

B. Summary Description and Purpose of the Project

The long-range goal of this project is the development of a system of administering agricultural credit that will make adequate capital available to small agro-businesses, production or marketing cooperatives, and small and medium-sized farming enterprises that have developed the managerial capacity to increase production or otherwise increase farmer income but lack the necessary capital to bring this about. It is visualized that such a credit system will not be in the form of a separate institution such as an agricultural bank but rather a coordinated effort involving private banks, Banque National (Central Bank), and the Ministry of Agriculture.

The short-range objectives of this project over the next five years are to design the basic organizational framework of the proposed agricultural credit system and establish three pilot areas where the system will be tested and molded to conform to local conditions and needs. However, after the program has been in operation three years an evaluation will be made of the program. If sufficient progress has been made in program development, activities may be initiated in additional areas. The key element of this credit system is that supervision and assistance in the areas of planning, money management and technical education will accompany all loans. The International Voluntary Services Organization (IVS) will provide volunteers on a contract basis to work with Congolese counterparts at the field level and to train them in the techniques of farm planning and loan processing according to detailed procedures to be developed. A full-time senior Agriculture Credit Advisor will be recruited to assist GDRC officials in developing the necessary procedures for the project.

The governing body of the credit project will be a Central Credit Committee consisting of one representative each from cooperating private banks, Banque National (Central Bank), Ministry of Agriculture, and USAID/Kinshasa. They will determine policy and operating procedure as well as approve loans in the upper bracket of loan limits. An executive Secretariat Committee will be established consisting of the Senior Agriculture Credit Advisor, a bank representative and the Credit Advisory counterpart, to carry out decisions of the Management Committee as well as approve loans in the middle and upper bracket of loan limits.

At the field project level a rural Loan Committee will be established in each project area consisting of the Agronome of the Territory, Senior Credit Agronome, representative of the cooperating private bank and one IVS volunteer.

An important advantage of this system is that few personnel need to be hired that are not already on the payroll. The existing facilities of local private banks will be utilized for the control and accounting of funds, disbursement and collection of loans, and miscellaneous legal services. The Ministry of Agriculture will provide the technical support by assisting farmers with the necessary planning for credit and development of loan docketts. In the beginning the Ministry of Agriculture can reassign personnel from other positions to work in the credit project.

The self-help aspect of this project is considerable. There is keen interest within the Ministry of Agriculture to get an effective credit program established that is geared to assist the many small and medium sized farm operators and still have the necessary internal control to keep it on a sound basis. Officials of the Ministry have pledged their support in assigning personnel and in obtaining the Zaire equivalent of \$1,000,000 from the counterpart fund to be used in developing the project. One private bank has shown unusually high interest in the project and has offered to participate to the limit their policies will allow.

The Congo has a real need for a national lending institution that will put farming on a more modern economic footing. Without a source of credit, crop inputs, other than family labor and the land itself, are generally unavailable. The greatest needs are for tools and equipment with which to cultivate the land, improved seed and fertilizer, transport and marketing facilities and sufficient agro-businesses to provide agricultural supplies on a dependable basis. Post independence progress in the traditional agricultural sector has been slow since expansion depends entirely upon accrued individual savings.

The program will be oriented towards the production of food crops. The production of such products now rests largely in the hands of the thousands of peasants pursuing limited individual goals without cohesive planning or direction. They are without effective guidance or intelligently planned farming programs and follow, therefore, attenuous patterns of shifting cultivation. In some cases, small producers form marketing cooperatives in order to protect themselves from frequent unfair pricing practices. In the main, however, the small farmer, while not

starving, has only primitive or near primitive equipment and methods and a meagre annual income which makes expansion extremely slow. Small agricultural producers selling to local markets have endured a far worse economic slump and have need of assistance in order to recover even former production levels, and, in some strategic areas, in order to meet new demands from growing urban centers.

The 1968 IBRD study strongly recommended the establishment of a National Development Bank and went on to say:

"...Commercial banks cannot cater directly to peasants and even small scale commercial planters because they have no means of appraising applications for small loans and supervising disbursements and such credit operations are generally too risky. In principle, only a public credit institution working in close cooperation with a good agricultural extension service can undertake this responsibility."

This project is designed to provide training to Congolese agricultural technicians in the techniques of credit supervision and farm management guidance and will provide field experience that will help shape a slowly evolving Congolese agricultural credit system. It is a five year pilot plan to test the widely held belief that many Congolese farmers are ready effectively to participate in, contribute to and utilize an agricultural credit program. It will also provide a corollary to several technical agricultural assistance programs that are already under way. It involves financing the agriculture production, nee marketing and supply needs of small farmers, the majority of which are located in several areas now being assisted by other foreign technical teams. These teams are intended to have a role assisting, along with prospective IVS volunteers, in the formulation and appraisal of loan requests and appropriate supplementary extension services. For this undertaking non-AID financial sources are not available.

C. Setting of Environment

As the Congo emerges from post-independence upheavels, statistics reveal that marketed food production decreased over one fourth from pre-independence levels. Regardless of the reasons for this slump, GDRC has outlined development plans for agriculture that have as objectives an increase in food production levels that existed prior to independence. Even though some of these plans may not be specific and appear over optimistic, they reveal the keen interest of the GDRC to do something about stimulating small and medium sized farm operations to increase production.

How to reach this category of farmers with a balanced form of assistance that will provide incentives and form a base for the takeoff from traditional or otherwise low production type of farming is the problem that the Ministry of Agriculture is wrestling with. Whatever approach is made to increase agricultural production must be gradual because trained personnel are scarce, mobilizing and coordinating efforts of private and government organizations must be effected, and funding requirements must be obtained. These necessary efforts, by nature, are slow and difficult to carry out. The realization by GDRC that something must be done about the food production problem has created a strong desire to cooperate in getting a reasonable program under way.

In 1960 there were approximately 10,000 farmers forming an embryonic rural middle class. The number of this group is not known with any accuracy today; however, this project will direct its attention to this group as well as the approximately 200,000 less advanced peasant farmers whose needs have not been effectively met to permit them to graduate to a more modern system of farming that will contribute more towards the food production needs of the country.

In 1965 the USAID and the GDRC agreed upon an emergency program of agricultural credit for the reclamation of agricultural holdings that had been damaged during the Simba revolt of 1964-1965. In all, 54 loans were made principally to rubber, coffee and palm producers totalling 200 million Congolese francs (\$1.3 million at the rate of exchange then existing). The loans were supervised by commercial banks who retained the interest charges as a management fee. A thorough follow-up study including site visits to two thirds of the holdings emphasized the need for a more valid and rigorous selection system for borrowers. The private banks that managed the program were inadequately staffed to perform the prerequisite field examinations. As a result, even though the general results were satisfactory, there were a few cases of misuses of credit funds. In most cases, access to professional advice on the borrower's part would have considerably improved a mediocre performance.

The "Societe de Credit aux Classes Moyennes et a L'Industrie" was organized in 1947 with an original capital of 500,000,000 francs. This fund remains active and supports some remaining Belgian interests throughout the Congo. In 1951 a counterpart "Fond Congo" was established with a capital of 500,195,529 francs for the support and strengthening of the African sector of the economy. Another 200,000,000 francs was added to this

fund in 1966. From 1951 to 1966, 1,025 loans totalling 711,353,640 francs were made for agriculture purposes, an average of \$6,087 per loan.

The "Societe" is a highly centralized operation lacking uniform and sound lending policies. The Ministry of Agriculture reviews agricultural loans prior to submission to the credit society. However, very little follow-up assistance is given and applicants are too scattered to make intensive supervision possible.

Political intervention has played a large part in the final decisions on loan approval as well as on collection activities. Virtually all of the original "Fond Congo" capital appears to be delinquent. Of the 200,000,000 francs made available in 1966, 180,000,000 francs was loaned before the end of the year. None of this has been repaid to date. At the end of 1966, 1,776,155 francs was available in the account, and the GDRC owed the "Societe" 128,149,710 francs for management of the fund.

In view of the problems which have plagued the management of the "Fond Congo", the most serious of which we feel are lack of loan supervision and political intervention, it is inadvisable to use the existing services of the society.

The 1968 IBRD study had this to say about the needs of the small farm operators:

"Although the peasant sector is also evidencing signs of a spontaneous revival, it is important that the Government be enabled as rapidly as possible to carry out projects that would directly stimulate output. However, owing to an insufficiency of qualified personnel and deficiencies in management and organization, the Ministry of Agriculture will for some time have only an extremely limited capacity to undertake development. Under the circumstances it will have to concentrate on working out and undertaking a rather modest number of projects designed to increase the production of particular crops in narrowly delineated areas where there is a good production potential and demand conditions are favorable. Initially, food crops in or near food deficit areas should receive primary emphasis. The Ministry of Agriculture needs foreign technical assistance to enable it to elaborate and carry out these projects. Agricultural

credit will undoubtedly be needed but in a form which is geared closely to the implementation of specific crop programs in designated areas."

The potential for increasing production of food crops in various areas of the country indicate that with the introduction of a few simple cultural techniques and application of modest amounts of fertilizer; yields on the average can be more than doubled.

Geographic areas currently benefitting from agricultural assistance of other donor groups and that are being immediately considered for this project include:

1. Kinshasa Area - The provision of the Kinshasa markets with green vegetables is an effort that staggers the imagination. Unless modern intensive cultivation techniques are introduced, there is a danger of depleting arable soils in and around the city in a few years. The Kinshasa Irrigation Survey proposed for FYs 1969 through 1971 could make available 10,000 irrigable acres east of Kinshasa to Maluku Maes. The FAO and French Technical Assistance Mission have each assigned agronomists to areas in and around the city area working with individuals and groups to improve and sustain food production. These efforts should be enhanced by the current project and should increase significantly if the 10,000 acres become available for farming.

The FAO project alone involves the rehabilitation of a paysannat of 285 farmers that have an average of five hectares of land each located a few miles from Kinshasa in the area of Dinguï-Dinguï. The FAO agronomist assigned to the project is in the process of injecting a greater degree of organization and improved farming methods. The lack of credit is at present an inhibiting factor in the rate of progress. The potential of this one group of farmers to increase the supply of vegetables and fruits for the Kinshasa market provides encouraging justification as one pilot area for the proposed supervised credit project.

2. The Bumba Territory - A five man team from the Chinese Agricultural Mission to the Congo is embarking on a program of increasing rice production through the diffusion of selected seed and the introduction of improved cultural practices. Bumba is one of the major rice growing regions of the Congo.

Only upland rice is being considered at the moment in the Bumba area. The traditional yield with local varieties averages 800 kgs. per hectare. Estimations derived from statistics compiled by rice mill operators in the Bumba area reveal that 20,000 hectares are at present under rice cultivation using traditional

methods of cultivation and a poor quality of degenerated seed. The Chinese estimate that with new varieties, improvement in cultural practices such as line sowing, intensive weed control and the application of fertilizer, yields can be increased to an average of 2,000 kgs. per hectare. Again, credit will be needed by small and medium sized rice farms to purchase fertilizer, insecticides, spray and dusting equipment and hand tools. Financial assistance in developing rural marketing, storage and agro-supply facilities is also visualized.

Other locations from which a third pilot area will be chosen include:

Equateur Province - The Belgian Technical Assistance Mission has fielded a fourteen man rural development team with emphasis on increasing production of corn, rice, manioc, beans and sweet potatoes. The provincial agricultural services are being reorganized and furnished with minimum tools necessary to restart this extension service. Villagers are being encouraged to maintain roads, and the team is aiming to expand and improve programs of public health and public education.

The European Development Fund (Common Market) - This project consists of two programs of technical assistance in Eastern Congo. One project in Katanga is geared to corn and tobacco production. The second program, in Kasai, is aimed at increasing production of cotton and corn. FED envisages in this latter program alone the expenditures of \$6 million over five years to reach traditional farmers on 80,000 hectares of land, and to build a lasting institution capable of meeting seed, extension and marketing requirements of over 14,500 families.

Kikwit Farming Area - This area is known for its concentration of many small and medium sized farms. This is because the soil, climate and terrain are favorable for the production of a variety of food crops. The town of Kikwit is located at the center of this farming area and is connected to Kinshasa, about 250 miles to the west, by a better than average road. Because of the great demand for food in the Kinshasa area resulting in attractive prices, more and more farmers have been shipping produce to the capital city. This flow of food could be greatly increased if planning, financial and marketing assistance were made available.

A road also connects the Kikwit area with Port Francqui about 150 miles to the east. A railroad connects Port Francqui with the great copper and diamond mining areas in the Kasai and Katanga Provinces where the demand for food crops is considerable.

With the highly favorable transport facilities available, the Kikwit area becomes a natural for priority consideration in development assistance. This area has been mentioned frequently by GDRC representatives as one good potential site for the credit program.

All of the above programs provide a sufficient matrix for a workable agricultural credit program. USAID officials have discussed the various aspects of agricultural credit with personnel of the Cooperative and Agricultural Credit Section of the Ministry of Agriculture. This section has fourteen U.S. trained participants whose skills for the most part have not been utilized properly or effectively. There is on record a list of ten participants that have had U.S. training in special courses of agricultural credit. The skills of these participants should be employed to the maximum extent with IVS personnel who will be participating in this project. It is anticipated that the GDRC will offer the fullest cooperation and assistance possible in utilizing trained personnel.

D. Strategy

As previously indicated, the basic objective of this proposed Supervised Agriculture Credit program is to increase the production of marketable food crops and ensure orderly marketing of same. Congolese farmers are known to be able in most cases to provide adequately their own consumption needs. This program is not designed to cater to farmers for social welfare or relief purposes. Only those applicants who possess the basic economic factors of production; e.g., adequate land, farming experience, labor and reasonable headquarter facilities will be considered for loans. Credit will not be limited to production loans. Cooperatives and other organizations that will provide marketing assistance and private individuals who are willing to establish agro-businesses and processing services on a reasonable scale will also receive financial considerations. It is a well known fact that the production of animal protein is far below the country's needs. There are examples of profitable livestock operations existing at present. Where feasible, emphasis will be placed on encouraging livestock raising, especially grass fed type, in farm operations being financed through this program.

The following tables show projected quantitative targets by years for loan and repayment volumes, number of borrowers, and number of farmers served.

All \$ figures
in thousands
of dollars.

YEAR I

<u>Loan Capital</u>					
		<u>500</u>			
	<u>No of Loans</u>	<u>No of Farmers</u>	<u>Average Size Loan</u>	<u>Total Loaned</u>	<u>Total Collected</u>
<u>Kinshasa Loan Capital</u>		<u>200</u>			
1 year loans	150	825	1	150	150
2-5 year loans	10	10	5	50	
5-8 year loans					
subtotal	<u>160</u>	<u>835</u>		<u>200</u>	<u>150</u>
<u>Bumba Loan Capital</u>		<u>100</u>			
1 year loans	10	100	1	10	10
2-5 year loans	10	10	4	40	
5-8 year loans					
subtotal	<u>20</u>	<u>110</u>		<u>50</u>	<u>10</u>
<u>Area III Loan Capital</u>		<u>200</u>			
1 year loans	150	825	1	150	150
2-5 year loans	10	10	5	50	
5-8 year loans					
subtotal	<u>160</u>	<u>835</u>		<u>200</u>	<u>150</u>
	<u>---</u>	<u>---</u>		<u>---</u>	<u>---</u>
TOTAL	<u>340</u>	<u>1780</u>		<u>450</u>	<u>310</u>

Unloaned Capital for Carryover 50

All \$ figures
in thousands
of dollars.

YEAR II

Loan Capital 860

	<u>No of Loans</u>	<u>No of Farmers</u>	<u>Average Size Loan</u>	<u>Total Loaned</u>	<u>Total Collected</u>
<u>Kinshasa Loan Capital</u> <u>375</u>					
1 year loans	200	1100	1	200	200
2-5 year loans	30	30	5	150	20
5-8 year loans					
subtotal	<u>230</u>	<u>1130</u>		<u>350</u>	<u>220</u>
<u>Bumba Loan Capital</u> <u>110</u>					
1 year loans	25	160	1	25	25
2-5 year loans	15	15	5	75	15
5-8 year loans					
subtotal	<u>40</u>	<u>175</u>		<u>100</u>	<u>40</u>
<u>Area III Loan Capital</u> <u>375</u>					
1 year loans	200	1100	1	200	200
2-5 year loans	30	30	5	150	20
5-8 year loans					
subtotal	<u>230</u>	<u>1130</u>		<u>350</u>	<u>220</u>
	<u>500</u>	<u>2435</u>		<u>800</u>	<u>480</u>

Unloaned Capital for Carryover

60

All \$ figures
in thousands
of dollars.

YEAR III

<u>Loan Capital</u>	<u>1,540</u>				
	<u>No of Loans</u>	<u>No of Farmers</u>	<u>Average Size Loan</u>	<u>Total Loaned</u>	<u>Total Collected</u>
<u>Kinshasa Loan Capital</u>	<u>600</u>				
1 year loans	250	1375	1	250	250
2-5 year loans	40	40	5	200	70
5-8 year loans	5	5	20	100	
subtotal	<u>295</u>	<u>1420</u>		<u>550</u>	<u>320</u>
<u>Bumba Loan Capital</u>	<u>340</u>				
1 year loans	50	275	1	50	50
2-5 year loans	20	20	5	100	40
5-8 year loans	2	2	25	50	
subtotal	<u>72</u>	<u>297</u>		<u>200</u>	<u>90</u>
<u>Area III Loan Capital</u>	<u>200</u>				
1 year loans	250	1395	1	250	250
2-5 year loans	40	40	5	200	70
5-8 year loans	5	5	20	100	
subtotal	<u>295</u>	<u>1440</u>		<u>550</u>	<u>320</u>
<u>TOTAL</u>	<u>662</u>	<u>3157</u>		<u>1300</u>	<u>730</u>

Unloaned Capital for Carryover

240

All \$ figures
in thousands
of dollars.

YEAR IV

<u>Loan Capital</u>		<u>970</u>				
	<u>No of Loans</u>	<u>No of Farmers</u>	<u>Average Size Loan</u>	<u>Total Loaned</u>		<u>Total Collected</u>
<u>Kinshasa Loan Capital</u>		<u>400</u>				
1 year loans	300	1650	1	300		300
2-5 year loans	10	10	5	50		110
5-8 year loans	2		20	40		80
subtotal	<u>312</u>	<u>1660</u>		<u>390</u>		<u>490</u>
<u>Bumba Loan Capital</u>		<u>170</u>				
1 year loans	75	390	1	75		75
2-5 year loans	10	10	5	50		60
5-8 year loans						10
subtotal	<u>85</u>	<u>400</u>		<u>125</u>		<u>145</u>
<u>Area III Loan Capital</u>		<u>400</u>				
1 year loans	300	1650	1	300		300
2-5 year loans	10	10	5	50		110
5-8 year loans	2		20	40		20
subtotal	<u>312</u>	<u>1660</u>		<u>390</u>		<u>430</u>
	<u>---</u>	<u>---</u>		<u>---</u>		<u>---</u>
TOTAL	<u>709</u>	<u>3720</u>		<u>905</u>		<u>1005</u>
Unloaned Capital for Carryover				65		

All \$ figures
in thousands
of dollars.

YEAR VLoan Capital 1,070

	<u>No of Loans</u>	<u>No of Farmers</u>	<u>Average Size Loan</u>	<u>Total Loaned</u>	<u>Total Collected</u>
<u>Kinshasa Loan Capital</u>					
1 year loans	350	1925	1	350	350
2-5 year loans	10	10	5	50	120
5-8 year loans					35
subtotal	<u>360</u>	<u>1935</u>		<u>400</u>	<u>505</u>
<u>Bumba Loan Capital</u>					
1 year loans	100	550	1	100	100
2-5 year loans	10	10	5	50	70
5-8 year loans					10
subtotal	<u>110</u>	<u>560</u>		<u>150</u>	<u>180</u>
<u>Area III Loan Capital</u>					
1 year loans	350	1925	1	350	350
2-5 year loans	10	10	5	50	120
5-8 year loans					35
subtotal	<u>360</u>	<u>1935</u>		<u>400</u>	<u>505</u>
TOTAL	<u>830</u>	<u>4430</u>		<u>950</u>	<u>1190</u>

Unloaned Capital for Carryover

2140

All \$ figures
in thousands
of dollars.

	<u>Total due at future date</u>	<u>Total No of Loans</u>	<u>Total Loaned</u>
<u>Kinshasa Loan</u>			
1 year loans		1250	1250
2-5 year loans	180	100	500
5-8 year loans	85	7	140
subtotal	<u>265</u>	<u>1357</u>	<u>1890</u>
<u>Bumba Loan</u>			
1 year loans		260	260
2-5 year loans	130	75	315
5-8 year loans	30	2	50
subtotal	<u>160</u>	<u>337</u>	<u>625</u>
<u>Area III Loan</u>			
1 year loans		1250	1250
2-5 year loans	180	100	500
5-8 year loans	85	7	140
subtotal	<u>265</u>	<u>1357</u>	<u>1890</u>
TOTAL	<u>690</u>	<u>3051</u>	<u>4405</u>

The following tables show the projected administrative expenditures by yearly average and total five year cost.

PROJECT COSTS BY YEARLY AVERAGE AND FIVE YEAR TOTALUSAID Specialist Dollar Costs

	<u>Average Per Year</u>	<u>Total</u>
Salary and Allowances, FSR 4-5	\$ 32,000	\$ 160,000
Travel to and from post, R&R	2,080	10,400
Technical support	1,000	5,000
Transport effects and car	1,000	5,000
Subtotal	\$ <u>36,080</u>	\$ <u>180,400</u>

USAID Specialist Local Currency Costs

Field Travel	2,000	10,000
Field Per Diem	1,000	5,000
Local Services	1,500	7,500
Technical Support	2,000	10,000
Vehicle gas, repair and insurance	1,240	6,200
Subtotal	\$ <u>7,740</u>	\$ <u>38,700</u>

IVS Contract Dollar Costs

	<u>Average Per Year</u>	<u>Five Year Cost</u>
Volunteer Costs	\$ 36,053.60	\$ 180,268.00
Team Leader Costs	9,838.10	49,190.50
Plus 10%	<u>45,891.70</u>	<u>229,458.50</u>
	4,589.17	<u>22,945.85</u>
Subtotal	\$ 50,480.87	\$ 252,404.35

IJS Control Local Currency Costs

	<u>Average Per Year</u>	<u>Five Cost</u>
Volunteer Furniture	\$ 1,010.15	\$ 5,050.75
Settling in Allowance	605.00	3,025.00
Language Instruction	5,327.50	26,637.50
Volunteer travel and per diem in country	4,335.00	20,676.00
Volunteer living allowances	16,800.00	84,000.00
Team Leader living allowances	3,780.00	18,900.00
Team Leader in country travel and per diem	3,840.00	14,200.00
Local Admin Costs	13,000.00	65,000.00
Volunteer Housing	6,000.00	30,000.00
Team Leader Housing	6,000.00	30,000.00
Volunteer Office rental or construction	2,700.00	13,500.00
Gas, vehicle repair and insurance	19,840.00	99,200.00
	\$ 62,037.85	\$410,189.25
Plus 10%	8,203.78	41,018.92
	90,241.63	451,208.17

Equipment and Vehicles (First Year Cost)

Equipment for IJS	14,451.95
Equipment for PIO Specialist	6,193.20
Vehicles	70,150.00
<u>total</u>	<u>\$ 90,795.05</u>

TOTAL	\$179,953.33	\$990,561.72
	(excludes equipment & vehicles)	(includes equipment & vehicles)

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Considerable acceleration will be given to the enlargement of the new emerging middle class of entrepreneur farmers by the injection of capital and technical know-how into their operations. This class of farmers will be the foundation for any improved system of agricultural organization that must evolve before the agricultural potential of the Congo can be realized.

An alternative credit system involving the organization of an Agricultural Development Bank was considered. However, the thought quickly withered when the time element for locating and training personnel that could effectively operate such an organization was outlined. Considerable time and complicated maneuvering would also be necessary in affecting legislation for a separate bank that would in most cases duplicate efforts of existing private banks and the Ministry of Agriculture. Too much emphasis cannot be placed on speed and simplicity in bringing the most needed assistance, education and capital to capable farmers. Increased production of food crops must take place soon before pressure from expanding urban areas demands for reasonably priced food develops unnecessary stresses on other areas of the economy.

A well directed system of credit will create more initiative on the part of the Congolese to start effecting modern methods of agriculture and to instill a sense of business and awareness necessary to support an improved agricultural system. This project should emerge as the germ of a system that will eventually extend throughout the Congo. USAID considers the involvement of Congolese, both in the field and administrative levels, to be vital to the long range goal of a credit system. The Congolese will have a direct stake in the project and will receive knowledge of the project's administration. A counterpart to the Senior Agricultural Credit Advisor is planned as well as counterparts for the credit supervisors (IVS Volunteers).

As mentioned previously many Congolese have expressed an interest in an agricultural credit program, and the GDRC has expressed a willingness to support it. USAID will recommend to the Ministry of Public Works to devise road maintenance and improvement program that will compliment the anticipated agricultural increases; recommend that private banks give thought to initiating training programs for their personnel to prepare them for handling the banking aspects of the credit program; and provide overall guidance in developing necessary operating procedures and criteria for sound operation of the project.

E. Planned Targets, Results and Outputs

This five year pilot project will have three specifically defined field areas where a system of Supervised Agricultural Credit will be administered. The field areas selected include the aforementioned Kinshasa Area and the Bumba Territory. The third area will be selected after the Senior Agricultural Credit Advisor and the IVS team are on board.

At the end of five years it is planned that the agricultural credit system envisaged within this project and consisting of three pilot areas will be fully staffed by Congolese who have been trained over the life of the project. The Central Credit Committee will have had time to gain the necessary experience to direct the program in an efficient and sound manner.

It is intended that this project will make it possible for the more ambitious and capable small and medium sized farm operators to make the transition from a haphazard shifting type of cultivation to one that will involve reasonable modern methods. This, in turn, will result in a larger production of marketable produce and the increased production should exert economic pressures for improved maintenance of roads, better public health facilities, more and better schools and other community development activities. The long range aspects of this project is that it is designed to develop into a National Agricultural Credit System with a potential for expansion. Such a credit system could form the base for a much needed improved and redirected Agricultural Extension Program. With well administered credit available, the Ministry of Agriculture would be able to carry out more viable production drives that formerly went little beyond the talking stage because plans were not made in relation to existing administrative resources and there was a lack of capital to back up the advice and services of extension personnel.

Contract services for this project includes an eleven man team of International Voluntary Service volunteers. Ten volunteers will be assigned to field positions, the eleventh will be based in Kinshasa and will act as team leader and administrator of the contract.

The ten field volunteers will be considered employees of the Ministry of Agriculture and will be assigned to the three selected pilot areas. Four volunteers will be assigned to the area around Kinshasa, two to the Bumba territory, and four to the third site to be selected. Organizationally, all volunteers

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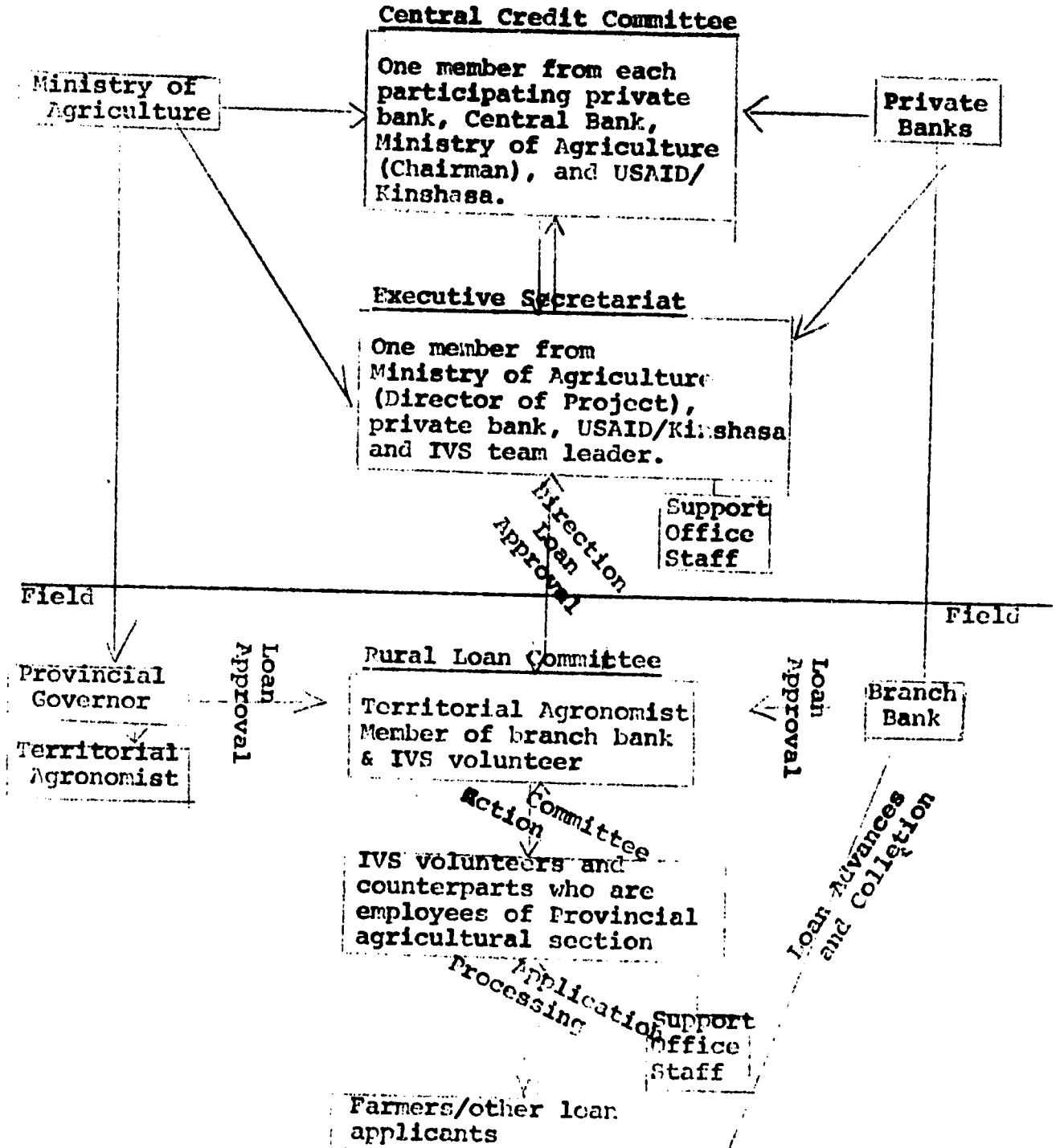
will be under the supervision of the territorial agronomist and his assistant, and each volunteer will be assigned a Congolese counterpart from the Ministry of Agriculture.

Volunteers, with their counterparts, will have the responsibility for developing all loan docketts for submission to the Rural Loan Committee, the Executive Secretariat, and the Central Credit Committee. One volunteer in each pilot zone will also serve as a committee member of the Rural Loan Committee. As loans are granted, they will be responsible for supervising the credit to insure that it is used in accordance with the farm plan and, as progressive steps of the plan are achieved, will assist the farmer in obtaining the next installment of his loan.

An important responsibility of each volunteer will be an on-the-job training of his Congolese counterpart. This training will extend over the length of the project.

F. Course of Action

1. Organizational chart of the Supervised Agriculture Credit Program.



2. Timing for mobilization, deployment and utilization of inputs for life of project is as follows:

<u>Time Period</u>	<u>Activity and Funding Description</u>
Date of Project Proposal Approval:	IVS Contract Signed. IVS starts recruit-ment personnel. Commodities are ordered. Funding_____. Senior Credit Advisor recruited. Funding_____.
Two months after Project Proposal Approval (APA).	Senior Credit Advisor arrives on duty AID/W and spend 30 days there to expedite program implementation. IVS team leader arrives at post.
Three months after APA	Senior Credit Advisor arrives at post. GDRC requested to designate counterpart to Advisor. Advisor and Counterpart prepare Project Agreement, develop program operating procedures, and design necessary forms and criteria. Central Credit Committee designated.
Four months after APA	IVS volunteers arrive at post. Orientation and French language training begin. GDRC requested to designate counterparts for each team member. Central Credit Office and necessary warehouses and other buildings acquired. Training of IVS personnel and counter- parts, concerning program operations by Senior Credit Advisor.
Six months after APA	Commodities arrive at post and are distributed. IVS team travels to designated field posts. Field housing and credit offices are established. Rural Loan Committees organized. Volunteers survey respective areas to determine credit needs of farmers. First tranche of counterpart funds of \$500,000 deposited in special revolving account in bank.
Eight Months after APA	Development of loan cockets begin. First loans processed. Credit program under way.

<u>Time Period</u>	<u>Activity and Funding Description</u>
Ten months af after APA	Planning begins for processing of DL loan. Negotiations begin with GDRC on purposes and use of DL loan funds.
Twelve months after APA	DL loan application submitted. Invitations for bids for equipment will be drawn up by USAID with IVS assistance and sent to AFR/CDF/ENGR for review and cost estimates.
Sixteen months after APA	DL loan approved \$1,000,000. Equipment and supplies requisitioned. These will include farm machinery, insecticides, fertilizers and small implements. Second tranche of counterpart loan funds \$500,000 deposited in special revolving account in bank for expansion of lending activities.
Twenty months after APA	Start to make loans from second tranche of loan capital. Collection begins on first annual loans made. Continue to assist farmers with planning and technical problems.
Thirty months after APA	DL equipment begins to arrive. Arrangements made for transporting equipment to project field areas.
Thirty-six months after APA	ALL DL equipment distributed and in use by farmers.
Thirty-six months to Fifty-eight months after APA	Lending program continues using second generation funds. Congolese trainees will be encouraged to take initiative under IVS surveillance to carry out field program. Central Credit Committee and Executive Secretariat Congolese personnel will be encouraged to make necessary decisions in the overall direction of the credit program.

Time PeriodActivity and Funding Description

Sixty months
after APA

Negotiations instigated with banks to encourage them to assume up to 15% of any future losses due to loans that are considered uncollectable. Reserve fund will have built up to absorb most of any losses that may occur. Phase out of IVS personnel and Senior Agricultural Credit Advisor.

3. The following are policy guidelines to be considered when final operating procedures are developed:

(a) Types of loans offered:

(1) Annual loans, to be repaid in approximately one year. Intended for farm operating expenses, such as fertilizer, seed, labor and supplies.

(2) Medium term loans, to be repaid in 2 to 5 years. Intended for small equipment, livestock, small construction and land development.

(3) Long term loans, to be repaid in 5 to 8 years. Intended for major land development, such as irrigation systems, small processing facilities, larger buildings, etc. It is expected that there will be relatively few loans made in this category. Provisions for extending repayment periods due to problems beyond the control of the borrower will be written into the operating procedures.

(b) Interest rates

Annual loans - 10% to borrower. Bank receives 7% with 3% going to reserve fund. Medium term loans - 8% to borrower. Bank receives 6% with 2% going to reserve fund. Long term loans - 7% to borrower. Bank receives 6% with 1% going to reserve fund.

(c) Assumption of risk

During the life of the project all losses due to the inability of the borrower to pay or because of bad faith will be assumed by the project and deducted from the loan

capital fund. During the fifth year of the project the participating private banks will be encouraged to assume at least a part of the risk with the remainder taken from the reserve fund, which should have accumulated to a respectable amount by that time. If the banks assume part of the risk, it is expected that they should receive a larger share of the interest paid by the borrower with a smaller amount going to the reserve fund.

(d) Eligibility requirements

When the operating procedures are developed after the Senior Credit Advisor arrives at post, specific criteria will be established for determining eligibility requirements for each category of loans. This criteria will be specific and designed to eliminate, as far as possible, unsuitable applicants at the same time broad enough to include applicants with determination, ambition, experience, adequate land and other minimum facilities to carry out a planned farming operation successfully. Definite geographic boundaries will be designated for each project area by the Central Loan Committee before any loans are approved. Only applicants who have their operations within these designated areas will be considered for loans.

(e) Loan limits and approval authority

The upper limit that any one borrower can owe at one time will be determined by the Central Credit Committee when it approves the official operating procedures for the Supervised Credit Program. It is expected that this limit will be in the area of \$30,000.

The Rural Loan Committee will approve loans to borrowers whose indebtedness will not exceed \$5,000.

The Executive Secretariat will approve loans to borrowers whose indebtedness will be over \$5,000 but not over \$15,000.

The Central Credit Committee will approve all loans to borrowers whose indebtedness will be over \$15,000.

(f) Source of future loan capital for the Supervised Credit Program.

The suggested interest rates for this project are designed to make it reasonably attractive for commercial

banks to use their own surplus capital to make agricultural loans some time in the future when the Credit Program has been in operation long enough to prove its soundness. Until that time, it is expected that loans from such organizations as the World Bank or African Development Bank to the GDRC will be the source of future capital needs beyond what is provided by this project.

4. Research aspects of the project - The intensive supervision connected with all loans made under this project can be regarded as a basic research component input. The first few years must involve the search for better statistics on production limits, farmer capabilities, marketing procedures and general information on improved farm management. From this research will come general increased farming knowledge and better problem solving capacity of Congolese rural people.

5. Relation of project to overall GDRC stabilization program. In the opinion of the USAID Economics officer, the size of the project is not large enough to interfere with the overall GDRC stabilization program. Also, the anticipated increased production possibilities will provide offsets to further add to the justification of the project.

The IMF had a stand-by agreement with the GDRC in June 1967, where they undertook to limit credit that private banks made available to the private sector to \$40,000,000. This was part of the monetary reform but is no longer in force. Counterpart funds did not come under this ceiling.

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ANNEX ASUMMARY OF PROPOSED IVS PARTICIPATION IN THE SUPERVISED
AGRICULTURE CREDIT PROGRAM FOR THE CONGOI. Project Summary

Ten male IVS volunteers and one team leader are requested to help administer a joint USAID and GDRC (Government Democratique de la Republique du Congo) program of supervised agriculture credit. The proposed schedule of implementation is as follows:

Two months after project approval by USAID IVS team leader arrives in Congo.

Four months after project approval 10 IVS volunteers arrive in Congo for French study.

Six months after project approval volunteers are assigned to field posts.

It is anticipated that the project will be approved in the first quarter of fiscal year 1970. The project will run for a period of five years.

II. Summary Description of Proposed Credit Program

Prior to independence in the Congo, there was a growing middle class of Congolese farmers estimated to number about 10,000. In addition, most peasants were pursuing limited goals of cash crop production with a traditional, shifting type of cultivation. The violence which followed independence disrupted agriculture as well as industrial activities, and agriculture production fell to less than 75 percent of pre-independence levels. The last major disruptions occurred in 1964 and 1965; and, since that time, there has been a rapid increase in agricultural production. The supervised credit program has been proposed and studied in the belief that credit has become one of the factors inhibiting further rapid increases in production.

Present plans call for a pilot supervised credit program of five years duration in three selected and limited areas within the Congo. These will be areas of concentrated and intensified extension and credit supervision activities. Two areas have already been selected; the third will be chosen before the volunteers are ready for assignment to the field. The first is a food-producing area near

Kinshasa. The second is the "Territoire de Bumba," a rice-producing region in Equator Province. Areas under consideration as a third site include selected territories or districts in the province of Kikwit, an important food-producing region for the Kinshasa markets; the Budjala and Lisala territories in Equator Province where there is a 14-man Belgian Technical Assistance Mission; and the corn-producing regions of Katanga and Kasai Provinces where the European Development Fund is mounting an assistance program to increase corn production. The pilot zones have been selected for their importance as food-producing areas, but credit will not be limited to food crops. Rather, a comprehensive approach will be followed with the objective of promoting general agricultural development in each area.

The program will begin with an initial 500,000 zaires (\$1,000,000) of U.S. counterpart funds. This will be supplemented 16 months later with a direct loan of U.S. \$1,000,000. At the end of three years the program will be evaluated and at that time possibly some expansion to other areas and shifting of personnel will be undertaken. At the end of five years, it is hoped that IVS volunteers can be withdrawn, leaving the program in the hands of Congolese. It is also hoped that the pilot program can serve as a model for supervised agriculture credit which can then be extended to all important agricultural regions in the Congo.

III. Project Organization and Administration

The project is essentially a joint effort between the Ministry of Agriculture and the commercial banks. The AID technician and IVS personnel will be part of the Ministry of Agriculture's input into the project. The project will use the existing services of the banks to manage the funds and for any necessary legal services. We have also tried to design the project so that the banks will have the largest share of responsibility for the collection of loans. Personnel of the Ministry of Agriculture (including IVS volunteers) will assist the banks in evaluating loan requests and supervising the use and dispersion of loan funds.

The organization of the project is shown in this airgram.

IV. Volunteer Job Descriptions

The volunteers will be assigned as personnel of the Ministry of Agriculture to the three pilot areas. Four will be assigned to the Kinshasa area, two to the Bumba territory, and four to the third site to be selected. They will be responsible to the territorial agronomist and his assistant. One volunteer in each site will also be a

member of the rural loan committee. Other members of this committee include the territorial agronomist and a representative of the local bank. This committee will have authorization to grant loans up to \$5,000 or, in the case of someone already indebted, the committee can grant loans to a level of indebtedness not to exceed \$5,000. Loan requests above that amount will be forwarded, with the recommendations of the rural committee, for consideration by the Executive Secretariat or the Central Credit Committee.

The primary duties of the volunteers will include (1) preparation of the loan applications and (2) follow-up and supervision of the loans to insure their proper usage as given in the loan applications.

Preparation of the loan requests will require that the farm or business of each applicant be visited by the volunteer and his counterpart to verify information in the application and to insure that certain minimum criteria are met by the applicant. These criteria will be prepared by a U.S. Senior Credit Advisor in cooperation with the Central Credit Committee. The volunteer may have to assist some applicants in completing the application itself as many peasants are not literate in French. The volunteer will also develop, in cooperation with the applicant, a farm plan to be followed in utilization of the loan. With large loans, this plan will outline the different steps of farm or agri-business development so that the loan may be given in installments as each stage of development is achieved.

Loan supervision, the second part of the volunteers' job, is perhaps the most important facet of the program. This will require frequent visits to the farm to insure that the loan is being properly used. For production loans, especially to traditional farmers or groups of farmers, this supervision may be in the nature of extension work with the cooperation of the local agronomist. With medium- or long-term loans, it will require frequent visits to follow the progress of development on the farm, to record the completion of particular stages of work as given in the farm plan, and to recommend to the loan committee when the next installment of the loan should be given. Volunteers will also record any unusual problems, personal difficulties of the borrower, crop failure, etc., which might affect the borrower's ability to meet repayment schedules.

The volunteers will receive technical support in this program from a USAID direct hire Senior Credit Advisor. This advisor will act as counterpart to the Congolese Ministry of Agriculture official in charge of the credit program.

In the two pilot areas already selected volunteers will also receive technical support and advice from other technical assistance teams in the area. In Kinshasa, both FAO and French Technical Assistance personnel are working in extension to increase the production of vegetables and other food crops. There is a Chinese Technical Assistance team in Bumba working in extension to increase rice production. In both areas the credit program should benefit from the activities of these programs, and volunteers will receive direct backstopping from these technicians on questions of cultural techniques, fertilizer, and insecticide usage, crop yields, etc. There are also technical assistance teams in two of the three areas under consideration for the third pilot area.

V. Volunteer Qualifications

The ten volunteers selected for this project should all have BS degrees in agriculture and a minimum of two to five years of general farm experience. The team may be international in composition, but the number of non-Americans should not exceed three in number. No married volunteers may be accepted.

Because of the area approach to agricultural development we wish to follow in the selected regions, it is felt that several different fields of agricultural expertise should be represented in the group. The two most important are agriculture economics or agriculture business and agronomy. The agronomists should have some coursework in farm planning, management, and economics. A third discipline to be represented in the group is animal husbandry. There is tremendous potential for livestock production in the Congo, but it is difficult to assess the need for credit for livestock development.

The composition of the team can be broken down as follows:

	<u>Minimum</u>	<u>Maximum</u>
Ag Economists or		
Ag Business majors	3	5
Agronomists	4	6
Animal Husbandry majors	1	2

As applicants indicate their interest in going to the Congo, a personal resume and copy of their college transcript will be sent to USAID/Kinshasa for review.

VI. Language Study

This is still under study, but it is anticipated that arrangements can be made for language training to take place in-country. Language training plus orientation by the AID Senior Credit Adviser and Ministry of Agriculture officials will take an estimated ten weeks.

VII. Financing

A budget proposal has been prepared. It is included in the amended PROP in this airgram. The following tables show a detailed breakdown of the estimated costs for the Senior Agriculture Credit Advisor and IVS.

Estimated Admin Cost for Senior Ag Credit Advisor

	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>	<u>Fourth Year</u>	<u>Fifth Year</u>	<u>Average Per Yr.</u>	<u>Total</u>
Salary and Allowances, PSR4-5	30.00	31.0	32.00	33.00	34.00	32.0	160.0
Travel to and from post, R&R	2.60	-	2.60	2.60	2.60	2.08	10.4
Transport effects and car	1.25	-	1.25	1.25	1.25	1.00	5.0
Technical support	1.00	1.0	1.00	1.00	1.00	1.00	5.0
Subtotal	<hr/>						
Field	2.00	2.0	2.00	2.00	2.0	2.00	10.0
Field per diem	1.00	1.0	1.00	1.00	1.0	1.00	5.0
Local services	1.50	1.50	1.50	1.50	1.5	1.50	5.7
Technical support	2.0	2.0	2.0	2.0	2.0	2.00	10.0
Vehicle gas, repair, insurance	1.0	1.0	1.2	1.5	1.5	1.24	38.7
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Volunteer Costs (Dollars)
(Per Two-Year Tour)

Fixed costs	\$ 4,050.00
International travel, \$481.40 x 2	962.80
11 lbs. air freight, 46 kg x \$2.76 x 2	253.92
International per diem, 4 days x \$6.00	24.00
Salary, \$80.00 x 24	<u>1,920.00</u>
	\$ 7,210.72

$\$ 7,210.72 \times 10 \text{ volunteers} = \$ 72,107.20$
 $\$ 72,107.20 \div 2 \text{ years} = \$ 36,053.60 \text{ per year}$
 $\$ 36,053.60 \times 5 \text{ years} = \$ 180,268.00 \text{ total}$

Team Leader Costs

Fixed costs	\$ 4,050.00
Fixed costs for wife	1,650.00
Fixed costs for child	1,350.00
International travel, \$481.40 x 2	962.80
International travel for wife	962.80
International travel for child, \$481.40 x 10%	48.14
	240.70
300 lbs. air freight 138 kg x \$2.76 per kilo x 2	763.76
International per diem, 4 days x 2 x 24	<u>9,600.00</u>
	\$19,676.20

$\$ 19,676.20 \div 2 \text{ years} = \$ 9,838.10 \text{ yearly}$
 $\$ 9,838.10 \times 5 \text{ years} = \$ 49,190.50 \text{ total}$

Volunteer Furniture (Local Purchase)
(Per Household Per Two-Year Tour)

2 single beds,	45.91Z x 2	11Z 82K
2 mattresses,	17.98 x 2	35Z 96K
2 metal closets,	47.49 x 2	94Z 98K
4 metal chairs	3.58 x 4	14Z 32K
Metal table,	13.95	13Z 95K
4 lounge chairs,v	5.25 x 4	21Z
Small coffee table (estimate)		<u>10Z</u>
		202Z 3K

202Z 3 K = \$404.06

404.06 x 5 households = \$2,020.30

2,020.30 + 2 years = \$1,010.15 yearly

1,010.15 x 5 years = \$5,050.75 total

Language and Technical Training In-Country
(Per Two-Year Tour)

2 1/2 months

3 instructors x \$100 weekly x 10 weeks = \$3,000

1 instructor x \$110 weekly x 10 weeks = 1,100

\$4,100

Board and room at \$3 daily x 75 days x 10 = \$2,250

\$30 per volunteer for language material x 10 = 300

3 tape recorders x \$100 (estimate) = 300

3 sets language tapes x \$125 (estimate) = 375

\$30 technical books x \$11 (includes team leader) 300

Additional language at post,

200 hours x 5 instructors x \$3 per hour = 3,000

\$10,655

\$10,655 ÷ 2 years = \$5,327.50 yearly

5,327.50 x 5 years = \$26,637.50

Settling-in Allowance

(\$110 to be paid each volunteer upon arrival in-country - - nonaccountable and calculated as given below.)

\$110 x 10 volunteers	=	\$1,100
\$110 x 1 team leader	=	<u>110</u>
		\$1,210

\$1,210 ÷ 2 years	=	\$605 yearly
\$ 605 x 5 years	=	\$3,025 total

Volunteer Settling-in Allowance (Per Household)

1 silverware set	32Z	10K
2 knives	1Z	50K
1 set kitchen utensils	4Z	40K
2 large metal trash or water cans, 4Z 70K	9Z	40K
2 buckets, 70K	1Z	40K
2 campstoves, 3Z 10K	6Z	20K
1 iron	4Z	
6 plates, 25K x 6	1Z	50K
6 glasses, 8K x 6		48K
6 cups, 12.5K x 6	7Z	73K
1 teapot	3Z	
3 sheets	7Z	20K
3 towels	4Z	
2 light blankets	2Z	40K
bowls, skillets and cooking pots	10Z	
2 machettes		30K
1 water filter with extra candles	18Z	
2 pressure lamps with spare parts	30Z	74K
	108Z	85K
Miscellaneous	1Z	15K
\$220 or \$110 per volunteer	110Z	or 5220

Volunteer Travel and Per Diem In-Country

(4 volunteers near Kinshasa; 6 up-country)

Air fare to and from post of assignment:	
6 volunteers x \$100 one way x 2	\$1,200.00
(Based on price of \$97.60 one way to Bumba)	
100 lbs. air freight:	
46 kg x 40¢ x 6 volunteers	110.40
One mid-tour conference:	
Travel	1,200.00
Per diem, 7 days x 10 volunteers x \$12	840.00
Other travel (medical or other emergency):	
Travel	2,400.00
Per diem, 21 days x 10 volunteers x \$12	2,520.00
	<u>\$3,270.40</u>

Volunteer Living Allowance(Per Volunteer Per Month)

Food, household and toilet articles	30Z
1/2 guardian	4Z
1/2 houseboy	7Z
Mail and correspondence	5Z
1/2 utilities	5Z
clothing	5Z
Miscellaneous	5Z
	<u>70Z</u>
	70Z x 2 = \$140

\$140 x 12 months = \$1,680

\$1,680 x 10 volunteers = \$16,800 yearly

\$16,800 x 5 years = \$84,000 total

Living Allowance for Team Leader

Team leader	\$140.00
Wife, 140 x \$75	105.00
Child, 140 x \$50	<u>70.00</u>
	\$315.00

\$315 x 12 months - \$3,780 yearly
 \$3,780 x 5 = \$18,900 total

Team Leader In-Country Travel and Per Diem

5 trips yearly to Bumba	
Travel \$200 x 5	= \$1,000
Per diem, 7 days x 5 trips x \$12	= \$ 420
5 trips to site yet to be selected	
Travel	\$1,000
Per diem	<u>\$ 420</u>
	\$2,840 yearly

\$2,840 x 5 years = \$14,200 total

Local Administration Costs

Office rent, utilities and repairs	\$6,000
Correspondence, telephone, telegrams, and office supplies	\$2,000
Bookkeeper	\$3,000
Secretary	<u>\$2,000</u>

\$13,000 x 5 years = \$65,000 total

Team Leader Housing

\$500 x 12 months = \$6,000
 \$6,000 x 5 years = \$30,000

Volunteer Housing

\$100 x 12 months x 5 households = \$6,000 yearly
 \$6,000 x 5 years = \$30,000 total

Volunteer office rental or construction

\$75 monthly x 12 months x 3 offices = \$2,700 yearly
 \$2,700 x 5 years = \$13,500 total

Gas, Vehicle Repair, Insurance

	<u>Per Vehicle</u>
First Year	\$1,000
Second Year	1,000
Third Year	1,200
Fourth Year	1,500
Fifth Year	<u>1,500</u>
	\$6,200 per vehicle

\$6,200 ÷ 5 = \$1,240 yearly average per vehicle
 \$1,240 x 16 vehicles = \$19,840 per year
 \$6,200 x 16 vehicles = \$104,200 total

(17th vehicle maintenance cost part of
 AID specialist local currency expenses).

EQUIPMENT IVS

<u>No.</u>	<u>Name</u>	<u>Price</u>	<u>Total</u>
6	hydraulic jacks (NASCO E299N)	\$25.00	\$150.00
12	jerry cans (estimate)	5.00	60.00
6	log chains (NASCO E848N)	13.30	79.80
6	tool boxes with tools	104.51	627.00

(NASCO Co. No.)

Saw	T62-7	7.20
Square	T-41-200	2.65
Claw hammer	T464-CR11-1/2	4.20
Ballpein	T154-0373	2.55
Pliers	T202-0373	1.90
Cutting pliers	T210-SS57	3.70
Tin snips	T233-2-1/2	3.10
Adjustable wrench (12 in)	T192-712	5.50
Adjustable wrench (8 in.)	T190-78	2.90
Pipe wrench (14 in.)	T246-14 in	4.95
2 locks (estimate)		3.00
Punch	T142-284D	1.30
Chisel	T118-200F	1.30
Vile grip	T346-10C	
	(10 in.)	2.60
Wrench set	T368-53M	3.38
Wrench set (box end)	T370-6307	7.45
File	T75	1.35
Screw Driver set	T155-43	5.60
Screw Driver set (Phillips)	T161-302 to 304	4.30
Sharpening stone	T570-J3C	2.68
Hack saw	T71-48	3.85
Hack saw blades	T80-53FH	1.90
12 ft. tape	T452E-09212	2.10
Oil can	E364-33	1.15
Grease gun	T-793-4039A	4.15
Oil spout	T545-1135	1.75
Tire patch kit (estimate)		3.00
Tire tool set (estimate)		5.00
Tool box (estimate)		10.00

6 axes	293-1198	.82	4.92
6 picks	(estimate)	3.00	18.00
6 rakes	GSA-3750-171-7182	1.85	11.10
6 shovels	NASCO. It663-14TLR	6.50	39.00
6 garden trowels	NASCO. It472-TGC20	.89	5.34
6 garden hose	GSA-3750-223-8867	1.30	7.80
6 refrigerators	(electric) 220V	290.00	1740.00
5 gas stoves		81.23	406.15
1 stove	(electric) 220V	308.26	308.26
1 set of furniture for team leader (furniture for one-year-old infant)			2025.89
3 air conditioners		280.00	840.00
1 water heater	(electric) 220V	65.00	65.00
1 Thermofax copier			380.00
2 desk lamps	GSA 6230-632-3423	17.20	34.40
4 filing cabinets	7110-286-3796	55.00	220.00
1 filing cabinet (bar lock)			60.00
5 portable typewriters (French keyboards)		140.00	700.00
1 office typewriter (French keyboards)		150.00	150.00
1 typewriter (Standard)		150.00	150.00
1 bookshelf (bottom)	7110-262-6673	8.20	8.20
(top)	7110-262-6681	4.25	4.25
(3 sections)	7110-262-6650	19.30	57.90
1 office desk	7110-270-9840	78.00	78.00
2 secretarial desks	7110-782-3149	83.00	166.00
6 typewriter tables	7110-262-6654	14.60	87.60
1 office table	7110-267-6981		32.50
3 desks	7110-270-9842	61.00	183.00
1 desk chair	7110-264-5340	43.10	43.10
2 typist chairs	7110-273-8798	25.00	50.00
10 office chairs	7110-273-8781	21.00	210.00
1 adding machine	(electric)		231.25
3 adding machines (hand operated)		142.00	426.00
20 mesquito nets	(estimate)	10.00	200.00
12 sleeping bags	(estimate)	25.00	300.00
12 campbeds or cots	(estimate)	15.00	180.00
			<u>\$9966.86</u>

$\$9,966.86 \times 45\% \text{ shipping} = \$4,485.09$
 $\$9,966.86 + \$4,485.09 = \$14,451.95 \text{ total}$

AID Specialist Equipment and Materials

1 set of household furniture (2 bedrooms)			\$2,205.89
1 electric refrigerator			290.00
1 electric stove			308.26
2 filing cabinets	GSA No. 7110-286-3796	55.00	110.00
1 bookshelf (bottom)	7110-262-6673	8.20	8.20
(top)	7110-262-6681	4.25	4.25
(3 sections)	7110-262-6650	19.30	57.90
1 office desk	7110-270-9840	78.00	78.00
1 secretarial desk	7110-782-3149	83.00	83.00
1 office table	7110-267-6981	32.50	32.50
1 desk chair	7110-264-5340	43.10	43.10
1 typist chair	7110-273-8798	25.00	25.00
1 typewriter (standard)			150.00
1 typewriter (French keyboard)			150.00
3 air-conditioners (2 for house, 1 for office)	280.00		840.00
1 water heater			65.00
			<hr/>
		Total	\$ 4,271.10

\$4,271.10 x 45% = \$1,922.00

\$4,271.10 + \$1,922.00 = \$6,193.10 total

Vehicles (See Appendix A for Suggested Spare Parts)

1 Bronco Ford (USAID Credit Specialist)

13 Bronco Fords (11IVS + 2 spares)

14

Spec: Oil bath air filters
Heavy duty shocks
Heavy duty battery
Heavy duty radiator
Gas line filter
Towing hooks
Lock-on gas caps

3 Four-wheel drive 3/4 ton pickups (Fords)

(One backup vehicle per work area)

7.50 x 16 inch wheel	gas line filters
heavy duty shocks	towing hooks
heavy duty batteries	rear bumper
heavy duty radiators	covered bed (canvas tent)
oil bath air filters	lock-on gas caps

14 Broncos x \$3,500	=	\$49,000	
150 spare parts	=	7,350	
3 pickups x \$4,000	=	12,000	
150 spare parts	=	<u>1,800</u>	
			\$70,150 total

APPENDIX A

Spare Parts (Broncos)

- 10 front U-joints
- 10 rear U-joints
- 2 front propeller shafts (complete)
- 2 rear propeller shafts (complete)
- 1 rear axle (left)
- 1 rear axle (right)
- 4 rear differential repair kits
- 4 sets brake shoes
- 13 sets heavy duty shocks
- 2 front left springs
- 2 front right springs
- 1 box shackle bolts
- 2 steering gear boxes
- 5 tail pipes
- 5 mufflers
- 2 sets clutch plates and throwput bearing
- 3 heavy duty radiators
- 8 fan belts
- 5 sets radiator hoses
- 1 box radiator hose clamps
- 5 condensers
- 5 sets contact points
- 40 spark plugs
- 2 voltage regulators
- 2 coils
- 2 distributor caps
- 1 motor head
- 5 sets engine gaskets
- 5 sets motor mounts
- 5 radiator caps
- 5 gas caps
- 13 sets windshield wiper blades
- 10 gas line filters
- 1 box small clamps
- 2 carburators (complete)
- 2 carburators repair kits

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Appendix A (cont'd)

- 1 box lug bolts
- 3 tires
- 1 box grease certs
- 2 fuel pumps
- various light bulbs
- various gaskets
- 5 head lamps
- 4 parts manuals
- 4 shop repair manuals

Spare parts (Ford 3/4 ton 4-wheel drive pickups)

- 2 front U-joints
- 2 rear U-joints
- 1 front propeller shaft (complete)
- 1 rear propeller shaft (complete)
- 1 rear axle (left)
- 1 rear axle (right)
- 1 rear differential repair kit
- 2 sets brake shoes
- 3 sets heavy duty shocks
- 1 front left spring
- 1 front right spring
- 1 box shackle bolts
- 1 steering gear box
- 2 tail pipes
- 2 mufflers
- 1 set clutch plates and throw out bearing
- 1 heavy duty radiator
- 3 fan belts
- 2 sets radiator hoses
- 2 condensers
- 2 sets contact points
- 12 spark plugs
- 1 voltage regulator
- 1 coil
- 1 distributor cap
- 2 sets engine gaskets
- 2 sets motor mounts
- 2 gas caps
- 4 sets windshield wiper blades
- 1 carburetor
- 1 carburetor repair kit
- 1 box lug bolts
- 4 tires
- 1 shop repair manual
- 1 parts manual