

PROJECT TITLE Haitian Development Foundation (HDF)	2. PROJECT NUMBER 521 - 0118	3. MISSION/AID/W OFFICE USAID/Haiti
	4. EVALUATION NUMBER: Enter the number assigned by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. Beginning with No. 1 each FY: <u>521-81-3</u>	
<input type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION		

KEY PROJECT IMPLEMENTATION DATES	6. ESTIMATED PROJECT FUNDING	7. PERIOD COVERED BY EVALUATION
		Date of Evaluation Review
First PRO-AG or Equivalent FY <u>79</u>	A. Total \$ <u>715,700</u> B. U.S. \$ <u>495,000</u>	From (month/yr.) <u>7/80</u> To (month/yr.) <u>6/81</u> N/A

B. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action, should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
<p>Since evaluation findings indicate that significant progress has been made toward the realization of Project objectives, and since Project PACD is December 31, 1981, it was deemed inappropriate to hold an Evaluation Review at this time. The Review has been postponed to serve as the planning stage of the forthcoming Phase II operation on the Project.</p>		

BEST AVAILABLE DOCUMENT

INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS <input type="checkbox"/> Project Paper <input type="checkbox"/> Implementation Plan e.g., CPI Network <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Financial Plan <input type="checkbox"/> PIO/T <input type="checkbox"/> Logical Framework <input type="checkbox"/> PIO/C <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Project Agreement <input type="checkbox"/> PIO/P	10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT A. <input checked="" type="checkbox"/> Continue Project Without Change B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan C. <input type="checkbox"/> Discontinue Project
---	--

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles) Aaron Williams, USAID Project Manager Lewis Townsend PADF Project Manager (in draft) Jean Brisson, PFP (in draft)	12. Mission AID/W Office Director Approval Signature: <u>Harlan H. Hobgood</u> Typed Name: Harlan H. Hobgood, USAID Director Date: <u>6/7/81</u>
---	---

5210450017 21
~~PD-AAJ-228~~
XD-AAJ-227-A

EVALUATION

HAITIAN DEVELOPMENT FOUNDATION

(OPG # 521-0118)

- USAID/Haiti
- PFP
- PADF

TABLE OF CONTENTS

<u>SUBJECTS</u>	<u>Pages</u>
1. Summary	1 - 5
A. Introduction and Scope of Evaluation	1 - 2
B. Review of Past Recommendations	2 - 4
C. Current Recommendations	4 - 5
2. Part I : Program Goals and Objectives	6 - 12
A. Clients	6 - 8
B. Animateurs	8 - 9
C. Development Impact	9 - 12
3. Part II : The Loan Portfolio	13 - 16
A. Loan Activity	13 - 14
B. Loan Processing Efficiency	14 - 16
4. Part III: HDF Operations	17 - 20
A. Cost of Operations	17 - 19
B. Cost of Loans	19 - 20
5. Part IV : Annexes	
A. Annex 1 : Client Selection Criteria	
B. Annex 2 : Job Descriptions	
C. Annex 3 : Cash Flow Plan	
D. Annex 4 : Loan Approval Process Portfolio, July 1980 - June 1981	
E. Annex 5 : Peat & Marwick Audit Report	

SUMMARY

This evaluation covers the second year of operation of the Haitian Development Foundation (HDF), for the period July 1, 1980 to June 30, 1981. The HDF Project is a USAID financed project with the Pan American Development Foundation (PADF) as a grantee and Partnership For Productivity (PFP) as a subgrantee. It is in conformance with the evaluation plan of the HDF OPG (# 521 - 0118) which calls for an annual evaluation of the Project throughout its life (1979 - 82).

The first evaluation covering the first year of operation necessarily focused on Project inputs and HDF organizational structure. This evaluation, in addition to reviewing briefly progress made on the first evaluation's recommendations, assesses the degree to which Project objectives have been obtained and attempts to measure developmental impact. In addition, the cost effectiveness of HDF operations has been extensively scrutinized taking into account budgetary difficulties HDF has been experiencing during the period covered by this evaluation.

This evaluation is also intended to provide information to support decisions concerning a possible Phase II follow-on activity. It is a collaborative effort of USAID/Haiti, the Pan American Development Foundation (PADF) and the Partners for Productivity (PFP).

Evaluation findings show that progress is being made toward the achievement of the long-range goal of economic development impact on the targeted community, but also reveals a serious operating deficit caused primarily by poor performance in fund raising.

Primary indicators of progress since the last evaluation are: (1) an increase in loans approved from 8 to 88; growth in clients assisted with technical assistance and/or loans, from 89 to 302; and (3) the creation of 204 new jobs and an estimated \$122,400 in salaries directly due to HDF loans. There has also been a strong growth in the membership base from 16, at Project start-up to 122, as of June 1981.

More significant still are the benefits derived from the activities of HDF animateurs in group formation and support, and in bringing about positive changes in the attitude of the small urban entrepreneurs toward cooperation and community-oriented action.

Concerning HDF finances, the evaluation reveals a deficit for operations and fund raising of \$112,496 for the period covered by this evaluation, showing deficits of \$48,010 and \$66,520, respectively. (Page 17)

In conducting this evaluation, relevant documents were examined and interviews were conducted with the HDF Executive Director, the Board President, the Administrative/Financial Director, the Credit Officer, the Animateur Supervisor and his Assistants, and the 15 Animateurs.

The following areas were covered by this evaluation:

- Review of the First Evaluation's Recommendations
- Program Goals and Objectives
- Loan Process and Activities
- Operating Costs and Fund Raising

Review of Past Recommendations

The first evaluation, covering the first year of the Project, made ten recommendations. This section reviews some of the more important recommendations to assess the present situation.

Recommendation No. 1 had recommended that a revision of the targets for year 2 (ending on 6/81) be made. The revised targets called for: (1) 13 instead of 6 animateurs on site; (2) 270 instead of 228 clients assisted; (3) 70 instead of 185 loans disbursed; (4) a total of \$140,000 instead of \$153,300 of loans disbursed; and (5) an average loan size of \$2,000, rather than \$829.

HDF performance for year 2 consistently surpassed the revised targets: (1) 18 animateurs are on site, instead of 13; (2) 302 clients have been assisted, instead of 270; (3) 75 loans have been disbursed, as compared to 70; (4) \$154,213 have been disbursed in loans, as opposed to the \$140,000; and (5) the average loan disbursed is \$2,056, instead of \$2,000.

Recommendation No. 3 had urged that the animateur staff be given greater discretion in client selection in order to streamline the client selection process. The rationale was that they would be the most knowledgeable concerning the suitability of candidates to participate in the program, since they (the animateurs) maintain the closest contact with the individuals and businesses in the community. Concurrently, it was recommended that HDF management staff establish specific criteria to standardize and guide the animateurs in the client selection process.

HDF complied with this recommendation. In an interview session, the Credit Officer who hitherto ultimately had selected clients to participate in the program, apprised the evaluation team that he no longer played a

role in this process. He went on to say that the animateur staff is presently in complete charge of this first phase of operation. A list of specific criteria of client selection has also been established and is appended as Annex 1.

Recommendations 5 & 6 addressed the issue of loan processing time. The 1980 evaluation had found that it took about 67 days for the period of loan request to approval by the Credit Committee. Two steps were suggested to shorten this time period: (1) that the Executive Director be authorized to approve loans falling within the 750 to 1,500 dollars range as a means to reduce the caseload appearing before the Credit Committee; and (2) that the three Loan Request documents be consolidated into two.

The authority of the Executive Director has been expanded, as recommended. In addition, to further reduce the caseload appearing before the Credit Committee, an ad hoc committee composed of the Executive Director, the Credit Officer and the Credit Consultant are authorized to approve loans in the 1,500 to 7,500 dollar range. The significance of these actions is telling when it is realized that of the 88 loans approved during the period covered by the evaluation: 60 have been approved by the Executive Director, 27 by the three-member committee, and only one, by the Credit Committee. The result has been that the average time required for this process dropped from 67 to 50 days.

In regard to the consolidation of the Loan Request documents, the HDF Credit Department is expanding its focus by looking at the global problem of loan processing time, which includes the component of Loan Request documents. Currently, a study with the objective of streamlining this operation is being conducted by loan consultant Robert Chancy, former New York City Bank Credit Officer and former USAID/Haiti employee. Its recommendations and impact upon the loan processing operations will have to be determined by future evaluations, as it was not yet completed at the time of this review.

Recommendation 7 had noted the lack of authority of the Executive Director in the performance of his duties, and had recommended that his authority be increased in order to manage HDF operations more effectively and dynamically. The result of an interview between the Executive Director and the evaluation team revealed that this goal was realized. It has already been seen that the role of this officer in loan processing has been increased by the Board. On the administrative side, the Board has granted him all the usual powers to effectively carry out his duties.

Recommendation 8 urged that job descriptions be established for all positions, for recruitment and evaluation of job performance. This has been done and it appears that they are sufficiently clear to serve the intended purpose. This list is appended as Annex 2.

Recommendation 9 covered the fund raising issue. Noting the difficulties HDF encountered in its effort to raise funds from local sources, it urged HDF to prepare a detailed analysis of the projected expenditures and income of various fund raising alternatives, with PADF assistance.

No such study has been undertaken to date. However, the Administrative/Financial Director has expressed his intention to do so in the near future.

And Finally, Recommendation 10 referred itself to the financial problems that HDF was having at the time of the '80 evaluation. As a possible remedial action, it had suggested that a monthly breakdown of income and expenditures be prepared to project budgetary shortfall and fund raising requirements. An Income and Expense Budget was prepared and approved by the HDF Board for FY 80 - 81. A cash crisis followed in March 1981 as fund raising efforts fell short. Spurred by this crisis, HDF, USAID, and PADF jointly formulated a new month-by-month budget and cash flow plan for April to December 1981 (attached as Annex 3) that placed strict controls on HDF's expenses and demanded another look at fund raising. With the result for the period of April - August 1981, fund raising became a break-even proposition after losing over \$65,000 between July 80 and March 1981.

Current Recommendations

1. Fund Raising

This is the one area where insufficient progress occurred. HDF needs to maximize fund raising at both local and international levels.

a. Local Fund Raising - Based on the strength of two years experience, it is evident that the kinds of fund raising activities engaged in by HDF at the local level are not cost effective, e.g.: the house raffle and art gallery. It is recommended that HDF continue to shift its focus from these kinds of activities to more cost effective ones. The HDF recognized the situation and is taking appropriate corrective measures. In fact, under the leadership of Board President Roland Acra, attention since early 1981 has turned to developing and strengthening membership support for the Foundation and its programs. Thus, as of June 1981, HDF's dues paying

membership is up to 122, as compared to 16 at the time of Project start-up. To intensify this process, the Board President has been organizing membership drive dinners on Thursdays of every other week, since January 1981. Representatives from the private sector are invited to participate free of charge. As part of the program, a presentation about HDF and its programs is made. While these efforts have not produced sizeable financial support for HDF, the creation of a broad base of support among members of the "have" sector for the organization serving the "have not" sector is extremely important. Additional activities of this kind need to be developed; that is, building membership support without engaging into a lot of expensive fund raising projects. Excessive fund raising projects can not only detract HDF from its real purpose but also dissipate management's time, attention and energy. (Page 18)

b. Foreign Fund Raising - Even though foreign fund raising has proved to be more successful than local fund raising, (a total of \$562,000 were raised) it still has to be maximized in order to make up possible local fund raising short-fall. Among alternative strategies to pursue are: (1) the HDF Director should increasingly devote his time and energy in international visits with a view to establishing contacts and sources of funds; PADF should provide more direct assistance in this effort; (2) the services of a foreign firm specializing in fund raising should be contracted. Whichever strategy is adopted, the emphasis should be put on an imaginative public relations campaign communicating the real success HDF is experiencing at the grassroots level, capitalizing on the many human interest stories there are to tell. Efforts should also be made to convey the idea that HDF is in no way connected to the GOH governmental apparatus, that it is a private sector organization involved in development work. (Page 18)

2. HDF should undertake an analysis of its clients' financial status to determine the return on investment from loans disbursed. (Page 8)

3. HDF is urged to develop a deliberate plan to coordinate business interrelationships among its loan beneficiaries in order to multiply the impact of developmental efforts. (Page 14)

4. The Executive Director should follow through with his intent to prosecute the delinquents in the bad debts category, as soon as possible. (Page 13)

5. While this evaluation notes the achievements of the reduction of the time period in the loan processing time from 67 to 50 days, the present processing time period is still too high. It is recommended that HDF further reduce this time period. (Page 3)

I. PROGRAM GOALS AND OBJECTIVES

The primary objective of this project is to promote basic grassroots development by increasing the income and productivity of small businesses in the Port-au-Prince area, and by encouraging income and employment generation.

What has been achieved toward this goal during the second year of operation?

A. The Clients

During the second year of operation, the number of clients assisted by technical assistance and/or loans rose from 89 to 302. 51 were dropped for lack of interest or failure to meet the progress targets, setting the number of active clients to 251. Of the 251, 88 were loan beneficiaries. The client profile, while adhering to the targeted clientele, evidenced not only a broadening of the type of beneficiaries, but also a tendency to deal with groups, and to link with existing development efforts. Emphasis has been put on creative, transformation-type enterprises, as opposed to trades and boutiques which make up only five of the 88 loans made. Loans have covered from a funeral parlor for the poor to a small business making chalk for schools. The complete client portfolio is attached as Annex 4 under the title of "Loan Approval Process Portfolio, July 1980- June 1981".

The following clients have benefited from both technical and credit assistance (loans):

Charcoal dealer	4
Concrete block making	4
Tailors	14
Barbers	4
Garment shops	2
Candy making	3
Shoe Making	14
Iron workers	4
Trade boutiques	5
Artists	3
Cabinet makers	10
Ceramic manufacturing	1
Funeral parlor	1
Beauty salon	1
Battery sales shop	1
Fishermen	1
Tourist shop	1
Goldsmiths	2
Dental clinics	1
Agricultural supplies	1
Poultry raising	1
Brake repair shop	2
Chalk making	1
Handicraft	1
Wood working	1
Women in development	1
Amateur transportation	4
	<u>89</u>

The following clients have received technical assistance only:

Cabinet makers	30
Shoe makers	37
Tailors	29
Candy makers	3
Sculptors	2
Garment workers	4
Grocery stores	8
Barbers	6
Antiquarian	1
Iron workers	18
Block makers	5
Chalk makers	1
Shell workers	1
Mattress makers	1
Artisan	1
Goldsmith	2
Spare part dealers	2
Locksmith	1
Seed & Agr. suppliers	1
Bakers	2
Essential oil & perfume makers	1
Plumber	1
Pots & pans maker	1
Watchmakers	1
Precision mechanics	2
Ceramist	1
Fisherman	1

163

This diversification in the client profile follows instructions issued by the HDF Board to minimize loans made to trade and grocery stores, and to maximize assistance to creative, transformation-type enterprises. Loan accounts have ranged from \$122, (to a tailor), to \$15,240 (to a concrete block factory). Thirty six loans (41%) are under \$750 guaranteeing a fair representation of marginal enterprises.

As for income generation, 68 enterprises have generated 204 jobs according to the amateur supervisor's report. Assuming that each job pays an arbitrarily chosen amount of \$50 a month below the minimum wage of \$78, the income generation can be projected at \$10,200 (204 x 50) a month or \$122,400 a year. This represents 204 people who will be making on the average \$600 a year, as compared to the estimated per capita income of \$250. Put another way, it also represents 204 people who will be less inclined to board a boat for Miami. It must be noted that it took \$171,338 of loans to generate the estimated \$122,400 in wage income alone. This amounts to a productive investment of less than \$850 per person, as opposed to an estimated \$4,000 to support a single Haitian immigrant for one year in Miami.

A more accurate picture of investment return on loans could have been determined by computing the accrued net profit of assisted businesses and adding it to the income generation figure. Unfortunately, the pertinent financial statements were unavailable because no such analysis of clients' businesses has been done to date. It is recommended that HDF undertake that study.

The resulting figure would reflect a more complete representation of the benefits derived from the loans. 204 new jobs representing \$122,400 a year are not going to solve the unemployment problems around Port-au-Prince by themselves, but they do contribute in the effort to alleviate those problems.

B. Animateurs

The animateur is the extension agent of HDF and the sine qua non of project success. Put in a nutshell, his job is to help the clients participating in the programme to improve their businesses by upgrading the quality of their products and/or by augmenting the scale of their operations, as a means of increasing income and employment in the target community. He serves as HDF's business consultant in the field identifying operational deficiencies in clients' businesses, providing technical assistance in the appropriate areas and preparing the dossiers of the clients for loan requests, wherever appropriate. At the technical assistance stage, he visits his clients weekly to monitor progress status. If the client should obtain credit assistance, the animateur makes his visits on a monthly basis to check on how the client's business is going and the terms of repayment.

Along with the animateur supervisory staff, he selects the clients with the best prospects of benefiting most from participation in the programme. Clients are selected according to well established criteria. Some of these are:

1. the clients must personally administer their own project or enterprise;
2. the project or enterprise should provide a major part of the income and/or contribute to a significant increase in the income of each participant;
3. be willing to receive training and technical assistance;
4. present information concerning their socio-economic status acceptable to the foundation.

Each animateur is assigned a specific urban zone with which he is supposed to be thoroughly familiar. In the general sense, he should be aware of the economic conditions in his zone of responsibility, the number of small businesses therein, what types of businesses they are, their financial situation, etc. He obtains this information by surveying the businesses in his area. Thus, the animateurs are the most knowledgeable HDF staff members, of the financial situation in the target community.

A new group of 11 animateurs was recruited during this evaluation period: five under USAID financing, five under Public Welfare financing, and one supported by HDF, with the understanding that her salary would be subsequently subsidized by the OAS. They were trained by PFP in development principles, micro economics, marketing and management. They have had four months of training prior to assignation to their respective zones of responsibility.

The animateur staff now consists of 15 animateurs, two assistant supervisors and one supervisor. They have been given greater responsibility in client selection by HDF management this year, as opposed to last year, a fact which has boosted morale. The evaluation team witnessed sessions where animateurs were discussing technical matters with the Credit Officer, defending their position on loan requests submitted and suggesting actions to be taken.

A comparative summary of animateur performance between the first and second year follows:

Summary of Animateur Performance

<u>Output Indicators</u>	<u>Year 1 (ending 6-30-80)</u>	<u>Year 2 (ending 6-30-81)</u>	
	<u>Actual</u>	<u>Target</u> (Cumulative)	<u>Actual</u> (Cumulative)
Animateurs Trained	6	13	18
HDF Clients Assisted	89	270	302
Number of loans Disbursed	10	70	75
Total Value of Loans Disbursed	\$18,168	\$140,000	\$154,213

C. Development Impact

While it is still too early to assess the full impact of the project on the target population and community, some signs of progress are becoming apparent. One of the most important is the promotion and support of group formation. Groups and other cooperative organizations are recognized today as an important developmental tool, especially in regard to the more impoverished Third World populations, so lacking in

capital and financial resources. Among the advantages the poor stand to gain from such organizations are: pooling of skills and resources (labor, capital, etc.); decrease in operational expenses (rent, utilities, etc); and last but not least, a change in social attitude from individualism to group-orientation.

During the second year of operation, nine groups have benefited from HDF credit assistance:

	<u>No. of members</u>	<u>Assets</u>	<u>Amount of Loans</u>
1. "Neguesses Nan Development"*	4	\$ 1,740	\$ 6,936
2. Technoblock:block making enterprise	4	15,351	15,458
3. Tailor	2	1,281	4,590
4. Peanut butter making enterprise	2	1,042	1,581
5. Tailor	2	1,635	673
6. Chalk making	2	1,807	1,326
7. Poultry farm	3	330	5,610
8. Poultry farm	2	4,500	N/A
9. Shoemaker	2	1,103	N/A

* "Women in Development". This is a group of rural women acting as a central purchasing unit to supply staple goods to outlying rural sections. This group is under the umbrella of a larger development project, a group called "Zafè Nèg Coumbite" (a community affairs cooperative group), financed by a SDA Project grant.

In addition, the amateurs are now working with 8 pre-groups in the process of group formation:

<u>Number</u>	<u>Type of Business</u>	<u>Projected Membership</u>
1	Electrician/mechanic	5
2	Cabinet makers	2 (per group)
1	Watchmaker	2
2	Tailors	2 (per group)
1	Shoemaker	2
1	Chalkmaker	2

The groups are not recognized as legal entities, but HDF requires that the members enter into a formal written agreement to work together as a unit, before it will deal with them as a group. While the group members do in fact enter into a partnership, there is no family tie between them.

In considering loan requests submitted by groups, one of the things stressed by the HDF management is the intangible assets of the partners. In the case of the Poultry Farm group receiving \$5,610 in loans, HDF was impressed by the technical knowledge, solid professional reputation and good character of the three partners: a veterinarian, and two agronomy technicians. These considerations, plus the periodic poultry shortages on the local market made financing of this operation less risky in the eyes of HDF management.

Another factor figuring in the consideration of loan requests submitted by groups is the value of the group's business to the community it serves. The "Women in Development" group is a good example of a group whose business is of great utility to the community it serves. As already said, this group serves as a central purchasing unit supplying staple goods to people in rural sections who have no other source of supply. In addition, in as much as this group comes under the aegis of the "Zafè Neg Coumbite" development project (Integrated Services Center, 81/SDA/15), it reinforces and strengthens development efforts already in existence. In both the cases cited, the usual loan policy rule of loans not exceeding 50% of business assets was not followed, indicative of HDF management confidence in the financial viability of these businesses.

Another example of impact can be found in the "Rue Monseigneur Guilloux" area. This street was fast going down the drain. In the past it was known for its shoemakers, but most of them migrated to the Rue des Fronts Forts. However, in two years time, the trend has been reversed. Seven shops have been revitalized through HDF's technical assistance and loans. A shoemaking supply store has been opened to serve the revived clientele. A new sense of pride has emerged on that street, as evidenced by cleaner conditions generally. Another HDF client, a back-street jeweler, was moved from being content with a very marginal clientele to expanding and selling his product even in Jamaica. To anyone who knows

the narrow and restricted vision of the small entrepreneur, this is indicative of an important change in mentality. When the animateur first came into contact with the jeweler, the latter had only a little table placed at the end of a corridor. He was unknown outside of his limited circle of clientele. The animateur led him to realize that he had to have a place to work where people could see his work; that he needed better tools, that he had to expand his market. The animateur trained him in planning his resources, managing his cash to buy new tools, and identified contacts which led to his business expansion and export to Jamaica.

The most promising aspect of change appears to be happening in social consciousness within the animateur's clientele. The proof lies in the acceptance by the clientele of the idea suggested by the HDF animateurs supervisor of pooling 2% of their net profit to support a social activity such as procuring books and school supplies for poor school children in the neighborhood. It remains to be seen whether the plan will be followed; but at least it has not been rejected.

Another sign of change is the clients' acceptance of HDF technical assistance. Some potential clients are interested in obtaining credit for usurious purposes only. These are fast weeded out, when the animateurs realize that during the interview. The majority however, look upon the technical assistance as the more important service, viewing the loan as secondary. One landmark is reached when the prospective client himself "discovers", through better bookkeeping, that he does not need a loan.

II. THE LOAN PORTFOLIO

A. Loan Activity

As of June 30th, 1981, the loan portfolio is as follows:

88 loans approved	\$171,339
75 loans disbursed	\$154,213
loans outstanding	\$143,450
% of loans approved	84%
% of loans disbursed	93%
Late payments (26 clients)	\$ 8,559
- 30 -59 days late	\$ 2,205
- 60 -89 days late	1,926
- 90 -119 days late	1,520
- 120 days and over late	554
- more than 150 days (bad debts)	1,443

In the late payment category, some payments were made during July and, the "Neguessa Nan Developpement" group announced the forthcoming payment of \$2,786, which is 32% of the total delayed amount. The Executive Director expressed his decision to prosecute the delinquents in the bad debts category, and it is recommended that he do so in the nearest future.

From the foregoing, it can be deducted that the average loan amount is \$2,056 for the 75 loans disbursed for year 2, as opposed to \$1,817 for year 1. The HDF Board has decided to stress larger loans in order to put larger amounts of money in the community and to generate more income (in interest and charges) to feed operation expenses. At the same time, credit assistance to the very small, marginal enterprises has not been ignored; as was already pointed out, 36 of the 88 loans approved (41%) are under \$750, guaranteeing a fair representation of marginal enterprises.

HDF provides short and medium term loans. The former fall into the 90 to 1,500 dollars range, reimbursable in one year, with a three-month grace period; the latter in the 1,500 to 7,500 dollars range, reimbursable in three years, with a nine-month grace period. A yearly

interest of 12 percent is charged after the loan contract is signed, along with a two percent charge to cover technical assistance costs to clients.

A question arising from the analysis of the loan portfolio is that of linkage among the businesses of loan beneficiaries. That is, to what degree does one business complement the effort of another toward the goal of economic development. None has been found during this examination. Loans were made on the basis of applications submitted individually by clients coming from different sections of town. Therefore HDF is urged to develop a deliberate plan to facilitate and coordinate business interrelationships among its loan beneficiaries. Under this scheme, some businesses could serve as retail outlets for the products of others. Several examples come readily to mind. Referring to the client list on Page 6, it can be seen how the tourist shop and trade boutiques could act as a central market to the wood working, handicraft, goldsmith, iron workers, and artists clients, to the benefit of all parties concerned. Similarly, the garment shops could serve as a retail outlet for tailors and shoemakers. In addition, inasmuch as the battery sales and brake repair shops both deal in automotive repair, there is no reason why they could not refer clients to each other, whenever appropriate. Thus, the businesses would not only support each other but would also multiply the effects of developmental efforts.

B. Loan Processing Efficiency

The previous evaluation looked extensively at the somewhat cumbersome loan process which caused unnecessary delays in the lending operation. Are these constraints still in existence after the second year of operation?

It was found that steps have been taken to improve the situation during the second year, and to hasten lending operations.

In accordance with a decision taken by the Board on November 11, 1980, the Credit Committee, through which formerly all loans applications passed, now examines only those of \$7,500 and over. Applications of \$1,500 to \$7,500 are approved by an ad-hoc committee composed of the Executive Director, the Credit Consultant, and the Credit Officer. All three working together under the same roof are able to rapidly deal with cases submitted to them. In addition, applications of up to \$1,500 are approved directly by the Executive Director. During 1980/81, 60 applications were approved by the Executive Director, 27 by the three-member committee and only one by the Credit Committee.

The dossier supporting the application has also been simplified to include:

- a description of the activities to be financed,
- a study of the socio-economic conditions of the borrower,
- an investment plan,
- a balance sheet and profit and loss statement,
- a reimbursement plan,
- a listing & valuation of intangible assets , and
- the loan contract.

Whether the loan application is for \$100, \$1,500 or \$7,500, it is subject to the same rigorous, financial analysis. The HDF Credit Officer is actually working on a further simplification of the dossier to have all of the information on only four sheets.

Translated into actual results, the measures have shortened the delays encountered in processing loans during the first year of operation, as evidenced by the following comparative figures:

<u>Loan Processing Activities</u>	<u>1st year</u>	<u>2nd year</u>	<u>Difference</u>
No. of loans made:	8	88	80
Beginn of survey to start of Techr . Assistance:	37 days	15 days	-22 days
Start of T.A. to loan request Submission:	144 "	88 "	-56 "
Loan application submission to completion of credit analysis	53 "	19 "	-34 "
Credit analysis to loan approval:	26 "	31 "	+ 5 "
Loan approval to loan contract:	16 "	44 "	+ 28 "
Initial survey to contract:	276 "	197 "	-79 "

Analysis of the comparative figures reveals that significant progress has been made in the over-all loan processing operation between the first and the second year of operation. Over-all time reduction, on the average is measured to 79 days, a reduction rate of about 71%. However, work still needs to be done in the "loan Approval to Loan Contract" category where the time interval for this process increased by 28 days in year 2 as compared to year 1.

What actually happened was that the loans were being approved without relating them to the cash flow situation: the projected in flow of money based on time and bureaucratic constraints of IDB disbursement procedures. Therefore, loan operations had to be stalled due to lack of funds, until the first installment of IDB funds became available. During the period of December, 1980 to March, 1981 funds had to be disencumbered from the loan funds and allocated to the depleted operating fund. HDF carried a \$31,785 debts from operations to loan funds, which decreased its loan potentials by that much.

III. HDF OPERATIONS

A. Costs of Operations

Figures were available for the period of July 1, 1980 to June 30, 1981. The picture emerging from them is somewhat sobering and requires serious attention from the interested parties. A summary of the Peet and Marwick audit report (attached as Annex 5) reads as follows:

<u>CATEGORIES</u>	<u>INCOME</u>	<u>EXPENSES</u>	<u>BALANCE</u>
Operations	\$117,821	\$165,831	- \$48,010
Fund Raising (local)	39,832	106,352	- 66,520
Public Welfare Foundation	7,700	5,666	2,034
<u>SUB TOTAL</u>	<u>165,353</u>	<u>277,849</u>	<u>- 112,496</u>
Loans: AID/PADF Loan Funds	41,000	—	41,000
<u>TOTAL</u>	<u>206,353</u>	<u>277,849</u>	<u>- 71,496</u>

The above shows a deficit of \$112,496; counting the \$41,000 of the loan fund yields a net deficit of \$71,496, for the period covered by the evaluation. The two problem areas are "Operations" and "Local Fund Raising", showing deficits of \$48,010 and \$66,520, respectively. For the fund raising item, \$ 106,352 were spent to raise \$39,832.

The income component of the Local Fund Raising category is broken down in the following manner:

Local Contribution (cash)	\$10,700
Local Contribution (in kind)	222
Promotional Activities	28,910
<u>TOTAL</u>	<u>39,832</u>

The local fund raising situation is definitely not satisfactory. The amount of local contributions is too low, and as it stems from payment of membership dues, greater emphasis must be put on the membership drive.

While local fund raising has been unsatisfactory, foreign fund raising has been sensibly better. During the same period, the following were received as income: a grant of \$23,000 was received from the Public Welfare Foundation for the training and salaries of five animateurs; an IDB loan of \$500,000 for the loan fund; an IDB grant of \$46,000 for the operation fund; a PADF grant of \$12,500 for operations; a PADF loan of \$37,500 to the loan fund; and a PADF loan of \$43,000 for operations.

From the foregoing account, foreign fund raising activities have been successful, in regard to the obtention of loans. However, when they are related to operation costs, the picture is different. The Peat and Marwick report reveals that in the operations account, \$160,950 were spent to bring in \$117,821, setting the deficit at \$43,129. The two main components of income in that account are the AID contribution of \$91,352 and the PADF grant of \$12,500.

Pledged contributions to operations consist of \$46,000 IDB grant, and the \$12,500 PADF grant. Pledged and received contributions for operations, exclusive of the restricted Welfare Foundation grant, amounted to \$58,000. The reason for concern is the trend noted in that account. For this fiscal year, the deficit is \$43,129; last year, it was \$7,369 showing a cumulative deficit of \$50,498. No other funds are scheduled to become available until December 1981. Further, HDF is committed to return \$32,000 of funds borrowed for operations from the loan fund by the end of December 1981. HDF's situation in that respect is quite precarious.

Operations and fund raising have been examined together due to their inter-relationship; the latter providing funds for the former. The operations fund position of HDF is unsatisfactory as explained above, and the only two ways to improve it are through a greater extension of loans to entrepreneurs in order to collect increased interest and charges, and through fund raising. The necessity to increase the number of loans is self evident, the amount received as grants for operations being insufficient. Together with a strict adherence to the cash flow procedure actually in use in HDF, is required an intensification of fund raising both at the local and international level.

B. Costs of Loans

As of June 30, 1981 75 loans had been disbursed for an amount of \$154,213, at an average of \$2,056 per loan. In order to make these loans, \$277,849 were spent locally. This figure reflects expenses in financing all of the following accounts: operations, fund raising, AID loan funds, Welfare Foundation Grants, IDB grants and loans. Added to this figure is the technical assistance expenses incurred through USAID/PADF (\$193,646), bringing the total to \$471,495.

The following table illustrates the situation:

No. of loans disbursed	75
Amount of loans disbursed	\$154,213
Average amount of loans disbursed	2,056
Local expenses for the year	277,849
Average apportionment of local cost to loans ($\$277,849 \div 88$)	3,157 per loan
Technical Assistance Costs (PADF)	193,646
Average apportionment Technical Assistance Costs (PADF) to loans ($\$193,646 \div 88$)	2,200
Consolidated expenses	471,495
Average apportionment consolidated local and Technical assistance expenses to loans ($\$471,495 \div 88$)	5,357
% amount of loans to amount local expenses	55%
% amount of loans to technical assistance expenses	80%
% amount of loans to consolidated expenses	33%

The table reveals that it took \$5,357 to produce an average loan of \$2,056.

This indicates the urgent need to constrict expenses and to step up loans; at the very least, the April - December 81 Cash Flow Plan must be adhered to.

C. Maintenance Cost of Animateurs

Consolidated cost of salaries and training materials for 18 animateurs during the two years of operation have amounted to \$54,417 ^x, according to information furnished by HDF, or \$3,023 spent on the maintenance of each animateur. A more realistic measurement of investment per animateur, however, should take into account animateur output, that is, dividing \$54,417 by the 302 clients assisted, reducing the \$3,023 to \$180. This figure, naturally is subject to change on the upward side, when PFP technical assistance costs are taken into account. The central point to remember, however, is that HDF is involved in development work and the animateur engineer a lot of spillover benefits through their activities, both measurable and unmeasurable, that would have to be taken into account. For example, the income and employment generation benefits enumerated in the "Developmental Impacts" section would have to be included in the output column of the animateur. In the intangible benefits category can be cited: changes in client attitudes, group formation work and the changes brought about in the Rue Monseigneur Guilloux area. It would be very difficult to put monetary value on these kinds of achievements.

^x Excluding PFP technical assistance cost for animateur training, as they are not reflected in HDF's books.

ANNEX 1

ANNEX 1 -A: CLIENT SELECTION CRITERIA (BOARD REGULATIONS)

See Section II, Articles 2 - 3

The same selection criteria are used whether the client is receiving technical or credit assistance.

ANNEX 1 - B: FORMS USED IN CONSIDERING LOAN REQUESTS (IN FRENCH)

ANNEX 1 - A

CLIENT SELECTION CRITERIA

HAITIAN DEVELOPMENT FOUNDATION
LOAN REGULATIONS

Section I

PURPOSE OF THE LOANS

Article 1.- The resources from the H.D.F. Credit Program may be used in the financing of projects and productive programs in the following sectors: Transformation industry, retail, services, fish and agriculture and related services (transformation, storage, insurance etc.)

Section II

LOAN RECIPIENTS

Article 2.- Loans may be granted in order to finance projects such as those described in article I of this regulation to those individuals or groups receiving technical assistance from H.D.F. And comply with the following requirements (in the case of groups, no less than 80% of the members should adhere to the following requirements):

- (i) Personally administer their own project or entreprise.
- (ii) The project or entreprise should provide a major part of the income and/or contribute to a significant increase in the income of each participant.
- (iii) That the projects or entreprises' assets so not exceed the following limits:
 - a) In the case of agricultural projects the net assets including the value of land and building should not exceed the equipment (per member) of 10 times the annual legal minimum wage.
 - b) In the case of cattle raising, the net assets including land and buildings should not exceed the equivalent (per member) of 20 times the annual legal minimum wage.
 - c) In the case of transformation industry, retail and services etc. net assets including the value of land and building evaluated at net depreciated prices, should not exceed the equivalent (per member) of \$15,000.00
- (iv) That in the case of group loans, no less than 60% of the project's or entreprises' production (or sales in the cases of services and retail) originate from members who adhere to the requirements established in the previous inserts (iii)

- (u) Not withstanding that established in insert (iii), in no case can a loan be granted to projects or enterprises whose net assets including, valued at net depreciated prices exceed \$50,000.

Article 3.-

To be eligible for financing with funds from H.D.F.'s credit program, the applicants should:

- a) Have had previous experience in the activity they plan to under take and/or
- b) Be willing to receive training and technical assistance
- c) Present information concerning their socio-economic information acceptable to the foundation.
- d) Have received technical assistance and at least 8 visits by H.D.F. animators.

Section III

MAXIMUM AMOUNTS AND PERIODS

Article 4.-

H.D.F. is able to make a loan for the development of a project only when the total amount of the loan is not more than \$7,500.00 in the case of individual loans, or the equivalent of \$4,000.00 per member in the case of group loans with the total not exceeding \$25,000.00

Article 5.-

H.D.F. is able to make loans for persons^{for} up to 18 months with up to 3 months grace period for short-term loans, and up to 60 months with up to a 6 months grace period for medium^{for} loans. depending upon the conditions and needs of each project.

Section IV

INTEREST RATES AND OTHER CHARGES

Article 6.-

The interest rates charged by the H.D.F. are determined by its board of directors, rates should remain compatible with the legislation and official policy in effect in the country, and should be maintained at levels equal to those rates used in the banking system for similar projects.

- Article 7.- The interest rates begin taking effect on the date of disbursement and are calculated on the actual balance on principal.
- Article 8.- The costs incurred by H.D.F. in the concession of loans such as legal paper, liens, and notary costs etc. as well as part of the technical assistance costs and a small financial commission are charged to the loan recipient and may form part of the loan.
- Article 9.- In those cases where there is a delay in payment equivalent to 30 days or more, the interest rate is automatically changed until payments are brought up to date in accordance with the payment plan established in the loan agreement.

Section V

LOAN AGREEMENTS AND THEIR CONDITIONS

- Article 10.- In all cases where a loan request has been approved, prior to disbursement the loan recipient (5) must sign a loan agreement and promise to adhere to the following conditions:
- a) Comply with terms and purpose of the loan as approved by the H.D.F. and not introduce modifications in the use of the loan without previous written authorization from the H.D.F.
 - b) Allow H.D.F. employees, or those authorized by H.D.F., to undertake evaluation, and verifications of the use of H.D.F. funds as well as revisions of the project's books or other inspection of the equipment, inventory, workplace or other goods included in the respective project.
 - c) Maintain an adequate accounting or bookkeeping system from which financial statements can be prepared.
 - d) Develop and maintain, in a separate account, a cash reserve to cover depreciation of equip., financial risks and emergencies.

Section VI

GUARANTEES

- Article 11.- The principal guarantee for the execution of the projects financed by H.D.F. is the promotion process and technical assistance provided by the monitors as well as the feasibility of the project itself.

Article 12.- In accordance with H.D.F's judgement, each loan should be backed by any or all of the following guarantees:

- a) Co-signers (in the case of group loans)
- b) Collateral made up of the equip. and goods purchased with the loan funds, and/or of the equipment and goods contributed by the loan recipient. (s)

Section VII

THE LOAN REQUEST AND ITS PROCESSING

- Article 13. The loan requests should be presented in writing and should contain the assitional information and documentation as that described in article 18 of this regulation.
- Article 14. The loan request is presented to the promotion supervisor who assigns it a number and makes a general revision of the contents and determines whether or not the loan request is to be processed.
- Article 15. Once approved for processing, the loan request with all the additional information and documents is carefully analysed by the credit officer who prepared the corresponding feasibility study.
- Article 16. In the case of a loan request being incomplete or needing additional information and/or documentation the promotion department informs the applicants(s) of the assitional information and/or documentation needed so that it may be completed and presented.
- Article 17. All loan requests are processed in their order of presentation.
- Article 18. The loan requests should be accompanied with the following information and documentation:
- A) A detailed description of the project to be executed containing information about:
 - { i } Project background
 - { ii } Objectives of the project
 - { iii } Number of loan recipients
 - { iv } Number of indirect beneficiaire
 - { u } Investment schedule
 - { ui } Production projections
 - { uii } Marketing information
 - { uiii } Organizational structure (in group loans, board of directors and by-laws should be included).

- (ix) Proposed repayment plan
- (x) Technical assistance required
- (xi) Administrative controls and procedures
- (xii) General observations

Article 19.- The analysts and feasibility study of each project will include, among others, the following aspects:

- a) The project or activity to be financed
- b) The investment schedule and proposed application of the loan funds.
- c) Disbursement plan indicating dates and amounts
- d) Economic Analysis (cost-benefits, net value, R.O.I.)
- e) Payment plan
- f) Cash flow (projections of incomes and expenditures)
- g) Technical assistance and project supervision
- h) Projected increase in family incomes for loan recipient (s)

Article 20.- For each loan request processed, the credit officer prepares a written report indicatting the results of the respective analysis and feasibility study, and making the corresponding recommendations about financing the project. This report, together with the feasibility study and additional documentation, is then presented to the Executive Director who, after reviewing its contents, sends it to the Creditor Committee.

Article 21.- The Credit Committee reviews the project and feasibility for approval or rejection and inform the board of directors of their respective decision as soon as possible.

Article 22.- The Executive Director is authorized to approve loans which are less than \$750.00 without previous approval by the Credit Committee or board of directors. Nevertheless, the respective loan request should meet the same requirements and undergo the same processing, with the credit committee and board of directors being informed as soon as possible.

Section VIII

DISBURSEMENT

Article 23.- Once a loan is approved, disbursement should be made according the investment plan and/or timetable of the respective

project's activities. Disbursement will be made by means of checks issued directly to the suppliers of goods and services whenever possible and only when necessary will the checks be issued in directly to a loan recipient.

Section IX

LOAN AMORTIZATIONS

Article 24.- The amortization plan is determined by H.D.F. at the time of loan approval and forms part of the loan agreement. In determining the amortization plan, the terms requested by the loan applicant as well as the specific needs of the project are taken into consideration.

Section X

LOAN SUPERVISION

Article 25.- In the wanting of credit, HDF will undertake a supervision process that will allow HDF to be fully aware of the exact use of loan funds in order to assure that funds are used properly and facilitate loan recovery.

Article 26.- If HDF determines that the loan funds have been used for purposes other than those specified in the project and corresponding loan agreement, HDF reserves to right to demand immediate payment of the total amount loaned.

ANNEX 1 - B

FORMS USED IN CONSIDERING LOAN REQUESTS

Dossier #.....
 Date de soumission par l'animateur.....19.....
 Date de soumission au Directeur de Crédit.....19.....
 Nom de l'animateur.....

CRITERES D'ACCEPTATION DES DOSSIERS

- 1.- Assistance technique.....
 - 2.- Formule de sollicitation de prêt de la FHD remplie et signée par l'entrepreneur.
 - 3.- Dans le cas d'une association, l'acte constitutif et le contrat liant les associés.....
 - 4.- Etats financiers: a) Bilan à date.....
 b) Etat des profits et pertes pour une période récente et déterminé.....
 - 5.- Montant sollicité et utilisation de la valeur demandée.....
 - 6.- Etat des pertes et profits prospectifs.....
 - 7.- Production mensuelle réalisable.....
 - 8.- Ventes mensuelles additionnelles anticipées et réalisables.....
 - 9.- Informations concernant les potentialités du marché vis à vis de la position de l'entreprise.....
 - 10.- Liste des intangibles préparée et signée par l'animateur en charge et le superviseur des animateurs.....
 - 11.- Qualité des services fournis par l'entrepreneur:
 - a) Courtoisie de l'entrepreneur envers les clients.....
 - b) Opinion des clients..... Bonne..... Mauvaise.....
 - 12.- Recommandations de l'animateur.....
 - 13.- Recommandations du superviseur des animateurs.....
- Reçu au Département de Crédit le19.....

L'évaluation d'un dossier de Crédit se fait d'après plusieurs critères:

Evaluation du sollicitant:

- 1.- Caractère du sollicitant (Moralité, réputation etc..)
- 2.- Capacités Techniques du Sollicitant.
- 3.- Capital : L'investissement consenti par le sollicitant.

Evaluation des risques

- Age du sollicitant
- Profession du sollicitant
- Location de l'entreprise
- Position sur le marché, face à la compétition
- Situation financière de l'entreprise ou du sollicitant.

Evaluation Générales

- Contribution au Développement
- Perspectives dans l'avenir.

Attitudes

- 1.- Plan de remboursement obligatoire. A suivre et à observer strictement.
 - 2.- Follow-up rapide en cas de défaut.
 - 3.- Consistance dans l'application de la politique de la FHD.
 - 4.- Le prêt va-t-il pouvoir générer son propre remboursement?
- Prêt pour capital roulant.
- " " acquisition de capital

Les sources de remboursement sont:

- 1.- Conversion d'actifs en cash
- 2.- Revenus
- 3.- Emprunt d'autres sources

La source de remboursement doit être clairement déterminé.

Documentation en ordre avant les débours du 1er centime.

Collateral ou Garantie: Valeur marchande, négociabilité, possibilité de repossession. Entretien de la garantie si c'est une pièce d'équipement, assurance en ordre.

Prêts à long Terme- Certaines restrictions sont à considérer:

- Prélèvements
- Prêts aux associés
- Dépenses additionnelles
- Accélération de remboursement.

Communications:

Langage: La préparation de memos de visitation doit être soignée:

Date - Lieu exactes - Concision - précision dans les déclarations, ménager la compréhension du lecteur, éviter les phrases émotionnelles, rester avec des faits. Les estimations doivent être réalistes et consistantes.

Evaluation du sollicitant:

Honesteté, stabilité, capacité de travail

Fondation Haitienne de Développement

Nom de l'applicant _____
Date _____ Animateur _____
Adresse _____
Tel. _____ No. Dependents _____ Niveau d'éducation _____
Année d'expérience dans ce négoce _____ Dépendez-vous de votre négoce pour votre
entretien personnel Oui _____ Non _____ Autres sources de revenus _____
Charges familiales mensuelles _____
Nom de l'entreprise _____
Adresse _____ Tel. _____
A qui appartient l'entreprise? Une seule personne? _____ Une famille _____
Plusieurs associés? _____ Autre? _____
Propriétaire _____ Locataire _____ Loyer mensuel _____
Activité de Développement _____
Depuis quand fonctionne l'entreprise _____ Nombre d'employés actuellement :
Permanent _____ Temporaires _____ Combien sont des parents à vous? _____
Pour augmenter votre production ou vos servi-
ces, combien d'employés vous faudrait-il? _____ Temps régulier _____
Temps partiel _____ Qui vous a parlé de la FHD? _____
Par ordre d'importance, quels sont les problèmes confrontés par votre entreprise en
ce moment? _____
Comment avez-vous appris votre métier? _____

Niveau des ventes (haut, normal, bas?)

	J	F	M	A	M	J	J	A	S	O	N	D	Moyenne Mensuelle
H													
N													
B													

Au cas où vous augmenteriez votre production, pourriez-vous trouver des clients en quantité suffisante? Où? Comment? _____

Quelle est votre position vis à vis de vos concurrents? _____

Enregistrez-vous vos rentrées et vos sorties de fonds? oui _____ Non _____

Avez-vous un compte en banque:

Compte courant _____ Banque _____

Compte d'épargne _____ Banque _____

Avez-vous déjà emprunté de l'argent? Oui _____ Non _____ De qui? _____

Comment avez-vous remboursé votre dette? _____

Avez-vous des dettes usuraires						

En ce moment quels sont les besoins financiers de votre entreprise?

Description de l'investissement	\$ Valeur
_____	_____
_____	_____
_____	_____
TOTAL	_____

Y-a-t'il quelqu'un à qui vous auriez confié votre entreprise en cas d'absence?
 qui? _____

Aspects de la Production

Nom du produit	Nbre. d'unité Production Mensuelle	Coût unitaire	Prix de vente unitaire	Coût Total

Type de services	Nbre d'unités/Mensuel	Coût/unit	Prix de vente unitaire	Coût Total

Machine	Valeur à l'achat	Age de la machine

Principaux fournisseurs de Matières premières actuellement:

Nom du fournisseur	Matière Première	Quantité/Mois	Conditions d'achat

EVALUATION DE L'ENTREPRISE

I.- SITUATION FINANCIERE AVANT LE PROJET

.....

BILAN

Au.....

ACTIF

ACTIFS COURANTS (DISPONIBILITES)

Caisse	\$.....	
Banque	.....
Débiteurs	.....
Loyers payés d'avance	.....
Stock de matières lères et fourni.	.....
" " produits semi finis	.....
" " " finis	<u>.....</u>	\$.....
Total des actifs courants		

ACTIFS FIXES (IMMOBILISATIONS)

Outils	\$.....	
Equipements	.....
Véhicule	.....
Terrain	.....
Immeuble	.....
Mobilier(ameublement)	.....
Patentes, Franchises	.....
Actifs intangibles	<u>.....</u>	\$.....
Total des actifs fixes		
Total de l'Actif		<u>.....</u>

1b

PASSIF

PASSIFS COURANTS

Créditeurs

\$.....

Assistance Technique

.....

Taxes à payer

.....

Impot à payer

.....

Total passifs courants

\$.....

DETTE A LONG TERME

Prêt

\$.....

.....

.....

.....

.....

Total dette à long terme

\$.....

Capital

\$.....

Total Passif + Capital

.....
\$.....

.....
 ETAT DES PERTES ET PROFITS
 Du.....Au.....

Ventes cash		\$.....
Ventes à crédit		.....
Ventes totales		\$.....
<u>Coût des marchandises vendues</u>		
Stock d'ouverture	\$.....	
Plus: Achats de matières premières et fournitures	.....
Marchandises disponibles pour la vente	.....
Moins stock de cloture	<u>-\$.....</u>	
Coût total des marchandises vendues		<u>\$.....</u>
Profit brut		
<u>Dépenses d'exploitation</u>		
1- <u>Dépenses de vente</u>		
Publicité, Transport de produits finis	\$.....	
salaires - ouvriers	.....
Electricité	.....
Entretien - machinerie et outillage	.....
Amortissement - machinerie et outillage	.....
Loyer	.....
Autres	.....
Pertes % des mhses disp. pr. la vente	<u>.....</u>	\$.....
Total		
2- <u>Dépenses générales et administratives</u>		
Impôt sur le revenu	\$.....	
Intérêt sur prêt	.....
Assurance	.....
Fournitures de bureau (livre, carnet de reçu)	<u>.....</u>	\$.....
Total		<u>\$.....</u>
Total des dépenses d'exploitation		\$.....
Profit net		<u>\$.....</u>
Prélèvement		\$.....
Profit réinvesti		\$.....

BILAN PREVISIONNEL DE DEPART

ACTIF

ACTIFS COURANTS (DISPONIBILITES)

Caisse	\$.....	
Banque	.....
Débiteurs	.....
Loyers payés d'avance	.....
Stock de matières lères et fourni.	.....
" " produits semi finis	.....
" " " finis	<u>.....</u>	
Total des actifs courants		\$.....

ACTIFS FIXES (IMMOBILISATIONS)

Outils	\$.....	
Equipements	.....
Véhicule	.....
Terrain	.....
Immeuble	.....
Mobilier(ameublement)	.....
Patentes, Franchises	.....
Actifs intangibles	<u>.....</u>	
Total des actifs fixes		\$.....
Total de l'Actif		<u>.....</u>

PASSIF

PASSIFS COURANTS

Créditeurs

\$.....

Assistance Technique

.....

Taxes à payer

.....

Impot à payer

.....

Total passifs courants

\$.....

DETTE A LONG TERME

Prêt

\$.....

.....

.....

.....

.....

Total dette à long terme

\$.....

Capital

\$.....

Total Passif + Capital

\$.....

COMPTES D'EXPLOITATION PREVISIONNELS

Ventes cash		\$.....
Ventes à crédit		.....
Ventes totales		\$.....
<u>Coût des marchandises vendues</u>		
Stock d'ouverture	\$.....	
Plus: Achats de matières premières et fournitures	.....
Marchandises disponibles pour la vente	.....
Moins stock de cloture	\$.....	
Coût total des marchandises vendues		\$.....
Profit brut		
<u>Dépenses d'exploitation</u>		
1- <u>Dépenses de vente</u>		
Publicité, Transport de produits finis	\$.....	
salaires - ouvriers	.....
Electricité	.....
Entretien - machinerie et outillage	.....
Amortissement - machinerie et outillage	.....
Loyer	.....
Autres	.....
Pertes % des mhses disp. pr. la vente	.....	\$.....
Total		
2- <u>Dépenses générales et administratives</u>		
Impôt sur le revenu	\$.....	
Intérêt sur prêt	.....
Assurance	.....
Fournitures de bureau (livre, carnet de reçu)	.....	\$.....
Total		\$.....
Total des dépenses d'exploitation		\$.....
Profit net		\$.....
Prélèvement		\$.....
Profit réinvesti		\$.....

ANNEX 2

JOB DESCRIPTIONS

(IN FRENCH)

DESCRIPTION D'EMPLOI DU DIRECTEUR ADMINISTRATIF ET FINANCIER

Avec la collaboration du Directeur Exécutif et sous sa supervision, le Directeur Administratif et Financier est responsable de tous les dossiers comptables et financiers de la Fondation.

En tant que Comptable en Chef:

- Il détient les livres comptables, contrôle les dépenses du personnel et prépare tous les rapports financiers.
- Il est responsable de la préparation de la feuille de paie (payroll) et des chèques pour la signature du Directeur Exécutif.
- Il répond à toutes les questions concernant ses responsabilités financières quand la Fondation est soumise à une évaluation comptable.
- Il supervise les opérations de prêt, les procédures de déboursement et de collection des fonds de prêts.

En tant que Chef des Services Administratifs:

- Il a la tâche d'assurer le fonctionnement efficace et efficient de toutes les branches administratives de la Fondation.
- Il supervise le personnel, autorise les dépenses de transportation, prépare les horaires de vacances régulières motivées ou autorisées. Il compile les jours de maladie, d'absence et de retard au travail. Il évalue la performance du personnel.

BEST AVAILABLE DOCUMENT

DESCRIPTION D'EMPLOI DU DIRECTEUR DE CREDIT

La tâche principale de ce fonctionnaire est d'exécuter la politique de crédit, c'est-à-dire les modalités de prêt, de contrôle et de recouvrement.

- Il revoit les dossiers soumis par le Superviseur des Animateurs.
- Il analyse les données des applications de prêt et prépare l'évaluation du projet qui doit être soumise à la Direction ou au Comité de Crédit pour approbation ou rejet.
- Il convoque les réunions du Comité de Crédit du Conseil d'Administration.
- Il prépare les rapports mensuels reflétant l'état du portefeuille de prêt.
- Il prépare les calendriers de repaiement des prêts et contrôle efficacement le processus de recouvrement.
- Il signale à la Direction tous les cas de délinquance.
- Il établit les modalités de décaissement en collaboration avec le Directeur Exécutif et le Directeur Financier.

QUALIFICATIONS

- o Baccalauréat en gestion des affaires avec emphase en études financières.
- o Important préparation en comptabilité.
- o Deux ans d'expérience travaillant dans le domaine du crédit et d'évaluation de projet.

DESCRIPTION D'EMPLOI DE LA SECRETAIRE ADMINISTRATIVE FINANCIERE.

La tâche principale de la Secrétaire Administrative financière est:

- Assumer la responsabilité d'assister le Directeur Administratif et financier dans la préparation des chèques et du payroll.
- Aider à la préparation de la Correspondance de la Fondation.
- Dactylographier les dossiers de prêt.
- Assister aux réunions du Conseil d'Administration et prend note des discussions et résolutions de ces réunions.
- Aider à la préparation des procès-verbaux.

QUALIFICATION

- o Capable de dactylographier 60-90 mots à la minute.
- o Capable de s'exprimer et de rédiger en français et en Anglais.
- o Capable d'accueillir des gens de toutes les couches sociales.

DESCRIPTION D'EMPLOI

DU DIRECTEUR DES RELATIONS PUBLIQUES ET DE DEVELOPPEMENT DES RESSOURCES

Ce Directeur est responsable de la planification, de l'exécution des activités culturelles et sociales et des contrats visant à l'augmentation des ressources de la Fondation.

- Il est aussi responsable des activités de relations Publiques.
- Il assiste le Directeur Exécutif dans l'une et l'autre de ces deux tâches, et rapporte directement à ce dernier.

Présentement, il ne supervise aucun employés directement. Il ne sera responsable de la performance d'employés que dans le cas où ceux-ci seront placés dans le cadre des activités relevant de ses fonctions.

- Comme Directeur de la Section des Relations Publiques et de Développement des Ressources, il prépare le plan des activités, fait tous les contrats y relatifs, et arrange tout d'une manière telle que ces activités puissent générer des fonds pour la Fondation.

- Comme Directeur des Relations Publiques, il arrange tous les contrats avec la presse parlée ou écrite pour le Directeur ou les Membres du Conseil d'Administration.

- Il est en charge de toutes les publications de la Fondation:

- dépliants informatifs ou publicit , notes de presse.

- discute toujours le contenu et la forme de toutes les déclarations de presse ou publicitaires avec le Directeur Exécutif et obtient son autorisation avant de les publier.

Le Directeur des Relations Publiques est aussi chargé d'assister le Directeur Exécutif dans les démarches auprès des Membres du secteur privé et public et des représentants des organismes internationaux et des organisations bénévoles en Haïti. Il organise aussi des clubs et prend contact avec les groupes voulant s'affilier à la Fondation.

Il aide aussi le Directeur à obtenir les informations nécessaires à la bonne marche administrative.

QUALIFICATIONS

- Diplome de fin d'études secondaires (haïtien ou étranger)
- Capacité de s'exprimer et d'écrire correctement le Français et l'anglais.
- Capacité de travailler de façon indépendante
- Tenue et présentation impeccable et capacité de maintenir de bons rapports humains - familiarité avec le secteur privé.

DESCRIPTION D'EMPLOI DE LA SECRÉTAIRE EXÉCUTIVE

La tâche principale de la Secrétaire Exécutive est:

- D'assister le Directeur Exécutif.
- Sous la supervision du Directeur Exécutif, elle assume la responsabilité de bon fonctionnement administratif de l'organisation.
- Elle coordonne les activités journalières du Directeur Exécutif.
- Préparer la correspondance.
- Tenir le système de classement des dossiers de l'organisation.
- S'occuper de la Caisse de "petty cash" et tenir son dossier.

QUALIFICATION

- Avoir un diplôme de Secrétariat (Etranger ou Haitien)
- Capable de s'exprimer et rédiger en Anglais et Français.
- Capable de dactylographier 60-90 mots à la minute
- Capable de prendre des initiatives et de les poursuivre jusqu'au bout.
- Capable de travailler avec des gens de toutes les couches sociales.

DESCRIPTION D'EMPLOI DE L'ASSISTANT SUPERVISEUR DES ANIMATEURS

- L'assistant Supérieur assiste le Supérieur des Animateurs dans sa tâche d'analyse et d'évaluation des petites entreprises.
- Il a une bonne maîtrise des techniques de gestion pour pouvoir offrir une solution aux problèmes que peuvent confronter les Animateurs sur les lieux.
- Il aide à la Supervision de l'horaire des Animateurs.
- Il aide à l'évaluation des rapports des Animateurs et veille au progrès des clients de ces animateurs.
- L'Assistant Supérieur rapporte directement au Supérieur et reçoit ses instructions directement de ce dernier.
- L'Assistant Supérieur peut aussi maintenir une clientèle dans une zone spécifiée par le Supérieur.

QUALIFICATION

- o Avoir suivi avec succès les cours de formation des Animateurs.
- o Avoir une certaine expérience administrative.
- o Capable de travailler indépendamment et de superviser les autres.

ANNEX 3

HAITIAN DEVELOPMENT FOUNDATION

CASH FLOW FOR APRIL THRU DECEMBER 1981

BEST AVAILABLE DOCUMENT

**HAYTIAN DEVELOPMENT FOUNDATION
CASH FLOW FOR APRIL THRU DECEMBER 1981**

	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Total</u>
Director/Accountant	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	2,600	13,000
Office Officer	700	700	700	800	800	800	800	800	1,550	7,650
Director Supervisor	450	450	450	450	450	450	450	450	890	4,490
Admin. Assistant	400	400	400	450	450	450	450	450	875	4,325
Secretary	350	350	350	400	400	400	400	400	775	3,825
Admin. Assist. Supervisor	700	700	700	700	700	700	700	700	1,300	6,900
Animateurs	700	700	700	700	700	700	700	700	1,375	6,775
Animateurs	900	900	900	1,050	1,050	1,050	1,050	1,050	2,625	13,775
Animateurs	1,500	1,500	1,500	2,500	2,500	2,500	2,500	2,500	4,125	21,125
Chauffeur	200	200	200	200	200	200	200	200	370	1,970
Messenger	100	100	100	100	100	100	100	100	200	1,000
Cleaning man	60	60	60	60	60	60	60	60	120	600
Watchman	40	40	40	40	40	40	40	40	80	400
payroll taxes	7,480	7,400	7,400	8,750	8,750	8,750	8,750	8,750	16,235	66,235
	415	415	415	615	615	615	615	615	1,140	5,460
Total personnel	7,815	7,815	7,815	9,365	9,365	9,365	9,365	9,365	17,375	67,695
1 Expenses										
rent	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000
Electricity	160	160	160	160	160	160	160	160	160	1,600
Telephone & cable	350	350	350	350	350	350	350	350	350	3,500
Vehicles expenses	800	800	800	900	900	900	900	900	900	7,800
office supplies	350	350	350	350	350	350	350	350	350	3,150
Professional services	600	600	600	600	600	600	600	600	600	5,400
Miscellaneous	450	450	450	450	450	450	450	450	450	4,500
Expenses										
Vehicles	1,712	275	275	275	275	275	275	275	275	3,912
Xerox	630	---	---	---	---	---	---	---	---	630
Stecher	125	---	---	---	---	---	---	---	---	125
Lawyer (Ewald)	400	---	---	---	---	---	---	---	---	400
Interest on 37500 loan	1,448	156	156	156	156	156	156	156	156	2,696
Interest on 25000 loan	625	208	208	208	208	208	208	208	208	2,289
Contingencies	500	500	500	500	500	500	500	500	500	4,500
Total general expenses	9,150	4,849	4,849	4,949	4,949	4,949	4,949	4,949	4,949	38,542
Other operations expenses	16,965	12,664	12,664	14,134	14,134	14,134	14,134	14,134	22,574	136,237
Other fund raising expenses	3,070	4,470	3,270	6,770	6,270	7,770	8,270	7,770	5,770	58,595
Grand total	20,035	17,134	15,934	21,084	20,584	22,084	22,584	22,084	21,100	162,632

* not added on the salary of the 10 animateurs for the first 3 month

HAYTIAN DEVELOPMENT FOUNDATION
FUND RAISING EXPENSES (PROJECTIONS) APRIL THRU DECEMBER 1981

	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Fund										
Fund Raisers	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	2,000	10,000
Asst. Fund Raisers	325	325	325	325	325	325	325	325	650	3,250
Fund raiser	250									250
Payroll taxes	95	95	95	95	95	95	95	95	185	945
Commissions	150	300	600	600	600	600	600	600	900	4,950
Sub total	1,820	1,720	2,020	2,020	2,020	2,020	2,020	2,020	3,735	19,395
Other expenses										
Print advertising (1)	500	500	500	500	500	1,500	1,500	1,500	1,500	8,500
Linens	200	200	200	200	200	200	200	200	200	1,800
Local travel	100	100	100	100	100	100	100	100	100	900
In International travel		1,500		1,500		1,500	1,000	1,500	1,000	8,000
Business expenses	100	100	100	100	100	100	100	100	100	900
Cards printing/samples					1,000		1,000			2,000
Prizes (2)	250	250	250	2,250	2,250	2,250	2,250	2,250	2,000	14,000
Miscellaneous	100	100	100	100	100	100	100	100	100	900
Sub total	1,250	2,750	1,250	4,750	4,250	5,750	6,250	5,750	6,000	37,800
Total fund raising	3,070	4,470	3,270	6,770	6,270	7,770	8,270	7,770	9,735	57,195

FUND RAISING INCOME (PROJECTIONS) APRIL THRU DECEMBER 1981

Member ship contributions	1,000	1,500	1,500	2,000	2,000	3,000	3,000	3,000	3,000	20,000
In - kind contributions	300	500	500	500	500	500	500	500	500	4,300
Management training Sem.						2,000	2,000	2,000	2,000	8,000
Exhibit & trailer (USA)						5,000	2,000	2,000	2,000	11,000
Fair & show (USA)						2,000	2,000	2,000	2,000	8,000
USA						6,000	6,000	6,000	6,000	24,000
Christmas cards								3,000	3,000	6,000
Raffle	1,000 ✓	2,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	28,000
Bingo					500	1,000	2,000	3,000	3,000	10,500
In International activities			2,000	4,000	5,000	5,000	5,000	5,000	5,000	27,000
College Tours										5,000
Chapters & sister cities				1,000	2,000	2,000	5,000	5,000	5,000	15,000
Total	2,300	4,000	8,000	11,500	13,000	30,500	33,500	37,000	37,000	174,300

1) Printing poster - folders - radio & Newspapers - ads, T.V. Films etc.
2) House & Tel.

HAYTIAN DEVELOPMENT FOUNDATION

SOURCES OF CASH FUNDS

APRIL - DECEMBER 1981

	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Total</u>
Membership	1,000	1,500	1,500	2,000	2,000	3,000	3,000	3,000	3,000	20,000
Interest & Technical Assistance	1,200	1,700	2,000	2,300	2,600	2,900	3,200	3,500	3,800	23,200
Public Welfare				1,700	1,700	1,700	1,700	1,700	1,700	11,900
				4,600	4,600	4,600	4,600	4,600	4,600	32,200
Loan Drive			2,000	6,408	5,608	5,808	6,008	5,288	7,532	35,672
	7,851	6,785	6,736	3,712	3,712	3,712	3,712	3,712	3,712	40,675
	<u>7,851</u>	<u>6,785</u>	<u>3,334</u>	-----	-----	-----	-----	-----	-----	<u>1,000</u>
	17,952	16,770	15,570	20,720	20,220	21,720	22,220	21,720	21,720	172,800

* Fund Raising expenses are not included in this amount. Fund raising activities must cover their own cost.

Our projection for funds raising income for the period April - December 1981 amounts to: \$172,800

As:

Interest income/technical assistance	\$23,200	
Public welfare participation	11,900	
IDS funds	32,200	
AID contribution	43,675	
HADF loan	18,000	128,875
Total income for April thru Dec. 1981		<u>\$301,775</u>

ANNEX 4

LOAN APPROVAL PROCESS PORTFOLIO

JULY 1980 - JUNE 1981

LOAN APPROVAL PROCESS

PORTFOLIO AS OF JULY 1980 TO DECEMBER 1980

# Dossier	Nbr. de l'Entrepreneur	Type d'Entreprise	A Date Début de l'Enquête	B Date Début Asst. Tech.	C Date Soumission Requête	D Analyse Achevée (Date)	E Date Approbation	F Date Signature Contrat	G Montant Prêt	Animateur	Foot Note
24	V. Louina	Depot de Charbon	-	-	11/7/80	18/7/80	-	21/7/80	\$ 530.40	S. Joseph	
6	Technobloc	Fabrique de Blocs	-	-	-	4/7/80	4/7/80	29/7/80	12,240.00		
"	"	"	-	-	2/2/81	-	-	9/2/81	3,213.55	Prêt Addit'l	
22	Frederic&Jacquet	Tailleurs	6/11/79	6/11/79	23/6/80	14/7/80	31/7/80	1/8/80	4,590.00	C. Moise	
30	V. Veillard	Tailleur	-	-	24/7/80	31/7/80	-	5/7/80	122.40	S. Joseph	
27	Ecce Homo Bonne Année	Salon de Coiffure	24/9/79	17/11/79	1/7/80	8/8/80	26/8/80	27/8/80	408.00	S. Joseph	
23	J. Robène	Tailleur	-	10/11/79	1/7/80	18/7/80	27/8/80	28/8/80	510.00	M. Guerrier	
25	M. Thomas	Tailleur	13/9/79	11/11/79	1/7/80	19/8/80	27/8/80	29/8/80	561.00	M. Guerrier	
34	E. Desrosters	Salon de Coiffure	28/1/80	25/2/80	24/7/80	26/8/80	4/9/80	5/9/80	747.66	C. Moise	
36	A. Sielait	Tailleur	29/2/80	14/3/80	24/7/80	25/8/80	4/9/80	5/9/80	510.00	L. Mondésir	
45	J. Romain	Couture	-	-	28/8/80	2/9/80	4/9/80	5/9/80	408.00	-	
28	Dodiers&Barthélmy	Confiserie	15/4/80	20/5/80	14/7/80	11/8/80	4/9/80	5/9/80	561.00	M. Guerrier	
"	"	"	-	-	-	-	-	11/9/80	1,020.00	Prêt Addit'l	
47	J. Celhomme	Dépot de Charbon	-	-	28/8/80	3/9/80	5/9/80	5/9/80	510.00	-	
21	A. Jean	" " "	-	-	24/6/80	5/9/80	8/9/80	8/9/80	736.83	-	
16	P. Paul Cril	Cordonnerie	14/9/79	22/10/79	11/6/80	11/6/80	8/9/80	11/9/80	1,530.00	M. Guerrier	
18	M. Pierre	Tailleur	15/2/80	7/3/80	9/6/80	18/7/80	8/9/80	11/9/80	2,040.00	M. Guerrier	
44	B. Bernard	Ferronnerie	24/9/79	14/11/79	8/8/80	1/9/80	9/9/80	18/9/80	744.60	S. Joseph	
43	E. Noel	Fabrique de Blocs	21/2/80	9/4/80	8/8/80	27/8/80	10/9/80	11/9/80	612.00	J.C. Dominique	
"	"	"	-	-	-	-	-	-	59.89	Prêt Addit'l	
46	S. Jérôme	Confiserie	-	-	28/8/80	2/9/80	11/9/80	12/9/80	255.00	-	
48	Jn. A. Mardy	Ferronnerie	24/3/80	24/4/80	28/8/80	9/9/80	15/9/80	19/9/80	663.00	L. Mondésir	

54

OAN APPROVAL PROCESS

PORTFOLIO AS OF JULY 1980 TO DECEMBER 1980

# Dossier	Nom de l'Entrepreneur	Type d'Entreprise	A Date Début de l'Enquête	B Date Début Asst. Tech.	C Date Soumission Requête	D Analyse Achevée (Date)	E Date Approbation	F Date Signature Contrat	G Montant Prêt	Animateur	Foot Note
50	A. Varis	Commerce	-	-	28/8/80	18/9/80	25/9/80	25/9/80	\$ 255.00	-	
2	A. F. Guerrier	Tailleur	-	17/11/80	10/12/79	17/9/80	29/9/80	30/9/80	714.00	M. Guerrier	
54	R. Dorisme	Cordonnerie	3/7/80	30/7/80	11/9/80	23/9/80	29/9/80	30/9/80	612.00	M. Guerrier	
41	Jn. P. Richard	Cordonnerie	13/9/79	6/11/79	8/8/80	28/8/80	30/9/80	3/10/80	714.00	J.C. Dominique	
51	Y. Noel	Tailleur	14/9/79	22/10/79	5/9/80	18/9/80	30/9/80	3/10/80	561.00	J.C. Dominique	
52	F. Pcinjour	Oeuvre d'Art	-	-	9/9/80	23/9/80	30/9/80	1/10/80	510.00	A. Delavois	
53	A. Charlemagne	Commerce	-	-	10/9/80	23/9/80	30/9/80	2/10/80	714.00	-	
55	D. Veillard	Ferronnerie	-	-	1/10/80	6/10/80	7/10/80	7/10/80	714.00	S. Joseph	
58	K.L. Dorisca	Tailleur	18/4/80	8/5/80	3/10/80	8/10/80	27/10/80	11/11/80	612.00	M. Guerrier	
59	P.R. Achille	Oeuvre d'Art	-	-	6/10/80	9/10/80	27/10/80	11/11/80	714.00	S. Joseph	
62	S. Pierre	Dépot de Charbon	-	-	10/10/80	13/10/80	28/10/80	7/11/80	255.00	S. Joseph	
63	W. Mérahen	Ebenisterie	28/7/80	21/8/80	14/10/80	15/10/80	28/10/80	6/2/81	306.00	J.C. Dominique	
60	G. Polycarpe	Cordonnerie	-	4/7/80	10/10/80	13/10/80	20/11/80	26/11/80	3,264.00	M. Guerrier	
61	R. Jn Paul	Salon de Coiffure	-	-	10/9/80	13/10/80	20/12/80	3/1/81	1,326.00	S. Joseph	
57	M. Mompont	Céramique	-	-	30/9/80	8/10/80	9/12/80	20/4/81	3,060.00	S. Joseph	
29	G. Lamour	Parloir Funèbre	-	-	18/7/80	7/8/80	9/12/80	12/12/80	3,060.00	-	
11	A. Morange	Tailleur	19/9/79	31/10/79	20/5/80	11/7/80	1/12/80	11/12/80	1,530.00	M. Guerrier	
37	W. Joseph	Ebenisterie	7/3/80	9/4/80	24/7/80	16/9/80	11/12/80	25/6/81	1,020.00	J.C. Dominique	
33	U. Darbouze	Artiste	-	7/2/80	24/7/80	1/9/80	9/12/80	20/4/81	3,189.54	J.C. Dominique	
38	I. Frederic	Cordonnerie	27/9/79	24/10/79	24/7/80	25/8/80	9/12/80	26/5/81	1,326.00	S. Joseph	
39	G. Dorcé	Tailleur	17/1/80	29/1/80	24/7/80	2/9/80	9/12/80	8/7/81	1,530.00	M. Gilbert	
35	A. Labissière	Ebenisterie	21/9/79	21/11/79	24/7/80	13/8/80	18/12/80	25/6/81	1,122.00	L. Mondesir	

35

LOAN APPROVAL PROCESS

PORTFOLIO AS OF JANUARY 1981 TO JUNE 1981

# Dossier	Nom de l'Entrepreneur	Type d'Entreprise	A Date Début de l'Emprunte	B Date Début Asst. Tech.	C Date Soumission Requête	D Analyse Achevée (Date)	E Date Approbation	F Date Signature Contrat	G Montant Prêt	Animateur	Foot Note
92	J. Souverain	Ebénisterie	18/7/80	30/7/80	15/1/81	28/1/81	24/3/81	4/7/81	\$ 2,040.00	L. Mondésir	
93	L. Noel	Cordonnerie		30/11/80	27/1/81	2/2/81	17/2/81	14/7/81	816.00	J.C. Dominique	
94	J. Thomas	(Réparation et Vente Batteries)	3/9/80	8/10/80	27/1/81	5/2/81	11/2/81	20/4/81	892.50	M. Guerrier	
104	J. Léontus	Ebénisterie	-	-	19/2/81	5/3/81	19/3/81	15/4/81	1,224.00	-	
109	R. Lanauze	Pêcherie	28/8/80	10/9/80	4/5/81	6/5/81	11/6/81	12/6/81	5,100.00	L. Mondésir	1
112	C. Jn. Philippe	Cordonnerie	-	-	4/5/81	19/5/81	27/5/81	27/5/81	612.00	-	
113	M.Jn.M. Nicoleau	Ebenisterie	-	-	7/5/81	20/5/81	26/5/81	9/6/81	7,650.00	D. Joseph	
114	M. Augustin	Commerce	-	-	21/5/81	25/5/81	25/5/81	25/5/81	6,616.96	-	
79	M. Malbranche	Shop Touristique	-	-	2/12/80	14/1/81	21/1/81	9/6/81	7,479.00	-	
84	B. Aubourg	Orfèverie	12/6/80	9/7/80	17/12/80	16/1/81	17/2/81	25/6/81	2,291.63	L. Mondésir	
78	O. Auguste	Epicerie			17/12/80	29/8/80	14/1/81	25/6/81	510.00	S. Joseph	
69	Dr. M. Guillet	Clinique Dentaire	-	-	10/10/80	4/11/80	11/6/80	23/6/81	7,140.00	-	
76	A. Berivin	Semence pour Jardin	-	-	11/12/80	12/12/80	22/1/81	15/4/81	7,140.00	S. Joseph	
72	ASEP	Poulailler	-	-	5/11/80	11/12/80	7/1/81	20/4/81	5,610.00	-	
10	M. Rigaud	Recon't Freins	-	30/10/79	8/80	8/4/81	24/6/81	30/6/81	2,550.00	M. Guerrier	
									5,100.00	Prêt Addit'l	
95	H. Pierre Louis	Cordonnerie	18/9/79	22/10/79	3/2/80	12/2/81	19/2/81	-	326.40	M. Gilbert	2
80	H. Jean Jacques	Ebenisterie	6/11/79	6/11/79	17/12/80	5/1/81	14/1/81	13/7/81	2,550.00	C. Boise	
83	H. Adalan	Ebenisterie	18/8/80	1/9/80	17/12/80	13/1/81	20/1/81	15/7/81	612.00	-	
1/	Le client avait voyagé pour le Canada.										
2/	N'a plus besoin du prêt										

87

ANNEX 5

PEAT & MARWICK AUDIT REPORT

HAITIAN DEVELOPMENT FOUNDATION

Financial Statements

June 30, 1981 and 1980

(With accountants' report thereon)



Peat, Marwick, Mitchell & Co.
Certified Public Accountants

Certified Public Accountants



Peat, Marwick, Mitchell & Co.

Sonavesa Bldg., Top Floor
P.O. Box 13270 Delmas Road
Port-au-Prince, Haiti

The Board of Directors
Haitian Development Foundation:

We have examined the statements of assets, liabilities and fund balances of the Haitian Development Foundation as of June 30, 1981 and 1980 and the related statements of revenue, expenses and changes in fund balances for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the Haitian Development Foundation at June 30, 1981 and 1980, and revenue and expenses and the fund balances for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Peat, Marwick, Mitchell & Co.

August 6, 1981.

Statements of Assets, Liabilities and Fund Balances

June 30, 1981 and 1980

	<u>General</u>	<u>Fund Raising</u>	<u>Revolving Loan Fund PADF/AID</u>	<u>Restricted Funds</u>	<u>Revolving Loan Fund IDB</u>	<u>1981 Total</u>	<u>1980 Total</u>
<u>ASSETS</u>							
Cash	\$ 5,001	1,806	2,000	-	55,440	64,247	45,964
Accounts receivable-employees	11,775	132	-	-	-	11,907	968
Due from other funds	-	-	38,737	4,334	-	43,071	37,503
Prepaid expenses	15	1,800	-	-	-	1,815	278
Loans receivable (note 3):							
Revolving loan fund PADF/AID less reserve for doubtful accounts of \$2,129 in 1981	-	-	68,870	-	-	68,870	12,418
IDB funds less reserve for doubtful accounts of \$2,174 in 1981	-	-	-	-	70,277	70,277	-
Interest receivable (note 3)	1,261	-	-	-	-	1,261	-
Investments (note 4)	6,750	-	-	-	-	6,750	-
Deposits	-	11,300	-	-	-	11,300	-
Furniture and equipment, at cost (note 2):							
Automobile	14,872	-	-	-	-	14,872	6,250
Office furniture and equipment	12,021	2,864	-	-	-	14,885	13,869
	26,893	2,864	-	-	-	29,757	20,119
Less accumulated depreciation	6,385	621	-	-	-	7,006	2,144
	20,508	2,243	-	-	-	22,751	17,975
Community gallery (note 5)	-	3,131	-	-	-	3,131	3,131
	\$ 45,310	20,412	109,607	4,334	125,717	305,380	118,237
<u>LIABILITIES AND FUND BALANCES</u>							
Accounts payable	16,821	8,106	-	-	-	24,927	9,304
Notes payable	13,640	1,295	-	-	-	14,935	2,500
Due to other funds	19,078	23,893	-	-	100	43,071	37,503
Accrued expenses	3,296	513	-	-	-	3,809	-
Deferred contribution (note 6)	-	-	-	2,300	-	2,300	11,393
Loans payable (note 7)	43,000	39,000	37,500	-	127,797	247,297	17,000
Total liabilities	95,835	72,807	37,500	2,300	127,897	336,339	77,700
Fund balances	(50,525)	(52,395)	72,107	2,034	(2,180)	(30,959)	40,537
Commitments (note 9)	-	-	-	-	-	-	-
	\$ 45,310	20,412	109,607	4,334	125,717	305,380	118,237

See accompanying notes to financial statements.

Years ended June 30, 1981 and 1980

	General	Fund Raising	Revolving Loan Fund PADF/AID	Restricted Funds	Revolving Loan Fund IDB	1981 Total	1980 Total
Revenue:							
AID contributions for operations (note 8)	\$ 91,352	-	-	-	-	91,352	71,000
Local contribution	-	10,700	-	-	-	10,700	22,080
Local contribution-"in kind"	3,000	222	-	-	-	3,222	4,089
Receipts from promotional activities	2,250	28,910	-	-	-	31,160	22,062
Interest income	6,161	-	-	-	-	6,161	-
Technical assistance on loans	2,558	-	-	-	-	2,558	248
Public welfare contribution for technical assistance (note 6)	-	-	-	7,700	-	7,700	-
PADF contribution for operations (note 8)	12,500	-	-	-	-	12,500	-
Total	117,821	39,832	41,000	7,700	-	165,353	119,479
Contribution to loan fund (note 8)	-	-	41,000	-	-	41,000	34,000
	<u>117,821</u>	<u>39,832</u>	<u>41,000</u>	<u>7,700</u>	<u>-</u>	<u>206,353</u>	<u>153,479</u>
Expenses:							
Raffle	-	64,840	-	-	-	64,840	19,029
Administrative salaries, fringe benefits and related taxes	80,906	17,267	-	-	-	98,173	45,780
Utilities	14,566	-	-	-	-	14,566	1,714
Rent	11,500	-	-	-	-	11,500	8,900
Repairs and maintenance	12,826	-	-	-	-	12,886	5,027
Travel	9,629	1,931	-	-	-	11,560	7,667
Promotional	-	15,132	-	-	-	15,132	5,950
Office supplies	6,365	-	-	-	-	6,365	5,424
Professional services	9,058	-	-	-	-	9,058	2,477
Community gallery	-	-	-	5,610	-	5,610	4,397
Training and formation	-	-	-	-	-	4,862	2,144
Depreciation	4,289	573	-	-	-	4,862	-
Advertising	-	1,815	-	-	-	1,815	-
Bad debts	-	-	2,129	-	2,174	4,303	-
Interest	3,369	4,629	-	-	-	7,998	412
Miscellaneous	8,382	165	572	56	6	9,181	2,667
	<u>160,950</u>	<u>106,352</u>	<u>2,701</u>	<u>5,666</u>	<u>2,180</u>	<u>277,849</u>	<u>112,942</u>
Excess of revenue (expenses)	(43,129)	(66,520)	38,299	2,034	(2,180)	(71,496)	40,537
Fund balances at beginning of the year	(7,396)	14,125	33,808	-	-	40,537	-
Fund balances at the end of year	<u>\$(50,525)</u>	<u>\$(52,395)</u>	<u>72,107</u>	<u>2,304</u>	<u>(2,180)</u>	<u>(30,959)</u>	<u>40,537</u>

See accompanying notes to financial statements.

HAITIAN DEVELOPMENT FOUNDATION

Notes to Financial Statements

June 30, 1981 and 1980

(1) General Information

The Haitian Development Foundation (Foundation) is a non-profit organization granting credit and technical assistance to small businesses and other income-producing groups such as artisans and farmers in the Port-au-Prince and rural areas.

The Foundation has been established by prominent Haitian citizens with assistance from the Pan American Development Foundation (PADF), a non-profit institution.

The total initial project cost is estimated at \$715,700. In May 1979, the United States Agency for International Development (AID) reached an agreement on funding this project and provided to PADF an initial grant of \$495,000 for two years; an additional \$220,700 is to be raised by the Foundation with help from PADF. The granted funds are paying for PADF technical assistance to the Foundation, subcontracted training activities from Partners for Productivity (PFP), operating and other costs. An initial amount of \$225,000 was established for the revolving loan fund which is being utilized only to grant loans that meet the criteria stated in the Foundation loan policy.

In March, 1981, the Interamerican Development Bank (IDB) granted to the Foundation financing of \$546,000. This amount is made up of a \$500,000 loan which will increase the revolving loan fund for granting credit to the small businesses and a \$46,000 non-reimbursable contribution that will pay for the training and formation of additional "animateurs". The loan will be reimbursed through 60 consecutive semi-annual payments of equal amount, beginning on September 15, 1981. An annual commission rate of 1% is applicable on the outstanding balance starting from the last IDB disbursement date.

(2) Accounting Policies(a) Principles of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

The financial statements present the financial activity of the general operations of the Foundation and those related to special purpose funds. The financial activities of the Revolving Loan Funds include amounts received under both loan and grant agreements which restrict the use of those funds to granting loans to small businesses. The contributions received from the Public Welfare Foundation are considered as restricted funds which will be utilized only in the financing of technical assistance expenses.

(Continued)

HAITIAN DEVELOPMENT FOUNDATION

Notes to Financial Statements

(b) Furniture and Equipment

Furniture and equipment has been recorded at cost. Depreciation is provided over the estimated useful life of the assets at the following rates:

Automobile	20%
Furniture and equipment	20%

(3) Loans Receivable

The Foundation's loans to small businesses range from \$90 to \$1,500 for short-term financing and will be paid back in one year, including a three-month grace period. Medium term financing ranges from \$600 to \$7,500 and will be paid back over three years including a nine-month grace period. An annual interest rate of 12% to 15% is payable monthly from the first day of the loan, and an additional 2% is charged on the loans for the technical assistance provided locally by the Foundation.

Repayments of principal are deposited in the Revolving Loan Fund and the interest earned and technical assistance receipts are used in the financing of operating costs.

At June 30, 1981, the Foundation recorded an amount of \$1,261 as interest receivable from the borrowers on late payments.

(4) Investments

In order to obtain additional funds for the financing of its operating costs, the Foundation purchased dental equipment from PADF at a cost lower than the fair market value. As of June 30, 1981, a gain of \$2,350 was realized from the sale of a portion of this equipment.

(5) Community Gallery

During the year 1980, the Foundation opened an art gallery in order to raise additional funds. The costs incurred to furnish the gallery have been capitalized. Presently, the gallery is not operating.

(Continued)

HAITIAN DEVELOPMENT FOUNDATION

Notes to Financial Statements

(6) Deferred Contribution

The Foundation received, through PADF, \$10,000 from the Public Welfare Foundation to support the training costs of "animateurs". A portion of these funds, amounting to \$2,300, represents an advance on the Public Welfare Foundation contributions for the next fiscal year; therefore, this amount has been recorded as deferred contribution at June 30, 1981.

In 1980, the Foundation received \$82,393 from AID for its operations. A portion of these funds, amounting to \$11,393, represents an advance on the contributions for the present year and, therefore, was registered as deferred contribution as of June 30, 1981.

(7) Loans Payable

Loans payable consist of the following:

	<u>June 30</u>	
	<u>1981</u>	<u>1980</u>
10% loan payable to PADF due in 1982	\$ 43,000	-
Amount payable to contractor, bearing an annual interest rate of 14% to 18%, due since December 1980	39,000	-
5% loan due to PADF payable within 10 years in semi-annual installments, due February 8, 1990	37,500	17,000
Loan payable to IDB, bearing an annual commission rate of 1%, payable in 60 semi-annual installments, beginning September 15, 1991, last payment due March 15, 2021	<u>127,797</u>	-
	<u>\$242,297</u>	<u>17,000</u>

(8) AID and PADF Contributions

The AID contributions for operating costs amounted to \$91,352 and \$71,000 as of June 30, 1981 and 1980, respectively. In addition, during the present year, the Foundation received from PADF, a contribution of \$12,500 for the financing of operating expenses.

(Continued)

HAITIAN DEVELOPMENT FOUNDATION

Notes to Financial Statements

AID also granted for the revolving loan fund \$41,000 and \$34,000, respectively. The AID contribution for the revolving loan fund, as budgeted in the contract, is for \$150,000. As of June 30, 1981, the remaining balance of \$75,000 had not been disbursed. This amount has been reprogrammed by PADF to support technical assistance costs and operating expenses until December 1981.

In relation to the agreement between AID and PADF for the technical assistance and training to be provided to the Foundation, approximately \$193,646 has been disbursed to date. This amount is not included in the financial statements:

(9) Commitments

The Foundation has undertaken the task of promoting two raffles, as a means of raising additional funds from the private sector, to be held in December 1981. A raffle will take place in Haiti and the other one will be held in the United States. The cost of the prizes for the local raffle is not recorded in the financial statements. This prize is a house, valued at approximately \$25,000, which will be mostly donated to the Foundation. The prize for the other raffle is a car valued at approximately \$8,300. Several advance disbursements and the cost of the car are registered as prepaid expenses and deposits in the financial statements.