

ISW- 2168

5380035/53

XD-NAL-161-A

CARIBBEAN CONFEDERATION OF CREDIT UNIONS
REGIONAL DEVELOPMENT PROJECT

Eighteen Month Evaluation Report

February 1982

FD 444-161
 ISN 2167

5380035/15

CLASSIFICATION
PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

1. PROJECT TITLE Caribbean Credit Union Development			2. PROJECT NUMBER 538-0035	3. MISSION/AID/W OFFICE RDO/C
5. KEY PROJECT IMPLEMENTATION DATES			4. EVALUATION NUMBER Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY <u>538-82-03</u>	
A. First PRO-AG or Equivalent FY <u>80</u>	B. Final Obligation Expected FY <u>83</u>	C. Final Input Delivery FY <u>86</u>	6. ESTIMATED PROJECT FUNDING A. Total \$ <u>2,782 m</u> B. U.S. \$ <u>1,486 m</u>	
			7. PERIOD COVERED BY EVALUATION From (month/yr.) <u>June 1980</u> To (month/yr.) <u>February 1982</u> Date of Evaluation Review <u>April 19, 1982</u>	

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

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIQ, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
1. Submission to RDO/C of confirmation by external auditors that CCCU's accounting system is in place and meets generally accepted accounting principles.	WOCCU/CCCU	May 31, 1982
2. Submission to RDO/C of CCCU audited financial statements.	WOCCU/CCCU	June 30, 1982
3. Submission of revised project budget and outputs for RDO/C approval.	WOCCU	June 30, 1982
4. Submission of revised project implementation plan for RDO/C approval.	WOCCU	July 31, 1982
5. Formal registration of CCCU under the Laws of Barbados.	WOCCU/CCCU	Sept. 30, 1982
6. Obligation of additional tranches of funds under this grant are contingent upon the completion of actions 1-4 above.	RDO/C	

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS			10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT	
<input type="checkbox"/> Project Paper	<input checked="" type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other Specify: _____	A. <input type="checkbox"/> Continue Project Without Change	
<input checked="" type="checkbox"/> Financial Plan	<input type="checkbox"/> PID/T	_____	B. <input type="checkbox"/> Change Project Design and/or	
<input checked="" type="checkbox"/> Logical Framework	<input type="checkbox"/> PID/C	<input type="checkbox"/> Other Specify: _____	C. <input checked="" type="checkbox"/> Change Implementation Plan	
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PID/R	_____	D. <input type="checkbox"/> Discontinue Project	

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER BANKING PARTICIPANTS AS APPROPRIATE (Name and Title)		12. Mission/AID/W Office Director Address	
Edward M. Birgella, CPDO	Ewight Johnson, A/DIR	Signature	
Toni Christiansen-Wagner, JFW	Terrence Liarcke, PRM	Typed Name	
John E. Tuleja, CCNT		William B. Wheeler, Director	
Farwin E. Clarke, SPS		Date	
		05/14/82	

PREFACE

This evaluation was conducted by a team consisting of J. Peter Marion, Financial Systems Specialist, World Council of Credit Unions; Ruth Anne H. Mitchell, Project Officer, Co-operative Development Foundation of Canada; Donald Lyn, Managing Director, Caribbean Confederation of Credit Unions; Melvin Edwards, Director of Training and Development, Caribbean Confederation of Credit Unions, Richard Lowe, Advisor to Director of Training and Development, Caribbean Confederation of Credit Unions; Darwin Clarke, United States Agency for International Development and James Carmichael, Canadian International Development Agency, were observers.

The evaluation was conducted from 1st February to 13th February, 1982.

TABLE OF CONTENTS

I	INTRODUCTION	
	1. Project Background	1
	2. Project Objectives	1
	3. Evaluation Methodology	2
II	SUMMARY FINDINGS & RECOMMENDATIONS	
	1. Key Findings	2
	2. General Recommendations	4
III	PROJECT ASSESSMENT	
	1. Project Objectives	
	1.1 Regional Project	6
	1.2 Dominica Sub-project	7
	2. Current Status of Project	8
	2.1 CCCU Headquarters	8
	2.2 Country Development Grants	12
	2.3 Technical Assistance	18
	2.4 Constraints	18
	2.5 Project Finance	19
	3. Project Outcomes	21
	3.1 Intermediate Objectives	21
	3.2 Indicators	29
	3.3 Unplanned Effects	32
	4. Conclusions and Recommendations	34
	4.1 Institutional Analysis and Planning	34
	4.2 Country Development Grants	34
	4.3 CCCU Headquarters Operations	35
	4.4 Training	36
	4.5 Technical Assistance	36
	4.6 Project Finance	37
	4.7 Information Systems	38
	4.8 Resource Mobilization	38

Table 1	-	Status of Country Development Activities	13
Table 2	-	Services Offered by Credit Union in Dominica	16
Table 3	-	Percentage Distribution of Loans granted by Purpose, 1980	17
Table 4	-	Growth Indicators	29
Table 5	-	Training Indicators	31
Appendix 1	-	CDG Implementation Procedures	40
Appendix 2	-	CCCU Project Budget Summary and Headquarters Budget Summary	42

I. INTRODUCTION

1. Project Background

The Caribbean Confederation of Credit Unions Regional Development Project was originally researched and designed during a four month period from March to June 1979. The design was modified subsequently in order to assist in greater measure the reconstruction programs of the Dominican credit union movement after Hurricane David. The project became operational in June 1980.

A noteworthy aspect of the project is its joint financing by U.S. and Canadian government development agencies through domestically based private sector organizations under coordination of the World Council of Credit Unions.

Operationally the project consists of three major components: CCCU headquarters development, country development project and grants (CDGs), and technical assistance. The first component includes essential management functions necessary for project and confederation administration and provision of training and field support services to member credit unions and leagues. Country development projects are designed to assist member organizations in developing essential training, financial and other services for their members. Grants to support these projects are awarded after the member league or credit union meets certain minimum criteria and are scheduled over a three to five year period on a decreasing basis; the recipient is expected to make up the difference in locally generated revenues. Technical assistance is provided currently by an American and Canadian staff of three. A financial advisor supports management systems development at CCCU headquarters and specialized assistance to member organizations. A training advisor supports CCCU's training and country development programs. The third technical advisor is based in Dominica and assists the league in developing its central finance systems.

2. Evaluation Objectives

The evaluation had four major objectives:

2.1 Review and document the current status of the CCCU and its development programs;

2.2 Measure planned versus actual performance in terms of expected intermediate outcomes and indicators;

2.3 Identify areas of policy and operations needing further attention in order to assure continued success in meeting the overall project objectives;

2.4 Recommend courses of action to resolve the identified problem areas.

3. Methodology

The evaluation was conducted as a joint exercise involving staff from the World Council of Credit Unions (WCCU), the Cooperative Development foundation (CDF), of Canada, CCCU management and staff (and one member of the Board of Directors in the final summary sessions), management and leadership of the credit union leagues of Dominica and St. Vincent and two of each of their member credit unions, the project technical advisors, and one observer from each of the governmental financing agencies, U.S. A.I.D. and C.I.D.A.

Principal activities included joint meetings of the evaluation team examining each of the areas listed under objectives above, interviews with key participants, review of operating documents and financial statements, field visits to two CDG-recipient leagues and one rural and one urban member credit union of each, and subcommittee exercises focused on training, country development projects and financial analysis. The basic contents for the evaluation report was drafted in the field; the final version was prepared in Washington by the representatives of WCCU and CDF.

II. SUMMARY FINDINGS AND RECOMMENDATIONS

1. Key Findings

1.1 The project is clearly meeting its fundamental objective of strengthening the Caribbean credit union movement's institutional capabilities to provide financial services needed by its over 400,000 members. This is demonstrated at the credit union level by substantial and continuing increases in membership, savings, loans outstanding and other aggregated indicators of movement performance. At the league level, project benefits are evidenced by improved management and reporting, initiation of country development projects and, in three cases, preparation of basic policies and procedures for central finance operations. At the confederation level, the project has enabled the CCCU to provide effective regional promotion, resource mobilization and training services to its member leagues, in addition to providing unprecedented levels of on-site technical assistance in preparing for country development project implementation.

In sum the Caribbean credit union movement seems to be achieving substantial progress in transforming itself into a financial and development services oriented system. The benefits of this developmental process continue to be felt at the grassroots level. For example, a few years ago in the area of Riviere Cyrique, Dominica, children could not proceed to secondary school, unless they obtained Government scholarships, due to a lack of financial means. Now every eligible child in the area is attending secondary school, as a result of credit union loans. This credit union is now expanding and improving its services to the community as a direct result of increased training and field support provided by the Dominica Credit Union League with the assistance of the project.

1.2 While there is a measurable degree of overall progress in the Caribbean credit union movement, the level of achievement in meeting project objectives is clearly less than expected. In particular, CCCU headquarters development is seriously behind schedule. Many of the headquarters management systems scheduled for completion during the project's first two quarters have still not been fully designed, documented and implemented (see Section III, subsections 3.1.1, 3.1.2 and 3.1.3). The CCCU does not yet have legal status as an institution in Barbados; it has legal standing only in the person of its managing director (see Section III, 2.4.1). Improved managerial performance is critically needed in the areas of planning, organization, personnel administration and financial control if CCCU headquarters development objectives are to be successfully achieved; the functional responsibilities of the managing director as reported to the evaluation team appeared to be insufficiently focused on headquarters administrative and managerial responsibilities while over-emphasizing external relations and meeting preparations (see Section III, 2.1.2). CCCU headquarters management problems may be reduced through increased policy guidance and supervision from the Board of Directors particularly in the areas of financial control (see Section III, 2.5), CDG participation (see Section III, 2.4.2), and personnel administration.

1.3 The country development grant (CDG) component of the project is behind schedule: six country projects were operational and six more were pending at the time of the evaluation while a minimum of ten had been scheduled for start-up during the first eighteen months. Delays in this area reflect difficulties encountered by affiliated movements in meeting CDG participation criteria, delays experienced by the CCCU in establishing and staffing its headquarters office, and postponement of the initial institutional analysis and development planning phase of the project. There is a critical need for completion of institutional analyses and preparation of technical and financial self-sufficiency strategies in all CDG participant movements for use in planning their country development projects, the corresponding CDG budgets and CCCU technical and training support requirements. Currently, CDG plans and budgets are short-term in nature and are not referenced to the project design and output indicators (see Section III, 2.2.2). Despite these problems, the CDGs do appear to have had considerable positive impact in the two countries surveyed during the evaluation (see Section III, 2.2.4).

1.4 CCCU training activities, measured in terms of course participants at the credit union and league leadership and staff levels, are ahead of schedule. Reporting at the credit union level, though partial, suggests that significant numbers of credit union members and the general public are receiving improved training and orientation in credit union services and philosophy (see Section III, 3.3.2). Completion of the country-level institutional analyses is needed to determine specific training requirements, program objectives and evaluation criteria to be included in the CCCU's projected comprehensive training strategy.

1.5 Financial trends have been established which indicate that, in the absence of additional funding commitments from sources other than

the current project donors, funds will have to be reallocated from currently underspent budget categories (Country Development Grants, Technical Assistance, and Overhead/Administration) to the overspent category (CCCU Headquarters Operation and Equipment) if headquarters operations are to avoid being curtailed in year five (July 1984 through June 1985).

1.6 Project implementation has been monitored and controlled by CUNA and CDF primarily through the WOCU technical advisors assigned to the CCCU and occasional supervisory visits to the region. Project progress reports, based on integrated annual action plans of both staff and advisors, have been prepared by the CCCU; separate progress reporting by the advisory staff to WOCU, CUNA or CDF project monitors has not been required. There is a clear need for quarterly plans and progress reports to be directly referenced to the project design's intermediate and final objectives and indicators if CCCU staff, the Board of Directors, WOCU, CUNA and CDF are to accurately gauge accomplishments in a timely manner.

Project financial reporting has not been performed to date on an integrated basis. Neither CUNA nor CDF has submitted formal CCCU expenditure reports to USAID and CIDA pending receipt of final audited statements for 1980 (revised) and 1981 from the CCCU. Technical assistance budget expenditure reports have been submitted to USAID Washington by CUNA and reporting to the AID mission in Barbados has been initiated but is behind schedule. Slight differences between the USAID and CIDA grant budgets need to be resolved in order for WOCU to initiate reporting to all project participants on an integrated basis.

1.7 The project as originally designed was not realistic in its assessment of the absorptive capacities of the CCCU and its member organizations, the human resources required at the CCCU level to implement a project of this scope, the impact of inflation on CCCU operating costs, nor constraints which might be encountered in providing technical assistance. It was expected that constraints in these areas and corresponding adjustments in the project design would be identified during the first year of the project and included in a 5-year development plan for the CCCU and its members. Unfortunately, the perceived need to demonstrate short-term results combined with inadequate technical assistance resulted in postponement of the institutional analysis and development planning phase of the project.

2. General Recommendations

2.1 Project Planning: A revised 1982 work plan should be prepared and submitted with the first 1982 quarterly report. The plan should be focused on completion of the headquarters system and policy development, country-level institutional analyses and five-year development planning objectives which are still pending and implementation of the evaluation recommendations included in this report. The plan should identify timing and individual staff responsibilities for completion of key intermediate and final objectives. Subsequent quarterly reports on plan fulfillment should be supported by completed documentation of:

2.1.1 Approved policy statements;

2.1.2 Systems design and operating instructions;

2.1.3 Institutional analysis reports and corresponding technical and financial self-sufficiency strategies as incorporated in each country development plan;

2.1.4 CCCU five-year development plan, including institutional analysis statements and technical and financial self-sufficiency strategy.

2.2 Legal Status: CCCU management should prepare and submit to the Board the position paper on legal registration options including the specific advantages and disadvantages of each specified in 1982 work plan objective No. 5 (not completed). At its June, 1982 meeting, the Board should select the option to be pursued, approve a timetable for necessary action, and direct management and/or one or more of its own members to implement required follow-up. Formal registration under Barbados law should be obtained by the end of September, 1982. (This deadline may be extended only if all procedural and substantive requirements have been met by the CCCU prior to 9/30/82 and subsequent delay is due to processing by the Government of Barbados.)

2.3 Project Management: The CCCU Managing Director, with the guidance of the Board of Directors and support of the technical advisors, should concentrate his efforts on developing and implementing headquarters financial and operating systems and maintaining CCCU administration on a current basis. Travel-related absences by the Managing Director from headquarters should be minimized until CCCU management is conducted in an up-to-date, effective and efficient manner.

2.4 Financial Management: The specific recommendations included in Section III, subsections 2.5.1, 4.3.6, 4.3.7 and 4.6.7 should be fully implemented on a priority basis by the indicated dates. As noted in Section II, 2.1 above, the June 1982 quarterly report should include supporting documentation of all financial systems and policy statements. CCCU preliminary financial statements should be up-to-date by May 31, 1982 and final audited statements for 1980, 1981 and the first quarter of 1982 should be completed.

2.5 Revised Budgets: CCCU staff should prepare and submit to the Board of Directors a revised financial plan based on a reallocation of CDG funds which will not be disbursed due to delays experienced by various leagues in qualifying under the CCCU's participation criteria. Such "savings" should be used primarily to finance increased training and field support services provided to the leagues by the CCCU. This will assist those leagues whose participation has been delayed to increase their absorptive capacity in subsequent years. The restructured budget should take into account the totality of CCCU headquarters and country development grant funding available in each remaining year of the project budgets, to assure that total spending does not exceed committed funding through June, 1985.

2.6 Country Development Grants: The CCCU Board of Directors should develop appropriate policies to assure that CDG funds are allocated on the basis of sound business development plans and their continuing, successful implementation by participating leagues. Country development grants should be viewed as complements to local human and financial resources with which they are combined to meet specific and measurable development objectives. CCCU policy guidelines should make clear that CDGs are to be awarded to member organizations on the basis of both performance and need as determined periodically by the confederation's technical and management staff. CDG funds should not be construed as guaranteed commitments of specified levels of funding during the life-of-project to each member organization.

2.7 Income Generation Strategies: Institutional development activities at both the league and CCCU levels should be directed toward those institutional and individual capabilities necessary for the provision of income generating services, particularly in the area of central (territorial) and regional financial operations.

2.8 Resource Mobilization: CCCU management and Board should initiate a resource mobilization strategy designed to assure funds availability after June, 1985 so that country development projects (and their corresponding grants) whose start-up has been delayed may be continued without interruption after the end of the current five-year project.

2.9 Data Collection: Information on the status of the credit union movement at the CCCU, league and credit union levels should be periodically collected and consolidated to permit accurate, timely monitoring and measurement of planned versus actual achievement of project outcomes, particularly in the areas of training, credit union growth, and new services development including central finance.

I. PROJECT ASSESSMENT

1. Project Objectives

1.1 Regional Project

The general and specific objectives of the regional project are summarized in similar if not identical form in the grant documents of U.S.A.I.D. and C.I.D.A. as presented below for reference.

1.1.1 Grant Purpose/General Objective

C.I.D.A.: The general objective of this project is to improve living standards of low-income people in the Caribbean region by developing a strong credit union movement in 15 Caribbean countries.

U.S.A.I.D.: The purpose of this Grant is to provide support for a program to support the increased mobilization of local savings and the channeling of these funds back into productive and provident investments by Caribbean credit union members and their families.

1.1.2 Specific Objectives:

Institutional Development and Training

C.I.D.A.: To develop the institutional capabilities of the Caribbean credit union system at the local, national and regional levels, so that by 1985, more than 500 local credit unions, 15 national credit union institutions and the CCCU will be functioning effectively to serve the needs of credit union members;

U.S.A.I.D.: To assist the Caribbean Confederation of Credit Unions (CCCU) to assist member credit union leagues to design and implement successful development programs for member credit unions.

U.S.A.I.D.: To assist member credit union leagues to develop their affiliates' management capabilities to provide services to credit union members.

C.I.D.A.: To train over 50,000 credit union leaders, staff and members in credit union operations;

C.I.D.A.: To ensure, by 1985, that the CCCU and its 15 affiliated national leagues will have achieved complete technical self-sufficiency in their essential management functions, and that at least seven affiliated leagues will have achieved financial self-sufficiency.

Growth

U.S.A.I.D.: To assist individual credit unions to increase membership and to mobilize member savings and provide timely and low cost credit services.

C.I.D.A.: To increase credit union membership in the Caribbean region from 330,000 to 567,000 people by 1985;

To increase the annual rate of growth of savings, loans, assets and reserves of Caribbean credit unions by at least 10%;

1.2 Dominica Sub-Project (U.S.A.I.D.)

To strengthen and provide support to the Dominica Credit Union League and affiliated credit unions, in order that the credit union movement can assist in Dominica's reconstruction after Hurricane David.

1.3 Observations

Measurable progress is being achieved in reaching these objectives, as is noted subsequently in this report. Two caveats should be mentioned at this point:

1. While technical self-sufficiency may be achieved by most member leagues by 1985 in essential management functions, it is probable that fewer than the projected seven will have reached an economic break-even point.

2. Projected growth trend increases in terms of current (inflated) national currencies will probably be achieved; these however will not be strictly comparable to the U.S. and Canadian dollar equivalent values as projected in the project document. Growth in current dollar terms, while substantial, will probably be less than the projected dollar equivalents made using year-end 1978 exchange rates.

2. Current Status of Project

2.1 CCCU Headquarters

2.1.1 The CCCU has no legal status as an institution. Registration has been denied under Barbados Cooperative Law.

2.1.2 Organization

The current organizational chart is shown in the accompanying exhibit.

Board of Directors

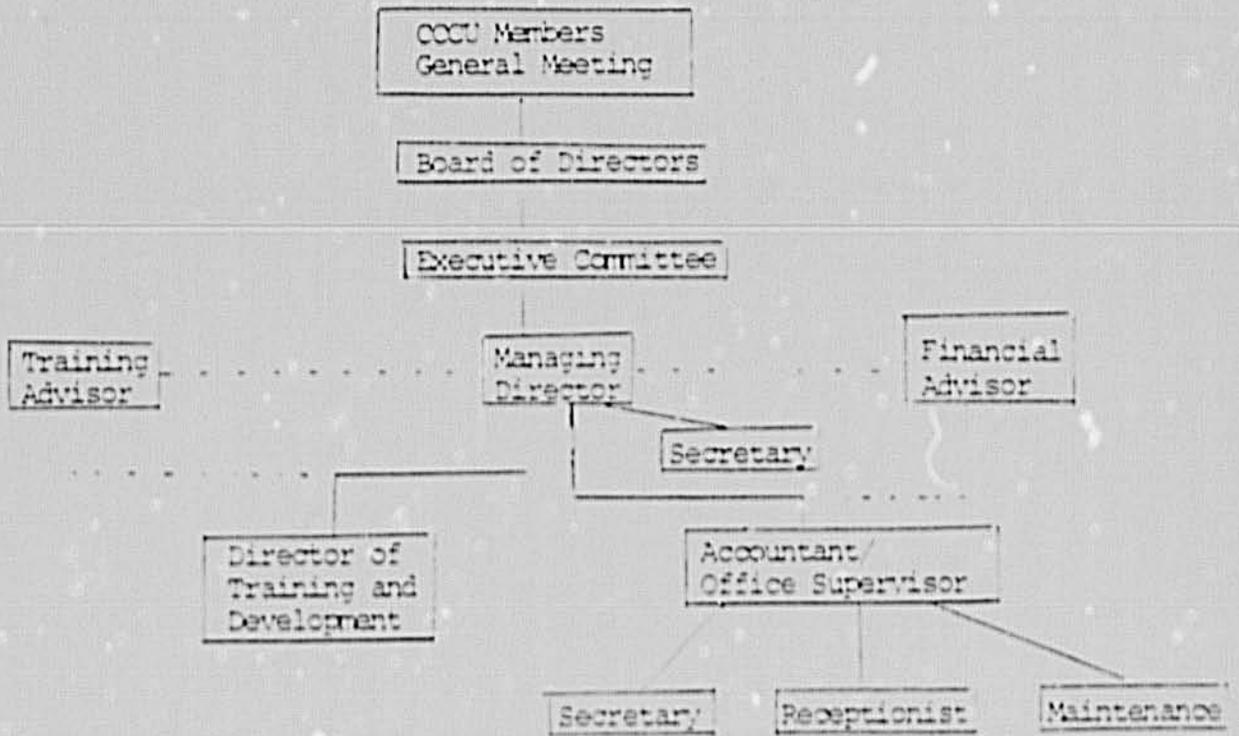
The Board of Directors has seven members. The bye-laws require a minimum of two meetings per year; three meetings have been held annually since the project began.

Staff Functions

CCCU Headquarters functional responsibilities have been informally assigned as follows:

Managing Director

- (a) Preparation for Board, AGM and other meetings
- (b) Quarterly and other reports
- (c) COG management decisions
- (d) WCCU issues
- (e) Donor agency relationships
- (f) Public relations/representation
- (g) Project development
- (h) Hiring, supervision and orientation of staff



- (i) Affiliate relations
- (j) Board relations
- (k) Financial reports
- (l) Legal and governmental relations
- (m) Systems development
- (n) Planning

Director of Training & Development

- (a) Curriculum development, implementation, planning, research, assessment of training needs, CDG analysis and recommendations
- (b) Development of programs and CDG monitoring (budget and planning review, supervision of field implementation)
- (c) Promotion and public relations
- (d) Report on field visits: CDG status, training
- (e) Development needs assessment: training, institutional development

Accountant and Office Supervisor

- (a) Supervises work flow and specifically the receptionist/typist, office cleaner, gardener and other casual laborers
- (b) Accounting: preparation of financial statements, budgets, bookkeeping, payments and receipts
- (c) Office maintenance
- (d) Contracts/purchasing negotiations

2.1.2 Training

Regional Program

A one-year, three phase program of training for credit union managers and field men has been designed and implemented. The first three-week session took place in October 1981. It was attended by 19 individuals: 11 credit union managers, 7 field officers, and the CUCU accountant. Successful participants will be awarded certificates from the University of the West Indies.

Other Programs

1980

CUCU coordinated the training of 5 individuals at the Coady Institute Credit Union program in 1980.

Board members of Leagues received training in planning, budgeting board functions, leadership development and management (average four-day session in each country).

1981

The regional program for league managers and field workers was designed and the first session conducted. Subsequent on-the-job training is an integral part of this program.

As part of the implementation of CDGs, in-country training in league management was carried out in six countries.

At the CCCU headquarters, 8 staff training sessions were conducted; the accountant is participating in the regional training program.

1982

The last two sessions of the regional training program will be conducted in Barbados. A ten-day course for selected league personnel will be held in Nevis. The CCCU Board of Directors will receive training in conjunction with board meetings. CCCU staff will receive on-the-job training as systems are formally implemented.

Coady International Institute has provided resource persons for the regional course. It provided financial assistance covering 45% of the cost of the first session. Coady personnel will provide field technical assistance to the Grenada league and member credit unions for three weeks during 1982.

No comprehensive training program has been designed, although target groups and basic training needs at all levels of the credit union movement have been identified.

2.1.4 Public Relations

A newsletter is produced bi-monthly; it is circulated to member organizations, governments, donors, and other interested parties. Contact has been made with all governments in the region; trade union contacts have been established in Barbados, Montserrat, St. Vincent, Grenada, St. Kitts, Guyana and with the Caribbean Congress of Labour. Contacts have been made with cooperative organizations in the region: BARTACS of Barbados and NACDA of Grenada, both of which are national representational bodies for the cooperative movement in their respective countries; Barbadoes Agricultural Society; Fishermen's Cooperative of St. Lucia; Farmers' Cooperative of Antigua, and the Banana Cooperatives of Dominica and St. Vincent.

The Managing Director makes frequent appearance on television in Barbados; the tapes of these programs receive wide circulation throughout the region. Cordial relationships are maintained with similar regional and international organizations, such as CABEC, CARICOM, IDS, CDB, IWI, the Coady Institute, etc.

2.2. Country Development Projects

2.2.1. Current Status

Country development projects have been initiated in six countries. The status of these projects, and those which have not yet begun, is summarized in Table 1. Minimum requirements for receiving a country development grant were drafted and a manual for country development grant implementation was produced. The implementation procedure is contained in Appendix 1.

Minimum Performance Standards for Credit Union Leagues have been drafted by staff and presented to the Board for approval.

2.2.2 Objectives

Countries currently participating in the CDG program have endorsed the general objectives of credit union development set out in the OCCU project document. They have not set long term objectives; this will be done after institutional analysis has been completed.

Short term objectives have been established; these deal primarily with the institutional development of Leagues and Credit Unions, and training. Six month action plans outlining specific activities needed to reach short term objectives have been drawn up. Measurable indicators for growth, training and other objectives have not been incorporated in these plans.

2.2.3 Monitoring

The OCCU has designed a monitoring system for CDGs; it is in place but lacks current data. Once the system is in operation, the OCCU will be able to monitor League activities in the following areas:

- Pre-grant - implementation progress
- Six month action plans
- Quarterly reports
- Monthly financial statements
- Annual budget
- Assistance provided by OCCU
- Grant disbursements
- General observations

The OCCU has developed a form to request information from leagues.

2.2.4 Field Visit Results

St. Vincent

OCCU field support and CDG financial assistance have enabled the league to become a functioning institution. League accomplishments to date include:

1. Holding the first AGM since 1976 and election of a new

TABLE 1 - STATUS OF COUNTRY DEVELOPMENT ACTIVITIES

COUNTRIES	Functioning Board of Directors		Qualified Manager Employment	Date Begun	CDGs		Number of Visits by CCU Staff		
	at 6/80	at 12/81			Pending 1982 With Budget	Without Budget	1980	1981	1982
Grants in Progress									
BARBADOS	yes	no	no - in training	7/81	yes		4	4	0
BELIZE	yes	yes	no - vacant	4/81		no	0	1	1
ANTIGUA	no	yes	no	5/81	yes		1	8	0
DOMINICA	yes	yes	yes	7/80	yes		1	4	1
ST. VINCENT	no	yes	no - in training	9/80		no	1	5	0
ST. KITTS/NEVIS	yes	yes	yes	7/81	yes		1	4	0
<u>Grants Pending</u>									
TRINIDAD & TOBAGO	yes	yes	yes	3/82	yes		1	2	2
SURINAM	no	yes	no - vacant	4/82	yes		0	5	1
GUYANA	yes	yes	no - vacant	4/82	yes		0	2	1
GRENADE	no	no	no - vacant	4/82	yes		0	4	1
MONSERATT	no	no	no	4/82		no	1	2	0
ST. LUCIA	no	no	no - in training	4/82		no	1	6	0
CAYMAN	yes	yes	yes				0	1	0
BAHAMAS	yes	yes	no - vacant				0	1	0

Board representing all seven credit unions. Transport expenses of Directors from rural credit unions are subsidized to assure their full participation in Board deliberations.

2. A manager has been employed; a clerk is employed on a shared-cost basis with member credit unions. The league is now able to prepare accounts and budgets on a regular basis. A six-month action plan has been prepared.

3. Training and promotion programs have been initiated for credit union leaders (47 trained to date) and new government employees (69 trained), scripts were prepared for 24 radio programs, and a steering committee to form a new credit union has been organized and actively supported by the league.

4. The league has provided technical assistance to two credit unions in developing their loan policies. Other services to credit unions include clerical support, access to office equipment, use of league audio-visual equipment for promotion and training activities, and management of a credit union building construction project.

5. Initial development of a central finance system: The league has begun development of loan policies and procedures for future operations of a central finance facility. Discussions are being held with credit unions on possible methods for capitalizing and funding such a facility. Recovery of funds provided to credit unions for housing reconstruction will probably be the primary source of funds for the facility in its initial years.

6. Credit Union Growth: Credit Union local membership growth data is not available for all member credit unions for the period 1980-1981. Growth was 15% in total members for three credit unions which did report. Two credit unions reported growth in combined savings of 23% and combined loans of 33%.

7. Credit Use: Review of loan purpose data from one credit union shows housing construction to be the largest single category (27% of loans granted in 1980), followed by furniture and other household needs (19%), transportation (15%), education, medical expenses and other provident uses (13%), vacation/travel (12%), debt consolidation (8%) and land (5%).

Dominica

The Dominica Co-operative Credit Union League was a functioning institution prior to its participation in the CCCU Regional Development Project. Accordingly, the objective of the Dominica sub-project was to enhance league operations so that credit unions could participate effectively in the post-Hurricane David reconstruction efforts. The project appears to be succeeding well in this endeavor, despite some early problems experienced in stationing a technical advisor (the first advisor was withdrawn due to health problems; a second was posted in November, 1980). Accomplish-

ments to date include:

1. Successful completion of the U.S.A.I.D. Relief Materials Distribution Program. Four credit unions were effective distribution agents for reconstruction materials. They realized additional income during the period and were able in some cases to provide financing to their members for the materials purchases and demonstrated both their operational capabilities and commitment to their communities. Savings growth in these credit unions totaled 24% in 1981. One credit union was able to purchase an office with its commission income.

2. Development of a central finance system. The major accomplishment to date has been preparation for the implementation of a central finance system which will enable the league to intermediate funds from credit unions with cash surpluses to those needing additional funds to meet member loan demand. System development has proceeded in a careful, step-by-step manner involving leadership at the credit union and league levels throughout Dominica. The technical advisor has played a key role in support of the league manager and Board of Directors in carrying out the development process. Results to date include:

- System-wide quantitative analysis of the Dominican credit union movement's financial structure and growth.
- Preparation of a basic central finance operating model, including policy guidelines and basic procedural outlines.
- Training of league board and staff in the concepts and operation of a central finance system.
- Carrying out of sectional meetings with all member credit unions to analyze in depth the structure and operation of the system.
- Identification of related development areas with field and short course follow-up to improve credit union accounting, financial reporting and loan delinquency control.

The league Board has approved a plan for implementation of the system during 1982 which includes the following outputs:

- Installation of a new league accounting system and employment of an accountant to operate it.
- Implementation of required policies, operating procedures and bye-law changes.
- Central finance system start-up in May 1982 (receive credit union funds; initiate loan disbursements in August 1982).

-- Complete system evaluation, final report and development recommendations (November 1982).

The Board has requested that the technical advisor be retained through December 1982 to provide continuing on-site support during the system's first seven month's of operation.

3. Improved field support to credit unions: Field support to credit unions by the league has increased as a result of CDG funding and the quality has improved due to the advisor's technical inputs. As a result, more credit unions are up-to-date in their bookkeeping (about 75%); prior to 1980 some credit unions were 3 to 4 years behind in their accounts. All credit unions have now been audited through 1980.

4. Credit union training: Training programs in bookkeeping, delinquency control, central finance, insurance operations, board and staff functions, and general management have been provided to nearly all credit unions; total attendance at these courses reached 284 in the first ten months of 1981.

5. Two credit unions were "resuscitated" as a result of increased league field work and services.

6. A related benefit of increased communication among credit unions facilitated by league training programs was an increase in both the types of services offered by credit unions and the number of credit unions offering them. These increases are shown in Table No. 2.

TABLE NO. 2 SERVICES OFFERED BY CREDIT UNIONS

<u>Service</u>	<u>Number of Credit Unions Offering the Service</u>	
	<u>Pre-Project</u>	<u>Currently</u>
Foreign exchange transactions	2	8
Salary payment (check cashing)	3	12
Utility bill collections	0	6

7. Credit union growth. The following increases were recorded in membership, loans outstanding and savings during 1981:

	Increase	
	Amount	Percent
Membership	3,653	14%
Loans Outstanding*	\$2,077	22%
Savings*	\$2,132	22%

* Thousands of E.C. dollars

8. Credit use. Reports on loans granted by purpose in 1980 were obtained from rural St. David's credit union with about 1% of total movement loans outstanding and urban Roseau credit union with about 63% of total loans. Housing loans provided by these two credit unions totaled about E.C. \$1,226,000 in 1980. Data for 1981 are not yet available. The percentage distribution of loans by purpose for the two credit unions is shown in Table No. 3.

TABLE NO. 3 PERCENTAGE DISTRIBUTION OF LOANS GRANTED BY PURPOSE, 1980.

	Roseau	St. Davids
Housing	30%	14%
Furniture/Domestic uses	6%	38%
Medical, Education, Provident	1%	2%
Transport/Vehicles	21%	7%
Vacation/Travel	2%	--
Debt consolidation/Refinance	28%	--
Agriculture/Land	3%	9%
Business	--	29%
	<u>\$4,138,700</u>	<u>\$20,350</u>

2.3 Technical Assistance

Technical assistance to the CCCU Headquarters has taken the form of a financial advisor from June 1980 to July 1981, a training advisor from February 1981 to present who is projected to remain until February 1984, and a financial advisor from February 1982 to a projected February 1984. If a comprehensive training program can be developed during 1982, the training advisor may not be required on-site after February 1983.

The financial management assistance provided to CCCU from June 1980 to July 1981 did not meet the institution's needs. Supplementary on-site technical assistance has not been provided to date by either WOCU or CDF. Individuals from the Jamaica League and management consultants have been used in the regional training program, and in pre-CDG implementation assistance.

2.4 Constraints

2.4.1 CCCU Headquarters

The CCCU has no legal status. Permission to locate the headquarters in Barbados was sought and granted in July 1978; when registration as an international institution was requested in September 1980 from the Ministries of External Affairs and of Finance, it was denied. In May 1981 a request to the Ministry of Agriculture for registration under the Cooperative Act was refused. In October 1981 a recommendation was made to the CCCU board for registration as a non-profit organization. The lack of legal status prevents the CCCU from entering into legally binding agreements.

Delays in obtaining even the current semi-formal legal status apparently prevented stationing of the Managing Director in Barbados at start-of-project which inhibited the establishment of a close working relationship between him and the first Financial Advisor. Lack of clear, well documented policies and plans for the advisor's technical contributions combined with personal incompatibilities severely limited systems development activities during the project's first phase.

Start-up of the CCCU's training programs was constrained by delays in stationing the training advisor and in hiring the Director of Training and Development. The former was not stationed until February 1981, eight months after start-of-project, the latter was not employed until July 1981, seven months after the scheduled date.

The CCCU headquarters office was not opened until February 1981, largely because an acceptable legal status had not been obtained. This resulted in loss of funds deposited for rentals and prevented hiring of local support staff on a full-time basis. In effect, CCCU headquarters

did not become fully operational until eight months after the project had begun.

A high staff turn-over rate (100% of support staff in the year after opening the office) due in part to low salaries offered by CCCU and in part to poor performance of staff after hiring, has resulted in a lack of continuity to date. On-the-job training investments in staff were essentially lost.

2.4.2 Country Development Projects

At the time of the project's inception, only Guyana, Belize, Dominica, Jamaica, Trinidad and Tobago, St. Kitts/Nevis, Cayman Islands, and the Bahamas had functioning boards. A functioning board is defined by CCCU staff as one that meets regularly, maintains good board-manager relations, and has the basic skills necessary to actively direct the institution. Bringing Boards up to an acceptable level of performance is a slow process, requiring both technical training and attitudinal change.

Only Dominica, Belize, and Nevis, of the countries participating in the CDG program had managers able to carry out essential League management activities at start-of-project. Recruiting, employing and training capable league managers remains a constraint to CDG implementation as originally scheduled.

An additional constraint, affecting both CCCU staff and league leadership in preparing for CDGs, has been insufficient policy guidelines at the CCCU Board level specifying need and performance criteria which should be met by member organizations participating in the program.

2.5. Project Finance

2.5.1 Financial Management

The financial position of the CCCU and the overall project can only be estimated through the end of 1981 due to the following major reasons: (1) the provisional quarterly financial statements of the CCCU contain internal inconsistencies; (2) the general ledger has not been updated with the 1980 audited balances.

A review of the CCCU financial systems indicated that extensive design and documentation work still needs to be done if adequate systems are to be implemented. Policies essential for internal control, funds handling and accountability, recording of income and disbursements, financial planning and budget control, statement certification, bank reconciliations, audit responsibility and required reports, etc., need to be documented, approved by the Board and implemented. It is of critical importance that the CCCU develop these policies and that management be accountable for developing and implementing the required system in the very near term if funding is to be continued.

It is expected that the new financial advisor will be able to assist CCCU leadership, management and accounting staff in developing the appropriate financial policies and system.

2.5.2 Project Budget

CCCU annual budgets are not evidently based on the project budgets for corresponding periods nor are expenditures maintained within budgeted totals. This is shown below for 1981; reported amounts include both operating costs and capital expenditures for equipment.

	<u>Amount in</u> <u>U.S. Dollars</u>
Project Budget	\$ 169,725
CCCU Budget	197,236
Reported Expenditure	225,078

At the end of the first eighteen months, CCCU headquarters were approximately \$61,500 over budget. This seems to be the result of lack of policy guidelines concerning management accountability for maintaining expenditures within the approved budgets or presenting revised budgets to the Board for their review and approval before incurring unbudgeted expenses. Total grant allocations to CCCU headquarters are currently nearly \$74,000 over budget; this is due to the cost overrun already noted and shortfalls in budgeted non-project income of \$12,100. These income items include dues and other internally generated funds (\$9,700 under budget) and CUNA Mutual grant (\$2,700 under budget). All other budget categories were under their approved amounts by nearly \$230,000 through the end of 1981. As a result, total project grant fund allocations were about \$156,000 less than budgeted.

The financial status of the project and of CCCU headquarters is presented in Appendix 2. It should be reiterated that these are preliminary estimates based on incomplete accounting data.

3. Project Outcomes

In this sub-section, the completion status of intermediate project objectives included in the design is presented in summary form in part 3.1.; part 3.2. presents the current status of intermediate indicators; part 3.3. describes unplanned outcomes/effects experienced during the project's implementation.

1.1. Intermediate Objectives

CRM Management Development -- Phase I -- 6/80 - 12/80

3.1.1 Financial Systems	Design	Document	Implementation
--Budgeting	Policy Statement 6/80	Partial	Partial
--Cash Planning	**12/80	Available 2/82	No
--Accounting, Reporting, Auditing	Policy Statement 6/80	Partial 2/82	Partial
--Billing, Collection, Funds transfer	No	--	--

**System design no longer current, needs to be redesigned.

3.1.2 Personnel Systems (basic policy statements prepared by 6/80)

--Policy and Procedures for Task-based job descriptions	pre-9/81	9/81	9/81**
--Objective performance appraisal standards	No	--	--
--Position grading and incentive system	No	--	--

**Job descriptions need to be updated.

3.1.3 Office Administration Systems	Design	Document	Implementation
--Filing	4/81	4/81	4/81
--Punch handling (1)	6/80	6/80	6/80
--Scheduling: (2)			
Jobs	No	--	--
Reports--Financial	6/80	Yes	Yes
COs	6/80	5/81	5/81
			(10/81--data updated)
Quarterly Reports	3/81	3/81	3/81
Internal Plans	Currently Redesigning System	Partial	Partial

- (1) System as implemented needs internal controls.
(2) Planning system; discussed but not yet designed.

Institutional Development -- Phase II -- 10/80 - 3/82

3.1.4 Institutional Analysis Completed:

Design	No	(system design currently scheduled for completion by 9/82)	
COs	No	--	--

3.1.5 Documented Procedures for:

Strategic & Action Planning	No	--	--
Feasibility Analysis	No	--	--
Monitoring (COs)	Yes	Yes	Partial
Budgeting	Partial	Partial	Partial
Project Control	Yes	Yes	Yes
Evaluation Criteria	No	--	--
Assessment	No	--	--
Information Systems	Partial	Partial	Partial

3.1.6	Five-Year Plans	Design	Document	Implementation
	Leagues (scheduled for 1982) 1 plan in Dominica -- 3/81	No	--	--
	CCU (scheduled for 1982) annual work plans only	No	--	--
<u>Country Development Projects -- Phase III -- 12/80 - 6/82</u>				
3.1.7	Pre-Requisites			
	--Planning & Control System	5/81	5/81	5/81
	--Legal & Operational Role Definition	5/81 (All Leagues. CDG implementation manual).	5/81	5/81
3.1.8	Implementation			
	--Projects initiated: 6 2 by end of 1980 4 in 1981			
	--Required authorizations obtained (only Bontzerrat has not been authorized)	Yes	Yes	Yes
	--Staff hired	Partial	Partial	Partial
	--Budget/Work plans approved (1982 only)	Partial	Partial	Partial
	--Monitoring & Evaluation Criteria (none -- pending implementation of planning system)			No

3.1.9 Services Development -- Phase IV -- 12/80 - 6/85

Design

Document

Implementation

Note: Outcomes not scheduled for completion at time of IR math evaluation.

Basic Systems for Services Provision

--Breakeven analysis and pricing

No

--

--

--Production, planning and quality control

No

--

--

--Policy/Systems for sub-contracting

No

--

--

Training Service

9/81

9/81

10/81

--Basic requirements identified as part of current system

Partial

Partial

No

--Content of management training

(dependent on completion of institutional analysis)

--Training system

(initiated)

--Evaluation

(dependent on completion of comprehensive training approach)

Development of Model Operating Systems Guidelines for Leagues and CUs:

--Financial Management and League Loan Policies

2/82

4/82
(planned)

No

	<u>Design</u>	<u>Document</u>	<u>Implementation</u>
<u>Forms and stationery supply sales</u>	(Not yet planned)	--	--
<u>Resource Mobilization Program for Investments and Development Projects</u>	Program currently operating; policy and procedures not documented. See sub-section 3.3.1. Formalization of CCU legal status is required before 1984 to handle scheduled funds repayments to the CCU and establishment of a regional finance facility.		
1. <u>Dominica-Banana Boxing Plants Reconstruction</u>	10/79	11/79	4/80
	<u>Total Value</u>	<u>CCU Repayment</u>	
	\$225,000 BDS.	\$112,500 BDS.	
2. <u>St. Vincent-Housing reconstruction and agricultural production</u>	10/80	1/81	1/82
	<u>Total Value</u>	<u>CCU Repayment</u>	
	\$ 83,000 BDS.	\$ 41,500 BDS.	
3. <u>St. Vincent - CU Building/Community Centre</u>	3/81	4/81	8/81

	<u>Design</u>	<u>Document</u>	<u>Implementation</u>
4. St. Lucia - Housing reconstruction and agricultural production	10/80	1/81	1/82
	<u>Total Value</u>		<u>CCCU Repayment</u>
	\$83,000 BBS.		\$41,500 BBS.
5. Bevis - CU Building	10/81	12/81	(pending)
6. Jamaica - Institutional analysis	3rd quarter/79 (follow-up requested)		

3.2 Indicators

3.2.1 Growth Indicators

The financial indicators as originally compiled and projected in the project design document are not strictly comparable to data currently reported by the OCCU. The original data were in several cases based on the total movement since data on affiliates only were not readily obtainable; the OCCU currently reports on affiliated credit unions only. Projected values were based on local currency trends converted to U.S. dollars at the year-end 1978 rates; as such they do not reflect annual devaluations of local currencies experienced prior to 1978. The preparation of comparable data would require conversion of local currencies to U.S. dollars at the 1978 rates and the collection of data from non-affiliated credit unions. While the latter would be a most useful exercise, the former is of lesser value.

New indicators should be developed based on the institutional analyses and development planning exercises to be undertaken in each affiliate. Progress in achieving these indicators could then be monitored on a country-by-country basis in local currency values; this would be a far better measure of project performance and movement growth than the original 1979 projections of aggregated indicators converted to U.S. dollars.

Finally, new indicators need to be developed to reflect changes in the project starting date. The 1979 projections assumed a start date of January 1, 1980 and the initiation of ten country development projects by the end of that year. In fact, the OCCU did not become fully operational until February 1981, and only six CDGs were in progress at the end of the first 18 months. Data from the two CDG countries evaluated suggest that movement growth has been accelerated by the project; the remaining CDG countries have been in the program for less than a year.

Growth in the basic indicators currently collected by OCCU is summarized in Table No. 4. It should be noted that the reporting of assets is not consistent among all member countries; three countries report net asset figures, the rest report total assets.

TABLE NO. 4 GROWTH INDICATORS

	<u>Monetary Data in Thousands of U.S. Dollars</u>		
	<u>1979</u>	<u>1980</u>	<u>Percent Change</u>
Affiliated credit unions	470	410	(12.8)
Number of Members	363,328	397,330	9.4
Share and Deposit Savings	\$119,091	\$140,150	17.7
Loans Outstanding	\$120,448	\$140,527	16.7
Reserves	\$ 9,388	\$ 10,243	9.1
Assets	\$138,074	\$158,162	14.5

3.2.2 Training Indicators

Data on training activities are presented in Table No. 5. The "planned" figures were obtained by interpolation between the indicator values projected at year-end 1980 and year-end 1981. Indicator values represent the number of participants in specific training activities, with two exceptions: the indicator for number of full-time league managers and the number of league managers trained. In the latter case, 11 league managers have been trained by the CCCU; several managers have participated in more than one activity, for a total managerial attendance figure of 17.

Data on training of credit union members is not currently being collected in a systematic basis. The reported figures are from two countries only, St. Vincent and Dominica, and represent only partial reporting at best.

TABLE NO. 5 TRAINING INDICATORS

	<u>Course Participants</u>	
	<u>1/82</u>	<u>1/82</u>
<u>Credit Union Members (2 countries)</u>	<u>Planned</u>	<u>Actual</u>
--Members trained	2,500	22
--Non-members	-	69
--Non-specified	-	300
	<u>2,500</u>	<u>391</u>
 <u>CU Staff/Directors</u>		
--Managers	50	4
--Other Staff	50	25
--Directors	125	108
--Other Committees	125	71
--Non-specified	-	271
	<u>350</u>	<u>479</u>
TOTAL		
 <u>League/Staff Directors</u>		
--No. of full time Managers	9	10
--Managers trained	-	17 (11 managers)
--Field Workers trained	-	8
--Administrative staff trained	-	1
--Treasurers	-	-
--Directors	13	54
--Committee Members	15	-
	<u>28</u>	<u>90 participants</u>
TOTAL		
 <u>CCC</u>		
--Staff	3	3
--Directors	3	STARTS 2/82
	<u>6</u>	<u>3</u>
TOTAL		

3.3 Unplanned Effects

3.3.1 Resource Mobilization

The OCCU has been highly successful in mobilizing additional financial and technical resources to support disaster relief and training operations for its member leagues. In fact, this unexpected success has to some extent overburdened the two professional staff of OCCU. Total resources mobilized are shown below:

<u>Amount</u> <u>(U.S. Dollars)</u>	<u>Recipient - Purpose</u>
\$ 113,063	Dominica League - Banana Boxing Plants Reconstruction
40,000	St. Lucia - Housing Reconstruction
40,00	St. Vincent - Housing Reconstruction
23,000	St. Vincent - C.U. Building Reconstruction, South Rivers C.U.
69,300	Nevis - C.U. Building Reconstruction
10,900	OCCU - Regional Training Program - funding assistance from Coady International Institute
<hr/>	
Total: \$ 296,263	

About one-third of these funds (\$96,500) are scheduled to be repaid by the recipient leagues to the OCCU to form part of the capital base of a future regional financial facility to be operated by the confederation.

3.3.2 Government Relations

Governments throughout the region have provided greater material support to their credit union movements than was originally anticipated, thus complementing the United States and Canadian government contributions and OCCU and league efforts. The Dominica League's standing was considered to have been enhanced by a Memorandum of Understanding signed by the League, the OCCU and the Government of Dominica upon initiation of the sub-project in that country. In Antigua new cooperative legislation has been prepared. The government of Guyana temporarily seconded a cooperative officer to the League as manager. The St. Lucia manager is on secondment from the government. The Nevis credit union was provided with the services of a government architect for the design and costing of its new building.

3.3.3 Media Coverage of Credit Unions

Extensive coverage by print and electronic media of CCCU and league sponsored activities has exceeded original expectations and may be attributed in large part to the project. Radio and TV programs developed in one territory are being used in other territories within the region. CANA, the regional news association, provides wide distribution of credit union-related news reports.

In some countries, the acquisition of audio-visual equipment by leagues and its use in rural credit union promotional programs has resulted in wide exposure of the movement's philosophy and financial services.

3.3.4 Assistance Requests from Non-Project Territories

A major effect of increased media exposure has been the awakening of interest in forming new credit unions in areas not previously served by the movement. These include at present Anguilla and St. Kitts. Responding to requests for promotional and organizational assistance in these areas will place additional burdens on CCCU's limited staff resources, since leagues are not in place to provide this service in those territories.

3.3.5 Training Demand

The ability of the CCCU to provide quality training, a direct result of the project's assistance, has elicited an unexpectedly high level of demand for participation in the confederation's programs. While this was expected at the league level, it was not anticipated at so early a stage at the credit union level. This has increased pressure on the CCCU to provide direct credit union leadership and staff training in those territories where the leagues have as yet been unable to provide training services of comparable quality.

3.3.6 Collaboration with Educational Institutions

The CCCU has attracted assistance from both the University of the West Indies (UWI), Barbados, and the Coady International Institute of Canada for the implementation and certification of its regional league managers and fieldworkers training program. Coady inputs have included financial aid and the provision of resource persons for both the course and subsequent field work in Grenada. A benefit of this collaboration will be an enhanced public image of CCCU-sponsored training programs and the league personnel participating in them.

4. Conclusions and Recommendations

4.1 Institutional Analysis and Planning

Conclusions

- 4.1.1 Insufficient institutional analyses were conducted before start of project at both League and CCCU levels.
- 4.1.2 Insufficient attention has been given to institutional analysis since project started-up.
- 4.1.3 Current CCCU headquarters and country development project planning is reaction oriented and not integrated with overall project objectives or indicators.

Recommendations

- 4.1.4 The institutional analyses of each league and its member credit unions and of CCCU should be completed in 1982.
- 4.1.5 A CCCU five-year development plan for the period 1983-87 should be completed by the end of 1982. The plan should be based on the country-level and CCCU institutional analyses and should include revised project objectives and indicators, and resource mobilization requirements for the post-project period.

4.2 Country Development Grants

Conclusions

- 4.2.1 Much more CCCU staff time and money has been required to get the CDGs operational than originally envisaged as a result of affiliates' inability to meet minimum participation criteria.
- 4.2.2 The CDG program is behind schedule and under budget. Insufficient time remains to complete all CDGs under the original disbursements schedule. Affiliates do not appear capable of absorbing accelerated disbursements.

Recommendations

- 4.2.3 Development plans resulting from country-level institutional analyses should be the guide in planning and budgeting for post-1982 grant awards. A revised schedule of disbursements based on both the affiliates' absorptive capacity and CCCU headquarters administrative, training and field support

capabilities should be prepared. Funds should be reallocated from CDGs which will not be completed at the end-of-project to the CCCU training and field support budgets. Country development projects not completed by June 1985 will require funding in a follow-on project.

- 4.2.4 Expanded policy guidelines and CDG implementation procedures should be documented and implemented.

4.3 CCCU Headquarters Operations

Conclusions

- 4.3.1 The CCCU is behind schedule in meeting its internal development objectives; basic management systems are not yet in place.
- 4.3.2 Headquarters operations are significantly over budget; fixed cost trends have been established which will lead to significant cost overruns.
- 4.3.3 Lack of registration inhibits funds accountability, signing of contractual agreements with member organizations and third parties, and the establishment of a regional finance facility.
- 4.3.4 Financial management and reporting is inadequate. There is no documented accounting system; 1980 audit balances have not been posted to the 1981 general ledger; annual operating budgets are not prepared based on the project budget; quarterly financial statements continue to contain inconsistencies.

Recommendations

- 4.3.5 Develop a revised 1982 work plan to focus on:
- (a) meeting institutional analysis objectives;
 - (b) training approach documentation;
 - (c) development of Headquarters/CDG financial management systems;
 - (d) documented personnel policy and systems.
- 4.3.6 Develop a revised integrated budget for CCCU operations, CDGs (including Dominica project) and technical assistance.
- 4.3.7 Reconcile 1981 accounting data with 1980 audit figures, prepare bank reconciliation and new trial balances; complete 1981 audit by April 30, 1982; develop 1982 cash budget (capital, operating, and CDG components); document accounting system; implement internal controls.

- 4.3.9 Document and implement a uniform personnel system.
- 4.3.10 Obtain legal status as a registered institution by the end of September 1982.

4.4 Training

Conclusions

- 4.4.1 Design of a comprehensive training approach and, strategy to be completed and documented.
- 4.4.2 Need for increased field support:
 - (a) training program follow-up;
 - (b) pre- and post-CDG follow-up;
 - (c) on-the-job training of leagues' staff.

Recommendations

- 4.4.3 A comprehensive training approach should be documented based on "train-the-trainers" concepts.
- 4.4.4 Technical assistance requirements for the post-1982 period should be determined resources identified and strategy outlined

4.5 Technical Assistance

Conclusions

- 4.5.1 Financial management technical assistance has been inadequate to date.
- 4.5.2 In both the CCCU regional and Dominica projects there is need for clear documentation of roles, terms of reference, and evaluation criteria for advisors if their input is to be maximized.
- 4.5.3 Development of a comprehensive training strategy within the next twelve months may permit reducing the training advisor's on-site period. This would result in savings within the Technical Assistance budget.

Recommendations

- 4.5.4 Terms of reference for technical advisors' participation in and contributions to CCCU development operations should be clearly documented.
- 4.5.5 The technical advisor to the Dominica League should have his period of service extended in accordance with the work plan and resolutions adopted by the League Board of Directors. Costs of the extension should be borne by the Country Development Grant.

- 4.5.6 Technical assistance provided to leagues and credit unions by the CCCU, including the Dominica project, should be managed by the Department of Training and Development.

4.6 Project Finance

Conclusions

- 4.6.1 Inflation has significantly increased CCCU operating costs over the amounts originally budgeted, particularly in the area of personnel and other fixed costs.
- 4.6.2 Additional staff may be required in the Training and Development Department.
- 4.6.3 The need to retain qualified staff may require salary increases, especially for training and financial management personnel.
- 4.6.4 Potential savings exist in the country development grant and technical assistance budgets which need to be reallocated.
- 4.6.5 CCCU headquarters budgets have not apparently been based on the project budgets.

Recommendations

- 4.6.6 A revised financial plan based on levels of committed funding through the end-of-project should be prepared by staff, approved by the CCCU Board of Directors and submitted to the funding agencies for their approval by the end of August 1982.
- 4.6.7 Improved project income and expenditures reporting procedures and formats used by the CCCU should be designed, documented and implemented by the end of April 1982. The CCCU should contract a revolving audit to produce audited quarterly statements beginning with the first quarter of 1982 and continuing through the life of project. Continued disbursements to the CCCU are dependent on successful completion of this activity.
- 4.6.8 WCCU should prepare and distribute to all participating agencies a quarterly consolidated project budget statement based on the CCCU audited quarterly and annual statements, WCCU technician support and overhead costs, and CIF administration charges. Formats and procedures should be designed, documented and implemented by the end of April 1982.

4.7 Information Systems

Conclusions

- 4.7.1 The OCCU does not have integrated planning, budgeting and reporting systems capable of routinely generating consistent data on project performance and impact.
- 4.7.2 A key factor in determining the level of future donor funding will be the OCCU's ability to demonstrate quantitatively the extent to which its programs are directly benefiting its member organizations and the positive effects which are produced at the grassroots level. Additional donor funding appears unlikely if such data cannot be reported on a regular basis.

Recommendations

- 4.7.3 Development of an information system based on internal project management needs and the overall project indicators should be completed by the end of 1982.
- 4.7.4 Quarterly reporting should be oriented toward results achieved rather than activities completed. Results should be expressed in terms of the project's intermediate and final objectives and quantitative indicators.
- 4.7.5 The 1983 work plan should include implementation of the information system.

4.8 Resource Mobilization

Conclusions

- 4.8.1 No long-term resource mobilization strategy or plan has been developed to assure continual support of OCCU's internal operations or the funding of its member organizations. Such a plan and restructured budgets need to be prepared given current cost overruns in OCCU operations and the need to delay CIG implementation until member organizations are able to meet participation criteria.
- 4.8.2 Policy guidelines for resource mobilization are needed to assure effective coordination and supervision of non-project grants to member organizations. Such policies would normally include mechanisms for recovering

the costs of project development, supervision and evaluation services provided by the OCCU to recipients.

Recommendations

- 4.0.3 The OCCU should as part of its own institutional analysis initiate development of a financial self-sufficiency strategy. This would include evaluation of potential sources of service income, including financial intermediation, insurance, training, specialized technical assistance, publications, etc.; alternative dues structures; and grants. The latter should include both direct grants to the OCCU and administrative fee recoveries from grants to member organizations.
- 4.0.4 Mechanisms should be developed to use accumulated, non-transferable dues income restricted by current foreign exchange regulations of some member countries.

CDG IMPLEMENTATION PROCEDURES - POST JUNE 1980

1. CCCU visit to each country to explain CDG Program

- Obtain Board Approval
- League signs CDG Contract
 - Contract stipulates the following:
 - The total funds available to the League for the Life of the Project
 - Date the League Board projects they will be prepared to initiate CDG
 - The minimum reporting requirements

2. Minimum requirements:

The CCCU Board of Directors, in exercising its responsibility of directing project development has made a policy decision on setting the following minimum criteria for member participation in the country development grants.

"All credit union leagues must present the following information and documents to the CCCU prior to implementation of their country development grants:

- 1) Copy of current bye-laws.
- 2) League Registration number.
- 3) Date of Registration.
- 4) Date of last League Annual General Meeting and Minutes showing names of elected members of League Board.
- 5) Minutes of Board Meeting electing Board Officials and names of Board members present for elections.
- 6) Minutes of the Board Meeting at which the Resolution was passed accepting the conditions of the CDG Contract. List of names of Board members present at that meeting.
- 7) All League Board decisions affecting the implementation of the country development grant must be contained in Board Meeting Minutes and copied to the CCCU."

Other minimum criteria include the following:

1. Acceptable functioning accounting system.
2. Accounting Records up-to-date.
3. Audit of League for year prior to CDG implementation.
4. Functioning League Board of Directors.
5. Action Plan.

(2)

3. Pre-implementation requirements:

1. Financial Statement for month prior to CDG implementation submitted to CCCU
2. Last audited statement
3. Six month action plan
4. Budget for period between CDG initiation and end of calendar year (all future budgets on calendar year)

4. Once the above have been met the first disbursement is made.

5. Subsequent disbursements are contingent on the CCCU receiving the following:

- monthly financial statements
- quarterly financial and programme reports
- CCCU's assessment that these reports meet the quality required
- objectives for the quarter are being achieved/progress toward achievement
- annual audited statements
- regular Annual General Meetings
- general compliance with League Bye-laws

APPENDIX 3

Project Budget Summary
Headquarters Budget Summary
Project Year Budget
Calendar Year Budgets

Notes

- 1) All amounts reported in U.S. dollars. Barbados dollar amounts converted at BDS \$1.99 to U.S. \$1.00.
- 2) All data are preliminary. Sources:

CCCU & CDSs

1980 - CCCU Audited statement; pre-project income and expenditure were estimated and assumed equal. All fixed asset additions were assumed in the post-project period.

1981 - CCCU preliminary financial statements as included in the Fourth Quarter Progress report. Minor adjustments were made to permit balancing of items.

Technical Assistance

1980 CUNA Financial Report.
1981 WCCCU closing expense statement.

Administration

CDF data supplied by CDF/Ottawa; WCCCU data per expense reports.

CCO PROJECT BUDGET SUMMARY
 CALENDAR YEAR: JUNE 1980 - JUNE 1981

LINE ITEM	1980 BUDGET	1980			1981			1980 BUDGET	TO DATE ACTUAL	END OF YEAR VARIANCE	1981 BALANCE	
		BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE					
BUDGET & REGIONAL PROJECT												
Revenue												
CCO	176,000	17,600	11,000	-4,592	162,992	35,200	30,125	-5,075	52,800	44,133	-9,667	132,867
CRS	120,000	21,000	20,201	-8,799	99,799	24,000	25,143	1,143	40,000	45,144	-2,656	74,656
WCCO/ADP	1,145,700	120,601	90,843	-37,758	1,054,857	271,357	260,017	-11,320	399,958	350,889	-49,070	794,820
CCO/CRS	931,192	60,462	19,271	-39,191	890,121	106,850	113,719	-23,131	255,312	152,990	-102,322	704,402
CRS/ADP	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS	2,179,092	230,663	161,321	-75,340	2,215,769	517,407	429,024	-88,383	756,070	592,147	-163,723	1,706,745
Expenses												
CCO R2	947,660	81,910	68,051	-6,141	859,609	169,725	222,735	-53,010	251,635	310,786	-59,151	636,874
CRS R2	200,137	55,268	6,311	-48,955	691,824	156,322	49,836	106,486	211,590	56,149	155,441	641,988
Tech. Serv.	495,695	71,275	45,209	-28,066	450,486	131,570	107,352	24,218	204,845	152,561	52,284	343,134
Adm. WCCO	167,500	21,210	11,990	-9,212	155,502	44,540	33,169	11,371	65,750	45,167	20,583	122,333
Adm. CR	60,100	2,000	11,752	-4,752	56,148	15,250	15,932	-682	22,250	27,604	-5,434	40,416
CRS/ADP	215,600	20,710	21,750	4,460	211,850	59,750	49,101	10,609	80,000	72,851	15,149	162,749
TOTALS	2,179,092	230,663	161,321	-75,340	2,215,769	517,407	429,024	-88,383	756,070	592,147	-163,723	1,706,745
Grant Allotments												
CCO R2	651,440	40,310	51,917	-11,517	596,810	110,525	167,467	-56,942	150,835	222,309	-71,474	429,351
R20	232,600	11,800	10,161	-15,725	202,437	49,450	92,107	-52,657	53,898	122,270	-68,432	110,130
CRS	459,000	25,927	24,679	1,243	194,301	71,025	75,360	-4,285	96,997	100,039	-3,042	319,021
CRS R2	200,137	55,268	6,311	-48,955	691,824	156,322	49,836	106,486	211,590	56,149	155,441	641,988
R20	219,905	19,720	1,171	-16,255	240,432	55,797	27,409	28,388	75,525	30,802	44,643	219,023
CRS R2	450,232	35,540	2,040	-32,700	447,492	100,525	22,427	78,098	136,065	25,267	110,798	424,965
Tech. Serv. R20	495,695	71,275	45,209	-28,066	450,486	131,570	107,352	24,218	204,845	152,561	52,284	343,134
R20	495,695	71,275	45,209	-28,066	450,486	131,570	107,352	24,218	204,845	152,561	52,284	343,134
Adm. CR/ADP	215,600	20,710	21,750	4,160	211,850	59,750	49,101	10,609	80,000	72,851	15,149	162,749
R20	167,500	21,210	11,990	-9,212	155,502	44,540	33,169	11,371	65,750	45,167	20,583	122,333
CR	0	0	0	0	0	0	0	0	0	0	0	0
CRS R2	60,100	2,000	11,752	-4,752	56,148	15,250	15,932	-682	22,250	27,604	-5,434	40,416
TOTALS	2,003,092	197,063	100,114	-66,949	1,952,970	450,207	371,756	-84,451	655,270	503,870	151,400	1,579,222
R20	1,145,700	120,601	90,843	-37,758	1,054,857	271,357	260,017	-11,320	399,958	350,889	-49,070	794,820
CRS	487,892	60,462	19,271	-39,191	890,121	106,850	113,719	-23,131	255,312	152,990	-102,322	704,402
CR	0	0	0	0	0	0	0	0	0	0	0	0
BUDGETS - BUDGETING												
CCO	194,070	26,150	27,271	-1,121	167,599	50,790	31,971	18,819	26,940	59,242	-32,298	135,628
Tech. Serv.	141,745	30,232	24,937	-11,295	119,608	72,373	64,540	7,833	100,605	89,467	-11,138	55,278
TOTAL	335,815	62,882	52,208	-10,174	287,407	123,163	96,501	26,662	185,545	148,709	-36,836	190,906
TOTAL R20	1,405,115	190,901	111,051	-47,912	1,342,764	394,520	350,510	-44,010	505,503	499,589	-5,914	905,726

CCSM HEADQUARTERS BUDGET SUMMARY

	TOTAL 5 YR BUDGET	1980 BUDGET	ACTUAL	VARIANCE	1981 BUDGET	ACTUAL	VARIANCE	PROJECT TO DATE VARIANCE
<u>Income</u>								
Dues & Other	176,000	17,600	13,008	(4,592)	35,200	30,125	(5,075)	(9,667)
CCSA Mutual Grant	120,000	24,000	20,201	(3,799)	24,000	25,143	1,143	(2,656)
Total	296,000	41,600	33,209	(8,391)	59,200	55,268	(3,932)	(12,323)
<u>Operating Expenses</u>								
		(1)	(2)					
Personnel	196,760	25,860	33,007		63,025	70,893	(7,868)	
Travel	213,000	21,000	28,046		43,000	38,015	4,985	
Consultants	20,000	3,000	0		3,000	6,582	(3,582)	
Training	107,000	8,000	1,233		19,500	12,058	7,442	
Office Expenses	115,700	10,000	7,773		20,650	40,134	(19,484)	
Other Direct Costs	73,100	6,000	21,199		12,500	39,995	(27,495)	
Less pre-project			(32,150)					
Total	928,560	73,860	59,108	14,752	161,675	207,677	(46,002)	(31,250)
Operating Deficit	629,560	32,260	25,899	6,361	102,475	152,409	(49,934)	(43,573)
Equipment	22,100	8,050	28,943	(20,893)	8,050	15,058	(7,008)	(27,901)
REIMBURGABLE EXPENSE	651,660	40,310	54,842	(14,532)	110,525	167,467	(56,942)	(71,474)
TOTAL EXPENSE	947,660	81,910	88,051	(6,141)	169,725	222,735	(53,010)	(59,151)

(1) Six-month budget.

(2) 12-month total expenses, adjusted for estimated pre-project expenditures.

CCCH PROJECT YEAR BUDGETS

BUDGET A: REGIONAL PROJECT/AID GRANT BUDGET

Expenses	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	FIVE-YEAR TOTALS
CCCH HQ	163,820	175,630	201,380	208,640	198,190	947,660
COGS	110,536	202,109	163,671	132,020	91,804	700,137
Tech. Asst.	146,550	116,590	146,650	85,905	0	495,695
Adm/WOCCU	42,420	46,960	51,320	27,100	0	167,500
Adm/CDF	14,000	16,500	17,000	13,200	7400	68,100
Totals	477,326	557,489	530,021	466,865	297,391	2,379,092
Income						
CCCH	35,200	35,200	35,200	35,200	35,200	176,000
CMS	24,000	24,000	24,000	24,000	24,000	120,000
WOCCU/AID	265,766	276,949	307,139	213,469	82,377	1,145,700
CDF/CIDA	152,460	221,340	213,682	194,196	155,814	937,392
Totals	477,326	557,489	530,021	466,865	297,391	2,379,092

BUDGET B: DOMINICA

League Support	52,100	49,200	41,450	32,150	19,690	194,870
Tech. Asst.	72,465	72,280	0	0	0	144,745
Totals	124,565	121,580	41,450	32,150	19,690	339,615

AID TOTALS (A&B)	990,511	998,509	648,589	245,619	102,067	1,485,315
------------------	---------	---------	---------	---------	---------	-----------

CCM CALENDAR YEAR BUDGETS

BUDGET A: REGIONAL PROJECT/AID GRANT BUDGET

CALENDAR YEARS June 1980 To May 1985

Expenses	1980	1981	1982	1983	1984	1985	TOTALS
CCM HQ	81,910	169,725	138,505	205,010	203,415	99,095	947,660
CCGs	55,768	156,122	182,890	147,846	111,910	45,901	700,137
Tech. Asst.	73,275	131,570	111,620	116,277	42,953	0	495,695
Abs/MOCMI	21,210	44,540	48,990	39,210	13,550	0	167,500
Abs/CDP	7,000	15,250	16,750	15,100	10,300	3,700	68,100
Costs	238,663	517,407	568,755	523,443	382,128	148,696	2,379,092
Income							
CCM	17,600	35,200	35,200	35,200	35,200	17,600	176,000
CMIS	24,000	24,000	24,000	24,000	24,000	0	120,000
Sub-total	41,600	59,200	59,200	59,200	59,200	17,600	296,000
MOCMI/AID	128,601	271,357	292,044	260,303	147,923	45,472	1,145,700
CDP/CIIM	68,462	186,850	217,511	203,940	175,005	85,624	937,392
Sub-total	197,063	458,207	509,555	464,243	322,928	131,096	2,083,092
TOTALS	238,663	517,407	568,755	523,443	382,128	148,696	2,379,092

BUDGET B: DOMINICA

League Support	26,150	50,790	45,365	36,800	25,920	9,845	194,870
Tech. Asst.	36,232	72,373	36,140	0	0	0	144,745
TOTALS	62,382	123,163	81,505	36,800	25,920	9,845	339,615
AID TOTALS (A+B)	190,983	394,520	373,549	297,193	173,843	55,317	1,485,315