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ISN-32060

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PROJECT APPRAISAL REPORT (PAR)

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1. PROJECT NO. 526-15-110-050.2	2. PAR FOR PERIOD: Jan. 1, 1973 - Apr. 30, 1974	3. COUNTRY PARAGUAY	4. PAR SERIAL NO. 74-13
5. PROJECT TITLE PD-AAN-437			

CREDIT UNION DEVELOPMENT

6. PROJECT DURATION: Began FY 69 Ends FY 78	7. DATE LATEST PROP 4/27/73	8. DATE LATEST PIP	9. DATE PRIOR PAR 5/7/73
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 257,000	b. Current FY Estimated Budget: \$ 189,000	c. Estimated Budget to completion After Current FY: \$ 471,000
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
CSM, Inc.	AID/526-234

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

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
X		X	1. RDO, PO, CDO and Controller should study the project's data system and work out proposals for simplifying and improving the flow of statistical information needed to monitor and evaluate the project progress.	15 October 74
X		X	2. Develop a system to evaluate performance of credit cooperative managers.	15 November 74
X		X	3. Develop proposals which would release managers from the burden of carrying out the detailed work of accounting for the cooperative.	15 November 74
X		X	4. Perform an in depth evaluation of the role and effectiveness of the technical assistance provided to cooperative farmer members both by CREDICOOP & SEAG.	15 December 74
X		X	5. Establish a system to adequately measure and report on the delinquencies and on actions taken on collections of delinquent accounts among credit co-ops.	15 October 74
X		X	6. CREDICOOP and UNIPACO advisors should jointly review the marketing and supply services provided by UNIPACO to credit unions to determine (a) how these services can be improved and (b) what alternatives are most feasible in those areas where UNIPACO services are not available.	15 September 74
X		X	7. Identify additional communities wherein UNIPACO and CREDICOOP cooperatives could be collocated during CY 1974.	15 September 74

D. REPLANNING REQUIRES	E. DATE OF MISSION REVIEW
REVISED OR NEW: <input type="checkbox"/> PROP <input type="checkbox"/> PIP <input type="checkbox"/> PRO AG <input type="checkbox"/> PIO/T <input type="checkbox"/> PIO/C <input type="checkbox"/> PID/P	26 June 1974

PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE <i>Barbara White</i> 30 July 74	MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE <i>Oliver L. Sause</i> 30 July 74
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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. CUMA, Inc.				X									X
2.													
3.													

Comment on key factors determining rating

The contract advisor has shown his ability to carry out the project as planned. His performance in planning and promoting the credit cooperatives system is rated as highly satisfactory.

A negative aspect has been the less than adequate effort devoted by the advisor in establishing good rapport with the Direccion de Cooperativismo (DOC) of the Ministry of Agriculture, which caused a delay of several months in obtaining the legal charters for the credit unions and the central. Mission believes that the contract advisor should have devoted more time to explain the program to the DOC in order to obtain better support.

4. PARTICIPANT TRAINING				X										
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Comment on key factors determining rating

The participant training program is being performed as planned. To date a total of eight credit union managers, one MAG promotion specialist and two CREDICOOP technicians received specialized training abroad. The performance of the participants was reported as outstanding.

5. COMMODITIES				X										
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Comment on key factors determining rating

Commodities provided include vehicles used for promotion and organization of credit unions motorcycles for field agents providing technical assistance to farmers and minor items for educational activities (projectors, blackboards, etc.). The commodities are appropriate to needs, well used and properly controlled. There has been a delay in procurement due to the slow action on placing orders caused by the difficulty in getting inform. from suppliers.

6. COOPERATING COUNTRY x1-MAG - x2-MIF	a. PERSONNEL				x1	x2								X
	b. OTHER				x1		x2							X

Comment on key factors determining rating

The MAG continues to provide the services of a qualified agricultural technician for CREDICOOP and is providing technical assistance to the rural credit cooperatives through its extension service and other MAG agencies. Although the MAG's activities have been hampered by a lack of financial resources, a recent increase in the GOP regular budget allocations to the MAG should correct the problem.

The National Development Bank is strongly supporting the project by granting global agricultural loans to the individual credit unions and by providing the full time services of a credit advisor.

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

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

PEACE CORPS

Peace Corps Volunteers were not furnished in the original number requested. Of the four volunteers requested, only two were provided. One more volunteer was added recently. The technical qualifications of the volunteers working for the project proved to be more than adequate. The volunteers have made an immediate contribution to the success of the project.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount) (*)					END OF PROJECT
		CUMU- LATIVE PRIOR FY	CURRENT FY 74		FY 75	FY 76	
			TO DATE	TO END			
Rural credit cooperatives share capital (\$000)	PLANNED	109.1	153.4	241.9	441.9	722.2	1,586.3
	ACTUAL PERFORM- ANCE	167.4	200.4				
	REPLANNED						
Urban credit cooperatives share capital (\$000)	PLANNED	385.0	428.1	514.2	671.9	863.8	1,373.0
	ACTUAL PERFORM- ANCE	432.9	480.1				
	REPLANNED						
Outstanding rural credit cooperatives loans for agri- cultural production (\$000)	PLANNED	171.1	257.5	430.4	847.0	1,435.0	3,144.0
	ACTUAL PERFORM- ANCE 1/	229.7	261.3				
	REPLANNED						
Outstanding rural credit cooperatives loans for non- agricultural production (\$000)	PLANNED	33.5	45.3	69.0	118.5	182.6	359.0
	ACTUAL PERFORM- ANCE 2/	134.2	161.7				
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS	COMMENT:						
1.							
2.	COMMENT:						
3.	COMMENT:						

(*) All data are for Calendar Years.

1/ There is no breakdown presently available between agricultural and non-agricultural loans made with credit co-op's own capital; therefore this figure represents the total BNY loans only, which were all for agricultural purposes.

2/ Total loans made with own capital, including consumer and agricultural loans.

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

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount) (*)					
		CUMU- LATIVE PRIOR FY	CURRENT FY 74		FY 75	FY 76	END OF PROJECT
			TO DATE	TO END			
Number of credit cooperative members receiving agricultural loans during the year.	PLANNED	939	1,335	2,127	3,762	5,730	10,455
	ACTUAL PERFORMANCE	Not available					
	REPLANNED						
Average delinquency rate among affiliated credit cooperatives.	PLANNED	10%	10%	10%	10%	10%	10%
	ACTUAL PERFORMANCE	Not available					
	REPLANNED						
	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						

B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS	COMMENT:
1.	
2.	
3.	

(*) All data are for Calendar Years.

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IV. PROJECT PURPOSE

1. Statement of purpose as currently envisaged.

2. Same as in PROP? YES NO

To organize independent, self sufficient and broadly based credit unions, primarily in the rural areas, which are integrated in an independent, self sufficient Federation or Central which will provide these credit unions with effective technical and financial services.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
1. 40 rural and 24 urban credit unions will be chartered and operating with approximately 20,050 and 14,600 members, respectively.	1. A total of 10 rural and 8 urban cooperatives are chartered and operating. 17 are in the formation stage. Total membership amounts to 3,392 and 4,251 members in chartered, affiliated rural and urban cooperatives, respectively.
2. A financially self sufficient central of 56 credit unions.	2. The Central of credit cooperatives (CREDICOOP) was established in October 1973. Legal chartering took place in May 1974. CREDICOOP has made a good start in organizing an improved management and administrative system. A total of 8 urban and 10 rural cooperatives have already affiliated.
3. A trained corps of competent administrators and managers in the national central (with a staff of 14 trained professionals) and in the member credit unions (155 managers and administrative personnel trained).	3. CREDICOOP has already hired seven well qualified full time professionals. Most personnel contracted at the rural cooperative level had no previous experience in cooperatives administration. However, the intensive on the job training and local training courses carried out by the project are attempting to develop capable managers and bookkeepers.

V. PROGRAMMING GOAL

A. Statement of Programming Goal

To increase the net income of the small scale farmer.

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

The degree in which the project purpose has contributed to increase the net income of the small scale farmer is not yet measurable. Base line data were obtained only in May 1974 from the USAID financed sample surveys, and additional surveys are planned to develop information on increases in production and net income of farmers.