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Mid-Project Evaluation
of
DEVELOPMENT DECENTRALIZATION I (263-0021)

by

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PREFACE

In August, 1981, the Agency for International Development authorized an additional \$15 million for the Development Decentralization I project (DDI), but said that the project must be evaluated before any of the money could be spent. The findings of the evaluation would be incorporated into future project plans and operations. The main component of the DDI project is a Local Development Fund (LDF), which makes loans to village councils for income-generating projects. The LDF is operated by the Organization for the Development of Egyptian Villages (ORDEV).

The USAID Mission requested that the evaluation start on September 12, and a report be submitted three weeks later. This was done with the draft report circulated to USAID on September 30th and the Mission and ORDEV briefed on October 1st 1981.

The team, which comprised a rural development officer, as team leader, a small scale enterprise specialist, and a cooperative and credit specialist, was ably assisted by two Egyptian staff from DRPS/LAD, whose backgrounds in economics and accounting were very useful. The scope of work was built around the following issues:

1. the present beneficiaries of the LDF,
2. LDF interest rates and the grace period on loans,
3. the organization and operation of LDF by ORDEV, with particular attention being paid to management, monitoring and evaluation and technical assistance provided by Checchi.
4. the LDF training program.

This report presents the team's findings after extensive discussions with appropriate officials in ORDEV, USAID/Cairo, AID/W, Bluegrass Consortium, Kentucky, and in seven Governorates while visiting 21 LDF loan projects, as well as a review of project documents. A summary of recommended actions completes the report.

Profiles of each project visited and much of the raw data provided by ORDEV are presented in annexes to this report so that the reader may review the evidence if necessary.

This evaluation took 21 days and cost the USAID Mission \$16,000 and LE 800. It cost the agency this and an additional \$5000 to pay the salaries of two direct-hire team members.

ACKNOWLEDGEMENTS

The team would like to thank the many people who have made this evaluation possible. These include, Under-Secretary of State and Director of LDF, Ahmed Difrawy and the LDF/ORDEV staff in Cairo, the governorates, markazs and villages which we visited; the Secretary-Generals and their staffs in Beni-Suef, Fayoum, Minya, Giza, Gharbia, Sharkia, Dakhalia; Mr. Richard Kaynor and the Checchi team; Mr. Michael Diehl and the faculty of the Bluegrass Consortium; the Directors and staffs of the Bank for Development and Agricultural Credit in the governorates listed above; Mr. Don Brown, Director, USAID/Cairo, and Mr. John Roberts and the DRPS/LAD staff.

Special thanks are due Mr Magd Gawad and Mr. Remah Tellat, of DRPS/LAD, who travelled with us on the field trips and helped us to understand rural development in Egypt; to Mrs Mona Bawab, of LAD, whose administrative assistance helped us immeasurably; and Mrs Julie Rudge, who worked long days typing this draft.

The authors of the report are solely responsible for its contents.

SUMMARY

The team finds that ORDEV, Checchi and USAID have successfully established the Local Development Fund(LDF) to distribute loans for income producing projects to village councils at a rate much faster than anticipated. ORDEV, Checchi and USAID have designed and implemented an excellent array of training programs for all levels of staff in the LDF and village councils. At this time a high proportion of the village enterprises appear to be viable and are either now providing or are likely to provide profits for the Special Accounts of the village councils in the future. The evaluation team recommends that;

- ORDEV give increased attention to building and maintaining the LDF and providing appropriate help to the village councils as their enterprises mature;
- Checchi strengthen and refocus its technical assistance efforts to provide increased managerial and financial advice based upon closer observation of the village projects, and;
- USAID assist, encourage, and monitor progress carefully;

So that the project purpose will be achieved. The financial viability and development capability of selected village councils will have been strengthened.

If the current program is continued unchanged, however, we will only partially reach the project goal of reinforcing and strengthening the decentralization of decision-making to governorates, markazs, and villages. We will have increased the autonomy of village councils by putting more discretionary funds at their disposal but we will have used a highly centralized organization to do it.

The team recommends that LDF itself be decentralized. Over the next three years a smaller version of the Cairo LDF should be created in each governorate. The governorate ORDEV representative would be the chairman of the governorate loan committee, and technical assistance would be provided from other governorate staff and local universities. The central LDF in Cairo would assume a coordinating, research and training function.

A further coordinated , innovative effort by ORDEV, Checchi and USAID could enable the LDF to make a greater contribution to the decentralization of government in Egypt by transferring more resources and decisions to governorates, markazs and village councils closer to the rural people.

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Glossary and Exchange Rates

Exchange rates: LE1.00 = US\$1.40; US\$1.00 = LE 0.70(70 piasters)

EGADD, Bluegrass = The Bluegrass Consortium which is made up of the Bluegrass Area Development District, Morehead State University, and Eastern Kentucky University. It provides part of the training for DDI.

Checchi and Co = The consulting company which provides technical assistance to ORDEV and the LDF.

DDI = Development Decentralization I

DRPS/LAD = Development Resources and Program Support/ Local Administration and Development -- the division of USAID which manages the DDI project.

FM = Financial Management in AID/W.

HEO = Head Executive Officer on the Village Council.

LDF = The Local Development Fund, established by ORDEV, under the DDI project.

PIO/C = Project Implementation Order for Commodities.

ORDEV = The Organization for the Development of Egyptian Villages, which manages the LDF.

SDA = The Special Discretionary Account of the Village Council.

THE CONTEXT AND STRATEGY OF DDI

Development Decentralization I (DDI) is the first of a series of projects in which the Government of Egypt and USAID are providing resources to Governorates, Districts and Villages so that they can make their own decisions regarding development.

A summary of the background to the project is taken from the project paper written in 1978. The quote has been edited slightly to shorten it:

"The decentralization process has its roots in the agrarian reform measures enacted 25 years ago in 1952. The following decade saw the introduction at the village level of social welfare, cooperatives and finally, municipal government. In 1973, a special group was created within the Ministry of Local Government known as the Organization for Reconstruction and Development of the Egyptian village (ORDEV). ORDEV plans and implements economic and social development projects of rural villages.

In 1975, Public Law 52, the "Decentralization Law" was passed. Under the law each unit of local government - governorate, town, metropolitan district and village - is governed by a body of popularly elected members, known as the Popular or Representative Council. In addition, a Head Executive Officer (HEO) is appointed for each level of government. HEO's are designated by the Ministry of Local Government and have authority over Local Executive Committees, which are composed of the representatives of line (technical) ministries. This project addresses village needs through programs adopted by elected councils working in coordination with village executive committees, the district and the governorate administrative structure."
(Project Paper, page 2).

The goal of the project is to "reinforce and strengthen decentralized local government". The strategy is to do this by "strengthening the financial viability and development capacity of village councils. There are four components to the project:

- 1) A Local Development Fund (LDF), established within ORDEV, which loans money to Local Councils for income producing projects. The income will be placed in the "Special Account" for local services and development which can be used by the Council for its own social service and income producing projects.

- 2) Training for ORDEV, Governorate, popular and executive village council members in the United States, Third World countries and Egypt.
- 3) The ORDEV Training Academy, which when completed will assume the training program developed under 2) above.
- 4) The operations of the LDF and ORDEV Academy will be carefully analyzed and evaluated.

USAID is paying/will pay for the following: (amounts as of
July, 1981)

1. The capitalization of the LDF (US\$ 6.2 million)
2. Training programs in the United States and Third World Countries.
3. Technical assistance (long-term) for management, development economics, production and marketing, local government finance and management, and training and other short-term as needed. (US\$ 1.6 million).
4. Technical assistance, materials and equipment for the ORDEV Training Academy (2 + 4 together : US\$ 3.1 million).
5. Research and evaluation (US\$ 0.3 million).

The GOE, through ORDEV, is paying for the following:

1. The ORDEV staff working in Cairo, the Governorates and the Markazes on LDF activities.
2. The costs of training programs in Egypt.
3. The construction costs of the ORDEV Academy.

PRESENT PROGRESS OF DDI

The project is well on its way to reaching its purpose: "strengthening the financial viability and development capacity of village councils". The LDF has been established and appropriate people know about the loans. As of August 31, 1981, 426 applications had been received from villages. Just over 200 loans, totalling LE 3.9 million (approx US\$5.5 million) have been made and field reports indicate that about 100 projects are being implemented. (See Status Report in Annex D and complete list in Annex H).

Money is being distributed to village councils. Visits to 21 villages, and additional case studies by the Bluegrass Consortium, indicate that most of the projects being implemented can be profitable if current management is maintained. Several projects are already making profits which are being transferred to the villages' special accounts. Several councils discussed their plans for new income generating projects and social service projects with the evaluation team. The HEO's in consultation with the Popular Councils are making decisions regarding the development of their villages.

Management skills and decision-making are being demonstrated in most of the villages we visited. The degree to which they are being increased by this project, or were developed on other projects is difficult to judge.

Many training programs have been carried out. (trainees are listed in the annex.) Thirty-three participants have attended courses in enterprise development, management, finance, etc., at the Bluegrass Consortium in Kentucky. Thirty of these ORDEV staff are presently working directly with LDF or in positions in ORDEV where they deal with LDF village projects. Three participants have left ORDEV and have remained abroad - - only one in the United States. The Bluegrass Consortium has developed 15 case studies of LDF projects for use in their training programs. Thirty-six participants have spent a month in the Philippines being trained in Rural Development and Small-Scale Industries. Most of these participants are working in ORDEV, the Governorates, Markazs or Villages and have opportunities to be involved with LDF loans.

Within Egypt there has been an impressive series of LDF/ORDEV training programs from Alexandria to Qena. 614 HEO's and Village Council Members have attended 21 separate seminars on local government and LDF. 469 ORDEV staff and village project staff have attended 26 courses on a range of technical subjects pertinent to the village projects. 110 ORDEV, LDF and Governorate staff have been to management and planning workshops and 108 ORDEV staff have had short English language training courses. In total some 1,370 people have been involved in LDF oriented training.

The management and the good project records kept in the villages are partly due to these courses. We talked to two governorate ORDEV representatives who were reorganizing the work of their offices as a result of their Bluegrass training.

The ORDEV Training Academy has been delayed because money was not made available from the central budget of the GOE. Significant progress has been made on the building during the last year and if current progress is maintained the first class could enter the Academy in the Fall of 1982.

The technical assistance team from Checchi has been in residence for two years and has provided advice regarding the organization and operation of the LDF, the technical aspects of the village projects and the training program. Short-term advisors from Checchi have provided assistance in training, the design of aquaculture projects, and in determining the furniture and equipment requirements of the ORDEV training academy presently being constructed at Saqqara.

Beneficiaries of DDI

The beneficiaries of DDI include those who work in LDF, the HEO's and Village Councils, villagers working on the small enterprises capitalized by the loans, villagers and other entrepreneurs buying from, or selling to, the enterprises, and those in both villages and cities who have access to the increased supplies of products of the projects.

The LDF staff benefit from extensive training, small monetary incentives, and the satisfaction of knowing that they are contributing to the development of Egypt. The LDF central staff and ORDEV staff in Governorates and Markazs involved in the LDF projects number several hundred.

The HEO's and Village Councils benefit as they develop management skills. Their prestige is enhanced in the local community. They are able to generate income for their special account and decide how the money will be spent. At present 200 of the 800 village councils are participating in LDF. The management relationships established by the project also benefit the Local Council because they orient local Ministry staff towards the village and put them firmly under the direction of the HEO and Village Council. It reduces the dependence of Ministry staff on instructions from the Governorate and Cairo -- a problem mentioned by Hariq in one of his earlier papers on local government and DDI in Egypt.

People working in the enterprises benefit because, in a few cases, it is a new job for them. In most cases, though, currently underutilized local unit employees are productively employed and also receive a small share of the monetary profits. The number of new jobs created by the enterprises is probably not more than 200-300, but we usually found 3-10 people gainfully employed by the project and receiving partial remuneration from it.

Villagers buying from the projects are usually benefiting from the provision of services, goods and produce at slightly lower prices than are usually found in the open market. It is the team's opinion, however, that most projects are not pushing private sector enterprises out of business because the demand for many products, especially protein foods, is very large. This is indicated by the relatively high prices in the private market, and the ease with which eggs, meat and poultry are sold.

Several of the projects are buying supplies and services from local private enterprises. Many would prefer to buy from public sector companies because prices are usually lower. In some cases, however, the required quantity or quality of material are not available from the public sector so project managers turn to the private sector. Some have long-term contracts with private companies for the supply of chicks and chicken feed for example.

In Egypt, where there is considerable protein malnutrition,(1), the increased supply of protein from eggs, poultry, beef , fish, etc. cannot help but benefit the villagers buying from the projects.

There is the broader question which should also be asked at some point during the planning of future projects, "Is it appropriate to be encouraging Egyptian farmers to produce protein, where arable land and grain production is restricted. Might it not be more efficient to pass the grain directly to the human consumers and import the required protein?"

1. Ikram, K, 1981, "Meeting the social contract in Egypt," Finance and Development, 18:3, pp.30-33. Ikram, quoting the 1978 National Nutrition Survey, points out that "stunting (low height for age) caused by chronic malnutrition, especially by lack of protein, is more widespread -- 10.6% fo the population in smaller cities suffer from it, and 27.5 % in rural areas of Upper Egypt.

Also

World Bank, 1981, Some Issues in Population and Human Resource Development in Egypt, p.214 --"chronic malnutrition as measured by low height for age was 20% in Lower Egypt and 25% in Upper Egypt."
based on, World Bank, 1979, Meeting Basic Needs in Egypt, p.32.

The Changing Credit Environment

Based upon two weeks of study in Cairo and several governorates and villages it is difficult to say anything conclusive about the credit environment in which LDF is operating. There are clear indications, however, that the situation has changed over the last five years.

At the time of project development the credit situation was summarized as follows -- to quote from the project paper, p. 15a.

ORDEV " is the only agency in Egypt which has experience handling funds designed to generate income producing activities by village councils. ... Other Egyptian financial institutions were examined to see if they were potential vehicles for delivery of unique loan capital to villages; but because of their narrow charters and the needs that they are presently filling , they were not judged to be the proper kinds of institutional mechanisms for delivery of unique loan capital to villages."

LDF, however, is no longer operating in a vacuum. The GOE is also supporting a rural development and agricultural credit system which is capable of making loans to village councils. Village councils are borrowing from the recently formed Principle Bank for Development and Agricultural Credit(PBDAC), but not in great numbers. Because of the array of loan and grant money available to them HEOs and their Councils are beginning to shop around for capital and credit. Most the villages visited followed a predictable pattern of choosing their sources of funds. The grants are sought first, then the loans with lower interest rates, and only after exhausting these sources do they go to the PBDAC.

USAID, the World Bank, and other bi-lateral donors, are supporting the development and expansion of the PBDAC. The PBDAC charges 14% for general development loans, 6% for food security loans and 3% for land reclamation loans. With the latter two kinds of loans the Ministry of Agriculture pays the difference between the loan rate and the commercial rate.

The standard LDF terms for a food security loan are seven years at 6%, with a two year grace period at 4%. There is some concern that LDF is undercutting the PBDAC loans, by charging lower rates and giving easy terms -- for example no collateral is required from the village council and longer repayment periods are allowed with a grace period on principal repayments.

The team recommends that the overall credit picture in rural Egypt be studied more intensively and that the LDF seek means of using its resources to introduce village councils to use of the Village Bank (BDAC) system. This might be accomplished by providing partial guarantees of BDAC loans in cases where collateral is required or softer terms are necessary or by sharing the capital financing of projects with the village bank and the LDF each providing a portion. It would also be advisable to study the possibility of bringing LDF loan terms more in line with those of the Village Banks in appropriate situations where a project may not require the very soft terms currently offered by the LDF.

Nature of the Loan Portfolio

At present the LDF loan portfolio is of a basically conservative, low-risk nature. The table on the following page shows the distribution of loans to date by sector and the areas in which they are located. 81% of the loans made are to poultry, cattle fattening and transportation projects. The remaining 19% of the loans (39) have been spread among 14 different types of projects.

While the percentage of loans going to poultry, cattle fattening and transportation projects was nearly the same in the early loans as the later ones, it is interesting to note that there was a significant shift away from cattle fattening projects and into poultry projects in the later period reflecting the relative problems and profitability of these two types of enterprises.

It was probably wise to concentrate LDF efforts in a few relatively low-risk, high priority areas to maximize the chances of getting the project off on a sound footing from the beginning. LDF management presented us with a list of other types of activities which they feel it would be appropriate to become involved in now. The list is as follows:

1. Ice-making
2. Food processing
 - cold storage plants
 - canning operations
 - bottling and preserving of fruits and vegetables
3. Agricultural tool manufacture
 - machetes
 - hoes
 - rakes
 - small tools of various kinds
4. Fish farm related activities
 - fish farming at the village level
 - fish nets
 - fishing equipment of various kinds
5. Carpentry
 - furniture
 - partitions, shelving, doors, windows, etc.
6. Handicraft items of various kinds
 - items made of clay
 - rug weaving

LOAN DISTRIBUTION SCHEDULE

	Poultry	Transport	Cattle Fattening	Other*	Total
Loans granted Through 1/1/81					
Lower Egypt	28	10	19	5	62
Upper Egypt	<u>15</u>	<u>3</u>	<u>12</u>	<u>13</u>	<u>43</u>
	43 (41%)	13 (12%)	31 (30%)	18 (17%)	105
Loans granted since 1/1/81					
Lower* Egypt	41	2	8	11	62
Upper Egypt	<u>15</u>	<u>9</u>	<u>5</u>	<u>10</u>	<u>39</u>
	56 (55%)	11 (11%)	13 (13%)	21 (21%)	101
Total Loans	99 (48%)	24 (12%)	44 (21%)	39 (19%)	206

- * Includes
- 5 agricultural machinery
 - 4 fishing boats
 - 2 linseed oil presses
 - 6 tile factories
 - 7 queen bee rearing projects
 - 2 red brick production projects
 - 1 olive pickling project
 - 1 stone cutting project
 - 4 sheep fattening projects
 - 2 Peking duck rearing projects
 - 1 bakery
 - 2 village retail shops
 - 1 dairy farm
 - 1 beekeeping project

39

Source: LDF documents

7. Mattresses
8. Match Production
9. Assembly operations of all kinds under contract with larger manufacturers in the large cities
 - television sets
 - radios
 - bicycles
10. Repair shops
 - automobiles
 - television sets
 - radios
11. Date Processing
 - packing
 - marketing
12. Pre-fabricated houses for farmers
13. Dairy production
 - cheese
 - butter
 - cooking butter
 - milk powder
14. Grape processing
 - drying
 - wine for export
15. Lemon processing
 - concentrated juice
 - pickling

While we are in favor of broadening the loan portfolio somewhat and most of the items on this list are within the parameters set down in the original project paper, we would urge caution in adding too many new types of activities to the project list. One of the reasons for the success of the project to date is the fact that more or less standardized loan packages have been developed that are appropriate to many different parts of the country, the technology used is fairly simple and within the experience of village people and management requirements are more or less straight forward.

In our view, a few of the items on the above list are most appropriately carried out by the private sector. For example, the manufacture of mattresses and matches, the assembly of televisions, radios and bicycles and the operation of small repair shops. Many

of the other projects might be carried out successfully by a public entity such as a village council if all of the factors of production were readily attainable, well trained and experience technicians could be identified and strong management kept in place. These might include the processing of dairy products, wine making, pre-fabricated house construction, food processing and carpentry.

Still others such as ice making, the manufacture of simple agricultural tools, fish farming, the marketing of handicraft items and date processing would seem to be well suited to village level operations managed and owned by a village council.

Although only 19% of the total loans made to date have gone to what might be called "non-traditional" projects, these 39 projects in 14 different sectors provide a substantial base of experience which should be used in making judgments about future loan requests. We recommend that serious efforts be made to study the experience of the more innovative projects which have been funded before they are replicated in other villages.

The Project Paper says (p.6) that the responsibility of LDF management is more to build a strong portfolio which will generate income for the village councils sponsoring projects and protect the integrity of the fund than it is to introduce new and innovative technologies. In this light expansion of the portfolio should proceed on a conservative basis, based on sound feasibility analyses and the experience of other projects in Egypt as much as possible. The types which have already been tried should be given first priority in any effort to diversify the loan portfolio so that additional experience can be gained and the program can, hopefully, move from success to success.

While it might be tempting to suggest that the loan fund is a good vehicle for introducing new "appropriate" technologies to the Egyptian village we suggest that this be done very conservatively emphasizing the improvement of existing technologies based on local experience. In our view more experimental ventures in the area of appropriate technology are well worth doing (hydroponics, drip irrigation, etc.) but they are not consistent with the purpose and goal of the current project and could divert management interest away from the main task which is to assist in the development of profit-making village level enterprises.

Geographic Distribution of Loans

At the time of this review approximately 40% of the total loans had been given to village councils in Upper Egypt; 60% to Lower Egypt. The distribution by governorate was as follows:

Upper Egypt		Lower Egypt	
Assiout	11	Beheira	17
Beni Suef	12	Dakahliya	15
Fayoum	10	Damietta	4
Giza	8	Gharbiya	13
Meniya	17	Ismailiya	7
New Valley	5	Kafr El Sheikh	19
Qena	14	Kalubiya	6
Sohag	6	Menoufiya	17
		North Sinai	4
		Sharkiya	20
		Matrouh	2
	<u>83</u>		<u>124</u>

While the above loan distribution is roughly consistent with population distribution in the country (Upper Egypt accounts for approximately 44% of Egypt's rural population, outside the four urban governorates), it is commonly recognized that Upper Egypt is the part of the country where people are in greatest need in terms of income, health care, nutrition, and education.(1)

The LDF program offers a good opportunity to address these regional disparities, at least in a small way, at no incremental cost to the Egyptian or United States Governments. The LDF is currently working to increase the number of loans going to Upper Egypt. The responsiveness of village councils in Upper Egypt to the opportunities offered by the LDF program is demonstrated by the receipt of 34 new loan applications from Qena immediately following the LDF workshop held there recently.

We recommend that these efforts to direct loans to the governorates in Upper Egypt be continued.

(1) Ikram, Khalid; "Meeting the Social Contract in Egypt," Finance and Development, September 1981, p. 31.

The Viability of Village Projects
Receiving LDF Loans

Our visits to 21 projects in the field, interviews with project personnel and review of relevant project documentation indicates that overall, most sub-projects are likely to be moderately to very profitable in the long run. Some projects are of course more viable than others and some that appear to be capable of generating a very good rate of return to the village council at this time are likely to encounter difficulties as uncontrollable environmental factors change in the future, e.g. government policy, foreign exchange controls, increased competition, changing consumer preferences, etc.

At present most of the projects being supported by LDF loans are of a low-risk nature. The technologies are well known to local people and local markets exist which are currently able to absorb all of the production of the project. There appears to be a vast demand for all sorts of poultry products which is currently being satisfied, to the extent that it is being satisfied, by imported products. The same would appear to be true for beef. It will be sometime before local production is sufficient to satisfy the entire Egyptian market for these products. Similarly, there appears to be a large unsatisfied demand for basic transportation and agricultural equipment services. Projects operating in these sectors should have an excellent opportunity for attaining a profitable level of operations if natural market forces are allowed to govern the prices paid for inputs and received for final products and if sound management can be maintained.

There are, of course, a number of factors which may negatively affect achievement of project objectives. One such factor is the quality of project management. While the majority of projects we visited appeared to be competently managed, the management is being provided by government employees who are subject to transfer. The next manager to come into a project may or may not be as well trained or as interested in the project as the one who established the project in the first place.

The entrepreneurial factor in enterprise development is an extremely important one, the lack of which often causes public sector enterprises to fail. It is possible that this project has been able to avoid the problems resulting from the lack of an entrepreneur (owner/operator) by leaving the initial decision making regarding new project development to local people under the leadership of the HEO. Another factor which may alleviate this problem is the practice of paying the manager and employees bonuses (incentive pay) based on project performance.

This introduces an element of ownership into the process by which projects are managed and operated. The incentive pay system also carries with it possible dangers in that in some cases we found incentive pay being distributed before profits were realized or properly calculated.(1) Management could also be tempted to exaggerate the actual profits of an enterprise in order to increase the incentive pay distribution.

One other factor which appears to be negatively affecting the viability of some projects as a result of their public sector character is the requirement that they market their produce at government-set prices. Many of the cattle fattening projects appear to be in great difficulty because they are forced to pay market prices for their calves while selling their fat stock at the government controlled prices leaving an insufficient margin to cover the costs of operations and a reasonable level of profits. This seems to vary among the governorates. In some other projects, for example broiler and egg production, this does not appear to be such a serious problem. In one village it was noted that total broiler production has increased so much that market prices are beginning to decline towards the government price which still allows an ample profit margin.

Of course many projects also benefit from their association with the government. For example, most projects have at least part of their staff being paid by the governorate. This practice actually has the same effect as making a cash grant to the project in an amount equal to the salaries and benefits being received by the workers, the return to the village council resulting from project operations is increased and they are able to sell their goods at less than market prices. Many projects also benefit by having access to inputs at government subsidized prices which has the same effect.

The overall impact of these government policies is very difficult to estimate. They do certainly distort the local market by making it possible for public sector enterprises to compete with the private sector on a favorable basis. The degree to which such advantages to public sector enterprises enables them to compete unfairly with private sector entrepreneurs thus perhaps driving them out of business and actually decreasing the total amount of goods and services available rather than increasing it could be the subject of a very interesting and revealing research study.

1. The concept of incentive pay is not well understood by all HEOs. Incentive pay should be clearly defined in all loan agreements and monitored carefully by LDF.

In considering the viability of the sub-project portfolio it was possible, within the time constraints of this evaluation, to either take a detailed, in depth look at a very few sub-projects to assess the actual returns being generated or to make a less intensive review of a broad range of activities of various types in various parts of the country. The first approach would have required at least one or two days at each project to perform an audit and, in some cases, to restructure the accounting system. This would have provided good information about a few sub-projects but would not have told us much about the overall portfolio. We chose to follow the second approach, taking a brief look at as many sub-projects as possible.

In doing this we used several indicators of viability including estimates of profitability from project records, the capability and experience of project managers, the experience with similar projects in the local area, and the status of project operations. As was stated before we are basically satisfied that most of the projects are likely to attain a level of viability which will enable them to make their required loan repayments on or close to schedule and generate a reasonable surplus to be reinvested in other projects or used in other ways at the discretion of the local village council.

The difficulty in quickly determining the profitability was complicated by a number of factors, not the least of which was that many of the projects we visited were either still in the start-up or early operational phases and thus not really candidates for a detailed financial analysis. We were able to note in a number of cases that capital and operating expenditures had considerably exceeded those that had been projected in the loan application. In some cases the difference was being made up by the injection of local funds and in others they appear to have received supplementary ORDEV grant funding or Family Planning Loans.

The inclusion of loan principal repayments in the income statements prepared by the project managers and the exclusion of labor cost being paid by the government also hindered the accurate determination of project profits.

In our view, it is safe to assume that most of the projects we visited, which are fairly representative of the overall LDF loan portfolio, are likely to achieve a level of performance which will generate a rate of return on total investment of at least 15%. In some cases it will be considerably higher. The rate of return on equity (local contributions), which is of more interest to the local village councils, is likely to approach 50% or more.

The strongest projects in terms of profitability appear to be those operating in the poultry, transportation and agricultural machinery sectors. Although the experience to date is mixed, the cattle fattening projects would appear to be in some difficulty due to the requirement that they sell their fat stock at government controlled prices. It does, however, appear that they could be quite profitable if they were allowed to sell at the prevailing open market prices. There also appears to be an attractive return on the olive pickling project in Fayoum although they have apparently had some difficulty in marketing all of their production on a timely basis. On the other hand, the linseed oil project we visited in Gharbiya governorate appears to be in rather serious difficulty at this time due to rising input prices and stable end product prices. The other types of projects we visited (brick making, tile making, animal feed production, and retailing) have too little history to allow a reasoned judgment to be made.

We should emphasize here that serious hurdles still lie ahead for most of these projects. They are still very young. Enthusiasm is still high among the managers and workers and they are, for the most part using new equipment. The real test of project viability, and of management capability, comes when things start to go wrong. Busses will break down, markets will change, sources of raw materials will dry up, shortages of working capital will occur and innumerable other problems will appear. These are the problems which cause actual profits to fall short of those projected in feasibility studies and loan applications. Continued training of project management and staff, regular monitoring of project progress by the LDF and ORDEV and the timely identification of problems and provision of appropriate technical assistance can help to mitigate the impact of these problems in the long run.

Security of the Loan Fund

In the view of our team the loan fund can be considered to be relatively secure at this point. It is unlikely to be dissipated by bad debts at least before it has revolved several times through the loan/repayment cycle. There are several pertinent factors which lead to this conclusion.

1. Loan Repayment Record

While LDF records as of September 1, 1981 show a number of interest payments and a few principal payments which are past due, none have yet been declared in default. (see the record in Annex D). In the cases we followed up on we found that either the payments had been sent just prior to our visit or that the ORDEV representative for the governorate was holding a number of checks until all were received so that he could send them on to the LDF in one batch. The actual number of late payments is even less than indicated in the LDF records. We recommend that ORDEV representatives be encouraged to send in the loan repayments for projects in their governorate as soon as they are received to avoid problems arising from lost checks and holding substantial amounts of money in transit where it may not be earning any interest.

It is important to note here that the project is still young and that principal payments have not yet become due on the majority of loans outstanding. Late payments and defaults are likely to build up as time goes on. We do not feel that this is likely to become a substantial problem, however, though the reserve for bad debts projected by LDF management (3%) is an extremely low estimate which it will be very difficult to maintain over the life of the project. Our optimism is partially based upon the recent loan repayment record achieved by the BDAC (97%) on loans which are made on stricter terms.

2. Nature of the Loan Portfolio

For the most part LDF loans have been invested in projects which use relatively well known technologies and involve little risk of project failure. In some cases loans have been applied to the expansion of existing economic activities. In other cases project managers have previous experience with the type of project being implemented and are able to hire workers with previous relevant experience. They are producing products in great demand in the Egyptian economy consistent with the government's desire to emphasize "food security" projects and are able to sell their products relatively easily in the local market.

3. Attitude Towards Loan Repayment

Most, if not all, of the project managers we met took their obligation to repay the loans very seriously, in some cases because they wanted to be able to return to the LDF for another, larger loan for a new project later on. This attitude seemed to be shared by the ORDEV representatives in the field.

Our expectation is that loan repayments will be met in most cases even if the funds must be taken from other than the profits of the enterprise. One case was already noted where a principal payment had been made on time even though the project was not yet fully operational. The co-mingling of funds from various sources in one village account makes it difficult to detect this without doing a thorough analysis of the status of each project currently operating under village council auspices. This may be considered a problem in management terms for the government or for ORDEV, but it probably works to the advantage of the LDF project.

At this point it is possible, and even likely, that some loan repayments are being made from unexpended portions of the loan funds. This may be a problem if the result is that there are insufficient funds left to fully implement the project according to the development plan presented in the loan application.

One other factor which we feel is appropriate to mention in this section is the process by which the LDF reminds borrowers of loan repayments due and acknowledges their payment. We were told in the LDF office that each month all projects from which quarterly payments are due are reminded by telegram or by mail. Project managers in the field said that this was not the case but that it was also unnecessary because they are given a complete loan repayment schedule at the time the loan is granted and know when payments are due by checking the schedule. Several of the project managers were able to produce the schedule immediately.

The team recommends that LDF institute a follow-up procedure, which involves the local ORDEV representative in all cases when a principal or interest payment is overdue by 30 days.

We also recommend that clear criteria be developed and publicized for cancelling or recalling loans -- and these conditions be included in the loan agreement.

Loan Application Process

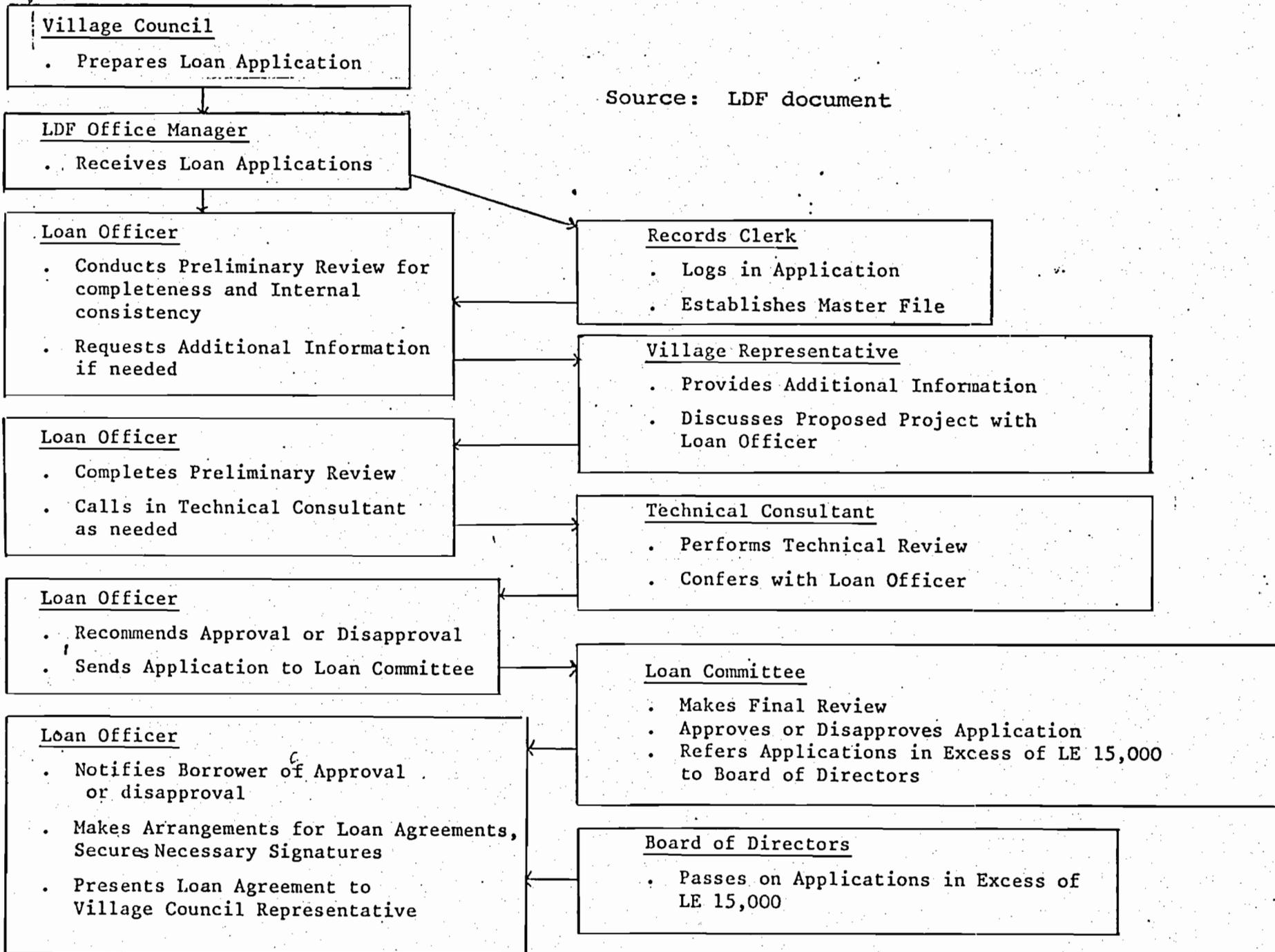
The table which follows was presented to the evaluation team by LDF management as a description of the loan application procedure. Interviews with LDF people in Cairo as well as with ORDEV representatives and village council heads (HEOs) in the field indicate that it is a more or less accurate representation of the actual process with three exceptions: The role of the ORDEV representative in the governorates and markazes does not appear on the flow chart; the application is usually not prepared solely by the village council; and the loan officer position is not clearly defined in the LDF organization, though his functions are performed by a number of other people.

In our view it is the ORDEV representatives at the governorate level and below who provide the critical link between the village councils and the LDF office in Cairo. They are the villagers' primary source of information about the LDF program and provide assistance to them in preparing their loan applications and implementing the sub-projects. In some cases it appeared that the ORDEV representative in the field might have been more involved in the planning and initiation of economic projects than the village council or the HEO.

The LDF has developed effective mechanisms for informing the village councils of the availability of loan funds through workshops, letters and ORDEV representatives. The initial workshops held in Alexandria to introduce the program were particularly praised by past participants encountered in the field. The recent workshop held in Qena which was immediately followed by the receipt of 34 new loan applications also testifies to the effectiveness of these workshops. HEOs reported most often that local ORDEV representatives were their primary source of information about the program.

While the loan application and review procedure appears to be functioning relatively smoothly at this time we would suggest that the actual role being played by the ORDEV representatives be recognized and built upon as an element of the goal of decentralization. The two governorate level ORDEV representatives we met who had attended Bluegrass training programs in the United States seem to have profited considerably from their experience and are trying to apply what they learned to their work. We also met several other ORDEV representatives who knew a great deal about the LDF projects in their areas and could certainly assume a greater responsibility in their management.

FLOW CHART OF PROCESSING A LOAN APPLICATION



Source: LDF document

We also recommend that a document be prepared which clearly spells out the loan criteria of the LDF program and the application procedures. This document should provide simple guidelines to be followed for loan applicants and LDF staff. At present there appear to be no common set of criteria beyond economic viability and an emphasis on "food security" projects. We were told that each consultant uses his own set of informal criteria when evaluating projects. While the judgment of the technical consultants is very important, such judgments should be drawn within the parameters of a common set of institutional criteria.

One criticism we offer about the application process is that most of the evaluation activities appear to be centered in Cairo. Project managers (HEOs) are frequently called to Cairo to review their loan application with the LDF technical consultants and loan officers. While this is certainly less costly and time consuming than sending LDF staff to the project sites, we wonder if it is not destructive of the goal of decentralization. It certainly cannot enhance the view that development decisions are being made at the governorate, markaz and village levels.

The Checchi advisors participate actively in the review of loan applications before they are forwarded to the loan committee. Their role in this process seems to be decreasing over time, and appropriately so, as the Egyptian staff capability and experience is building.

While technically the loan committee has authority to approve all loans of up to LE 15,000, in practice all loans are referred to the Board of Directors. All loan agreements must be signed by the Chairman of the Board of Directors. The average size of LDF loans has now increased to about LE 18,000. The team recommends that the limit of loan committee approval be increased to LE 20,000 and the chairman of the loan committee be authorized to sign all loans below that amount without reference to the Board of Directors. This procedure would speed up the disbursement of most loans and allow the Board of Directors to concentrate its attention on the larger loans and those loans being given to new or riskier types of enterprises.

The table which appears as Annex F to this report presents data related to the time required to process LDF loan applications. This data indicates that the average time elapsed between submission of the original loan application and receipt of the check is approximately 10 months. This appears to be a long time. In some cases, however, loans were delayed because they were low priority or because the LDF was not offering loans in the sector during the first few cycles (transportation projects for instance). While we would certainly encourage every effort to reduce the period that

village councils must wait to learn the outcome of their application consistent with good lending principles, we encountered little frustration on the part of HEOs. They felt that they understood the reasons for the delay and, for the most part, accepted them -- "It's the rules." as one HEO said.

A matter of perhaps greater concern is the occasional delays which have occurred in getting the checks to the field after loans are approved. One ORDEV representative told us that he had been given a check, two months after it had been written, when visiting the LDF office to deliver some new loan applications. The standard practice is that checks are held at the LDF office until someone is travelling to or from the governorate so that they can be hand delivered. We suggest that a more rapid way be found for transferring these checks such as cabled bank transfers or the mail.

Two or three of the HEOs said that they were notified by the LDF that their checks had been received. Others said that this was not the case. While the field managers did not feel that this was important because "It is all government money," we recommend strongly that the LDF institute a policy of acknowledging all loan repayments immediately upon receipt of the checks. And also follow-up more aggressively on late payments as mentioned on page 19 of this report.

LDF Financed Project Management

Our team was quite impressed with the quality of management observed both within ORDEV in the governorates and markazs and within the local units. We visited 21 projects in seven governorates. They included several types of projects at different stages of development so we were able to gain a good impression of the overall field management capability.

In most of the governorates we visited ORDEV personnel appear to be very interested in the LDF program and involved with LDF-financed projects on a regular basis. It appears to us that the success to date in generating a large number of appropriate loan requests for consideration by the LDF staff and Loan Committee is largely thanks to this involvement on the part of ORDEV field staff.

While each of the governorates appears to have its own individual organization structure we were able in each case to identify a senior person who was responsible for, and interested in, promoting the LDF program through their contacts with the local units (village councils). In several cases we found that the ORDEV line structure extended all the way to the village level with a local ORDEV representative responsible for assisting a particular local unit supervised by an ORDEV Director in the Markaz.

The ORDEV representatives have played a key role in explaining the LDF program to village councils, assisting in the preparation of loan requests, following loan requests through the approval process and monitoring project development. While there was, of course, variation from governorate to governorate and office to office our feeling is that the involvement of ORDEV personnel is a definite plus to the overall project and one which should be further strengthened by appropriate management training activities. Such training activities would not only further enhance the viability of the LDF program but would also directly relate to many of the other activities of ORDEV personnel.

Much of the activity of ORDEV personnel seems to pertain to the financing and operation of economic projects very similar or identical to those being supported by LDF loans. Many of these have been financed in the past by ORDEV grants. The financing of "social" projects requires the same types of management and analysis skills, however, so a generalized training program dealing with project management and financial analysis could be very useful.

In the villages, the primary management responsibility rests in most cases with the Head Executive Officer (HEO) of the local unit. In many cases individual projects are assigned to a subordinate project manager for day-to-day operations and the financial records are maintained by the Village Council Secretary or Cashier. We saw no cases in which the local elected council played an active management role in the projects. It was explained to us several times that it is the responsibility of the elected council to make policy decisions to be implemented by the executive council appointed by government. In some cases there seemed to be little respect for the role played by the elected council. As one HEO said, "They convene regularly to review the records, but they usually bother and pester us. They are all philosophers."

In most of the projects we visited the HEO and his staff were well informed about the operations and status of the project and seemed to be doing a good job of day-to-day problem solving. Simple (and in some cases relatively sophisticated) financial records were maintained and appropriate financial control systems had been developed and installed.

In only one of the villages we visited was the LDF project the first economic project implemented thus many of the requisite management skills had already been developed in working with other projects. While in some places we were told that the project was helping the local unit employees to develop new management skills, our respondents were usually unable to specify precisely what it was they were learning except that several mentioned that they had benefited from the ORDEV sponsored accounting training program. Evidence of the application of this training was apparent in most instances. They are also probably benefiting from the experience of operating a project on borrowed rather than grant funds which forces more detailed accounting and cautious management practices.

One general management problem which perhaps should be noted here is that the projects often involve a comingling of funds from grants as well as LDF loans and make use of government paid employees. This makes it difficult to analyze the actual capital investment or profitability of a specific enterprise. The method of quarterly reporting and financial analysis suggested by LDF might be more appropriately designed to facilitate the determination of a project's actual status at a particular point in time. More will be said about this in the next section of this report.

Financial Analysis and Reporting
on Village Projects

There appear to be two major problems in the financial analysis process as it is carried out both in the evaluation of loan applications and in the monitoring of project performance. First is the inclusion of loan principal repayment among the operating expenses of the project. Second is the focus on return on total sales as a measure of overall project viability.

While the repayment of loan principal certainly affects the cash flow of any project it is not appropriate to include it on the income statements for the project. Presumably the loan was used either to purchase capital equipment for the project (assets), or to serve as working capital to finance the purchase of raw material, supplies, labor, or other goods and services required for day-to-day operations. In the first case, the cost of assets is reflected in the Income Statement by the inclusion of depreciation. In the second case the use of capital is reflected in the project's operating accounts. To include the repayment of principal in the Income Statement then amounts to double counting and results in an understatement of the actual performance of the project.

We understand that the purpose of including principal repayment in the Income Statement is to reinforce the idea that these are important payments to make and that capital does have a cost. We believe that the first point can be more appropriately made in other ways, however, and that the cost of capital is more accurately and correctly reflected in the interest payments which must be made on a regular basis. We recommend that the quarterly report form be modified to exclude the payment of loan principal as a factor in determining the financial performance of the project. It is quite simple to analyze a properly drawn Income Statement to ascertain the ability of the project to meet required loan repayments.

We also feel that the emphasis placed on the Return on Sales as a prime indicator of project performance is not the most appropriate indicator which might be used. One reason is that it does not provide a reasonable basis for cross-project comparison because different types of projects will have different rates of return on sales within the acceptable range. For example, a retail project might be found to be performing very well with a rate of return as low as 5% while a

low turn-over manufacturing operation might require a rate of return on sales as high as 50% or more to generate an attractive amount of profit for the owners.

Another reason that other indicators might be more appropriate is that the rate of return on sales does not really tell the LDF management how effectively loan funds are being used or the effect they are having on the project objective which is to generate funds for the "special account" (SDA) of the village councils involved.

We recommend that the emphasis in project viability analysis be shifted to the rate of return on total investment. This will also be an imperfect indicator in that the amount of the local capital contribution is often difficult to evaluate and in some cases has apparently been made from ORDEV grant funds or perhaps not been made at all. This difficulty can be corrected to some extent by the LDF staff paying more attention to the amount and form of local contribution going into individual projects. Using return on investment as the primary evaluation criteria will give a more appropriate picture of the performance of each project and will indicate which types of projects appear to be most effective in addressing the objectives of the project.

In terms of sub-project reporting we recommend adjusting the quarterly report format somewhat. Our suggestions should be prefaced by noting that they are based on our review of quarterly reports which have been translated from Arabic. It is possible that some of the problems we note are the result of imperfect translation errors rather than flaws in the Arabic form of the document.

Several of the quarterly reports we reviewed did not clearly indicate the period being reviewed. A quarterly report, like an income statement, should clearly indicate the period being reported on, e.g. April 1 through June 30, 1981. In some cases they appear to be reporting on one quarter's operations while in others they seem to be reviewing the operations for the year to date -- or perhaps for the project history to date.

We also suggest that item 1 of the quarterly report, "Funds Expended to Date," be changed to record "Capital Expenditures to Date". The mixture of capital expenditures with operating expenses does not seem to us to provide much useful information and may be a source of confusion to local managers as it encourages them to "mix apples with oranges." Operating

expenses are more appropriately reported in section 3 of the report where they can be related to operating revenues.

Our other suggestion is related to the earlier discussion of principal repayment. We recommend that the item "Loan principal" be removed from section 4 of the report form. If it is desired to include a statement of cash position or to show that the project is able to meet its debt service requirements a simple cash flow statement can be included in the form as a separate section.

It appears to us that as management training is one of the important objectives of the LDF project, the quarterly reports might be more intensively used as training tools. It is necessary to avoid creating the impression that the LDF is being unnecessarily rigid in its reporting requirements but it should be possible to follow up on quarterly reports which are not correctly drawn both with ORDEV staff in the governorates and below and with the project managers in the field. The reports can also be used to demonstrate how they can serve as tools for management decision making in the field. It is our experience that management training is most effective when it is centered around actual project activities and problems related to the work of the person being trained. These documents and the reporting requirements of LDF appear to offer an ideal training opportunity involving little extra cost to the LDF.

We also found in a number of the quarterly reports reviewed that inventory accounting was not being properly done. In some cases it was not included at all and in others it seemed to reflect total operating expenses. It is of course not possible to precisely determine the profitability of a project for a given period without accounting for the changes in the value of the inventory during the period. In cases where we did find this being done the inventory was usually being valued at market value rather than at cost. Valuing inventory at market value results in the anticipation of future profits. While this is sometimes a defensible practice, the more conservative approach is to value inventory at cost. This may be difficult to do in some cases such as with egg production projects. In these cases it may be most appropriate to avoid unnecessary complications and stay with the market value assessments.

One other factor which might be appropriately mentioned here is that in none of the projects we visited did we find a General Ledger being kept. While it is not necessary to keep a full ledger for relatively simple projects, it is necessary to

have some means of accounting for project assets. In some projects we found the managers were doing quite a good job of tracking the increasing value of their assets (particularly in cattle fattening projects) but in others there appeared to be no particular system.

In all of the above we are not suggesting that project managers become CPAs. We do feel, however, that all of the above suggestions can be introduced to the system in a very simple fashion, understood by the project managers, and lead to a better understanding of general accounting practices and individual project performance.

An Information System for LDF Management

and

The Computer

The team has been asked to discuss the proposal that LDF obtain a desk computer to process its records and conduct research. We were not able to assess the need or use of the computer adequately because we could not obtain a written proposal indicating what it would do.

Before any decision is made about the computer the team recommends that the information system for LDF be clearly described in writing so that the role of the computer is clear.

This proposal should contain the following, at a minimum:

1.the description of the information requirements of all offices and functions performed within LDF,

2.the identification of the sources of information,

3.the specification of how and in what form the data will be collected, assembled, processed, analysed, and presented for use by LDF,

4.the design of instruments to perform functions listed in 3,

5.the specification of the skills and job descriptions required by the staff who will operate the system,

6.An estimate of the cost of establishing and running the system.

We suggest that the system be designed originally to assist with the day-to-day running and monitoring of the LDF -- as this is a large job in itself. The research uses of the computer should be left until later and developed as individual research project are developed, because to specify in advance the information needs of all research that might be undertaken is an impossible task and will complicate the system and overburden LDF with the collection of a great of information that will never, ever be used.

Care must also be taken to develop and maintain the current system which can be operated manually, so that the continuity of current management is not broken. If the computerized system is carefully designed it will probably simplify and streamline the present system and make it easier to process by hand if necessary.

We also recommend that the system be designed to provide information to all levels of management -- it is important for information to be fed-back to the governorates, and villages so that they can improve their management and realize why they are collecting the information and derive some benefit from it.

We recommend that the design and programming of the computer be done with short-term advisors, in close collaboration with LDF and Checchi staff. Present long-term advisors should not be diverted from their present duties as specified in the Checchi contract.

The LDF Training Programs

There are four major components to the LDF training programs:

- i Participant training in the United States.
- ii Participant training in the Philippines.
- iii Training in Egypt.
- iv The ORDEV Training Academy.

Details of the personnel who have been trained in i - iii and their current positions are contained in Annex G.

Participant Training in the United States:

We found in talking with several returned participants that they are using aspects of the training that was provided by the Bluegrass Consortium. We met two ORDEV representatives who had changed the management of their office since their return, and another is designing a training program for his governorate staff using the format and some materials from Bluegrass.

All participants questioned said that the study of and visits to actual projects in Kentucky were the most interesting and useful parts of the program. We recommend that this aspect be expanded by Bluegrass as much as possible and integrated into classroom instruction.

Some participants mentioned that it was sometimes difficult to make the connection between their training and their work in Egypt. To solve this problem Bluegrass visited Egypt, collected detailed information on 15 LDF projects and drew up case studies to use in their program. This visit also exposed five Bluegrass staff to rural Egypt. The team recommends that all Bluegrass faculty be encouraged to use the case studies in their teaching.

Bluegrass is ready to provide training each year for 10 participants in evaluation, and two groups of 10 participants each in project design, management and finance. The team recommends that ORDEV make every effort to fill these three programs each year and that consideration be given to having selected BGADD participants who have completed the first training program return for evaluation training if it is relevant to their job within the LDF. The English language requirements for these courses is discussed in the next section of this report.

Participant Training in the Philippines:

Two groups of 16-20 participants travelled for a one month study tour of rural development projects. The arrangements and content of the tours were excellent, but unfortunately the benefit derived has been very mixed. This was partly due to English ability determining tour participants rather than job related training requirements.

We recommend that the Philippine training be discontinued as we feel such training could be more usefully and effectively carried out in Egypt as described in the next section.

Training in Egypt:

This training program has been excellent.

We recommend that it be expanded to incorporate seminars and study tours of outstanding LDF sub-projects. HEO's and governorate ORDEV representatives can be both participants in training and also trainers when the tour visits their "outstanding projects". It should also be remembered that "failures" can be instructive, but one should be aware of local community sensitivities when using them in a training program.

The ORDEV Training Academy:

If current progress is maintained the Academy may be open for its first class in September, 1982. It will be an impressive center for training when completed. At Saqqara it is far enough away from Cairo so that it can concentrate upon rural development training. It can train trainers for Egypt and also attract students from other countries.

The first draft of an equipment inventory has been prepared by a Checchi advisor. We recommend that a full-time advisory team of three or four be contracted to assist ORDEV develop the academy into a major rural development training institute. This should be done outside the context of the LDF because the total ORDEV training program is much bigger than the LDF's, and also it should not detract from the current LDF training programs.

We have one caution to offer. The academy should complement and not replace the present regional and governorate ORDEV training centers. ORDEV training should remain as decentralized as possible and the academy should serve to improve and enhance that training - the academy should become Egypt's Bluegrass. As the Academy develops its programs the Bluegrass program should be transferred from Kentucky to Saqqara.

The English Language Requirement for Bluegrass Training

This requirement has caused considerable problems for ORDEV as it is difficult to find sufficient staff in appropriate positions who have the required ability in English.

The team recommends that ORDEV identify positions within the organization which require the management, project development, etc. training currently being offered by the Bluegrass Consortium. The occupants of these positions should be tested and placed in language programs if needed. USAID should make money available to pay for this training if necessary.

Following the positive experience in Washington, DC. with the last group of BGADD trainees who learned English quickly, the training office and NE/TECH in AID/W suggested that the minimum ALIGU score for Bluegrass participants be lowered to 55 provided that TEFL tutorials are included in both the three month evaluation training program and the six month development training programs. Ideally participants should still have scores above 65. Tutorials are now included in the Bluegrass program, so the team recommends that the Mission use the 55 minimum score for Bluegrass participants.

Building and Maintaining the LDF
(Institutionalization)

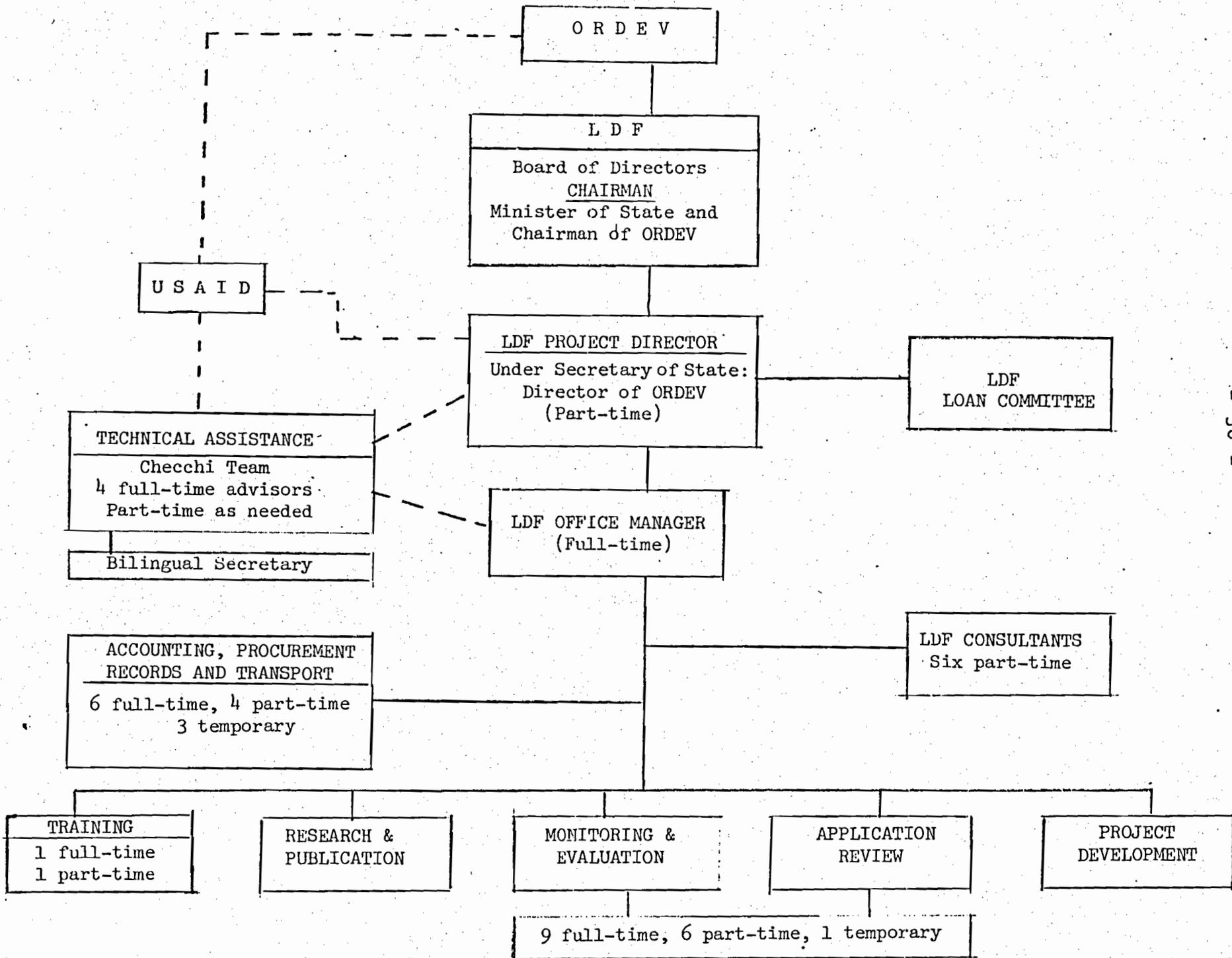
The table on the next page and list of personnel in Annex E indicate how the LDF office in Cairo is presently organized.

As we have already mentioned LDF has solicited and approved loans and distributed money very effectively. The main concern of the evaluation team is that this progress be maintained and that LDF become firmly established within ORDEV.

In order to increase the likelihood of the growth of LDF the evaluation team recommends that ORDEV consider the following:

1. The functions and relationships of all units with LDF should be clearly defined in a LDF organization handbook. Special attention needs to be paid to research, evaluation and publication, monitoring, follow-up and project development, as these functions are not being effectively performed at present. The review of applications and training programs are being done well at present.
2. As the tasks for each section are defined the appropriate number of positions should be allocated. Job descriptions, and training requirements for each position should also be written into the LDF Organization Handbook. The need for job descriptions is demonstrated by the lack of definition surrounding the loan officer position within the LDF. The functions of a loan officer are performed during the review and approval of loan applications but no clearly defined position exists in the LDF at present. Similar position descriptions are required in research and evaluation, publication, and project development.
3. Assignments of personnel from ORDEV to LDF should be on a more permanent basis so that skills can be developed through appropriate training by the advisors, consultants, senior staff and programs outside LDF. A permanent staff will also allow each section to develop the ability to perform its tasks without outside assistance. For example, such institutionalization and training has not been possible in the monitoring and follow-up section because over, the past year, four different people have been assigned to lead that section.
4. At present LDF relies very heavily upon part-time consultants for technical advice to HEO's. As the consultants are only free for one or two days each week it is difficult for them to travel to project sites. LDF should build-up a core of full-time technical experts who can assist Governorate ORDEV staff with the projects in their areas of expertise.

THE LDF ORGANIZATION



5. The ORDEV senior staff who manage and lead the LDF will be retiring during the next five years. The team recommends that the future managers who will continue the strong leadership that LDF has benefitted from to date be identified as soon as possible and transferred to LDF so that appropriate training and on-the-job experience can begin.

Another aspect of building up the LDF concerns the governorate and markaz staff of ORDEV. The success of the LDF program is heavily dependent on good support from ORDEV staff in each governorate and markaz - they perform a vital linking role and provide considerable technical, financial and management assistance to the HEO's and the Village Councils. This should be recognized by ORDEV and formal assignments to LDF of governorate and markaz ORDEV representatives should be made. Thus in each governorate there would be specific staff who are designated as being responsible for helping the LDF projects in their areas. We found that this had already been done by the governorate ORDEV heads in some of the places we visited. The formal designation of an LDF staff within ORDEV is an early step in the decentralization of LDF, which is proposed later in this paper.

Job descriptions and training programs should also be worked out and implemented for the governorate and markaz staff. A means of communicating with them should also be developed. They should receive regular news of LDF activities in other parts of Egypt and new ideas for their own programs.

Decentralizing the LDF

The project design is based upon an assumption that the GOE is serious about decentralising government, and encouraging popular participation in local economic development.

The passage of Public Law 43 in 1979 and PL 53 in 1981 has clarified and reaffirmed GOE policy. The original assumption has been clearly validated.

The LDF has been developing in a climate of increasing and favourable interest in decentralization. This has no doubt contributed to its current success. There is, however, a contradiction in the present project design which causes the evaluation team considerable concern: we are using a highly centralized organisation to bring about decentralization.

If we continue with the current program design we will only partially reach the project goal of reinforcing the decentralization of decision-making to governorates, markazs, and villages. We will have increased the autonomy of the village councils by putting more money in their hands, but will have used a highly centralized organisation to do it. The team recommends that LDF itself be decentralized. Over the next three years a small LDF organisation should be created in the ORDEV office in each governorate. The governorate ORDEV representative could be the chairman of the governorate loan committee, and pattern his own LDF office after the one here in Cairo. He should have authority to approve loans of up to LE 20,000, and would refer larger loans to Cairo for approval. The Cairo LDF would become the coordinating, research and training office for all governorate LDFs.

This decentralization must be based upon a firmly established LDF/Cairo where all procedures needed to operate the fund are clearly functioning well -- this includes monitoring and technical assistance to village projects. Each governorate should have a clear model and set of procedures to follow -- LDF/Cairo will be the pattern and will train all governorate LDFs in loan fund operation.

In April, 1982, an LDF would be set up in one governorate. Procedures would then be studied carefully and modified. After Ramadan three more, probably clustered in one region, would be established. Then three months later, another three, and so on.

Ideally, of course, as many decisions as possible, consistent with goal of DDI, should be made by the governorate staff as they build their own LDF -- this represents the true spirit of decentralization.

Technical Assistance by Checchi

Checchi has established good working and personal relationships with ORDEV and this has enabled the advisors to make very real contributions to establishing the loan processing phase of the LDF. The training program, organized in close collaboration with ORDEV, is excellent.

As the project moves into the next phase of maintaining progress and providing assistance to the existing portfolio of loan projects, more intensive assistance must be supplied in the management and financial areas. Also technical advice in production and marketing must be focussed on existing projects as they mature. For example, we already know that the cattle fattening projects need help if they are to be profitable. An intensive study of the husbandry and economics of 10-15 cattle fattening projects should be undertaken. (see Annex J) Similarly, the linseed oil projects appear to be in need of some managerial assistance.

Technical assistance and advice should be based upon thorough field study and analysis of the projects already being implemented. The Checchi contract requires that all advisors travel about 25% of the time. This is not being done at present but should be in the future in order to keep the team fully aware of what is happening in the field and provide ongoing technical assistance and training to ORDEV staff and sub-project personnel.

At present the Local Government Finance/Management Advisor is spending the majority of his time dealing with the local currency budget and clearing Checchi vouchers through USAID. This is inappropriate as LDF is not being given the advice it requires. The team recommends that the Checchi team hire a half-time accountant to manage all local currency transactions and deal with AID vouchers and that the finance and management advisor perform his duties for LDF as specified in the Checchi contract. The production/marketing advisor should focus his attention upon the existing portfolio of LDF projects and seek to improve their profitability, rather than concentrating upon the introduction of new and innovative technology of unknown profitability. There is no reference to the latter function in the Checchi contract and in the opinion of the team the LDF is not an appropriate vehicle for such work until its existing portfolio is much more firmly established.

Short-term advisors should be coordinated by the long-term advisors to provide assistance to the management of LDF and the HEO's of the projects underway. Their use should be limited, however, to one or two at a time so that equipment, travel, etc. can be organized effectively. The present use of short-term advisors in aquaculture provides a good example of how they can be used. Failure to secure approval of applications for fish projects and to procure equipment, during the scheduled absence of the advisors, this past summer, indicates that special attention must be paid to their needs, by Checchi, LDF, and USAID.

Mission Management of DDI

This project has been characterized from the beginning by very good relations between ORDEV and the Mission. This is partially because of the skill and personality of the present Project Officer, who is Egyptian. He has been involved with the project since its start -- until recently as a "project assistant" to the Director of LAD. ORDEV told the team that they have always had excellent communications with the Mission and obtained a sympathetic and understanding response to their concerns. Similarly, USAID has benefitted from a fuller understanding of ORDEV's needs and wishes.

Recent changes in Mission regulations have enabled Egyptian professional staff to assume greater responsibility in the project process and become Project Officers. The team recommends that the implications of the change be communicated, in writing, to all parties involved in the project so that appropriate changes and communication and contacts with the Mission can be made, in the appropriate way, and the new Egyptian "project officers" can fully develop in their positions and assume greater responsibilities.

A number of problems have arisen between Checchi and USAID over vouchers, PIO/Cs, etc. As we discussed them we found there were always extenuating circumstances which explained delays and misunderstandings. The team would point out that technical staff and advisors are here to find ways to avoid or go around extenuating circumstances, not create them. It is obvious to all that the Controller's office is a potential source of many extenuating circumstances that can delay procurement of resources. We often find, after the fact, that the Controller's requirements are not unreasonable nor difficult to fulfill...We recommend that DRPS/LAD meet with the contractor and the new staff of the Controller's Office to clarify any new procedures and requirements. (1)

With regard to the delay in voucher reimbursement which is causing considerable financial cost to Checchi, we have ascertained the following: We were recently told by FM/AID/W, in a course of project implementation, and also by USAID Controller's Office during the past week, that they do not expect technical offices to perform an audit of contractors' vouchers. They prefer a review to certify that expenditures claimed are in accord with the project operational plan and the contractors' budget. We recommend that DRPS/LAD review vouchers in the spirit intended by FM and also that Checchi facilitate the process by providing full explanations and supporting documents for any new or unusual expenditures included in a monthly voucher.

We also recommend that the Mission require Checchi to submit monthly reports which reflect and chronicle the performance of duties specified in the Checchi contract.

1) Instructions for writing PIO/Cs are contained in Handbook 15, Appendix D7, we recommend a copy be provided to LDF and Checchi for future reference.

SUMMARY OF RECOMMENDATIONS

The team found that the project is sound and the early phases of the development of the LDF and being implemented in accord with the original project design. ORDEV, Checchi and USAID are doing a good job. It must be recognized that considerably more work needs to be done to maintain present progress and move the project closer to achieving its purpose. Most of our recommendations are aimed at moving the project forward. We have one final recommendation which will require a change in project design so that the project goal can be achieved.

We recommend that over the next six months all parties concentrate upon institutionalizing the LDF in Cairo by taking the following steps:

1. Defining more clearly the organizational structure of LDF, developing descriptions of all functions and relationships within the organization and allocating positions to perform the functions. Job descriptions and training programs should be designed for each position. Personnel should be permanently assigned to their positions. The key role being played by the Governorate and below ORDEV staff be recognized by LDF, and integrated into the LDF organization.

2. The management information system for LDF should be specified and monitoring and follow-up procedures to fill these needs implemented. Many of the forms currently being used by LDF should be modified slightly so that they can be used in conventional economic analyses.

3. Criteria for making and cancelling loans should be developed and circulated throughout ORDEV. More rapid methods of moving money to and from project sites should be investigated.

4. The limit on loans authorized by the LDF Loan Committee should be raised to LE 20,000, recognizing recent inflation, the cost of starting a small enterprise, and efficiency in LDF operations.

5. An LDF Organization Handbook, incorporating the above major suggestions and others from the body of this report should be produced over the next six months.

With regard to training we recommend that:

1. The Bluegrass training be continued for two years, incorporating the LDF case studies, and spending more time on actual project analysis. At the end of two years this program should be transferred to the ORDEV Training Academy.

2. That the Philippines study tours be discontinued. This level of training should be undertaken in Egypt and based upon successful local enterprises, -- LDF, ORDEV, and private sector.

3. That the incountry LDF training programs be continued and aimed directly at the needs of LDF/Cairo and the village projects.

4. That selection of staff for training should be based upon job requirements and not upon other criteria such as length of service, etc..

5. That the development of the ORDEV Academy be continued by ORDEV and USAID, but outside the scope of DDI, as the Academy program is much larger than the requirements of the LDF.

With regard to technical assistance being provided by Checchi we recommend that :

1. It be focussed on assisting ORDEV institutionalize the LDF.

2. It be based upon much closer observation of existing LDF projects.

3. It be strengthened in the financial and management areas.

4. Short-term assistance should be used sparingly and coordinated carefully so that time and money are not wasted.

With regard to Mission management we recommend that ;

1. Every effort be made to explain Agency requirements to Checchi and assist them provide the technical assistance required.

2. That the provision of technical assistance be monitored more closely with the Checchi reporting each month about its activities.

We recommend that no changes be made in interest rates currently charged by the LDF until a number of studies have been completed. These studies will assist further development of this and other decentralization projects. We recommend that fairly intensive, six-month studies look at the changing credit and local revenue situation, small scale enterprises in the rural sector, and the technical and economic aspects of the existing LDF portfolio.

If the institutionalization of the LDF does take place over the next six months, then the team recommends that ORDEV decentralize the LDF. Over the subsequent two to three years LDFs would be created and operated in every governorate. This process would be started slowly at first, working in one or two governorates, but expanded rapidly as procedures and experience is gained.

The decentralization of LDF will enable the project to achieve its goal -- to contribute to the decentralization of the Government of Egypt.

Annex A

Profiles of the village projects visited by the Team

(Alphabetical by Governorate)

GOVERNORATE : Beni Suef

VILLAGE : Maydoun

MARKAZ : El Wasta

PROJECT : Transport

DATE OF VISIT : 21 Sept, 1981

Code No: 12-05-09

In May 1981, the HEO, with the Popular Council's agreement, applied to LDF for a loan of LE 12,000. He planned to add this to LE 6,000 from the special account and buy two minibuses to serve several villages and link them more easily and frequently to the markaz center of El Wasta - some 10-20 kilometers away from the villages along a good tarred road.

Simultaneously, he also applied to Family Planning (the PDP program of the Population and Family Planning Board) for an interest free loan of LE 4,500. This loan has been delivered to him. The LDF loan was approved in Cairo during June 1981, and the check written and dated July 1, 1981. It was picked up "by accident" by the Beni Suef ORDEV representative while delivering new loan applications to the LDF office.

LDF needs to look into the delay as the Village Council says they pay interest from the day the check is dated. LDF says interest is paid from the first day of the month following the day the check is written.

The HEO wanted to return half of the ORDEV money, because the Family Planning loan is interest free, but after some discussion with the Beni Suef ORDEV representative, decided to bank the entire loan and deposit any surplus in a certificate and draw a higher rate of interest (8.5%), while only paying ORDEV 6%. It will also act as a cushion of working capital if needed.

He has ordered two buses and equipment costing L.E. 14,500 and expects delivery in 2 months - thus has no income for the first 4 months. He will employ 5 people: a manager and two conductors who are currently employed by the Local Unit, and two drivers who will be new employees. The drivers will be paid from project funds.

The council has not received any technical assistance from ORDEV. They feel the loan application process takes too long. The council has plans for bee and poultry projects to be financed from a Central Budget grant through the governorate.

-2^A

CODE NUMBER : (11 - 00 - 09) 7/80
 Governorate : BENI SUF
 Markaz : EL WASIA
 Village : MAYDOUL
 Project Type: TRANSPORTATION
 TWO MICROBUSES 15 PASSENGER

LDF: L.E. 12,000
 SDA: L.E. 6,500
 P.P: L.E. -
 Tot. L.E. 18,500
 Terms: 1 + 2 = 3

1. A capital investment of L.E. 12,000 from the LDF and L.E. 6,500 from other sources will be expended on the following:

Two Microbuses Nissan 15 passengers each	17,500
Insurance & inventory	1,000
	18,500

2. The expected production is as follows:

	Tickets	L.E;E.	Trip	Day	Month	Bus	
Year 1&2 :	15	x 0.10	x 24	x 25	x 11	x 2	= 19,800
Year 3 :	15	x 0.10	x 24	x 25	x 10	x 2	= 18,000

3. The market for the products is expected to be:

1. One Microbus will travel between the Village & the Markaz .
It will serve 2 other villages on the route.
2. The second Microbus will travel between the Markaz and El Ahram Village, it will serve 4 other villages.

4. The net return on expected total sales during the first year of operation is projected at 28 % based on a loan of 2½ year with a grace period of 6 months. At full capacity, the project is expected to yield a rate of return of 37 % of total sales, after the repayment of the loan (calculated on 8 working months).

CODE NUMBER : (12-05-09) 7/30
 Governorate : BENI SUF
 Markaz : EL WASTA
 Village : MAYDOUM
 Project Type: TRANSPORTATION
 TWO MICROBUSES 15 PASSENGERS EACH

LDF: L.E. 12,000
 SDA: L.E. 6,500
 P.P: L.E. ,
 Tot. L.E. 18,500
 Terms: + 2 = 2½

	Year 1	Year 2	Year 3
<u>OPERATION REVENUE</u>			
	19,800	19,800	18,000
<u>EXPENSES</u>			
<u>Operation Expenses</u>			
Land rent :	,	,	
Gasoline / :	1,716	1,716	1,560
Lubrication :	,600	,600	546
Maintenance (repair) :	1,214	1,214	1,104
Insurance & .. :	,800	,800	800
Salaries :	2,980	2,980	2,709
Stationary & Others:	, 54	, 54	54
Total Operation Expenses	7,364	7,364	6,773
<u>Other Expenses</u>			
Loan Interest :	, 443	, 405	202
Loan Principal Repayment:	3,000	6,000	3,000
Depreciation 17500x20% :	3,500	3,500	3,500
Total Other Expenses	6,943	9,905	6,702
<u>GRAND TOTAL EXPENSES</u>	14,307	17,269	13,475
<u>NET INCOME</u>	5,493	2,531	4,525
<u>RATE OF RETURN</u>	28%	13%	25%

BEST AVAILABLE COPY

GOVERNORATE : Beni Suef

VILLAGE : El Awana

MARKAZ : Ahnasia/El Medina

PROJECT : Poultry Feed Mixer

DATE OF VISIT : 22nd Sept. 1981

Code No: 12-01-02

The loan of LE 15,000 was used to buy a small truck, feed mixer and substantial inventory of feed constituents. This was added to an existing feed mill (paid for by Care) which had been working for 4 years. There are not sufficient funds to complete the building in which the mixer and feed are currently stored.

The project is being handled by a new HEO and Secretary. The previous management was replaced because they short-weighted the feed bags and also two batches of chickens died when fed the product. Obviously quality control of the mix lapsed at some point. Now the mix is made to Ministry standards and supervised by an agriculture specialist. The new management is very concerned about the project and would obviously like to be rid of it. They do not understand it and say the economics does not make sense. The selling price of feed has been fixed for several years but the price of inputs continues to rise steadily. [Note: The project is dependent upon "yellow" corn from the U.S. Commodity Import Program]

At present they have not received any technical assistance from ORDEV. No records exist in the village; they are kept at the markaz. The managers are concerned about regaining the confidence of the local buyers and paying back the LDF loan. At present they are selling 20 tons a month to private consumers. They would like to produce 50 tons a month and have the Governor assign quotas to other local councils. So far, quotas have not been assigned.

At present the project is leasing out their small pick-up truck which is enabling them to make the quarterly payments on their loan. Five full-time and two part-time workers are currently paid by the project - LE 2/ton.

The village also has a successful carpentry shop, beehive and an 8-unit apartment block. They formerly had duck breeding for seven years, girl's handicrafts and metal working. The area is now saturated with ducks and they could not sell them locally so they closed down. The ORDEV representative said that they are importing ducks from Cairo into the nearby capital - Beni Suef. There is an opportunity which may have been missed here. The metal work and handicraft projects were moved to a village on the main highway where demand for the products was greater. Most of these earlier projects were financed with ORDEV grants.



DESCRIPTION OF PROJECT

CODE NUMBER: (12 - 01 - 02)
 Governorate: BENI SUEF
 Markaz: AHNASIA / EL Madine
 Village: EL AWAWNA
 Project Type: POULTRY (Feed Mixer Plant)

1. A capital investment of L/E. 15,000 from the LDF and L.E. 5,000 from other sources will be expended on the following:

A. Building	2,000
B. Equipment	3,000
C. Transportation	7,000
D. Inventory	6,500
E. Labour	<u>1,500</u>

2. The expected production is as follows:

Poultry starter feed (300 tons x L.E. 81.5)	L.E. 24,450
Poultry layer feed (400 tons x L.E. 76)	L.E. 30,400
	<hr/>
Total income of	L.E. 54,850

3. The market for the products is expected to be:

Poultry operations in Beni Suef

4. The net return on expected total sales during the first year of operation is projected at 8 percent based on a loan of 7 years with a grace period of 12 months. At full capacity, the project is expected to yield a rate of return of 4 percent of total sales

GOVERNORATE: BENI SUEF

VILLAGE: AL AWAWNA

PROJECT TYPE: POULTRY (Feed Mixer Plant)

20,000

INCOME STATEMENT

July 1980 - June 1987

Aug. - July

<u>Revenues:</u>	<u>Year 1</u>	<u>Year 2-7</u>
Starter Feed (300 tons x L.E. 81.5)	24,450	24,450
Layer Feed (400 tons x L.E. 76)	30,400	30,400
<i>of Lagat</i>		
<u>Total Revenues:</u>	<u>54,850</u>	<u>54,850</u>
<u>Expenses:</u>		
<u>Operating Expenses:</u>		
Feed constituents (700 tons)	44,528	44,528
Bags <i>LE 63.6/Ton</i>	1,400	1,400
Labour	1,360	1,360
Misc.	600	600
Transportation	1,600	1,600
<u>Total Operating Expenses:</u>	<u>49,488</u>	<u>49,488</u>
<u>Other Expenses:</u>		
Loan Interest:	600	487.5
Loan Principal Repayment:	-0-	2,500
Depreciation:	400	400
<u>Total Other Expenses:</u>	<u>1,000</u>	<u>3,387.5</u>
<u>Total Expenses:</u>	<u>50,488</u>	<u>52,875.5</u>
<u>Net Income:</u>	<u>4,362</u>	<u>1,974.5</u>
<u>Return on sales:</u>	<u>8%</u>	<u>4%</u>

GOVERNORATE : Beni Suef
MARKAZ : El Wasta

VILLAGE : Abu Seir
PROJECT : Transport

DATE OF VISIT : 21 Sept. 1981
CODE NO: 12-05-04

This project is very similar to the BGAAD case study completed in El Fant Village in the neighboring markaz of El Fashan. The report on this project will note the differences between the two projects.

The LDF loans for LE 12,000 was combined with the villages LE 3,000 to buy two pick-ups. Abu Seir charges 15 piasters for a ticket, and they run the buses (converted pick-ups) 6 days a week. Their monthly sales during the past three months have averaged LE 1,800, their costs about LE 1,000. These figures are a considerable improvement over those reported for the Dec-June period. They have repaid LE 4,210 of their loan and banked LE 2,000 at 8 1/2%. They have other projects in mind and will buy another bus when they have paid off their loan.

Their main problem is bad roads and too many passengers.

They heard about the LDF loans from other village councils and went to the LDF office in Cairo to apply. The seven month approval process was too long. They have received no technical assistance from ORDEV.

They have their vehicles repaired by local mechanics and have to buy spare parts on the "black market" - they are often difficult to find.

They have two levels of incentive pay:

Monthly: 25% of profit is divided : 50% to drivers, 30% to conductors
10% each to Manager and H.E.O.

Then on an annual basis 25% of profits are divided:
67% to local staff, 33% to markaz & governorate staff.

The Manager and conductors are employed by the Local Unit, the drivers are full-time and paid by the project. The driver's base pay is LE 30, which is doubled with incentive pay.

The Local Unit also has income producing bees and a tractor. Both projects were financed from ORDEV grants and the SDA account. All their projects have separate bank accounts.

They have a first-class, complete set of project books and files with all expense, receipts, etc.

An impressive project - an example of good management.

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Sept. 80
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DESCRIPTION OF PROJECT

CODE NUMBER: (12 - 05 - 04) 3/80
Governorate: BENI SUEF
Markaz: EL WASTA
Village: ABU SEIR
Project Type: TRANSPORTATION (Two 12 passengers microbus)

1. A capital investment of L/E. 12,000 from the LDP and L.E. 3,000

from other sources will be expended on the following:

- A. (Two Picl-up) L.E.12,500
- B. Conversion in to microbus expenses) 2,000
- C. Spare parts and inventory 500

Total L.E.15,000

2. The expected production is as follows:

	No. of:	Microbus	Trips	Passengers	Days	P.T.	L.E./year
A. 1st year	:	2	x 14	x 12	x 275	x 12	= 11,088
B. 2nd year	:	2	x 14	x 12	x 300	x 12	= 12,096
C. 3rd year	:	2	x 14	x 12	x 275	x 12	= 11,088

3. The market for the products is expected to be:

The Microbuses trip will (12 km) connect the village with the nearest villages (ENFAST, WANA EL KESS and KAMN EL AROUSS).

4. The net return on expected total sales during the first year of operation is projected at 12 percent based on a loan of 2 years with a grace period of 6 months. The project is expected to yield a rate of return of (-15) percent of total sales during the 2nd year and 49 percent during the 3rd year.

VILLAGE:

ABU SEIR

15,000

PROJECT TYPE:

(TRANSPORTATION) Two 12 passengers minibuses

INCOME STATEMENT

July 1980 - June 1983

<u>Revenues:</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
1. 168 tickets x PT 12 x 257 x 2 buses	11,088		
2. " " x " x 300 x 2 buses		12,096	
3. " " x " x 275 x 2 buses			11,088
<u>Total Revenues:</u>	<u>11,088</u>	<u>12,096</u>	<u>11,088</u>
<u>Expenses:</u>			
<u>Operating Expenses:</u>			
Diesel: (11,550 liters x PT 3) (12,600 liters x PT 3)	346	378	347
Lubrication (776 kg. x PT 70)	543	624	543
Maintenance (repair):	150	150	300
Insurance :	400	400	400
Salaries .. :	840	912	984
Stationary & Others :	120	116	126
<u>Total Operating Expenses:</u>	<u>2,400</u>	<u>2,580</u>	<u>2,700</u>
<u>Other Expenses:</u>			
Loan Interest:	450	420	—0—
Loan Principal Repayment:	4,000	8,000	—0—
Depreciation:	2,900	2,900	2,900
<u>Total Other Expenses:</u>	<u>7,350</u>	<u>11,320</u>	<u>2,900</u>
<u>Total Expenses:</u>	<u>9,750</u>	<u>13,900</u>	<u>5,600</u>
<u>Net Income:</u>	<u>1,338</u>	<u>(1,804)</u>	<u>5,488</u>
<u>Rate of Return as percent of sales:</u>	<u>12%</u>	<u>(-15%)</u>	<u>49%</u>

Governorate: Dakahlia

Markaz: Dekernis

Village: Monshaat Abdel Rahman

Project: Transport

Date of Visit: Sept. 24, 1981

Code No. 04-05-04

The village council of Monshaat Abdel Rahman received LE 6000 in the first group of LDF loans approved on March 1, 1980. These funds were supplemented by LE 2000 from the village SDA account and applied to the purchase of an 11 passenger Toyota micro-bus costing LE 7800. The village is quite isolated approximately 25 kilometers from the Markaz center, Dekernis, over quite rough roads. The bus is used to carry passengers from the village to Dekernis and on to Monsoura, about 50 kilometers away.

The project appears to be very well managed. Good records are maintained by the council bookkeeper and appropriate control systems appear to have been installed to insure that all revenues generated by the bus are turned over to the council.

Project revenues have been somewhat less than those projected in the loan application averaging approximately LE 580 per month for the first eight months of 1981 rather than the projected LE 750 per month. The HEO explained that this is because the loan was less than expected and they were forced to buy a smaller vehicle than they originally intended. Expenses also seem to be well controlled, however, and the project does appear to be earning a profit for the village council even when interest and depreciation are calculated in. Sufficient revenue is being generated to meet principal repayments on the loan and to begin saving for the purchase of an additional vehicle.

The project enjoys a subsidy from the government in the form of the wages which are paid to the employees of the project. It is making incentive payments to the workers on a monthly basis from project funds, however, and is providing necessary transport to the villagers at lower than commercial rates. Adult fares are 25% less than those charged by privately owned vehicles and students are carried for only one-half of the commercial rates. The village council maintains a separate bank account for this project.

It is apparent that the council bookkeeper has benefited from the LDF bookkeeping training program he received. He says that he is using the system he learned there with all village accounts now.

This is a relatively well-to-do village which has not received as much assistance as some others from other ORDEV funds although they have received grant assistance for the operation of local

schools and a youth center. The village council is also involved in a number of other economic projects including beekeeping, weaving, pigeons, and a tractor hire service. The profits from these activities and other revenue of the village council generated from fees and taxes are used to support potable water projects, a youth center, nursery schools and to purchase a refrigerator for one of the satellite villages.

The primary beneficiaries of the project appear to be the three workers, (manager, driver and conductor) and the villagers who benefit from the increased transport service and the lower prices that the project provides.

DESCRIPTION OF PROJECT

CODE NUMBER : (04-05-04)
 Governorate : DAKAHLIA
 Markaz : DEKERNED
 Village : MONSHAAT ABDEL RAHMAN
 Project Type: TRANSPORTATION

LDF: L.E. 6,000
 SDA: L.E. 2,000
 P.P: L.E. ,
 Tot. L.E. 8,000
 Terms: 2 + $\frac{1}{2}$ = 2 $\frac{1}{2}$

11 Passenger Microbus

1. A capital investment of L.E. 6,000 from the LDF and L.E. 2,000 from other sources will be expended on the following:

11 passenger Microbus 7,800

2. The expected production is as follows:

Tickets	PT	Days	Month	Year 1	Year 2	Year 3
220	x 15	x 25	x 11	9,075		
"	"	"	12		9,900	
"	"	"	11			9,075
				<u>9,075</u>	<u>9,900</u>	<u>9,075</u>

3. The market for the products is expected to be:

The surrounding villages

4. The net return on expected total sales during the first year of operation is projected at 21 % based on a loan of 2 year with a grace period of 6 months. At full capacity, the project is expected to yield a rate of return of 61 % of total sales.

(04 - 05 - 04) 11/79

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ERRORATE: DAKAHLIYA
VILLAGE: MONSHAAT ABDEL RAHMAN
PROJECT TYPE: (TRANSPORTATION) 11 persons microbus

INCOME STATEMENT

March 1980 - February 1983

<u>Revenues:</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
1. 220 ticketsx P.T. days 15 x 25 x11 mon.	9,075		
2. " " " " 12 "		9,900	
3. " " " " 11 "			9,075
<u>Total Revenues:</u>	<u>9,075</u>	<u>9,900</u>	<u>9,075</u>
<u>Expenses:</u>			
<u>Operating Expenses:</u>			
260 km./day Gasolibe :	2,145	2,340	2,145
Lubrication :	375	420	375
Maintenance (repair):	150	300	475
Insurance :	300	300	300
Salaries :	750	750	750
Stationary & Others :	20	20	20
<u>Total Operating Expenses:</u>	<u>3,740</u>	<u>4,130</u>	<u>4,065</u>
<u>Other Expenses:</u>			
Loan Interest:	225	210	—0—
Loan Principal Repayment:	2,000	4,000	—0—
Depreciation:	1,560	1,560	1,560
<u>Total Other Expenses:</u>	<u>3,785</u>	<u>5,770</u>	<u>1,560</u>
<u>Total Expenses:</u>	<u>7,525</u>	<u>9,900</u>	<u>5,625</u>
<u>Net Income:</u>	<u>1,550</u>	<u>—0—</u>	<u>3,450</u>
<i>Rate of return</i>	<i>21%</i>	<i>0%</i>	<i>61%</i>

GOVERNORATE : Fayoum VILLAGE : Motowal
 MARKAZ : Atsa PROJECT : Tractor
 DATE OF VISIT : 9/17/81 Code No: 11-07-01

The Executive Team of the village unit is made up of eager young men who are very proud of their tractor project. They secured a loan of L.E. 7,500 from LDF and added L.E. 2,500 from their own account.

They have been operating the tractor since January, and have averaged about 100 hours per month of ploughing, transport and harvesting. About 75% of their hours involve transportation for the farmers. For the months of June through August they have average 114 hours of use (August was 142 hours). Their use is beginning to approach the level where it should be profitable for the village.

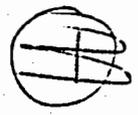
They employ one driver who is paid L.E. 50. They have had only one major repair so far - costing L.E. 200. They keep very complete records.

Before applying to LDF they had approached the Bank who asked for a letter of guarantee or collateral. They have only a small account at the bank and could not obtain collateral or a letter of guarantee from the Governorate -so they were turned down.

They are putting the income from their tractor into the village bank account where it is earning 4.5% interest. This is their first revenue generating project, but the HEO is planning poultry and transport projects. He will finance them with profits and the special account.

We talked to some farmers who said they find the project very useful. The tractor has been used in the five surrounding villages, and helped 20 farmers during the week prior to our visit.

It was an encouraging project to visit.



DESCRIPTION OF PROJECT

CODE NUMBER: (11 - 07 - 01) 11/79
 Governorate: FAYOUM
 Markaz: ATSA
 Village: MOTAWAL
 Project Type: FARM TRACTOR AND IMPLEMENTS

1. A capital investment of L.E. 7,500 from the LDP and L.E. 2500 ~~5,000~~ from other sources will be expended on the following:

Tractor:	L.E. 5,000	Land:	L.E. 500
Trailer:	2,000 1845	Garage:	1,500
Plough:	350		
Threshing machine	650		
Exp (1 mo)	155		
			<u>2,000</u>
Total	8,000		

2. The expected production is as follows:

1800 hr = 225 day	Transport:	800 hr/yr	L.E. 2,400
	Ploughing:	600 hr/yr	1,200
	Threshing:	400 hr/yr	1,000
		<u>1800</u>	<u>4,600</u>

3. The market for the products is expected to be:

Transport: at L.E. 3/hr
 Ploughing: at L.E. 2/hr
 Threshing: at L.E. 2.5/hr

4. The net return on expected total sales during seven ^{each of the} years of operation is projected at 10 percent based on a loan of seven years with no grace period. ^{13%}

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LD
 Local funds 1500
 Council
 Individuals 1000
2500

A
 -16-
 VERNONKATE: PAYOUM
 VILLAGE: MOTAWAL
 PROJECT TYPE: FARM TRACTOR AND IMPLEMENTS

L.: 1,500
 SLA: 1,500
 P.P: 1,000
 Total: 10,000

INCOME STATEMENT

Terms: 0-1-7 = 7

March 1980 - February 1981

Revenues:

Transport:	800	hr/yr	at 3 L.E./hr	giving	L.E./yr	2,400
Ploughing :	600	"	2 "	"	L.E./yr	1,200
Threshing:	400	"	2.5 "	"	L.E./yr	1,000
	<u>1800</u>					

Total Revenues:

4,600

motor oil = 80-86

Expenses:

Operating Expenses:

Fuel:	6 L/hr at PT.83 /L=	L.E./yr	324
Oil:	0.13 L/hr at PT.63/L=	L.E./yr	150
Tyres and filters:			720
Repairs			160
Housing & insurance			100
Miscellaneous:			50
Labour:			360

60

gasoline fuel = .13
diesel = .06

2% on equipment cost

low

Total Operating Expenses:

1,864

Other Expenses:

Loan Interest:	From year 1 - 7	233
Loan Principal Repayment:	" " "	1,071
Depreciation: 12% annual	" " "	960

Total Other Expenses:

2125 2,264

Total Expenses:

3989 4,128

Net Income:

611 472

Return as percent of sales:

13.3 - 10%

Sixteen of the hand-cutters will be employed on the mechanized project and it will be supervised by the Chief of Stone Projects - who is currently on the local unit payroll. They plan to pay incentives equal to 30% of the base pay.

The project will provide employment and stone for building at a cheaper price.

The equipment was more expensive than anticipated and they are applying to the BDAC for LE 30,000 for a truck to transport the stone. (See Credit Interview on this topic).

PLEASE ATTACH ^{A/19-1} *Y. G.*

~~Nov. 1980~~
JAN. 1981

DESCRIPTION OF PROJECT

CODE:NUMBER: 11-03-01
Governorate: El Fayoum
Markaz: Attsa
Village: Abu Gandir
Project Type: Construction Materials. (Limestone Blocks)

1. A capital investment of L/E. 30,000 from the LDF and L.E. 13,690 ^{+ 30,000 *total*}
from other sources will be expended on the following: LE 43,690

- Land: 1200
- Building: 3500
- Equipment: 12,700
- Transportation Equipment: 22,565
- Water and Electricity: 200
- Fuel and Oil: 825
- Office Equipment: 200
- Operating Expenses: 1300
- Loan Interest: 1200

Cancel February
3 *hannes* 3000
1 *petrol hammer*
tools 13,000

2. The expected production is as follows:

37,500 cubic meters of Limestone at LE 1 per meter
1,250 cubic meters of aggregate at LE 1 per meter
38,750

Will Commission 10 days 17,500.
Trucks 30,000

3. The market for the products is expected to be: *locally for houses*
wells for roads
Production & machine 37,000 sq meters per year / ab^{LE} 37,000

4. The net return on expected total sales during the first year of operation is projected at -(13) percent based on a loan of seven years with a grace period of two ⁴ months. At full capacity, the project is expected to yield a rate of return of 24 percent of total sales

ORDER
LDF

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- 20 -

LDF: LE 30,000
SDA: 10,000
P.P: 3,690

INCOME STATEMENT

~~1/12/1981~~ - ~~1/12/1987~~
JAN DEC

43,690
Terms: 2+5 =

PROJECT DATA

PROJECT NAME & NO: (11 - 03 - 01)

PROJECT LOCATION:

Governorate: FAYOUM
Markaz : ATTSA
Local Unit : ABU GANDIR

PROJECT DESCRIPTION: (Construction Materials)
Production of Lime-stone Blocks

OPERATION REVENUE

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3-7</u>
	38,750	38,750	38,750

EXPENSES

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3-7</u>
<u>Operation Expenses:</u>	80/81	81/82	82/83

Construction & Land (Rent)	4,900	1,200	1,200
Machinery & Equipment	12,700	-0-	-0-
Transportation & (Equip.)	22,565	-0-	-0-
Raw materials	825	825	825
Salaries	-0-	9,840	9,840
Maintenance	-0-	1,000	1,000
Fuel and power	200	1,000	1,000
Running expenses	1,300	1,600	1,600
Stationary	:	:	:
Inventory	:	:	:

Other Expenses:

LOAN INTEREST	: 1,200	1,200	945
LOAN PRINCIPAL REPAYMENT:	-0-	-0-	6,000
DEPRECIATION	: -0-	7,053	7,053

Total Expenses: 43,690 23,718 29,463

Net Income: (-5,210) 15,032 9,287

Rate of return as percent of sales: (-13%) 39% 24%

GOVERNORATE : Fayoum MARKAZ : Sannoris
VILLAGE : Fidemin PROJECT TYPE : Olive Pickling

DATE OF VISIT: Sept.17,1981
CODE NO: 11-04-02

This project received a loan of LE 30,000 in the first group of loans extended in March of 1980. The project became operational with the first batch of olives being purchased in August of that year. One complete purchase, processing, marketing cycle has now been completed. Eighty-nine tons of olives were purchased and processed. Seventy-five tons have been sold and five tons remain in stock. Approximately nine tons were lost in processing. The project realized a net profit of approximately L.E. 12,000 on this activity during the year of which 25% will be distributed as incentive pay to individuals who are involved with the project. The actual net profit estimate should be LE 9,000 which represents a 20% return on total investment and a 58% return on the local contribution (equity).

The LE 30,000 in loan funds were used primarily as working capital. The LE 15,500 local contribution to the project was invested in the form of buildings, land and equipment which the evaluator estimates is a fair valuation of these assets.

The project employs ten people full-time and is managed by a full-time project manager. All but one of these people is a government employee paid by the governorate. This is undoubtedly an inappropriately high number of full-time workers and if the cost of labor (approximately LE 40 per man month) were factored into the income statement, profits would be less. The project would still be a reasonable investment, however, with a rate of return on investment of 12% on total investment and 35% on local contribution.

The project is currently entering its second operating cycle with 74 tons in the pickling vats at the time we visited. They anticipate increasing the future profitability of the project by selling their produce sooner (and at somewhat lower prices) and pickling other products such as onions in the period between selling the pickled olives and purchasing the new crop.

Good financial records for the project are maintained by the village council bookkeeper. The cash book was approximately 3 months out-of-date however due to the lack of a new book with which to begin a new year. He did have a record of all income and expenses to put in the book when it is acquired.

Relationship with ORDEV and the LDF office in Cairo appear to be good. There is an ORDEV representative present in the village and the project has been visited three times by people from the Cairo office. The loan request was processed quickly (2 months) and quarterly interest payments made directly to Cairo are acknowledged within one week. Good and timely technical assistance has been provided both by ORDEV people in Fayoum people and by the LDF office in Cairo.

Primary beneficiaries of the project appear to be local customers for olives who are reported to be able to buy in small quantities at prices one-third below the level of the local shops. The ten people working on the project also benefit by the incentive pay they receive as a share of profits. It is presumed that they would be employed by the government even if they were not working on this project, however. Small scale farmers do not benefit however, in that they could sell their produce to middlemen at the same price paid by the project.

It might be considered that secondary beneficiaries include the entire village in that the profits of the project will be reinvested in other income and employment generating enterprises with a portion being set aside for as yet unspecified social projects.

The village council also operates a small broiler project (5000 per cycle) which was financed by a government grant and is planting a small olive grove next to the pickling building. They are running a housing project (financed by an ORDLV grant) which is generating revenue for the SDA ("special discretionary account") and have a van and a truck which are used for village business and for hire. The olive grove, truck and van have all been financed by locally generated revenue.

CONCLUSION

This project appears to be clearly addressing the major stated objective of the LDF program ; generating revenue for the "special discretionary account" of the village council. The respondent also felt that it was increasing local management capability as evidenced by other small projects which are being undertaken or planned.

MARCH '80

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- 23 -



DESCRIPTION OF PROJECT

CODE NUMBER: (11 - 04 - 02) 11/79
 Governorate: FAYOUM
 Markaz: SANNORIS
 Village: FIDIMEEN
 Project Type: PICKLING OF GREEN OLIVES

1. A capital investment of L/E. 30,000 from the LDF and L.E. 15,500

from other sources will be expended on the following:

Building	L.E. 12,000
Truck	3,200
Office Equipment	300
Inventory	<u>30,000</u>
Total	45,500

2. The expected production is as follows:

68 tons of pickled olives x 600 L.E./ton = L.E. 40,800

3. The market for the products is expected to be:

The village and the other villages

4. The net return on expected total sales during the first year of operation is projected at 19 percent based on a loan of 7 years with a grace period of 24 months. At full capacity, the project is expected to yield a rate of return of 5 percent of total sales

$$\begin{array}{r} 12000 \\ 4800 \\ \hline 7200 \end{array}$$

$$\begin{array}{r} 1800 \\ 4 \overline{) 7200} \\ \underline{1800} \\ 5400 \end{array}$$

(11 - 04 - 00) 11/19
 (54)
 NORATE: FAYOUM
 VILLAGE: FIDIMEEN
 PROJECT TYPE: PICKLING OF GREEN OLIVES

LDF: 30,000
 P.P: 15,500

Total 45,500
 Terms: 2 + 5 = 7

INCOME STATEMENT

March 1980 - February 1987

<u>Revenues:</u>	<u>Year 1-2</u>	<u>Year 3-7</u>
68 tons of pickled olives x 600 L.E. <i>no growth?</i>	40,800	40,800
<u>Total Revenues:</u>	<u>48,800</u>	<u>40,800</u>
<u>Expenses:</u>		
<u>Operating Expenses:</u>		
Raw Olives 80 tons x L.E, 350	28,000	28,000
Salt 20 tons x L.E. 10	200	200
Packing	1,000	1,000
Wages	750	750
Maintenance	620	620
Misc.	600	600
<u>Total Operating Expenses:</u>	<u>31,170</u>	<u>31,170</u>
<u>Other Expenses:</u>		
Loan Interest:	1,200	945
Loan Principal Repayment:	-0-	6,000
Depreciation:	600	600
<u>Total Other Expenses:</u>	<u>1,800</u>	<u>7,545</u>
<u>Total Expenses:</u>	<u>32,970</u>	<u>38,715</u>
<u>Net Income:</u>	<u>7,830</u>	<u>2,085</u>
<u>Rate of return as percent of sales:</u>	<u>19%</u>	<u>5%</u>

Governorate: Gharbiya

Markaz: El Santa

Village: Ismawa

Project: Feed Mill

Date of Visit: September 23rd 1981

Code No: 01-01-14

Meeting with Head Executive Officer (HEO), Ali Kuleif, who was in Tanta for an English language training program. He stepped out of class to meet with us and the conservation had to be short.

Their feed production project will not begin for another 6 months. The factory will be fully automated and will use only 10 people. They have not worked out such details as incentive pay. They have been in close touch with ORDEV people at all levels. In fact it was ORDEV who arranged for English language training for all council executives in order to have a cadre of people to send to participant training programs whenever such programs come up.

Ismawa has a number of other income producing projects including bees, chickens, rabbits, pigeons, mosaics, and furniture. The funding for these projects has come from a variety of sources including the village SDA, governorate grants, ORDEV grants and bank loans.

The feed production project received a L.E. 45,000 loan from LDF and used L.E. 20,000 from their SDA. What is interesting about this project is that they are also borrowing L.E. 30,000 from the BDAC.

DESCRIPTION OF PROJECT

CODE NUMBER: (07 - 01 - 13) 12/80
Governorate: GHARBIYA
Markaz: EL SANTA
Village: MIT ~~HOWA~~ HAWAY
Project Type: POULTRY

1. A capital investment of L/E. 22,000 from the LDP and L.E. 8,000

from other sources will be expended on the following:

Land (500 m ²)	5,000
Buildings	13,000
Equipment	1,500
Chicks	4,200
Operating expenses	6,300

30,000

2. The expected production is as follows:

	<u>Year 1</u>	<u>Year 2-5</u>
Broilers (14250 x LE 1.25) (28500 x LE 1.25)	17,812.5	35,625
Manure (34 m ³ x LE 5) (100m ³ x LE 5)	<u>225</u>	<u>500</u>
	18,037.5	36,125

3. The market for the products is expected to be:

The village and the Markaz.

4. The net return on expected total sales during the first year of operation is projected at 26 percent based on a loan of 7 years with a grace period of 12 months. At full capacity, the project is expected to yield a rate of return of 18 percent of total sales

- 27 A

CODE: (07 - 01 - 13) 12/80
GOVERNORATE: GHARBIYA
VILLAGE: MIT NOWAI MARKAZ: EL SANTA
PROJECT TYPE: POULTRY

INCOME STATEMENT

Dec. 1980 - Jan. 1986

<u>Revenues:</u>	<u>Year 1</u>	<u>Year 2-6</u>
Broilers (14250 x LE 1.25) (23500 x LE 1.25)	17,812	35,625
Manure (45 m ³ x LE 5) (100m ³ x LE 5)	225	500
<u>Total Revenues:</u>	<u>18,037</u>	<u>36,125</u>
 <u>Expenses:</u>		
<u>Operating Expenses:</u>		
Chicks (15000 x PF 28) (30000 x PF 28)	4,200	8,400
Feeds (37.5 tons x LE 180) (75 tons x LE 180)	6,750	13,500
Litter (4.5 tons x LE 17) (9 tons x LE 17)	75	150
Medicines	100	200
Labor & Vet.	460	820
Transportation	120	240
Misc.	200	100
Maintenance	50	100
Water & Electricity	75	150
Butains of Butagaz for heating	60	120
<u>Total Operating Expenses:</u>	<u>12,090</u>	<u>23,780</u>
<u>Other Expenses:</u>		
Loan Interest:	880	693
Loan Principal Repayment:	-0-	4,400
Depreciation:	400	800
<u>Total Other Expenses:</u>	<u>1,280</u>	<u>5,893</u>
<u>Total Expenses:</u>	<u>13,370</u>	<u>29,573</u>
<u>Net Income:</u>	<u>4,667</u>	<u>6,452</u>
<u>Rate of return as percent of sales:</u>	<u>26%</u>	<u>18%</u>

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Governorate: Gharbiya

Markaz: Zifta

Village: Shubra Malas

Project: Linseed Oil Proc.

Date of Visit: Sept. 23, 1981

Code No: 07-04-01

A loan of LE 30,000 was included among the first group of LDF loans approved in March of 1980. This loan amount was to be complemented by a total of LE 42,000 from local sources. In fact, only LE 30,000 in local contributions were contributed which was made up of LE 12,000 from the local council itself and LE 18,000 from an ORDEV grant.

The project appears to have earned a net profit of approximately LE 6000 in FY 80/81 after payment of interest and allowing for depreciation but before making incentive payments to the workers or making loan principal repayments. This year the price of seed has increased from LE 285 per ton to LE 400 per ton. The revenue generated last year was therefore not sufficient to purchase the required seed for the new season. ORDEV at the governorate level has made another grant to the project for the acquisition of seed for processing during the FY 81/82 season. Approximately 145 tons have been purchased and an additional 75 tons will be required to operate at full capacity throughout the season.

The project is facing a major problem in that the price of seed has increased substantially (285 - 400 per ton) since last season but the price of linseed oil and cake is currently running at the same level. They must compete in the market with imported linseed oil. At this time, the data we were provided with at the site would indicate that the revenue generated from the oil and cake is not sufficient even to cover the cost of the seed let alone the operating costs which are incurred in the processing. This may be a problem for all linseed oil projects in the country or it may be a temporary aberration of the price cycles. It would seem advisable, however for the LDF to examine this problem and study it's possible implications for the long range viability of projects of this type.

Accounts for the project are maintained at the site by the council bookkeeper. The accounts appear to be up-to-date and accurate but, as with many of the projects, the concept of profit and loss appears to be poorly understood and the "income statements" prepared by the bookkeeper and the governorate ORDEV advisors do not truly reflect the amount of profit or loss from operations.

The project employs a total of seven people including the manager, two assistants and four workers. All workers are paid by the government, therefore it must be assumed that they would be employed even if this project did not exist. They do, however, benefit incrementally to the extent that they are able to draw incentive pay from the profits of the enterprise. Although flax is grown and processed in large quantity in the immediate area of the project, linseed is purchased from a company in Cairo which finances small farmer flax production and purchases their seed. The linseed oil which is produced by the project is sold to local paint manufactures and the cake which is produced as a by-product is sold to local farmers who use it as animal feed. It does not appear from the above that the project has a substantial impact in the project areas beyond the generation of income which the village council can use to support social projects to benefit the village population.

This village council also maintains several other economic projects including a tractor hire service, pigeons, a nursery and beekeeping. The village discretionary account (SDA) is used for a variety of purposes including schools, library support, potable water, electricity, sewage and providing financial assistance to needy individuals.

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MARCH '80

(31)

DESCRIPTION OF PROJECT

CODE NUMBER: (07 - 04 - 01)
Governorate: GHARBIYA
Markaz: ZIFTA
Village: SHUBRA MALAS
Project Type: LINSEED OIL EXTRACTION PLANT FROM FLAX SEEDS

1. A capital investment of L/E. 30,000 from the LDF and L.E. 42,000 from other sources will be expended on the following:

Flax seeds (300 tons)	^{L/E} 220/ton	L.E. 66,000
Equipment & Building		6,000
		<u>72,000</u>
Total		72,000

confusion
all capital
not put in

2. The expected production is as follows:

Linseed Oil (90 tons)	^{L/E} 700/ton	L.E. 63,000
Oil cake (180 tons)	^{L/E} 80/ton	14,400
		<u>77,400</u>
Total		77,400

30
12
18
60
LDF
Lo Com
ORDER

3. The market for the products is expected to be:

The oil and cake will be marketed through the Association of Flax Growers.

4. The net return on expected total sales during the first year of operation is projected at 9 percent based on a loan of 7 years with a grace period of 24 months. The project is expected to yield a rate of return of 1 percent of total sales during the principal repayment period from year 3 - 7.

<u>Planned</u>	<u>Actual</u>
L/E 420	L/E 800

margin

Linseed Press Project
Gharbiya Governorate
Shubra Malas Village

[07 - 04 - 01)

March 1980 -

Operation	Year 1980											
	Month:	3	4	5	6	7	8	9	10	11	12	
Preparation of the building for operations												
Contracting for the required quantity of seeds (300 tons) from Assoc. of Flax growers (30k.)												
Purchase of 1 filter, 3 motor and installation of transformer												
Purchase of lubricating materials as well as maintenance												
Purchase of the required packages for oil and linseed cake												
Receipt of the harvest July - beginning of 1981												
Starting Operations												
Marketing of oil & cake through Assoc. of Flax Growers (20,000 feddans)												

GOVERNORATE : Giza
MARKAZ: El Saff

VILLAGE: Soul
PROJECT: Eggs

DATE OF VISIT: 23rd Sept.1981
CODE NO: 10-01-01

In December 1980 the unit was given a loan of LE 30,000. The village contributed LE 17,000 to the project. A 500 square meter house for 5000 layers was built, at a cost of LE 9,000 and 50 batteries were installed with 5000 poulets in July. On 9/22/81 4840 poulets produced 956 eggs - production is rising steadily. Eggs are being sold as they are produced at 6.5 piasters in the local stores -- a little lower than the local and Cairo market price.

The project is well managed with records in English and Arabic at the local unit. The "official" records are kept at the Markaz because there is not a cashier position in this local unit.

The application process took 14 months - the village head commented on the delay -- "its the rules". He knew how to apply because he had attended a course on LDF at Alexandria, and has since received considerable help from LDF consultants in Cairo who have visited the project several times. The village is about 60 km. from Cairo. An LDF trip report is attached to this summary.

Five local unit employees work at the project. Two supervisors and a vet (part-time) and two full-time workers. L.E. 10-15/month is paid in "incentive" pay to each worker.

At the suggestion of the Giza National Company for Food Security, from whom the layers and equipment are bought, the Unit Head is distributing batteries to families in the village. So now families are raising some 5000 layers simultaneously with the Local Unit and have either bought the equipment, feed and birds outright from Giza or are paying back the company with eggs over an extended period. This method could raise egg production markedly and rapidly at no cost to the government, except the salaries of local unit supervisors. (See attached LDF trip report for additional details)

The local unit also had bees, a plant nursery and handicraft projects. They were started with Special Accounts funds.

DESCRIPTION OF PROJECT

CODE NUMBER: (10 - 01 - 01)
 Governorate: GIZA
 Markaz: EL SAFF
 Village: SOAL
 Project Type: EGG PRODUCTION

1. A capital investment of L/E. 30,000 from the LDF and L.E. 17,000

from other sources will be expended on the following:

Land	5,000	(in kind)
Building (old)	7,000	(in kind)
Building (new)	9,000	
Equipment	1,700	
Poulets	15,000	
Inventory ?	<u>9,300</u>	
	Total	47,000

2. The expected production is as follows:

	<u>Year 1</u>	<u>Year 3-7</u>
Table eggs (575,000 x PT 5) (1,150,000 x PT 5)	28,750	57,500
Ald hens 4,500 x LE 2	-0-	9,000
Manure 200 m ³ x LE 3	600	1,200
	<u>29,350</u>	<u>67,700</u>

3. The market for the products is expected to be:

In the same village and markaz.

4. The net return on expected total sales during the first year of operation is projected at - 19 percent based on a loan of 7 years with a grace period of 24 months. At full capacity, the project is expected to yield a rate of return of 9 percent of total sales

(10 - 01 - 01) A 11/79
 DATE: GIZA - 34 -
 NAME: SOAL MARKAZ: EL SAFF
 PROJECT TYPE: EGG PRODUCTION

INCOME STATEMENT

Oct. 1980 - Sept. 1981
 DEC. NOV.

<u>Revenues:</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3-7</u>
Table Eggs (575000 x PT 5) (1,150,000 x PT 5)	28,750	57,500	57,500
Old hens (4,500 x LE 2)	-0-	9,000	9,000
Manure (200 m ³ x LE 3) (400 m ³ x LE 3)	600	1,200	1,200
<u>Total Revenues:</u>	29,350	67,700	67,700
<u>Expenses:</u>			
<u>Operating Expenses:</u>			
Laying poulets (5000 x LE 2.75)	12,500	12,500	12,500
Feeds (125 tons x LE 150) (250 tons x LE 150)	18,750	37,500	37,500
Medicines	500	1,000	1,000
Labour	540	1,080	1,080
Transportation	250	500	500
Misc.	200	100	100
Utilities	100	200	200
Maintenance	50	100	100
Litter	250	500	500
<u>Total Operating Expenses:</u>	33,140	53,480	53,480
<u>Other Expenses:</u>			
Loan Interest:	1,200	1,200	945
Loan Principal Repayment:	-0-	-0-	6,000
Depreciation:	485	970	970
<u>Total Other Expenses:</u>	1,685	2,170	7,915
<u>Total Expenses:</u>	34,825	55,650	61,395
<u>Net Income:</u>	-5,475	12,050	6,305
<u>Rate of Return as percent of sales:</u>	(-19%)	18%	9%

Report on a Visit to Sol Village, Giza
August 30, 1981

Purpose of the Visit: To discuss the loan application for expanding the existing poultry project at the Local Unit as well as exploring the possibility of distributing chicken batteries to the people who were given chicks by the Local Unit to raise them.

The village was visited by: Dr. Henry Schumacher, Production and Marketing Consultant
Eng. Mosaad Gharieb, LDF Poultry Specialist, and
Eng. Safaa Mohamed Shoukry, LDF Poultry Specialist.

FIRST: The existing Poultry Project at the Local Unit:

Who did they meet??

The project comprises two houses; an old one built by the Local Unit, and a new one.

A second loan application was submitted by the village requesting the sum of LE 15,000 for expanding the unit to operate at its full capacity.

1) The Poultry House previously built by the Local Unit:

- The house is empty at present as its floor needs to be cleaned and repaired.
- Instructions were given to the persons in charge to speed up the work in order to accommodate the chicks.
- The Head of the Local Unit ^{Mr.} was requested to report to the LDF Office on Monday August 31, 1981 to discuss and prepare the second loan application. *Local Council not involved??*

2) The new poultry house:

- The Local Unit was granted an LDF loan at LE 30,000 on December 10, 1980 to build a house for the production eggs to accommodate 2500 layers.
- A house (10 x 50 m²) was built.
- 50 batteries at LE 220, as well as 5000 "Jafa" layers at LE 4.5/chick were purchased.
- It was planned to raise chicks on the floor but the Local Unit followed the batteries system instead.
- Both the chicks and the batteries were purchased from Giza National Co. for Food Security.
- The Italian make battery (Farco) consists of 4 cages fixed on a stand, each cage is divided into 5 nests each nest accommodates 4 layers. The 2 x 2 m² battery was purchased at the cost of LE 220. A feeder is attached to the battery and plastic pipes carry water from a water tank fixed on each battery.
- The "Jafa" layers are big in size and brown in color and they are the result of a cross breeding between the New Hampshire and the Leghorn strains. The average egg production is 265 eggs per year. Eggs produced are brown in color and is 65 grams per egg.
- Operations started on July 20, 1981 by using 5000 layers. 5 layers were put in each nest instead of four. Mortality reached 50 layers up till now. The daily egg production reached 260.

SECOND: The distribution of chicken batteries to the people:

- The Giza National Co. for Food Security distributed chicken batteries to the people of Sol village through the Local Unit. 46 batteries at the cost of LE 260 were distributed as follows: 10 batteries to one person + 6 batteries on another person + 16 batteries to 14 persons at the rate of 1:3.

- The same company distributed the "Jafa" layers to the people at the cost of LE 4.5 per layer. The company also sells the feed at the cost of LE 155 per ton at the rate of 100 grams/day/chicken. The company also provides the necessary veterinary care free of charge.

- Two of the farmers who were given the batteries were visited and it was found out that one of them was using an empty space near his house for this purpose and the other was putting 3 batteries in two empty rooms on top of his house.

- Following are the two ways of dealing with the Giza Company when buying batteries and layers:

a) Buying a battery and 100 layers as well as the feed at the cost of LE 260 per battery and LE 4.5 per layer and LE 155 per ton of feed. The people will sell their eggs at the local market prices without any commitment to the Giza Company or any other organization.

260
450

b) To pay 1/4 of the cost of the battery and 100 layers (LE 65 + LE 112.5 = LE 177.5) and the rest (LE 532.5) would be paid out of the egg produced by delivering 75% of their eggs to the Giza Co. at LE .055 (layers are to be paid for within one year and the batteries within two years). Feed should be paid for in cash.

- On calculating the expected revenues during one year for a battery for 100 layers at a production rate of 265 eggs/year it was found out that:

a) when buying the batteries and the layers in cash:
100 layers x 265 eggs x LE .070 = LE 1,855,000

b) when delivering 75% of the egg production:
25 layers x 265 eggs x LE .070 = LE 463,750
75 layers x 265 eggs x LE .055 = LE 1,093,125

LE1,556,875

This means that when paying the full amount the revenue of the battery increases by LE 298,125.

- A preliminary study by the Local Unit showed that 500 families were anxious to get batteries.

- It was found out that the Local Unit Project could only accommodate 10,000 layers while we could double the production capacity of the village by distributing batteries to the people (5000 families) thus getting 50,000. To put that into effect, the following should be made available:

- Enough batteries at reasonable prices
- The suitable strains.
- The necessary chicken feed

- Units for preserving the produced eggs in order to enable egg producers to market their products at the highest prices.

Based on the above, a feasibility study could be prepared on the possibility of establishing three production units to provide the necessary elements (batteries, strains and feed) in addition to a preserving unit for the produced eggs. If this proves to be successful, the project could be implemented in most of the Egyptian villages.

GOVERNORATE: Giza
MARKAZ : El Badrashin

VILLAGE : Meet Rahina (Saqqara)
PROJECT : Transport

DATE OF VISIT: Sept.22, 1981
CODE NO: 10-05-01/2

We visited Meet Rahina and talked to the HEO who also manages the Saqqara transport project. These two projects are identical except that Meet Rahina makes more money because there is less private sector competition than in Saqqara.

The project, with capital of LE 12,000, operates two buses between local villages. It is well managed and has good records kept in the local unit. The buses are insured and have a mechanic under contract (LE 20/mth) to do preventive maintenance. The monthly sales average LE 1,200 and expenses at LE 400. HEO expects to pay back the loan in 18 months so he can obtain a LE 20,000 loan from LDF for a chicken project.

It took the HEO two months to obtain the loan. They contracted for the buses and then harassed LDF until they received the money. (They are only 15 kms from Cairo). The village did their own study before applying and participated in a review with the LDF consultants at the LDF office. Nine unit employees are working on the project and no salaries are charged to the project. At present about LE 160 is paid out each month in incentive pay. The LDF project account is separate from the SDA account.

When this HEO was appointed a year ago he had LE 4,000 in the SDA, he now has LE 32,000 from the profits of the following enterprises: rabbits, a large tree nursery, broilers, a feed plant, cheese-making, and handicrafts. He is also installing a large deep freeze for meat and potatoes (!).

The HEO had developed a transport scheme requiring LE 100,000 in capital. The National Bank of Egypt had agreed to finance the scheme at 6% and had asked for a letter of guarantee from the governorate. The Governor refused so the Bank withdrew its offer. LDF with LE 15,000 was the alternative.

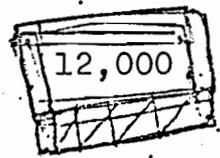
The local unit also has a joint venture with the private sector -- an artificial terrazzo marble factory. The private investor is providing LE 4,000,000. The village provides land and manages the employees and receives 10% of the profits. Some buildings are ready, several large pieces of equipment are on the site in crates. Considerable product development and testing has been done. A "glue" mixer which could be imported for LE 27,000, had been made from local materials for LE 3,000. The HEO is currently hazzling the Governorate over equipment installation. He hopes to have the plant in operation in three months - he also has a pipe factory. This local unit is worthy of considerable study by LDF and USAID.

DESCRIPTION OF PROJECT

CODE-NUMBER: (10 - 05 - 02) 11/79 LDF: LE 9,000
 Governorate: GIZA SDA: LE 3,000
 Markaz: EL BADRASHAIN 12,000
 Village: MEET RAHINA Terms: $\frac{1}{2} + 2 = 2\frac{1}{2}$
 Project Type: TRANSPORTATION
 Two Microbuses 11 passengers each

1. A capital investment of L/E. 9,000. from the LDF and L.E. 3,000 from other sources will be expended on the following:

- 1. Two microbuses FIAT 1500 11,550
- Insurance 330
- Inventory 120

4000 32000  ~~9000~~ 

2. The expected production is as follows:

	Tickets	LE	Trip	Day	Month	Bus	
Year 1 & 2:	11	x ,050	x 40	x 25	x 11	x 2	= 12,100
Year 3 :	11	x ,050	x 40	x 25	x 10	x 2	= <u>11,000</u>

3. The market for the products is expected to be:

The trip will be from the village to the Markaz for one bus, the other will be from El Aziziah to the Markaz.

4. The net return on expected total sales during the first year of operation is projected at 17 percent based on a loan of 2 $\frac{1}{2}$ years with a grace period of 6 months. At full capacity, the project is expected to yield a rate of return of 34 percent of total sales, after the repayment of the loan (calculated on 8 working months per year).

Receipt
Cash Register

1- *Morning operation*
Fuel
Maintenance
Follow up

7 AM .00

2
Financial Manager

10 : 00

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A-40-
(10 - 05 - 02) 11/79

LOCATION: GIZA
PLAGE: MEET RAHINA MARKAZ: EL BADRASHAIN
PROJECT TYPE: TRANSPORTATION
 Two Microbuses 11 passengers each

INCOME STATEMENT

July 1, 1983 - June 30, 1984

<u>Revenues:</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
	12,100	12,100	11,000
<u>Total Revenues:</u>			
	12,100	12,100	11,000
<u>Expenses:</u>			
<u>Operating Expenses:</u>			
Land rent:	-0-	-0-	-0-
Gasoline :	1,788	1,788	1,626
Lubrication :	435	435	396
Maintenance (repair):	964	964	867
Insurance :	330	330	330
Salaries :	1,575	1,575	1,432
Stationary & Others :	60	60	60
<u>Total Operating Expenses:</u>			
	5,152	5,152	4,720
<u>Other Expenses:</u>			
Loan Interest:	332	304	152
Loan Principal Repayment:	2,250	4,500	2,250
Depreciation:	2,310	2,310	2,310
<u>Total Other Expenses:</u>			
	4,892	7,114	4,712
<u>Total Expenses:</u>			
	10,044	12,266	9,432
<u>Net Income:</u>			
	2,056	(- 166)	1,568
<u>Rate of Return:</u>			
	17%	(-1%)	14%

Average rate of return during the 3 years = 9.8%
 after the repayment of the loan the rate will be 34% (8 working months)

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DESCRIPTION OF PROJECT

CODE NUMBER:	(10 - 05 - 01) 11/79	LDF: LE 9,000
Governorate:	GIZA	SDA: LE 3,000
Markaz:	EL BADRASHAIN	P.P: -0-
Village:	SAQQARA	Tot. LE 12,000
Project Type:	TRANSPORTATION	Terms: $\frac{1}{2} + 2 = 2\frac{1}{2}$
	Two Microbuses 11 passengers each	

1. A capital investment of L/E. 9,000 from the LDF and L.E. 3,000

from other sources will be expended on the following:

Two Microbuses FIAT 1500	LE 11,550
Insurance	330
Inventory	120
	LE 12,000

2. The expected production is as follows:

		Tickets	LE	Trips		Day	Month	=	LE
Year 1&2:	1st Car:	11	x,05	x 40	x 25	x 11	=	LE 6,050	
	2nd Car:	11	x,10	x 20	x 25	x 11	=	LE 6,050	
								LE 12,100	
Year 3:	1st Car:	11	x,05	x 40	x 25	x 10	=	LE 5,500	
	2nd Car:	11	x,10	x 20	x 25	x 10	=	LE 5,500	
								LE 11,000	

3. The market for the products is expected to be:

One car is running the village to the Markaz.
 The second car is running from the village to the Pyramid.
 Street passing by Abou Seer, Shobramant and El Harraniyah.

4. The net return on expected total sales during the first year of operation is projected at 13 percent based on a loan of 2 $\frac{1}{2}$ years with a grace period of 6 months. At full capacity, the project is expected to yield a rate of return of 15 percent of total sales, after the repayment of the loan (calculated on 8 working months per year).

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(10 - 05 - 01) 11/79

URNORATE: GIZA
LLAGE: SAQQARA MARKAZ: EL BADRASHAIN
PROJECT TYPE: TRANSPORTATION
 Two Microbuses 11 passengers each
INCOME STATEMENT

July 1, 1981 - June 30, 1984

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<u>Revenues:</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
	12,100	12,100	11,000
<u>Total Revenues:</u>	12,100	12,100	11,000
<u>Expenses:</u>			
<u>Operating Expenses:</u>			
Land rent :	-0-	-0-	-0-
Gasoline :	2,235	2,235	2,032
Lubrication :	498	498	453
Maintenance (repair):	1,135	1,135	1,032
Insurance :	330	330	330
Salaries :	1,404	1,404	1,277
Stationary & Others :	60	60	60
<u>Total Operating Expenses:</u>	5,662	5,662	5,184
<u>Other Expenses:</u>			
Loan Interest:	332	304	152
Loan Principal Repayment:	2,250	4,500	2,250
Depreciation:	2,310	2,310	2,310
<u>Total Other Expenses:</u>	4,892	7,114	4,712
<u>Total Expenses:</u>	10,554	12,776	9,896
<u>Net Income:</u>	1,546	(- 676)	1,104
<u>Rate of return :</u>	13%	(-5%)	10%

Average rate of return during the 3 years = 5.6%
 After the repayment of the loan the rate will be = 15% (8 working months)

GOVERNORATE : Giza
VILLAGE : Shubra Mant

MARKAZ : Giza
PROJECT: Dairy

DATE OF VISIT : Sept. 22, 1981
CODE NO: 10-02-01

This loan of LE 83,000 is the largest to be approved by the LDF so far. The loan is complemented by a local contribution of LE 28,258 in the form of land and buildings. The loan was approved in September after a wait of two years. LDF advisors participated actively in the design of the project.

None of the loan money has been used yet. Construction is underway however using council funds. The project is scheduled to begin operations in October on a small scale and gradually develop over time. Priority in marketing the milk produced will be given to the local villagers.

The council hopes to establish a milk processing plant when the amount of milk available for sale outside the immediate area can justify the additional investment. This expansion of the project to include processing will require additional loan financing.

The village council also operates two cattle fattening projects (one of which was financed by an ORDEV grant), a carpet weaving project and a furniture factory. Their proximity to Cairo offers major advantages in terms of marketing which are not enjoyed by more remote projects.

Governorate: Meniya

Markaz: Maghagha

Village: Tambady

Project: Poultry: Broilers

Date of Visit: Sept. 21, 1981.

Code No: 13-01-03

Present during visit:

Ahmad Abdel Hamid Ascalloni, Chief of Animal Production,
ORDEV, Maghagha.

Ahmad Mohamed Khallif, Loan Officer, ORDEV, Meniya.

Samir Mohamed Abdel Gowad, Head Executive Officer.

Miss Nusa Nagib Ali, Project Director.

ENTERPRISE VIABILITY:

- Finance:

Loan Amount:	15,000	
Local Contribution:	5,000	Local SDA
	<u>10,000</u>	Given from the governorate SDA fund
	30,000	TOTAL

- Current Project Status: The chickens have not yet arrived. They will arrive next week. They applied for the loan in August 1980 and received a check six months later. This they deposited in the local village bank and it has been gathering interest. They make their loan payments from interest gathering on the savings. During the one year grace period they pay only 4% interest. They are receiving 6% on their savings in the BDAC.

- Management: The project is managed by a woman with a degree in Agricultural Engineering. She originally comes from a neighbouring village. Her team consists of four, two technicians and two laborers - all men.

- Records: The only entries in the cashbook were the loan payments, the recent one time payment to the contractor for building the chicken house, and the various payments for equipment, shipping, etc. The Assistant Project Manager has been keeping these records. No one has received any training to date from LDF in bookkeeping. The Project Manager has been writing the quarterly reports.

- Other Village Projects: They have a cattle fattening project. In discussing this project, people present during the interview became quite vocal in complaining that the village is

required to sell to the Government at controlled prices. One farmer said that they have to buy back meat for consumption at twice the price it is sold. When we visited the cattle fattening project, the local vet was present. We asked why he does not recommend using a feed lot system and castrating the bull calves. He admitted that the two practices together could double profits but he was prevented from doing so. We had difficulty understanding who was preventing him.

- Incentive Pay: It is the custom to have the basic salaries of people working on projects paid by the Government and then have the project team divide up 25% of the net profits.

- LDF/Village Council Relationship: They learned about the LDF loans during some sessions in Cairo with ORDEV people. No one from ORDEV Cairo has ever visited the project. The Ministry of Agriculture provided all five members of the project team with a two month course on chicken raising which was held in Marghaha.

- Monitoring: The local ORDEV man visits once in a while. He never hears from Cairo. As far as repaying the loan, the Unit Chief has a schedule and mails in checks according to the schedule. He never receives a notification or a receipt.

- Beneficiaries:

Employees: five are receiving salaries from the Government and will be receiving incentive pay from the project.

Materials and Supplies: the construction and furnishing of the building was put out on tender and let to the lowest bidder, a contractor from Marghaha. They have arranged to sell 25% of their production to residents in the village, 25% to the Markaz and 50% to the Governorate.

Profit: the village council has elected to put 75% of all profits back into capital development activities and share 25% amongst the villagers.

Village bank: all their accounts are in the bank. But they have never taken out a loan because they have access to cheaper money.

- Project Costs:

The building cost L.E. 27,000

The chickens 3,000

They need another LE 2,000 for feed which they receive at government controlled prices. They are about to ask the Government for an additional L.E. 2,000 grant.

- Comments: We visited the chicken house. It was all ready to go. All equipment in place, waiting for the chicks. We noted that the house will be heated by Butagas and electric heaters. We told them about the chicken project in Fayoum that heated with biogas. We suggested they go visit it. They have never heard of biogas and thought our description rather strange. This and the cattle fattening project are good examples of the need to create mechanisms for providing better technical assistance and informational exchange.

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DESCRIPTION OF PROJECT

CODE NUMBER: (13 - 01 - 03)
 Governorate: MENIYA
 Markaz: MAGHAGHA
 Village: TAMBADY
 Project Type: BROILER PRODUCTION

1. A capital investment of L/E. 15,000 from the LDP and L.E. 5,000

from other sources will be expended on the following:

Land	1,200
Building	9,000
Equipment	1,650
Inventory	2,500
Operating Expenses	5,650
	<u>20,000</u>

2. The expected production is as follows:

	<u>Year 1</u>	<u>Year 2-6</u>
Broiler (19,000 x LE 1) (28,500 x LE 1)	19,000	28,500
Manure (60.m ³ x LE 5) (100m ³ x LE 5)	. 300	500
	<u>19,300</u>	<u>29,000</u>

3. The market for the products is expected to be:

The same village and the surrounding villages.

4. The net return on expected total sales during the first year of operation is projected at 24 percent based on a loan of 6 years with a grace period of 12 months. At full capacity, the project is expected to yield a rate of return of 15 percent of total sales

GOVERNORATE : Menia MARKAZ : Samalout
VILLAGE : Astal PROJECT: Consumer Coop

DATE OF VISIT: Sept.20,1981
CODE NO : 13-06-04

A loan of LE 15,000 was made to this project in June of 1981 after a wait of about one and a half years. As soon as the loan was received a refrigeration unit was purchased for LE 4,000; inventory was placed in stock and the shop was opened. This is not a consumer cooperative as recorded in LDF documents made available to the review team. It is rather a village council owned general goods shop.

At the time of our visit the value of inventory was estimated at L.E. 3-4,000. Average daily sales were estimated at LE 200 per day/six days per week. We were unable to confirm either of these figures because our visit was unexpected and the store manager was not present. These figures would indicate that only LE 7-8,000 of the total capital of LE 20,000 (LDF 15,000 local contribution 5,000) has been used to date. We were told that the inventory is still being built up but question the necessity of maintaining LE 10,000 in inventory in a village shop.

The present inventory turn-over period is in the range of 15-20 days based on the figures we were provided. This is quite short and indicates that there are probably shortages of some products at times. The turn-over period will lengthen as inventory is built-up. This should be carefully monitored to ensure that the shop does not tie up its capital in low demand items.

The shop sells its good at government controlled prices which are somewhat lower than other shops in the village. The average mark-up was estimated at 15% which allows a reasonable profit to the village council thanks in part to the fact that the three workers are paid by the governorate.

This shop is the only one in the village with a refrigeration unit. Thus, it is able to carry some products (frozen fish, etc.) which other shops do not.

The primary beneficiaries of the project are the workers and the local consumers who are able to buy their goods at prices below the local market rate and who have access to frozen goods not normally available.

The local council is planning to open branches of the shop in satellite villages.

A-55-

مستند عام القري
التربية

DESCRIPTION OF PROJECT

CODE-NUMBER: (13 - 06 - 04) ¹¹/₇₉
 Governorate: MENIYA
 Markaz: SAMALOUT
 Village: ASTAL
 Project Type: ~~COOPERATIVE SOCIETY~~

1. A capital investment of L/E. 15,000 from the LDF and L.E. 5,000 from other sources will be expended on the following:

Land & Building	4,000
Equipment	4,000
Office Equipment	1,000
Inventory	11,000
	20,000

2. The expected production is as follows:

Revenue per cycle $\frac{11000 \times 10}{100} = 1,100$

Annual revenue (6 cycles per year)
 $1,100 \times 6 = 6,600$

3. The market for the products is expected to be:

The village and the neighbouring villages.

4. The net return on expected total sales during the first year of operation is projected at 48 percent based on a loan of 7 years with a grace period of 24 months. At full capacity, the project is expected to yield a rate of return of 12 percent of total sales

BEST AVAILABLE COPY

~~the members in coop~~ ^{not a} ~~firm supplies~~ general merchandise
 3 or 4 thousand inventory
 building up inventory
 selling lower than other shops
 - only one with freezer
 3 months in operation

4000 equp (freezer)
 11,000 inventory
 have cash
 avg sales 200/day
 six days/wk
 want to open branches

CODE: (13 - 06 - 04) ¹¹/₇₉ A 56-
GOVERNORATE: HENIYA
VILLAGE: ASPAL MARKAZ: SAMALOUT
PROJECT TYPE: COOPERATIVE SOCIETY

INCOME STATEMENT

198 - February 198

<u>Revenues:</u>	<u>Year 1</u>	<u>Year 2-6</u>
Revenue per cycle 11,000 x $\frac{10}{100}$	1,100	
Annual revenue (6 cycles/yr)	6,600	
<hr/>		
<u>Total Revenues:</u>	6,600	
<u>Expenses:</u>		
<u>Operating Expenses:</u>		
Containers	100	100
Stationary	40	40
Water	48	48
Electricity	60	60
Labor (2 x LE 45/month)	1,080	1,080
Transportation	480	480
Maintenance	400	400
Misc. (10% of expenses)	221	221
<hr/>		
<u>Total Operating Expenses:</u>	2,429	2,429
<u>Other Expenses:</u>		
Loan Interest:	600	468,75
Loan Principal Repayment:	-0-	2,500
Depreciation:	400	400
<hr/>		
<u>Total Other Expenses:</u>	1,000	3,368,75
<u>Total Expenses:</u>	3,429	5,797,75
<u>Net Income:</u>	-3,171	802,25
<u>Rate of return as percent of sales:</u>	48%	12%

GOVERNORATE: Menya
VILLAGE: Tellah

MARKAZ: Menya
PROJECT: Mixed Poultry
(Broilers and Layers)

DATE OF VISIT: Sept.20,1981
CODE NO: 13-01-02

This loan of LE 30,000 will provide for a major expansion of the poultry project undertaken by the village council in Tellah. The number of broilers produced per cycle (50 days) will be doubled to 6000 with the addition of a second floor which was nearly complete at the time of our visit. A new barn for layers is also being constructed which will accommodate 1000 hens once completed in October. This building can be further expanded in the future by the addition of second and third floors.

A total of LE 33,000 of loan and SDA funds has been spent on the expansion of the broiler barn and construction of the layer barn. While this amount does not appear to be excessive, it is quite inconsistent with the loan application which projected that LE 10,000 would be used for new construction.

The village head stated that SDA funds were used to cover the extra building expenses and that LE 12,000 of the loan funds remain with which to finance the start-up of the layer operation. The first floor of the broiler barn already contains 6000 chicks which will expand into the 2nd floor when it is completed.

Each cycle of broilers generates approximately L.E. 3000 in profit to the project and they are able to run through five cycles per year. The layer operation is not yet implemented so no operating data is available. We were not able to examine the accounting records for the project as they were at the City Council but we were told that a separate cash book is maintained for each sub-project. Only one bank account is maintained, however, with all combined unit funds comingled in it.

This village unit has considerable experience in managing economic projects having a cattle fattening project, a beekeeping project and a small broiler project in operation prior to the approval of this loan. The cattle fattening project was initiated using L.E. 3000 of SDA funds. It is currently valued by the management at LE 34,000.

The village unit supports a wide range of social projects from its SDA account including schools, a health center, road repair, bus stop shelters, public water taps, a handweaving training school for girls and others. The allocation of SDA funds is decided jointly by the appointed and elected councils. They also use the economic projects as a means of training local people in improved animal husbandry and construction methods.

The primary beneficiaries of the poultry project include the farmers who receive training while employed by the project. Secondary beneficiaries include local consumers (Tallah and Menia) who are able to purchase broilers at about 10pt. less than the free market price and villagers who benefit from the projects supported by SDA.

The village council is in regular contact with the local ORDEV representatives and has been visited three times by people from Cairo for training purposes. They are very pleased with the assistance they have received from ORDEV.

DESCRIPTION OF PROJECT

CODE NUMBER: (13 - 02 - 02) 11/79
 Governorate: MENIYA
 Markaz: MENIYA
 Village: TELLAH
 Project Type: POULTRY (Layers)

1. A capital investment of L/E. 30,000 from the LDF and L.E. 28,000

from other sources will be expended on the following:

Land	LE	3,000
Buildings (Existing)		20,000
(New)		10,000
Equipments (Existing)		1,000
(new)		2,200
Animals		7,000
Operating Expenses		14,800

LE 58,000

2. The expected production is as follows:

	<u>First year</u>	<u>Year 2-6</u>
Broilers: (17,100 x LE 1.25)	21,375	21,375
Layers: (3300 x LE 3)	9,900	9,900
Eggs: (82500 x LE,050)	4,125	8,250
(table) (165000 x LE,050)		
Eggs for: (247500 x LE ,065)	16,087.5	32,175
Hatching (495000 x LE ,065)	5,780	5,780
Cocks: (3,400 x LE 1.7)	-0-	6,000
Birds: (3000 x LE 2)		
Manure: (420 m ³ x LE 6)	5,520	4,080
(680 m ³ x LE 6)		
	<u>59,787.5</u>	<u>87,560</u>

3. The market for the products is expected to be:
 The village and the Markaz villages.

4. The net return on expected total sales during the first year of operation is projected at 21 percent based on a loan of 6 years with a grace period of 12 months. At full capacity, the project is expected to yield a rate of return of 29% percent of total sales

GOVERNORATE : Menya MARKAZ : El Menya
VILLAGE : El Bergaih PROJECT: Red Brick Production

DATE OF VISIT: Sept. 21, 1981
CODE NO: 13-03-01

This project was financed by an LDF loan of LE 15,000 and a local contribution of LE 14,000 made up of land (LE 2,000) and cash from the village SDA. The loan was approved in July 1980 and LE 19,000 has been spent to date on start-up operations. Approximately 500,000 unfired bricks have been stored up for firing. Traditional firing methods are being used to produce sufficient fired bricks to build a permanent kiln at the site.

Some technical problems have arisen with regard to producing mud suitable for high quality brick production. A new mixing machine and supply of material to mix with the available soil were expected to arrive on the day of our visit. LDF was helpful in obtaining a laboratory analysis of the mud and recommending additives. The mud used is dredged from a main canal and is abundantly available.

It is not possible to assess the financial viability of the project at this time but the project manager estimates the cost of each brick at 1.8 piasters including labor costs but excluding interest and depreciation. The sales price will be 2.5 piasters per brick which is considerably less than the local market price of 3.4 - 4 piasters per brick. If they are able to achieve their target of 10,000 bricks per day for 300 days per year they would realize a net profit of LE 12,000 on sales of 3 million bricks before distribution of incentive pay.

The loan application form projected selling four and a half million bricks per year at 1.8 piasters per bricks. It is not clear why the production projections has been decreased and the price has been increased. The currently projected production level of 10,000 per day appears rather ambitious and very careful management will be required to maintain it day after day.

The project employs five workers who are paid by the governorate and 30-50 local workers on a part-time basis at a rate of LE 2.00 per day. These part-time workers, who will presumably become full-time, along with contractors and individuals who will be able to buy at less than market prices will be the primary beneficiaries of the project.

The village council also operates an agricultural machinery project (ORDEV grant financed) and a beekeeping project. It has also received a BVS grant of LE 48,000 for road construction and potable water projects.

The loan approval process required one and a half years because brick production is low on the list of LDF priorities which favor "food security" projects. They were in contact with LDF via the ORDEV office in the governorate throughout that time and appear to feel that the process was well managed.

A-62-

LDF: 15,000
SDAI 7,000
P.P: 7,000

July '80

29,000

Terms: 1 + 4 = 5

(9)

DESCRIPTION OF PROJECT

Code Number: (13 - 03 - 01)
Governorate: MINYA
Markaz: EL MINYA
Village: EL BERGAIH
Project Type: RED BRICK PRODUCTION

1. A capital investment of L.E. 15,000 from the LDF and L.E. 14,000 from other sources, will be expended on the following during the first year of construction:

Land:	L.E.	2,000	<u>5000</u> land
Construction:		12,000	3000
Clay mixer		3,000	5000 mixer + concrete
Truck & trailers:		4,700	5000
Office equipment:		300	
Office supplies:		100	3054 Op exp
Spare parts:		500	182
Utilities:		100	530
Inventory for 6 months		5,700	102
Sand: (150m ³)		(450)	
Straw (150 tons)		(3,000)	30
Diesel Oil (187.5 tons)		(2,250)	

Loan interest for first year 600

Total 29,000

2. The expected production is as follows:

	<u>Years 2 - 5</u>
4½ million bricks per year x L.E. 18/thousand =	L.E. 81,000
500 m ³ of broken bricks x L.E. 4 =	2,000

Total: 83,000

3. The market for the products is expected to be:

Buyers from surrounding villages

4. The net return on expected total sales during each of the first four years of operation is projected at 25 percent bases on a loan of 5 years with a grace period of 12 months. The project is expected to yield a rate of return of 30 percent of total sales after the fifth year of the project.

DATE: (13 - 03 - 01) A - 63 -
GOVERNORATE: MINYA
VILLAGE: EL BERGAIH
PROJECT TYPE: RED BRICK PRODUCTION

LDF: L.E. 15,000
 SDA: 7,000
 P.P: 7,000
 29,000
 Terms: 1 + 4 = 5

INCOME STATEMENT

March 1980 - February 1987
 JULY JUNE

Revenues:

	Year 2-5
Bricks: 4½ million x L.E. 18/thousand	81,000
Broken bricks: 500 M ³ x L.E. 4	2,000

<u>Total Revenues:</u>	83,000
------------------------	--------

Expenses:

Operating Expenses:

Transportation:	1,500
Raw materials:	11,400
Salaries:	40,500
Maintenance:	600
Fuel & power	1,250
Runing expenses:	-0-
Stationery	200
Inventory	-0-

<u>Total Operating Expenses:</u>	55,450
----------------------------------	--------

Other Expenses:

Loan Interest:	478 600
Loan Principal Repayment:	3,750
Depreciation:	2,340

<u>Total Other Expenses:</u>	6,568
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<u>Total Expenses:</u>	62,018
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<u>Net Income:</u>	20,982
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Return on sales (per cent)	25%
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A
-64-

GOVERNORATE : Menya MARKAZ : Bani Mazar
VILLAGE : Shalakam PROJECT: Cement Tile Production

DATE OF VISIT: Sept. 21, 1981
CODE NO: 13-03-04

This project received LE 15,000 in the first group of LDF loans extended in March of 1980. They have constructed an appropriate factory building, acquired all necessary equipment and initiated production in June of 1981.

At the time of our visit a total of 800 m² of tile had been produced in various styles. Of this amount, 560 m² had been sold for LE 700 netting the project an estimated LE 123 in profits. The estimated capacity of the plant is 20-25 m² per day (6000-7500 m² per year). Original projections called for production of 8000 m² per year selling at an average price of LE 2.25 per m².

The price of tile varies depending upon the design and ingredients but the highest priced tile at present sells for LE 2.20 per m² and the average would be in the neighborhood of LE 1.80. The actual average price of tile sold to date would only be LE 1.25 per m².

These variances from the projected revenue level cast considerable doubt on the long-term viability of the project and its ability to repay the loan on schedule. Management at the site appears to be sound and good financial records are maintained so it is possible that adjustments can be made to improve performance over time. It is also possible that actual operating expenses will turn out to be lower than projected or that production will be higher either of which would improve the financial outlook for the project.

It is much too soon to declare this project a failure and our information is based only on an interview with the project manager rather than a detailed financial analysis but we would recommend that steps be taken to check the progress of the project and recommend operational changes if necessary.

The Shalakan Village Council also operates other income generating activities including irrigation, cattle fattening, beekeeping and carpentry projects. Profits from these projects are used to support a variety of social projects including a girls training school and a nursery school.

Five workers are currently employed by the project including one from the government and four hired locally. These would be the primary project beneficiaries.

A-65-

DESCRIPTION OF PROJECT

CODE NUMBER : (13-03-04) 11/79	LDF: L.E. 15,000
Governorate : MINYA	SDA: L.E. 4,500
Markaz : BANI MAZAAR	P.P: L.E. -,-0-
Village : SHALAKAM	
Project Type: BUILDING MATERIAL	Tot. L.E. 19,500
(new cement tile workshop)	Terms: 2 + 5 = 7

1. A capital investment of L.E. 15,000 from the LDF and L.E. 4,500 from other sources will be expended on the following:
- 1.1. L.E. 1,500 Land price (150 sq.m.)
 - 1.2. L.E. 5,000 Building construction cost of the workshop
 - 1.3. L.E. 1,500 Pressing and polishing machines
1,500 Softing machine and a generator
2,000 Water machine and pools for tile curing
 - 1.4. L.E. 7,400 Inventory
600 The loan interest for the first year
(the L.E. 8,000 will be payed on two years, L.E. 4,000 each)
- Tot. 19,500

2. The expected production is as follows:

- 2.1. The workshop will be under construction during the 1st year (the production will start at 1/1/1981)
- 2.2. The production during the year 2 to 7 will be 12,000 sq.m./year (L.E. 18,000 / year)

3. The market for the products is expected to be:

In the village and the nearest villages (from the northern direction)

4. The net return on expected total sales during the first year of operation is projected at 29 % based on a loan of SEVEN year with a grace period of 24 months. The project is expected to yield a rate of return of 12 % of total sales. (as mean rate for the last FIVE years)

A 66-

INCOME STATEMENT

1/3/1980 - 28/2/1987

CODE NUMBER : (13-03-04) 11/79	LDF: L.E. 15,000
Governorate : MINYA	SDA: L.E. 4,500
Markaz : BANI MAZAAR	P.P: L.E. -,0-
Village : SHALAKAM	
Project Type: BUILDING MATERIAL	Tot. L.E. 19,500
(new cement tile workshop)	Terms: 2 + 5 = 7

	Year - 1 (under construction)	Year - 2 18,000	Year 3 - 7 18,000
<u>OPERATION REVENUE</u>			

EXPENSES

Operation Expenses

Raw Material	:	-0-	9,200	9,200
Transportation	:	-0-	1,000	1,000
Salaries	:	-0-	1,020	1,020
Maintenance	:	-0-	50	120*
Fuel and Power	:	-0-	100	100
Stationary	:	-0-	20	20
			<hr/>	<hr/>
Total Operation Expenses		-0-	11,390	11,460*

Other Expenses

Loan Interest	:	600	600	473*
Loan Principal Repayment:		-0-	-0-	3,000
Depreciation 5% Const. +):		-0-	750	750
10 Machinery }				
		<hr/>	<hr/>	<hr/>
Total Other Expenses		600	1,350	4,323*

<u>GRAND TOTAL EXPENSES</u>		600	12,740	15,783*
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<u>NET INCOME</u>		under construction	5,260	2,217*
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<u>RATE OF RETURN</u>		" "	29.2%	12.3%*
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* mean value

BEST AVAILABLE COPY

GOVERNORATE : Sharkiya
MARKAZ : Hehya

VILLAGE : El Alakma
PROJECT : Poultry

DATE OF VISIT : 24th Sept, 1981
CODE NO: 03-01-15

In March 1981 the village council requested a loan of LE 21,000 to add to their own LE 6,500 (LE 3,000 in land and LE 3,500 in cash from the special account). The LDF check was deposited in the village account in early September 1981 - about two weeks before our visit to the site.

The HEO is about to organize the building of the broiler house,-- estimated to cost LE 15,000. This is expensive and represents a high proportion of the loan. The village will follow the standard design provided by ORDEV and other departments at the Governorate which require reinforced concrete frames and concrete plastered brick walls. They will try to save money by using labor from the village, rather than a contractor. In El Helmiya, Sharkiya, the local council, using local labor rather than a contractor built their broiler house for LE 16,000 rather than the expected LE 25,000.

The Local Popular Council had not played a significant role in the project and the HEO knew very little about the workings of the LDF. They said they had just filled out the application and returned it to the Governorate. The similarities between this application and others from Sharkiya indicate that ORDEV/LDF is marketing a standard design to the villages - with few decisions to be made at the local level. The village selected broilers, rather than layers because neighboring villages have layer units.

The HEO plans to use local labor and building materials and sell the chickens in the surrounding villages. The Agricultural Engineer working in the local unit will supervise three other workers who will share any profits according to the LDF incentive pay schemes.

The Village Head has never applied for credit from any other source - "It had never occurred to me".

The village had established a small nursery and 100 beehives with ORDEV grants to produce money for the SDA. They also built a youth center. They have no other projects planned at the moment.

DESCRIPTION OF PROJECT

CODE NUMBER: (03 - 01 - 15)
 Governorate: SHARKIYA
 Markaz: HEHIA
 Village: EL ALAKMA
 Project Type: 5000 BROILER UNIT

1. A capital investment of L/E. 21,000 from the LDF and L.E. 6,500 from other sources will be expended on the following:

Land	3,000
Buildings	15,000
Equipment	1,500
Transportation	360
Chicks	4,200
Operating expenses	<u>3,440</u>
	27,500 ✓

2. The expected production is as follows:

	<u>Year 1</u>	<u>Year 2-6</u>
Broilers (14250 x L.E. 1.25) (28500 x L.E. 1.25)	17,812.5	35,625
Manure (45 m ³ x LE 5) (90 m ³ x LE 5)	<u>225</u>	<u>450</u>
	18,037.5	36,075

3. The market for the products is expected to be:

The village and Markaz.

4. The net return on expected total sales during the first year of operation is projected at 23 percent based on a loan of 6 years with a grace period of 12 months. At full capacity, the project is expected to yield a rate of return of 15 percent of total sales

NOBATE:
AGE:
OBJECT TYPE:

(03 - 01 - 15) ^{A69-}
 SHARKIYA

EL ALAKMA

MARKAZ: HEHIA

5000 BROILER UNIT

Aug. 1981 - July 1985

<u>Revenues:</u>	<u>Year 1.</u>	<u>Year 2-6</u>
Broilers (14250 x LE 1.25) (28500 x LE 1.25)	17,812.5	35,625
Manure (45 m ³ x LE 5) (90 m ³ x LE 5)	225	450
<u>Total Revenues:</u>	<u>18,037.5</u>	<u>36,075</u>
<u>Expenses:</u>		
<u>Operating Expenses:</u>		
Chicks (15000 x PT 28) (30,000 x PT 28)	4,200	8,400
Feeds (37 tons x LE 190) (75 tons x LE 190)	7,125	14,250
Litter (4.5 tons x LE 17) (9 tons x LE 17)	75	150
Medicines		
Labor & vet.	300	600
Transportation	450	820
Misc.	120	240
Maintenance	100	200
Water & Electricity	50	100
Butagaz	60	120
<u>Total Operating Expenses:</u>	<u>90</u>	<u>180</u>
<u>Other Expenses:</u>	<u>12,580</u>	<u>25,060</u>
Loan Interest:	840	661.5
Loan Principal Repayment:	-0-	4,200
Depreciation:	450	900
<u>Total Other Expenses:</u>	<u>1,290</u>	<u>5,761.5</u>
<u>Expenses:</u>	<u>13,870</u>	<u>30,821.5</u>
<u>come:</u>	<u>4,167.5</u>	<u>5,253.5</u>
return as percent of sales	23%	15%

A30-

GOVERNORATE : Sharkiya
MARKAZ : Zagazig

VILLAGE : El Asloug
PROJECT : Cattle Fattening

DATE OF VISIT : 23rd Sept.1981
CODE NO: 03-02-04

The local unit had an old building which could be used as a cattle barn so the Agriculture Engineer decided to start a cattle fattening project. (If they had not had the old building they might have started a poultry project). The Popular Council agreed and they applied for a loan of LE 15,000 to add to their own contribution of LE 6,315 (The HEO heard about the loan from the governorate, who also reviewed the application, land and the building). The loan was used to buy stock and feed. Thirty-three bulls cost LE 13,500 - at approximately LE 1.50/kg live weight - considerably more than was anticipated in the application. They plan to increase the weight of the bulls from about 275 kg to 400 kg and then sell them. At present they must sell them to the Governorate at 1.05/kg live weight. This will only just cover the cost of the young bulls and leave little margin for feed, labor, profit etc. The HEO and ORDEV head from Zagazig hope to obtain permission to sell the bulls in the open market at LE 1.55/kg live weight. Though this problem has been known for sometime it has yet to be resolved - and shortly the cattle will begin to eat into any profits that might be made on this project.

The records of the project appeared complete, with a cash book, weight and feeding records, and a treatment record kept by a woman veterinarian stationed at the local unit. She renders considerable technical assistance to the full-time manager. There are four full-time laborers and a supervisor - all on the local unit payroll and receiving LE 5 per month "extra pay". Incentive pay will be given after the animals are sold..

The project has not received any technical assistance from ORDEV, who visit the project every 6 weeks to check the records. It is not clear what they are checking.

The Project's second major problem is a shortage of feed from the government supplier. They have secured 140 kg/head/month rather than the 210 kg/head/month they feel they need. The local unit prefers to buy from the government at LE 35/ton rather than private sources at LE 80/ton.

Two interest payments have been made with money from the special account. They have not sent any quarterly reports, but intend to do so when their batch of bulls is sold.

The council also runs a tractor, carpentry shop, beehives and pigeon towers for revenue. They were financed from the council's special accounts and ORDEV grants.

Oct. 1980
JAN. '81

DESCRIPTION OF PROJECT

CODE NUMBER: 03 04
(10 - 02 - 03)
Governorate: SHARKIYA
Markaz: EL ZAGAZIG
Village: EL ASLOUGY
Project Type: CATTLE FATTENING (Building for 50 heads)

3

1. A capital investment of L/E. 15,000 from the LDF and L.E. 6,315

from other sources will be expended on the following:

Land	3,000	
Building	2,500	
Equipment	300	
Purchase of 50 young bulls	11,500	→ 230.
Operating expenses	4,500	
		↓
		400 & 420

~~How much~~
N

2. The expected production is as follows:

Cattle sales of 100 bulls	36,750
Manure sales of 200 m ³	150

3. The market for the products is expected to be:

The same village and the nearest villages.

4. The net return on expected total sales during the first year of operation is projected at 11.9 percent based on a loan of 7 years with a grace period of 24 months. At full capacity, the project is expected to yield a rate of return of _____ percent of total sales

12.2% for the second year
4.4% for years 3-7

(01-02-03) (03-02-01) A72-
 SHARKIYA
 EL ZAGAZIG AS Loucy MARKAZ: EL ZAGAZIG.
 CATTLE FATTENING: (Building for 50 heads)

OCT. 1980

INCOME STATEMENT

Oct. 1980 - Sept. 1987

<u>Operating Revenues:</u>	<u>Year 1</u>	<u>Year:2</u>	<u>Year 3-7</u>
Cattle sales (number of bulls) LE 1.50/kg	50 x 367.5 LE 18,375	100 x 367.5 LE 36,750	100 x 367.5 LE 36,750
Manure sales (cubic meters) P.T. 50/m ³	100 x .75 LE 75	200 x .75 LE 150	200 x .75 LE 150
<u>Total Operating Revenues:</u>	<u>LE 21,100</u>	<u>LE 42,200</u>	<u>LE 42,200</u>
<u>Operating Expenses:</u>			
Purchase of young bulls (number) LE 230	50 x 230 LE 11,500	100 x 230 LE 23,300	100 x 230 LE 23,000
Feed concentrate (tons) LE 40/ton	54 x LE 40 LE 2,160	108 x LE 40 LE 4,320	108 x LE 40 LE 4,320
Straw (tons) LE 30/ton	27 x LE 30 = 810	54 x LE 30 = 1,620	54 x LE 30 = 1,620
Green Fodder			
Labour (3 workers)	LE 720	LE 1,440	LE 1,440
Animal insurance and vet.	LE 100	LE 200	LE 200
Transportation:	LE 100	LE 200	LE 200
Miscellaneous:	LE 125	LE 250	LE 250
<u>Total operating expenses:</u>	<u>LE 15,515</u>	<u>LE 31,530</u>	<u>LE 31,530</u>
<u>Gross Operating Income or (Loss):</u>			
<u>Other expenses:</u>			
Loan interest:	600	600	473
Loan principal:	-0-	-0-	3,000
Depreciation: (building 5%):	135	270	270
<u>Total Other Expenses:</u>	<u>735</u>	<u>870</u>	<u>3,743</u>
<u>Total Expenses:</u>	<u>16,250</u>	<u>32,400</u>	<u>53,273</u>
<u>Net Income:</u>	<u>2,930</u>	<u>5,370</u>	<u>5,370</u>
Rate of return as percent of sales	11.9%	12.2%	4.4%

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A 73 -

GOVERNORATE : Sharkiya
MARKAZ : Kafr Sakar

VILLAGE : El Hagarsa
PROJECT : Tractor and Transport

DATE OF VISIT : 23 Sept. 1981
CODE NO: 03-07-02

In January 1981 the local unit received LE 15,000 for their tractor and truck project. They immediately ordered a "Nasser" tractor from the public sector company and a small pick-up truck from a private company. They received and adapted the truck for carrying cargo and passengers and put it into service immediately. The council is still waiting for the tractor to be delivered. It has been promised for October 1st 1981.

They want to buy the "public sector" tractor because it is cheaper (LE 9,000 vs. LE 13,000) and more suitable for their work. Note: On their application made in late 1979, the price of the tractor is at LE 5,500.

Their transport business is going well - they keep good records and have transferred LE 2,000 in profits into their special account during the first nine months. They lost one month of operation because tyres were not available from the Government store and obtaining permission to purchase them in the private sector took time.

The project is managed by the HEO and the Secretary of the same council. Day-by-day supervision is done by the cashier of the local unit who keeps the financial records. The fuel and repair records are kept by the local unit's engineering assistant. The only full-time workers are the driver and his assistant.

The truck is run 6 days a week. The council's rates are lower than the 21 private trucks operating out of El Hagarsa - LE 3.00 versus LE 5.00 for a load of cargo and 7 piasters versus 10 piasters for a passenger. Gross income has averaged about 250-300 LE/month, lower than the LE 400 anticipated in the application. They will have trouble repaying the loan unless they begin their tractor operation soon. Note: the village already has one tractor which operates about 150 hrs each month and showed a net profit of LE 1,800 last year.

The HEO was concerned that the processing of their application had taken so long (14 months). The local popular council oversees the project - the executive head says "they convene regularly to review the financial records and approve them, but they bother us a lot. They are a pest most of the time. They don't help with the projects. They are all "philosophers". The executive head prepared his own application after hearing from the ORDEV staff in Zagazig. No technical assistance has been required from ORDEV because the council has several other projects and know how to manage them. ORDEV does visit the village every two weeks to follow-up on their projects. It is not clear what happens as a result of the follow-up.

The driver, his assistant and the two supervisors have received incentive pay based on monthly profits.

The village has other income producing projects. One tractor, a carpentry shop and a consumer cooperative. Villagers have shares in the latter which buys meat, fish and other provisions in the city and sells them

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A74 -

Terms: 0+7 = 7 years

JAN. '81

DESCRIPTION OF PROJECT

CODE NUMBER: (03 - 07 - 02) 11/79
 Governorate: SHARKIYA
 Markaz: KAHR SAKR
 Village: EL HAGARSA
 Project Type: FARM TRACTOR

1. A capital investment of L/E. 15,000 from the LDP and L.E. 5,000

from other sources will be expended on the following:

Tractor	LE 5,500
Trailer	2,000
Plough	500
Thresher	800
Truck	5000
Operating expenses for one month	5000
Misc.	700

Total Equip. 15,000

Land and two garages 5,000
 2. The expected production is as follows: 20,000

The tractor for agricultural operations:

- Transportation: 800 hrs/year x LE 3/hr = 2,400
- Ploughing : 600 hrs/year x LE 2/hr = 1,200
- Shreshing : 400 hrs/year x LE 2,50/hr = 1,000

The truck for carrying vegetables : 15
 300 days/year x LE 2/day = 7,500 ?

3. The market for the products is expected to be: 910,100

The village and the neighbouring villages.

4. The net return on expected total sales during the first year of operation is projected at 13 percent based on a loan of 7 years with a grace period of _____ months. At full capacity, the project is expected to yield a rate of return of _____ percent of total sales

Annex B

The Credit Environment

The Credit Environment

- I. LDF Credit Practices: LDF loans are medium term, for 2 to 6 years. Food production loans tend to be for six years; transportation project loans are for 2 years. The interest rate is 6% with a two year grace period on the principle (for 2 or 2.5 year loans the grace period is for 6 months). During the grace period interest is levied at 4%.

- II Credit Environment: There are a number of reasons to believe that the credit environment has evolved since the initial implementation of DDI. The credit situation today in rural Egypt appears to be considerably different from what it was during the design phase of this project. There is some evidence that, on a small scale, activities generated by LDF are already beginning to create capital that is being plowed back into other local development activities, thereby lessening the need for soft loans. DDI, however, is only one of a number of recent interventions that are reshaping the credit picture.

A. Other Credit Sources

In 1976, the Principle Bank for Development and Agriculture Credit (PBDAC) was created with branches in 17 governorates. Under the 17 governorate banks (referred to as the Banks for Development of Agriculture Credit -BDAC) there are 138 district banks which supervise 735 village banks. Under the direction of village banks there are, in total, 4179 agencies which act as distributors for the agricultural inputs issued to farmers.

The " beginning of project report" of project 263--0079, Small Farmer Production (SFP), dated 3/22/81, notes that: The PBDAC is now in the position of being able to utolize profits to build reserves and provisions, improve its ratio between net worth and liabilities, and to improve facilities. This is an enviable record of financial management and recovery. (page 3)

The PBDAC has been generating local savings. At the end of 1980 it had 373,904 savings customers with LE 152,622,154 in current accounts, time deposits and savings accounts offering rates of interest from 5.5 to 10 per cent. In addition to an infusion of government funds for housing construction, livestock development and food security plus a sizeable IBRD soft loan, the increase in deposits and savings accounts has provided a major source of rural loan funds for PBDAC.

The credit side of the picture is equally encouraging. Again to quote from the 3/22/81 report of project 263-0079: At this time there appear to be sufficient funds available to meet the short, medium, and long term credit needs of farmer borrowers. The funds generated by the savings and deposits program plus the borrowing capabilities will provide ample short-term funds. (P.4)

The aggregate volume of loans outstanding to farmers at the end of 1979 was L.E. 109,470,633. Total loans paid out in 1979 were L.E. 211,384,081 (suggesting that they were mainly short term loans). It is estimated (although the data is not yet available) that aggregate volume for 1980 increased by 50%.

Local village councils are eligible to take out loans. In fact, whereas the BDAC requires collateral from the farmer, it does not require collateral from a village council (a fact not generally known by the council members interviewed for this evaluation). Amongst the 3 governorate level BDAC's surveyed in this evaluation, the average portion of the loan portfolio going to village councils was 8 percent.

Only two of the village councils surveyed have taken out bank loans. One is borrowing to buy a truck to transport rocks drilled with equipment financed by LDF. Another needs L.E. 30,000 more than LDF will provide to build an automated feed mill. The reasons given by most village councils for not borrowing from BDAC vary. They were either based on misinformation such as village councils are not eligible and collateral is needed, or they had access to cheaper money from a number of different sources.

People working in the field have reported that farmers are beginning to shop around for credit. However, village councils also are broadening their options. In most villages, the LDF funded project is only one of several revenue generating activities going on. The villages are also receiving development grants for similar activities either from ORDEV or the governorate. In several cases they are already reinvesting profits from earlier profitable ventures. Some villages have received AID Productive Family interest free loans.

According to the directors of the BDAC banks visited in this evaluation, credit is now available in rural Egypt. No one is being turned down due to lack of funds. This, according to the bankers, was not the case four years ago. According to the SFP report the number of private borrowers taking out development loans from the BDAC is increasing. They are paying interest rates as high as 14%.

Village councils are less inclined to use the BDAC because of the cheaper money elsewhere. First they use up the grant money, then the low interest loans such as LDF and then they go to the bank.

B. Comparative Rates of Return

At the PBDAC, the terms of borrowing are 3% annual interest rate for land reclamation projects, 6% for food production and 14% for general development loans. The food production loans are being subsidized by the Ministry of Agriculture under a program initiated one year ago entitled "food security." Most food production profits are limited because the farm gate price is governmentally controlled. Therefore, given the GOE pricing policies, a less than market interest rate is reasonable for food security loans.

In the general development sector, loans are being extended at the unsubsidized 14% interest rate. The 14% charged by the PBDAC for general development loans is a non-subsidized rate covering all costs of lending.

Unlike the LDF, the PBDAC does not offer a first year reduction on either its subsidized or its non-subsidized interest rate nor does it offer a 2 year grace period on the principal. And yet 98% of the borrowers are making their loan repayments.

If these credit practices are taking hold in the private sector then the public sector should be even less troubled by them. Public enterprises continue to be subsidized in other ways (such as salaries paid by the government). Therefore underpricing the PBDAC does not seem to serve any purpose and undermines our efforts in the small farmer credit project. If for no other reason than to lend support to the PBDAC, it is important to maintain the same variable rate policy as the banks.

C. Cost of Lending

The credit history of the PBDAC is remarkable in that the default rate is declining. It has gone from 21% in 1976 to 3% in 1980. The LDF has a 95% on-time payment rate. The other 5% have come in from one to three months late mainly because of bookkeeping problems. Salaries of most of those responsible for extending loans come from other sources than the loan fund. There is no cost to ORDEV for the money used in the fund (being a direct grant). In fact, it can gather interest in the PBDAC. Therefore, lending at 6%, the LDF is not expected to deplete rapidly.

D. Alternative Sources of Capital

Many of the village councils are confused as to the terms, differences, purposes of and means of access to the various sources of available capital. In many cases the local ORDEV representative did not have any clearer picture. The following is a list of funding sources the evaluation team identified as being used, at least in part, in the income generating projects visited:

Local Unit Special Development Account (SDA)
Governorate SDA
Markaz SDA
ORDEV Grant
Productive Families Interest Free Loan
Return on Investments
Interest on Bank Deposits
Ministry of Social Affairs Support Fund Grant
BDAC Loan
LDF Loan
Market Crop Taxes
Other Kinds of Central Government Grants
BVS Grant (e.g. In Abu Gandir, BVS funded the
biogas unit heating a chicken house).

III Fitting Into the Development Picture

Development of the private sector versus development of the public sector, at the village level, is a distinction that easily becomes blurred. There is no place where this is more apparent than in the Small Farmer Production project (263-0079). The village banks have made credit available at the village level. However, because of the poor quality of training of bank personnel there have been a number of impediments to the credit flow.

A) Because of a lack of ability to do good credit analyses the banks have been relying heavily upon collateral as a determinant for extending loans. The SFP project removes this hurdle, thus making credit available to those without title to land --a sector previously cut off.

B) Whatever feasibility studies that were undertaken have been always conducted by people at the governorate level or above. This increased the cost of the loan for both the lender and the borrower. The SFP project brings the capability of doing feasibility studies, cost analyses and extension farm management down to the village level. The village bank now has a financial analyst, extension farm management specialist and research specialist (working with farmers records).

In order to complete the production picture at the village level, a mechanism needs to be established that provides a support system to the farmers. The village council can provide this mechanism which would complement efforts to develop small farmer production.

As we have seen, there is no reason preventing the village councils from taking out loans from the BDAC. However, the

activities the village councils undertake using these loans, rather than competing with the private sector, should complement or support it. To give some examples: feed mills, abatoirs, stock raising (poultry, fish, cattle) custom implements, food processing and wholesaling all can be helpful as agricultural support projects in the community. The village council could also begin new operations and turn them over to the community. Such activities could be the first impetus in forming grass roots cooperatives (rather than having them imposed from the top as before).

IV Conclusion

Because of the unique properties of the LDF, and given current economic conditions and the nature of the loan portfolio, the fund could revolve for a very long time (almost indefinitely) at current interest rates. However, the LDF cannot operate in a vacuum. This project must be compatible with other rural credit efforts. The village councils should be encouraged to patronize the village banks and work closer with them in identifying income generating projects that complement and support the activities of the banks' and villages' shared constituency - the local small farmers.

The village councils will never do this if we continue to offer them 6% loans for the same kinds of rural economic development projects for which individuals must borrow at 14%.

ANNEX C

INTERVIEWS CONCERNING CREDIT IN THE RURAL SECTOR

Eight interviews are recorded here.

The report is also based on information provided by the Principal Bank for Development and Agricultural Credit, Cairo; the Small Farmer Production Project; the Agricultural Mechanization Project; the Small Scale Enterprise Development Project, the Program Office and IT, USAID/Cairo; as well as Village Executives interviewed during visits to LDF sub-projects.

CREDIT INTERVIEW NO.1

Visit to the Fayoum Governorate BDAC General Manager, Mr Aziz Hamdi.

(Present were Mr Abd El Tawat Osman, Financial Manager and Ms. Abla Marzouk, translator and the wife of Mr Hamdi).

Q: Does the BDAC lend to village councils?

A: Yes, ten percent of the current portfolio for Fayoum contains loans to village councils. This represents LE 0.5 million.

Q: What interest rate does the bank charge?

A: The rates for food security projects are set by the central government at 6%. The loans for land reclamation are set at 3%. The rate for small scale enterprise projects varies but is currently at 14.5%.

Q: Is there sufficient money to lend out or is the demand exceeding the supply?

A: No, there is enough.

Q: What do you pay for money?

A: The central bank charges 10.5% for money and we pay 4.5% for demand deposits and 6% for savings certificates of a minimum duration of one year.

Q: With what the bank pays for capital, how can it afford to make loans at 3 to 6 percent.

A: The Ministry of Agriculture subsidizes the food security and land reclamation loans.

Q: Is there a guarantee or collateral held on a loan to a village council?

A: Yes, the Governorate of Fayoum writes a letter of guarantee for the loan and it is held by the bank.

Q: Have you had any difficulty collecting on the loans to village councils?

A: No, in fact many have been repaid early. When LDF came, councils hurried to pay back the bank loans because our rates were higher.

Q: What kinds of technical support or management assistance does the bank provide borrowers?

A: None

Q: Who does the feasibility study for a project loan?

A: The bank accepts the ORDEV feasibility study for a village council loan. The private loans are referred to Cairo.

CREDIT INTERVIEW NO.2

Visit to Mr Salah El Din, Chief of the Local Unit of Abu Gandir in Fayoum, Markaz of Attsa.

Mr Salah El Din gives the impression of both competence and confidence. He manifests a marked entrepreneurial style, anxious to share with his visitors the development successes of the village.

An LDF loan of LE 30,000 had been extended to the village council to purchase mechanical equipment for cutting stone in a nearby quarry. Up to this time the village-owned stone cutting business depended upon 60 manual laborers. The stone of varying sizes is sold for the construction of buildings, roads and container walls. With the mechanized equipment it is expected there will be a manifold increase in production. Stone will continue to be cut by hand. However 16 of the abler workers will be chosen to run the machines.

When we asked to see the machinery, Mr El Din explained that it is not yet in operation. This is because the compressor, ordered from Sweden, is in the Port of Alexandria and is not expected to clear customs before 10 days. He then clapped his hands and men began carrying in jack hammers, hoses, and various attachments and laying them before us.

Mr El Din was asked about the other financial inputs into this project. He responded that the local villagers had put together L.E. 1,000 in cash, expecting to be reimbursed from the profits. In addition, the village has taken out a L.E. 30,000 loan from BDAC at 12.5% interest to buy a truck for transporting the rocks.

When asked if the village had taken out other loans from BDAC, he said that they had borrowed to build a broiler project. It was a seven year loan which they were able to pay back after only three years. Part of the profits from the broiler project were then used to fund a profit making micro-bus transport system.

Finally, it is worth noting that BVS funds built the biogas system for heating the chicken house. We were not able to ascertain whether the acquisition of BVS grant monies and other recently available funds went directly into the premature repayment of the 7 year BDAC loan. However, it is easy to assume that the availability of these new free (or low cost) resources facilitated the early repayment. There appears to be a grey area where the purposes of the various funding sources overlap. For example, while BVS is paying for the biogas system for the poultry project, part of the profits of this project are being used to install new water pipes for the village.

CREDIT INTERVIEW NO.3

Discussion with ORDEV Markaz Representative from the New Valley, Mr Mohamed Rafat.

There are a number of projects that he developed that used ORDEV grant monies. These projects are found mainly in the larger communities. There is not enough ORDEV grant money to initiate projects in the smaller villages. It is in these areas that LDF loan money has been helpful. He has never referred a village council to a bank for a loan. The only sources of funds he has worked with are ORDEV grants and LDF loans.

He has initiated a number of interesting projects including ducks, queen bee production, chickens and now is working on a combination duck and fish farm. He has turned down several project ideas as not feasible. An example of this is raising turkeys. To be profitable, turkey raising requires a very sophisticated technical capacity.

The villages have their Special Development Account in the village bank. The money in this account consists of unexpended principle, tax revenue (charged mainly on exporting dates from a village), profit and earned interest.

Mr Rafat has been proposed to be a participant trainee at Bluegrass starting in January.

CREDIT INTERVIEW NO.4

Visit with the Director of the main branch of the BDAC, Menia, Mr Hussein Omar.

(present was Mr Mohamed Shakir, Assistant Director)

Q: Have the village councils come to BDAC for loans?

A: Yes, there are approximately LE 50,000 outstanding loans to village councils with an average size loan of about LE 15,000.

Q: What interest rate does the bank charge?

A: The rate is fixed by Cairo. Fourteen percent on investment loans for income generating projects.

Q: Is there sufficient money to lend out?

A: Of course we are limited by the amount of money we can get from Cairo and by the amount of deposits we can generate amongst the villagers. Unlike most of the villagers, the village councils have other resources and so, with limited resources, we prefer working with the farmers.

Q: What does the bank pay for money?

A: This is controlled by Cairo. We pay 10.5% to the central bank. Depending on the length of the deposit we pay up to 12%. However, the average term deposit (for one year) is 7.5%.

Q: Is there a guarantee or collateral held on loans to village councils?

A: We have all their accounts in our bank. Their loans are reasonably small. There is no need to hold collateral. There has been no problem collecting on these loans.

Q: What kind of technical support or management assistance does the bank provide borrowers?

A: There is none available at this time and we have never been called upon to provide any.

Q: Who does the feasibility study for a project loan?

A: We call upon the technical experts of the responsible ministries who then provide us with a letter attesting to the viability of the project.

Q: Does the bank provide assistance in purchasing?

A: For the farmers we provide them with all the inputs. Another example is sewing machines. We provide a family with a sewing machine and they repay us over a year with the profits of their sewing. (Mahmoud Safwat, Secretary General of Minya, gave a similar example where he wants to start an egg production project where people in the village pay off their shares by selling the eggs they produce. At the end, the project is privately owned by the village shareholders).

Q: Any suggestions as to how LDF can work closer with BDAC?

A: It would be better to give the LDF funds directly to the bank and let us extend directly to the farmers. This cuts a lot of the Government red tape. We can bring in the technical experts from the central ministries just as ORDEV does. We have all the infrastructure set up to extend and manage loans. They are already using our banks to hold and channel the LDF funds. Why do we need duplicate systems? The BDAC also has a central office to do feasibility studies.

CREDIT INTERVIEW NO.5

Visit with the Manger of the Village Bank of Tallah, Mr Ahmed Mohamed Ali El-Torawy; in the governorate of Menya.

The bank has approximately LE 0.5 million outstanding in loans, the vast majority of which are short term (up to one year) food security loans (at 6% interest). However, it has given loans for up to 5 year durations. It gives loans only to those with clear title to land. There is also a 1% service charge for extending a loan. The bank does not often give cash, rather commodities. For example, it provides one head of cattle for each feddan owned by a farmer.

There are only two loans currently extended to nearby village councils from this bank. One is for a bee hive project and the other is for sheep raising. They are both being lent at 13.5% for a grand total of LE 3,824.

The village bank of Tallah has now been in operation for 4 years. Its average loan is for LE 3,000. It has a default rate of 2%. There are 20 people employed at the bank. They mainly work at the depots that distribute the farm commodities that farmers receive for the in-kind loans.

CREDIT INTERVIEW NO.6

Visit with the Manger of the local village bank of Beni Mohamed Sultan; Mr Talaat Neshid.

This bank has approximately LE 0.25 million in outstanding loans, 65% of which are for agriculture. Mainly the bank has been distributing fertilizer, seed and sewing machines. The major crops (cotton and rice) have to be marketed through the bank. Anything else is free market.

If a person owns land, he can get a loan. There has never been a case where someone has been turned down. A village council could get a loan. It would not need to give collateral because it is an official entity and also keeps its money in the bank.

Two important items of note: 1) current deposits by individual savers are 52% above projected rates for this year; there being close to LE 0.35 million in savings in this bank. 2) the default rate in loan repayments is 0.5%.

CREDIT INTERVIEW NO.7

Conversation with a farmer/landowner in Shubra Malas, Gharbia..

Q: How much land do you have?

A: I have 15 feddans.

Q: That is a fairly large parcel of land! Do you farm the whole thing or do you rent it out?

A: I farm it all but have workers helping me.

Q: How many workers?

A: Well, I have a flax factory. It is bigger than the one owned by the village of Shubra Malas. There are 30 workers who are employed by me in the factory and on the land.

Q: Do any of them own their own parcel of land?

A: Some do, some don't.

Q: What generally is the size of land a farmer would own here?

A: Most of them have 2 or 3 karats (karat = 1/24 of a feddan; one feddan = 1.08 acres).

Q: Do they have title to the land?

A: No, not really. I do not even have a title for my land.

Simply I have a contract from the previous owner saying he sold it to me. That is how it works here. We have contracts amongst each other.

Q: Where do the farmers sell their produce?

A: Most of the small farmers around here do not have cash crops. They just grow enough to supply their own families and to do some bartering within the village. Big farmers sell to men from the city who come around all the time with trucks asking us if we have anything to sell.

Q: Do the small farmers ever come to you for loans?

A: (Smile) Yes, they all do. I lend to them because I need their good will. Many of them work for me and I need them. It is very difficult to find good workers.

Q: Do you ever have trouble with loan repayments?

A: No. We need each other.

Q: How do they repay you, in cash or crops?

A: Always in cash and they pay up whenever they have surplus money. Usually we work out beforehand how long it will take before they repay me.

- 3 -

Q: What is the custom here, does the lender get anything extra back for making the loan?

A: No, we do not charge interest. This is not done around here. There are, however, some old people around here who cannot work, who give out loans for interest because they need the income. I do not know too much about them.

Q: Have you ever taken a loan from the village bank?

A: No, I do not like banks. Some people go to the bank for loans to buy cars, televisions.....Not me!

CASH INTERVIEW NO.8

Conversation with Director of the BDAC for the Governorate of Gharbiya, Mr Murad Mohamed Ali.

Q: Does the BDAC of Gharbiya lend to village councils?

A: Yes, about LE 1.0 million of our portfolio goes to village councils.

Q: What percentage of your total portfolio does this represent?

A: We have LE.5.0 million going to private sector coops and LE 12.0 million going to private individuals.

Q: What interest rates do you charge?

A: They vary according to the loan. We have short term agriculture loans that come out to 6% a year. But many of our loans are now going for private consumption. These are for 14% and they are for cars, televisions, various kinds of machinery. We even extend interest free loans such as the PDP loans for AID. These loans are limited and go fast.

Q: Is there sufficient amount of money to lend out or is the demand exceeding the supply?

A: We have plenty. Our savings deposits alone almost cover what we are lending out. We went from nothing in 1976 to over LE 11.0 million in 1980 in savings.

Q: What does the bank pay depositors for their money?

A: This is set by Cairo and there are a number of different rates depending upon period of deposit.

Q: What do you pay the PBDAC for money?

A: Why should we pay them? We receive money from them interest free. After all, we are just a branch of their bank.

Q: Do you hold collateral on loans to village councils?

A: No, they are a governmental body. They are guaranteed by the government. We have never had a case even of late payment.

Q: What kind of technical support or management assistance does the bank provide borrowers?

A: The bank can provide all kinds of technical assistance to farmers or entrepreneurs. We have technical assistance projects with the World Bank, AID and with a French organization. We have all the technical assistance a borrower would need.

Q: Who does the feasibility studies?

A: We do them right here. You see, Cairo issues general rules as to how we must operate. But within the Governorate I have a lot of discretion. My way of operating is to get the technical capability down to the village level. I am delegating authority to the village bank to do feasibility studies and extend the loans.

Q: What does it cost the bank to extend a loan?

A: I can only give you a reasonable answer concerning the food security loans. These cost us 0.005%. Our costs are low because we are not a cumbersome government bureaucracy. Our turn around time from loan application to providing the loan is between one day and a week.

Q: Does the bank provide assistance in purchasing?

A: Most of our loans are in commodities, all the way from fertilizers to televisions. We have depots at the sub-village level that supply these commodities. Someone wants a loan for a television. We provide the television.

Q: Could someone get a loan from your bank to finance a wedding?

A: No, nor can we supply the bride. For this someone would have to go to Bank Nasr..

Q: What would their terms be?

A: You would have to go and talk with them. But I do not think they would charge a fee of more than 3%. I cannot tell you very much about how they function. They give out social loans, not on credit but for a fee.

Q: The bank in Gharbiya appears to be working out quite well.

A: We have received a lot of technical assistance. But many of the other governorates are now receiving help and are catching up.

Annex D

Summary Statistics of the LDF

1. Status of the LDF loan applications as of Jan. 31,81
2. Status of the LDF Loan applications as of Aug. 31.81
3. Loans made by LDF by date of loan.
4. Repayments of Interest and Principal on LDF loans.
5. Projected LDF Loan Operations Schedule -- including additional capital to be added after evaluation.

STATUS OF LOAN APPLICATIONS AS OF JAN. 31, 1991

Governorate	Poultry	Cat Fat	Agri Mach	Food Ind.	Fisheries	Bee Keeping	Trans.	Const. Material	Carp.	Coop. Soc.	Cot. Ind.	Total Applic receiv	Gov. Quota	Previously paid Amount	No.	Being Made Amount	No.	Remain Quot
Ismailiya	4	4	-	-	1	1	3	-	-	-	-	13	50	153	7	-	-	-123
Kalubiya	5	1	-	-	-	-	2	-	1	-	-	9	185	50	3	-	-	135
Sharkiya	11	3	2	-	-	-	3	-	-	-	-	19	355	215	12	-	-	140
Dakahlia	3	-	-	-	-	-	45	-	2	3	1	54	360	118	12	-	-	242
Damietta	-	5	-	-	1	-	1	-	-	-	-	7	120	76	4	-	-	44
Ismailiya	15	6	-	-	-	-	2	-	-	-	-	23	320	293	14	22	1	5
SHARBIYA	17	-	-	1	-	-	2	-	-	-	1	21	265	205	9	22	1	38
El Sherk	9	10	-	1	1	-	13	-	-	-	-	34	280	232	13	-	-	48
Matruh	10	4	-	1	-	1	7	2	3	-	1	29	335	164	8	-	-	171
Matruh	1	5	-	-	-	-	2	-	-	-	-	8	195	90	5	-	-	105
Matruh	5	1	3	2	-	-	8	1	-	-	-	20	185	192.5	10	-	-	7
Matruh	2	4	-	-	-	-	10	-	-	-	-	16	190	145	9	-	-	45
Matruh	9	4	1	-	-	-	14	5	-	4	-	37	285	304	14	-	-	19
Matruh	9	2	-	-	-	-	3	-	2	-	-	16	245	48	2	-	-	197
Matruh	2	-	-	-	-	1	-	-	-	-	-	3	332	42	3	-	-	290
Matruh	-	-	-	-	-	-	-	2	-	-	-	2	312	45	2	-	-	267
Matruh	-	2	-	-	-	-	-	-	-	-	1	3	143	-	-	-	-	143
Matruh	-	-	-	-	2	-	-	-	-	-	-	2	65	30	2	-	-	35
Matruh	3	1	4	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
Sinai	-	5	1	-	5	-	4	1	1	-	-	9	65	32	2	20	1	13
Total	195	57	11	5	10	3	120	11	9	7	4	342	4,326	2,499.5	107	547	26	6
Approved	59	38	5	3	6	2	13	8	-	-	-	135		2,499.5				
Disapproved	2	-	-	-	-	-	-	-	-	-	-	2		44				
Outstanding	44	19	6	2	4	1	107	3	9	6	4	205						

Status of LDF Loan Applications as of Aug. 31, 1981

Governorate	Poultry	Cat. Fat.	Fish	Bee Keep.	Agri. Mach.	Food / Cot. Ind.	Trans.	Build. Mat. / Workshops	Shops	Total	Approved Loans		Loans Pending Approval	
											Amount	No.	Amount	No.
Ismailia	4	4	1	1	--	--	3	--	--	13	153	7	--	--
Kalubia	7	1	--	--	--	--	2	1	--	11	115	6	19	1
Sharkia	19	4	--	--	2	--	5	--	--	30	391	20	--	--
Dakahlia	5	--	--	--	3	1	45	2	4	60	178	15	20	1
Damietta	1	5	1	--	--	--	1	--	--	8	76	4	--	--
Menoufia	15	6	--	--	--	--	2	--	--	23	356	17	--	--
Gharbia	19	--	--	--	--	2	2	--	--	23	313	13	--	--
Kafr El Sheikh	12	10	1	--	--	1	13	--	--	37	351	19	--	--
Beheira	11	4	1	4	--	2	7	6	--	35	391.5	17	--	--
Giza	2	5	--	--	--	--	2	--	--	9	191	8	--	--
Fayoum	5	1	--	--	3	2	8	1	--	20	192.5	10	--	--
Beni Suef	2	4	--	--	--	--	11	--	--	18	186	13	--	--
Menia	9	4	--	--	1	--	14	5	4	37	341.5	17	--	--
Assiout	10	3	--	--	--	--	4	5	--	22	218	11	--	--
Sohag	6	--	--	3	--	--	--	--	--	9	65	6	--	--
Qena	27	4	--	--	--	--	3	2	--	36	302.5	20	--	--
Aswan	--	3	--	--	1	1	--	--	--	5	--	--	135.5	2
Matrouh	--	--	2	--	--	--	--	--	--	2	30	2	--	--
N. Valley	3	1	--	1	4	--	1	--	--	10	73	5	--	--
N. Sinai	1	5	5	--	1	--	4	2	--	18	60	4	--	--
Total	158	64	11	9	15	9	128	24	8	426	3,819.5	214	174.5	4
Approved Loans	106	48	5	8	5	4	26	10	2	214	3,912			
Pending Approval														

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LOANS MADE BY LDF

<u>GROUP</u>	<u>EFFECTIVE DATE</u>	<u>NUMBER</u>	<u>AMOUNT</u>
1	March 1, 1980	41	706,000
2	July 1, 1980	16	149,500
3	August 1, 1980	27	564,000
4	January 1, 1981	22	488,000
5	March 1, 1981	27	552,000
6	June 1, 1981	31	617,000
7	August 1, 1981	18	201,000
8	September 1, 1981	25	542,000
	Total	207	LE 3,819,500

REPAYMENTS OF INTEREST AND PRINCIPAL ON LDF LOANS

As of September 10, 1981

Month	No. of Interest Payments				No. of Principal Repayments			Repayments Received		No. of Loans		
	Due	Instal- ment	Made	Still Due	Due	Made	Still Due	By Bank Cleared	Not Cleared	Put into Effect	In: Effect	Total Requiring Principal Repay- ment
Mar 80	None	-	-	-	-	-	-	-	-	41	41	1
Apr 80	None	-	-	-	-	-	-	-	-	0	41	1
May 80	None	-	-	-	-	-	-	-	-	0	41	1
Jun 80	41	(1)	41	0	1	1	0	41	0	0	41	1
Jul 80	None	-	-	-	-	-	-	-	-	16	57	1
Aug 80	None	-	-	-	-	-	-	-	-	26	83	1
Sep 80	41	(2)	41	0	1	1	0	41	0	0	83	4
Oct 80	61	(1)	16	0	3	3	0	16	0	0	83	4
Nov 80	26	(1)	26	0	0	0	0	26	0	1	84	9
Dec 80	41	(3)	41	0	6	6	0	41	0	0	84	9
Total 1980	165	-	165	0	11	11	0	165	0	84	84	9

Month	Amount of Interest			Amount of Principal			Amounts Received by Bank		Total Payments Due	Total Payments Made
	Due	Paid	Still Due	Due	Paid	Still Due	Cleared	Not Cleared		
Jun 80	7,028.125	7,028.125	-0-	750.000	750.000	-0-	7,778.126	-0-	7,778.125	7,778.125
Jul 80	-	-	-	-	-	-	-	-	-	-
Aug 80	-	-	-	-	-	-	-	-	-	-
Sep 80	7,028.125	7,028.125	-0-	750.000	750.000	-0-	7,778.125	-0-	7,778.125	7,778.125
Oct 80	1,444.720	1,444.720	-0-	803.625	803.625	-0-	2,248.345	-0-	2,248.345	2,248.345
Nov 80	5,490.000	5,490.000	-0-	-0-	-0-	-0-	5,490.000	-0-	5,490.000	5,490.000
Dec 80	6,986.875	6,986.875	-0-	6,250.000	6,250.000	-0-	13,236.875	-0-	13,236.875	13,236.875
Total 1980	27,977.845	27,977.845	-0-	8,553.625	8,553.625	-0-	36,531.470	-0-	36,531.470	36,531.470

REPAYMENTS OF INTEREST AND PRINCIPAL ON LDF LOANS

As of September 10, 1981

Month	No. of Interest Payments				No. of Principal Repayments			Repayments Received		No. of Loans		
	Due	Instal- ment	Made	Still Due	Due	Made	Still Due	By Bank Cleared	Not Cleared	Put into Effect	In- Effect	Total Requirin Principal Repay- ment
Jan 81	16	(2)	16	0	3	3	0	16	0	22**	106	11
Feb 81	26 1>27	(2) (1)	26 1>27	0	0	0	0	25	2	0	106	11
Mar 81	41	(4)	41	0	6	6	0	41	0	27***	133	19
Apr 81	16 22>38	(3) (1)	15 22>37	1	11 2>13	11 2>13	0	36	1	0	133	19
May 81	26 1>27	(3) (2)	25 1>26	1	0	0	0	21	5	00	133	19
Jun 81	41 27>68	(5) (1)	37 20>57	4 7>11	23 0>23	19 0>19	4 0 4	6	51	31	164	36
Jul 81	16 22>38	(4) (2)	16 19>35	0 3>3	11 2>13	11 1>12	0 1 1	1	34	0	164	36
Aug 81	26 1>27	(4) (3)	19 0>19	7 1>8	0	0	0	1	18	18	182	36
Sept 81	-	-	-	-	-	-	-	-	-	25	207	36
1981 Year- To Date	282	-	258	24	58	53	5	147	111	123	207	36

** 23 loans originally approved. One loan to Negila, North Sinai, cancelled

*** 28 loans originally approved. Village of Melig, Menoufia did not come to receive check. Loan cancelled.

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PROJECTED LDF LOAN OPERATIONS SCHEDULE

(Revised May 1981 based on operational experience and proposed additions to AID Capitalization Grant. See Assumptions on accompanying sheet.)

In Egyptian Pounds

<u>LOANS</u>	<u>Year 1</u> (CY 1979)	<u>Year 2</u> (CY 1980)	<u>Year 3</u> (CY 1981)	<u>Year 4</u> (CY 1982)	<u>Year 5</u> (CY 1983)	<u>Year 6</u> (CY 1984)
Authorized Capitalization of LDF Through AID Grant	3,500,000 LE	4,340,00 LE	13,001,100 LE	13,001,100 LE	13,001,100 LE	13,001,100 LE
Amount Capitalized By LDF During Year	1,225,000	2,000,000	4,000,000	4,000,000	1,776,100	-0-
Cumulative Amount Capitalized by LDF	1,225,000	3,225,000	7,225,000	11,225,000	13,001,100	13,001,100
Value of Loans Made	-0-	1,922,500	4,000,000	4,000,000	3,000,000	2,000,000
Cumulative Value of Loans Made	-0-	1,922,500	5,922,500	9,922,500	12,922,500	14,922,500
No. of Loans Made	-0-	107	200	200	150	100
<u>INTEREST INCOME</u>						
From Principal	6,100	50,000	50,000	50,000	10,000	-0-
From Loans	-0-	29,400	130,000	310,000	350,000	660,000
Total Interest Income	6,100	79,400	180,000	360,000	540,000	660,000
Minus Office Expenses	500	34,000	40,000	50,000	60,000	70,000
Interest Income Available LDF Loans	5,500	45,400	140,000	310,000	480,000	610,000
<u>PRINCIPAL REPAYMENT</u>						
	-0-	9,300	25,500	237,000	655,900	1,650,000
<u>BALANCE OF AVAILABLE LOAN FUNDS (At end of Calendar Year)</u>						
From AID Grant	3,500,000	2,417,500	7,078,600	3,078,600	78,600	-0-
From Interest Income	5,500	50,900	190,900	500,900	980,900	1,590,900
From Repayments	-0-	9,300	34,800	271,800	927,700	656,300*
Total Loan Balance Available	3,505,500	3,477,700	7,304,300	3,851,300	1,987,200	2,247,200

* See Note 5 page 3.

AID Grant (s) to LDF Fund
(In US Dollars)

	<u>Authorized</u> <u>Capitalization</u>	<u>Balance of Loan Funds</u> <u>Available from AID Grant</u> <u>(At end of year)</u>
CY 1979	\$ 5,000,000	\$ 5,000,000
CY 1980	\$ 6,200,000	\$ 3,453,536
CY 1981	\$ 18,573,000	\$ 10,112,488
CY 1982	\$ 18,573,000	\$ 4,398,088
CY 1983	\$ 18,573,000	\$ 112,288
CY 1984	\$ 18,573,000	\$ -0-

LDF Loan Operations

Assumptions reflected in the revised LDF Loan Operations Schedule are as follows:

1. The initial capitalization of the Fund was made in October 1979 in the amount of LE 1,225,000 which was converted at the rate of \$1 = LE.70 or \$ 1,750,000. Two additional capitalizations were made during 1980 of LE 1,000,000 each at the official rate. Should the official rate change in the future, additional pounds can be generated from the AID grant.
2. With the addition to the LDF loan fund of \$12,373,000 per this amendment the total authorized capitalization of LDF is \$18,573,000. Based on the conversion rate assumptions above, this is equivalent to LE 13,001,100.
3. Based on the first operational year of the fund, CY 1980, in which 107 loans were approved, it is assumed for CY 1981 and CY 1982 that a level of 200 loans in each year can be approved. This will call for expenditures of LE 4,000,000 per year or an amount almost double that of 1980. The probable number of loans made will depend on the average size of loans, now about LE 18,000, and the effects of inflation and also on the project mix of loans. The assumption used here is future loans will average about LE 20,000.
4. The estimated remaining AID financed capitalization remaining after CY 1982 of LE 3,078,600 will be substantially used up during CY 1983 and will cover approximately 150 loans. However, at this point, the balance of loan funds available from interest income and repayments will total about LE1,987,200. This level, or slightly higher, is estimated in the following and subsequent years so the funds should be self-supporting at least at the level of LE 2,000,000 or 100 loans a year.
5. Loans funded in CY 1984 of LE 2,000,000 are from the remaining AID grant of LE 78,600 and LE 1,921,400 from principal repayments. Principal repayments through 1984 are estimated at LE 2,577,700 which minus the amount loaned in CY 1984 leaves a balance of LE 656,300 from this source.
6. Estimates of interest income available for loan purposes are after deduction of a portion of the interest paid to cover operation expenses of the LDF offices.
7. Except where specifically noted, figures are given in Egyptian pounds. In stating capitalization and balance of loan funds from AID grant, figures are stated in both Egyptian pounds (page 1) and US dollars (page 2). Since loans, interest and principal repayments are made in pounds, comparisons between years can be assisted by stating all figures in local currency.
8. Although no loans have defaulted to date, it may be necessary to make all allowance for such contingencies in future. From 1983 onwards, principal and interest payments should average LE 300,000 over new amounts loaned each year. This represents about 3% of the total amount loaned and should prove adequate to take care of any foreseeable losses.

DESCRIPTION OF PROJECT

CODE NUMBER: (10 - ⁰²~~05~~ - 01) 11/79
 Governorate: GIZA
 Markaz: GIZA
 Village: SHUBRAMANT
 Project Type: DAIRY PRODUCTS Buffalo Milk Production

1. A capital investment of L/E. 83,000 from the LDP and L.E. 28,258

from other sources will be expended on the following:

Land	5,000
Buildings	10,000
Equipment	1,650
Transportation	1,000
Office equipment	200
Purchase of <u>100 cows</u> for milk + 2 heads	61,200
Operating expenses	32,258

1,450 }
 500
 165 } 209
 665
 20
 31,808
 110658
nothing spent

2. The expected production is as follows:

Cattle sales: 144000 kg milk x PT ²⁵ 20/kg	50,000
Sales of 95 calves, one week old x LE90	8,550
Manure sales: 400 m ³ x LE 2	800
sales of 30 culled animals	15,000

3. The market for the products is expected to be:

The village and the neighbouring villages.

4. The net return on expected total sales during the first year of operation is projected at 1.45 percent based on a loan of 7 years with a grace period of 24 months. At full capacity, the project is expected to yield a rate of return of 15.2% percent of total sales

15.2% 14.6% for year 2
 2.8% 2.3% for years 3-7

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DATE: 6/1/87
 STATE: SHRI RANGHATI
 DIST TYPE: DAIRY PRODUCTS

MARKET: GHA.

INCOME STATEMENT

April 1981 - December 1987

<u>Operating Revenues:</u>	Year 1	Year:2	Year 3-
	kg days PT C	t.kg.day.PT C	t
Cattle sales (number of bulls)	6x140x25x100	8x180x25x100=	8x180x25
Calve sales	IE 21,000	IE 50,000	IE 50,000
Manure sales (cubic meters)	95x90=8,550	8,550	8,550
	400 x IE2 =	400 x IE 2 =	400x 2=
Sales of 30 heads	30x500=15,000	30x500=15,000	30x500=15,000
Value of animals kept for next year	72x750=54,000	72x750=54,000	72x750=54,000
<u>Total Operating Revenues:</u>	99,350	128,450	128,450
Value of			
<u>Operating Expenses:</u> cattle carried for.		54,000	54,000
Purchase of young bulls (number)	102x600 = IE 61,200	30 x 600 = 1,800	30 x 600 1,800
Feed concentrate (tons)	144 tonsx40= 5,760	144 x 40 = 5,760	144 x 40 5,760
Straw (tons)	162 tonsx15= 2,430	162 x 15 = 2,430	162 x 15 2,430
Rice bran Straw			
Hay "Dress" dry base	54x60= 3,240	54x60=3,240	54x60=3,240
Bersil	450x15=6,750	450x15=6,750	450x15=6,750
Threshing Crop Fodder	450x13= 5,850	" " =5,850	" " =5,850
Labor (21 workers)+incentives	2,380	5,360	7,640
Insurance & Vet.	1,020	1,020	1,020
Transportation:	1,000	1,000	1,000
Miscellaneous:	500	500	500
Fees for 2 cows	408	408	408
<u>Total operating expenses:</u>	94,608	105,808	105,808
<u>Gross Operating Income or (Loss):</u>	4,742	22,642	22,642
<u>Other expenses:</u>			
Loan interest:	3,320	3,320	2,510
Loan principal:	-0-	-0-	16,500
Depreciation: (building 5%):	665	665	665
Equipment 10%			
<u>Total Other Expenses:</u>	3,985	3,985	19,675
<u>Total Expenses:</u>	98,593	109,793	109,683
<u>Net Income:</u>	1,149	18,849	12,959
Rate of return as percent of sales	1.14%	14.6%	10.1%

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A-46-

GOVERNORATE : Meniya VILLAGE : Beni Mohamed Sultan
 MARKAZ : Meniya PROJECT : Cattle Fattening
 DATE OF VISIT : 9/20/81 CODE NO : 13-02-02

This village has invested L.E. 49,246 in a new cattle fattening project (L.E. 30,000 from LDF, L.E. 10,000 from a Governorate grant and L.E. 9,246 from the village account, from an older cattle fattening project). It is very well managed, has extensive records and an excellent accounting system.

We examined the accounts for the year July 1, 1980 to June 30, 1981 - here is a brief summary:

Income: (figures rounded to nearest LE)

Sale of cows, skins, feed etc.	105,840	
Interest .	652	
Miscellaneous	456	
Total Income		<u>106,946</u>

Expenses:

Opening Inventory	17,052	
Purchases	126,161	
Less : Refunds	(110)	
Less : Ending Inventory	<u>(53,230)</u>	
Cost of Goods Sold		89,873
Ropes		63
Medicines		326
Transport		473
Legal Fees		427
Office Supplies		55
Bank Charges		23
Interest on LDF loan		900
Depreciation		<u>525</u>
Total Expenses		<u>92,665</u>
Net Profit		<u>14,281</u>

This represents a return of nearly 30% on the L.E. 50,000 capital. Incentive pay is based on the net profit. Twenty-five percent is shared according to the ORDEV formula. It will be recorded in next years accounts.

The net profit is added to the total capital which becomes L.E. 63,500 for the coming year - most of this is currently tied up in inventory of cattle and feed.

The project is presently expanding their barn to allow them to house 200 head. Their expected turnover is expected to rise to 400 head next year. Currently nine people, all on the local unit payroll, are usefully employed. They will share incentive pay of about L.E. 3,500 for the past year.

The Council heard about the LDF program from the Governorate and went to Cairo to work out the details of the application with the LDF consultant. They have continued to receive technical assistance from governorate ORDEV staff.

Their cattle are bought from farmers in the surrounding nine villages - prices have risen 20% over the past year. Feed also comes from a private source, but the price is fixed.

The major concern of the village head is the fixed selling price imposed by the Governorate - all the meat is sold to the Governorate.

The village also has a L.E. 40,000 grant from the governorate for a layer project. They are looking for a contractor to begin the building.

DESCRIPTION OF PROJECT

CODE NUMBER: (13 - 02 - 02) 11/79
Governorate: MINIYA.
Markaz: MINIYA
Village: BENI MOHAMED SULTAN
Project Type: CATTLE FATTENING (Building for 100 heads)

1. A capital investment of L/E. 30,000 from the LDF and L.E. 15,430

from other sources will be expended on the following:

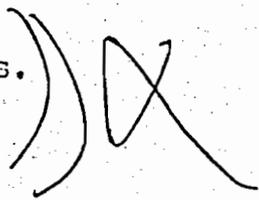
- A. L.E. 3,000 for the land
- B. L.E. 7,500 for a new building
- C. L.E. 950 equipments
- D. L.E. 26,000 purchase of 100 young bulls of 200 kg. at LE 260 each
- E. L.E. 7,980 operating expenses for 6 months 

2. The expected production is as follows:

- A. L.E. 84,000 cattle sales of 200 bulls of 350kg. each per year
- B. L.E. 400 manure sales of 800 M³

3. The market for the products is expected to be:

The same village and the nearest villages.

de governorate 

4. The net return on expected total sales during the first year of operation is projected at 17% percent based on a loan of 7 years with a grace period of 24 months. At full capacity, the project is expected to yield a rate of return of 18% for the second year and 11% for years 3 - 7

OME: (13 - 02 - 02) 11/79 A49 - LEF: 30,000
 GOVERNORATE: MINIYA DSA: 15,430
 VILLAGE: Beni Mohamed Sultan
 PROJECT TYPE: (Cattle Fattening) Fattening of 100 heads 45,430

INCOME STATEMENT

March 1980 - February 1987

<u>Operating Revenues:</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3-7</u>
Cattle sales (number of bulls)	100 x 350 kg.	200 x 350 kg	200 x 350 kg
L.E. 1.2/kg.	LE 42,000	LE 84,000	LE 84,000
Manure sales (cubic meters)	400	800	800
P.T. 50/m ³	LE 200	LE 400	LE 400
Total Operating Revenues:	42,200	84,400	84,400
<hr/>			
<u>Operating Expenses:</u>			
Purchase of young bulls (number)	100 x 200 kg	200 x 200 kg	200 x 200 kg
L.E. 1.3/kg	LE 26,000	LE 52,000	LE 52,000
Feed concentrate (tons)	108	216	216
L.E. 40/ton	LE 4,320	LE 8,640	LE 8,640
Straw (tons)	54	108	108
L.E. 40/ton	LE 2,160	LE 4,320	LE 4,320
Green Fodder:			
Labour (5 workers)	840	1,680	1,680
Animal insurance and vet. (L.E. 1.5 per 1 for 6 months)	150	300	300
Transportation:	250	500	500
Miscellaneous:	100	200	200
Total operating expenses	33,820	67,640	67,640
<hr/>			
Gross Operating Income or (loss):	8,380	16,760	16,760
<hr/>			
<u>Other expenses:</u>			
Loan interest:	1,200	1,200	9,000
Loan principal:	none	none	6,000
Depreciation: (building 5%)	180	360	360
Total other expenses:	1,380	1,560	7,300
<hr/>			
Total Expenses:	35,200	69,200	74,940
<hr/>			
Net Income:	7,000	15,200	9,420
<hr/>			
<u>Return as percent of sales:</u>	17%	18%	11%

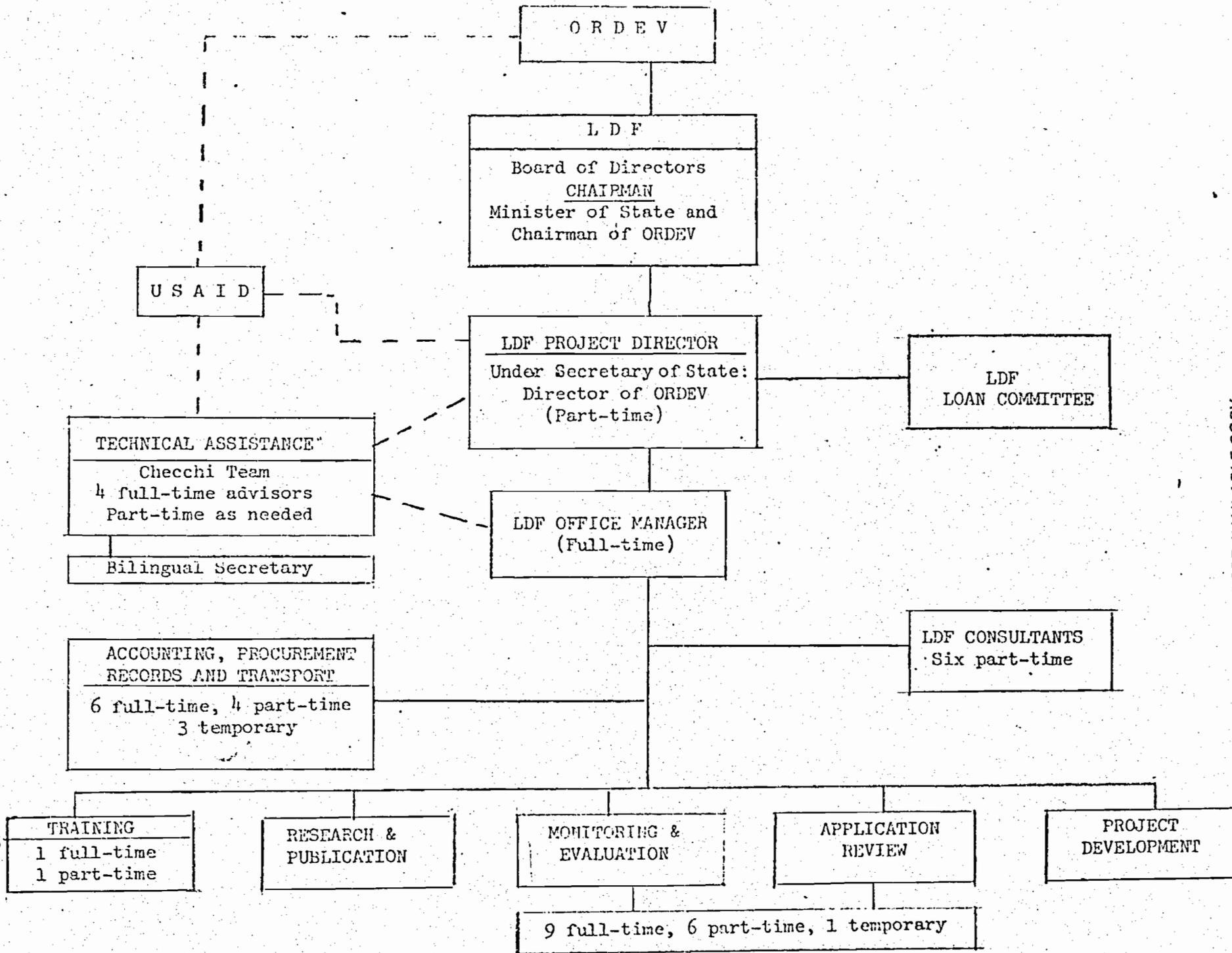
ANNEX E

THE LDF ORGANIZATION

and

LIST OF PERSONNEL

THE LDF ORGANIZATION



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1-1

LIST OF LDF PERSONNEL - SEPTEMBER 1981Project Director

Mr. A.F. El Diffrawy, Under-Secretary of State and Director of ORDEV

Full Time Personnel

1. Mr. Ahmed Riad El Ghonemy	Office Manager
2. Mr. Ismail El Dahan	Computera, equipment
3. Mr. Attia Moussa	Bee-Keeping, Fisheries
4. Mr. Mosaad Gharieb	Poultry Projects
5. Mrs. Mervat Asaker	Receptionist/Telephonist
6. Mr. Khaled Fouad Aly	Animal Production Projects
7. Mr. Mounir Farid Guindy	Poultry Projects
8. Mr. Mohamed Abdel Aziz	Food Industries, Agricultural Machinery
9. Aly Abdalla Abou El Ela	Animal Production
10. Mr. Magdy Aly Yehya	Statistics
11. Mr. Abbas Ibrahim El Sayed	Training
12. Ms. Nariman Ibrahim Hanna	Computers, Equipment
13. Mr. Mohamed Abdel Moneim Hashem	Book-Keeper
14. Mr. Ismail Abdel Salam	Arabic Typist
15. Mr. Isaac Fam Nakhla	Store Keeper

Part Time Personnel

1. Mr. Fawzy Aly El Ahwal	Director-General in ORDEV
2. Mr. Mostafa Abdel Aziz	Director-General in ORDEV
3. Mr. Salah El Din Mahboub	Director of Training
4. Mr. Maged El Sheibiny	Director-General in ORDEV
5. Mr. Abdel Halim Sallam	Financial Department , Chief Accountant
6. Mr. Mohamed Abou Taleb	Follow-up and evaluation
7. Mr. Mahlout Hassan Mohamed	Follow-up and evaluation
8. Mr. Ibrahim Abdel Rahman	Accountant
9. Mr. Fakhry Osman	Construction , transportation
10. Mr. Ramadan Hussein	Purchases

Temporary Personnel

1. Ms. Ola Shushan	Hadnling Loan Applications
2. Ms. Safaa Mohamed Shoukry	Poultry Projects
3. Ms. Nahed Fikry	Arabic Typist

Messengers

1. Mr. Morafei Sayed Ahmed
2. Mr. Said Abdou El Shahry

Drivers

1. Mr. Hussein Younis
2. Mr. Ezzat Abdel Hamid Khattab (Temporary)

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LDF BOARD OF DIRECTORS

Permanent

Mr. Nassif Tahoun	Minister of State, Chairman of ORDEV, Chairman of Board of Directors
Eng. A.F. El Diffrawy	Under-Secretary of State and Director of ORDEV
Mr. Mohamed Mahmoud Hamdy	Director General of Locality Budget, Ministry of Finance.

Members for one Year

Eng. Mohamed Nasr El Din Kaed	Under-Secretary and Secretary General of Qena Governorate
Mr. Mohamed Ibrahim El Toukhy	Under-Secretary and Secretary General of Menoufia Governorate
Mr. Mohamed Omar Aly	Chairman of the Local Popular Council of Kafr Saad, Damietta
Mr. Kotb Ahmed Soleiman	Chairman of the Local Council of El Wasta District, Beni Suef
Dr. Shawkat Mohamed Mostafa	Chairman of the Local Popular Council of Kafr El Gazzar Village, Kalubia Governorate.
Mr. Rashad Mahmoud El Hamzawy	Chairman of the Local Popular Council of Saqqara Village, Giza Governorate

LDF LOAN COMMITTEE

Eng. A.F. El Diffrawy	Under-Secretary of State and Director of ORDEV
Eng. Fawzy El Ahwal	Director-General in ORDEV
Mr. Mostafa Abdel Aziz	Director-General in ORDEV
Eng. Maged El Sheibini	Director-General in ORDEV
Eng. A.R. El Ghonemy	LDF Office Manager

Annex F

Time required to process LDF loan applications.

TIME REQUIRED TO PROCESS LDF LOAN APPLICATIONS

<u>Governorate Markaz</u>	<u>Village</u>	<u>Code No.</u>	<u>Type</u>	<u>Application Date</u>	<u>Approval Date</u>	<u>Date Cash Received</u>	<u>Time Elapsed (months)</u>
Beni Suef							
Anasia El Medina	El Awana	12-01-02	Poultry Feed	11/79	7/80	10/80	11
El Wasta	Abu Seir	12-05-04	Transport	11/79	6/80	6/80	7
El Wasta	Maydoun	12-05-09	Transport	7/80	5/81	9/81	14
Dakahliya							
Dekernis	Monshaat Abdel Rahman	04-05-04	Transport	11/79	2/80	--	3
Fayoum							
Atsa	Motowal	11-07-01	Tractor	11/79	6/80	--	7
Atsa	Abu Gandir	11/03/01	Stone Cutter	11/79	11/80	2/81	15
Sinnuris	Fidemin	11-04-02	Olive Pickling	11/79	2/80	--	3
Gharbiya							
El Santa	Ishnawai	01-01-14	Poultry Feed				
Zefta	Shubra Malas	07-04-01	Linseed Oil	11/79	2/80	2/80	3

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Source: LDF records and field interviews

TIME REQUIRED TO PROCESS LDF LOAN APPLICATIONS

<u>Governorate</u> <u>Markaz</u>	<u>Village</u>	<u>Code No.</u>	<u>Type</u>	<u>Application</u> <u>Date</u>	<u>Approval</u> <u>Date</u>	<u>Date Cash</u> <u>Received</u>	<u>Time Elapsed</u> <u>(months)</u>
Giza							
El Giza	Shubra Mant	10-02-01	Dairy	11/79	7/81	9/81	22
Badrashin	Meet Rahina	10-05-01	Transport	11/79	5/81	7/81	20
El Saff	Soul	10-01-01	Layers	11/79	11/80	1/81	14
Menia							
El Menia	Tellah	13-01-02	Layers	11/79	11/80	5/81	18
El Menia	Beni Mohamed Sultan	13-02-02	Cattle Fattening	11/79	7/80	7/80	8
El Menia	El Bergaih	13-03-01	Red Brick	11/79	6/80	--	7
Maghagha	Tembady	13-01-03	Broilers	11/79	7/80	--	8
Beni Mazar	Shalakam	13-03-04	Tile Prod.	11/79	2/80	--	3
Samalut	Astal	13-06-04	Village Store	11/79	1/81	--	14
Markiya							
Zagazdg	El Aslougy	03-02-04	Cattle Fat.	11/79	11/80		12
Kafr Sakr	El Hagarsa	03-07-02	Ag. Mach	11/79	11/80	1/81	14
Hehya	El Alakma	03/01-15	Broilers	3/81	7/81	9/81	6

Source: LDF records and field interviews

Annex G

The LDF Training Programs

Bluegrass and Philippines Training Programs

First Bluegrass Group to the United States (1977-1978)

Name of Participant	Location	Present Position	Duration of Course	Course Subject
Mr. Salah Mahboub	ORDEV	Director General of Training	9 months	Management/ Training
Mr. Ahmed Riad El Ghonemy	"	LDF Office Manager	1 month in 1977	Contracts
Mr. Mohamed Abdel Razek Ahmed	"	ORDEV Specialist (resigned)	13 months	Documentation Statistics
Mr. Mohamed Sayed Hammouda	New Valley Govt.	ORDEV Representative	6 months	Project Financing & Management
Mr. Mohamed Rashad Mohamed Hamada	Sharkia Govt.	" "	" "	" "
Mr. Fouad Taha Saleh Saoudi	Kalubia "	" "	" "	" "
Mr. Abdalla Mohamed El Tahawy	Damietta "	" "	" "	" "

Second Bluegrass Group to the United States (1979)

Mr. Fikry Abou Zeid	ORDEV	Director of Economic Planning Dept.	10 months (1/3/79-3/1/80)	Project Financing & Management
Mr. Mahmoud Hassan Mohamed Hassan	"	Head of Statistics Division	" "	" "
Mr. Mohamed Nour El Din Farag	"	Planning Specialist	" "	" "
Mr. Amin Mansour Dawoud	Fayoum Govt.	ORDEV Representative	6 months (1/3/79-30/8/79)	" "
Mr. Ahmed Seif Morad	Qena Govt.	" "	" "	" "
Mr. Abdel Moneim Ismail	Giza Govt.	" "	" "	" "
Mr. Wagih Ahmed Kamel	Matrouh Govt.	" "	" "	" "

Third Bluegrass Group to the United States

(1980)

Name of Participant	Location	Present Position	Duration of Course	Course Subject
Mr. Mahmoud Ismail Mostafa	ORDEV	Director of the Evaluation and Follow-up Dept.	7 months (7/3-3/8/1980)	Development Project Planning & Financing
Mr. Mahmoud Abdel Rchim El Sha'aer	"	Head of Follow-up Division	" "	" "
Mr. Selim Hanafy Hammad	"	Director of Social Planning Dept.	" "	" "
Mr. Hamdy Seif El Nasr Mashhour	"	Social Planning Specialist In U.S. list	" "	" "
Mr. Ibrahim Ghonemy Shedid	"	Director of Social Recherche Dept.	" "	" "
Mr. Ismail Ahmed El Dahan	"	Follow-Up Specialist	" "	" "
Mr. Mourad Abdel Malek	Giza Govt.	Head of Handicraft Project Division	" "	" "
Mr. George Labib Boulos	Dakahlia Govt.	ORDEV Representative	" "	" "
Mr. Rashad Aly Krar	N.Valley "	Head of Social Development Division	" "	" "
Mr. Abdel Moneim Abdel Hady Badawy	Beheira "	ORDEV Representative	" "	" "

Fourth Bluegrass Group to the United States

(1981)

Mr. Ahmed Aziz Mostafa	ORDEV	Head of Training Division	6 months (15/1/81-17/8/81)	Development Project Planning & Financing
Mr. Mohamed Ahmed El Shorbagy	"	Director of Admin. Affairs Dept.	" "	" "
Mr. Mosaad Abdel Samei Gharib	"	LDF - Follow-up Specialist	" "	" "
Mr. El Sayed Ibrahim Sadek	"	Planning Specialist	" "	" "
Mr. Adel Ahmed Effat	"	Planning Specialist	" "	" "
Mr. Abdel Kader Shady	Menoufia Govt.	ORDEV Representative	" "	" "

Fourth Bluegrass Group to the United States (Cont.)
(1981)

Name of Participant	Location	Present Position	Duration of Course	Course Subject
Mr. Sayed Ahmed Zaghawa	Gharbia Govt.	ORDEV Representative	6 months (15/1/81-17/8/81)	Development Project Planning & Financing
Mr. Mahmoud Ahmed Ibrahim	Ismailia Govt.	Head of Social Development Division	" "	" "
Ms. Soheir Milad Nassif	Fayoum "	Physical Dev. Division Head	" "	" "

Summary of the Bluegrass Groups to the United States

Location	No.	Location	No.	Location	No.	Location	No.
ORDEV	176	Gharbia Govt.	1	Assiout Govt.	0	S. Sinai Govt.	0
Ismailia Govt.	1	Kafr El Sheikh	0	Sohag "	0	U.S.	1
Kalubia "	1	Beheira Govt.	1	Qena "	1		
Sharkia "	1	Giza "	2	Asswan "	0	Total	33
Damietta "	1	Fayoum "	2	N. Valley"	2		
Menoufia "	1	Beni Suef "	0	Matrouh "	1		
Dakahlia "	1	Menia "	0	N. Sinai	0		

Philippines Participants (1980)

Name of Participant	Governorate	Present Position
Mr. Nayel Oweis Saoudi	Kafr El Sheikh Govt.	Secretary General of the Govt. and Board of Directors Member
Abou Hashem Azab Moussa	L.D.F.	Board Member and Chairman of the Popular Council of Oum El Zein Village
Ahmed Aziz Mostafa	ORDEV	Head of Training Division
Rizk Aly Abou El Nasr	Beheira Governorate	Head of Edfina Village
Ibrahim Mohamed Arrif	" "	Head of Zaweiet El Ghazal Village
Elamir Ahmed El Hanafy	Assiout "	Head of Rifa Village
Salah Ahmed Attia	Sohag "	Head of Mashta Village
Girgis Fam Michael	Menoufia "	Head of Mit Barra Village
Aly Salem Aly	L.D.F.	Board Member and Chairman the Popular Council of Kou
Hamdy Hussein Haridy	Menia Governorate	Head of Beni Amer Village
Abdel Maougoud Khalifa	Gharbia "	Head of Abou Serina "
Mohamed Thabet Abdel Hafez	Assiout "	Head of Beno Morr "
Mohamed Ahmed Omar Gaballa	Menoufia "	Head of Denshouwai "
Abdel Fattah Anwar Mansy	Kafr El Sheikh "	Head of Kabreet "
Mady Ibrahim El Sayed	Menia "	Head of Klouhna "
Mohamed Kamal Soleiman	Sharkia "	Head of Ghita "
Morsy Mohamed Kassem	Gharbia	Head of Shober "
Mohamed Abdel Hamid Helal	Dakahlia "	Head of El Hasaina "
Abdel Azim Hussein Khaled	Giza "	Head of El Mansouria "
Sayed Emam Moussa	Giza "	Head of Fahia "

Training Course Duration: 4 weeks from June 1, 1980 to June 28, 1980

Field of Training: Rural Development and Small-Scale Industries

16 Village Heads

3 Members of the Board of Directors

1 from ORDEV

Philippines Participants (1981)

Name of Participant	Governorate	Present Position
Mohamed Ibrahim El Toukhy	Menoufia Governorate	Secretary General of the Governorate and Board of Directors Member
Abdel Moneim Mohamed Issa Ragab	Gharbia "	Chairman of the Popular Council of Kafr El Zayat Markaz and Board Member
Mohamed Aly Abou Taleb	ORDEV	Evaluation Division Head
Hussein Hussein Abou Rawash	Gharbia "	Head of El Dalgamon Village
Mamdouh El Sayed Negm	" "	Head of El Moatamadia "
Ahmed Ibrahim Gad	Beheira "	Head of Development Division Rashid Markaz
Mohamed Talaat Soleiman	" "	Head of El Abaadia Village
Mohamed Tawfik Abdel Salam	" "	Head of Nekla El Enab "
Abdel Khalek El Sayed Zowein	Sogah "	Head of El Salamon "
Ahmed Mohamed Abdellatif	Menia "	Head of Safaina "
Nagdi Mahmoud Abdel Hamid	" "	Head of Balkeis "
Mohamed Abdel Hasib Hassan	Kalubia "	Head of El Gaafra "
Mostafa Abdel Khalek Mostafa	" "	Head of Moshtohor "
Hamdy Saber Tolba	Fayoum "	Head of Development Division Sannouris Markaz IN LIBYA.
Mahmoud Hussein Abdel Meguid	Sharkia "	Head of Shenbara "
Nasr El Din Hassan Zayed	Dakahlia "	Head of Oleila "

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Training Course Duration: One month (March 7 - April 8, 1981)

Field of Training: Rural Development and Small-Scale Industries.

- 11 Village Heads
- 2 Board of Directors Members
- 1 ORDEV
- 2 Heads of Development Divisions in Markaz

LDF'S TRAINING PROGRAMS

1978 - July, 1981

Training Report
L.D.F.

I. Training Abroad Programs:

(1) Bluegrass Training Program, Connecticut University: *

<u>Year</u>	<u>No. of Trainees</u>
1978	7
1979	7
1890	10
1981	9
	<hr/>
	33

(2) Third World Training Program (The Philippines)*

<u>Year</u>	<u>No. of Trainees</u>
1980	20 Heads of Village
1981	16 Local Units
	<hr/>
	36

* The Bluegrass Program is designed to deal with Project Planning and Management. Courses are offered at Morehead Univ. KY and Eastern Universities for 7 months.

* The Third World Training Program includes visits to development projects in the Philippines to get acquainted with leading experiments in another 3rd world country. Duration is one month.

Total No. of trainees trained abroad: 69

II .: Orientation to Local Government Training Program

(1) Training Program for Heads and members of Popular and Executive Councils. Courses were offered at LDF.

(June 14 - July 10, 1980)

Sessions No.	Date of Course	No. of Trainees	Place.	Types of Trainees	Lecture Topics	Participating Governorates
One	14 :16/6	25	Local Development Fund Office	Heads and Members of Village Local Popular Councils Executive Council Members.	DDI Agreement	Sharkiya-Fayoum
Two	17 :19/6	12			Role of Pop/Executive Councils in Development	Giza-Beni Suef-Fayoum
Three	21 :23/6	21			People's Participation in development	Giza-Qena-Dakahlia
Four	24 :26/6	28			Planning for Environmental Village Needs	Kafr El-Sheikh-Fayoum
Five	28 :30/6	21			Integrated Rural Development	Kafr El-Sheikh-Sharkiya
Six	1/7:3/7	12				
Seven	5/7:7/7	28				
Eight	8/7:10/7	25				LDF Projects
Total		172				

- (2) Training Program for Heads of Village Executive and Popular Councils. Courses offered at the Alexandria Training Institute (September 27 to Nov.27, 1980)

Session No.	Course Date	No. of Trainees	Types of Trainees	Place
One	27/9 : 2/10	52	Heads and Members of Village Executive & Popular Councils in the Governorates	The Alexandria Training Center
Two	4/10: 9/10	40		
Three	11/10:16/10	42		
Four	25/10:30/10	23		
Five	1/11: 6/11	32		
Six	8/11:13/11	28		
Seven	15/11:20/11	30		
Eight	22/11:27/11	33		
Total		280		

- (3) Training Programs for Heads and Members of Popular & Executive Councils offered at villages in the following governorates:

A- Kalubiya Governorate: (Moshtohor - El Deir and Marsafa Villages) April 18 - April 23, 1981

Session No.	Date of Course	No. of Trainees	Types of Trainees	Place
One	18:20/4/81	34	Heads and Members of Local and Exec. Councils of Moshtohor, El Deir and Marsafa Villages.	Moshtohor Local Unit
Two	21:23/4/31	31		
Total		65		

B- Aswan Governorate: (El Shatb, Abalana, Abou El Rish Bahary, and El Gaafra).

Session No.	Course Date	No. of Trainees	Types of Trainees	Place
One	30/5: 1/6/81	36	Heads & members of Local and Executive Councils	El Shatb Village Council
Two	2/6: 4/6/81	28		
Total		64		

C- Qena Governorate: (El Qenaweia - Dandara- El Mahrousa Villages)

Session No.	Course Date	No. of Trainees	Types of Trainees	Place
One	2/6: 4/6/81	33	Heads and Members of Local and Executive Councils	

Total No. of Trainees in the Orientation Training Program:

I.D.F Courses	172	Trainees
Alexandria Courses	280	"
The Village courses	162	"

Total 614 "

III.: Technical Training Programs:

(A) Construction Specifications Training Program:

Session No.	Date	No. of Trainees	Types of Trainees	Place
One	22/3 to 26/3/80	17	Construction Supervisors	LDF Office

(B) Animal Production Projects Training Program:

Session No.	Date	No. of Trainees	Types of Trainees	Place	Curricula
One	22:27/3 29:31/3 1980 Practical	29	Animal Production Specialists	LDF Office	- Meat Production Problem in Egypt - Ways of Improvin. Cattle - Feeding Schedules

(C) Poultry Raising Techniques:

Session No.	Date	No. of Trainees	Types of Trainees	Place	Curricula
One	15/20/3 Theoretical 22:27/3 1980 Practical	40	Poultry Projects Supervisors in the Governorates	LDF Office	- Poultry Projects Requirements - Poultry Houses - Feeding schedules - Marketing of Poultry Production - Broiler Production - Diseases and Means of Prevention
Two	15:17/3 Theor. 18:21/3	16	Vetrenarians	LDF Office	- Poultry Diseases - Vaccination - Prevention - Discussions
Three	28/3:1/4	14	Poultry Projects Aid to Specialists	LDF Office	- Importance of Poultry Projects - Its Requirements - Feeding schedules

Technical Training:

(D) Poultry Diseases Control Program: (Faculty of Agriculture, Al Azhar University)

Session No.	Dates	No. of Trainees	Types of Trainees	Place	Curricula
One	13:21/12	24	LDF Project Managers	Faculty of Agri. Al Azhar Univ.	- Common Poultry Diseases in Egypt - Diagnosis Procedures
Two	27/12:4/1 1981	27	Vets.	Veterinary Collage Cairo Univ. Labs	- Means of Prevention - Treatment - Feeding Schedules
		51			

(E) Poultry Diseases Control and Poultry Production Training Program:

Session No.	Dates	No. of Trainees	Types of Trainees	Place	Curricula
One	5/5: 7/5/81	54	Poultry Projects Supervisors and Specialists in Qena Governorate	Qena	- Poultry Breeding - Ways - Poultry Diseases - Treatment - Broiler Fattening - Poultry Houses

(F) Bee Diseases Training Program: (Faculty of Agriculture, Ein Shams Uni

Session No.	Dates	No. of Trainees	Types of Trainees	Place	Curricula
One	13/6:15/6 1981	17	Bee Specialist in the Governo- rates	Faculty of Agri. of Agri.	- Symptoms, prevent and treatment of Bee Diseases in Egypt
Two	16/6:18/6 1981	15	LDF Bee Projects Supervisors	" "	- Identifying Diseases
		32			- Disease Identifi cation.

51
13
14
1

Technical Training:

(D) Poultry Diseases Control Program: (Faculty of Agriculture, Al Azhar University)

Session No.	Dates	No. of Trainees	Types of Trainees	Place	Curricula
One	13:21/12	24	LDF Project Managers	Faculty of Agri. Al Azhar Univ.	- Common Poultry Diseases in EGY. - Diagnosis Procedures
Two	27/12:4/1 1981	27	Vets.	Veterinary Collage Cairo Univ. Labs	- Means of Prevention - Treatment - Feeding Scedules
		51			

(E) Poultry Diseases Control and Poultry Production Training Program:

Session No.	Dates	No. of Trainees	Types of Trainees	Place	Curricula
One	5/5: 7/5/81	54	Poultry Projects Supervisors and Specialists in Qena Governorate	Qena	- Poultry Breeding - Ways - Poultry Diseases - Treatment - Broiler Fattening - Poultry Houses

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(F) Bee Diseases Training Program: (Faculty of Agriculture, Ein Shams Uni

Session No.	Dates	No. of Trainees	Types of Trainees	Place	Curricula
One	13/6:15/6 1981	17	Bee Specialist in the Governo- rates	Faculty of Agri.	- Symptoms, prevent and treatment of Bee Diseases in Egypt
Two	16/6:18/6 1981	15	LDF Bee Projects Supervisors	"..."	- Identifying Diseases - Disease Identifi cation
		32			

G. Poultry Breeding Methods: (Sharkiya - Gharbia)

Session No.	Dates	No. of Trainees	Types of Trainees	Place	Curricula
One	26/6: 29/6/81	19	IDF Poultry Project Managers in the Governorates	Sharkia Governorate	- Broiler Production - Feeding Schedule - Egg Production - Poultry Houses - Record Keeping - Poultry Feeding

H. Food Industries:

Session No.	Dates	No. of Trainees	Types of Trainees	Place	Curricula
Two	15/8/81: 19/8/81 & 22/8/81: 26/8/81	15 14 <hr/> 29	Food Processing Specialist Local Unit Head	Al Azhar Univ. Faculty of Agri.	Pickling & Drying Food contamination Jam & Syrup Practical

I. Poultry Breeding Methods in Kafr El Sheikh:

Session No.	Dates	No. of Trainees	Types of Trainees	Place	Curricula
One	25/8/81 to 27/8/81	19	Head of Local Unit Animal Production Project Manager	Kafr El Sheikh	- Fattening Methods - Raising " - " Problems in Kafr El Sheikh

J. Poultry Breeding Methods in Meniya Governorate:

Session No.	Dates	No. of Trainees	Types of Trainees	Place	Curricula
One	13/6: 15/6/81	16	Poultry Project Managers in Menia and Assiout Govt.	Meniya	- Breeding Methods - Poultry Diseases - Ways of Cure - Broiler Breeding - Building houses

K. Animal Production Projects Training Program in Menoufia:

Session No.	Dates	No. of Trainees	Types of Trainees	Place	Curricula
One	15/8: 17/8/81	27	Local Unit Head Animal Production Project Manager	Menoufia-	Production Plan in Menoufia - Modern Breeding Methods - Breeding Problems - Fattening Methods

(L.) Bee-Keeping Training Program: (New Valley, Beheira, Sohag, Kalubia, Ismailia)

No. of Courses	Dates	No. of Trainees	Types of Trainees	Place	Curricula
First	22/6/81	17	Bee-Keeping Specialists	New Valley	Ways of Improving Bee Breeding and solving Bee Problems in Egypt
Second	23/6/81	17	" "	Beheira	" "
Third	24/6/81	22	" "	Sohag	" "
Fourth	27/6/81	25	" "	Ismailia	" "
Fifth	29/6/81	25	" "	Kalubia	" "
Total		106 Trainees			

Total Number of Trainees in Technical Training Programs:

- | | |
|---|-----|
| 1. Poultry Training Programs | 210 |
| 2. Animal Production Training Programs | 75 |
| 3. Physical development Training Programs | 17 |
| 4. Bee-Keeping Training Programs | 138 |
| 5. Food Processing Training Programs | 29 |

Total 469

IV. (A) Training Program on the Use of Calculators:

Session No.	Dates	No. of Trainees	Types of Trainees	Place	Curricula
One	21/1/81	23	ORDEV Representatives in the Governorates LDF Specialists	LDF Office	- To get acquainted with the calculators - How to use it. - Interest Tables - Distribution of a calculator to ORDEV Representatives in the Governorates

(B) Management & Planning Workshops for LDF project managers:

Session No.	Dates	No. of Trainees	Types of Trainees	Place	Participating Governorates
One	29/3: 1/4	45	Heads of Local Units	Menia	Assiout, Menia, Beni Suef
Two	3/5:7/5	42	ORDEV Representatives in the Governorates Development Specialists	Mansoura	Kafr El Sheikh, Mansoura, Damietta, Gharbia

Objectives of the Courses: Total No. of Trainees = 110

1. Explaining principles of management & planning for economic projects.
2. Studying funding resources and cost/benefit analysis.
3. Accounting
4. Marketing
5. Workshops for discussing LDF projects' marketing and production problems.
6. Finding solutions for those problems.
7. Management Techniques.

V. In-Service Training Programs for LDF Employees:

(A) English Language Courses: (For LDF Employees)

Session No.	Dates	No. of Trainees	Types of Trainees	Place
One	27/10/80 to 31/3/81	8	LDF Employees	LDF Office

(B) English Language Courses: (For ORDEV Employees)

Session No.	Dates	No. of Trainees	Types of Trainees	Place
One	20/1: 13/4/81	29	ORDEV employees	American University in Cairo
Two	5/5 : 30/6/81	32	"	"

49 trainees have attended English language course at the AUC in order to qualify for training abroad programs.

Total Number of trainees in the English language training courses:

LDF employees 8

ORDEV employees 51

49

108

Grand Total Number of Trainees during the Period from 1978
to 1/7/1981:

1. Training abroad programs	69 trainees
2. Orientation to Local Government training program (Qena, Aswan, Kalubia + representatives from all the governorates in the Alexandria training courses)	614
3. Technical Training Programs (Sharkiya, Menia, Sohag, New Valley, Beheira, Ismailia, Kalubia, Assiout, Kafr El Sheikh, Menoufiya)	469
4. Management & Planning Workshops (Menia and Dakahlia)	110
5. In-Service Training Programs (English language training courses)	108

GRAND TOTAL 1370

Annex H

List of LDF loans made as of September 1, 1981

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-/-
LIST OF LDF LOANS

First Group of LDF Loans: (March 1, 1980) 41 loans

Governorate	Village	Project Type	LDF	P.P.	Total	
<u>SHARKIA</u>	1	Shenbaret El Maymouna (03-01-02)	Poultry (broiler Unit)	15,000	10,000	25,000
	2	El Rahmania (03-01-03)	" "	15,000	10,000	25,000
	3	Geziret Saoud (03-01-04)	" "	20,000	10,000	30,000
	4	Mobasher (03-01-05)	" "	15,000	7,000	22,000
	5	El Helmia (03-01-06)	" "	20,000	7,000	27,000
	6	Awlad Seif (03-01-07)	" "	20,000	6,000	26,000
	7	Sanhout (03-01-08)	" "	15,000	10,000	25,000
	8	Ghita (03-01-09)	Poultry (Layers)	25,000	6,000	31,000
	9	El Zarzamon (03-01-10)	" "	20,000	6,000	26,000
	10	Kfour Negm (03-01-11)	" "	20,000	6,000	26,000
<u>AKAHLIA</u>	11	Borg Nur El Hommos (04-05-01)	Transportation	9,000	2,500	11,000
	12	Negir (04-05-05)	" "	6,000	2,000	8,000
	13	Monshaat Abdel Rahman (04-05-04)	Transportation	6,000	2,000	8,000
	14	Bahout (04-05-08)	" "	6,000	2,000	8,000
	15	Mit El Karma (04-05-09)	" "	6,000	2,000	8,000
<u>BARBIA</u>	16	Zefta (07-04-01)	Linseed Oil	30,000	42,000	72,000

Governorate	Village	Project Type	LDF	P.P.	Total
KAFR EL SHEIKH	El Hasafa (08-01-01)	Poultry (Broilers)	15,000	6,000	21,000
	18 Meniet El Morshed (08-01-02)	" "	20,000	6,000	26,000
	19 Brembal (08-01-03)	" "	20,000	6,000	26,000
	20 Kafr El Marazka (08-01-04)	Poultry (Layers)	20,000	10,000	30,000
	21 Keneeset El Saradosy (08-02-01)	Cattle Fattening	18,000	6,000	24,000
	22 Mit El Diba (08-02-04)	" "	18,000	6,000	24,000
	23 Abou Ghanima (08-02-05)	" "	18,000	6,000	24,000
	24 Mchalet Deyai (08-02-07)	" "	18,000	6,000	24,000
	25 Kabreet (08-02-08)	" "	18,000	6,000	24,000
	26 Sandyon (08-02-09)	" "	18,000	6,000	24,000
	27 Sidy Ghazy (08-04-01)	Linseed Oil	11,000	4,000	15,000
	28 Kom El Hagar (08-10-01)	Fish Farm	15,000	3,000	18,000
	BEHEIRA	29 Edfina (09-03-01)	Tile Plant	15,000	10,000
30 Kom Sherik (09-02-01)		Cattle Fattening	24,000	8,000	32,000
GIZA	31 Abou Ghaleb (10-02-03)	Cattle Fattening	15,000	5,000	20,000

Governorate	Village	Project Type	LDF	P.P.	Total
<u>FAYOUM</u>	32 Sanhour El Keblia (11-01-01)	Poultry (Broilers)	10,000	7,000	17,000
	33 Abuksa (11-01-02)	" "	25,000	27,000	52,000
	34 Demmo (11-01-04)	" "	15,000	35,000	50,000
	35 Zaweyet El Karadsa (11-01-05)	" "	40,000	10,000	50,000
	36 Fidemin (11-04-02)	Olive Pickling	30,000	15,500	45,500
<u>BENI SUEF</u>	37 Abeshna (12-02-02)	Cattle Fattening	15,000	5,000	20,000
<u>MENIA</u>	38 Sandafa El Far (13-03-02)	Tile Plant	15,000	7,250	22,250
	39 Agou Gerg (13-03-05)	" "	15,000	3,000	18,000
	40 Shalakam (13-03-04)	" "	15,000	3,000	18,000
<u>QENA</u>	41 Hegaza Kibly (16-03-01)	Tile Plant	15,000	5,000	20,000

Second Group of LDF Loans: July 1, 1980- (16 loans)

Governorate	Village	Project Type	LDF	P.P.	Total
<u>DAKAHLIA</u>	42 Kom El Nour (04-05-02)	Transportation	6,000	2,000	8,000
	43 Oleila (04-05-03)	Transportation	6,000	2,000	8,000
	44 Dreen (04-05-06)	" "	6,000	2,000	8,000
	45 Taneikh (04-05-07)	" "	6,000	2,000	8,000
	46 Demeera	" "	6,000	2,000	8,000
<u>GIZA</u>	47 Werdan (10-02-02)	Cattle Fattening	15,000	5,000	20,000
	48 Berkash (10-02-04)	" "	15,000	5,000	20,000
<u>BENI SUEF</u>	49 Dandil (12-05-01)	Transportation	6,000	3,000	9,000
	50 El Fant (12-05-03)	" "	12,000	3,000	15,000
	51 Abou Seir El Malak (12-05-04)	Transportation	12,000	3,000	15,000
	52 Barout (12-02-01)	Cattle Fattening	15,000	5,000	20,000
<u>MENIA</u>	53 El Bergaya (13-03-01)	Brick Plant	15,000	14,000	29,000
<u>SOHAG</u>	54 Shtoura (15-12-01)	Queen-Bee Rearing	7,000	2,900	9,900

Governorate	Village	Project Type	LDF	P.P.	Total
<u>FAYOUM</u>	Motawal (11-07-01)	Tractor	7,500	2,500	10,000
	Hawara El Makta' (11-07-02)	"	7,500	2,500	10,000
	Tellat (11-07-03)	"	7,500	2,500	10,000

Third Group of LDF Loans: August 1, 1980 (27 loans)

Governorate	Village	Project Type	LDF	P.P.	Total
<u>ISMAILIA</u>	El Kassasin El Gedida (01-02-01)	Cattle Fattening	24,000	10,000	34,000
<u>DAMIETTA</u>	El Shoara (05-02-01)	" "	19,000	7,000	26,000
	Mit El Kholy Abdalla (05-02-02)	" "	19,000	7,000	26,000
	El Mahmoudia (05-02-03)	" "	19,000	7,000	26,000
	Kfour El Ghab (05-02-04)	" "	19,000	7,000	26,000
<u>MENOUFIA</u>	Drageel (06-01-01)	Poultry (Broilers)	15,000	5,000	20,000

Governorate	Village	Project Type	LDF	P.P.	Total
MENOUFIA CONT.	Tamlai (06-01-02)	Poultry (Broilers)	15,000	5,000	20,000
GHARBIA	Meshala (07-01-01)	Poultry(Broilers)	20,000	6,000	26,000
	Defra (07-01-02)	" (Layers)	20,000	10,500	30,500
BEHEIRA	Kom El Kanater (09-01-02)	Poultry (Layers)	20,000	5,000	25,000
	El Nebeira (09-01-03)	" (Broilers)	15,000	6,500	21,500
BENI SUEF	Kai (12-01-01)	Poultry(layers)	40,000	12,000	52,000
	El Awawna (12-01-02)	Poultry Feed Unit	15,000	5,000	20,000
	Kambash El Hamra (12-02-03)	Cattle Fattening	15,000	5,000	20,000
	Barawa El Wakf (12-02-04)	Cattle Fattening	15,000	5,000	20,000
MENIA	Saft El Khamar (13-02-01)	Cattle Fattening	30,000	10,430	40,430
	Beni Mohamed Sultan (13-02-02)	" "	30,000	10,430	40,430
	Damshir (13-02-03)	" "	34,000	11,430	45,430
	Atleedem (13-02-04)	" "	30,000	10,500	40,500
	Tambady (13-01-03)	Poultry(broilers)	15,000	5,000	20,000
	Nazlet Asmant (13-01-06)	" (layers)	20,000	5,000	25,000

Governorate	Village	Project Type	LDF	P.P.	Total
<u>QENA</u> ✖	Khozam (16-03-02)	Brick Plant	30,000	13,500	43,500
<u>NEW VALLEY</u> ✖	El Gedida (19-02-01)	Cattle Fattening	20,000	7,000	27,000
<u>NORTH SINAI</u> ✖	Rommana (20-10-01)	Fishing Boat	15,000	3,000	18,000
	El Kherba (20-05-01)	Potable Water	15,000	3,500	18,500

3 MISSING
SOHAG (2)
GIZA (1)

Fourth Group of LDF Loans: January 1, 1981 (22 loans)

Governorate	Village	Project Type	LDF	P.P.	Total
<u>ISMAILIA</u> ✖	Serapiom (01-01-01)	Poultry (roilers)	25,000	6,000	31,000
	Ein Ghasin (01-01-03)	" "	25,000	6,000	31,000
	Abou Sweir (01-01-04)	" "	25,000	6,000	31,000
	El Kassasin El Kadema (01-02-02)	Cattle Fattening	24,000	10,000	34,000
	Nefisha (01-02-03)	" "	24,000	10,000	34,000

Governorate	Village	Project Type	LDF	P.P.	Total
<u>KALUBIA</u>	Sandabis (02-02-01)	Cattle Fattening	20,000	6,050	26,050
	Sanafir (02-01-01)	Poultry(broilers)	15,000	6,000	21,000
<u>DAKAHLIA</u>	El Maasara (04-01-03)	Poultry Feed Unit	40,000	13,375	53,375
	Kom El Derby (04-01-01)	" (broilers)	15,000	5,000	20,000
<u>KAFR EL SHIEKH</u>	El Haddady (08-02-03)	Cattle Fattening	23,000	9,000	32,000
<u>SHARKIA</u>	El Asloug (03-02-01)	Cattle Fattening	15,000	6,315	21,315
	El Hagarsa (03-07-02)	Farm Tractor	15,000	5,000	20,000
<u>BEHEIRA</u>	Kafr Dawoud (09-01-04)	Poultry(broilers)	15,000	6,000	21,000
	Waked (09-02-01)	Cattle Fattening	20,000	6,100	26,100
	Mehalet El Amir (09-01-01)	Poultry (layers)	25,000	18,000	43,000
<u>GIZA</u>	Soul (10-01-01)	Table Eggs	30,000	17,000	47,000
<u>FAYOUM</u>	Dessia (11-01-03)	Poultry(broilers)	20,000	40,000	60,000
	Abou Ghandir (11-03-01)	Stone Cutter	30,000	13,690	43,690

Governorate	Village	Project Type	LDF	P.P.	Total
<u>MENIA</u>	Toukh El Kheil (13-01-01)	Poultry(broilers)	20,000	5,000	25,000
	Tellah (13-01-02)	" (layers)	30,000	28,000	58,000
	Abwan (13-01-07)	Poultry (broilers)	20,000	5,000	25,000
<u>NEW VALLEY</u>	El Rashda (19-07-02)	Agri.Machinery	12,000	3,000	15,000

Fifth Group of LDF Loans: March 1, 1981 (27 loans)

<u>ISMAILIA</u>	Fanara (01-12-01)	Queen-Bee Rearing	6,000	2,250	8,250
<u>KALUBIA</u>	Tahouria (02-01-03)	Poultry(broilers)	15,000	11,000	26,000
<u>MENOUFIA</u> 06-02-03)	Tahwai (06-02-03)	Cattle Fattening	18,000	6,465	24,465
	Arab El Raml (06-02-05)	" "	18,000	5,340	23,340
	Shanshour (06-02-04)	" "	22,000	5,000	27,000
	Saft Geddam (06-02-07)	" "	20,000	7,000	27,000
	Sobk El Dahak 06-02-08)	" "	22,000	5,000	27,000

Governorate	Village	Project Type	LDF	P.P.	Total
<u>MENOUFIA CONT.</u>	Ashma (06-01-03)	Poultry(broilers)	22,000	8,000	30,000
	Barhim (06-01-05)	" "	22,000	8,000	30,000
	El Moseilha (06-01_09)	" "	25,000	6,000	31,000
	Estebary (06-01-11)	" "	22,000	8,000	30,000
	Shama (06-01-12)	" "	25,000	6,000	31,000
	Sakiet Abou Shaara (06-01-13)	" "	22,000	8,000	30,000
<u>GHARBIA</u>	Abou Serina (07-01-03)	Poultry(broilers)	22,000	8,000	30,000
	Sa El Hagar (07-01-04)	" "	22,000	8,000	30,000
	Sonbat (07-01-05)	" "	22,000	8,000	30,000
	Akhnawai 07-01-10½	" "	25,000	6,500	31,500
	Berma (07-01-11)	" "	22,000	8,000	30,000
	Mit Mowai (07-01-13)	" "	22,000	8,000	30,000
<u>BEHEIRA</u>	Kafr Boulin (09-01-04)	Poultry(broilers)	30,000	9,600	39,600
<u>GIZA</u>	Barnasht (10-02-05)	Cattle Fattening	15,000	8,380	23,380
<u>MENIA</u>	Astal (13-06-04)	Consumer Coop.	15,000	5,000	20,000
<u>ASSIOUT</u>	Arab Matir (14-02-01)	Cattle Fattening	18,000	5,000	23,000
	El Okal El Kibly (14-02-02)	" "	30,000	6,000	36,000

Governorate	Village	Project Type	LDF	P.P.	Total
<u>MATROUH</u>	Raas El Hekma (18-10-01)	Fishing Boat	15,000	5,000	20,000
	Negeela (18-10-02)	" "	15,000	5,000	20,000
<u>NEW VALLEY</u>	Balat (19-01-01)	Poultry (broilers)	20,000	5,000	25,000

Sixth Group of LDF Loans: June 1, 1981 (31 loans)

Governorate	Village	Project Type	LDF	P.P.	Total
<u>KALUBIA</u>	Seriakos (02-01-04)	Poultry(broilers)	22,000	4,000	26,000
	Nai (02-01-05)	" "	20,000	5,000	25,000
<u>DAKAHLIA</u>	Badawy (04-01-02)	" "	20,000	7,000	27,000
	Shubra Hour (04-01-05)	" "	20,000	7,800	27,800
<u>MENOUFIA</u>	Zaweyet El Bakly (06-01-04)	" "	22,000	9,000	31,000
	(Taha Shubra (06-01-07)	" "	22,000	7,500	29,500

Governorate	Village	Project Type	LDF	P.P.	Total
<u>MENOUFIA CONT.</u>	Begeirem (06-01-08)	Poultry (Broilers)	22,000	4,000	26,000
	Oum Khenan (06-01-15)	" "	22,000	7,000	29,000
<u>GHARBIA</u>	Damat (07-01-19)	Ducks	11,000	6,500	17,500
	Abou El Ghor (07-01-06)	Poultry (broilers)	22,000	8,000	30,000
	Ashnawai (07-01-14)	Poultry Feed Unit	45,000	60,000	105,000
<u>KAFR EL SHEIKH</u>	El Riyadh (08-01-08)	Poultry (Broilers)	20,000	6,000	26,000
	El Zaafaran (08-01-09)	" "	20,000	6,000	26,000
	El Warak (08-02-06)	Cattle Fattening	22,000	5,980	20,590
	Erimon (08-02-10)	Cattle Fattening	20,000	8,040	28,040
<u>BEHEIRA</u>	El Messin (09-01-07)	Poultry (layers)	25,000	10,000	35,000
	Maania (09-01-08)	Poultry (broilers)	20,000	5,000	25,000
	Dest El Ashraf (09-01-10)	Poultry Feed Unit	40,000	16,000	56,000

Governorate	Village	Project Type	LDF	P.P.	Total
<u>BEHEIRA CONT.</u>	Serenbai (09-12-02)	Bee-Keeping	8,000	4,000	12,000
	Fisha (09-12-03)	" "	8,000	4,000	12,000
	Kom El Nasr (09-12-04)	" "	8,000	4,000	12,000
<u>MENIA</u>	Shousha (13-06-03)	Consumer Coop.	15,000	5,000	20,000
<u>ASSIOUT</u>	Beni Mohammadiat (14-01-02)	Poultry (broilers)	23,000	4,000	27,000
	El Nawawra (14-01-05)	" "	20,000	3,000	23,000
	El Osmania (14-01-06)	" "	20,000	3,000	23,000
	Beni Shokeir (14-01-07)	" "	25,000	4,500	29,500
	Dier El Ganadla (14-02-03)	Cattle Fattening	19,000	5,455	24,455
	Beni Zeid El Akrad (14-09-01)	Workshop	18,000	6,000	24,000
	El Kasr (19-01-03)	Peking Ducks	13,000	4,000	17,000
<u>N. VALLEY</u>	El Kasr (19-12-10)	Queen Bee Rearing	8,000	4,000	12,000
<u>NORTH SINAI</u>	Rabaa (20-02-05)	Sheep Production	17,000	4,315	21,315

Seventh Group of LDF Loans: August 1, 1981 (18 loans)

Governorate	Village	Project Type	LDF	P.P.	Total
<u>BEHEIRA</u>	Armania (09-04-01)	Shamy Bread Bakery	15,000	5,640	20,640
	Nekla El Enab (09-05-07)	Transportation	9,000	3,350	12,350
<u>GIZA</u>	Mit Rahina (10-05-02)	Transportation	9,000	3,000	12,000
	Saqqara (10-05-01)	" "	9,000	3,000	12,000
<u>BENI SUEF</u>	Kamn El Arous (12-05-05)	Transportation	12,000	"	
	Dashtout (12-05-06)	Transportation	6,000	"	
	Midoum (12-05-09)	Transportation	12,000	—	
<u>SOHAG</u>	El Ezeizat (15-12-03)	Bee-Keeping	4,000	3,700	
	El Gallaweya (15-12-02)	" "	4,000	"	
<u>QENA</u>	El Safiha El Barahma (16-01-20)	Poultry Hatchery Poultry (broilers)	15,000 15,000	4,500	19,500
	El Ashy (16-01-03)	" "	15,000	"	
	Toukh (16-01-07)	" "	15,000	"	
	El Dabia (16-02-03)	Sheep Breeding	11,000	—	
	El Rozeikat (16-02-04)	Sheep Breeding	11,000	—	

Governorate	Village	Project Type	LDF	P.P.	Total
<u>QENA</u> CONT. 14	El Maris (16-02-02)	Sheep Breeding	11,000		
<u>MENIA</u> 15	Abou Korkas El Balad (13-05-11)	Transportation	15,000	8,000	23,000

Eighth Group of LDF Loans: September 1, 1981 (25 loans)

Governorate	Village	Project	LDF	P.P.	Total
<u>KALUBIA</u>	Tahanob (02-01-06)	Poultry(Broilers)	23,000	4,500	27,500
<u>SHARKIA</u>	El Salehia (03-01-12)	" "	21,000	7,000	28,000
	El Demeen (03-01-13)	" "	22,000	6,500	28,500
	El Sanafeer 03-01-14)	" "	22,000	5,000	27,000
	El Alakma (03-01-15)	" "	21,000	6,500	27,500
	El Abbasa (03-01-16)	" "	21,000	7,000	28,000
	Toweiher (03-01-17)	" "	21,000	7,000	28,000
	Sanhout (03-02-04)	Cattle Fattening	18,000	5,010	23,010
	Sanhout (03-01-19)	Table Eggs	30,000	7,000	37,000
<u>DAKAHLIA</u>	El Hasaina (04-01-04)	Poultry(Broilers)	20,000	8,000	28,000
<u>GHARBIA</u>	Kafr Kala El Bab (07-01-11)	" (Layers)	30,000	16,500	46,500
<u>KAFR EL SHEIKH</u>	Ebshan (08-02-11)	Cattle Fattening	22,000	7,000	29,000
	Borg El Borolos (08-05-03)	Transportation	15,000	7,500	22,500
<u>BEHEIRA</u>	Dairout (09-03-02)	Tile Plant	22,500	7,500	30,000
<u>IZA</u>	Shubramant (10-02-01)	Dairy Production	83,000	27,658	110,658

Annex I

The Logical Framework from the Project Paper

LOGICAL FRAMEWORK MATRIX
DEVELOPMENT DECENTRALIZATION I

I. THE GOAL

To reinforce and strengthen decentralized local government.

Objectively Verifiable Indicators:

1. Local policy-making and management systems effectively supporting income-producing activities and improvements to social/physical infrastructure services in rural areas.
2. Central government planning, appraisal, implementation, evaluation, financial and management systems supportive of local decentralization designed, tested, and applied to activities in a targeted number of cases.
3. A rising percentage of locally derived resources supporting locally planned and managed budget for improved social and physical infrastructure services and expanded profit-making activities.
4. Training systems supportive of local decentralization designed, tested, and functioning in a targeted number of cases.
5. Reliable socio-economic measures developed, tested, and applied to planning and evaluation activities in targeted local decentralization programming sites.

Means of Verification:

1. Specific kinds of local decentralization activities, economic, services, and physical, aimed at various levels (governorates, Districts, and Village Councils) planned and tested under field conditions.

2. Special institutional mechanisms designed and tested with the aim of providing credit, technical advice, management, evaluation, and training to local representative council operations and KEO's in the planning and implementation of local projects.
3. Evaluative and research studies operational and addressed to equity and distributional effects of local decentralization economic, services, and physical activities.
4. Curricula in universities and specially operated government training institutes, including the ORDEV Academy, organized to provide experiential training in rural development and local government, with selected local representative council as field laboratories.

II THE PURPOSE

To strengthen the financial viability and development capability of selected village councils.

End-of-Project-Status:

1. A Local Development Fund (LDF) established, staffed, operating and initially capitalized by USAID grant funds (\$5,000,000 for first five years of LDF operation) with the Organization for Reconstruction and Development of Egyptian Villages (ORDEV), Ministry of Local Government.
2. A technical assistance capacity under development within ORDEV designed to provide advice on economic analysis, financial management, programming, and small industries to ORDEV and village councils,
3. Loans, operational procedures, loan project evaluation criteria and accounting, financial reporting, program analysis, performance budgeting, organizational and management systems designed and applied through the LDF to at least 300 village councils during the five years of project life.
4. Training programs planned, tested and underway both at the ORDEV Academy and in the field for selected ORDEV officials at the Cairo and Governorate and District levels, and for Governorate and village elected and executive personnel.
5. Two major evaluations completed at end of first 30 months of project and end of full 60 months.

Means of Verification:

1. Loan Development Fund fully capitalized.

2. Lending policies, financial structure, audit systems and portfolio management regulations and organization clearly defined.
3. Departments of Economics, Social, Physical, and Follow-up and Evaluation of ORDEV and LDF Secretariat and Board of Directors staffed, equipped, and supported by necessary advisory services required to provide project design assistance for at least 70 loan approvals per year by the end of the third year of the project.
4. The relevant Departments of ORDEV at Central Governorate and District levels staffed, trained, and equipped.
5. U.S., third-country, and in-country training/observation programs designed, tested and applied through ORDEV's National Academy and field training programs.
6. Base line data collection system and evaluation studies, yielding information on LDF performance.

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III THE OUTPUTS

Output Details

1. Spreading awareness of the usefulness of profit-making projects-among members of village councils.
2. Village councils seeking financial autonomy through planning of profit-making projects.
3. Profit-making projects actually designed, appraised and implemented by village councils and village executive committees.
4. Village councils understand the relationship between project purposes, efficient use of resources, good management, and repaying loans at a reasonable interest rate- on time.
5. Expanding flow of adequately designed project loan requests to LDF.

Output Indicators

1. Loan applications from a minimum of 110 village councils per year by fourth year of project.
2. Disbursements on a minimum of 200 loans by the third year of the project.
3. Project loans returning at least 15% on investments and the returns are entering "special accounts" or being reinvested.
4. Loan payment delinquencies holding to only 3% of LDF outstanding disbursed balances, each quarter.
5. Village councils trained in how to design and submit loan requests, and submitting increased numbers on own initiative without substantial technical assistance from LDF.

6. Qualified ORDEV staff, village council, and executive committee members trained in project identification, preparation, appraisal, and implementation techniques.
7. Development of in-country training capability.
8. Evaluation and monitoring system designed and used for immediate on-line changes in LDF operations and/or in measuring LDF impact.
9. Department of Economic projects, and valuation and follow-up at ORDEV, together with a special LDF unit, trained to provide technical assistance to village councils on appraisals of alternative project possibilities and in preparing loan requests
6. Attainment of \$250,000 quarterly loan targets by end of second year of project with Loan Committee review of project loan requests not exceeding 30 days, and loan disbursements occurring within 90 days of signing of loan agreement with village council.
7. Creation and operation of special LDF training system within ORDEV Academy, including field training, and case study instruction.
8. Evaluation and Monitoring systems developed and in use within ORDEV, during the 3 years of the project.
9. Fifty-five relevant departmental and special staff trained abroad in participant training concerning principles of project

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containing optimum (maximum) data.

- 10. Executive Director of LDF Loan Committee, etc. with capacity to establish/modify policy and manage the loan portfolio.

identification, preparation appraisal, implementation and reporting. USAID-provided technical assistance team training staff in country.

- 10. LDF Director and members of Loan Committee trained by USAID-provided technical assistance advisory team.

IV INPUTS

See part III A-8, and Annex E, detailed Budget.

V ASSUMPTIONS

Important assumptions about the project

1. Egypt's international situation will stabilize so that human, financial, and natural resources can be devoted increasingly to domestic development.
2. Article 152 of the Egyptian Constitution of 1971 will continue to guide Egyptian policy-makers in matters concerning local government. ("... The local popular councils will be formed...through direct elections as administrative units....")
3. Public Law 52 will be implemented in such a way that the physical, social, and economic components of a rural development strategy can be effectively supported among all levels of government; and, in particular among local representative councils and executive committees.
4. Where essential, government inter-ministerial coordination in Cairo, at the Governorate, District and village level will ensure that executive and local council inputs effectively mesh.

5. It will be possible to engage and hold sustained interest among Egyptian administrators, policy-makers, and professionals in local development decentralization.
6. Popular participation in local economic development and the provision/distribution/operation of services and infrastructure can be effectively promoted through the local representative councils and the ARE movement towards decentralized administration.
7. The leadership and motivation of local representative councils will be of a quality sufficient to support and effectively guide constructive, dynamic, and equitably distributed local development activities.
8. Relationships between local representative councils and local executive committees will be mutually supportive.
9. It will be possible to encourage various training institutions and university levels of education to develop the kinds of student skills and attitudes essential to promoting effective, participatory, local development decentralization activities.
10. Evaluation and research activities concerning local decentralization and rural development can be organised and sustained over time so that they become a part of the entire process.

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11. Foreign bi-lateral and multi-lateral grant and loan support for local decentralization and rural development investment in economically productive activities, services, and social/physical infrastructure facilities, training, research, and technical assistance programs can be effectively linked together and coordinated with A.R.E. initiatives concerning local decentralization.
12. There is a significant causal connection between village investments in income producing activities and a greater number of locally financed village service activities.
13. A _____ greater number of both these activities will improve the social and economic well being of the villages.
14. ORDEV can organize and staff internally so that it can effectively support the establishment of a LDF system and provide the necessary technical assistance to village councils.
15. Existing GOE regulations are sufficiently flexible to allow the rapid introduction of LDF operations.
16. Authorized sources of revenue under Public Law 82 will become fully operational and contributory to the financial strength of village councils.
17. Program analysis and performance budgeting processes supportive of LDF plans and operations, can be successfully introduced to village councils by ORDEV.

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Differing policy perceptions about the use of "special account" funds, as viewed by village councils and village executive committees, can be reconciled.

18. Interest rates and profit-margin criteria can be successfully introduced and sustained over time.
19. AID can provide the necessary funds, training, and qualified technical advisory staff on a timely basis.

Annex J

Recommended Topics for Further Research

1. Further Credit Analysis.
2. Technical and Economic Analysis of existing enterprises being financed by LDF loans, eg. beef fattening projects.
3. Small Scale Enterprise Development.
4. The Changing Local Revenue Situation and Decentralization.

1. FUTURE CREDIT ANALYSIS

Problem: After reviewing studies that make reference to rural credit in Egypt and after talking with those who directly deal with credit, it is immediately apparent that the credit picture is not well in focus. There are many contradictory opinions and mis-understandings of what is happening. Even discussions with BDAC directors within the various governorates resulted in differing information as to the practices of the bank. The credit climate is in a state of flux. As the economy improves, attitudes and practices change. Past assumptions are no longer valid. The social and economic context for rural credit needs to be reviewed in light of these changes.

Recommendation: We recommend that the study of Rural Credit in the Near East currently being started by NE/TECH/SARD place its major focus upon Egypt. It would address:

1. The actual degree and kind of religious/cultural attitudes toward lending and interest.
2. Realistic interest rate policies in light of GOE economic policies, subsidies, and current practices.
3. An examination of the array of credit vehicles now in existence.
4. The uses of loan guarantees and collateral.
5. The changes in behavior in rural savings (e.g. Is the increase in savings in the BDAC merely a transfer from the old Post Office Savings Program?)
6. The involvement of the private commercial sector.
7. The investment choices resulting from a new infusion of credit into rural Egypt.

The final report would include a series of proposals for new credit activities and for integrating and consolidating the credit intervention activities currently underway in rural Egypt.

2. Technical and economic analysis of existing enterprises being financed by LDF loans, e.g. beef fattening projects.

The current LDF portfolio presents a unique, accessible data base for intensive research on production, financing, marketing, etc aspects of LDF. Results can be used to finely tune technical assistance to other LDF projects, improve the profitability of all projects and help those that are marginally profitable stay in business.

We found that most of the 21 we visited appeared to have a good chance of being viable and profitable, but many are going to run into trouble and their equipment ages, and markets become more competitive. They will need to be carefully monitored and be given skilled technical assistance, based upon knowledge of the circumstances in which the projects are operating. This will increase the probability that they will be able to pay back their loans and continue to generate profits for the special accounts of the village councils.

The team recommends that the portfolio be examined and a series of studies started by the LDF consultants and Checchi advisors.

For example, a study of the beef fattening projects is suggested. We know from our own work and that of Bluegrass, that many of the beef projects are in trouble. We did find one, however, that appeared to be doing quite well. If an intensive study of 10-15 of these projects was done, spending two days at each project looking carefully at the husbandry, economics and marketing of the enterprise, then we might be able to say something definitive about these projects. This should improve the technical assistance for existing and new projects.

This kind of study would also provide LDF and ORDEV with the kind of hard data they need to make a strong case concerning the fixed price for the sale of beef products.

3. Small Scale Enterprise Development

In the process of reviewing this project the team was impressed with the considerable amount of economic activity and entrepreneurship in the villages and the potential for developing small to medium scale private enterprises outside of the major urban centers. A number of people interviewed in the governorates stressed the need to channel credit to the private sector "if you really want to get development."

Recommendation: We recommend that USAID/Cairo seriously examine ways in which it might actively encourage the development of private sector enterprises outside of the major urban centers. Prior to project design, a research project should be undertaken to collect and synthesize information that is currently available on the following major issues:

1. The political/legal climate for private enterprise development in Egypt;
2. The credit environment for private sector development;
(see proposal one in this section)
3. The scope and nature of current small and medium scale enterprises;
4. The nature and extent of off-farm employment opportunities;
(MSU Project)
5. The basic needs of the people and the government which might be addressed by the private sector; (World Bank Study, 1979)
6. Possible applications of "appropriate technologies" in the private sector; (Forthcoming Peterson study)
7. The need for management training and/or technical/managerial assistance in the private sector.

We further recommend that this activity be carried on outside of the LDF organization so as not to detract from the emphasis we feel it should be placing on management of the current program.

4. The changing local revenue situation.

One of the assumptions upon which this project is based is that providing additional money, through income producing projects, for the Special Discretionary Accounts(SDA) of the village council will enable the council to participate in development decisions about their own projects -- hence decentralization.

During the past few years there have been several changes in the law and implementation of the laws which govern the SDAs and their sources of revenue. The team recommends that before we proceed further in the design of new decentralization project we take a careful look at local revenue generation and its how it is spent in the cause of development.

Annex K

The Methodology of the Evaluation

Methodology of the Evaluation

A mid-project evaluation had been included in the original project design and its conduct became imperative with the commitment of another \$15 million to the project -- which more than doubled its original size.

The Mission requested that the evaluation take place during September 1981 and together with the Near East Advisory Committee in AID/W drew up a preliminary scope of work -- see preface for outline.

Assembly of the team began in early August with the selection of the team leader (rural development officer) and cooperative/credit specialist from NE/TECH/SARD, the office which backstops the project in AID/W. Our search for a rural economist/small scale enterprise specialist with arabic was not successful, so we asked Development Alternatives to provide a specialist (minus the arabic) through an IQC arrangement.

The team leader visited Bluegrass Area Development District, Morehead State University and Eastern Kentucky University, to discuss their training program and review the 15 case studies of LDF projects which they had written during August, 1981.

The team assembled in Cairo on September 12, 1981 and began work on the 13th. The USAID project officer, an Egyptian economist, and the LAD field research officer, joined the team for some of the interviews in Cairo and all the field trips. The backgrounds of these Mission officers in economics and accounting were invaluable assets to the team and made our analyses more probing and insightful.

The next 19 days were spent as follows:

- Days 1-3. Discussion with USAID, ORDEV and Checchi. Presentation of final scope of work to USAID on Day 3.
- Day 4. At LDF. Preparation of pre-test field instruments.
- Day 5. Field trip to Fayoum -- three projects.
- Day 6. Rest, review and revision of field materials.
- Day 7. Review of records/interviews with LDF and Checchi.
- Days 8-12 Field visits to 18 projects, writing of profiles, interviews with bankers and trainees.
- Day 13. Rest and review of material, writing profiles.
- Days 14-15 Further interviews with LDF, Checchi, USAID, and banks. Write-up begins.
- Days 16-18 Finish first draft. Distribute to Project Committee.
- Day 19. Brief ORDEV and Mission on major findings.

A further two days of work were required to finish the next draft of the report. This was left with the Mission on October 5 1981.

Selection of Project Sites

Thirty projects were randomly selected from the first 106 loans given by LDF. We drew the sample from the oldest loans because we wanted to look at those which had had most implementation experience.

The thirty chosen, using a table of random numbers, were grouped according to type of project -- broilers, layers, beef fattening, etc and the first two or three projects selected in each category were designated for visits. This gave us the first 11 sites for visits. We then selected another four project from different project types to give us a range of project types to review -- these were again selected at random within each type of project. The fifteen sites were then placed upon maps of each governorate and 10 new projects from the 101 loans made during the last year were selected based upon their proximity to an older project which we had selected. We planned to visit as many of these new projects as we could in the time available and ascertain if there had been any changes in the way LDF was providing services to the newer loan applicants.

The distribution by age and project type of the 21 visited is shown on the next page. The geographic distribution is shown on the map on the subsequent page. Fifteen are in Upper Egypt and six in Lower Egypt.

Topics covered during the field trips.

A set of questionnaires dealing with the following topics were used to guide our field investigations:

1. Enterprise viability including, finance, management, experience with previous projects, performance, project records.
2. LDF/village council relationships, loan application and review, technical assistance, monitoring, quarterly reports.
3. Beneficiaries, those employment, payment and incentive pay, sellers and buyers from the projects, profits to the SDA, activities of the SDA.
4. The village council and credit, previous credit applications.
5. The activities of the ORDEV organization in each governorate.

6. The activities of the PBDAC in each governorate.

7. The present activities of each LDF trainee met during our field visits. Changes they have made because of their training, suggestions regarding the training.

Writing the Report

The sections were divided among the team members after extensive and continuous discussions concerning the contents of each section.

Cost of the Evaluation.

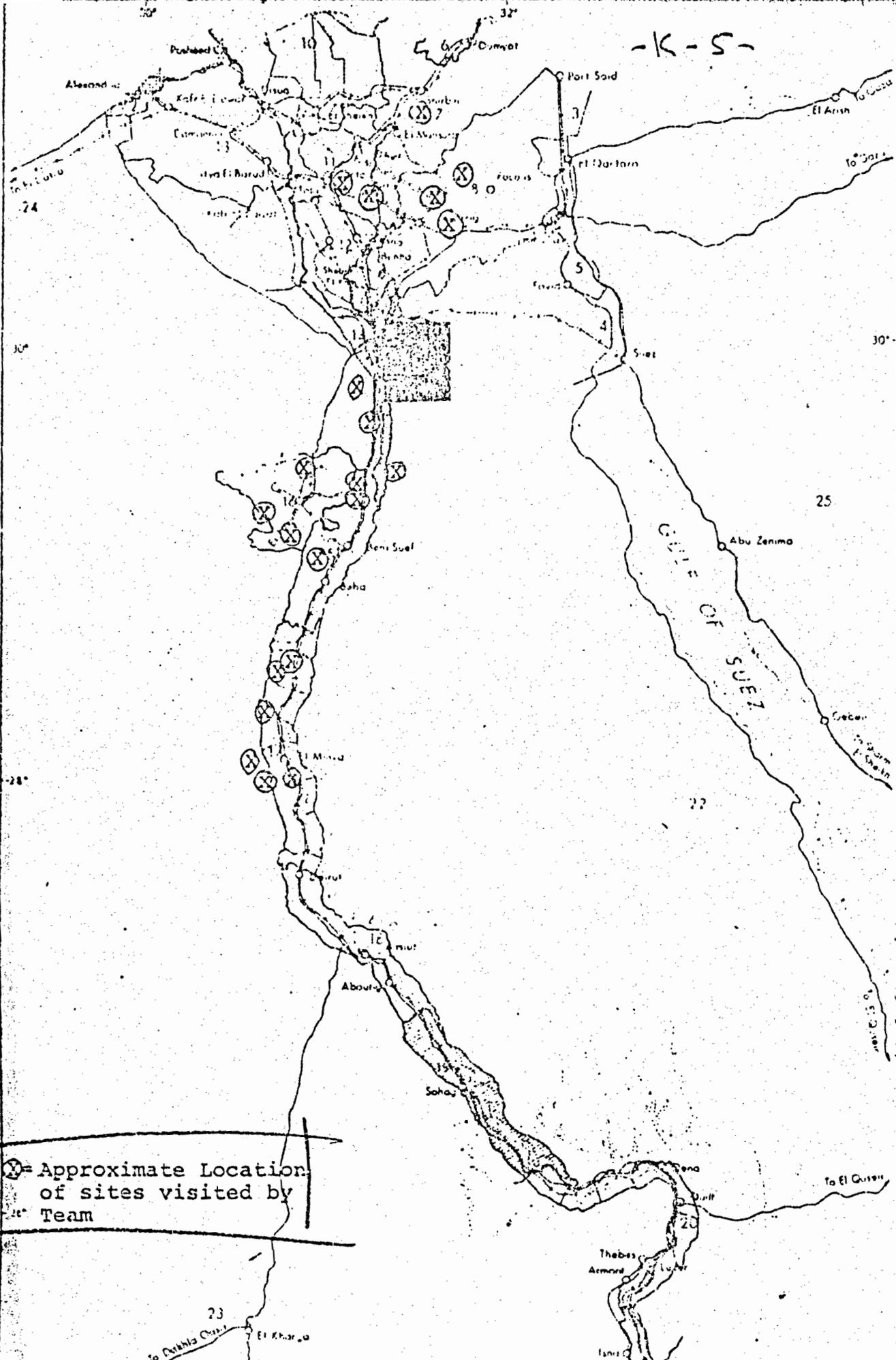
This evaluation has cost USAID approximately US\$16,000 and LE 800.

It has cost AID the above plus 5 person weeks of Assistant General Development Officers time -- about US\$5000.

PROJECTS VISITED BY GOVERNORATE, AGE AND TYPE OF ENTERPRISE

GOVERNORATE	AGE		ENTERPRISE				
	11/79-1/81	2/81-8/81	Poultry	Transport	Cattle Fattening	Agricultural Mechanization	Other
Beni Suef	2	1	1 (feed)	2			
Daqahlya	1	-		1			
Fayoum	2	1				1	Quarry, Olive Pickling
Gharbiya	1	1	1 (feed)				Linseed Oil
Giza	1	2	1 (eggs)	1			Dairy
Menya	5	1	2 (broilers, eggs)		1		Tile, Brick, Stone
Sharkiya	2	1	1 (broiler)		1	1	
	—	—	—	—	—	—	—
	14	7	6	4	2	2	7
Total Loans made (207)	106	101					

1
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1



-K-S-

Popul
TAG BY

- 1 CAI
- 2 ALI
- 3 FOF
- 4 SUL
- 5 ISM
- 6 DAI
- 7 DAI
- 8 SHI
- 9 QAI
- 10 KAI
- 11 GH
- 12 MEI
- 13 BEI
- 14 GI2
- 15 BEA
- 16 FAY
- 17 MIN
- 18 ASS
- 19 SOU
- 20 OPA
- 21 ASW
- 22 RED
- 23 ELY
- 24 MAS
- 25 SINA

BEST AVAILABLE COPY

BEST AVAILABLE COPY

X = Approximate Location
of sites visited by
Team

Annex L.

Places and People Visited during this Evaluation

The following places and people were visited and provided information used in this evaluation.

Bluegrass Consortium, Kentucky, USA.

Mr. Michael Diehl,	Consortium Director, Bluegrass Area Development District, Lexington, Kentucky.
Dr. Joe Copeland,	Coordinator, Morehead State University
Dr. Gary Van Meter,	CPA, Morehead State University
Dr. J. Allan Singleton,	Coordinator, Eastern Kentucky University
Dr. Jas Sekhon,	Director, Bluegrass Area Development District.

USAID/Cairo

Mr. Don Brown,	Director
Mr. Owen Cylke,	Deputy Director
Mr. Richard Dangler,	Assistant Director, DRPS
Mr. John Roberts,	Director, DRPS/LAD
Mr. Ernie Kuhn,	DRPS/LAD
Mr. Richard Fraenkel,	Program Officer
Mr. Bill Steckel,	Evaluation Officer
Mr. John Blackton,	Industry and Trade
Ms. Elizabeth Martella,	Agriculture Office.

Agricultural Mechanization Project

Ms. Jennifer Bremmer,	Development Alternatives Inc.,
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Small Scale Enterprise Development Project.

Messrs. Edwardo Tugnedhat, Ted Guild, and Norman Dahl.

ORDEV/Cairo

Mr. A.F. El Difrawy,	Under-Secretary of State & Director of ORDEV
Mr. Ahmed Riad El Ghonemy	Office Manager
Mr. Ismail El Dahan	Computers, equipment
Mr. Mosaad Gharieb	Poultry Projects
Mr. Salah El Din Mahboub	Director of Training
Mr. Abdel Halim Sallam	Financial Department, Chief Accountant
Mr. Mohamed Abou Taleb	Follow-up and evaluation
Mr. Mahmoud Hassan Mohamed	Follow-up and evaluation
Mr. Ibrahim Abdel Rahman	Accountant
Dr. Mohamed Samieh Raouf	Food Processing, Consultant
Dr. Said El Din Abdel Razek	Fisheries, Consultant

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Beni Suef Governorate

Mr. Adly Kamel Hanafi,	Secretary General
Mr. Abdul Fattah Mohamed,	Assistant Director, ORDEV, Beni Suef
Mr. Farouk Mohamed Hassan	Chairman of Village Unit "El-Awawna"
	District of "Ihnasia".
Mr. Adel Ezat Amin,	Chairman of Village Unit "Abu Setr"
	District of "El-Wasta"
Mr. Hassan Morsi,	Manager of the Transport Project at
	"Abu Seer".
Mr. Aly Mohamed,	Chairman of Village Unit, "Midoum",
	District of "El-Wasta.

Dakahlya Governorate

Dekernes Markaz	
Mr. Talaat Hawary	Chief of Council
	Monshaat Abdoul Rohman Village.
Mr. Ibrahim Sultan	Village Council.
Mr. Mohamed Ismail Hawawshi	Chief of the local unit.
Eng. Mohamed Mahamed Sultan	Dekernes Markaz Eng, DPT,
Eng. Mostafa Kamel Badr	The Village (ORDEV)
Eng. George Boules	The Gov.(ORDEV)

Fayoum Governorate

Mr. Gamal El-Hefnawi	Secretary General of Fayoum
Mr. Husein Ez El Din Ahmed	Manager of Development Accounts, ORDEV.

BDAC, Fayoum

Mr. Abd el Tawab Osman	Financial Manager
Mr. Aziz Hamdi	General Manager
Ms. Abla Marzouk	Translator (Toursit Department & wife of
	General Manager.

Attsa Markaz

Abu Gandir Village (Stone quarrying) (11-03-01)

Mr. Salah El Din Ayoub	Executive Head of Local Unit
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Motawal & Village (Tractor project) (11-07-01)

Mr. Salah Ahmed	Executive Secretary of Unit
Mr. Rabya Mahmoud	Agricultural Engineer
Mr. Abdallah Mahmoud	Chief Manager of Accounts
Mr. Moustafa	Tractor Driver
Mr. Ashour	Laborer

Sinnouris Markaz

Ms. Wafia Abd el Maksoud ORDEV Markez Director

Fidamin, Village 11-04-02

Mr. Shakh Mon. Hussein	Dec. of executive Council
()	Accountant
()	Project Manager

Gharbia Governorate

Mr. Bayoumi Farag	Secretary General Office Director
Mr. Zenhoun Abou Khalifa	Secretary General Assistant
Mr. Eshmewai	Santa
Shoubra Malas	Zefta
Mr. Said Ahmed	ORDEV

Giza Governorate

Mr. Ahmed Gaber,	Project Specialist ORDEV Dept. Giza
Mr. Mahmoud EL-Adly	Secretary of Local Unit of "Meet Rahina"
Mr. Sameh El-Hamzawi	Chairman of Local Unit of "Meet Rahina"
Eng. Salah Mohamed Abdel Razek,	Chairman of Village Unit "Soul"

Menia Governorate

Mr. Mahmoud Safwat,	Secretary General, Menia Govt.
Mr. Mohamed Marawan,	ORDEV Rep. Govt. of Menia (Director of Dept)
Mr. Hussein Osman,	Director of the BDAC Main Branch, Menia
Mr. Mohamed Shaker,	Assistant Director of the Ag. Bank of Menia
Mr. Kamil Labib Hanna,	ORDEV, Menia
Mr. Ahmed Mahmoud Aly El-Tarawy,	Village Bank Director, Telleh Village
Mr. Talaat Youssef	Chief of the Local Unit, Tellah
Mr. Talaat Nashed,	Director of Village Bank, Beni Mohamed Sultan Village

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Maghazha - Tanbadi Villlage

Mr. Samir Mohamed Abdel Gawad Chief of the Local Unit
Mr. Ahmed Abdel Hamid Ahmed (O.R.D.E.V.)
Miss Nousa Nagib Aly Project Manager

Sharkia Governorate

Mr. Rashad Osman, Director of ORDEV Dept.
Mr. Metwali Mohamed Assistant Director of ORDEV
Mr. Eng. Hamza Abdel Azim Cattle Fatenning Project Manager,
Morsi "El-Asloughi Village"
Mrs. Nasra Khalil Hasanien, Vetrenarie, "El-Asloughi"
Mr. Husini Hassan Husini, Chairman & Local Unit "El-Alacma"
Mr. Mohamed Abdel Karim, Chairman of El-Hergasa Village Countil
Mr. Abdel.Hamid Nada, Deputy Chairman of El-Hergasa Village
Council.

Participant Training

Bluegrass training participants met by the evaluation team:

<u>Name</u>	<u>Position</u>	<u>Location</u>	<u>Date returned</u>
Said Zagharn	ORDEV Rep.	Gharbiya	8/19/81
George Boulos	ORDEV Rep.	Dakahlia	8/19/80
Ibrahim Ghonemy	Director of Social Research	ORDEV	8/19/80
Mohamed Sayed	ORDEV Rep.	New Valley	1978
Mohamed Rashad Hamada	ORDEV Rep	Sharkia	1978
Masoud Gharib	Poultry Projects	Cairo	1981
Ismail Dahan	Computer	Cairo	1981
Ahmed Ghonemy	Office Manager	Cairo	1978

Checchi and Co./Cairo

Mr. Richard S. Kaynor Chief of Party/Technical
Project Manager
Dr. Thomas Walsh Local Government/Finance
Dr. Henry Schmacher Production/Marketing
Mrs Mona Riad Secretary/Translator

Annex M

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