

PD-AAF-919 ②

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DUPLICATE

CLASSIFICATION

PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-44

1. PROJECT TITLE <b>RURAL COOPERATIVES DEVELOPMENT</b>		2. PROJECT NUMBER <b>514-T-077</b>	3. MISSION/AID/W OFFICE <b>USAID/COLOMBIA</b>
		4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY)  <input type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION	

5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING	7. PERIOD COVERED BY EVALUATION
A. First PRO-AG or Equivalent FY _____	B. Final Obligation Expected FY _____	C. Final Input Delivery Y <u>80</u>	A. Total \$ _____ B. U.S. \$ <u>5,000</u>	From (month/vr.) _____ To (month/vr.) _____ Date of Evaluation Review _____

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
This is the final evaluation of the project. No further action or change in documentation is required except for the final disbursement which is to be made in early July, 1980.		

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify) _____
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	<input type="checkbox"/> Other (Specify) _____
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	

10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT

A.  Continue Project Without Change

B.  Change Project Design and/or  Change Implementation Plan

C.  Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)

Neil B. Billig *NBB*  
Chief ODP

12. Mission/AID/W Office Director Approval

Signature *Jerry B. Martin*

Typed Name **Jerry B. Martin**

Date \_\_\_\_\_

### 13. SUMMARY

The purpose of the project was to strengthen the rural cooperative movement in Colombia through providing \$3.25 million of additional agricultural production credit through the National Cooperatives Financing Institute (FINANCLACOOP); and by providing \$1.5 million of credit for marketing projects to the "Central de Cooperativas de la Reforma Agraria" (CECORA) and its affiliated cooperatives. Two Hundred Fifty Thousand Dollars (\$250,000) was programmed for technical assistance to FINANCLACOOP and its affiliates.

While the Loan Agreement was signed August 28, 1976, the initial disbursement was not made until July, 1978. This was because of the inability of the GOC to meet the complete conditions precedent to disbursement, particularly the formulation of a project committee to establish sub-loan criteria and project guidelines. In addition, considerable delay was caused by the refusal of the GOC Controller General's Office (the Contraloría) to accept disbursement of the funds through the GOC Central Bank (Banco de la República). The problem stemmed from the fact that the procedure would place the BOR's accounts under the review of the Contraloría. The BOR was not subject to review by the Contraloría and did not want to create a precedent. Leadership on the GOC side was very diffused and the implementing entity, FINANCLACOOP, initially was not certain that it wanted to be subjected to the risks of rural credit since it was controlled, until 1978, by representatives of urban consumer credit coops.

In spite of these difficulties, the AID staff continued to initiate meetings, work out solutions between competing groups, and gradually the series of problems to initial disbursement were solved. One of the major changes which occurred in 1978 was that the FINANCLACOOP Board of Directors underwent a personnel change, and the old Board was replaced by new members, predominantly from rural cooperatives. Because of this, FINANCLACOOP finally showed interest in using the \$3 million for rural credit offered by the AID loan.

Initial disbursements to both entities were made in July, 1978. Six months after making the initial disbursement to CECORA, the Mission became aware that the financial condition of CECORA had

deteriorated considerably since project development. A multi-million dollar purchase of fertilizer had been made at a time of extremely high prices; subsequently, the price fell by 50%, forcing CECORA to sell at a million dollar loss. Also, the CECORA Board of Directors showed irresponsibility by lending to several member cooperatives at 2%, at a time when the real interest rate was 30%. The CECORA Director, who was excellent, resigned in protest after failing to reverse the Board's decision.

The Mission met with the Planning Office and the Project Committee and explained that until CECORA was able to put its house in order, reschedule its debts, and create a positive cash flow, AID would be unable to approve further draw down against the loan. Because of USAID pressure, the GOC agreed to provide additional assistance to CECORA, induce it to adopt more stringent sub-loan criteria, and to conduct itself as a business. After six months delay, the GOC transferred \$1.9 million to CECORA in September, 1979. AID then resumed disbursements in October, 1979. Since then CECORA has improved its financial condition and has continued a sound lending policy. The suspension of disbursements caused considerable delay in the project time frame and achievement of the outputs programmed for the CECORA portion of the project. Not all funds programmed could be disbursed.

In conclusion, the project experienced severe start-up difficulties, but the loan funds have not only assisted some 8,200 small farm families directly, but more important, have induced the implementing entities to effect important administrative improvements in order to obtain the funds. Thus, the project served to create two efficient administrative mechanisms which will continue to serve the small farmer long after the AID funds have been expended.

#### 14. EVALUATION METHODOLOGY

The evaluation was prepared by the AID Project Manager, Neil B. Billig, utilizing material obtained from the implementing agencies, trip reports prepared by Mission personnel, and an evaluation report of the FINANCIACOP portion of the project prepared under the Agricultural Cooperatives Development International (ACDI) technical assistance contract by Dr. Claudio Barriga.

15. NO DOCUMENTS NEED TO BE REVISED AS A RESULT OF THIS FINAL EVALUATION

The major assumption which proved invalid was that project resources could be provided promptly to the small farmer. Because of the complex GOC system of checks and balances, the disbursement process, which was established after the Loan Agreement was signed, included a series of fourteen separate steps and separate approvals through the GOC bureaucracy. Consequently, it was impossible for the implementing entities to provide a rapid response to the immediate needs of the small farmer for production credit. Loans had to be anticipated far in advance based upon estimations of demand which, in some cases, proved to be less than anticipated.

16. GOAL/SUBGOAL

The goal of this project and for the agriculture sector was to increase the incomes of the rural poor associated with the project. Because of the delays in the initiation of the project, only a year has elapsed since the first funds were delivered to the small farmer; therefore, it is too early to evaluate if incomes have risen as a direct result of the credit delivered. Although FINANCLACOOP is attempting to initiate improved reporting at the small farmer level, complete data on the incomes of cooperative members is not available at this time. In addition, in our opinion, goal achievement would not be a result of the immediate disbursement of loan funds, although some immediate results might be achieved, but more from the continued impact of a credit mechanism which would be available to the small farmer season after season. Thus, goal impact could not be measured at this time, even if data were available.

17. PURPOSE

The purpose of the project was to strengthen the financial and technical capacity of the rural cooperative system in Colombia so that it could develop into a viable, self-help mechanism able to offer better services to its present small farmer membership and, concurrently, be able to attract other low-income farmers not yet cooperative members. The completed log frame is attached as Annex I.

The strengthening was to take place at two levels. First, the continued availability of production and investment credit and agricultural services for eligible cooperatives and their members was to result in increases in farmer income and agricultural production. In turn, this was to have led to the strengthening of existing cooperatives and the development of new ones. Second, the project was to have stimulated the development of the national level cooperative financing agency, FINANCIACOOP, enabling it to better serve as a vehicle for channelling external resources to the movement.

Now, five years after the above objectives were written, we believe that the project has achieved the basic purposes set forth. However, we would reverse the order of importance of the purposes. In our view, the major project impact has occurred in the administrative improvements which have been made in FINANCIACOOP and CECORA. The immediate impact of the AID loan funds in providing for agricultural credit to the member cooperatives is important and did assist directly 8,200 farm families and approximately 90,000 indirectly. Reflows from these sub-loans are restricted to credit to small farmers and will assist additional farmers. The AID credit also contributed to paying the costs of operating expenses for 135 cooperatives through the use of the point spread between the farmers' interest rates and the rate the coop had to pay the lending institutions. However, comparing this impact and the number of farmers assisted to the potential impact which a strong CECORA and FINANCIACOOP can have upon future users, it becomes evident that in terms of the population affected, strengthening the institutions is by far the more important purpose. And in this area it is evident that the project has had a strong, positive impact.

#### FINANCIACOOP

The largest portion of the AID loan was directed toward FINANCIACOOP, the National Cooperatives Financing Institute, an intermediate credit institution formed to channel credit to cooperatives and federations. From inception to implementation, the view of what role FINANCIACOOP should play in the project changed somewhat. Initially, FINANCIACOOP was to have served merely as a banking window for passing the funds to the federations

and a limited number of cooperatives not affiliated with federations. Instead, as the project progressed, FINANCIACOOP developed the more active role of analyzing cooperative administrative and financial capacity, and developing and implementing an improved loan monitoring system.

The Project Paper stated that FINANCIACOOP was sufficiently competent and that no technical assistance was required initially, but that this could be reconsidered if in the view of the project committee such assistance would prove useful. Upon further investigation, and after realizing that FINANCIACOOP intended to place a large portion of its agricultural credit directly instead of through the federations, the decision was made to request that FINANCIACOOP contract with a qualified firm specializing in providing technical assistance to cooperatives. Accordingly, FINANCIACOOP contracted with ACDI in October, 1978 to obtain short-term assistance to improve its operational effectiveness.

Increasing the role of FINANCIACOOP in the project also meant a concomitant decrease in the role of the federations, especially that of Union Cooperativa Nacional de Crédito (UCONAL) the largest cooperative federation in Colombia. The original plan was that UCONAL was to have received 30% of the funds provided through FINANCIACOOP. In negotiating the loan, the language of the agreement was modified to "up to" 30%. This seemingly small change was to prove very important, and undoubtedly caused the subsequent clash between FINANCIACOOP and UCONAL over the distribution of loan funds.

The Mission supported the increased, more active role of FINANCIACOOP in the project and believes this to be a positive change in the role of the institution vis-a-vis the cooperative movement. While it risks duplicating the role of UCONAL, the needs of the cooperative movement in Colombia are large enough to require two competing institutions.

Prior to 1979 FINANCIACOOP had been the sole organization with the right to draw upon the special line of credit in the BOR reserved for the cooperative movement. By borrowing from this special fund at 18%, and relending to its member cooperatives and federations at 21%, FINANCIACOOP was guaranteed a substantial

source of operating revenue from the point spread at a small risk and with little effort. However, in 1979 UCONAL was granted 50% of this credit line at the BOR, thus reducing FINANCIACOOP's share by half, which permitted UCONAL to lend directly to its own cooperative members.

Thus, UCONAL is now sharing the easy profits from relending, which previously, had been an exclusive franchise of FINANCIACOOP. In turn, FINANCIACOOP has had to search for other sources of credit in order to maintain the volume necessary to pay its operating expenses.

In our opinion, opening the special cooperative credit line in the BOR to UCONAL has had a healthy effect upon both UCONAL and FINANCIACOOP. First, it has provided UCONAL with the continued financial assistance it requires to expand and provide additional technical assistance to its member cooperatives. Previously, this technical assistance had been financed by a grant from AID. Now, the use of the special credit line provides a continuing source of support for UCONAL after the departure of AID from Colombia.

Second, removal of half of its operating subsidy from FINANCIACOOP has forced that organization to become more aggressive in its search for outside capital and to conduct itself in a more business-like, profit-orientated manner.

From the AID funds provided during the course of the project, FINANCIACOOP extended 59 sub-loans which benefitted 126 cooperatives and 9 federations. (See Annex II for additional details). Some of the single loans made to federations benefitted a number of cooperatives. Simultaneously, during this period FINANCIACOOP was improving its organization and expanding. This rapid expansion is supported by the data on numbers of employees increasing from 19 to 96, loans placed, repayments, and in the increase in the number of affiliates from 588 in 1974 to 1217 in 1979.

Credit volume has increased 314% since 1974, and the increase has been 800% in the agricultural sector. A large part of this increase is attributable to the fact that the majority of

the AID funds were disbursed in 1979. It is too early to estimate the 1980 portfolio, but we anticipate that this growth will continue with funds from other credit lines that FINANCIACOOP is presently negotiating. Simultaneously, FINANCIACOOP's savings and loan operation has continued to show substantial increases, increasing 800% during the period 1974-1979.

Paid-in capital and reserves have increased substantially since 1974, although in real terms it has not kept pace with inflation. At AID insistence, ACDI conducted a seminar with FINANCIACOOP's top staff and its Board of Directors to illustrate the decapitalizing effect of inflation on FINANCIACOOP's reserves, and the need to charge a real rate of interest. FINANCIACOOP has increased its interest rate as a result but it is still 6% below the real cost of money. It is to the member coops' personal advantage to have low interest loans, in spite of the de-capitalization effect upon FINANCIACOOP. And, FINANCIACOOP interest policy is controlled by the member coops.

While the \$3.2 million of AID funds have played a key role in FINANCIACOOP's development, we must also take into account that the major input has not come from AID but from the resources of the cooperatives themselves and from the rediscount credit line of the BOR.

#### Organizational Improvements

Probably the most important organizational change was the organization or creation of district offices. Upon the initiation of the AID loan, FINANCIACOOP operated only in Bogotá. Creating district offices in eight of the other major cities in Colombia materially increased FINANCIACOOP's ability to service other cooperatives, and was the major factor in increasing its number of member cooperatives and its credit volume.

Another important change was increasing the term of the Board of Directors from one to two years. Increasing the term has permitted FINANCIACOOP to adopt a more stable management which previously was subjected to curious zigzags in policy with the annual change of the Board of Directors.

The organization is no longer dependent upon a single source of cooperative support, but now serves a diversified clientele. Traditionally, the easiest and safest group to serve has been the urban consumer coop in which loan repayments are guaranteed from garnished wages. It is more difficult and risky to collect from small farmers, and FINANCIACOOP was reluctant to expand into this area. After the positive experience of the AID loan, and after strengthening their district offices through hiring and training additional personnel, we expect that FINANCIACOOP will continue to expand its services to the rural areas as its personnel continue to gain experience.

Also, sound sub-loan criteria have been established which lessens the risk of bad debts. A loan monitoring system has been established which provides an early warning system for those loans which reveal during implementation that difficulties may ensue, and a technical assistance team is being developed to assist those coops which encounter difficulties in management and finance. In short, FINANCIACOOP now has the management system to provide, and adequately service, rural credit economically and efficiently.

#### CECORA

During the period of the AID loan, CECORA has experienced an even more dramatic improvement than FINANCIACOOP, both in terms of improved management practices and its financial condition. Much of this can be attributed to Mission leadership in focusing the attention of the GOC upon CECORA's problems, and offering the inducement of increased financing if these problems were solved.

Assisted by the personal interest of the Minister of Agriculture, and drawing upon the personal friendship of an influential Colombian senator who had worked with AID previously, we managed to present CECORA's financial difficulties at the highest government levels. Simultaneously, we used the leverage of the remaining loan funds, approximately \$850,000, as quid pro quo for increased GOC support to CECORA. The support was provided in terms of increased financing and improved GOC monitoring in order to ensure sound management policies.

CECORA is controlled by a Board of Directors composed of elected representatives from its member cooperatives. At this time, many of the Board's representatives had won their positions by promising low interest loans to those who voted for them. The majority of the Board lacked management experience and were devoted exclusively to their own short-term interests rather than to the long-term good of CECORA. As a result, the Board overruled the CECORA Director and voted into effect the uneconomic policy of 2% loans to two CECORA member cooperatives.

Although only two old non-AID financed loans to two of CECORA's member cooperatives were involved and new loans were to be made at the standard rate of 18%, we believed that a dangerous precedent was being set. In effect, what was being established was the precedent that CECORA's members had only to fall behind in their loan repayments and they would be granted loan refinancing at 2% interest. In a country where private commercial credit is only available above 36% per year, we found this policy disastrous and indicative of irresponsible management. Fearing that other irregularities might exist, we requested a current cash flow and financial statement.

Review of the cash flow confirmed our suspicions that CECORA was in serious financial difficulties and operating at a substantial loss. We circulated this information to the project committee, the Office of Planning, and to INCORA (the Agrarian Reform Institute responsible for monitoring CECORA's activities). After several meetings the GOC took positive action, provided an additional \$1.9 million to CECORA, and established strict management controls. As a result of these changes, AID resumed disbursements and the project continued. Stringent sub-loan criteria have been placed in effect and enforced.

The AID loan funds were used to purchase additional raw materials for CECORA's feed mill operation and to finance a variety of marketing related projects to CECORA's member cooperatives. It is too early to assess the impact the marketing projects have had upon the cooperatives, but the purchase of the increased quantity of feed grains has enabled CECORA to operate their feed mill at full capacity for the first time. As a result, they have been able to show a small profit, and more

important to CECORA, they have been able to provide increased quantities of good feed at a rate slightly under market price to their members.

While CECORA is very satisfied with their feed mill investment, the profits generated are not at the level anticipated in the project paper, and in retrospect the Mission doubts the value of the 25 million peso feed mill investment which will only net a profit of 500,000 pesos in 1980.

Although not all the loan funds programmed for marketing projects were able to be utilized because of the delays incurred, the organization is now proceeding on a business-like basis, providing better services to its clientele, and beginning to show a profit. The departure of AID from Colombia precluded the further extension required to complete disbursements.

See Annex III for a list of AID's disbursements to CECORA.

## 18. OUTPUT AND INPUTS

### Technical Assistance

The \$60,000 technical assistance contract with ACDI was very successful, both from the point of view of AID project management and from the standpoint of the implementing agency, FINANCIACOOP.

The assistance was provided in a series of short-term interventions. Several analyses were made of institutional changes which could be made by FINANCIACOOP to improve its operations. The analyses and recommendations for change were discussed at length with FINANCIACOOP top staff and with AID and the majority accepted for implementation. The technician would then depart Colombia to return in 3-4 months and observe the progress, or lack of it, in the implementation of the ACDI recommendations.

We found that the procedure worked particularly well with the most successful of the ACDI technicians, Dr. Claudio Barriga, because of the excellent rapport he was able to develop with the FINANCIACOOP Director, Dr. Abel Mery. It was not that Dr. Barriga was any more or less astute or capable than the other

three ACDI technicians who also made short-term interventions, but that FINANCIACOOP would consider and accept the majority of the recommendations proposed by Barriga, whereas the other ACDI consultantants were ignored.

In addition to the contract with ACDI, \$150,000 was programmed to provide local technical assistance to the FINANCIACOOP cooperatives who planned to accept sub-loans in order to assist them in preparing feasibility studies for agricultural projects.

However, during the implementation of the project in 1979, we discovered that an abundance of sound projects already existed so that there was little demand for technical assistance to prepare additional projects. The majority of the federations already had personnel skilled in project preparation and there was no need to use the project funds to hire additional technicians. Consequently, FINANCIACOOP requested that the amount programmed to hire local technical assistance be transferred to agricultural credit. The Mission approved this transfer of funds, thus permitting the financing of \$240,000 of additional sub-loans for agricultural credit.

#### CECORA

In the case of CECORA it had been anticipated that technical assistance would be required to prepare adequate studies for marketing projects. The cost of such assistance was to have been provided by CECORA from profits from the expanded production of its feed mill operation made possible by increased amounts of AID financed raw materials and from the Superintendencia de Cooperativas. Because of CECORA's poor financial condition, it was not possible to disburse the AID input in time to generate the planned profits and the Superintendencia was unable to provide its share of the budget required. However, cash flow projections for the feed mill are positive and profits are beginning to occur.

Some consulting services were contracted by CECORA, but this occurred as the result of the Loan Agreement covenant which required that an independent feasibility study be conducted for any marketing project in excess of \$100,000. A feasibility study of two CECORA seed plants in Ibagué and Palmira was made by the

firm of Ortiz Arango y Cia. The study declared the projects viable and made a series of recommendations for improvements which CECORA is in the process of initiating.

#### 19. UNPLANNED EFFECTS

The major unplanned effect was the delay in project initiation which when combined with the departure of the AID Mission meant that insufficient time was available in the case of CECORA to disburse all funds programmed. CECORA has only been at its management peak for the last six months.

Now that it has been permitted to establish strict loan criteria, improve its financial position, and begun to show profit from the feed mill operations, the Mission planned to use the approximately \$177,000 remaining as quid pro quo to induce CECORA to hire a full-time cooperative financial consultant. Because of AID's departure, this approach cannot be attempted. However, negotiations have been initiated between CECORA and the Volunteer Development Corps for a series of short-term interventions in cooperative accounting and milk production. The first consultant should arrive within three months and indications are that the contract will continue to expand.

Unplanned, but more positive, effects have been the more direct role which FINANCIACOOP has assumed in disbursing credit and the rediscount credit line which UCONAL has been granted from the Banco de la República, which has permitted it to grant credit directly without going through FINANCIACOOP. We believe that both of these unplanned effects have had, and will continue to have, a positive impact upon the further development of the cooperative movement in Colombia.

#### 20. CHANGES IN DESIGN OR EXECUTION

The project is completed and all changes in design have been accomplished.

21. LESSONS LEARNED

- Do not attempt a project without strong support by the implementing agency. In this case the initial request and support for the project stemmed from the Director of the Office of Public Credit who departed before the project was initiated, whereas the Planning Office and FINANCIACOOP were lukewarm in their desire for the AID loan.
- Following the precepts of the AID Spring Review on Rural Credit, establish a real rate of interest as a condition precedent to disbursement.
- Be aware that the director of a cooperative federation dispensing scarce credit to member cooperatives will be tempted to grant credit to those cooperatives which vote to retain him in office. Strict sub-loan criteria and close supervision is a minimum requirement in discouraging this perversion of the loan selection process.
- Where cooperative federations are controlled by board members from member cooperatives, it is very difficult to establish improved, or stringent, sub-loan criteria and a real interest rate while the loan is in progress. Board members normally desire the softest loan terms possible even though such terms mean decapitalizing the cooperative federation. Acceptance of stringent sub-loan criteria must be negotiated and agreed upon prior to the signing of the Loan Agreement, and included as a condition precedent to disbursement.

No matter the worth of recommendations proposed by outside consultants, if the implementing entity refuses to act on the recommendations, they are worthless. Effective T.A. means convincing the client. To do so in a Latin American environment often means that a personal relationship, a friendship, must be developed between the technician and the client.

In negotiating the Loan Agreement in the spring of 1976, the Mission accepted GOC promises of assistance to the

cooperative movement and to the project without pressing for a budgetary supplement as a condition precedent to disbursement. Rather than accepting rhetoric, the Mission should have remained firm for a more concrete expression of GOC project support. During the course of the project, the support promised by the GOC was either seriously delayed or did not materialize.

**CECORA LOAN DISBURSEMENTS APPROVED BY AID**

USE	PLACE	AID	COOP.	CECORA & GOC	TOTAL	TOTAL AI. FUNDS DIS.
<b>I. <u>Disbursement</u></b>						
Feed Mill Program	Bogotá Palmira	6.500.0	-	6.500.0	13.000.0	6.500.0
<b>II. <u>Disbursement</u></b>						
Feed Mill Program	Bogotá Palmira	25.050.0	-	25.050.0	50.100.0	25.050.0
<b>III. <u>Disbursement</u></b>						
Feed Mill Program	Bogotá Palmira	1.156.3				
Cooperatives :						
<b><u>COAGROTECNICA</u></b>						
Espinal						
Construction:						
Buildings		1.500.0	-	-	1.500.0	
Land Purchase		-	-	500.0	500.0	
Working Capital:		<u>290.0</u>	<u>450.0</u>	<u>840.0</u>	<u>3.580.0</u>	<u>300.0</u>
<b>TOTAL COAGROTECNICA:</b>		<u>1.790.0</u>	<u>450.0</u>	<u>1.340.0</u>	<u>3.580.0</u>	<u>300.0</u>
		=====	=====	=====	=====	=====
<b><u>COAGRO</u></b>						
Duitama						
Warehouse		1.737.0	463.0	-	2.200.0	
Working Capital		<u>117.0</u>	<u>-</u>	<u>1.391.0</u>	<u>1.508.0</u>	<u>-</u>
<b>TOTAL COAGRO:</b>		<u>1.854.0</u>	<u>463.0</u>	<u>1.391.0</u>	<u>3.708.0</u>	<u>-</u>
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 LOAN DISBURSEMENTS APPROVED BY AID

USE	PLACE	AID	COOP.	CECORA & GOC	TOTAL	TOTAL AID FUNDS DISBURSED
<u>COAGROTECA</u>		Popayán				
Warehouse		2,020.0	-	700.0	2,720.0	-
Working Capital		<u>776.0</u>	<u>700.0</u>	<u>1,397.0</u>	<u>2,873.0</u>	<u>600.0</u>
TOTAL COAGROTECA:		<u>2,796.0</u>	<u>700.0</u>	<u>2,097.0</u>	<u>5,593.0</u>	<u>600.0</u>
<u>COAGROSARARE</u>		Saravena				
Warehouse		1,266.0	-	334.0	1,600.0	-
Working Capital		<u>-</u>	<u>317.0</u>	<u>615.0</u>	<u>932.0</u>	<u>-</u>
TOTAL COAGROSARARE:		<u>1,266.0</u>	<u>317.0</u>	<u>949.0</u>	<u>2,532.0</u>	<u>-</u>
<u>COAGROMAG</u>		Fundación				
Marketing of Chocolate Beans		<u>550.0</u>	<u>137.5</u>	<u>412.5</u>	<u>1,100.0</u>	<u>550.0</u>
TOTAL COAGROMAG		<u>550.0</u>	<u>137.5</u>	<u>412.5</u>	<u>1,100.0</u>	<u>550.0</u>

## LOAN DISBURSEMENTS APPROVED BY AID

USE	PLACE	AID	COOP.	CECORA & GOC	TOTAL	TOTAL AID FUNDS DIS.
<b>III. <u>Disbursement</u></b>						
Cooperatives :						
<u>COAGROLLANOS</u>	San Martín					
Working Capital for marketing of cattle		<u>1.264.2</u>	<u>316.1</u>	<u>948.1</u>	<u>2.528.4</u>	<u>-</u>
TOTAL COAGROLLANOS:		<u>1.264.2</u>	<u>316.1</u>	<u>948.1</u>	<u>2.528.4</u>	<u>-</u>
<u>COAGROSAN</u>	Bucaramanga					
Developing cattle program		<u>1.087.0</u>	<u>271.8</u>	<u>815.2</u>	<u>2.174.0</u>	<u>-</u>
TOTAL COAGROSAN:		<u>1.087.0</u>	<u>271.8</u>	<u>815.2</u>	<u>2.174.0</u>	<u>-</u>

## LOAN DISBURSEMENTS APPROVED BY AID

USE	PLACE	AID	COOP.	CECORA & GOC	TOTAL	TOTAL A FUNDS D
<u>COAGROTEMA</u>	La Mesa					
Marketing Sugar Syrup		<u>1.075.5</u>	<u>269.1</u>	<u>805.4</u>	<u>2.151.0</u>	<u>-</u>
TOTAL COAGROTEMA:		<u>1.075.5</u> -----	<u>269.1</u> -----	<u>805.4</u> -----	<u>2.151.0</u> -----	<u>-</u> -----
<u>COAGRIVAR</u>	Armero					
Equipment Purchase & Warehouse Improvements		<u>885.5</u>	<u>221.3</u>	<u>664.2</u>	<u>1.771.0</u>	<u>-</u>
TOTAL COAGRIVAR:		<u>885.5</u> -----	<u>221.3</u> -----	<u>664.2</u> -----	<u>1.771.0</u> -----	<u>-</u> -----
<u>COAUSUARIOS</u>	Pasto					
		<u>300.0</u>	-	-	-	-
TOTAL COAUSUARIOS:		<u>300.0</u> -----	<u>-</u> -----	<u>-</u> -----	<u>-</u> -----	<u>-</u> -----
<u>COLECHERA</u>	Belén					
Equipment Purchase		<u>800.0</u>	<u>200.0</u>	<u>600.0</u>	<u>1.600.0</u>	<u>-</u>
TOTAL COLECHERA:		<u>800.0</u> -----	<u>200.0</u> -----	<u>600.0</u> -----	<u>1.600.0</u> -----	<u>-</u> -----

LOAN DISBURSEMENTS APPROVED BY AID

USE	PLACE	AID	COOP.	CECORA & GOC	TOTAL	TOTAL AID FUNDS DIS
<u>COPETOLU</u>	Tolú					
Fish Marketing		<u>482.0</u>	<u>120.5</u>	<u>361.5</u>	<u>964.0</u>	<u>-</u>
TOTAL COPETOLU:		<u>482.0</u>	<u>120.5</u>	<u>361.5</u>	<u>964.0</u>	<u>-</u>
SUB TOTAL:		<u>5.595.2</u>	<u>1.398.8</u>	<u>4.194.4</u>	<u>11.188.4</u>	<u>-</u>
TOTAL COOPERATIVES:		<u>14.149.1</u>	<u>3.466.3</u>	<u>10.383.9</u>	<u>27.701.4</u>	<u>-</u>

UTILIZATION OF RESOURCES FROM AID LOAN 514-T-077  
( \$ 000 )

USE	AID	CECORA	GOC	COOP.	TOTAL
<b>A. CECORA SEEDS</b>					
1. Fixed Investments					
Actual Amortization	275.2	1,579.9	3,159.8	985.1	6,000.0
To be realized	2,069.5	-	-	614.1	2,683.6
2. Working Capital:					
Buying of Paddy Rice	3,074.3				3,074.3
Administration & Labor	358.7				358.7
Other	541.3				541.3
<b>SUB TOTAL:</b>	<u>6,319.0</u>	<u>1,579.9</u>	<u>3,159.8</u>	<u>1,599.2</u>	<u>12,657.9</u>
<b>B. COAGRONORTE (Cúcuta)</b>					
1. Fixed Investments:					
Equipment Purchase	2,570.0	300.0			2,870.0
2. Operational Capital:					
Buying of Paddy Rice	2,017.0	846.8	240.0	500.0	3,603.8
CECORA Seeds	450.0				
<b>SUB TOTAL:</b>	<u>5,037.0</u>	<u>1,146.8</u>	<u>240.0</u>	<u>500.0</u>	<u>6,473.8</u>
<b>TOTAL:</b>	<u>11,356.0</u>	<u>2,726.7</u>	<u>3,399.8</u>	<u>2,099.2</u>	<u>19,131.7</u>

ANNEX I

LOGICAL FRAMEWORK OF THE PROJECT

- I FINANCIACOOP
- II CECORA

17. PURPOSE OF THE PROJECT

A. 1 NARRATIVE SUMMARY

To increase incomes of small farmers associated with rural cooperatives.

A. 1 MEANS OF VERIFICATION

Increase in the inputs of cooperative members receiving credits are greater than those of non-members.

A. 3 ACCOMPLISHMENTS

To date funds have been given to cooperatives to help members finance their crops. The results can not be detected yet.

A. 4 COMMENTS

The project documents indicate that a base study to measure the agriculture inputs, members and non-members will be made before initiating the project, and two years later.

Such base study has not been made and it was not stipulated by whom it should be made. It is expected that basic information may be obtained from the previous feasibility studies.

18. PURPOSE OF THE PROJECT

B. 1 NARRATIVE SUMMARY

A viable cooperative system assisting small farmers with credit and marketing services.

B. 2 VERIFIABLE INDICATORS

- a. Percentage of cooperatives benefitted with credit belonging to Federations 90%.
- b. Total credit delivered by FINANCIACOOP to UCONAL: US\$ 1.84 millions.

B. 3 ACCOMPLISHMENTS

To November 30, 1979

- a. 100%
- b. FINANCIACOOP approved credits to UCONAL to be given to 12 cooperatives amounting to \$ 40,423,000 (US\$ 1 million)

B. 4 COMMENTS

The total amount of the funds were undertaken through 19 Federations giving credit to 88 cooperatives. In addition, credit was given directly to 29 cooperatives.

51 Applications were rejected totaling \$ 347,463,837.

19. PROJECT RESULTS

<u>C. 1 NARRATIVE SUMMARY</u>	<u>C. 2 VERIFIABLE INDICATORS'</u>		<u>C. 3 ACCOMPLISHMENTS</u> To November 30, 1979
	<u>1978</u>	<u>1979</u>	
a. Number of production and marketing loans to the target group.			a. 8.122
b. Amount of production and marketing credit delivered by FINANCIACOOP (87.5% of total project).	US 2.3 Million	US 3.36 Million	b. US\$ 4.32 Millions
c. Agencies benefitted directly with External Technical Assistance.	1	1	c. 1
d. Number of Federations and Cooperatives benefitted with Colombian Technical Assistance.	5	10	d. 1
e. Creation of Technical Assistance Fund in FINANCIACOOP to continue giving assistance to its members after terminal date of the project.		50,000	

C. 4 COMMENTS

- a. The total of the project's direct beneficiaries.
- b. Must be delivered before 28-11-80, additional US\$ 1.8 millions that are being disbursed.
- c. FINANCIACOOP has been continuing receiving Technical Assistance from ACDI
- d. Being completed the project execution there is not a special technical assistance out of the one given by the Institute.
- e. This fund was effective when the loan was given and will continue operating.

20. COST OF THE PROJECT

<u>D. 1 NARRATIVE SUMMARY</u>	<u>D. 2 OBJECTIVELY VERIFIABLE INDICATORS</u>		<u>D. 3 ACCOMPLISHMENTS To November 30, 1979</u>	<u>D. 4 COMMENTS</u>
FINANCIACOOP'S	<u>1978</u>	<u>1979</u>		
a. Production and Marketing Loans.	a. US\$ 1.33 millions	US\$ 1.92 Millions	a. US\$ 6.17 Millions (includes Financiacoop & Co-Op contribution)	a. The total amount of loan resources allocated to Financiacoop, \$3.5 Million were disbursed.
b. External Technical Assistance	b. US\$ 50,000	US\$ 50,000	b. US\$ 60,000 (Approx).	b. The ACDI contract will continue the TDD.
c. Local Technical Assistance	c. US\$ 50,000	US\$ 50,000	c. US\$ 10,000 (Approx).	c. Financiacoop requested AID to leave only US\$30,000 of this item and the remaining US\$120,000 to be passed to the credit funds. With the US\$30,000 available, 3 professionals had been hired in order to supervise the AID credits. The remaining \$20,000 was disbursed during 1980.

CARACTERÍSTICAS DE

CREDITOS APROBADOS POR LA LINEA "AID"  
(a Noviembre 30/79)

(1)

I	FEDERACION	UCONAL	Asociación de Membros	Fecha de Institución	Valor Total AID (#)	Fecha de la Visita Previa	Fecha de Expedición del Comprobante	Valor de Préstamo (#)	Nº de Cuentas Abiertas	Nº de Bancos Indicados	Fecha de Emisión	Valor del Préstamo Aprobado (#)	Valor en Pagados a la Fecha (#)	Saldo por Entregado (#)	Nº de Cuentas Abiertas del Credito	Fecha de Cierre	
																	Estado
1	Cooperativa	AA y C. SERRAZO	Toluca	15 de Mayo 1978	539,120	Feb 2/78	Mar 20/78	2,200.00	46	233	Abil 18/78	2,200.00	2,200.00	-0-	1	28	
2	Coop. Ah. y C.	Alente Nacional	Santander	2 de Mayo 1978	462,000	Julio 14/78	Julio 27/78	462,000	115	105	Enero 24/79	462,000	462,000	-0-	-0-	36	7
3	Coop. Ah. y C.	San Joaquín	Santander	11 de Diciembre 1978	5,938,530	Abil 5/79	Abil 17/79	2,118,375	30	653	Sept 2/79	997,825	2,118,375	-0-	-0-	48	F
4	Coop. Ah. y C.	del Socorro	Santander	10 de Mayo 1978	200,000	Abil 13/79	Abil 19/79	200,000	50	864	-	-0-	-0-	200,000	-0-	48	-
5	Coop. Ah. y C.	Centinela del Valle	Valle	10 de Mayo 1978	2,517,886	Mar 22/79	Abil 17/79	1,340,000	40	560	Julio 27/79	578,286	1,340,000	-0-	1	26	7
6	Coop. Ah. y C.	de Entierres	Antioquia	10 de Mayo 1978	9,311,198	Mar 22/79	Mayo 10/79	4,000,000	110	290	-	-0-	-0-	4,000,000	1	48	-
7	Coop. Ah. y C.	Tramito Tobón	Antioquia	10 de Mayo 1978	7,444,925	Mar 22/79	Mayo 10/79	3,000,000	65	1,335	-	-0-	-0-	3,000,000	-0-	48	-
8	Coop. Ah. y C.	Santa Rosa de Cus	Antioquia	10 de Mayo 1978	7,791,088	Mar 22/79	Mayo 10/79	4,976,000	120	780	Jul 16/79	1,000,000	1,000,000	3,976,000	-0-	48	F
9	Coop. Ah. y C.	de Siboto	Santander	10 de Mayo 1978	9,996,978	Mar 22/79	Abil 14/79	5,554,000	120	520	Sept 24/79	2,393,183	5,554,000	-0-	-0-	48	F
10	Coop. Ah. y C.	de Espirito	Santander	10 de Mayo 1978	1,137,819	Feb 28/79	Mayo 10/79	1,000,000	40	57	Mar 11/79	470,000	470,000	538,000	-0-	36	F
11	Coop. Ah. y C.	de Fusagasujao	Santander	10 de Mayo 1978	2,125,000	Abil 18/79	Apr 16/79	1,200,000	29	391	Mar 6/79	625,714	1,200,000	-0-	-0-	48	F
12	Coop. Ah. y C.	de Maniz	Santander	10 de Mayo 1978	7,225,119	Mar 22/79	Mar 22/79	3,334,000	145	315	Sept 13/79	957,616	957,616	2,387,537	-0-	36	P
III	FEDERACION COOPERATIVA DE INDUSTRIAL SOCIAL - COOPERATIVA		Santander	10 de Mayo 1978	2,000,000	Nov 21/77	Oct 28/77	1,487,500	630,000	44,841	Sept 18/78	1,250,000	1,468,500	-0-	3	36	P
III	CENTRAL DE COOPERATIVAS AGROARIAS DE OCCIDENTE - CENCOA		Valle	10 de Mayo 1978	17,218,787	Nov 22/78	Nov 30/78	28,612,500	700,000	17,507	Feb 23/79	9,000,000	28,612,500	-0-	1	60	F
III	CENTRAL COOPERATIVA CATE- TERIA DE MERCADERES Y PRODUCTOS LIGEROS - MERCADERES		Valle	10 de Mayo 1978	2,000,000	Nov 22/78	Nov 30/78	2,000,000	700,000	17,507	Feb 23/79	9,000,000	2,000,000	-0-	1	60	P
					17,218,787			28,612,500	700,000	17,507							
					17,218,787			28,612,500	700,000	17,507							





