the revolving funds have accumulated, and (b) the appropriateness of their utilization. The funds concerned are those generated in the development banks and in the Entente Fund by the differentials between their respective borrowings and relendings under the project.

#### C. Small Business Training

1. Review: (a) the types of training programs; and (b) the efforts made under the Technical Assistance grant, in terms of appropriateness and need.

2. Review the training efforts that have been made to date to assist: (a) the development banks; and (b) the promotion centers, in developing a "cadre" capable of: (1) project identification; (2) analysis; and (3) provision of the proper type of financing.

**D. Social and Cultural Milieu**

1. Assess the relationship between "immediate" and "extended" families, with respect to the financial status of African entrepreneurs.

2. Assess the effect of the competition of the project-assisted entrepreneurs with existing African entrepreneurs.

3. Assess the extent to which social-spread effects have occurred in the areas of: (a) expanding African entrepreneurs; (b) improving income distribution; and (c) improving the quality of life in rural and urban sectors.

4. Assess the relationship between age and successful entrepreneurship.

5. Assess the benefits received indirectly by nationals who have not participated in the program.

6. Assess, in general terms, the demographic factors relevant to the operation of successful project-related businesses, considering such factors as the project target population's: (a) size; (b) concentration; (c) composition by: (1) age; (2) sex, and (3) ethnic composition; and (d) mobility on a: (1) seasonal; (2) annual; and (3) permanent basis.

7. Assess: (a) the relationship of the project to overall needs as perceived by the target population business community; and (b) the target population's attitude toward the project's strategy, including the implications of cultural/religious factors.

8. Assess the social consequences and benefits accruing from the project, including: (a) who will and who will not participate in the project; and (b) how a successful or unsuccessful implementation of the project would affect project participants and non-participants.

9. Assess both formal and informal institutional and organizational factors which have an impact upon the project.

10. Assess alternative approaches for minimizing or ameliorating socio-cultural constraints upon successful project implementation.

E. Role of Women

Incorporate in the final report a separate section concerning the "Role of Women" which will be prepared under separate contract and provided to the contractor.

F. Recommendations

1. Based upon the foregoing, and any other information considered relevant, make recommendations with respect to: (a) improvements in the implementation of the project as currently structured, and (b) whether additional donor assistance should be made available, and, (c) if additional donor assistance is recommended, the nature and scope of such assistance."

Experience Background of the Author

This evaluation is based upon over two months of field investigations, in an area and on a subject related to the author's previous experience background. It appears relevant therefore to outline this background briefly, as it bears upon the judgment necessarily exercised in recommendations, and particularly on some of the ancillary-effect areas, where subjective judgment rather than quantifiable data is relied upon.

The experience background includes activities concentrated in the developing countries over the past thirty years. These have been in a number of countries in East and West Africa (seven years) and in Korea, Taiwan, Greece, Vietnam and Chile. West African countries have included Nigeria and Ghana, with shorter term assignment in Guinea, Tanzania, Uganda and Kenya. Previous experience in French speaking countries has been Tunisia as well as Vietnam.

A number of common threads exist in the developing countries and especially in their development banks which, in most of the recent years, have characterized the experience background. Previous activity in assistance to small indigeneous entrepreneurs has been mostly in Nigeria and Ghana.

A chronology is attached, indicating previous experience in the area of finance and in evaluating the trend and events of the U.S. economic history over fifty years, in the U.S. Senate's "Temporary National Economic Committee".

C. L. Terrel

Chronology

1966- President, International Development Consultants, Inc.  
Washington, D. C.

1979 Advisor, Saudi Industrial Development Fund, Riyadh, Saudi Arabia

1978 Evaluation, USAID African Enterprise Program, Abidjan, Ivory Coast

1975-1978 Advisor, Compagnie Financiere et Touristique, Tunis, Tunisia

1974 Advisor, Kuwait Industrial Bank, Kuwait

1974 Advisor, Banco Fomento, Santiago, Chile

1973-1975 Advisor, Industrial Development Bank, Saigon, Vietnam

1973-1975 Advisor, Korea Capital Corporation, Seoul, Korea

1971-1973 Advisor, Korea Investment Finance Corporation, Seoul, Korea

1968-1973 Advisor, Korea Development Finance Corporation, Seoul, Korea

1963-1968 Chief Consultant, National Investment Bank; Director,  
Development Service Institute, Accra, Ghana

1960-1963 Chief, Industrial Development Division of U.S. Aid Mission to  
Nigeria; short term consulting assignments in Guinea,  
Tanzania, Uganda and Kenya

1953-1960 President, International Consultants, Inc., San Diego, Calif.

1951-1953 Deputy Director, U.S. Aid Mission to China, Taipei, Formosa

1948-1951 Executive Director, Foreign Trade Administration of the  
Greek Government, Athens, Greece

1944-1948 President, Continental Investment Corporation; Executive  
Director, Management Service Co., Dayton, Ohio

1943-1944 Chief Mission Officer, Executive Office of the President:  
North African Economic Board (Algiers); and Combined Chiefs  
of Staff (Washington, D.C.)

1941-1942 Assistant Administrator, Lend Lease Administration, Wash., D.C.

1938-1941 Economic and industrial analysis, U.S. Senate's Temporary  
National Economic Committee, through the Federal Communications  
Commission and the Department of Justice, Washington, D. C.

1936-1938 President, Jones Abstract Company; President, The Terrel Estate  
Inc.; Treasurer, Albra Castings Company; Member Loan Committee,  
First National Bank, Huntington, Indiana

1932-1935 Credit and investment analysis, Continental Illinois National  
Bank and Trust Co., Chicago, Illinois

1930-1932 Harvard Business School, MBA Degree

1926-1930 Western Electric Company, Chief, Results and Control Departments

1922-1928 Ohio State University (B.S. Degree, Engineering)

(Further information is available under listing in Marquis'  
"Who's Who in America")

## Trends

Decisions taken in regard to the program here evaluated need to be assessed in relation to the conditions extant over the period in which those decisions apply. Existing trends in the environment of the program provide some indication of the probable course of future events. To the extent that trends may be extrapolated with a reasonable degree of probable error, future results of present decisions can be improved. This appendix presents and analyses several relevant trends.

The essential elements here considered are those relevant to the need for, and reaction to, further support of the objective of the Program - developing a class of private entrepreneurs.

The trend of political events in Benin is identified as one of the essential elements to be considered. Attention therefore has been given to Benin in particular, with overtones of possible similar developments elsewhere in Africa.

An AID program as unique (and as astute) as the one here evaluated can become lost in the various levels of hierarchy between original low level proposals and the level at which the U.S. Congress passes upon the need for AID programs, and provides the required funds. Trends in this context are briefly assessed.

## Political environment in Benin

Among the important trends is the political re-orientation of Benin since the origin of the Program. Its name was changed from "The Republic of Dahomey" to "The Popular Republic of Benin" ("Republique Populaire de Benin"). A single-party system was installed ("Parti Revolutionnaire du Peuple") and Lieutenant Colonel Mathieu Kerekou became President of the Republic. A government controlled newspaper ("EHUZU") dated November 7, 1978, ("Number 777, 4th year") contains a front page message to the President from "President Leonid Brejnev" of Russia, outlining the Russian development of "the grand revolution of October" and cites its assistance, moral and otherwise to African countries, beginning in the 1920's. A second of the three front-page stories related the Brezhnev message to the development of those "revolutionary ideas" in Africa, specifically mentioning Tanzania, Guinea, Mozambique, Congo, Ethiopia and Angola, besides Benin, as having proclaimed this thesis of socialism as their supreme objective. It also describes "the Press" as "an instrument of the masses", in attaining the desired ends. Obviously the publication is concentrated on espousing the advantages of the Russian revolution's aims, and its progress in other countries in Africa.

Discussion with the development bank officials in Cotonou largely consisted of the proposal, by the officials, that the program's funds be made available to the country's government-controlled collectives - as "they were more efficient than private enterprises, because their heads were appointed by the government".

In contrast to this apparent adoption of the Russian political philosophy in its entirety, the private sector contacts revealed a very high order of initiative, aggressiveness and implied commitment to the idea of private entrepreneurial concepts. In general this commitment appeared as high, or higher, than that obtaining generally among the five Entente States. (Several entrepreneurs in the other countries were "expatriates" of Benin, seeking success in the other Entente countries.)

The query presents itself - how deep, and potentially enduring, is Benin's commitment to its re-structured political thesis? Difficult to answer, but the impression exists that this commitment is neither deep nor necessarily enduring. The impression further is that the top level government authorities are engaged in a not-yet-successful effort to convince the population that the course of events being proclaimed and impressed from the top is to the advantage of the people of Benin. So much effort in this direction implies recognition of the need for it - that the idea has not yet been accepted at lower levels. (In other countries, where "socialism" is securely fastened, it has been noted that much less concentrated attention is given to this type of "education").

The impression is gained that Benin is not yet firmly ensconced in the "socialist" camp.

There are indications that the development of this type of socialism in Benin is undergoing a process of "Africanization", in which

African and domestic cultures, traditions and pressures are for a hybrid-type structure, in which the prevailing individualism of the African culture maintains a place. Private entrepreneurial activity could well be a residual component of such a hybrid. If this deduction has an appreciable measure of truth, private enterprise could and would continue to exist, though under some other semantic designation..

The important fact is that Benin is undergoing a continuing process of change, but that the ultimate result may not be an exact copy of the Russian orthodoxy. While the process continues, under these conditions, the competition between the two opposing precepts continues - with the final result still hanging in the balance. This, then, would appear to be a specific example of the advantages of the Program's objective, but viewed in a slightly different cross-light. The issue is the extent to which African entrepreneurs can become successful in Benin. To the extent that the program demonstrates this - not only to upper-echelon government officials, but also, and particularly, to the existing and potential entrepreneurs themselves - then an ensuing program success in Benin could become a low-key answer to the propaganda being promulgated by the government, in such media as the newspaper "EHUZU", as described above.

To exclude Benin from the ministrations of the Program, at this stage, implies a withdrawal from the competition, possibly on the reasoning that the government is not receptive, and doesn't fulfill

the "pre-conditions" imposed. This hardly appears an aggressive response to the aggressive contra efforts. Viewed from the other side of the question, the nub of the issue is the success of the program with individual clients. Unless the Program concentrates on the point-of-contact with individual potential and actual clients, its efforts may become so diffused as to accomplish nothing. Relevant to this aspect is the evaluation's concentration on the "point-of-contact" activity, and the lessened emphasis on such ancillary aspects as improving the quality of life in rural and urban sectors, and minimizing socio-cultural constraints upon the program.

The continuing process of political change in Benin points to what may be happening in other African countries, where the ideological competition apparently is proceeding at an accelerating pace. It is not beyond the bounds of possibility that this competition may be in an early phase in others of the five Entente countries. Continuation of the re-structured Program may thus be valid as a means of continuing an effective (and early) demonstration of the relative advantages of the two precepts, in areas in which the balance has not been tipped.

### Program decision environment

Many considerations, unknown to the author, undoubtedly bear upon the decision concerning continuation of this program. But among these must be the relevant policy in allocating funds to many desirable programs competing for the limited resources made available by the U.S. Congress.

An acceleration in the rate of change in events directly related to the several programs concerned in this allocation of scarce resources may be considered as resulting in a comparable acceleration in the rate of change in the associated policies. If this is true, then it may follow, the policies relevant to the decision on continuation of this program have, or are, undergoing a review or modification.

Trends in the policy environment necessarily include the attitude of Congress to different types of programs and different program objectives. It is in this context that a trend is believed to have developed over the quite recent past. Sharpening competition between the proponents of the two opposing precepts is changing, and is likely to continue to change in the foreseeable future. Attitudes are changing, not only in the Congress, but also in the body politic to whom it is responsible.

These identified trends would appear to have a direct relationship with the policy, and the decision, on continuation of this program.



PROJECT NUMBER: 6250717061701

PROCESS:	ACTION:	DATE:	INITIALS:
CATALOGUE	V	5/6/81	DV
ABSTRACT	V	3/6/81	DV
FICHE			
COMMENTS:			