

APPENDIX D.—COOLEY LOAN FUNDS AVAILABLE IN AFRICA

Local currencies may be loaned to (1) U.S. firms or their branches, subsidiaries, or affiliates for business development and trade expansion in the foreign country, or (2) either U.S. firms or firms of the local country for expanding markets for, and consumption of, U.S. agricultural products abroad.

Any corporation, partnership, association or other legal entity (including an individual U.S. citizen) is considered a U.S. business firm if it is controlled by U.S. citizens and is either a profitmaking organization or an organization engaged in commercial, manufacturing or financial activities of the kind customarily engaged in by profitmaking organizations. Majority beneficial ownership of an entity by U.S. citizens will in and of itself be deemed to constitute control of a firm.

An applicant for a Cooley loan will be deemed to be an affiliate of a U.S. firm if the U.S. firm, by virtue of its equity interest in, and other commercial and operating ties to, the applicant has the power to exercise a significant influence on the policy and operations of the applicant. Majority ownership of an applicant by a U.S. firm will in and of itself be deemed to evidence such power. If the U.S. firm owns less than a majority interest, the other commercial and operating ties between the U.S. firm and the applicant will be looked to to determine if such power exists.

TERMS AND CONDITIONS

The local currencies are available in countries where the United States has sold surplus agricultural commodities. The currencies may be used by the borrower to develop his business and to expand trade by financing such local costs as expansion of plant and equipment, land acquisition, industrial training, and other normal costs of operation.

Cooley loans may not be made for the manufacture of products which would be exported to the United States in competition with U.S.-made products, and they may not be made for the production of commodities which would be marketed in competition with U.S. agricultural products. Cooley loans to foreign firms (non-U.S.-affiliated borrowers) may be made only if they will be used to expand markets for U.S. agricultural products.

AID Cooley loans usually bear interest at rates comparable to those charged by local development banks. Maturities are related to the purposes of financing. Loans are repayable in the currency borrowed, without maintenance of value. In some cases, a guaranty of loan repayment may be required.

Data on the availability of Cooley funds are periodically published in AID press releases. Persons wishing to receive these releases regularly may request that their names be included on the mailing list by writing to: Office of Development Finance and Private Enterprise, AID, Department of State, Washington, D.C., 20523.

HOW TO APPLY

Inquiries regarding the Cooley fund program in general or the availability of Cooley funds in a given country, should be directed to: Office of Development Finance and Private Enterprise, AID, Department of State, Washington, D.C., 20523. Inquiries regarding Cooley loans to private borrowers for operations in a specific country should be addressed to the proper regional bureau of AID, Washington, D.C., or to the appropriate U.S. AID mission.