

NONCAPITAL PROJECT PAPER (PROP)

I. PROJECT IDENTIFICATION

PROJECT TITLE: **AGRICULTURAL CREDIT UNIONS**

APPENDIX ATTACHED: YES NO

2. PROJECT NO. (M.O. 1095.2): **526-15-110-050.2**

3. RECIPIENT (specify): **FARMERS**

4. LIFE OF PROJECT: BEGINS FY **69**, ENDS FY **76**

5. SUBMISSION: ORIGINAL, REV. NO. **1** DATE **1/17/72**, CONTR. NO. **526-234**

II. FUNDING (\$000) AND MAN MONTHS (MM) REQUIREMENTS

A. FUNDING BY FISCAL YEAR	B. TOTAL \$	C. PERSONNEL		D. PARTICIPANTS		E. COMMODITIES \$	F. OTHER COSTS \$	G. PASA/CONTR.		H. LOCAL EXCHANGE CURRENCY RATE: \$ US 126 (U.S. OWNED)		
		(1) \$	(2) MM	(1) \$	(2) MM			(1) \$	(2) MM	(1) U.S. GRANT LOAN	(2) COOP COUNTRY (A) JOINT (B) BUDGET	
1. PRIOR THRU ACTUAL FY	120			10		26	34	50	24			6.0
2. OPEN FY 72	85			5		10	45	25	12			12.0
3. BUDGET FY 73	85			5		10	40	30	12			12.0
4. BUDGET FY 74	80			10		10	35	25	12			12.0
5. BUDGET FY 75	80			15		12	23	30	12			12.0
6. BUDGET FY 76	50			5		8	12	25	12			12.0
7. ALL BUDGET												
8. GRAND TOTAL	500			50		76	189	185	84			66.0

9. OTHER DONOR CONTRIBUTIONS

(A) NAME OF DONOR	(B) KIND OF GOODS/SERVICES	(C) AMOUNT
1) National Development Bank	1) Technical Assistance	1) \$27,000
2) Peace Corps	2) Peace Corps Volunteers	2) \$22,100

III. ORIGINATING OFFICE CLEARANCE

1. DRAFTED BY: MEK	TITLE: AFO	DATE:
2. CLEARANCE OF: White/McFarrell/JROlson	TITLE: KCO/FO/Director	DATE:

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL

2. CLEARANCES

BY OFF	SIGNATURE	DATE	DUR/OFF	SIGNATURE	DATE

3. APPROVAL A/ID (See M.O. 1025.1 VI C)

SIGNATURE	DATE

ADMINISTRATOR, AGENCY FOR INTERNATIONAL DEVELOPMENT

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I. STATEMENT OF THE GOAL

The goal of this project is to increase the production of the small farmer. The need and justification for a project to assist the small farmer in Paraguay is adequately identified in the agricultural sector analysis included in the FY 1970 Program Memorandum Appendix B, the FY 1971 CFS Annex D, and FY 1972 CFS. The project also conforms to the FY 1972 and 1973 CASP submissions. The project will have an important potential impact on the U.S. and GOP sector goals of increased production and productivity in the agricultural sector and improved private sector institutional development. The operational strategy for achieving the project's goal is consistent with the Mission's strategy of concentrating efforts on the stimulation of greater private sector saving institutions. Although primarily economic growth oriented, the project has important Title IX implications through its development of grass-roots democratic institutions.

The goal will be considered met when 30,000 farmers have received agricultural production credit loans through their credit unions, a target which is considered reasonable by FY 1977 and should result in a significant production increase.

The assumptions under this project are (1) that with agricultural credit the small farmer can improve his productivity, thereby, increasing his production and (2) that MAG will continue to give technical assistance to the farmers who are members of credit unions.

II. STATEMENT OF THE PROJECT PURPOSE

This project will develop a private self-sustaining institutional system to provide credit to the small farmer at a reasonable rate of interest. At the end of the FY 1977 it is envisioned that there will be:

1. A financially self-sufficient National Federation of Credit Unions with 105 credit unions as members.
2. A trained corps of administrators and managers in the National Federation and its member Credit Unions.

Under the project purpose it is assumed: (1) that the small farmers will use credit if it is available at a reasonable cost; (2) that the credit unions will be able to support a National Federation of Credit Unions in four years without outside assistance; (3) that the credit unions are willing to contribute funds to maintain a National Federation, and (4) that sufficient credit resources will be made available for the growing needs of the credit unions. The National Development Bank (NDB) has set aside \$12 million (\$95,000) for the first stage of the project. The IDB loan has \$8 million in agricultural credit which is available to cooperatives through NDB.

III. STATEMENT OF PROJECT OUTPUTS

The following chart lists the specific outputs for the project.

(See Chart, next page)

A. COMBINED TARGETS OF AGRICULTURAL CREDIT UNIONS - TOTAL

	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>
No. of Cooperatives	15	30	45	60	75	90	105
No. of Members (000)	4.5	7.1	11.0	16.7	23.3	30.5	40.0
Savings (\$ million)	19.4	35.3	51.8	92.7	156.2	226.6	312.5
(US\$ thousand)	(153.9)	(280.1)	(411.1)	(735.7)	(1,239.6)	(1,798.4)	(2,480.1)
Loans (\$ million)	19.6	43.9	81.3	165.1	292.9	454.9	632.3
(US\$ thousand)	(155.5)	348.4	(645.2)	(1,310.2)	(2,32.5)	(3,610.3)	(5,018.2)
NDS or other Financing (\$ million)	2.0	11.5	34.0	77.8	144.9	238.3	334.6
(US\$ thousand)	(15.9)	(92.3)	(269.8)	(617.4)	(1,150.0)	(1,891.3)	(2,655.5)

B. TARGETS FOR DIRECTED AGRICULTURAL PRODUCTION CREDIT

No. of Cooperatives	3	9	15	21	27	33	40
No. of Members (000)	0.3	1.5	3.9	7.2	11.1	15.6	20.4
Savings (\$ million)	1.0	5.7	17.0	38.9	78.0	119.6	167.3
(US\$ thousand)	(7.9)	(45.2)	(134.9)	(308.7)	(619.0)	(949.2)	(1,327.8)
Loans (\$ million)	3.0	17.2	51.0	116.7	222.9	358.9	501.9
(US\$ thousand)	(23.8)	(136.5)	(404.7)	(926.1)	(1,769.0)	(2,848.4)	(3,983.3)
NDS or other Financing (\$ million)	2.0	11.5	34.0	77.8	144.9	238.3	334.6
(US\$ thousand)	(15.9)	(92.3)	(269.8)	(617.4)	(1,150.0)	(1,891.3)	(2,655.5)

C. TARGETS FOR REGULAR CREDIT UNIONS

No. of Cooperatives	12	21	30	39	48	57	65
No. of Members (000)	4.2	5.6	7.1	9.5	12.2	14.9	19.6
Savings (\$ million)	18.4	29.6	34.8	53.8	78.2	107.0	145.2
(US\$ thousand)	(146.0)	(234.9)	(276.2)	(427.0)	(620.6)	(849.2)	(1,152.3)
Loans (\$ million)	16.6	26.7	30.3	48.4	70.0	96.0	130.4
(US\$ thousand)	(131.7)	(211.9)	(240.5)	(384.1)	(555.5)	(761.9)	(1,034.9)
NDS and other Financing	0	0	0	0	0	0	0

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During the first year, or the pilot stage of the project, the targets for FY 1971 were achieved. The 30,000 farmers who will have received loans through their credit union to meet the project's goal will consist of 20,000 farmers under the DAPC program and 10,000 from credit unions which will not be under an intensified development program. The total number not under regular credit is 19,500; however, approximately half will be farmers, the remaining being small businessmen, professionals and artisans. Assumptions made are that two years will be necessary for credit union to become self-sufficient and that money at a reasonable rate (i.e. less than the commercial rate and a rate that the small farmer can afford) will continue to be available.

IV. STATEMENT OF PROJECT INPUTS

The project will continue to finance a CUEA Credit Advisor for the life of the project. Participant funds will train approximately 3 credit union leaders in short-term courses in 3rd countries or the U.S. each year. Commodities to be purchased over the life of the project include office equipment and vehicles. Other costs will cover operating expenses of the National Federation of Credit Unions to be formed in mid CY 1972 (See Table II and III) and local training under the In-Service Training Center.

The Peace Corps in FY 1971 provided 3 volunteers to work with individual credit unions. There are currently two PCVs working with the project. The project will need at least 5 PCVs, but budget cuts within the PC now limits its current contribution to only two PCVs. If and when additional funds are available to provide more PCVs, the PCV contribution will be increased.

GOP Title I P.L. 480 funds are supporting one counterpart and one assistant to the CUEA Advisor from the Ministry of Agriculture. One is an agricultural technician and the other a cooperative expert. The National Development Bank (NDB) is also providing a counterpart for the CUEA Advisor, and has established as seed capital \$12 million (\$95,000) to permit subloans to farmer credit unions under the pilot project.

During the life of the project, an estimated \$2.6 million equivalent of development bank credit will be required to complement on a 2 to 1 ratio the estimated \$1.3 million equivalent of credit union savings for the Directed Agricultural Production Credit program (DAPC) of credit unions. The NDB at the present time is providing the needed credit, but as the demand for credit grows other sources of funds probably will have to be utilized.

Income for the National Federation will come from an average annual charge of 0.5% from loans made by the credit unions to their members and also 0.5% on the loans made annually from the NDB to the credit unions. Also the Federation will receive income from providing services which include auditing, selling, accounting materials, and giving special educational courses.

V. ESTIMABLE

This project is a logical outgrowth of the analyses and recommendations included in the agriculture sector studies of the FY 1971 Country Field Submission as well as the more detailed study entitled Structure and Performance of Paraguayan Agriculture with Implications for Development Policy, Dr. F. Arnold, USAID/USA, August 1968.

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Highlights of these studies include special mention of the significant role of the small farmer in Paraguayan crop production and total agricultural output, as well as some of the major agricultural policy, socio-economic and institutional obstacles confronting the small producer. For example, the estimated 150,000 small farmers, who are engaged primarily in crop production in Paraguay, produce 60% of the total annual value of Paraguayan agricultural production; crops and fruits from the small farmers have accounted from 30% to 50% of total export value from the agricultural sector. In Paraguay there is no official definition of a small farmer. This project considers a small farmer as one who has less than 10 hectares cultivated, since approximately 90% of all farms are under 10 hectares and these farms account for over 60% of the total land cultivated.

Notwithstanding the small farmers' importance in agricultural production, more than 90% of these producers have no source of bank credit. The MDS is not reaching these small farmers because it is too costly for the bank to handle the many loans which would be required. In addition, the majority of the farmers do not even have the minimum collateral required for such bank loans. One requirement for credit is that the farmer must have legal title to his land; however, approximately 60% of the small producers are renters or illegal occupants, thus, they have difficulty in getting commercial or government credit.

According to available agricultural statistics, no increases in the productivity of small farmers have been made over the last several years. The small annual increases in production have only kept pace with increases in population, i.e. approximately 3%. If short-term increases in crop production are to be obtained, they must come from increasing the yields per unit of land, such as using yield-increasing inputs as improved seeds, fertilizers and pesticides. Since small farmers can not easily obtain credit to obtain these inputs, the best method to assist him is through the formation of credit unions, production and marketing associations, and other types of cooperatives. From a credit union a farmer can obtain funds to buy production inputs for specific crops of proven cash value.

Cooperatives under Decree No. 13,635 of July 18, 1942 were restricted to agricultural and rural industries in general. The regulation lacked definition of various important elements such as the capitalization of cooperatives' surpluses, various administrative groups and their responsibilities and duties. Technically credit unions were not permitted, however, the pilot stage of this project was able to operate within the law because of the interpretation of the Discreción de Cooperativas of MAG that the law did permit agricultural credit unions. To expand the project as is planned there could be no restriction on the formation of credit unions, thus a new law was needed.

A major effort under the Agricultural Institutional Development project (No. 526-15-110-050.1) was placed in revising the cooperative law, but with little success. There was little interest by Paraguayans to change the law and the Cooperative Advisor who arrived in May 1959 decided not to push the passage of a new law. His strategy was that a new law should be based on Paraguayan initiative and USAID could only guide their efforts. A new law was passed by Congress on December 17, 1971. This law is favorable to the development of a strong private sector cooperative movement. It allows all types of cooperatives--production, consumer and service. Urban credit unions are permitted under the new law. As cooperative activities expand and experience is gained, it will be necessary to change the laws and decrees to provide the legal basis

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for a more complete private sector cooperative activity. As this project is now planned, it will be able to operate with the framework of the new law.

This project was based on reports by Mr. Percy Avrea and Mr. Henry Cruz of CUMA International. Under their proposals the first stage was to be a pilot activity to test the applicability of a credit union program with directed production activities in Paraguay. An existing cooperative in Caragatay was chosen as the pilot cooperative. Although the cooperative was in existence, its activities were nominal. USAID provided financing (Proag signed June 26, 1969 for \$25,610) which included funds for a CUMA Advisor and the NDB contributed \$12 million to permit sub-loans to farmers' credit unions. The Ministry of Agriculture also provided two technicians to work with the CUMA Advisor and the credit unions; the NDB has one technician assisting with the project. At the present time only the NDB is providing funds to the credit unions. There is a possibility in the future a cooperative bank would be established utilizing international loan funds to provide additional funds to meet the expanding credit needs. The progress of the pilot credit union and the five additional credit unions under the pilot stage of the project made us believe that a credit union with a directed agricultural production credit program is a good strategy upon which to build the credit union movement in Paraguay. Under CUMA the Directed Agricultural Production Credit (DAPC) program is a "package approach" in that it supplies both credit and technical assistance for increased production of selected products with a demonstrated potential for export or domestic marketing. To the extent that credit unions are temporarily involved in marketing farm products under DAPC it is only to provide a service that is otherwise not available.

The DAPC program has four separate aspects. The program helps the farmer develop an investment plan that will increase the production of his farm. Secondly, the farmer has to attend a minimum number of classes on credit. Thirdly, the farmer agrees to accept technical assistance, such as that from the extension service of the Ministry of Agriculture. And fourthly, the loan is not paid back in monthly installments, but in one lump sum after the farmer sells his produce, which is in accord with his investment plan.

Where there are no marketing cooperatives this project has been and will continue to provide advisory services in marketing (from Ministry of Agriculture) to supplement the financial services and marketing activities of the credit unions. In such cases the credit union appoints a separate committee known as the "marketing committee" which is exclusively responsible for the administration of this service. The committee keeps its own accounting books and asks the credit union to deposit its funds. However, its operation is supervised by the Administrative Board and coordinated by the manager of the credit union. After the marketing service has been adequately developed, it can easily be separated into a distinct marketing cooperative. Again, this service is offered only where no marketing cooperative exists. Under the ideal situation the farmer belongs to a credit union where he can obtain credit and technical assistance (through DAPC) and at the same time, be a member of an agriculture cooperative for the sale of his products, purchasing of agricultural implements, etc.

A DAPC program requires a credit union to have farmers as members and additional capital and human resources than that which is needed by a regular credit union.

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Not all the credit unions have these resources nor the potential for them. The location of a DAPC program must be in a place that is accessible to MAG and NDB technicians so that they can provide the needed technical assistance.

Under the project the major emphasis will be in developing the rural credit unions with DAPC programs. The proposed federation will have both rural and urban (small town) credit unions as members. The urban credit unions will also be able to obtain assistance from the Federation. They are included in this project because both rural and urban credit unions are needed to support a federation at least during the early years. However, the project's goal is to increase the small farmers' production, and to meet the goal, the CUMA Advisor will be working primarily with rural credit unions.

The project proposes to establish a National Federation of Credit Unions in mid-1972. Self-sufficiency of the Federation is projected for the end of FY 1976. The work that CUMA Advisor and his counterparts have been doing, i.e. promoting, educating and guiding credit unions, will become part of the functions of the Federation.

The National Federation will be composed exclusively of credit unions. Annually, representatives of member credit unions will elect a "Consejo de Vigilancia" and an Administrative Board. The technicians who will work under the Director of the Federation are currently being developed and trained by the CUMA Advisor. When the Federation is established, they will work under it. The CUMA Advisor will still continue his assistance. The principal work of the National Federation will involve:

1. Assisting in opening up new credit resources.
2. Making preliminary studies on where credit unions should be established.
3. Helping in the organization of new credit unions.
4. Giving courses and seminars to directors and administrators of credit unions.
5. Offering education materials to its members.
6. Assisting in the auditing of member credit unions.
7. Coordinating the participation of the Ministry of Agriculture, NDB, Peace Corps, etc.

Unlike the Unión Paraguaya de Cooperativas under the Cooperative Development project which strictly deals with agricultural cooperatives, the National Federation with its urban and rural credit unions will have as members not only small farmers, but small businessmen, artisans and professionals. A monthly meeting is planned with representatives of the National Federation, the Unión, the Dirección de Cooperativas of the Ministry of Agriculture, and the AID funded technical advisors to coordinate the work between the projects. It is not planned to colocate credit unions and marketing cooperatives, however, both projects will coordinate the plans for the formation of new cooperatives in a manner that will make available to the individual farmer the services of a marketing cooperative and a credit union. The general strategy will be to create

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impact areas that will expand and eventually cover the rural areas rather than to attempt to cover all of the rural areas as quickly as possible with one type of cooperative or other, thereby creating a weak overall movement during the short run.

If a credit union also includes marketing services it will not conflict with the Unión's activities. Marketing services only exist because they are not elsewhere available, i.e. there is no nearby Unión cooperative that can market its product.

If there is a nearby Unión cooperative, then the credit union will not have marketing functions and its members will use the service of the Unión coop. As was mentioned before, if a credit union has marketing services, it is only until the services are built up to a point where they can be transferred to a separate cooperative. This cooperative should become a member of the Unión. In such a case, the credit union will only retain the DAPC program which will be strictly agricultural production credit.

Commercial credit rates to a farmer who can obtain credit is between 18% to 25%. The NDB is presently charging the credit unions under this project an interest of 7 1/2% plus 2% in commission and other cost an effective rate of 9 1/2%. In the pilot credit union, Cayaguntay, and the five other DAPC credit unions the interest rate charged to ~~members~~ 7 1/2% plus 2% in commissions and other costs. It is anticipated that this rate will decrease as individual credit unions advance towards self-sufficiency.

To achieve self-sufficiency the National Federation will have to have income. In the beginning the Mission will finance the major portion of its expenses. Future income of the National Federation will come from an annual charge of 0.5% on loans made by the credit unions to its members, and also an average annual charge of 0.5% on loans made by NDB to the credit unions. While this does raise the interest rate to the small farmer, it also assures a source of income for the National Federation. The rate of interest will still be less to the small farmer than what he could obtain through commercial channels, if he could qualify for credit.

An important aspect of this project is training. CUNA presently is giving numerous training courses to local leaders of credit unions. There is not the trained leadership necessary to administer the program that is now planned nor is there the understanding of what membership in a credit union can mean.

VI. COURSE OF ACTION

The CUNA Advisor will continue to provide technical assistance to the project. CUNA's techniques and know-how will be used in all aspects of project development (e.g. setting up national insurance and bonding programs, centralization of funds and accounting, establishing auditing programs, management selection and training, book-keeping and accounting procedures, training volunteer leaders and the membership in general, as well as in the ways and means of using credit productively). Two PCVs will also assist.

Where possible the credit union will be established in an already-existing cooperative. To achieve the project targets new credit unions must be formed. Of the 105

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credit unions to be in existence in FY 1977, 40 of these will be under directed agricultural credit programs. The other will be regular credit unions and will not be under the intensive programs of assistance. All the credit unions will be members of the National Federation of Credit Unions which will be founded in mid CY 1972. An intensive review will be made of the National Federation's progress after each year of operations.

NBS and MAG will continue their assistance during the life of the project. When the National Federation begins operating they will work directly with the Federation.

TABLE I**OTHER CONTRIBUTIONS**
(\$000)

<u>Fiscal Year</u>	<u>GOP owned FL 480 Funds ^{1/}</u>	<u>NIS Technical Assistance</u>	<u>Peace Corps ^{2/}</u>
1971	6.0	3.0	5.1
1972	12.0	4.0	3.4
1973	12.0	8.7	3.4
1974	12.0	7.0	3.4
1975	12.0	4.3	3.4
1976	12.0	0.5	3.4
	<u>66.0</u>	<u>27.5</u>	<u>22.1</u>

1/ Salaries of NIS counterparts, transportation and per diem for NIS personnel assigned to project, printing of education, promotion and accounting materials.

2/ Based on in country expenses only.

TABLE II
INCOME OF NATIONAL FEDERATION OF CREDIT UNIONS

<u>Fiscal Year</u>	<u>Operating Costs of National Federation</u>	<u>AID 1/ Grant Funds</u>	<u>Individual Credit Union Members pay Average of 0.5% on Loans received</u>	<u>NFC Collects for Federation Average of 0.5% on Loans to Members Credit Unions</u>
1973	40.0	35.0	4.0	1.0
1974	41.0	30.0	8.0	3.0
1975	42.0	23.0	13.5	5.5
1976	44.1	12.0	22.4	9.7
1977	45.1	0	31.9	13.2

1/ FL 480 funds will be substituted if available.

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TABLE III

**OPERATING BUDGET FOR THE
NATIONAL FEDERATION
1st Year**

Salaries (annual)

1 Director	\$ 360,000	
3 Promoter/Assessors	648,000	
1 Auditor	240,000	
1 Educationalist	288,000	
2 Secretaries	312,000	
1 Educational Assistant	132,000	
1 Messenger	<u>84,000</u>	\$ 2,064,000

Benefits		471,280
Local transport and per diem		600,000
Educational promotional materials		200,000
Regional and National courses		400,000
Rent and utilities		350,000
Maintenance of vehicles		350,000
Miscellaneous expenses		826,720
Local transport and per diem of counterparts		<u>378,000</u>
		\$ 5,040,000
		(440,000) <u>1/</u>

1/ Official exchange rate @126: \$1

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

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 69 to FY 76
Total U.S. Funding: \$500,000
Date Prepared: DECEMBER 1974

Project Title & Number: AGRICULTURAL CREDIT UNIONS

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>Increased production by the small farmers.</p>	<p>Measures of Goal Achievement:</p> <p>30,000 small farmers, by FY 1977, will have received agricultural production credit loans, through their credit unions.</p>	<ol style="list-style-type: none"> 1. Review of records of the National Federation. 2. Review of records of the credit unions. 3. Review of records of NDB. 	<p>Assumptions for achieving goal targets:</p> <ol style="list-style-type: none"> 1. MAG will continue to support credit unions with technicians. 2. With agriculture credit small farmers can improve their productivity, thereby increasing their income.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 69 to FY 76
Total U.S. Funding \$500,000
Date Prepared: December 1971

Project Title & Number: AGRICULTURAL CREDIT UNIONS

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NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Purpose:</p> <p>Develop a private self-sustaining institutional system to provide credit to small farmers at a reasonable rate of <u>cost/interest</u>.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <ol style="list-style-type: none"> 1. Financially self-sufficient National Federation of Credit Unions with 105 members credit unions. 2. Trained corps of managers in the Federation and in the Credit Unions. 	<ol style="list-style-type: none"> 1. Review of National Federation's records. 2. Review of USAID records. 3. Review of individual credit union's records. 	<p>Assumptions for achieving purpose:</p> <ol style="list-style-type: none"> 1. Small farmers will use credit if available at reasonable cost. 2. Credit unions are willing to support a National Federation. 3. It will take four years for Federation to be self-sufficient. 4. Sufficient credit resources will be made available.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: _____
From FY 69 to FY 76
Total U.S. Funding \$500,000
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NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Outputs:</p> <p>1. Increasing number of credit unions and members.</p> <p>3. 4 & 9. Increasing amount of savings and loans made.</p> <p>6. Financial self-sufficiency.</p>	<p>Magnitude of Outputs:</p> <p>1. 105 credit unions.</p> <p>2. 40,000 members.</p> <p>3. Savings of \$312.5 million (US\$2.5 million)</p> <p>4. Loans of \$632.3 million. (US\$5.0 million)</p> <p>5. NDB financing of \$334.6 million (US\$2.7 million)</p> <p>6. Income of the National Federation-- \$45,000 by FY 1977.</p>	<p>1. Review of credit union records.</p> <p>2. Review of National Federation records.</p> <p>3. Review of NDB records.</p>	<p>Assumptions for achieving outputs:</p> <p>1. Reasonable interest rate.</p> <p>2. Two years for the credit unions to become self-sufficient.</p>

**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

Life of Project: _____
 From FY 69 to FY 76
 Total U.S. Funding \$500,000
 Date Prepared: December 1973
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Project Title & Number: _____

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Inputs:</p> <p>USAID: \$500,000</p> <p>GOP Local Currency \$66,000</p> <p>Peace Corps \$22,000</p> <p>National Development Bank \$27,000</p>	<p>Implementation Target (Type and Quantity)</p> <p>Work plan in PIP, Part I</p>		<p>Assumptions for providing inputs:</p>