

526-101-~~050.2~~

PAGE 1

PROJECT APPRAISAL REPORT (PAR)

5260101(6)

1. PROJECT NO. 526-15-110-050.2	2. PAR FOR PERIOD: 5/1/74 TO 6/30/75	3. COUNTRY PARAGUAY	4. PAR SERIAL NO. 75-11
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5. PROJECT TITLE

CREDIT UNIONS

PD-AAB-323-D1

6. PROJECT DURATION: Began FY 1969 Ends FY 1978	7. DATE LATEST PROP 11/25/74	8. DATE LATEST PIP -	9. DATE PRIOR PAR 7/30/74
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 446,000	b. Current FY Estimated Budget: \$ 255,000	c. Estimated Budget to completion After Current FY: \$ 433,000
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME CUNA, Inc.	b. CONTRACT, PASA OR VOL. AG. NO. TO N°18- BOA AID/csd-1526
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I. 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		X	1. Develop a joint operating plan for marketing and sale of inputs for submission to the Board of Directors of CREDICOOP and UNIPACO. The plan will specify the roles and responsibilities of each organization and include recommendations for formal contractual arrangements between these two organizations.	Dec. 31, 1975
X		X	2. Continue exploring ways to reduce delinquencies within credit unions.	Open

D. REPLANNING REQUIRES

REVISED OR NEW: PROP PIP PRO AG PIO/T PIO/C PIO/P

E. DATE OF MISSION REVIEW: June 26, 1975

PROJECT MANAGER: *[Signature]* SIGNED INITIALS AND DATE: *[Signature]* 6/30/75

MISSION DIRECTOR: *[Signature]* SIGNED INITIALS AND DATE: Oliver I. Sanso *[Signature]*

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			OUT-STANDING		LOW		MEDIUM		HIGH	
	1	2	3	4	5	6	7	1	2	3	4	5	
1. CUNA, Inc.					X								X
2.													
3.													

Comment on key factors determining rating

The contractor continues to be very successful in achieving the project objectives. The resident advisor has adequately adhered to the scope of work of the contract.

Relationship between the contractor and host country officials from the public and private sectors has been excellent.

4. PARTICIPANT TRAINING	1	2	3	4	5	6	7	1	2	3	4	5
				X						X		

Comment on key factors determining rating

Four credit union managers and one CREDICOOP high level manager have been sent abroad and returned to their previous positions. The Mission is investigating training of participants in Argentina; some future training activities will be held in Paraguay and other countries with the assistance of CUNA and COLAC technicians.

5. COMMODITIES	1	2	3	4	5	6	7	1	2	3	4	5
				X							X	

Comment on key factors determining rating

All commodities (vehicles, office equipment, training aids, etc.) purchased during this period were appropriate to project needs, are well used and adequately controlled. There is a delay of about 5 months in the preparation of requisitions for the purchase of commodities with FY-75 funds.

6. COOPERATING COUNTRY	a. PERSONNEL	1	2	3	4	5	6	7	1	2	3	4	5
	b. OTHER				X							X	

Comment on key factors determining rating

The GOP continued providing the valuable services of a MAG agricultural technician, a credit advisor from the BNF, and a promoter, and

The extension service agents from MAG are assisting the credit unions in preparing and implementing their annual agricultural credit plans and providing technical assistance to farmer members on a group basis.

During the 1974/75 crop year, the BNF has loaned to credit unions approximately \$1 million which was sub-loaned to the members. Field credit officers from the BNF are cooperating with the credit unions in supervising the use of the credits on the individual farms.

Cooperation received from the Directorate of Cooperative from MAG was as planned.

7. OTHER DONORS	1	2	3	4	5	6	7	1	2	3	4	5
			X							X		

(See Next Page for Comments on Other Donors)

AID 1020-25(10-70)	PROJECT NO.	PAR FOR PERIOD:	COUNTRY	PAR SERIAL NO.
PAGE 3 PAR	526-15-110-050.2	5/1/74 - 6/30/75	PARAGUAY	75-11

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

Peace Corps: A total of seven PCV's were provided to the project. The technical qualifications of the volunteers proved to be satisfactory. Action is required to improve the selection process which should place more emphasis on self motivation.

III. KEY OUTPUT INDICATORS AND TARGETS 1/

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					
		CUMULATIVE PRIOR YR	CURRENT Yr 75		Yr 76	Yr 77	END OF PROJECT
			TO DATE	TO END			
Rural C.U. membership	PLANNED	5,543		6,725	9,113	13,804	19,249
	ACTUAL PERFORMANCE	5,868	6,015				
	REPLANNED						
Urban C.U. membership	PLANNED	6,800		8,300	10,100	14,200	14,600
	ACTUAL PERFORMANCE	4,681	4,807				
	REPLANNED			6,300	8,100	12,200	13,600
Rural C.U. share capital (\$000)	PLANNED	113		235	467	844	1,439
	ACTUAL PERFORMANCE	367	400				
	REPLANNED						
Urban C.U. share capital (\$000)	PLANNED	505		597	768	842	999
	ACTUAL PERFORMANCE	459	478				
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1.		1/ All data is on CY basis.					
		* Does not count credit unions not members of CREDICOOP. Planned figures must be readjusted down since only CREDICOOP members will be included.					
2.		COMMENT:					
3.		COMMENT:					

Information for CY 1975 is as of March 31.

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

III. KEY OUTPUT INDICATORS AND TARGETS 1/

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					
		CUMU- LATIVE PRIOR CY	CURRENT CY 75		CY 76	CY 77	END OF PROJECT
			TO DATE	TO END			
Rural C.U. loans made (\$000) per year	PLANNED	1,045		1,624	2,764	4,585	7,168
	ACTUAL PERFORM- ANCE *	1,076	1,284				
	REPLANNED						
Rural Ag. loans made (\$000)	PLANNED	995		1,540	2,646	4,407	6,907
	ACTUAL PERFORM- ANCE *	846	1,091				
	REPLANNED						
Urban C.U. loans made (\$000)	PLANNED	758		895	1,000	1,260	1,499
	ACTUAL PERFORM- ANCE *	403	427				
	REPLANNED						
Percent of CREDICOOP loans charged off	PLANNED	-		.5%	.5%	.5%	.5%
	ACTUAL PERFORM- ANCE	-	0				
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1.		<p>1/ All data is on CY basis.</p> <p>* Outstanding loans.</p>					
2.		COMMENT:					
3.		COMMENT:					

AID 1020-25(10-70)	PROJECT NO	PAR FOR PERIOD:	COUNTRY	PAR SERIAL NO.
PAGE 3 PAR (b)	526-15-110-050.2	5/1/74 - 6/30/75	PARAGUAY	75-11

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

III. KEY OUTPUT INDICATORS AND TARGETS 1/

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMULATIVE PRIOR FY	CURRENT FY 75		FY 76	FY 77	
			TO DATE	TO END			
Number of farmer borrowers	PLANNED	3,033		4,125	6,234	9,209	12,891
	ACTUAL PERFORMANCE		2,256	*			
	REPLANNED						
Total hectares financed	PLANNED	2,963		11,757	19,172	30,391	45,440
	ACTUAL PERFORMANCE		7,547				
	REPLANNED						
	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1.		1/ All data is on CY basis.					
		* Date for last crop year (July 74 to June 75)					
2.		COMMENT:					
3.		COMMENT:					

AID 1020-25 (10-70)	PROJECT NO.	PAR FOR PERIOD:	COUN.	PAR SERIAL NO.
PAGE 4 PAR	526-15-110-050.2	To: 6/30/75	PARAGUAY	75-11

IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged.

2. Same as in PROP? YES NO

To organize independent, profitable and broad based credit unions, primarily in the rural areas, which are integrated into an independent, profitable central (CREDICOOP) which will provide these credit unions with effective technical and financial services.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
<p>1. Forty rural and 24 urban credit unions will be chartered and operating, with approximately 19,249 (12,891 borrowing farmers) and 14,600 members respectively.</p> <p>2. A financially self-sufficient CREDICOOP with 64 affiliated unions.</p> <p>3. A trained corps of competent administrators and managers in CREDICOOP (with a staff of fourteen trained professional personnel) and in the member credit unions (155 managers and administrative personnel trained).</p>	<p>1. A total of 19 rural and 11 urban credit unions are already functioning and affiliated to CREDICOOP. In addition, four rural and two urban, which are already in operation plan to become CREDICOOP members with a minimum of delay after they receive their legal charters. Membership amounts to 6,015 and 4,807 in rural and urban affiliated unions, respectively.</p> <p>2. Taking into consideration the subsidy from AID of \$53,614, CREDICOOP closed its fiscal records on December 31, 1974 with a surplus of income over expenditures amounting to the equivalent of \$1,172.</p> <p>3. CREDICOOP has developed a core of administrative and technical personnel within the credit unions and its central office which number and skills are commensurate with the present needs. CREDICOOP is successfully implementing an adequate training plan for the credit unions and its own staff which should solve the needs of the expanding activities of the project.</p>

V. PROGRAMMING GOAL

A. Statement of Programming Goal

To increase the net income of the small scale farmer.

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 expanding credit union system with rapid increases in numbers of credit unions, membership, savings and agricultural loans made should contribute to increases in the small farmer's income, because it shows that the small farmer is participating in his local credit union borrowing for additional inputs which are a basis of increasing the quantities of production for a greater income.

Baseline data on farmers income was obtained during 1974 from a USAID financed sample survey of 1,000 farmers, of which approximately 25% belong to credit unions. A subsequent survey planned to start in CY 1976 will provide information on income changes due to the project action, however, conclusive evidence might be available only after a subsequent survey in 1978.