

PROJECT APPRAISAL REPORT (PAR)

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1. PROJECT NO. 518-15-995-096.2	2. PAR FOR PERIOD: 3/31/70 TO 4/30/71	3. COUNTRY Ecuador	4. PAR SERIAL NO. 71-2
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5. PROJECT TITLE

INSTITUTIONAL DEVELOPMENT - Credit Unions

6. PROJECT DURATION: Began FY <u>62</u> Ends FY <u>72</u>	7. DATE LATEST PROP 6/4/69	8. DATE LATEST PIP 4/14/70	9. DATE PRIOR PAR 3/31/70
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ <u>768,000</u>	b. Current FY Estimated Budget: \$ <u>97,800</u>	c. Estimated Budget to completion After Current FY: \$ <u>50,000</u>
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
Credit Union National Association (CUNA)	csa - 1526 TO # 13
Credit Union National Association (CUNA)	csd - 1526 TO # 7

I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	MOBY		
	X	X	Carry out an in-depth evaluation of the directed agricultural production credit program.	December, 1971
X	X		Obtain increased technical assistance from CUNA/LARO regional program in organizational development, directed agricultural production credit, administrative evaluation, and financing.	To begin July 1, 1971
	X	X	Establish a system for analyzing loan delinquency, with assistance from CUNA/LARO	December, 1971

12. RECLAIMING REQUIRED PROP PIP PRO AG PIG/T PIG/E PIG/P

13. DATE OF MISSION REVIEW
May 26, 1971

PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE
Kenneth S. Johnson 6/2/71

MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE
Robert J. Minges RYM 6/4/71

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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	UNSATISFACTORY		SATISFACTORY			OUT-STANDING		LOW	MEDIUM			HIGH	
	1	2	3	4	5	6	7	1	2	3	4	5	
1. CUNA T.O. 13					X								X
2. CUNA T.O. 7				X						X			
3.													

Comment on key factors determining rating 1) The local CUNA contract has successfully produced the expected outputs at a reasonable level, and has succeeded in developing a viable credit union movement in the country. The project has fallen short of numerical output targets, but, as indicated in last year's PAR, this is because increased emphasis was placed on consolidating and strengthening the credit union movement internally instead of increasing the absolute numbers of credit unions and membership.

2) Inputs from the regional CUNA contract have provided assistance in such areas as financing, insurance, publications, DAPC and education which could not be provided by the local contract. These have been of limited importance to the immediate realization of project purpose, but with the departure of the resident technician, the importance of the regionally-funded short term advisory and consulting services will increase.

4. PARTICIPANT TRAINING														
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Comment on key factors determining rating

No participant training during reporting period.

5. COMMODITIES														
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Comment on key factors determining rating

No commodities during reporting period.

6. COOPERATING COUNTRY	a. PERSONNEL Ag. Extensionists				X									X	
	b. SERVICES Personnel Audit	X										X			

Comment on key factors determining rating

The GOE inputs have varied in quality. Three agricultural extensionists provided have been an important factor in developing the DAPC program, but audit services have not been satisfactory in terms of the Pro/Ag.

7. OTHER DONORS USAID/Ecuador						X									X
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(See Next Page for Comments on Other Donors)

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

The USAID input into this project has been financial assistance to allow FEEOAC to provide necessary services to its member cooperatives while its financial base is strengthened by the new dues system. The assistance has been sufficient and timely and will be phased out during the next fiscal year.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMULATIVE PRIOR FY	CURRENT FY 71		FY 72	FY 73	
			TO DATE	TO END			
Number of Credit Unions organized and affiliated (Figures are calendar year)	PLANNED	270		285	300	315	315
	ACTUAL PERFORMANCE	253	253				
	REPLANNED			270	285	300	300
Number of credit union members (Figures are calendar year)	PLANNED	59,000		64,000	74,000	80,000	80,000
	ACTUAL PERFORMANCE	55,000					
	REPLANNED			60,000	70,000	75,000	75,000
Amount of member-owned savings (\$ million) (Figures are calendar year)	PLANNED	5.4		6.2	7.6	8.0	8.0
	ACTUAL PERFORMANCE	5.2					
	REPLANNED			6.0	7.2	8.0	8.0
Annual income of federation (US dollars)	PLANNED	No previously planned schedule					
	ACTUAL PERFORMANCE	37,200					
	REPLANNED			47,500	73,200	103,000	103,000
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1. Number of credit unions organized and affiliated		Emphasis during the past year has been on eliminating marginal credit unions and consolidating membership into fewer, more viable ones. In the future this policy of placing emphasis on quality and services, rather than the absolute number of credit unions will be continued.					
2. Improvement and expansion of the services of the federation		COMMENT: Member credit unions are taking a more active role in federation affairs and are demanding better services. As a result, the federation is using organizational development techniques to try to improve its services and respond to members' demands.					
3.		COMMENT:					

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged. 2. Same as in PROP? YES NO

To establish a country-wide financially self-sufficient credit union movement that mobilizes the savings and participation of low income groups and provides low-cost credit, oriented especially toward productive uses.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
<p>1. A financially self-sufficient credit union federation</p> <p>2. Adequately staffed with competent managers and technicians to provide needed services to member credit unions.</p> <p>3. A functioning program of production credit in rural areas.</p> <p>4. A country-wide system of some 300 credit unions with approximately 65,000 members and \$8,000,000 in member-owned savings.</p>	<p>1. Self-generated income covered approximately 25% of federation expenses during CY 70. In February 1971, the member credit unions approved a revised dues system that will provide 35% of federation budget during CY 71, 60% during CY 72 and 100% during CY 73.</p> <p>2. USAID/E has considerably reduced its T.A. to the credit union federation during the past several years, and the resident CUNA advisor will leave this June. The federation is capable of providing adequate services to the member credit unions, needing only short term technical consulting from the regional contract.</p> <p>3. Federation has a permanent DAPC coordinator and 3 agricultural extensionists working full time. At the present time there are 40 DAPC credit unions with approximately 5,000 members. The Mission feels that an in-depth evaluation of the directed production credit program is needed.</p> <p>4. 253 credit unions established to date 55,000 members at present, and \$5,000,000 in member-owned savings.</p>

V. PROGRAMMING GOAL

A. Statement of Programming Goal

To increase the participation of low-income groups in the political, social and economic life of the country

To promote a more equitable distribution of income

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

Yes. At the present time, the credit union movement has 55,000 member families and over \$5,000,000 in accumulated savings. It has made over \$20,000,000 in loans available to its members, who form a segment of the population that has traditionally had a very limited access to commercial credit and savings opportunities.