

PROJECT APPRAISAL REPORT (PAR)

5240092 (5)

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1. PROJECT NO. 524-11-810-092 . 2	2. PAR FOR PERIOD: 7/1/70 TO 6/30/71	3. COUNTRY Nicaragua	4. PAR SERIAL NO. 72-3 82
5. PROJECT TITLE			

Institutional Coop. Development (Credit Unions Only) $\phi 2$

A.I.D.
Reference Center
Room 1653 US

6. PROJECT DURATION: Began FY <u>71</u> Ends FY <u>75</u>	7. DATE LATEST PROP 8/21/70	8. DATE LATEST PIP	9. DATE PRIOR PAR
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ <u>34</u>	b. Current FY Estimated Budget: \$ <u>22</u>	c. Estimated Budget to completion After Current FY: \$ <u>58</u>
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.

12. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
X 1	X 2		PROP revision terminating Ag Coop element this project and making some minor adjustments in the Credit Union element required.	9/30/71

D. REPLANNING REQUIRES	E. DATE OF MISSION REVIEW
REVISED OR NEW: <input checked="" type="checkbox"/> PROP <input type="checkbox"/> PIP <input type="checkbox"/> PRO AG <input type="checkbox"/> PIO/T <input type="checkbox"/> PIO/C <input type="checkbox"/> PIO/P	September, 1971
PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE Carl D. Koone <i>[Signature]</i> 9/21/71	MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE William R. Haynes <i>[Signature]</i> 9/21/71

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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	UNSATISFACTORY		SATISFACTORY			OUTSTANDING		LOW	MEDIUM		HIGH		
	1	2	3	4	5	6	7		1	2		3	4
1. N. A.													
2.													
3.													

Comment on key factors determining rating

4. PARTICIPANT TRAINING	N. A.													
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Comment on key factors determining rating

5. COMMODITIES	N. A.													
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Comment on key factors determining rating

6. COOPERATING COUNTRY	a. PERSONNEL			X										X
	b. OTHER			X									X	

Comment on key factors determining rating

The vigor of the Credit Union movement has been less than originally envisioned due to weak leadership and administrative experience; however, personnel are dedicated and gaining managerial competence as the project grows.

7. OTHER DONORS														
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Comment on key factors determining rating

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II. 7. Continued: Comment on key factors determining rating of Other Donors

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMULATIVE PRIOR FY	CURRENT FY 72		FY 73	FY 74	
			TO DATE	TO END			
1. Credit Union membership	PLANNED	12,000		1,500	1,500	1,500	18,000
	ACTUAL PERFORMANCE	11,567					
	REPLANNED						
2. Cooperatives covered by collective insurance	PLANNED	50%		25%	3%	3%	83%
	ACTUAL PERFORMANCE	50%					
	REPLANNED						
3. Centralization of Credit Unions funds.	PLANNED	30%		3%	7%	5%	53%
	ACTUAL PERFORMANCE	35.7%					
	REPLANNED						
4. Mechanization of accounting for Credit Unions	PLANNED	40%		4%	5%	3%	54%
	ACTUAL PERFORMANCE	46.6%					
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1.	Systematic savings in FECACNIC by 79% of credit unions.	Forty-two per cent of affiliated credit unions are currently saving systematically in FECACNIC.					
2.		COMMENT:					
3.	COMMENT:						

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged.

2. Same as in PROP? YES NO

To foster the strengthening and expansion of the Credit Union program.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
<ol style="list-style-type: none"> 1. One hundred thirty Credit Unions affiliated with FECAC-NIC. 2. Credit Unions savings balances equal \$ 14 million. 	<ol style="list-style-type: none"> 1. Ninety credit unions affiliated with FECACNIC as of 9/1/71. 2. Savings as of 6/30/71 equal \$ 8.6 million.

V. PROGRAMMING GOAL

A. Statement of Programming Goal

To support private sector participation in the development process and increase the access to financial and technical resources of the lower income group.

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

The accumulated loans made from the savings provided by credit union members will approach \$ 100 million during the life of this project and provide the base for the continued expansion of the Credit Union movement in Nicaragua.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Institutional Cooperative Development -524-11-810-092

(INSTRUCTION: THIS IS AN OPTIONAL FORM WHICH CAN BE USED AS AN AID TO ORGANIZING DATA FOR THE PAR REPORT. IT NEED NOT BE RETAINED OR SUBMITTED.)

Life of Project:
From FY 1971 to FY 1975
Total U.S. Funding \$ 240,000
Date Prepared: 9/71

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>To support private sector participation in the development process and increase the access to financial and technical resources of the lower income group.</p>	<p>Measures of Goal Achievement:</p> <p>Cumulative loans totalling €95,000, 000 (\$13,570,000) will have been made to Credit Union members.</p>	<p>FECACNIC records</p>	<p>Assumptions for achieving goal targets:</p> <ul style="list-style-type: none"> a. That most Credit Union members have had little prior participation in the development process. b. That legislation, or the absence thereof, will not obstruct the organization of this form of cooperative nor the exercise of financial operations by them.

AID 1020-28 (7-71)
SUPPLEMENT 1

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 1971 to FY 1975
Total U.S. Funding \$ 240,000
Date Prepared: 9/71

Project Title & Number: Institutional Cooperative Development -524-11-810-092

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS PAI
<p>Project Purpose:</p> <p>The purpose of this project is to foster the strengthening and expansion of Credit Unions in Nicaragua.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <ul style="list-style-type: none"> a. One hundred thirty Credit Unions will be affiliated with FECACNIC. b. Savings of FECACNIC affiliates with total \$ 14,000,000 (\$2,000,000). 	<p>a. and b. FECACNIC records.</p>	<p>Assumptions for achieving purpose:</p> <ul style="list-style-type: none"> a. That GON policies favor, or at least Credit Union growth and confidence. b. That Credit Union savings will be to, rather than replace, commercial savings.

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NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Outputs:	Magnitude of Outputs:		Assumptions for achieving outputs:
1. Credit Unions organized.	1. One hundred thirty Cr. Un. organized with 18,000 members	1-5. - FECACNIC records.	
2. Credit Unions savings, loans and membership insured.	2. Eighty-three per cent of the Cr. Un. and membership will have been insured under a cooperative policy plan.		
3. Centralization of Credit Unions funds.	3. Fifty-three per cent of the Cr. Un. will have their funds deposited with FECACNIC.		
4. Accounting mechanized.	4. Fifty-four per cent of Credit Unions will subscribe to mechanized accounting.		
5. Credit Unions saving with FECACNIC.	5. Seventy-nine per cent of Credit Unions systematically saving with FECACNIC.		

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<p>inputs:</p> <p>1. USAID inputs through 6/30/71 consisted of:</p> <ul style="list-style-type: none"> a. One cooperatives advisor serving the Agricultural Cooperatives phase of this project as previously structured (see PROP TOAID A-121 dated 8/21/70). b. Training for one participant for 12 1/2 weeks. c. Operational support and seed capital grants. <p>2. USAID inputs projected through the end of the project on 12/31/75 (Final Oblig. Date FY'75) will consist of:</p> <ul style="list-style-type: none"> a. One cooperatives advisor through 1/31/73 (FY '72 obligation) at which time the Agric. Coops phase of the project will have been terminated. b. Training for three Agric. Coops participants from FY '72 funds only. c. Operational support and seed capital grants for both phases of the project in FY 72 and for the Credit Union phase only in FY's 73-75: <ul style="list-style-type: none"> (1) FY 73 <ul style="list-style-type: none"> \$ 10,000 for operational expenses of FECACNIC. \$ 10,000 for loans to Credit Unions for re-lending. \$ 5,000 for loans to Cr. Un. for payment of manager's salaries. (2) FY 74 <ul style="list-style-type: none"> \$ 8,000 for operational expenses of FECACNIC. \$10,000 for loans to Cr. Un. for re-lending. (3) FY 75 <ul style="list-style-type: none"> \$ 5,000 for operational expenses of FECACNIC. \$ 10,000 for loans to Cr. Un. for re-lending. 	<p>Implementation Target (Type and Quantity)</p>		<p>Assumptions for providing inputs:</p> <p>It is assumed that the level of operational support noted above together with earnings from loans and services will permit FECACNIC to continue and expand its promotional effort such that the federation will achieve self-sustaining growth by 12/31/75 - the project's physical ending date.</p>