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PROJECT EVALUATION SUMMARY (PES) - PART I

Symbol U-447

1. PROJECT TITLE	2. PROJECT NUMBER 636-0112	3. MISSION/ AID/W OFFICE Sierra Leone
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4. EVALUATION NUMBER (Enter the number established by the reporting unit e.g., Country or AID/W Administration, Country, Fiscal Year, Serial No. beginning with "100" each year)	<input type="checkbox"/> REGULAR EVALUATION <input checked="" type="checkbox"/> SPECIAL EVALUATION
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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 FY _____	A. Total \$ 760,000 B. U.S. \$ 500,000	From (month/yr) August 1979 To (month/yr) November 1980 Date of Evaluation Review _____

B. 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
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The evaluation team and USAID/Freetown conclude that implementation of the project is progressing well. As a result of delays in project approval and unanticipated magnitude of local inflation the project is underfunded. The project paper financial plan, and CUNA grant agreement should be revised, increasing the U.S. contribution by \$95,603 to a total of \$594,951 and total project cost to \$854,869.

E. Smith, **January 30, 1980**
AP/10/CA/8007

BEST AVAILABLE DOCUMENT

8. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS	10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT
<input type="checkbox"/> Project Paper <input type="checkbox"/> Implementation Plan Ag. CPI Network <input checked="" type="checkbox"/> Financial Plan <input type="checkbox"/> PIO/T <input type="checkbox"/> Logical Framework <input type="checkbox"/> PIO/C <input type="checkbox"/> Project Agreement <input type="checkbox"/> PIO/P	<input checked="" type="checkbox"/> Other (Specify) CUNA Grant Agreement <input type="checkbox"/> Other (Specify) _____
	A. <input type="checkbox"/> Continue Project Without Change B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan C. <input type="checkbox"/> Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)	12. Mission/AID/W Office Director Approval
Charles Uphaus, Agr. Economist	Signature _____
	Type and Name Alex Dickie
	Date _____

AP-0008-000
130-1209

MID-TERM EVALUATION OF CUNA COOPERATIVE
SOCIETIES PROJECT (636-0112)

AID Affairs Office
Freetown, Sierra Leone

November 28, 1980

ACRONYMS

CUNA	Credit Union National Association
GOSL	Government of Sierra Leone
Le	Unit of currency. 1 Le = US\$.9453; 1 US\$ = Le1.0572
NASCCLOS	National Savings and Credit Cooperative League of Sierra Leone

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I. INTRODUCTION

The CUNA Cooperative Credit Societies Project Paper was submitted to AID/W in December 1978 and the Grant Agreement, was signed August 7, 1979 for a dollar cost of \$499,348 and a total project cost of \$760,000. The Grant Agreement requires an evaluation 30 months after implementation commences. However, USAID/Sierra Leone, requested an additional mid-term evaluation approximately one year after signing the grant agreement because revised budget estimates indicated insufficient funding, mainly because of inflation in Sierra Leone in excess of budget estimates.

The evaluation was conducted by Dr. Hadley E. Smith, Senior Economic Advisor and Chief, Program Analysis and Development Staff, REDSO/WA, Abidjan, and Mr. Gordon E. Hurd, Design and Evaluation Specialist, CUNA Global Projects, Washington, with the assistance of Mr. F.E.S. Kpayagula, Manager of NASCCLOS, and Mr. Mebratu Tsegaye, Management Advisor.

II. SUMMARY AND CONCLUSIONS

Summary

The evaluation team concluded that, on balance, implementation of the project is progressing well and that the grantee, CUNA/Global Projects, is carrying out its responsibilities effectively. The management adviser assumed his duties in Freetown November 1979, a general meeting of societies was held in February which adopted revised bylaws and affiliation procedures and officially established the National Savings and Credit Cooperative Society of Sierra Leone (NASCCLOS), a full staff of central office and regional personnel have been selected and employed, a questionnaire survey of societies has been completed, and an extensive training program has been put into operation. The survey identified 309 active societies with 16,225 members and average membership of 53. Savings in the average society was Le3,375 (US\$3,190).

The team agreed that inflation in Sierra Leone has been greater than anticipated during design of the project and that delay of approximately 15 months in signing the grant agreement has resulted in at least

an additional year of inflation during the life of the project. As a result, the dollar cost of local operating, training, and commodity expenses of the project have increased \$95,603. The team, therefore, recommends that the U.S. dollar contribution be increased from \$499,348 to \$594,951 and total project costs from \$759,265 to \$854,869.

The following sections review major conclusions of the evaluation.

Management of Project

Management of the project by CUNA Global Projects and the management advisor has been effective. While unforeseen obstacles exist, and others may arise, implementation of most activities is on schedule. The management advisor is a talented, hard-working organizer with considerable background in administration of savings and credit societies in Africa. The major weaknesses have been delay of CUNA Global Projects scheduled technical assistance, delay of signing the risk management agreement by ACOSCA, delay in preparing the institutional development plan, and, possibly, the sharing of backstop responsibilities among CUNA personnel in Washington.

Self-Sufficiency of NASCCLOS

Although NASCCLOS has made encouraging progress in getting reorganized under new bylaws and enlisting the support of 122 societies through affiliation, the extent of financial self-sufficiency which it will eventually achieve cannot be determined at the end of the project's first year. Only 40% of the affiliated societies have paid dues thus far. During the general meeting which adopted the revised bylaws for NASCCLOS, however, there was no significant objection to the 1% of-savings formula. The project manager and CUNA representative feel that payment of dues at 1%, half the rate proposed by the project paper to be in effect at the EOP, is a reasonable interim policy. Affiliation fees, which have exceeded the amount expected during the first year, have provided revenue in excess of planned expenditure.

Duration of External Support

The evaluation team concluded that the estimate in 1978 by the design team, that external financial and technical support would be needed for up to 10 years, continues to be an appropriate assessment of the length of time required for NASCCLOS to achieve financial, administrative, and technical independence.

Several years are needed for training, insurance, accounting, and lending programs to be introduced and adapted to local conditions. Promotion programs have been initiated but cannot be expected to generate much new savings for three or four years. Several years of successful organizational effort can add substantially to the total number and membership of affiliated societies and help assure self-sufficiency of NASCCLOS within 10 years. This approach is consistent with the views of AID/AFR that more attention should be given to the long-term aspects of institution building in AID programs in Africa.

Concentrating Services and Promotion Programs

The evaluation team concluded that this operating guideline is appropriate during Phase I of the project. In the initial years, the new NASCCLOS staff and the staff of newly organized societies are gaining experience. To attempt to service a large number of very small societies would impose a personnel and financial burden which NASCCLOS is not yet capable of supporting. At the same time, concentration of promotion programs in medium-size towns and cities, which heretofore have been ignored, can strengthen the financial status of NASCCLOS significantly and increase its capacity to service small societies.

Most of the affiliated societies are in rural communities with membership primarily from the poor majority as defined by AID. Per capita income in Sierra Leone is less than the upper threshold of poor-majority income and mode income, particularly in rural areas, is well below average income. Many society members who have non-farm occupations also participate in farming activities. The evaluation team agreed that, on balance, emphasis on expansion of membership and savings as rapidly as possible during the first few years is an optimum growth strategy. As a result of this modification of strategy, the target for affiliated societies will not be achieved in 1980.

Delay in Introduction of Insurance Program

The risk management agreement with ACOSCA which was signed by NASCCLOS in April, is in abeyance pending resolution of differences regarding the program in Kenya, during which CUNA Mutual has declined to accept applications for programs in other countries. Since discussions for resolving the differences are underway, and alternative insurance programs are not readily available, some further delay should be accepted in anticipation of signing the contract early in 1981.

However, since this program probably is the primary incentive for societies to affiliate with NASCCLOS and pay dues, the manager of NASCCLOS, perhaps supported by letters from the Minister of Cooperatives and USAID, should urge both ACOSCA and CUNA Mutual to expedite resolution of differences and to accept the NASCCLOS agreement, or possibly arrange an interim agreement directly with CUNA Mutual, to avoid further delay of the insurance program in Sierra Leone which could jeopardize success of the project.

Impact of Project

Institutional Development. The impact of the project on the institutional development of national-level activities of savings and credit cooperatives in Sierra Leone already has been substantial. The first general meeting in February was a milestone in renovation of the movement, with long-term potential benefits to societies and members. The organizational and managerial experience of CUNA, working in collaboration with NASCCLOS staff, can be expected to have substantial further impact during the remainder of the project.

Women. A major effect of this project is its impact on rural women. Approximately 40% of the members of active societies surveyed in 1980 were women. Many societies consisted solely of women members. While the impact on women has not been measured directly, women are major beneficiaries of all NASCCLOS programs.

Rural poor. Although the 1980 survey of societies did not obtain details on uses of loan funds, earlier studies indicate loans are used primarily for production rather than consumption purposes in rural areas. Over 80% of the societies surveyed considered themselves rural. Therefore, the savings of members is used mainly for investment in development activities and is a small but significant source of rural development finance.

Amendment of the Project Paper

The evaluation team concluded that \$95,603 in additional dollar funding is required during the life of the project to implement the original project purpose and goal. The project paper and grant agreement, therefore, should be amended to provide additional funds.

III. DESCRIPTION OF PROJECT

Program Goal

The goal of the project is to increase the rate of growth of total membership, volume of credit, and other financial services within the rural and urban sectors of the cooperative savings and credit movement of Sierra Leone.

Project Purposes

The purposes of the project are to: (1) create a national cooperative savings and credit league that is increasingly self-sufficient, financially and technically able to provide needed services to affiliated societies; and (2) create an expanding network of savings and credit societies that have, with the support of the league, the financial and technical capabilities sufficient to provide required savings, credit, and other related services to an increasing membership.

End-of-Project Status

At the end of the project:

1. The League will generate sufficient revenues from its own sources to finance more than 50% of operating costs (complete financial self-sufficiency is projected in 1988).

2. The League will periodically prepare comprehensive plans detailing services and activities to be pursued; most importantly, a 5-Year Institutional Development Plan. Such plan will be based upon systematic identification of the needs of affiliated societies.

3. The League will possess demonstrated technical capabilities in at least each of the following areas:

(a) planning and evaluation; (b) financial management; (c) personnel management; (d) administrative systems and procedures; (e) accounting and bookkeeping; (f) credit systems; (g) risk management; and (h) promotion.

4. Membership in affiliated societies will be at least 40,500.

5. Savings in affiliated societies will be at least \$2,350,000.

6. Loans outstanding in affiliated societies will be at least \$2,600,000.

7. 50 percent of affiliated societies will be able to generate income sufficient to pay five percent dividends on their members' savings.

8. 30 percent of affiliated societies will be able to independently maintain accurate bookkeeping records and prepare financial statements.

9. 90 percent of affiliated societies will have loan repayment rates in excess of 90 percent.

Inputs

The inputs to be provided during the project by the three major sources include:

<u>Source and Type</u>	<u>Amount</u>
<u>GOSL (Department of Cooperatives)</u>	
In-kind Staff Contribution	\$212,268
Use of Department field Offices	3,528
League Audit	973
Lecturers at League Seminars	<u>1,367</u>
Subtotal	\$218,136
Cash Contribution to League Seminars	<u>8,821</u>
Subtotal	\$226,957
<u>National Savings and Credit Cooperative League</u>	
Salaries and Benefits of League Staff	15,360
League Staff Travel and Transportation Costs	7,127
League Government and Representation Costs	4,940
ACOSCA Dues	1,845
Miscellaneous League Overhead Costs	<u>3,688</u>
Subtotal	\$ 32,960
<u>AID</u>	
Budget Support for League Administrative and Operating Costs	110,609
Training Costs	79,380
CUNA Global Projects Technicians Support	<u>309,359</u>
Subtotal	\$499,348
Total Project Cost	\$759,265

1. PROJECT OUTPUTS

<u>Outputs</u>	<u>Quantity</u>			
	Dec.1979	Dec.1980	Dec. 1981	Total
1. League Board of Directors trained to effectively execute policy-making responsibilities	22	15	15	52
2. Society Committee members trained to effectively direct society management, including planning, promotion, loan analysis, and other key areas	360	800	800	1,960
3. Society secretaries trained to maintain accurate, complete financial records, and financial statements	30	60	90	180
4. New societies organized	10	10	10	30
5. Societies affiliated to League	188	289	356	356
6. Societies receiving stationary supplies from League	150	250	300	300
7. Sales volume from stationary supplies	\$3,920	\$4,165	\$4,410	\$12,495
8. Societies participating in insurance program	10	30	70	70
9. Savings insured	\$33,418	\$84,672	\$291,962	\$291,962
10. Loans insured	\$36,759	\$93,139	\$321,158	\$321,158
11. %of League Operating Costs paid from earned income	8.8%	8.5%	54.5%	25.8%
12. % of League Costs (Operating & Training) paid from earned income	6.0%	5.0%	32.9%	14.8%
13. Financial/Statistical reports on societies and League prepared quarterly	4	4	4	12
14. Standard policies and procedures guides prepared and disseminated (updated every three years)	1	3	4	8
15. Societies receiving bookkeeping assistance (from itinerant bookkeepers)	30	60	90	180
16. League 5-Year Institutional Development Plan completed	1	--	--	1

The AID/CUNA grant agreement was signed in August 1979 and Mr. Mebratu Tsegaye, Management Advisor, commenced duties in Freetown in late November. Priority was given to setting up the League office, employment and training of staff, and purchase of essential commodities. The League rented a modest eight-room office with 11 employees and opened regional offices in the four regions of the country. To facilitate assessing League performance relative to planned project objectives, an institutional analysis of the goals, purposes, outputs, project objectives, and process objectives, was prepared. This is a detailed 100-page procedure for analyzing and reporting progress toward planned outputs. Revised bylaws were drafted and presented to the general meeting of 100 savings and credit cooperative societies in February 1980. The societies joined the League as affiliates by paying the affiliation fee, which gave them the right to vote in the general meeting. During the meeting, the delegates voted to accept the League's revised bylaws which officially established the National Savings and Credit League of Sierra Leone (NASCCLOS). According to the bylaws, nine directors and nine alternate directors were elected and subsequently trained to fulfill their duties. To date, 122 savings and credit cooperative societies have become affiliates of the League.

Through October 1980, NASCCLOS had conducted a three-day training session for board members, three one-week regional training courses for committee members of societies, and one two-day seminar for societies. Before the end of the year, a regional course and two secretary/bookkeeper courses will be conducted.

IV. BACKGROUND

Economic Overview

Measured by GNP per capita, Sierra Leone is one of the least developed of West African countries. Per capita GNP was \$210 in 1978; according to IBRD's latest figure, about the average of non-Sahel, coastal countries (\$316), excluding Nigeria and Ivory Coast, and less than half of the level in Liberia and Cameroon (\$460). The population was 3.4 million in mid-1980, increasing 2.6% annually.

A sharp decline in economic activity since FY 1974/75 has resulted in a population growth rate in excess of real growth of GNP. In part, the slow growth can be attributed to the decline in mining output. Real GNP per capita decreased at an annual average rate of 1.3% during 1970/77. Although the quantity of diamond production has decreased, diamonds continue to be the principal export because of favorable world prices and excellent quality of the stones, accounting for 53% of 1979/80 export earnings.

Agriculture is the largest single sector in the economy. When combined with forestry and fishing the sector provides livelihood for 80% of the population and accounts for 30% of

GNP at factor cost and almost 40% of export earnings. Principal export crops are coffee, cocoa, and palm kernels. Production of these crops tends to fluctuate widely. However, the trend during the seventies has been toward increases in production of coffee and cocoa, and a decrease in palm kernel output. During 1979/80, cocoa export sales jumped from 7,200 long tons to about 10,200 long tons, while coffee sales declined by about 5,500 long tons, in part because of smuggling across the border.

The Government faces a severe problem in the agriculture sector since the program for self-sufficiency in production of rice, the principal subsistence crop, has been unsuccessful. Rice production dropped markedly in 1979 and 1980. This decline resulted in negative growth in the agricultural sector during 1978/79, making the country a food-deficit nation. Consequently, the Government has been forced to use scarce foreign exchange to import rice.

National Savings and Credit Cooperative League

The first national league, the Cooperative Savings and Credit League of Sierra Leone, was formed in March 1970 and registered in July 1972. A previous government-operated program designed to provide credit directly to small farmers

was discontinued during the mid 1970's, because of uncollected loans. The League received funding and support from Konrad Adenauer Foundation (KAF) and the Catholic Relief Services (CRS). Training was the principal activity.

Local savings and credit societies were grouped into regional organizations termed credit unions. In 1971, there were 23 societies (unions), comprising 425 societies. Total membership was estimated at 21,250, with total savings of \$757,625. Total loans outstanding were \$626,500. The League was recognized by the society members as the national body, and was providing useful services to its members.

In September 1971, KAF withdrew financial support. The League was left without revenues for its programs and the Government was unable to provide funds. GOSL attention was concentrated primarily on establishing the Cooperative Development Bank. Some cooperative organizers believed the Bank would assume the activities and services provided by the League. During this period, the League was inactive, except for providing supplies for its societies, organizing a few training activities, and participating in conferences sponsored by the Africa Cooperative Savings and Credit Association (ACOSCA). A national seminar, financed by ACOSCA, KAF, and the department of Cooperatives was held in June, 1974.

Subsequently, a team of four participated in ACOSCA's fourth biennial conference held in Monrovia, Liberia, in August 1976. At this conference, a five-year development plan for the League was presented to the ACOSCA Board of Directors.

ACOSCA responded to the League's presentation by funding the position of League manager for one year, starting January 1977. The same month, the first full meeting of the League's Board of Directors in more than five years was held. The meeting noted the support provided by ACOSCA, and discussed how to proceed with revitalization efforts. Candidates that had applied for the position of League manager were reviewed. A tentative selection subsequently was disapproved, however, and Mr. F.E.S. Kapayagula from the Department of Cooperatives was appointed acting manager.

In 1978, the CUNA design team characterized the League's existence as extremely tenuous. The 22-member board of directors was inoperative and needed substantial improvements of skills to make it effective. The staff consisted of the acting manager, seconded from the Department of Cooperatives, and a field organizer for the Freetown area. League efforts, necessarily, had been directed toward a strategy for reactivation. Therefore, except for providing stationery supplies,

it had not provided substantial direct assistance to affiliated societies. Revenue was inadequate to support major activity or service. Office space was barely adequate, and inadequate if new staff was to be hired. The League was essentially an ineffective organization which did not serve the societies in any meaningful way.

Savings and Credit Societies

Savings and credit societies existed in the mid-1960's and grew moderately with assistance from the Department of Cooperatives. A national league was formed in 1970 which stimulated growth of membership and new societies during two years of active existence. As of June, 1975, 754 active and inactive savings and credit societies were registered with the Department of Cooperatives. Nearly all internal savings, reserves and undivided earnings, were loaned. The Cooperative Bank also made loans to societies.

Officials of the Department of Cooperatives estimated that only about half of the registered societies were active or likely to be reactivated. Thus, from 754 existing societies the number of potentially-active societies was about 375. Of these, 145 societies were affiliated to the League.

Concentration of societies in the rural areas indicated that the population in the urban areas had not been organized.

Significant potential existed in the urban areas, particularly among the organized worker groups, for new societies. In 1978, only three of 24 labor unions had savings and credit societies.

Most active societies held regular meetings, usually once a month, at which time each member deposited the minimum savings required by his particular society, normally between one and two leones. For members failing to attend or to save, a nominal fine was levied. In addition, loan repayments are made, new loans granted, and new members' applications considered at the meeting.

In the rural areas, loans were mainly for rice farming, petty trading, artisan crafts, building construction, and school fees. An all-women society made loans mainly for production of gara (tie dye) cloth. Nearly all loans were used for productive purposes with lesser amounts for medical or educational purposes. The term of loans normally was one year or less. Interest rates were set at 15% per annum by the Department of Cooperatives. Because of the shortage of loanable funds, the average loan was only 80 to 150 leones. Loans were guaranteed by the borrower's savings and the savings of the other members, if required, who acted as co-makers.

Because data on savings and credit cooperative societies were not complete or up-to-date, NASCCIOS conducted a new

survey of active societies in 1980.

Department of Cooperatives

The Department is organized by geographic areas, with headquarters in Freetown, regional offices in each of the four regions, and area offices in each of the nine cooperative districts. The area officer is responsible for coordinating the technical assistance activities of the field officers, as well as compiling information about the societies as reported through the visit notes.

A major function of the Department is to register and regulate cooperative societies. Area officers do not have travel funds for visiting societies. The Department of Cooperatives, as a governmental agency, pursues the objectives and policies established by Government. The League, on the other hand, is an independent organization directly accountable to member affiliates.

National Cooperative Development Bank

The National Cooperative Development Bank is the financial arm for the entire cooperative movement. All types of cooperative societies are encouraged to join the Bank, although over 200 of the approximately 350 affiliated societies are savings and credit societies. The Bank was established

in 1971. To join, each society must purchase share capital equivalent to Le4 for each member in its society. This is a one-time fee, with no additional share purchases required as society membership grows. During its early years, the Cooperative Bank was severely undercapitalized and its functions were limited.

The Cooperative Bank has a fairly rigorous loan analysis procedure which includes a lengthy application, detailed financial information, purpose, and projected revenues to be derived from the loan. In addition, each society is personally visited by a Bank member before the loan is granted. Follow-up and supervision activities are fairly good, given limited staff. Most loans are for a 12-month period at 12.5% interest. No society may qualify if it has a delinquent loan outstanding under the former governmental loan program. As a result, the Bank has had no loan defaults.

The Bank's main function is to finance the purchase of farm commodities. It has established a network of eight agencies in the principal agricultural areas to receive produce, as well as to transport and deliver it to the Sierra Leone Produce Marketing Board. The prices paid for produce are set by GOSL, and the Bank receives a commission depending upon the type of commodity. The principal products purchased are cocoa, coffee, and ginger.

V. STATUS OF IMPLEMENTATION

The following sections review the progress of the project in providing inputs and producing outputs. Following a section on project inputs, planned and actual outputs are presented as follows: (1) financial self-sufficiency of NASCCLOS; (2) institutional development of NASCCLOS; (3) development of NASCCLOS services; and (4) society development.

Project Inputs

Agency for International Development. The financial contribution by AID to this 3-year project totals \$499,348, for the following components:

CUNA Technical Assistance	\$309,359
NASCCLOS Operating Costs	97,895
NASCCLOS Training Costs	79,380
NASCCLOS Commodities	<u>16,591</u>
Total	\$499,348

The grant agreement obligated the initial year's funding only, or \$178,058. Shortly before the close of the past fiscal year, an additional \$100,000 was obligated (less than the required amount for the second year), to bring total funding to \$278,058. An additional amount of \$221,290 remains to be obligated under the

grant agreement.

At the outset of the project, it was recognized that the project budget would be inadequate to cover actual cost, largely because of inflation that had occurred since the budget was prepared. Therefore, a revised budget was prepared and submitted to USAID/Freetown. Although the mission supported the requested increase in principle, concurrence was not received from AID/Washington. Accordingly, the project continued to operate under the original budget, causing some delays in acquisition of project equipment, purchasing of stationery supplies, and setting up of the regional offices, along with curtailment of staff travel. Funding uncertainty has had an adverse, although minor, effect on overall project implementation thus far.

Current funding is sufficient to meet costs through April 1981. Amendment of the grant agreement is required at the earliest possible date to provide adequate LOP funding (see Section VI).

Credit Union National Association. As the project grantee, CUNA is responsible for administration of project funds, implementation of the project according to the stated objectives, and for providing technical

assistance. Control of project funds is maintained by a system set up by the management advisor to validate all project-related expenses. These forms are checked on-site, and again at the CUNA office in the U.S. Subsequent disbursements are based on the amount of valid expenses submitted.

As shown in the project implementation schedule, and further discussed in the succeeding sections, the project is proceeding more or less according to the schedule in the project paper, with some adjustments resulting from resource constraints.

Technical assistance is largely provided through the management advisor, Mr. Tsegaye. Mr. Tsegaye's considerable experience and broad range of skills permit him to address all areas for which technical support is required. Thus, in the 10 months that the League has been in operation, he has assisted NASCCLOS to set up its new structure, build an initial base of support from primary societies, organize its internal systems, and begin to develop its service capabilities. The progress made to date largely reflects the quality of his assistance efforts.

	Year 1												Status			
	1	2	3	4	5	6	7	8	9	10	11	12				
16. Conduct affiliate survey to																
a. Identify active societies				}												
b. Initiate revival, merger or liquidation of moribund societies																
c. Gather basic financial and statistical data																
d. Advise affiliates of new League services																
e. Gather data on training needs																
f. Identify potential participants for League training program and potential itinerant bookkeeper candidates																
17. Development of League Inst. Development Program Plan with assistance of GPO staff						X										
18. Design and maintain affiliate monitoring and data collection system							X									
19. Develop training materials																
20. Conduct seminars for affiliates																
a. Regional seminars																
b. Itinerant bookkeepers' seminars								X								
c. National seminars									X							
21. Develop standard policies and procedures guides and training materials																
22. Hold League Annual Meeting	X															
23. Set up and promote Risk Management Program																
24. Consolidate rural sec.																
25. Provide technical assistance and informal training to all affiliates at least twice annually																

d/i p

r s

d

o g

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Department of Cooperatives. As the agency of GOSL responsible for the overall development of co-operatives, the Department has an important role in the eventual success of this project. Efforts by the current registrar, Mr. S.M.D. Gabisi, were largely responsible for the study that eventually led to the current project. At the outset, the Department assisted the League to find suitable office space, acquire the office equipment and vehicles, and identify and select qualified staff. Department staff have also participated as guest lecturers in the League training programs.

Although Department field staff continue to provide inspection and audit services to primary societies, lack of funds for travel limit the number of societies that can be covered. For the same reason, Department field staff were unable to participate as anticipated in the League's society survey. Unfortunately, this placed an extremely heavy burden on the small number of NASCCLOS field staff. Also, the Department has been unable to provide the expected Le3,000 annual cash contribution towards the League's training program.

In short, the Department's own financial problems have limited its ability to collaborate as anticipated in this project. Although little can be done to relieve the GOSL fiscal problems, it would be useful to identify areas in which League/Department cooperation is possible. Towards that end, the League is planning to hold a joint seminar with Department staff to attempt to coordinate training and inspection activities for primary societies.

Financial Self Sufficiency of NASCCLOS

Income. League income is derived primarily from dues and sale of stationery. However, projected income from the risk management program has not been realized because of delay in initiating the program. Original income projections assumed dues of Le6 per society for each of the first two years, changing to 2% of affiliate saving in the third year. During the organizational meeting in February, delegates approved dues of 1% of affiliate savings, effective immediately. Therefore, income projections have been revised.

<u>Planned and Actual</u>	<u>Year 1 (Le)</u>
Project paper	3,136
Revised 5/80	4,000
Actual (through 10/31)	3,751

Of total income received to date, Lel,240, was derived from affiliation fees (Lel0 per society), a one-time charge for each society which will provide only a small income in future years. Income from dues provided Lel,640, about 40% of the total amount due. The low rate of dues payment probably indicates a wait-and-see attitude by most member societies, i.e., the League must demonstrate the value of its services before dues will be paid. Since the League has just initiated its services, member societies are yet to be convinced of their value. Thus, the current low rate is not surprising. However, once the League is able to offer all its intended services, the dues payment rate will be a most important measure, which should be monitored closely.

Operating Expenses. Operating expenses supported by AID include expenses of salaries, benefits, training, travel, and office administration. Not included in the above figures are commodity costs, which are viewed as capital expenditures. The League budget was revised in early 1980 to reflect the greater-than-anticipated inflation in Sierra Leone during the period following preparation of the project budget nearly two years

earlier. An increment of 33% was added to the original budget largely because of increased costs of conducting training seminars, staff salaries, and office expenses. Through November, however, USAID had not approved the revised budget for the project. Therefore, expenditures have been kept within the original budget.

<u>Planned and Actual</u>	<u>Year 1 (Le)</u>
Project paper	49,054
Revised 5/80	65,095
Actual (through 10/31)	35,079

From November 1 to December 31, 1980, two regional seminars and a secretary/manager course will be conducted. Expenses for training, travel, and transport will approximate the budgeted figures. As a result, actual 1980 expenses probably will be slightly under the revised budget (Table 7). Overall, the League is controlling expenses in a satisfactory manner, using budget projections for effective financial management.

Commodity Costs. Commodities provided by AID funding include a VW "Kombi" bus, 4 motorcycles for Field Officers, office furniture and equipment, and audio visual equipment. For all items except the bus, prices had

elevated substantially above original estimates. In addition, substantial renovation was required to provide minimal office facilities. Accordingly, the revised budget for commodities was increased 56 percent.

<u>Planned and Actual</u>	<u>Year 1 (Le)</u>
Project paper	16,930
Revised 5/80	26,350
Actual (through 10/31)	22,025

To date most of the commodities have been purchased, except for some office items. In each case, actual costs have been nearly identical to the revised budget figures. Sound management and control of the commodity budget has been achieved.

Financial Status. As noted in previous sections, NASCCLOS income has been slightly higher than expected, while expenses are lower, resulting in percentages that exceed the targets.

<u>Indicators</u>	<u>Project Paper</u>	<u>Revised Plan</u>	<u>Actual To 10/31</u>
% League Operating Costs/Earned Income	8.8	8.6	12.1
% League Operating and Training Costs/Earned Income	6.0	6.0	9.7

However, since expenses are expected to rise sharply in the last 2 months of 1980, due to several training programs scheduled, end-of-year figures probably will be slightly lower. The long-term self-sufficiency of NASCCLOS is, of course, the key issue but no determination is possible after only 10 months of operations.

3. OPERATING, TRAINING, AND COMMODITY COSTS IN YEAR 1

(Leones)

<u>Type</u>	<u>Project Paper</u>	<u>Revised Budget</u>	<u>Actual To 10/30</u>
<u>Operations and Training Costs</u>			
Salaries	15,203	18,650	13,667
Benefits	760	933	678
Training	17,000	19,000	7,416
Travel/Transport	11,325	14,920	7,281
Office Expenses	4,766	9,875	6,037
Other Expenses	<u>3,136</u>	<u>4,900</u>	<u>3,751</u>
Sub total	52,190	68,278	38,830
<u>Commodity Costs Supported by AID</u>			
Vehicle	7,101	5,900	5,820
Motorcycles	2,700	5,200	5,200
Furniture/Equipment	3,395	11,720	6,008
Audio Visual	2,195	2,500	2,449
Renovation	-	2,500	2,548
Currency Fluctuation (10%)	<u>1,539</u>	<u>-</u>	<u>-</u>
Sub total	<u>16,930</u>	<u>27,820</u>	<u>22,025</u>
Total	69,120	96,098	60,855

4. NASCCLOS MONTHLY STATEMENT OF ACCOUNT, OCTOBER 31, 1980

<u>Account No.</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
0101	Cash	2809.59	
0102	Bank/Cooperative Current	2253.33	
01021	Bank/Cooperative Savings	127.46	
0103	Bank/Barclays	2014.77	
0104	Standard Bank Sierra Leone (Ltd) Savings	20.54	
0105	Furniture & Equipment	8482.10	
0106	Supply & Stationery (Stock)	3406.93	
0107	Receivable	675.00	
0108	Vehicle	5820.00	
0109	Loans Receivable		
0110	Advances - Salary	662.00	
0111	Prepaid Housing Allowance	600.00	
0112	Typewriter	.10	
0113	Cooperative Flag	.10	
0114	Cooperative Publications	60.00	
0115	Rainbow Materials	1008.00	
0116	Motor Cycle	4340.00	
0201	Reserve Fund		285.78
0302	Appropriation		306.94
0303	Provident Fund		1375.77
0304	Affiliate Savings/C.F		
0305	Insurance Premium		
0501	Sale of Supply & Stationery		721.15
0502	Affiliation Fee		1240.00
0503	Dues		1640.00
0504	Grants/ACOSCA (A)		10557.00
05041	Grants/ACOSCA (B)		5631.17
0505	Grants/CUNA/USAID		55404.78
0506	Grants/Cooperative Department		1923.65
0507	Interest Receivable		150.00
0508	Other Income		
0509	Insurance Income		
0510	Service Centre Income		
0511	Interest on C.F. Loan		
0601	Salaries	14476.31	
0602	Fringe Benefits	700.89	
0603	Vehicle Operation	4087.09	
0604	Travel & Allowances	3561.81	
0605	Office rent	8000.08	
0606	Utilities	355.19	
0607	Stationery	1152.64	
0608	Communication	742.77	
0609	Maintenance & Repair	130.00	

0610	Bank Charges	9.98	
0611	Housing Allowance	600.00	
0612	Board Meeting Expenses	1654.65	
0613	ACOSCA Conference	377.80	
0614	ACOSCA Dues	513.50	
0615	Promotion & Public Relations		
0616	Miscellaneous	230.41	
0617	Service Centre Operation		
	Charged Off Account	76.00	
	Seminars	7725.61	
	National Congress Fee	2.00	
	Office Renovation	<u>2548.32</u>	
	TOTAL	<u>79237.09</u>	<u>79237.09</u>

Institutional Development of NASCCLOS

The following sections assess the League's internal management systems. One of the principal project objectives is to define, implement, and strengthen these systems in order for the League, by EOP to have the technical capabilities for adequate management of its internal operations. Five major functional areas are discussed: (1) planning and evaluation; (2) financial management; (3) personnel management; (4) administrative systems and procedures; and (5) accounting and bookkeeping.

Planning and Evaluation. By EOP, the League should be capable of adequately performing institutional planning and evaluation activities including: (1) organisational goal and policy formulation; (2) institutional analysis; (3) institutional planning; (4) action planning; and (5) plan monitoring and evaluation.

During the first year, NASCCLOS formulated an organisational goal and related policy statements as scheduled. Institutional analysis was initiated using the procedure designed by CUNA Global Projects. The management advisor, in collaboration with the manager,

assessed the status of the League with respect to 62 separate processes. This methodology, along with the results, subsequently were discussed with each field officer and the Board of Directors. League staff appears to appreciate this systematic approach.

Institutional development planning was scheduled during the first year, but has been delayed because of scheduling conflicts. The plan outlined in the project paper, with some revision, therefore serves as the League's development plan to date. Greater specificity, achievable through the institutional development planning process, would enhance project implementation. This activity is now scheduled for the first quarter of 1981.

League staff have been trained to prepare output-based action plans against which they report progress monthly. The manager monitors the plans and reports submitted. Although a more rigorous linking of work plan objectives and actual performance is desirable and will be attempted in the future, considerable progress has been achieved. The work plans have reduced the tendency to undertake activities that do not contribute to achieving the established objectives

of the League.

Financial Management. Financial management includes four functions: (1) self sufficiency strategy planning; (2) dues formula and collection procedures; (3) budget planning; and (4) budget controls and analysis.

During the first year, NASCCLOS was not expected to achieve long term self-sufficiency. The strategy of the project paper is still appropriate and, during the second year, the League will progress further toward this objective. With data from the society survey, the League also can more accurately assess growth in savings, which determines long-term self-sufficiency, and prepare a revised strategy.

The organisational meeting in February approved a dues of 1% of each society's savings. This amount should produce adequate income in the immediate future and more than projected in the project paper for the first two years. However, the project paper projected a dues charge of 2% of society savings in the third year. The League must re-evaluate its dues formula at that time to determine its appropriateness in terms

of potential self-sufficiency, and the ability and willingness of member societies to pay a higher fee.

Dues collection procedures have not been adequately addressed to date, as demonstrated by the low payment rate. Field Officers are responsible for collecting and forwarding dues to NASCCLOS headquarters. Since societies are often fully loaned, they lack the liquidity to pay the full dues in a single payment. As a result, the League plans to implement semi-annual dues payments in 1981.

The League assisted in preparation of both the original budget contained in the project paper, and the revised budget prepared on initiation of the project. The League has used the budget effectively to monitor and control project-related expenses. However, NASCCLOS has small amounts of financial support from both the Department of Cooperatives and the Africa Cooperative Savings and Credit Association (ACOSCA). To date, the League has not prepared an operational budget for the use of these funds, resulting in inadequate planning and control. A separate budget for these funds, or a consolidated budget, incorporating funds from all sources, would be useful.

Personnel Management. Personnel management involves the following five activities: (1) function/task analysis; (2) job description/salary and benefits identification; (3) recruitment and selection; (4) staff training; and (5) staff evaluation.

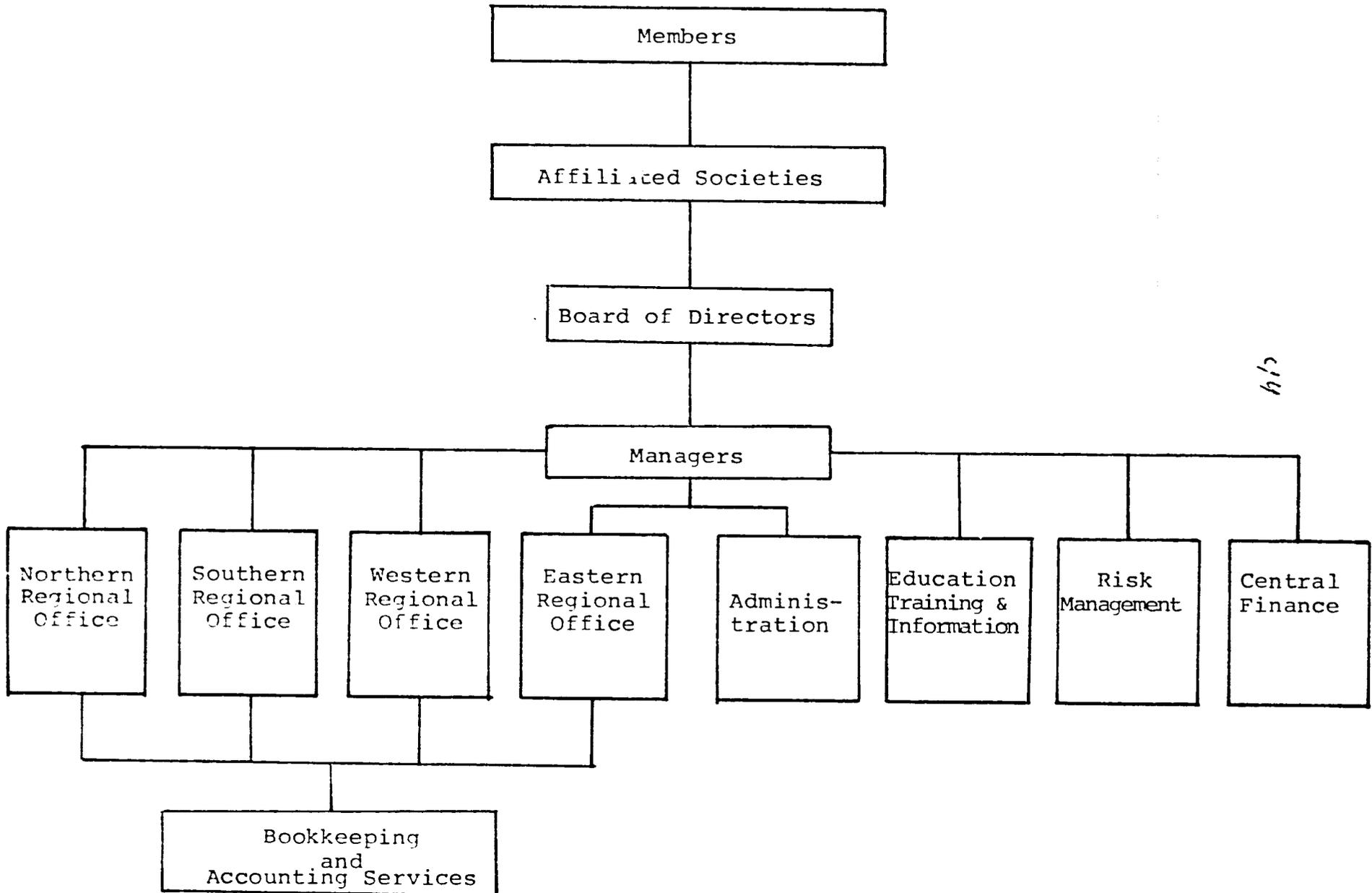
Using the method developed by CUNA for institutional analysis, similar functions were grouped and specific tasks identified. From this analysis, job descriptions were prepared for each position. The positions were advertised widely in the local media producing a flood of responses (over 100 applications for one position). A personnel committee, composed of the league manager, management advisor, and officials of the Department of Cooperatives reviewed the applications, and conducted personal interviews. Staff selection was made according to the objective criteria established for each position.

NASCCLOS has prepared policy guidelines relating to conditions of employment and benefits. Staff training was initiated upon completion of the selection process with a month-long program at League headquarters in March. Included in this program were discussions of the project objectives and outputs, implementation

5. Staff of National Savings and Credit
Cooperative League of Sierra Leone

<u>Position</u>	<u>Name</u>	<u>Date Employed</u>
Manager	F.E.S. Kpayagula	March 1980
Education Officer	F.B. Laggah	March 1980
Regional Field Officer	A.S. Conteh	March 1980
Regional Field Officer	M.M.B. Lansana	March 1980
Regional Field Officer	W.K.S. Nao	March 1980
Regional Field Officer	G.A. Sam	March 1980
Secretary/Typist	Ms. Sylvia B. Tarmoh	January 1980
Asst. Regional Field Officer (North)	B. Labor-Sesay	March 1980
Asst. Regional Field Officer (South)	Charles Quee	August 1980
Driver	J.W. Browne	January 1980
Messenger	Patrick S. Juinisa	January 1980

6. NATIONAL SAVINGS AND CREDIT CO-OP. LEAGUE OF SIERRA LEONE (NASCCLOS)



strategy, and resource inputs, as well as components of the League's operations, including its structures and services. Additional formal staff training programs are scheduled for years 2 and 3. To date, no systematic on-the-job training program has been devised, although informal training occurs during the monthly meetings of all staff at NASCCLOS headquarters. Specific on-the-job training as part of the League's development plan could be useful.

No staff evaluation system has been prepared, but will be undertaken at the close of the current year.

Administrative Systems and Procedures. The processes included under this function are: (1) files and records system; (2) funds receipt and disbursement procedures; (3) internal information systems; (4) materials and equipment management; and (5) office location and space design.

NASCCLOS has established a files and record system that is adequate for present circumstances. However, with the expected large increase in the number of affiliates, the system may need revision to accommodate the large flow of regular information received. Largely because of the fairly exacting procedure established by

CUNA to control project funds, the League's receipt and disbursement procedures are well established. Vouchers are required for all expenses incurred by League staff, all expenses in excess of Le200 must be paid by cheque, all cheques require signatures of both the Manager and a Board official.

The present internal information system among League staff members consists of regular monthly reports submitted by all staff, with the manager's report submitted to the board each month. Regular communications with field staff of course suffers from the normal developing-world obstacles related to postal and telecommunications services. Since the organisation is small, no serious problem exists in information routing, storage and retrieval.

The office location and layout is modest but adequate for present needs. Office space acquired at the outset of the project is located in the heart of Freetown, close to relevant Government Ministries, and sufficient for present staff members. Any significant increase in staff size would necessitate alternative or additional facilities.

Accounting/Bookkeeping. The processes included under this function are: (1) accounting system design; (2) bookkeeping; and (3) financial statement preparation and analysis.

NASCCIOS was scheduled to achieve adequate performance in all of these processes by the end of the first year. The accounting system has been designed and implemented, and the bookkeeping system is performing adequately. Although the League's financial statements have been improved considerably, additional refinement is desirable.

The accounting system was changed from the traditional English system, using a cash book, to the American system utilizing a multi-column journal and general ledger accounts, which corresponds with the accounting systems used by most credit union organizations worldwide. The League's bookkeeping is up-to-date, permitting timely preparation of the League's financial statements.

However, the manager currently performs the League's bookkeeping. Not only does this require a substantial part of his time, which could be better utilized for management functions, but it violates a basic financial

management principle, i.e., separation of the accounting function from the operational functions. Accordingly, the evaluation team recommends that a bookkeeper be added to the League staff, financed in part by project funds. The additional costs will be small, but would contribute significant benefit to the organisation.

The League prepares a monthly trial balance, a format that has somewhat limited informational value. Using this format, the League's total assets can only be determined by calculation, and its equity position is not revealed. In addition, it is impossible to identify the amount of grant funds applied against League expenses versus the amount used to acquire assets. It is recommended that NASCCLOS prepare a complete statement of financial position (balance sheet), and an income/expense statement monthly. This format would provide more useful information for the board and management.

Development of NASCCLOS Services

In addition to development of internal management capabilities, the project is designed to develop a number of services that will permit NASCCLOS to meet major needs of member societies. These needs, identified

during preparation of the project paper, have been confirmed during the first year of operations. The key services discussed below are: (1) training; (2) promotion; (3) stationery supplies; (4) book-keeping assistance; (5) standard policies and procedures; (6) risk management; and (7) information systems. In addition, the League recognized the need to provide financial services to members and its by-laws include the option of developing a central finance program which would permit societies to deposit a portion of their savings with NASCCLOS and enable NASCCLOS to lend to societies. This service is to be initiated in the second year. When established, it will be not only a valuable service for member societies, but a potentially major income source for the League.

Training. The project paper concluded that the most significant service the League can provide is training at all levels.

<u>Indicators</u>	<u>Project Paper</u>	<u>Revised Plan</u>	<u>Actual to 11/30</u>
League Board of Directors trained	22	15	18
Society Committee Members trained	360	260 ^{1/}	209
Society Secretaries trained	30	30	-

The training program was initiated with the national seminar held in February 1980, attended by 91 committee members. Since then, committee members have received training in 3 regional seminars, reaching 118 persons. The fourth regional seminar is scheduled in December when the revised training target for 1980 will have been met. Committee member training addresses the functions of the various committees of the society, e.g., loan policies and procedures, basic accounting, and risk management, and uses mock sessions of the various committees to illustrate the points presented. Participants are tested to determine the effectiveness of the training, and prepare a post-training evaluation of the entire program (See Annexes E and F).

^{1/} Includes committee members trained at the national seminar.

In March, following election of the board of directors at the organizational meeting, a two-day training seminar was held for board delegates and alternates (9 each) to discuss the objectives of the project, CUNA's approach to institutional development, the role and function of League board members, relationship with the Department of Cooperatives, and League goal and policy statements. During this initial period, the League board met monthly, to discuss and review operations, and provide informal training. Additional formal training seminars for the board are scheduled for each of the subsequent two years.

The training course for society secretaries is scheduled in December, with a second seminar in early January. By that time, approximately 60 society secretaries will have received basic training in society bookkeeping.

Promotion. Thus far, promotion and organization of new societies has concentrated solely in the Freetown area on large employee groups. Little previous promotional efforts had been undertaken in the urban areas, most existing societies being in rural areas. Savings

and credit societies with a single employer offer the advantage of the payroll deduction system, which practically ensures a high savings growth rate and reduced loan delinquency. In addition to the four societies already organized, nine employee groups are in the pre-organization stage, including the Produce Marketing Board, Clay Industries, Government Printing Office, the Electricity Corp., the Sierra Paint Factory, and others. Assuming these initiatives bear fruit, it is possible that the target may be reached by the end of the year.

<u>Indicators</u>	<u>Project Paper</u>	<u>Revised Plan</u>	<u>Actual to 10/31</u>
New societies organized	10	10	4
Societies affiliated to NASCCLOS	188	250	122

With respect to the number of affiliated societies, the League has modified its original strategy. It was assumed that the League would encourage societies which it had contacted to affiliate. However, the society survey dramatized the problem of viability of a large number of small societies. NASCCLOS decided that no purpose would be served by encouraging the smallest societies to join, since their long-term viability is

at best questionable. Therefore, only societies with more than 50 members were initially encouraged to become NASCCLOS affiliates. Using this criterion, NASCCLOS accepted 122 affiliates, about one-half of the revised plan target. The evaluation team concurs with this more stringent standard as in the best interests of both NASCCLOS and the movement during Phase I of the project. The League should not expend an excessive amount of resources on a large number of small societies. Accordingly, the evaluation team recommends that the target be revised to reflect the current plan.

Stationery Supplies. The stationery sales program has been handicapped by the lack of supplies. Initial attempts to identify a local printing firm to produce bookkeeping forms and records proved fruitless. Until recently the detailed accounting forms could not be printed locally. As an alternative, the League ordered stationery supplies from CUNA supply, the major U.S credit union supplier. Even with the transport costs, the unit costs would have been relatively inexpensive. However, the supplies have not been received, although requested nearly 6 months ago. The only supplies that the League has been able to distribute were purchased before initiation of the project.

<u>Indicators</u>	<u>Project Paper</u>	<u>Revised Plan</u>	<u>Actual to 10/31</u>
Societies receiving League Stationery Supplies	150	150	79
Sales volume/ stationery supplies	\$3,920	L34,500	Le721

Demand by member societies is still high, and when the shipment finally arrives much of it will be sold almost immediately. In fact, the 1980 target could be met if supplies arrive before December.

The League recognizes that in the long run a local source must be identified. Within the past week, a firm indicated that equipment had recently arrived which could print the required materials. The League is investigating this information. If a reliable local printer can be found, NASCCLOS should have no trouble meeting stationery sales targets.

Bookkeeping Assistance. Two itinerant bookkeepers (assistant field officers) were employed by the League in March and assigned to the Southern and Northern regional offices in April. The bookkeepers provide on-the-job training to society secretaries to bring their book up-to-date, and prepare trial balances.

This program has proved quite successful in developing skills at the local level. In time, these societies will be able to perform all necessary bookkeeping tasks without regular assistance and supervision by either the League or the Department of Cooperatives.

<u>Indicator</u>	<u>Project Paper</u>	<u>Revised Plan</u>	<u>Actual to 10/31</u>
Societies receiving bookkeeping assistance	30	30	23

This program incurred a significant setback when the itinerant bookkeeper for the Northern province suffered a motorcycle accident in May, causing his absence through November. He is scheduled to return to work in December. Two additional itinerant bookkeepers will be employed in 1981, per the project design; therefore, bookkeeping service will be significantly expanded in years 2 and 3 of the project.

Standard Policies and Procedures. During the first year, NASCCLOS has been active in preparing guidelines for use by its affiliated savings and credit societies. Most often, guidelines have resulted from materials prepared for the various training seminars. In 1980, NASCCLOS prepared: (1) loan process guide; (2) loan

policy guidelines; (3) interest rate table; (4) Board of Directors: functions, duties and responsibilities; (5) Credit Committee: functions, duties, and responsibilities; (6) Supervisory Committee: functions, duties and responsibilities; and (7) Model Bylaws.

<u>Indicator</u>	<u>Project Paper</u>	<u>Revised Plan</u>	<u>Actual to 10/31</u>
Standard guides prepared and disseminated	1	1	7

These guides were distributed to participants of the various training programs. With expanded training activities scheduled for the next two years, additional, more sophisticated guidelines will be prepared.

Risk Management. The risk management program has not been initiated as scheduled because of a continuing dispute between ACOSCA and the re-insurer, CUNA Mutual. As a result of problems with insurance programs elsewhere in Africa, CUNA Mutual has requested ACOSCA to meet a number of conditions before accepting a new national association into the program. To date, these conditions have not been met. Thus, even though NASCCLOS signed and forwarded the risk management contract to

ACOSCA in April 1980, it has become effective, and this service is still unavailable to NASCCLOS affiliates.

<u>Indicator</u>	<u>Project Paper</u>	<u>Revised Plan</u>	<u>Actual to 10/31</u>
Societies participating/ League Insurance Program	10	10	-
Savings Insured	\$33,418	Le33,418	-
Loans Insured	\$36,759	Le36,259	

Continued delay could damage seriously the image of NASCCLOS among member societies. Provision of insurance on member savings and loans is perhaps the most attractive service a League can offer, and is a major incentive for societies to affiliate. If the League cannot deliver this service, the interest and support that has been generated to revitalize the movement may dissipate.

Information System. During 1980, the League utilized much of its field staff to complete the survey of active societies. Field officers and the assistant field officers spent much of their time visiting societies to collect the required information. Completion of this activity was originally scheduled for July, but assistance from the Department of Cooperatives field staff did not materialize and this time-consuming task

was performed solely by League staff. A cut-off date of December 31 has been established when nearly all societies that are in any sense active will have been surveyed.

<u>Indicator</u>	<u>Project Paper</u>	<u>Revised Plan</u>	<u>Actual to 10/31</u>
Data Survey completed Active Societies	375	375	309
Quarterly financial/statistical reports	4	5	-

The information is being compiled on spread sheets and only cursory analysis has been made. This information is a major improvement in available data which, after analysis, will provide a fairly detailed profile of active societies.

Regular quarterly financial/statistical reports, as designated in the project paper, will essentially be up-dates of the information gathered in the original survey, derived from visit notes submitted by field staff. These reports will commence with the first quarter of 1981.

Society Development

A strong savings and credit cooperative system requires a solid base of primary societies. A major

project objective focuses on developing that base in Sierra Leone by strategies to address weaknesses in existing societies, and by expanding the movement to include groups not yet organized. Successful project implementation should produce noticeable effects in four key areas: membership, savings, loans, and financial status.

Membership. In its survey of active societies, (309 completed to 10/31), the League found just 16,225 members, compared with about 38,400 recorded with the Department statistics vastly overstate society membership. Assuming a total of 375 active societies, approximately 20,000 total members would be obtained. This clearly reduces the potential membership for NASCCLOS affiliates. Since the project paper estimates EOP membership of NASCCLOS affiliates at 40,500, the greatly reduced start-of-project status, makes it unlikely this figure can be achieved.

<u>Indicator</u>	<u>Members in Year 1</u>		
	<u>Project Paper</u>	<u>Revised Plan</u>	<u>Actual to 10/31</u>
Active Societies	38,400	38,400	16,225
NASCCLOS affiliates	19,200	19,200	10,191

Most societies are quite small. Only 112 of the societies surveyed had membership in excess of 50. Average society size is 53. This results from a deliberate policy in many societies that limits membership to individuals well known to current members, and from the lack of promotional efforts by Department of Cooperatives field staff. The League, emphasizes the difference between a true savings and credit cooperative society, which continually attempts to expand its base to better serve its membership, and a savings club, which many of the existing societies resemble, that limits service to a select few.

As noted elsewhere, the League also is organizing new societies among employer groups in urban areas. The potential to gain a large number of members through such societies, e.g., the Teachers Savings and Credit Society has more than 2,000 members, can assist NASCCLOS to expand its membership base more rapidly.

Savings. Savings growth similarly has been very slow, because of inadequate promotional and educational activities. Traditionally, members contribute .50 or 1 leone per month. There has been little previous effort

to demonstrate the advantages of a higher savings rate. As a result, average society savings is just Le3,375, with a per member savings of Le64. For NASCCLOS affiliates, the averages are somewhat higher, Le6,031 per society, and Le72 per month.

(Leones - 000's)

<u>Indicator</u>	<u>Savings/Year 1</u>		
	<u>Project Paper</u>	<u>Revised Plan</u>	<u>Actual to 10/31</u>
Active Societies	1,728	1,265	1,043
NASCCLOS Affiliates	864	840	736

During its training programs, the League emphasizes the importance of sustained savings, and describes the potential benefits obtainable, including increased credit potential and higher dividend income. Urban societies, with the potential for a payroll deduction system, provide the most efficient means to rapidly increase movement savings.

Loans. Loans outstanding obviously is correlated to the magnitude of savings available. Not only has the small savings limited the loan potential, but the lack of established policies has often restricted credit to a select few, with unlimited extensions or renewals.

(Leones - 000's)

<u>Indicator</u>	<u>Project Paper</u>	<u>Revised Plan</u>	<u>Actual to 10/31</u>
Loans/Active Societies	1,900	1,392	1,245
Loans/NASCCLOS Affiliates	950	924	907

NASCCLOS has prepared loan policies, procedures, applications, and a model contract for use in their training programs and for dissemination to societies during visits by field staff. In time, improved loan performance by member societies should be observable.

Financial status. No specific indicators have been developed for measuring financial status. Data, instead, indicates the overall financial condition of primary societies. Preliminary review of survey data indicates that many societies have accumulated a considerable sum shown as undistributed earnings. Two major reasons explain this. First, most societies incur minimal expenses, occasionally for stationery supplies, or travel for a committee member. No society yet surveyed has a paid secretary/manager or rented office space. Second, most societies do not pay dividends on member savings. As a result, nearly all societies operate with a comfortable surplus.

In its training programs, NASCCLOS encourages payment of dividends to promote member savings. With expected growth of membership and savings, particularly among urban societies, several societies will require paid management in the near future. The League will encourage societies to undertake these steps, and will provide the technical assistance required, since experience has shown that subsequent society growth is greatly accelerated. At that point, careful financial planning will be essential in order to continue operating with a surplus.

VI. REVISED BUDGET

The revised project budget is \$95,603 (19.1%) higher than the original budget. Of this amount, \$84,464 is attributable to inflation of planned expenses. Three major factors explain the increase.

First, significant inflation took place during the 20-month period between preparation and submission of original budget, and initiation of project. The consumer price index for Sierra Leone/Freetown rose from 255.8 in January, 1978 to 345.9 in October, 1979, an increase of 35.2%. The project, therefore, commenced expenditures on a higher cost plateau than anticipated. This index indicates changes in the Leagues recurring expenses, i.e., salaries, office expenses, and staff travel supported by AID. Accordingly, the first year budget for NASCCLOS operating and training costs has been adjusted upwards by 30.8%, from Le52,190 to Le68,278, but by less than the increase in the consumer price index.

Second, in the original project budget, an inflation factor of 5 to 10% per year was used to estimate major recurring expenses, such as staff salaries.

Given continuing inflation nationwide, it seems prudent to increase that factor to 10 to 15%. Thus as a result of the higher starting cost level and the slightly higher inflation factor assigned to years 2 and 3, League operating and training expenses have increased by Le77,560 (36.8%) above the original budget. Third, commodity costs have been increased from \$16,591 to \$29,224. This increase is due almost entirely to the low estimate in the original budget of the amount of office furniture, fixtures, and equipment that would be required by NASCCLOS, combined with increased per unit cost of many items.

The evaluation team concluded that the revised costs and income are accurate and justify support by AID, given unavoidable delays in initiating the project, and prevailing inflation.

The proposed budget includes an increase of \$11,139 (3.6%) for CUNA technical assistance. Although the costs of AID-supported contract personnel have risen substantially, particularly for housing and travel, these have been largely offset by employment of a single person without family, as the CUNA management adviser, instead of the usual family of 4, as estimated in the original budget.

7. SUMMARY OF ADDITIONAL FUNDING REQUIRED

(U.S. Dollars)

<u>Type</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Increase</u>
NASCCLOS Budget Support	173,398	245,229	71,831
NASCCLOS Commodities	<u>16,591</u>	<u>29,224</u>	<u>12,633</u>
Sub-Total	189,989	274,453	84,464
CUNA Technical Assistance	<u>309,359</u>	<u>320,498</u>	<u>11,139</u>
Total	499,348	594,951	95,603

Note: See supporting table which follows.

8. ANALYSIS OF INCREASE IN PROJECT COSTS

<u>Type</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Increase/ (Decrease)</u>	<u>(Leones) Percent Increase/ (Decrease)</u>
<u>NASCCLOS Operating Budget</u>				
<u>Income</u>				
Affiliation	-	2,200	2,200	-
Dues	26,471	30,820	4,349	16.4
Stationery Sales	6,750	3,600	(3,150)	(46.7)
Risk Management	412	1,275	863	209.5
Subtotal	33,633	37,895	4,262	12.7
<u>Operating Expenses</u>				
Personnel	61,633	85,694	24,601	39.0
Training	81,000	97,000	16,000	19.8
Travel/Transport	43,494	54,560	11,066	25.4
Office Expenses	13,208	30,885	17,677	133.8
Other Expenses	11,234	19,990	8,756	77.9
Subtotal	210,569	288,129	77,560	36.8
<u>Deficit</u>	176,936	254,009	77,073	43.6
(In U.S. \$)	173,398	248,929	75,531	
<u>NASCCLOS Commodities</u>				
Vehicles	9,801	11,100	1,299	13.3
Furniture/Fixture, Equipment	3,395	13,720	10,325	304.1
Audio-Visual	2,195	2,500	305	13.9
Inflation (10%)	1,539	-	(1,539)	(100.0)
Renovations	-	2,500	2,500	-
Subtotal	16,930	29,882	12,890	76.1
(In U.S. \$)	16,591	29,224	12,633	
Total NASCCLOS Support	189,989	274,453	84,464	44.5
<u>CUNA Technical Assistance (In U.S. \$)</u>				
Salary	78,199	79,761	1,562	2.0
Fringe Benefits	21,433	21,093	(340)	(1.6)
Consultants	26,330	18,480	(7,850)	(29.8)
Allowances	33,594	39,540	5,946	17.7
Travel	71,287	75,980	4,693	6.6
Other Direct	12,500	17,400	4,900	39.2
Equipment	16,750	18,000	1,250	7.5
Indirect costs	49,266	50,244	978	2.0
Total	309,359	320,498	11,139	3.6
Total Project	499,348	594,951	95,603	19.1

9. . REVISED PROJECT BUDGET 1979-82

(U.S. Dollars)

<u>Type</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>Total</u>
NASCCLOS Budget Support <u>1/</u>	-	62,992	92,460	89,777	245,229
NASCCLOS Commodities <u>2/</u>	-	27,264	1,960	-	29,224
Sub-Total	-	90,256	94,420	89,777	274,453
CUNA Tech. Assistance <u>3/</u>	9,372	106,142	88,989	115,995	320,498
Total	9,372	196,398	183,409	205,772	594,951

1/ See supporting table, NASCCLOS Summary Operating Budget.

2/ See supporting table, NASCCLOS Commodities Budget.

3/ See supporting table, NASCCLOS Technician Budget.

10. REVISED NASCCLOS SUMMARY OPERATING BUDGET

<u>Type</u>	(Leones)			
	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>Total</u>
<u>Income</u>				
Affiliation Fees	1,400	400	400	2,200
Dues	1,700	7,500	21,600	30,820
Stationery Sales	900	1,200	1,500	3,600
Risk Management	-	410	865	1,275
Subtotal	<u>4,000</u>	<u>9,530</u>	<u>24,365</u>	<u>37,895</u>
<u>Operating Expenses</u>				
Personal	19,583	29,417	36,694	85,694
Training	19,000	39,000	39,000	97,000
Travel/Transport	14,920	18,020	21,620	54,560
Office Expenses	9,875	10,260	10,750	30,885
Other Expenses	4,900	7,180	7,910	19,990
Subtotal	<u>68,278</u>	<u>103,877</u>	<u>115,974</u>	<u>288,129</u>
Percent Income/ Operating Expenses	5.9	9.2	21.0	
<u>Operating Deficit</u>	<u>64,278</u>	<u>94,347</u>	<u>91,609</u>	<u>250,234</u>
(In U.S. \$)	62,992	92,460	89,777	245,229

Note: See supporting tables which follow.

11. REVISED NASCCLOS INCOME, JANUARY 1, 1980-
DECEMBER 31, 1982

	(Leones)			
<u>Type</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>Total</u>
<u>Affiliation Fees</u>				
New/Affiliates	140	40	40	
Fee/new affiliate	.10	.10	.10	
Income fees	1,400	400	180	2,200
<u>Dues</u>				
Affiliates in Jan.	0	140	180	
Savings-Existing				
Affiliates ^{1/}	0	840,000	1,250,000	
New Affiliates	140	40	40	
Savings-New Affiliates	840,000	200,000	200,000	
Pro-rated-Average (½ Yr.)	420,000	100,000	100,000	
Dues Savings Base	420,000	940,000	1,350,000	
Dues Rate	1%	1%	2%	
Dues Billing	4,200	9,400	27,000	
Collection Rate	40%	80%	80%	
Dues Income	1,700	7,520	21,600	30,820
<u>Stationery Sales</u>				
Gross Sales	4,500	6,000	7,500	
Margin	20%	20%	20%	
Income/Stationery Sales	900	1,200	1,500	3,600
<u>Risk Management</u>				
Savings	420,000	1,045,000	1,762,500	
Loans Outstanding	462,000	1,150,000	1,938,750	
Potential Premium Base	882,000	2,195,000	3,701,250	
Percent Covered ^{2/}	0%	40%	50%	
Actual Premium Base	0	878,000	1,850,625	
Premiums Received				
(.78%)	0	6,848	14,435	
Commissions (6%)	0	410	865	1,275
Total Income	4,000	9,530	24,365	37,895

^{1/}Assumes 25% annual increase in savings of existing affiliates, plus savings of new affiliates entering during year.

^{2/}ACOSCA was unable to approve NASCCLOS application to risk management program in 1980.

12. REVISED NASCCLOS OPERATING BUDGET,
JANUARY 1, 1980 - DECEMBER 31, 1982

	(Leones)			
<u>Type</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>Total</u>
<u>Personnel Salaries</u>				
Manager	3,170	3,646	4,192	
Education Officer	2,580 ^{1/}	3,237	3,723	
Field Officers (4)	7,630 ^{1/}	9,573	11,008	
Asst. Field Officers (2)	2,070 ^{1/}	2,597	2,986	
Asst. Field Officers (2)	-	2,484	2,856	
Asst. Field Officers (2)	-	-	2,732	
Bookkeeper/Clerk	-	1,650	1,898	
Secretary	1,450	1,668	1,918	
Copy Typist	-	1,056	1,214	
Driver	900 ^{1/}	1,127	1,296	
Office Messenger	850	978	1,124	
Subtotal - Salaries	<u>18,650</u>	<u>28,016</u>	<u>34,947</u>	
Fringe Benefits - 5%	933	1,401	1,747	
Subtotal	<u>19,583</u>	<u>29,417</u>	<u>36,694</u>	85,694
<u>Training Seminars</u>	19,000	39,000	39,000	97,000
<u>Travel/Transportation</u>				
Vehicle Operation	6,800	7,480	8,230	
Staff Travel Allowance				
Manager	1,500	1,650	1,800	
Education Officer	1,500	1,650	1,800	
Field Officers (4)	2,880	3,200	3,600	
Asst. Field Officers (2)	1,440	1,580	1,740	
" " " (2)		1,580	1,740	
" " " (2)		-	1,740	
Driver	800	880	970	
Subtotal	<u>14,920</u>	<u>18,020</u>	<u>21,620</u>	<u>54,560</u>
<u>Office</u>				
Rent	4,000	4,000	4,000	
Utilities	800	600	660	
Stationery/Supplies	2,000	2,200	2,420	
Communications	1,500	1,650	1,820	
Maintenance/Repairs	200	220	240	
Bank Charges	200	220	240	
Dept. of Furniture	<u>1,175</u>	<u>1,370</u>	<u>1,370</u>	
Fixtures				
Subtotal	<u>9,875</u>	<u>10,260</u>	<u>10,750</u>	30,885

<u>Type</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>Total</u>
<u>Other</u>				
Board Expenses	2,000	1,500	1,500	5,000
Annual Meeting	-	2,500	2,500	5,000
ACOSCA Conference	250	280	310	840
ACOSCA Dues	550	700	1,200	2,450
Promotion/Public Relations	1,100	1,200	1,400	3,700
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>3,000</u>
Subtotal	4,900	7,180	7,910	19,990
Total	<u>68,278</u>	<u>103,877</u>	<u>115,974</u>	<u>288,129</u>

$\frac{1}{2}$ (11 month in 1980)

13. NASCCLOS COMMODITIES BUDGET

	(Leones)			
	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>Total</u>
<u>Vehicles</u>				
1 V.W. "Kombe" Bus	5,900			
4 Hondas (4 x Le1300)	<u>5,200</u>			
Subtotal	11,100			11,100
<u>Office Furniture and Fixture</u>				
11 Writing Desks	2,500			
5 Chairs	320			
21 Wooden Chairs Le50 each	1,050			
2 Wooden Tables Le150 each	300			
2 Wooden Cupboards Le225 each	450			
4 Wooden Cupboards Le250 each		1,000		
8 Table Fans Le100 each	800			
15 Pieces of Window Curtains	150			
Field Offices' Room	500			
1 Refrigerator	<u>700</u>			
Subtotal	7,070	1,000		8,070
<u>Office Equipment</u>				
2 Filing Cabinets	1,000			
2 Filing Cabinets		1,000		
1 Duplicating Machine	1,450			
2 Typewriters	1,600			
1 Calculator	<u>600</u>			
Subtotal	4,650	1,000		5,650
<u>Audio Visual Equipment</u>	2,500			2,500
<u>Renovations</u>				
Office	<u>2,500</u>			<u>2,500</u>
Total (Le)	27,820	2,000		29,820
(\$)	27,264	1,960		29,224

14. CUNA TECHNICIAN BUDGET

(U.S. Dollars)

<u>Type</u>	<u>1979</u> 3 ms.	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>Total</u>
Salary	4,820	22,641	24,905	27,395	79,761
Benefits (27% Salary)	860	6,113	6,724	7,396	21,093
Consultants			8,800	9,680	18,480
<u>Allowances</u>					
Post Allowance	535	1,305	1,380	1,455	4,675
Housing	-	4,000	6,000	6,000	16,000
Differential	125	5,660	6,230	6,850	8,865
Subtotal - Allowances	660	10,965	13,610	14,305	39,540
<u>Travel, Relocation</u>					
Air Fare		1,000		1,000	2,000
Household Goods		8,500		8,500	17,000
Unaccomp. Baggage		1,300		3,000	4,300
Project Equipment & Transportation		1,000			1,000
Accomp. Baggage		200		300	500
Temporary Housing		3,960		1,500	5,460
<u>Travel, In-Country</u>					
Vehicle		6,600	7,560	8,620	22,780
Per Diem Per Year		4,000	4,400	4,840	13,240
<u>Travel, International</u>					
ACOSCA Consultation		3,000		3,700	6,700
Subtotal					
R/R Home Leave			1,000	2,000	
Subtotal		29,560	12,960	33,460	75,980

(U.S. Dollars)

	<u>1979</u> <u>3 ms.</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>Total</u>
<u>Other Direct Costs</u>					
Textbooks and training material		2,500	1,000	1,000	4,500
Stationeries and Supplies		800	900	1,000	2,700
Misc. (Telephone, Telegram)		800	900	1,000	2,700
ACOSCA Support		<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>7,500</u>
Subtotal		6,600	5,300	5,500	17,400
Equipment		16,000	1,000	1,000	18,000
Indirect Costs (CUNA)	<u>3,032</u>	<u>14,263</u>	<u>15,630</u>	<u>17,259</u>	<u>50,244</u>
Total (\$)	9,372	106,142	88,980	115,935	320,498

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ANNEXES

A. SAVINGS AND CREDIT COOPERATIVE SOCIETIES
AFFILIATED TO NASCCLOS, OCTOBER 30, 1980

(Leones)

	<u>Name</u>	<u>Members</u>	<u>Savings</u>	<u>Loans</u>
1.	Khukarene	61	10546	11970
2.	Mbundorbu	58	4093	3145
3.	Farlu	119	3519	4872
4.	Njagboima	48	5452	5630
5.	Kornia	55	4590	2173
6.	Ballie	149	4959	6872
7.	Taiama Women	64	4904	7248
8.	Taba	42	828	516
9.	Samamie Women	120	10318	8591
10.	Port Loko Women	46	4032	9427
11.	Briwa Town	100	8113	10481
12.	Makeni East	130	25050	21782
13.	Makali Junction	86	5707	8196
14.	Yonibana Men	34	7251	10481
15.	Malombi	63	15703	23436
16.	Thantho-Kuru	73	19234	38271
17.	Kukuna	35	3412	12762
18.	Semabu Goleila	101	12057	18300
19.	Blama (Jong)	53	3187	7070
20.	Mayema	56	3434	4540
21.	Bonthe Southern	56	1736	1460
22.	Mattru Railyway Line	86	7634	6586
23.	Salina Women	48	5139	4796
24.	Battiana	52	2831	2418
25.	Mattru Central	53	5564	2135
26.	Mattru Women	52	760	582
27.	Semabu	57	3219	5984
28.	Mamaligie	50	1445	2216
29.	Gerihun Road Women	85	4205	4588
30.	Konta Kuma	100	5568	5366
31.	Ramatulai	50	3441	5636
32.	Lunsar Women	65	10018	25683
33.	Tamaraneh	34	4954	8778
34.	Mokoba	62	3165	4537
35.	Maborthraneh	52	6167	9969
36.	Makeni North East	93	13775	21238
37.	Mabonto	55	5263	9107
38.	Ronulla	65	2360	1986
39.	Mathora Rice Farmers	100	2936	3660
40.	Fatima Salary Earners	70	19584	18538
41.	Yele	52	4322	2521
42.	Bonthe Northwards	28	1268	711
43.	Naijeh	58	3456	6210
44.	Grima Sogbini	55	2643	4077

(Leones)

	<u>Name</u>	<u>Members</u>	<u>Savings</u>	<u>Loans</u>
45.	Jahun	56	978	916
46.	AlMunumun	57	1946	1930
47.	Blama Women	52	9727	15085
48.	Forest Industries Corp	245	8705	10476
49.	Pendembu Upper Bambara	156	5125	11680
50.	Malema	50	4348	8415
51.	Malema Men	67	4348	4880
52.	Gbundapi	60	2908	2754
53.	Bamba Sengesia	62	1102	1640
54.	Kpumbu	50	468	674
55.	SLTU	2048	123581	84302
56.	Quayside	60	2000	8000
57.	Pendembu Upper Bambara	79	4311	11306
58.	Manowa Women		3520	7422
59.	Kamaraneh	74	3427	4687
60.	Jamieu Bytulla	116	3104	1824
61.	Dock Workers	334	21831	14585
62.	Coop. Dept. Salary Earners	128	29284	39016
63.	Moriba Town Women	150	10238	16727
64.	Mayama Makuru	58	3434	4540
65.	Gboyama	63	991	1202
66.	Bonthe Marine Mechanics	53	1953	1565
67.	Kankajama Men	38	2251	3980
68.	Bonthe Nydenhun	34	1744	672
69.	Potoru Women	94	5938	7058
70.	Potoru Men	58	5215	5920
71.	Kenema New Site Women	26	1661	888
72.	Mayowa	88	6192	8262
73.	Gobaru Women	52	2602	1836
74.	Tanninahun	58	566	846
75.	Mahera Onion Growers	62	3849	4018
76.	Tabarakala	52	6858	12508
77.	Largo Men	50	5374	6364
78.	Bandajuma Men	23	3204	2620
79.	Rokundor	80	5896	8609
80.	Gbeworbu	19	2106	3044
81.	Lambayama Women	43	6670	7856
82.	Boajibu (Simbaru)	81	3098	3886
83.	Gondama Balahini	52	3568	3656
84.	Samie	65	2462	2565
85.	Pendembu (U.B.M.C.)	156	5125	11680
86.	Lungi Munafangi	107	9680	6549
87.	Sabannoh	54	5378	8196
88.	Kenema New Site	33	1661	888
89.	Mathan	68	2260	2874
90.	Matotoka Women	48	5369	6539
91.	Gegbewema	45	5065	10649
92.	Njagbewema	76	5173	6944

(Leones)

	<u>Name</u>	<u>Members</u>	<u>Savings</u>	<u>Loans</u>
93.	Baoma	25	1222	1970
94.	Jawie Bondorobu	34	1766	2588
95.	Gobaru Men	59	1594	1516
96.	Kpeima	49	2448	4176
97.	Pujehun	23	1608	2097
98.	Gbeworbu	50	2106	3044
99.	Semebehun Women	54	2065	3874
100.	Vaahun Women	43	1681	3020
101.	Mediana	50	1792	3774
102.	Gbama Yandorma	57	2337	3957
103.	Samie	76	1377	1442
104.	Njala Kendima	80	3130	2710
105.	Buma	57	2751	3708
106.	Ngagbwema	76	5173	6944
107.	New Kamboma	34	1681	2220
108.	Malema	86	7409	10958
109.	Malema Women	67	4868	7630
110.	Mayema	52	5383	9788
111.	Fairo	46	2083	1062
112.	Taiama Men	20	3118	5107
113.	Talia Women	40	2347	3010
114.	Foindu	43	1942	5942
115.	Yoya	40	1143	3428
116.	Rokupr Women	47	1962	3224
117.	Ansarelai	54	3450	4331
118.	Banaleh	28	582	810
119.	Palima	107	4398	8209
120.	Benduma	83	2759	3545
121.	Yangabu	78	2139	1702
122.	Bijja	84	3360	4982
	Total	<u>10,131</u>	<u>735,730</u>	<u>906,920</u>

B. STRUCTURE OF INTEREST RATES, 1976-79

Type	(% per annum)			
	<u>Prior to Dec. 1976</u>	<u>Dec. 1976</u>	<u>Aug. 1979</u>	<u>Sept. 1979</u>
<u>Lending rates</u>				
Treasury bill rate	5.5	5.5	5.5	8.0
Discount rate	6.0	8.0	8.0	10.0
Commercial banks' lending and overdraft rate	9.0 13.0	11.0 15.0	11.0 16.0	11.0 16.0
<u>Deposit rates (Time deposits commercial banks)</u>				
Up to one month			6.5	
1 - 3 months	5.5	6.5	7.0	8.0
3 - 6 months	6.0	7.5	7.5	
6 - 9 months	6.5	8.0	8.0	9.5
9 - 12 months	7.0	8.5	8.5	
12 - 18 months	8.0	9.0	9.0	
18-24 months	8.0	9.5	9.5	10.5
Savings deposits	5.5	7.0	7.0	8.0
Post office savings deposit			7.0	8.0

Source: IMF, Sierra Leone Recent Economic Developments
June 1980.

C. TIME AND SAVINGS DEPOSITS
OF COMMERCIAL BANKS

<u>Year (Dec.)</u>	<u>Le (Millions)</u>
1973	23.0
1974	29.7
1975	31.3
1976	39.83
1977	51.8
1978	71.9
1979	87.0

Source: IMF, Sierra Leone, Recent Economic
Development, June 1980, p. 100.

D. FREETOWN CONSUMER PRICE INDEX, ALL ITEMS

<u>Year</u>	<u>Index 1961 = 100</u>
1977	255.8
1978	290.2
1979	345.9
1980	361.4

Note: Fourth quarter for 1977 and 1978. Third quarter for 1979. Second quarter for 1980.

Source: IMF, Sierra Leone, Recent Economic Developments, June 1980 and Bank of Sierra Leone.

E. NATIONAL SAVINGS AND CREDIT CO-OPERATIVE LEAGUE OF SIERRA LEONE
REGIONAL TRAINING SEMINAR FOR COMMITTEE MEMBERS OF SAVINGS & CREDIT CO-OPERATIVE SOCIETIES
TECHNICAL INSTITUTE KENEMA 3-7 NOVEMBER, 1980

T I M E T A B L E

TIME	MONDAY NOV. 3	TUESDAY NOV. 4	WEDNESDAY NOV. 5	THURSDAY NOV. 6	FRIDAY NOV. 7
9:00-10:05	OFFICIAL OPENING	LOAN POLICY LOAN PROCESS LOAN AGREEMENT Meb	RISK MANAGEMENT Frank	NEW APPROACH TO SCC SOCIETY OPERATION Meb	RELATIONSHIP BETWEEN STAFF & COMMITTEE Meb
10:05-11:05	(CONTINUED) OFFICIAL OPENING	(CONTINUED) Meb	(CONTINUED) RISK MANAGEMENT Frank	PROCEDURE AT COMMITTEE & GENERAL MEETINGS Fred	RELATIONSHIP BETWEEN CO-OPERATIVE DEPARTMENT LEAGUE Frank
11:05-11:20	B R E A K		B R E A K		
11:20-12:20	FORMATION & SET UP OF SCC SOCIETY Meb	CASE STUDY Frank/Meb/Fred	EDUCATION COMMITTEE & MEMBERSHIP PRO- MOTION Fred	CENTRAL FINANCE Meb	SERVICE CENTRES Meb
12:20-1:50	L U N C H		L U N C H		
1:55-2:55	THE BOARD OF DIRECTORS Fred	CONTINUED	LOAN PROCESS (CONTINUED) Meb	BUDGETTING Frank	MOCK BOARD MEETING Frank/Meb/Fred
3:00-4:00	THE CREDIT COMMITTEE Fred	HOW TO READ A BALANCE SHEET Frank	REVISION & EXERCISES ON BOARD, CREDIT COMMITTEE, SUPERVI- SORY COMMITTEE Frank/Meb/Fred	MODEL BYE-LAWS DISCUSSION Frank/Meb/Fred	(CONTINUED)
4:00-4:15	B R E A K		B R E A K		
4:15-5:20	THE SUPERVI- SORY COMMITTEE Fred	(CONTINUED)	(CONTINUED) * FILM SHOW	(CONTINUED)	EVALUATION & CLOSING CEREMONY

* WEDNESDAY EVENING: FILM SHOW

Note: This schedule was used in each of four one-week seminars

NATIONAL SAVINGS AND CREDIT CO-OPERATIVE LEAGUE OF SIERRA LEONE

Reports on Regional Training Seminars for Committee Members of Savings and Credit Co-operative Societies, conducted in Bo, Magburaka and Kenema.

In line with its Project/Process Objectives for the year 1980, the League mounted the first Regional Training Seminar for the Southern Region, between July 14th-18th 1980. The venue of the seminar was the Bo Teachers' College, Towama, Bo, where residential accommodation was provided for participants. The official opening ceremony was performed by the Honourable Resident Minister, Southern Province, Mr Harold Hanciles. Also present at the ceremony, was the Registrar of Co-operative Societies Mr S.M.D. Gabis, who delivered the Key Note Address, and Senior Departmental Officers.

Seminar Objective:

As stated in the Project summary schedule, the objective of the seminar was to train committee members in Savings and Credit Co-operative Society Management and Planning, Loan Process and Analysis, Promotion, Internal Auditing and other key areas.

Course Content:

The course content included the following subjects:

- (1) Formation and set up of savings and credit co-operative societies.
- (2) Committees:
 - i. Board of Directors
 - ii. Credit Committee
 - iii. Supervisory Committee
 - iv. Education Committee
- (3) Loan Policy, Loan Process, Loan Agreement
- (4) Reading a balance sheet
- (5) Risk Management
- (6) Functional Literacy and Numeracy through Co-operatives
- (7) New Approach to Savings and Credit Co-operative Society operation
- (8) Procedure at Committee and General Meetings
- (9) Central Finance
- (10) Service Centres
- (11) Budgetting
- (12) Model Bye-laws discussion
- (13) Relationship between staff and committee
- (14) Relationship between Co-operative Department and League.

Case Study: Mock Board Meeting, Revision Exercises:

For the case study, participants were divided into four groups of ten each. Each group dealt with the case study in detail, and the Secretaries submitted group reports for discussion in a Plenary session.

The Mock Board Meeting was intended to give participants a practical demonstration of Board Meetings, and the Revision Exercises were designed to evaluate participants knowledge on the study of Board of Directors, Credit Committee and Supervisory Committee.

The above device operated on the following guide lines.

- (a) Full participation
- (b) Maximum time utilisation
- (c) The achievement of concrete results
- (d) An on-going critic
- (e) Learning by doing

The guide lines derived from the basic principle of adult education process and its perception of the adult as the principal focus of learning.

Participants and Recruitment:

A total of thirty-two out of forty expected participants, from the four co-operative areas in the Southern Region - Mattru Jongs, Pujehun, Bo and Moyamba enrolled in the five day seminar. Recruitment of these participants was done on the basis of literacy (those who could read and write), and conducted by the Regional Field Officer, the Co-operative Area Officers, through the societies.

List of Participants

<u>NAME</u>	<u>SOCIETY</u>	
John Cole Jnr.	Khukarene	SCCS
Samuel B. Morlu	Mattru Railway Line	"
James B.S. Tucker	Samamie Men	"
Moses Wisman	Briva Town	"
Joseph M. Kaine	Bonthe North	"
A.I. Turay	Moyamba Teachers	"
Mrs M.F. Campbell	Salina/Moyamba	"
J.M. Barber	Njagboima	"
I.M. Kamara	Gobaru men	"
Patrick James	Mallay/Malen	"
A.L. Sesay	Gondama	"
J.P. Mando	Ghundapi	"
Thomas Conteh	Naije (Sogbini)	"
Rebecca French	Noriba Town Women	"
Mrs Edna Boima	Samamie Women	"
Margaret Abdulai	Gerihun Road Women	"
J.J. Lambol	Battama	"
Henrietta Tucker	Gobaru Women	"
T.A. Kormoi	Mattru Central	"
A. Tucker	Mattru Women	"
Sheku Lahai	Korgbotuma	"
Isata Kenneh	Poteru Women	"
Martin Bajigbyei	Blama (Jong)	"
Mohamed Kamara	Grima (Sogbini)	"
Vincent Kebbie	Jahun	"
Matthew E.W. Senga	Famba "	"
Solomon Massaquoi	Bonthe	"
Mrs Janet Veigh	Bonthe	"
L.E. Tipson	Bonthe	"

<u>NAME</u>	<u>SOCIETY</u>	
Theresa Massaquoi	Pujehun Women	SCCS
Joseph Lahai	Semabu	"
Hannah Yanka	Njagboima	Observer

Staff Resources:

Staff resources consisted of the Education Officer of the League, The Manager, NASCCLOS, The Adviser, NASCCLOS. Resource persons from the Department of Co-operatives Functional Literacy and Numeracy through Co-operatives, and the Regional Field Officer, NASCCLOS.

Seminar Evaluation:

Evaluation of the seminar was done by means of a Questionnaire prepared by the League, and administered to participants, to rate the level of skills and knowledge gained in the various subject areas. The raison d'etre was to measure the original objective against results attained.

The overall evaluation of the seminar was relatively good, with participants drawing attention to the following areas.

- (1) That future seminars should be made residential
- (2) That the seminar period be extended to two weeks and
- (3) That seminars be conducted more frequently, as a follow up to original ones.

General Comments:

As a result of various other points raised in the evaluation, the League staff met to discuss strategies for the remaining three Regional Seminars, originally planned to follow in quick succession to the Southern Regional Seminar. The conclusion reached, was that the dates of the other seminars be deferred so as to afford more time to Regional Field Officers, to recruit participants well in time, based on the data of societies survey, being conducted by the League.

At another staff meeting held, on the 30th August 1980, the following dates were decided upon:

21st - 25th	October,	Northern Regional Seminar
3rd - 7th	November,	Eastern Regional Seminar
1st - 5th	December,	Western Regional Seminar

STATEMENT OF ACCOUNT

To Cash	Le2250.00	By Board and Lodging	1500.00
		" Fuel	178.45
		" Stationery	170.58
		" Delegate Expenses	10.00
		" Fares	262.00
		" Certificates	87.00
		" Printing of Certificates	10.00
		" Opening & Closing	72.95
	<u>2290.98</u>		<u>2290.98</u>
		" Balance b/d	40.98

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G. NATIONAL SAVINGS AND CREDIT COOPERATIVE LEAGUE
OF SIERRA LEONE (NASCCLOS): SURVEY OF SOCIETIES

History

Year(s) organised _____ Registered _____ No. _____

Membership Profile (date)

1. Total membership Male _____ Female _____
total _____
2. Estimated total potential membership _____
3. Distance from three nearest Savings and Credit Societies (specify names and locations) _____

4. Number of members saving at least one leone in past twelve months _____
5. List of principal competitors _____

6. Location: Rural _____ Urban _____ Mixed _____
7. Common bond: residential, occupational, or associational (parish or other) _____
8. Economic base of membership (principal income-generating activities) _____

Profitability

Income on (date)

1. Interest on loans to members _____
2. Interest on investments _____
3. Entrance fees _____
4. Fines _____
5. Donations (cash and in kind) _____
6. Others _____
7. Total income (revenue) _____

Operating Expenses (date)

1. Compensation (salaries, benefits and bonuses of staff and board members) _____
2. Travel and Transportation expenses _____
3. Stationery and Supplies _____
4. Rent/Depreciation of building and other fixed assets _____
5. League dues _____
6. Insurance premiums (Life Savings, Loan Protection, Bond) _____
7. Board expenses _____
8. Annual and other general meetings _____
9. Other Expenses _____
10. Total Operating Expenses _____

Dividends and rebates paid (time series) _____

Total Reserves, including undivided earnings _____

Loans written off/value of bad debts provision/allowance _____

Cash/In-kind subsidies received and source(s) _____

Liquidity (date)

Capital Structure

1. Savings _____
2. Deposits _____
3. Other liabilities _____

Total Assets _____

Amounts safe-deposited or invested at:

1. Society _____
2. League _____

3. Cooperative Bank _____
4. Commercial Banks _____
5. Other Cooperative Societies _____
6. Member's house _____
7. Other places (specify) _____
8. Shortages _____

Loans to Members (date)

Total number and amount of loans outstanding Le _____

Number and amount of loans granted during past 12 months _____

Total principal repayments during past 12 months Le _____

Management Capacity and Dedication

Profile of Secretary/Manager

1. Profession before coming to your society _____
2. Number of years in current position _____
3. Number of days and source of formal training received in following subjects related to Savings and Credit Cooperative Society Management:
 - a. Bookkeeping _____
 - b. Credit policy and procedures _____
 - c. Savings/membership promotion _____
 - d. Savings and Credit Cooperative Society history, theory, and principles _____
 - e. Planning _____
 - f. Savings and Credit Cooperative Society bye-laws _____
 - g. Board/Management relations _____
 - h. Others (specify) _____

4. Number of years of formal education _____
5. Average amount of time spent monthly on Savings and Credit Society business _____
6. Monthly compensation (salary, benefits, and bonuses) _____

Has Savings and Credit Society obtained office space? If so, indicate source and amount of annual rent or depreciation of building or, if donated, indicate approximate local value of space thus provided _____

Record-Keeping

1. Date last financial statement produced _____
2. Date members' accounts last reconciled with general ledger accounts _____
3. Date of last "closing" _____
4. Using recommended accounting documents and forms? _____
5. Date of last external audit (specify auditor) _____
6. Meeting record books up to date? _____
7. Standard operating policy and procedures manual kept up to date? _____
8. Correspondences and reports securely filed? _____

Number of Meetings held during most recent 12 months period:

1. Business (savings and loans) _____
2. General membership meetings _____
3. Executive committee _____
4. Credit (loan) Committee _____
5. Supervisory committee _____
6. Education committee _____

Principal promoter:

1. Cooperative Department Staff _____
2. League staff/officials _____

3. Other (specify) _____

Indicate amount of most recent loan from the Cooperative bank and current balances _____

If moribund, list principal causes and possible solutions:

1. Excessive delinquency _____ % of amount of loans outstanding) _____
2. Shortages (amount) _____
3. Insufficient number of qualified personnel/leaders _____
4. Other (specify) _____

List loans to staff and Board and committee member in comparison with savings of same _____

Services Desired from League/Government/Cooperative Bank

1. Inspections/general supervision _____
2. Bookkeeping and office supplies and equipment provision _____
3. Auditing _____
4. Training of Secretary/Manager and elected leaders _____
5. Assistance in registration _____
6. Promotional programmes/materials _____
7. Loan Protection/Life Savings insurance _____
8. Fidelity bonding _____
9. Production credit, including housing _____
- D. Marketing of Produce _____

11. Loans for relending to members _____

12. Others (specify) _____

Savings and Credit Committee Members

	<u>Name</u>	<u>Position</u>	<u>Number of Years</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____

Officials' perception of primary problems (list in order of importance) _____

H. REVISED BYLAWS OF NATIONAL SAVINGS AND CREDIT CO-OPERATIVE
LEAGUE OF SIERRA LEONE

Introduction

1. The name of this association shall be the National Savings and Credit Co-operative League of Sierra Leone (here-in-after referred to as NASCCLOS) and its address shall be 10 Charlotte Street, Freetown, Sierra Leone.
2. The word "League," means a free and independent National Organisation representing the Savings and Credit movement in Sierra Leone which upholds neutrality in politics and religion.
3. The words "Savings and Credit Society" means a primary Co-operative Society with purposes to promote Thrift among members and make loans to members for productive purposes at reasonable interest rates.

Objectives

The objectives of the NASCCLOS are:

1. To organise and promote Co-operative Savings and Credit Societies in Sierra Leone.
2. To assist such societies in their operational and technical problems by providing services so as to ensure the establishment of successful organisations.
3. To assist in obtaining legal recognition of Co-operative Savings and Credit Societies either under existing law or through the enactment of new legislation.
4. To assist Co-operative Savings and Credit Societies and help them to plan and carry out their programme so as to enable them to attain self-sufficiency in the shortest time possible.
5. To co-ordinate the activities of Co-operative Savings and Credit Societies in Sierra Leone.
6. To promote the collaboration between Co-operative Savings and Credit Societies and other Sectors of the Co-operative movement in the Country.
7. To promote and make available Risk Management (Insurance) service programme to member societies.

8. To provide stationary and supplies to member societies.
9. To promote central finance and interlending among societies.
10. To represent Savings and Credit Co-operatives in all matters.

Methods

For the better attainment of the above objects NASCCLOS shall endeavour to:

1. Promote and maintain high standards of organisation, operation and supervision of Co-operative Savings and Credit Societies.
2. Promote the mobilisation of local savings both by direct effort and in Co-operation with other National and International agencies having similar purposes.
3. Enlist the moral, technical and financial support of National and International agencies.
4. Establish a head-office such number of regional and district offices, as may from time to time be required.
5. Provide and participate in training programmes to train personnel in Co-operative Savings and Credit and allied subject.
6. Establish and maintain such central agencies and service centres as may from time to time be deemed necessary for the more effective operation of NASCCLOS.
7. Devise rules and regulations in conformity with the purpose and spirit of the League for adoption by the League and its constituent members.
8. Receive and administer any voluntary contribution, gift, grant, donation or subsidy that may be received by NASCCLOS in the form of money or other assets.
9. Acquire and hold any real or personal property for the carrying out of the objects of NASCCLOS and to improve, develop, mortgage, lease or otherwise deal with such property.
10. Do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

Membership

1. Membership shall be limited to registered Savings and Credit Societies organised and doing business in Sierra Leone in accordance with the provisions of the Law.
2. Any Registered Savings and Credit Societies in Sierra Leone in accordance with the provisions of the law may apply to NASCCLOS for admission to membership. Such application shall be presented to the next meeting of the Board of Directors. The Board shall first be satisfied that such savings and credit society is in good financial condition and that it is operating in accordance with standard Savings and Credit principles and practices and meets with the requirements of these bylaws.
3. Membership shall be terminated on cancellation of the registration.
4. An affiliated Savings and Credit society may be expelled for any action which may be held by the General Membership Meeting to be dishonest or contrary to the stated objects of NASCCLOS or prejudicial to the League or to the interests of Co-operatives. Before any action is taken under this Sub-section, the Board of Directors shall appoint such person or persons as they consider fit to enquire into the conduct and affairs of the affiliated Savings and Credit Society.
5. Any Savings and Credit Society may withdraw from membership by giving NASCCLOS three months' notice signed by the President and Secretary of the withdrawing Savings and Credit Society and shall be accompanied by a certified copy of a resolution passed at a General Meeting of the Savings and Credit Society sanctioning the proposed withdrawal.

Dues - Liability

1. The fiscal year of NASCCLOS shall be the 31st day of December each year.
2. The liability of each member society is limited to dues payable by the member society.
3. As determined by the Board of Directors as hereinafter provided, a Savings and Credit Society admitted to membership shall pay affiliation fee of ten leones

(Le10) and yearly dues as will be determined by the Board of Directors.

4. At least 60-days prior to expiration of each fiscal year, the League Board of Directors shall adopt a budget and dues schedule for the ensuing year for presentation at the Annual meeting. Dues shall be assessed and made payable on the first quarter of each fiscal year.

Meetings

1. The time and place of the annual meeting shall be determined by the Board of Directors.
2. At least 30 days prior to the annual meeting the Manager of NASCCLOS shall notify each member thereof in writing of the time, place and date of the meeting.
3. Special meetings of the members may be called by two-thirds vote of the Board of Directors and shall be called upon the request, in writing, of fifteen or more member Savings and Credit Societies. Notice of any special meetings shall contain a statement of the purpose of the meeting, the place, time and only the business specified in the call may be acted upon at said meeting. Each member Savings and Credit Society shall be entitled to fifteen days' notice of any and all special meetings.
4. At any regular or special meeting twenty-five percent of member savings and credit societies represented, shall constitute a quorum.
5. All elections shall be by ballot.
6. The annual meeting may carry on and transact any business for the common good of the membership.
7. The ultimate powers of NASCCLOS vests in the members who at any annual or special meetings shall have the power to review any and all acts of any Officer or the Board of Directors, except that duly authorised contracts or agreements may not be modified or rescinded.

Directors

1. The Board of Directors shall consist of persons elected at annual general meetings of NASCCLOS. The Directors will be initially elected two for 1 year, two for 2 years and three for 3 years period.
2. Alternate Directors are elected at the Annual Meeting

to replace a director's office when declared vacant.

3. The business and affairs of NASCCLOS shall be directed by its Board of Directors.
4. A majority of NASCCLOS Board of Directors shall constitute a quorum.
5. The manager shall cause to be sent written notice to each director at least fourteen days before any regular or special meeting of the board, which notice shall contain the place, time, date of the meeting and the purpose of the meeting. Special meetings may be called by the President or Vice President.
6. Regular meetings of the Board shall be held at least once a month.
7. If a director is absent from three consecutive meetings of the Board of Directors without being excused for cause, his office shall be declared vacant.
8. The Board of Directors shall have the power upon a two-thirds vote of members present and voting to suspend or recall any officer, or member of any Committee or Board of Directors until the next annual meeting of member societies.
9. The Board of Directors shall have the power to employ and dismiss a Manager and fix his compensation.
10. The Board shall appoint an Education and Promotion Committee and such other standing and special committee as it may deem necessary.

Officers

1. The officers of NASCCLOS shall be a President, a Vice President, a Secretary and a Treasurer. The officers shall be elected by plurality vote of the Board of Directors from its membership; and shall continue to hold office for one year. Vacancies shall be filled by the Board of Directors as they occur.
2. The President shall preside at all meetings, both of the Board of Directors and of the members. He shall appoint the members of all standing and special committees subject to confirmation by the Board of Directors.

3. A Vice President shall perform the duties of the President in the absence or disability of that officer.
4. The Treasurer shall keep a full and complete record of all financial affairs and funds of NASCCLOS, and shall make an annual report to the members at the annual meeting, and shall perform such other duties as are regularly performed by a Treasurer; provided, however, that he may delegate such of his duties to the Manager on approval by the Board of Directors.
5. The Manager shall be ex-officio assistant Treasurer of NASCCLOS and of all special standing Committee. He shall have charge of the League office as executive officer including all League services. He shall when so ordered sign all cheques, notes, drafts, and other obligations of the League. He shall serve as Secretary at both meetings of the members and of the Board of Directors and performs all the duties incidental to the office of secretary as are assigned to him. He shall keep all funds of the League in the Banks or Savings and Credit Societies designated by the Board of Directors, shall keep all books of Accounts, handle the funds and accounting of the League, and perform all duties incidental to the office of Assistant Treasurer. He shall be bonded in such surety as said directors may determine.

Audit

The Board shall provide for and have made at least one complete audit per year by an auditor approved by the Registrar of Co-operative Societies. A report of such audits shall be presented at the annual membership meeting by the Vice President of the League.

Borrowing

The Board of Directors of NASCCLOS at any regular or special meeting called for that purpose, may authorize the borrowing of such moneys as may be necessary to carry on the operations of the corporation in accordance to the rules and by-laws as approved and adopted, and they shall also have authority to pledge the assets of the corporation to secure such loan which they believe to be to the best interest of NASCCLOS, with the approval of the Registrar of Co-operative Societies.

Amendment

Those bylaws may be amended by a majority vote of the members present at a general meeting of NASCCLOS provided notice of the proposed amendment has been given to the voting members of NASCCLOS in writing at least thirty days before the said meeting.

Disputes

Any dispute concerning these bylaws or the business of NASCCLOS, the bylaws of NASCCLOS shall prevail, in case of doubt in the interpretation of the bylaws the Registrar shall be consulted and his decision shall be final.

Distribution of Accumulated Funds

Net surpluses available for distribution at the end of each financial year shall be distributed as follows:

- (a) Not less than twenty-five percent to the Statutory Reserve Fund.
- (b) Interests and dividends.
- (c) The balance to a reserve for contingency.

Liquidation

NASCCLOS shall be liquidated in accordance with Section 68-78 of the Co-operative Societies, Act of 1977.

I. AGREEMENT BETWEEN
NATIONAL SAVINGS AND CREDIT CO-OPERATIVE LEAGUE OF SIERRA LEONE
AND AFRICA CO-OPERATIVE SAVINGS AND CREDIT ASSOCIATION (ACOSCA)

WHEREAS the National Savings and Credit Co-operative League of Sierra Leone, Private Mail Bag 506, 10 Charlotte Street, Freetown, Sierra Leone, (hereinafter referred to as "NASCCLOS" is desirous of commencing a Risk Management Programme for Co-operative savings and credit societies in the Republic of Sierra Leone.

AND WHEREAS the Africa Co-operative Savings and Credit Association of P.O. Box 43278, Nairobi, Kenya (hereinafter referred to as "ACOSCA") has pledged its support for the said programme.

NOW WHEREFOR these presents witnesseth as follows:
It is understood and agreed between the parties;

1. That the proposed NASCCLOS shall be sponsored under the auspices of ACOSCA Risk Management Programme.
2. That the NASCCLOS with its affiliated savings and credit societies shall be responsible for general promotion of the programme within its area of operation, and shall be responsible for distributing local promotion materials, collecting premiums, and making monthly reports to ACOSCA as provided for in this agreement.
3. That ACOSCA shall administer the programme having full regard of the underwriting principles, policy servicing, claims administration, accounting and financial policy connected with this Programme.
4. That this agreement save this clause may be amended as may be found fit provided one year's notice shall be given by either party of its intention to do so and that such amendments and any other rules communicated to the other party in writing together with the articles contained herein after shall be part of this agreement.

ARTICLE I

LIFE SAVINGS AND LOAN PROTECTION

1. On or after the date hereof ACOSCA may provide Loan Protection and Life Savings benefits by contract with the Savings and Credit Co-operatives affiliated to NASCCLOS as provided in this agreement.

2. The NASCCLOS shall forward applications for coverage to ACOSCA who shall issue the contract. Liability of ACOSCA for benefits payable shall begin when a certificate has been issued by ACOSCA.
3. No more than one each of the Loan Protection and/or Life Savings Certificates shall be issued to one Savings and Credit Co-operative. The terms, provisions and conditions of the benefits shall not be amended or changed without written consent of both parties to this Agreement.

ARTICLE II

CHARGES FOR BENEFITS

1. The amounts to be charged to Savings and Credit Co-operative Societies for Loan Protection and Life Savings benefits hereunder shall be according to the establishment rates by ACOSCA in consultation with the NASCCLOS. Such amounts shall be due and payable each month.
2. The NASCCLOS shall submit to ACOSCA each month determined standard acceptable reports laid down in the ACOSCA operating manual as shall have been made for the benefits for the previous month.
3. In the event that benefits payable plus expense allowance as hereinafter defined in the attached financial policy shall exceed the cumulative payments received by the NASCCLOS during any month on certificates issued hereunder, ACOSCA will advance funds in excess to NASCCLOS promptly.
4. Within three months after the end of each calendar year, ACOSCA shall consider upon the amount of dividend if any to be paid certificate holders.
5. ACOSCA shall provide the NASCCLOS with all the standard forms to be used by savings and credit co-operatives in connection with certificates to be issued under this programme.

ARTICLE III

EXPENSES

1. ACOSCA shall allow the Credit Union League a commission rate of 6% of net premium (gross premium less premium refunds) paid under the programme as defined in the ACOSCA Financial Policy. Such commission rates shall be

construed as an expense allowance, but ACOSCA shall advance such other expenses as shall have been mutually agreed upon in advance. It is to be understood that such advances shall be charged to NASCCLOS Risk Management Programme.

2. ACOSCA shall also receive a commission at the rate of 4% of net premium as an offset against administrative expenses incurred in administering the programme.

ARTICLE IV

BANK ACCOUNTS

1. The NASCCLOS shall open a bank account into which all remittances under this programme shall be made. Such account shall be opened with a bank recommended by both parties to this Agreement. All premiums received from the participating societies shall be deposited into the same. It is to be understood that no society whose premium is not deposited as in herein defined shall be covered.
2. All cheques subject to issue under this account shall be kept in the custody of ACOSCA and the disbursement of such funds in the account shall be determined by ACOSCA. All cheques shall be issued and signed by the authorized representative of ACOSCA and shall also be countersigned by the authorized representative of NASCCLOS.

ARTICLE VI

CORRESPONDENCE

Correspondence and any communication by ACOSCA with the certificate holder shall be directed through the NASCCLOS. Any circumstantial communication by ACOSCA directly to the certificate holder shall be copied to the Sierra Leone Credit Union League.

ARTICLE VIII

RECORDS

ACOSCA shall have the right at any reasonable time to inspect, at the office of the NASCCLOS all books and documents relating to participation under the programme.

ARTICLE VIII

1. All disputes and differences between the two contracting parties upon which an amicable understanding cannot be reached are to be decided by arbitration; and the arbitrators, who shall regard this agreement from the stand point of practical business and equity rather than from that of strict law, are empowered to determine as to the interpretation of the obligation under this agreement.
2. The first two arbitrators shall be appointed by the contracting parties and the third shall be selected by the two representatives before the beginning of arbitration.
3. The arbitrators shall decide by a majority of votes. The cost of arbitration, including the fees of the arbitrators, shall be borne by the losing party unless the arbitrators shall decide otherwise. Should any of the contracting parties not agree with the decision of the arbitrators, the dispute will be referred to the Commissioner for Co-operative Development who shall give the final ruling as provided for in the Co-operative Societies Act.

ARTICLE IX

PARTIES TO AGREEMENT

This is an agreement solely between NASCCLOS and ACOSCA. The acceptance of participation by ACOSCA hereunder shall only create any right or legal relation between ACOSCA and the savings and credit co-operative certificate holder or any beneficiary only under such certificate issued by ACOSCA.

ARTICLE X

DURATION OF AGREEMENT

This Agreement shall become effective from the date hereof and shall be unlimited as to its duration but may be terminated at any time by either party giving at least twelve months' notice of termination in writing. ACOSCA shall continue to accept participation during the twelve months aforesaid but shall remain liable only for claims incurred prior to the said termination date provided the certificates were issued prior to the said termination date.

IN WITNESS WHEREOF THE parties have caused this Agreement to be duly executed on the date below by the duly authorized officers respectively:

Date AFRICA CO-OPERATIVE SAVINGS &
CREDIT ASSOCIATION

BY.....
EXECUTIVE SECRETARY

J. IMPLEMENTATION PLAN

When the League staff, external technical assistance, and commodities have been assembled and the new staff given initial orientation, the project can proceed to develop and implement League services. One of the first requirements is information-gathering; currently, there are only estimates of the number of societies which are currently or potentially active, and what this represents in terms of membership, savings, and loans. A complete canvassing of all rural societies will be undertaken by League staff during months 4 to 6 of the first year. All basic data will be compiled, societies requiring formal liquidation or merger will be identified, and promotion of the League and its new capabilities will be undertaken during the visits. The League training programs will be particularly stressed, and potential trainees will be identified. In addition, the feasibility of using itinerant bookkeepers will be studied during their research period. The 3-month study will be designed by the technician and League Manager. Data will actually be collected by the technician, League Manager and Education Officer, and the four regional field trainers, as part of their orientation.

When the base-line data has been compiled, hopefully about the sixth month of the first year, staff of the Global Project Office in Washington will be called in to assist the League to develop a 5-Year Institutional Development Program Plan. Among other things, this 5-year plan and related activities will include further definition of League staffing requirements and an objectives-based League planning methodology, reassessment of training needs and appropriate methodologies, design of an affiliate monitoring and data collection system, propose guidelines on consolidation of rural societies, and estimate the amount and type of additional consultancies required. Further detailing of the League 5-year plan may continue for several months.

Source: Grant Agreement, AID/AFR-G1570, signed by CUNA, August 7, 1979.

During this same initial period, the efforts to organize societies among the worker and other groups in the urban societies will be initiated by the Freetown-area field trainer/organizer. These efforts will be concentrated in Freetown, particularly among the labor groups represented by the Sierra Leone Labour Congress. Also included will be efforts to increase membership and savings growth among those worker societies already organized. This will be a continuing activity throughout the project, but special emphasis will be placed during the first year in order to attain the necessary growth in membership and savings in subsequent years.

During the first 2-3 months of the first year, the League should be in a position to initiate its training program. At least four regional seminars, the national seminar, and perhaps a few local seminars will be held, the actual number and type depending on how rapidly the League can put together training materials. The problems and weaknesses identified during the initial field visits will be a key ingredient in the design of the training program. This information will also be used to assist with the eventual development of standard policies and procedures guidelines. One recognized weakness is the current book-keeping system in use by the League. A consultant will be employed early on in the project to study and recommend any required revisions in this system, in order to provide all required information as efficiently as possible. Other consultant services will likely be required during the course of the project, although the exact type of consultants employed will depend on the problems then confronting the societies or the League. Development of model loan policy and monitoring systems for use by primary societies as well as design of a League capitalization system, however, are likely candidates for consultancy requests.

By the middle of the first year, the League's central office staff, as well as the four regional trainers, will have been employed. The status of the societies will have been fully identified, along with their specific needs. The annual meeting at the end of the first year will recognize this new phase of savings and credit development and review the strategy for development contained in the League's 5-Year Development Plan. One crucial item requiring the approval and commitment of the membership is the proposed

strategy for achieving financial self-sufficiency. The membership must be fully informed of the cooperation required by them in order to achieve self-sufficiency, particularly with respect to the proposed new dues formula based on the level of individual societies' savings. This is crucial, since dues will have to be the League's primary revenue source. It will mean a substantial increase for most societies over what they are paying now. Although the League will be in a position to demonstrate that it is providing valuable services, as contrasted with the present inactivity, there is likely to be some member resistance.

We therefore have projected that the new dues structure be introduced at the annual meeting to be held in the second year of the project, and (assuming approval) implemented at the beginning of the third year of the project, in order to give the League time to demonstrate the value of association and the benefits derived by dues-paying members.

Around the middle of year one, two itinerant bookkeepers will be selected, receive initial orientation and training, and sent to their posts. As indicated earlier in this proposal, the use of itinerant bookkeepers will start on a pilot project basis. If, after say a year's time, the approach proves to be sound, the number of itinerant bookkeepers will be increased.

By the beginning of year one, the League should have also modestly begun implementing the risk management program. The League will advise the societies of this service through the media and regular visits of the field trainers and will provide the agreements by which to join, as well as the required premium and claim forms. All societies will be personally contacted and advised of the insurance program during the first six months of the first year as part of the survey.

In years two and three, a number of continuing activities to be provided by the League are projected. These constitute the basic package of services of the League. Other services or activities, which cannot be projected at this time, may be developed in response to specific needs as they arise. The ability of an institution to identify these needs, and prepare the appropriate response, is, of course, an indicator of increasing management competence, leading to technical self-sufficiency.

The basic package of services includes:

1. Training (annual program)
 - 25 local workshops
 - 4 regional seminars
 - 1 itinerant bookkeepers workshop
 - 1 national seminar
2. Promotion Campaigns
 - to increase number of affiliated societies
 - to increase amount of savings
 - to increase total membership
3. Provision of Stationery Supplies
4. Standard Policies and Procedures Guides, Preparation and Updating
5. Bookkeeping
6. Risk Management
7. Information and Dissemination

While providing these services, the League will also be making continuing progress towards achieving the objectives set forth in the strategies to achieve financial and technical self-sufficiency. The CUNA technician will assist the League Manager in monitoring the progress made in each of these areas, and to assist with the development of alternatives to resolve potential difficulties, e.g., if actual income is less than projected or key skills are not being developed adequately.

Some time during the first half of the year three, CUNA Global Projects' Washington staff will undertake jointly with AID an evaluation of the project's progress to date and a project design will be put together for the second three-year portion (i.e., Phase II) of the project, subject to approval by the League, AID, GOSL, and other project participants.