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# Evaluation Report

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**USAID FINANCED**

**NATIONAL SAVINGS AND COOPERATIVE LEAGUE**

**OF**

**SIERRA LEONE**

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**SEPTEMBER 1984**

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## SUMMARY AND CONCLUSIONS

### 1. PROJECT PURPOSES

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

### 2. NASCCLOS SELF - SUFFICIENCY

2.1. The project proposal called for a 10 year programme of assistance to enable NASCCLOS to become self - sufficient over this period. The assistance was to be given in 3 phases and this project represents the first phase of 3 years, at the end of which it was expected that NASCCLOS would generate sufficient revenue from its own sources to meet 50% of its operating costs, excluding training.

2.2. During the year ended 31 December 1983, NASCCLOS met only 14.6% of its expenditure excluding training from its own income, and when the costs of training are included, the figure is reduced to 11.0%.

2.3. Although expenditure has been well controlled throughout the project and has consistently been below budget, income has been much lower than expected. Income from both affiliation fees and stationery sales have failed to reach targets, but the major areas in which the league have not generated sufficient income are (1) dues from affiliates and (2) commission from the risk management programme.

2.4. The rate of dues payable by affiliated societies is currently 2% of savings which is in line with the target, but the rate of collections, which should have been 80% for the last three years, was 48.5% in 1981, 31% in 1982 and only 17% in 1983, which was the year in which the rate was increased from 1% to 2%.

NASCCLOS must improve its rates of dues collection to have any chance at all of becoming self - sufficient and must expand its dues base by promoting urban worker - group societies.

### 3. NASCCLOS TECHNICAL CAPABILITIES

3.1. During the life of the project, NASCCLOS has greatly improved its technical capabilities in some areas, particularly in administrative procedures, accounting and bookkeeping and personnel management. In each of these areas NASCCLOS is operating efficiently at present and the management manual of operations, which was prepared by the manager early in 1984, fully documents all the procedures and provides an excellent framework for the administration of NASCCLOS in the areas.

3.2. In the areas of planning and promotion, a lesser degree of success has been achieved. A certain degree of short-term planning is carried out, but no long term institutional development plan has been prepared. NASCCLOS has been successful in consolidating its position in the provinces and has greatly increased the number of affiliated societies, but has not been successful in promoting urban worker-group societies.

### 4. NASCCLOS SERVICE TO AFFILIATED SOCIETIES

4.1. The major services provided by NASCCLOS to affiliated societies are training, bookkeeping assistance, stationery supplies and service centres.

4.2. Regular training courses and seminars are held and are generally

well attended by society officials, who feel that they do benefit from the training and do put what they have learnt into practice in their societies.

4.3. Book-keeping services are provided by field workers who visit most of the affiliated societies regularly. Without the services provided by these field workers most societies would be unable to properly maintain their records or to prepare financial statements.

4.4. NASCCLOS has developed standard forms of stationery for use by affiliated societies and these were used by 92% of the societies we visited.

4.5. Four regional service centres have been established and these provide bookkeeping and other services to a number of societies, with financial assistance from NASCCLOS, although it is intended that they should become self - sufficient in due course.

4.6. NASCCLOS has also developed standard procedures for the administration of societies and these are being communicated to the societies through seminars and by field workers.

4.7. Areas in which NASCCLOS have not provided services to affiliated societies are risk management and central finance. The risk management programme was delayed due to a dispute between ACOSCA and CUNA, but, as this has recently been resolved, the programme should be able to start in the near future.

Although it was suggested, at the time of the mid - term evaluation, that a central finance scheme would be introduced during the second year of the project, no such scheme has been introduced. Risk Management and central finance were the services most wanted by the societies we visited during the evaluation.

5. DEVELOPMENT OF AFFILIATED SOCIETIES

- 5.1. When the project proposal was prepared, very little reliable information was available as regards the number, size and capabilities of cooperative societies in Sierra Leone. A survey carried out by NASCCLOS in 1980 revealed that the estimates of the number of active societies and total membership used in the project proposal were much higher than the actual figures. Given this situation it was unrealistic to believe that NASCCLOS could reach the targets for total membership, savings and loans in affiliated societies. The membership of most affiliated societies has increased during the project as have total savings and loans outstanding, but it is not possible to quantify the increase because of the lack of reliable statistics at the start of the project.
- 5.2. Most societies in Sierra Leone are rural societies, with 50 or less members, with average savings per member of less than Le 100 and in many cases a majority of the members are illiterate. Although many societies have one or more committee members, who have been trained by NASCCLOS and are capable of basic bookkeeping, most societies depend heavily upon NASCCLOS and the Department of Cooperatives for assistance in keeping records, preparing financial statements and conducting meetings.
- 5.3. The approval and granting of loans and monitoring the use of loans are well organised in most societies by the loan committee, but loan repayment rates are generally less than satisfactory. The committee members do not appear to fully appreciate the importance of loans being repaid on the due dates to allow available funds to circulate among members and are content to reschedule loans which are not paid.

Very few societies pay dividends on savings and committee members are reluctant to recommend payment of dividends as this was funds which would otherwise be available for loans.

5.4. Generally the societies in Sierra Leone are still not very highly developed, but there does appear to have been considerable improvement over the period of the project.

6. CONCLUSION

- 6.1. There is no doubt that the project has had a considerable impact on the savings and credit cooperative movement in Sierra Leone. Development of both the league and individual societies has not been as much as was expected at the start of the project, but a major reason for this was the over-estimation of the size and capabilities of the movement before the project started with the result that the potential benefits of the project were also over-estimated.
- 6.2. NASCCLOS is now in a very good position from which to develop further and should be capable of becoming technically and financially self - sufficient if further assistance is made available to allow phase 2 and 3 of the original programme to take place, although the time scale of complete self sufficiency by 1988 would have to be extended until at least 1991 to accommodate the seven years required to complete the programme.
- 6.3. It is vital that additional assistance, both technical and particularly financial, be found to enable phases 2 and 3 to be completed, as otherwise, not only will development of NASCCLOS come to a halt, there will be a regression to the state NASCCLOS was at before the project and the cooperative movement in Sierra Leone will suffer a blow from which it might never recover. In the early 1970's NASCCLOS had a temporary revival when outside funds were given for a very

short - term development programme, but, when these funds ceased to be available, the league virtually collapsed and the resultant lack of confidence in the league made the current project much more difficult to establish.

6.4. If it is not possible for NASCCLOS to obtain long term assistance in the near future, serious consideration should be given to providing short term financial assistance to enable the league to continue its current activities while continuing to look for long term assistance.

**NASCLOS SELF - SUFFICIENCY**

**1 End of project status**

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

**2 Actual status**

**2.1. PERCENTAGE OF EXPENSES INCLUDING TRAINING, MET FROM NASCCLOS INCOME**

	<u>1980</u> <u>Le</u>	<u>1981</u> <u>Le</u>	<u>1982</u> <u>Le</u>	<u>1983</u> <u>Le</u>	<u>6 Months</u> <u>to 30 June</u> <u>1984</u> <u>Le</u>
<b><u>Original budget</u></b>					
Operating cost	52,903	77,699	80,583	117,104	50,856
Revenue from our sources	3,174	3,896	26,502	24,156	12,078
Percentage of operating cost financed by revenue from our sources	6.0%	5.0%	32.9%	21.6%	23.6%
<b><u>Revised budget</u></b>					
Operating cost	68,278	103,877	115,974	No Revised Budget for 1983	No Revised Budget for 1984
Revenue from our sources	4,000	9,530	24,365		
Percentage of operating cost financed by our sources	5.8%	9.2%	21.0%	-	-
<b><u>Actual</u></b>					
Operating cost	60,176	96,673	110,155	101,820	61,338
Revenue from our sources	3,427	6,623	11,462	11,274	7,503
Percentage of operating cost financed by our sources	5.7%	6.9%	10.4%	11.0%	12.2%

2.2 PERCENTAGE OF EXPENSES, EXCLUDING TRAINING, MET FROM NASCCLOS INCOME

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>6 Months to 30 June 1984</u>
	Le	Le	Le	Le	Le
<u>Original budget</u>					
Operating costs	35,903	45,699	48,583	97,104	35,856
Revenue from our sources	3,174	3,896	26,502	24,156	12,078
Percentage of operating costs financed by revenue from our sources	8.8%	8.5%	54.5%	24.88%	33.68%
<u>Revised budget</u>					
Operating costs	49,278	64,877	76,974	No Revised Budget for 1983	No Revised Budget for 1984
Revenue from our sources	4,000	9,530	24,365		
Percentage of operating costs financed by our sources	3.1%	14.7%	31.7%	-	-
<u>Actual</u>					
Operating costs	46,724	60,939	74,870	77,064	46,065
Revenue from our sources	3,427	6,623	11,462	11,274	7,503
Percentage of operating costs financed by our sources	7.3%	10.9%	15.3%	14.6%	16.29%

### 3. ADMINISTRATIVE SYSTEMS AND PROCEDURES

#### 3.1. Actual status

3.1.1. As was stated in the mid - term evaluation of the project, NASCCLOS have found office accommodation, which is centrally located in Freetown, established a system of regular monthly reports from relevant members of staff to the manager and from the manager to the board, established systems for control and disbursement of funds and a filing and record system.

3.1.2. The office accommodation is still adequate for present and expected circumstances and the system of monthly reports for internal communication is still in operation and assures that the board and management are fully aware of progress by employees in meeting objectives.

3.1.3. Although the administrative procedures were established at any early stage of the project and appear to have been operating efficiently, there was no administration manual, which clearly set out all the systems in detail until early 1984. As part of the management manual of operations, the manager has now written a management control systems manual which fully documents the procedures for all of the following aspects of administration:-

- a) communications,
- b) correspondence,
- c) filing system, maintenance, control and disposal,
- d) copying and stenciling official materials,
- e) stationery and supplies,
- f) furniture and equipment,

- g) transportation, and
- h) security and safety.

The manual is very comprehensive and the procedures set out therein should be sufficient to ensure that the administration of NASCCLOS is carried out efficiently.

3.1.4. In the case of the systems for control and disbursement of funds, these were to a large extent documented, but again there was no manual, which detailed all the procedures, until early 1984, when the accounting and financial management manual was prepared by the manager as part of the management manual of operations. This manual also is very comprehensive and establishes procedures, which should provide good control over all receipts and disbursements of funds.

### 3.2. Conclusion

NASCCLOS has attained great success in establishing and operating its administrative procedures. All necessary procedures are documented in detail and the future efficient administration of NASCCLOS, even if there were to be staff changes, should be assured.

### COMMENTS

3.1. When the project proposal was prepared it was felt that it would be unrealistic to expect NASCCLOS to become financially self - sufficient within less than ten years. The self - sufficiency strategy called for achieving complete financial self - sufficiency in three phases.

Phase 1 was for a three year period, during which substantial external financial assistance would be given and at the end of this phase NASCCLOS was expected to meet 50% of its operating costs, excluding training, from revenue from its own sources.

Phase 2 was also for three years and, with declining financial assistance, the proportion of expenditure which would be met from NASCCLOS revenue was expected to increase, until at the end of this phase all operating expenses, excluding training would be met.

At the end of phase 3, which was for a four year period it was expected that NASCCLOS would be completely financially self-sufficient and would not require external financial assistance.

To achieve the required degree of financial self-sufficiency, NASCCLOS was expected to control expenditure and keep within budgets and to substantially increase revenue from all sources.

### 3.2. Expenditure

At the time of the mid-term evaluation it was realised that inflation in Sierra Leone had been greater than expected and, with the delay in starting the project, the original budgets were no longer realistic, and they were therefore revised. Throughout the project expenditure has been well controlled and has been consistently below the revised budget.

### 3.3. Revenue

3.3.1. The expected sources of revenue for NASCCIOS were:-

- (a) affiliation fees,
- (b) dues from affiliated societies,
- (c) stationery sales, and
- (d) commissions from risk management.

3.3.2. Affiliation fees are a one-time fee of Le 10 per society payable when the society first joins NASCCIOS. Over the life of the project it was budgeted that Le2,400 would be earned from affiliation fees and the actual revenue has been Le 2,360. Income from affiliation fees is likely to be negligible in future as the number of new societies affiliating will not reach the levels experienced in the early years.

3.3.3. Dues from affiliated societies are at present and will continue to be the major source of income for NASCCIOS. The rate of dues charged is 2%, which is in line with the project proposal, but the percentage of dues collected has been much less than it should have been and in fact has been declining steadily. The savings of societies have not reached the expected level, due to over-estimation of the size of the cooperative movement in Sierra Leone but the main reason that dues collected have not reached the target is the poor collection rate.

3.3.4. The gross revenue from sales of stationery has been below budget throughout the project, but margins have been higher than anticipated which has meant that the net profit from these sales has not been so badly affected. Most societies do use NASCCLOS stationery and income from sales of stationery should continue to contribute to the financing of NASCCLOS, although revenue from this source cannot be expected to show any substantial increase.

3.3.5 The risk management programme was not introduced during the project and has therefore not yet produced any income. Agreement has now been reached with ACOSCA and OjNA regarding the commencement of the programme and, as many society officials have expressed a desire to participate in it, a regular income should be forthcoming from commissions in the near future.

#### 4. CONCLUSION

4.1. NASCCLOS has not achieved anything like the degree of financial self - sufficiency which was required. At present external financing of approximately Le 100,000 per annum is required to meet operating costs and only 12% of total operating costs are being met from internal sources of revenue.

4.2. Expenditure is already being well controlled and it is the collection of revenue which must be improved if NASCCLOS is to achieve a greater degree of financial self - sufficiency. Affiliation fees and sales of stationery are unlikely to provide any substantial increase in revenue and, although the risk management programme will produce some revenue in future, it is the collection of dues which is the vital

area to which NASCCIOS must look for an increase in revenue. The rate of collection of dues must be substantially improved and it must be made clear to all staff members who are involved in the collection that the future of NASCCIOS and of their employment depends on their efforts in collecting dues.

The majority of affiliated societies do appear to appreciate the benefits they gain from membership of NASCCIOS, but they do not appear to realise that the services they receive must be paid for. NASCCIOS should immediately communicate with all affiliated societies and convince the members that, unless they pay their dues, the services they receive at present from NASCCIOS may no longer be available.

4.3. In addition to improving the collection of dues, NASCCIOS must attempt to increase the dues base, which is the savings of the affiliated societies. Although total savings can be expected to rise each year, the only way in which a major increase can be achieved is by increasing the number of affiliated societies and in particular promoting large worker group societies which is an area in which NASCCIOS have so far not had any success.

4.4. The only other potential source from which NASCCIOS could hope to earn revenue would be a central finance scheme and, although it was suggested that this would be established in the second year of the project, no such scheme has yet been introduced. Many of the societies would welcome a central finance scheme, but most of them would be much more interested in receiving loans than in lending money to NASCCIOS.

4.5. NASCCLOS will require external financial assistance for at least the seven years remaining of the original programme and it is important that a new long term plan be prepared with realistic estimates of the future viability of NASCCLOS and concrete proposals for increasing revenue both in the short term and in the long term to a level where operating costs can be met. If no way can be found of generating sufficient revenue, the only way for NASCCLOS to achieve financial self - sufficiency would be to reduce costs and, although this will inevitably lead to a reduction in the services provided to affiliated societies, it may be the only alternative for the future.

### INSTITUTIONAL DEVELOPMENT OF NASCCLOS

The development of NASCCLOS as a national savings and credit cooperative league which is technically able to provide for the needs of affiliated societies depends upon the development of certain individual technical capabilities within NASCCLOS itself. These were identified as two specific objectives and at the end of the project it was expected that the status would be that:

- a) The league will periodically prepare comprehensive plans detailing services and activities to be pursued; most importantly, a 5 - year institutional development. Such a plan will be based upon systematic identification of the needs of affiliated societies.
- b) NASCCLOS will possess demonstrated technical capabilities in at least each of the following areas:
  - 1 planning and evaluation,
  - 2 financial management,
  - 3 administrative systems and procedures,
  - 4 personnel management,
  - 5 accounting and bookkeeping,
  - 6 risk management, and
  - 7 promotion.

1. PLANNING AND EVALUATION

1.1. Actual status

During the first year of the project a comprehensive analysis of the procedures required to achieve the desired end of project status was prepared by the management advisor and the manager. The actual capabilities of NASCCLOS were assessed and a timetable prepared for attaining each specific objective. This plan was used at the start of the project in place of an institutional development plan, which was to have been prepared during the second year of the project. No institutional development plan has yet been prepared.

1.2. Comments

1.2.1. NASCCLOS prepares budgets each year and plans the training programme for the subsequent year at the end of each year. No plan is prepared for any period in excess of one year. Although the objectives of NASCCLOS are specified in the bye-laws and the management have a general idea of what NASCCLOS is expected to achieve, there is no detailed plan of exactly how these objectives are to be achieved.

1.2.2. The institutional development plan should have been based on the needs of affiliated societies and these have to be identified before the plan can be prepared. NASCCLOS do not at present have sufficient detailed information of the needs and capabilities of the individual affiliated societies to enable them to properly plan to meet

those needs and improve the capabilities. A questionnaire has been prepared to obtain the necessary data, but these have not yet been completed for each society. After the questionnaires have been completed and the information obtained has been collated, NASCCLOS will be in a position to identify the needs of the affiliated societies and to prepare a suitable plan to meet these needs.

1.3. Conclusion

1.3.1. NASCCLOS do not at present prepare any long term development plans and the specific target of preparing the 5 - year institutional development plan has not been achieved.

There is a certain degree of short term planning each year, but no overall plan to meet the specific needs of the individual soci

1.3.2. NASCCLOS should place a high priority on completing their questionnaires for the individual societies to enable them to identify their needs and assess their capabilities. It is only after this information has been obtained and properly collated that a meaningful institutional development plan can be prepared.

## 2. FINANCIAL MANAGEMENT

### 2.1. Actual status

#### 2.1.1. General

When the mid - term evaluation was prepared, the league's capability in financial management was evaluated under four headings: -

- (a) self - sufficiency strategy planning,
- (b) dues formula and collection procedures,
- (c) budget planning, and
- (d) budget controls and analysis.

#### 2.1.2. Self - Sufficiency

The degree to which NASCCIOS has achieved self - sufficiency and the prospects for self - sufficiency in the future have been covered in a separate section of this report.

#### 2.1.3. Dues formula and collection procedures

In February 1980 at the annual general meeting of NASCCIOS, it was agreed that dues should be payable at the rate of 1% of affiliated societies' savings, instead of the previous inadequate flat rate of Le 6 per society, and at the 1983 annual general meeting it was agreed that dues from affiliated societies should be increased to 2% of total savings. NASCCIOS have therefore achieved the target for dues rates during the course of the project.

It was estimated that NASCCIOS should be able to collect 30% of dues from societies after the first year of the project, during which 40% was estimated to be collectible. In 1980, the first year, the target was exceeded and 40.7% of the total dues were collected.

In 1981 48.5% was collected, compared with the target of 80%.

The increase in dues to 2% of savings should have been taken place during 1982, but did not actually happen until 1983. The budgeted collections for 1982 are therefore not relevant, but assuming the same budgeted rate of collection, with dues being payable at 1% of savings the actual collections would be 31% compared with the budget of 80%. In 1983, the year in which the dues rate was increased to 2%, only 17% of the total dues were collected.

It appears obvious that many societies do not consider that NASCCLOS provides sufficient services to justify the increase in dues. We feel that if NASCCLOS were able to provide insurance and some form of central finance, more societies would be willing to pay the increased dues.

NASCCLOS do not actually send invoices to societies for their dues. Instead they rely upon field workers to calculate the dues, inform the societies how much they should pay and collect the dues.

In late 1982 there was a misappropriation of dues collected from societies, which resulted in one field worker being dismissed and disciplinary action being taken against another two. At this time a new procedure was introduced for settling funds collected by staff. The new procedure should ensure that, where receipts are issued, any collections will be properly accounted for. There is still however a lack of control as the officials of many societies are illiterate and would not necessarily request an official receipt or be able to recognise an official receipt.

To improve the rate of dues collection we would recommend that NASCCLOS issue official bills for dues to all societies based on their reported savings at 31 December each year and that there be an independent check of all societies to ensure that, where dues have been paid by a society, they have been received by NASCCLOS. To check on dues payments we would suggest that staff of the Cooperative Department be asked to confirm to NASCCLOS whether the societies they visit claim to have paid their dues and that enquiries be made by NASCCLOS staff, independent of those responsible for collection of dues, of delegates attending each annual general meeting.

After it has been established that all dues paid by societies have been received by NASCCLOS, suitable action should be taken by NASCCLOS against defaulters. Such action should include reminder letters, visit by NASCCLOS staff and eventually, after all other avenues have been pursued, withdrawal of NASCCLOS facilities.

#### 2.1.1. Budget planning controls and analysis

An annual budget is prepared by the accountant after consultation with all appropriate members of staff regarding proposed activities for the year. Quarterly meetings are held with regional officers and field staff at which actual expenditure is compared with budget and any necessary corrective measures are agreed upon. The budgets are used effectively to control expenditure.

In the case of income, budgets are based on the targets set out for the project and it has been proved in practice that these are unrealistic under current 28

circumstances. More realistic budgets should be prepared, in order that control can be exercised over the attainment of the budgets. It is not practical to expect collections of income to improve to any great extent when the staff involved know that the budget cannot be met. Procedures for collecting income have to be improved, and officials of societies convinced of the benefits they will receive from paying dues and the penalties of not paying them, before budgeted income can be increased with any prospect of actual achievement.

2.2. Conclusion

2.2.1 NABCCLOS has achieved considerable success in the management and control of its expenditure, but collection and control of revenue have not shown any improvement.

3. CONTENTS

3.1. When the project proposal was prepared it was felt that it would be unrealistic to expect NASCCLOS to become financially self - sufficient within less than ten years. The self - sufficiency strategy called for achieving complete financial self - sufficiency in three phases.

Phase 1 was for a three year period, during which substantial external financial assistance would be given and at the end of this phase NASCCLOS was expected to meet 50% of its operating costs, excluding training, from revenue from its own sources.

Phase 2 was also for three years and, with declining financial assistance, the proportion of expenditure which would be met from NASCCLOS revenue was expected to increase, until at the end of this phase all operating expenses, excluding training would be met.

At the end of phase 3, which was for a four year period it was expected that NASCCLOS would be completely financially self-sufficient and would not require external financial assistance.

To achieve the required degree of financial self-sufficiency, NASCCLOS was expected to control expenditure and keep within budgets and to substantially increase revenue from all sources.

3.2. Expenditure

At the time of the mid-term evaluation it was realized that inflation in Sierra Leone had been greater than expected and, with the delay in starting the project, the original budgets were no longer realistic, and they were therefore revised. Throughout the project expenditure has been well controlled

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4. PERSONNEL MANAGEMENT

4.1. Actual status

4.1.1. General

A management manual of operations, covering all aspects of personnel management, was prepared by the manager in February 1984.

4.1.2. Function / task analysis

The staff requirements of NASCCIOS were identified and the tasks to be performed by each staff member were established.

4.1.3. Job description / terms and conditions

Full job descriptions have been prepared for each position and standard terms and conditions of employment have been prepared and put into operation.

4.1.4. Recruitment and selection

All required positions were advertised in the local media, applications received were reviewed by a personnel committee, comprising the league manager, the management adviser and officials of the Department of Cooperatives, and suitable applicants were interviewed by the personnel committee, who offered each position to those who best satisfied the requirements.

4.1.5. Staff training

One major supervisory course for 11 members of staff was organised and conducted by OIC Sierra Leone and several senior members of staff have attended ACOECA sponsored training courses relevant to their positions from which they appear to have benefited considerably. No

proper training or staff development plan has as yet been prepared although the management manual of operations proposes that these should be prepared for each staff member on the basis of standard forms, regarding the employee's needs and potential, to be completed by both the immediate supervisor and the employee.

#### 4.2. Conclusion

NASCCLOS have achieved the first three objectives of their personnel management programme, which are function / task analysis, job description / terms and conditions and recruitment and selection. Once the management manual of operations has been fully brought into use, there will be laid down procedures and appropriate standard forms available for each of these and provided the manual is followed these elements of personnel management should operate efficiently.

Although some training has been given to members of staff there is no proper programme of training to enable staff to develop their full potential and currently there is no procedure for staff evaluation. Both these aspects have been fully covered in the management manual of operations and the systems which have been designed for identifying employee development needs and for employee evaluation appear to be adequate for the needs of NASCCLOS.

Although NASCCLOS have not yet fully demonstrated their technical capabilities in personnel management, they have a very good potential capability.

## ACCOUNTING AND BOOKKEEPING

### 5.1. Actual status

#### 5.1.1. Accounting system

An accounting system which is appropriate to the needs of NASCCLOS was designed and implemented during the first year of the project. At the start of the project the NASCCLOS manager maintained the bookkeeping records, but during 1981 a full - time bookkeeper / accountant was employed and he is at present wholly responsible for the maintenance of the accounting records and the preparation of financial statements.

#### 5.1.2. Bookkeeping

The bookkeeping records are maintained up to date by the accountant. The auditor of NASCCLOS reported on the accounting system and internal control in March 1984 and although he expressed himself as satisfied that the system would produce accurate financial information there were several points to which he felt he should draw attention. Generally there was a marked improvement in the standard of the bookkeeping and control over the four years to 31 December 1983, but at that date the following major improvements were required:-

- (a) no bank reconciliations were prepared,
- (b) no formal fixed assets register was maintained, and
- (c) stock records were inadequate.

The auditor's report has been accepted by the management of NASCCLOS, who have stated that they will make all recommended changes.

### 5.1.3. Financial statements

A monthly income and expenditure statement, together with a trial balance is prepared by the accountant monthly. Annual financial statements have been prepared and audited for each year up to 31 December 1983. The financial statements for the four years 1980 to 1983 were however all audited in early 1984 and we suggest that in future an audit be carried out promptly each year.

### 5.1.4. Accounting manual

A comprehensive accounting manual was prepared in February 1984. This covers all aspects of the league's bookkeeping and accounting systems and procedures and details the control functions for each type of transaction.

## 5.2. Conclusion

5.2.1. NASCCLOS has an appropriate accounting system, which, after making the changes suggested by the auditor and fully introducing the procedures and controls outlined in the accounting manual, should be capable of producing accurate, relevant and up to date financial information and of properly controlling the revenue, expenditure and assets of the league.

5.2.2. Over the period of the project there has been a substantial improvement in all aspects of the league's bookkeeping and accounting.

6. RISK MANAGEMENT

6.1. Actual status

The risk management programme has not yet been introduced. A member of NASCCIOS staff has received training in risk management and from discussions with him he does appear to know what is expected of him and feels confident that he will be able to run the programme efficiently. All the documentation required for the programme has been prepared and is ready for printing.

6.2. Comments

ACOSCA, who run the risk management programme throughout Africa for CUNA, who are the underwriters of these programmes throughout the world were in dispute, at the time the programme should have been introduced in Sierra Leone, because certain other countries had not yet met their obligations and no new countries were being admitted to the programme. This dispute has now been resolved and the programme in Sierra Leone is ready to start once certain formalities have been completed and funds are received from ASOSCA.

During our survey of a sample of the affiliated societies, we were informed by many of the societies we visited, that the risk management programme was one of the major attractions of membership of NASCCIOS and that they were anxiously awaiting its introduction. We feel that if this programme is not introduced in the near future or is not run efficiently, it could have very serious consequences for NASCCIOS, because of the loss of revenue from premiums and the potential loss of affiliates.

6.3. Conclusion

As the programme has not yet been introduced we are unable to comment on its operation. The delay in introduction

was due to external factors out with the control of NASCCLOS, but it is vital to the future of NASCCLOS that the programme be introduced as soon as possible and that it be operated effectively.

## PROMOTION

### 7.1. Actual status

- 7.1.1. NASCCIOS has not developed any detailed plan of its proposed promotional activities, either during the life of the project or for future years.
- 7.1.2. The project proposal called for a major effort in promoting societies among workers groups in urban areas and particularly in Freetown and a focus on consolidation, rather than expansion in rural districts.
- 7.1.3. To a great extent NASCCIOS has been successful in consolidating its position in the provinces and societies have been persuaded to affiliate or re-affiliate with NASCCIOS. Because of the lack of reliable data regarding membership savings and loans before and during the early stages of the project, it is not possible to quantify in percentage terms the impact of the promotional activities of NASCCIOS in the provinces. However from our visits to societies in the provinces we can say that there has been a general increase in membership, savings and loans throughout most of the societies. Promotion in the rural areas has been through seminars and training courses and contact with societies through field workers.
- 7.1.4. In the urban areas, promotional activities have been less successful. Seminars have been held for trade unionists and other possible organisers of societies and by late 1980, when the mid-term evaluation was carried out, nine workers groups were identified for the formation of societies. None of these societies

was formed and affiliated and it was only early in 1984 that it was decided to concentrate on this area again.

7.2. Conclusion

7.2.1. NASCCLOS have been successful in promoting the league in rural areas and have substantially increased the number of affiliated societies, but in the important area of urban worker group societies their efforts have not succeeded.

7.2.2. A detailed promotional plan should be prepared for the future with the major emphasis being on the promotion of new worker group societies, which could be vital to the future of NASCCLOS, as it is in this area that the necessary revenue could be earned to assist NASCCLOS towards self - sufficiency.

## DEVELOPMENT OF AFFILIATED SOCIETIES

- 1 The creation of an expanding network of savings and credit cooperative societies that have, with the support of the league, the financial and technical capabilities sufficient to provide required savings, credit and other related services to an increasing membership, was one of the primary purposes of the project.
- 2 Certain specific indicators of the development of the affiliated societies were identified in the project proposal:
  - 1 Membership of affiliated societies should be at least 40,500,
  - 2 Savings in affiliated societies should be at least \$2,350,000,
  - 3 Loans outstanding in affiliated societies should be at least \$2,600,000,
  - 4 50% of affiliated societies should be able to pay dividends of 5% of members' savings,
  - 5 30% of affiliated societies should be able to independently maintain accurate bookkeeping records and prepare financial statements, and
  - 6 90% of affiliated societies should have loan repayment rates in excess of 9%.
3. Each of these specific objectives is covered in detail in this section of the report as are the institutional capabilities of the individual societies and their relationship with NASCCLOS.

## MEMBERSHIP OF AFFILIATED SOCIETIES

### 1.1. End of project status

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

### 1.2. Actual status

Total membership of affiliated societies at 31 December 1983 was 15,978, with the average membership per society being 67.

### 1.3. Comments

1.3.1. The total membership of affiliated societies at 31 December 1983 was only 30 % of the estimated end of project membership. It was realized after the survey of all active savings and credit co-operatives carried out in 1980 that the original estimates of the number of active societies in Sierra Leone and the average size of the societies were vastly overestimated. The survey identified 346 active societies with a total membership of 21,268 and an average membership of 61.

1.3.2 At the time of the mid-term evaluation, it was realized that the original target as regards membership could not be met, but no revised target was set. It was felt at that time that the best way of increasing membership of affiliates was to concentrate on promoting new societies among employer groups in urban areas. The policy has to a certain extent been successful particularly with two societies: the Sierra Leone Dockworkers Society

has increased its membership from 189 in 1978 to 667 at 31 December 1983 and the Sierra Leone Teachers Union Society has attained a membership of 3,947 at 31 December 1983, since its inception in 1979. These two societies together account for almost 29% of the total membership of affiliates.

1.3.3. There are not many other employer groups in Sierra Leone which would have a similar potential membership to the two mentioned above, but one area which could provide a substantial membership and which does not appear to have been approached by MASCLOS is Government Department and Ministries.

1.3.4. We have attempted to obtain up to date statistics of the total membership of all societies in Sierra Leone from the Department of Co-operatives, but have been unable to obtain any figures after 1980, so we are unable to comment on the proportion of total membership of affiliates to total membership throughout Sierra Leone.

1.3.5. No statistics are available of total membership of affiliates at the start of the project and there is no means of calculating the increase in membership during the course of the project.

#### 1.4. Conclusion

1.4.1. The original target has not been met, but due to the overestimation of the potential membership at the start of the project, this was to be expected.

- 1.4.2. Due to the lack of statistics on membership, both of affiliates and throughout the country, over a period of years, it is not possible to comment on any trends in the total membership of affiliates or the proportion of membership of affiliates to total country membership.
- 1.4.3. We recommend that, in future, NASCCLOS intensify its efforts to form new societies within workers groups in urban areas, as this still appears to be the area in which the most significant increase in membership could be achieved.

## 2. SAVINGS IN AFFILIATED SOCIETIES

### 2.1. End of project status

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

### 2.2. Actual Status

Savings in affiliated societies at 31 December 1983 totalled Le 1,884,528 which is equivalent to \$753,811 at the current exchange rate of Le 2.50 to US\$ 1.00.

### 2.3. Comments

2.3.1. Although the actual dollar savings of \$753,811 represents only 32% of the estimated end of project savings, this is a misleading comparison as the value of the leone against the dollar has decreased by 59% since the original project proposal was prepared.

2.3.2. The level of savings projected at the time the project proposal was prepared and actual savings at 31 December 1983 can be compared as follows:

	<u>Project proposal</u>	<u>31 December 1983</u>	<u>Percentage of target</u>
Value of one Leone	\$ 0.91	\$ 0.40	41%
Total savings in dollars	\$2,350,000	\$ 753,811	32%
Total savings in Leones	2,397,959	1,884,528	79%
Average savings per member in dollars	\$ 58	\$ 47	81%
Average savings per member in Leones	Le 59	Le118	200%

2.3.3. In addition to the effects of the decrease in the value of the leone over the period of the project, the total savings in affiliates were adversely affected by the reduction in the number of members in affiliated societies compared with the original estimate. Although the number of members in affiliates is only 39% of the projected membership, savings in leones are 79% of the estimate and the average savings per member are twice the original estimate.

2.3.4. When the original project proposal was prepared the minimum monthly savings per member were Le 0.50 or Le 1.00. In June 1984 we carried out a survey of 25 societies and found that the minimum savings per member were: -

<u>Minimum monthly savings</u>	<u>Number of Societies</u>	<u>Percentage of societies</u>
Le 1	11	44%
Le 2	9	36%
Le 4	1	4%
Le 5	1	4%
Le 10	<u>3</u>	<u>12%</u>
	25	100

2.3.5. Both the total savings and the average savings per member have been greatly increased by the inclusion of the Sierra Leone Teachers Union Cooperative Society. This society was formed in 1979 and affiliated with NACCIOB in February 1980. The growth of this society has been very rapid and it is at present by far the largest cooperative society

in Sierra Leone. The total membership and savings of affiliated societies at 31 December 1983 can be analysed as follows: -

	All <u>Affiliates</u>	Affiliates excluding <u>SLTU</u>	<u>SLTU</u>
Total members	15,978	12,031	3,947
Percentage of members	100%	75%	25%
Total savings	Le1,884,528	Le1,227,102	Le657,426
Percentage of savings	100%	65%	35%
Average savings per Member	Le 118	Le102	Le167

2.3.6. The average savings per member vary enormously among the affiliated societies, but there is an overall trend towards higher savings per member as can be seen from the following statistics: -

<u>Average savings per member</u>	<u>Percentage of societies at June 1978</u>	<u>Percentage of affiliated societies at 31 December 1983</u>
less than Le 50	75	17
Le 51 - Le 100	22	47
Le 101 - Le 150	3	18
Le 151 - Le 200		9
Le 201 - Le 300		7
over Le 301		2
	<u>100</u>	<u>100</u>

2.4. Conclusion

2.4.1. Due to the decrease in the value of the leone against the dollar and the over-estimation of the potential number of members of affiliates the dollar target for total savings has not been reached.

2.4.2. Average savings per member and minimum monthly savings have increased substantially over the period of the project and, although the leone target for total savings has not been reached, it does seem clear that the project has had a major impact on the total level of savings in affiliates and in this respect at least the project has certainly achieved considerable success.

3 LOANS IN AFFILIATED SOCIETIES

3.1. End of project status

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

3.2. Actual Status

Loans outstanding in affiliated societies at 31 December 1983 totalled Le 2,191,597, which is equivalent to \$876,639 at the exchange rate of Le 2.50 to US\$ 1.00.

3.3. Comments

3.3.1. The decline in the value of the leone compared to the dollar of 59%, which was mentioned under the heading of savings, similarly applies to loans. Although loans at 31 December 1983 are equivalent to only 33.7% of the target in dollar terms, in leone terms the actual loans represent 86% of the target.

3.3.2. As total savings at 31 December 1983 were only 79% of target in leone terms, it is natural that the total loans outstanding should not have reached the target. The original estimate was that loans would be 110.6% of savings, and at 31 December 1983 loans outstanding totalled 116.3% of total savings.

3.3.3. As in the case of savings, the total loans outstanding have been greatly influenced by the formation and affiliation of the Sierra Leone Teachers Union Co-operative Society. The loans outstanding in this society totalled Le 491,700 at 31 December 1983 and represented 22.4% of the loans outstanding for all affiliated societies.

3.4. Conclusion

Given the reduction in total members compared with the target due to the overestimation of the potential membership and the consequent reduction in the total savings, it is to be expected that loans outstanding would be lower than the target. However given these constraints the total of loans outstanding appears to be satisfactory and to have come much closer to target than would be expected. The proportion of total loans outstanding compared with savings has exceeded the target by 5.7%.

4

DIVIDENDS

4.1. End of project status

50% of affiliated societies will be able to pay a dividend of 5% of member's savings.

4.2. Actual status

No statistics are available of the number of societies paying dividends or of the level of these dividends. We visited 25 of the affiliated societies and found that only one of these societies regularly paid a dividend, which was in fact 5%. Of the others, 2 had paid one small dividend during the past four years, 14 had paid no dividends as was evidenced by their financial statements, 2 said they did pay dividends but were unsure how much and could not produce financial statements, and the remaining 6 said no dividends were paid and could not produce financial statements.

4.3. Comments

There does not appear to have been any concentrated effort by the staff of NASCCLOS to explain to the officials of the societies the advantages of paying dividends. The general attitude in the societies visited appeared to be that paying dividends would reduce the funds available for making loans and they were therefore unwilling to pay any dividends.

Conclusion

NASCCLOS has not made sufficient efforts to encourage the payment of dividends and has failed to meet its target. We feel that the payment of regular dividends would help to encourage new members to join societies and therefore recommend that NASCCLOS should make a sustained effort to educate the officials of the societies in the advantages of paying dividends both during field visits and at training seminars. Should there be resistance to actually paying dividends, it could be suggested that dividends be credited to members accounts and that members are given the option of withdrawing their dividends within a specified time limit, in which case not all dividends would be withdrawn and cash paid out would be less.

5. BOOKKEEPING IN AFFILIATED SOCIETIES

5.1. End of project status

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

5.2. Actual status

NASCCLOS do not have statistics on how many societies maintain their own bookkeeping records and prepare financial statements. Of the 25 societies we visited, only the Sierra Leone Teachers Union Cooperative Society maintained full records and prepared financial statements independently.

When we asked for details of other societies which maintained their bookkeeping records independently, we were told that in the Western Area, which includes Freetown, there were 7 societies out of a total of 23 (30%) which did to some degree, but that the proportion was much lower, and in fact negligible, in the provinces.

5.3. Comments

5.3.1. A total of 340 society members, against a target of 270, received training in basic bookkeeping during the project and in many of the societies we visited the basic bookkeeping is carried out by one of the members, who has been trained, with assistance from NASCCLOS field staff or Department of Cooperatives staff. NASCCLOS field workers made a total of 1,841 visits to societies during the project, compared with a target of 1,380, but several of the societies we visited felt that visits were required more often. The target for field workers is to visit each society 4 times a

year, but in some areas where the societies are far from towns transport problems have reduced the frequency.

5.3.2. In several cases the officials and all members of the societies we visited were illiterate and we have been informed by NASCCLOS' staff that this is the case with most societies in the provinces and many in the Western Areas. Given this constraint, it is not practical to expect that a large proportion of the affiliated societies would be able to maintain accurate bookkeeping records wholly independently of NASCCLOS and the Department of Cooperatives.

5.3.3. NASCCLOS introduced the concept of service centres, to provide bookkeeping and other services to a number of societies within a close geographical area, at an early stage of the project. Four service centres have been opened each serving approximately 12 societies in different parts of the country. These service centres appear to be readily accepted by the individual societies and to provide adequate bookkeeping services.

#### 5.4. Conclusions

5.4.1. NASCCLOS has not met the required target of 30% of affiliated societies independently maintaining accurate bookkeeping records and preparing financial statements, but, given the high degree of illiteracy in Sierra Leone, the target is unrealistic and unless there was a major change in the composition of the membership of NASCCLOS,

with a much higher proportion of urban worker group cooperatives, it would not be possible to reach such a target in the foreseeable future.

5.4.2. Service centres, similar to those already established, appear to be the only way in which societies would be able to be independent of NASCCLOS and the Department of Cooperatives. We would recommend that NASCCLOS continue to establish these wherever possible. It is however important that each service centre have sufficient societies as potential members to enable it to achieve self - sufficiency.

<u>Before Project</u>	<u>During Project</u>	<u>Percentage of societies</u>
Down	Down	12
Up	Down	4
Down	Up	36
Up	Up	36
		<u>88</u>
Records not available		12
		<u>100</u>
		---

It is obvious from these figures that the project has had a considerable impact on the growth of membership in individual societies with a downward trend being reversed in 36% of those visited and an upward trend being continued in a further 36%. In the one society where an upward trend was reversed the membership increased by 10% from 1977 to 1980 and reverted to the 1980 level by 1983. Over the total period, however, total savings in this society increased by 90%.

In all the societies visited all members are obliged to save at least the minimum savings each month and, in the case of savings, all members are active.

In the case of loans, most of the societies were unable to give us details of the number of loans over a period of several years. Of those who were able to give us statistics we found that the percentage of members taking loans remained fairly steady from year to year, but that the percentages varied considerably from society to society, with one society giving loans to only 35% of its members and another to 50%. Most societies had loans outstanding for between 60% and 75% of their members.

There also appeared to be a difference between the larger urban societies and rural societies, with the urban societies giving larger loans to fewer members than the rural societies. None of the societies were able to say exactly how many of their members had had loans in the past but all assured us that all members had an equal opportunity of obtaining loans and that most members took advantage of this at some time.

6. LOAN REPAYMENT RATES

6.1. End of project status

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

6.2. Actual status

No statistics of loan repayment rates for individual societies are maintained by NASCCLOS.

The repayment rates of the societies visited by us were as follows:-

<u>Repayment rate</u>	<u>Percentage of Societies</u>
in excess of 90%	16
75% to 89%	16
50% to 74%	4
less than 50%	24
information not available	40
	<u>100</u>
	***

6.3. Comments

6.3.1. The individual societies do not actually calculate loan repayment rates and the figures given above are our own calculations based on the information the societies were able to give us. In many cases it was difficult to obtain the information we required and we do not feel that the information we obtained can be relied upon as being 100% accurate.

6.3.2. In general the officials of the societies did not appear to be particularly concerned about loans not being repaid at the due date. The general attitude was that the loans could be rescheduled and would be repaid eventually, with the safeguard that the members' savings and those of the guarantor would be

taken if repayment was not made. There did not appear to be sufficient awareness of the advantages of timely repayments to enable the available funds of the society to circulate more amongst the members.

6.3.3. Although all of the societies we visited showed increases in loans from year to year in some cases a large proportion of the increases appeared to be due to the rescheduling of loans rather than new loans.

6.4. Conclusion

6.4.1. The target of 90% of affiliated societies having loan repayment rates in excess of 90% has not been reached.

6.4.2. During training courses and on field visits to affiliated societies NASCCLOS must in future emphasise the importance of loans being repaid to allow a revolving source of credit to be available to members.

7. INSTITUTIONAL CAPABILITIES OF INDIVIDUAL AFFILIATED SOCIETIES

7.1. General

We visited 25 societies, out of a total affiliated membership of 240. The societies visited included 18 rural societies and 7 urban societies, covered all areas of the country, the membership of the individual societies varied from 20 to 3,947 and savings varied from Le 1900 to Le657,000. We feel that the societies we visited are a representative sample of the total membership.

7.2. Staffing

Only one of the societies we visited, the Sierra Leone Teachers Union Cooperative Society, which is the biggest in Sierra Leone, had any full-time staff. All the other societies were run by a committee of between 5 and 7 members, of whom one acted as either treasurer or secretary and maintained the basic bookkeeping records of the society. Most of these secretaries and treasurers, together with some other committee members, have attended NASCCLOS seminars and received some training in basic bookkeeping. Most of the bookkeeping of these societies and the preparation of their financial statements is carried out with a lot of assistance from either NASCCLOS or Department of Cooperatives staff. In general the committees appeared to manage the societies, within their limitations, in an efficient manner.

7.3. Loan procedures

All the societies have loan committees, who are responsible for approving or disapproving loans, allocating available resources to those most in need, ensuring that loans are used for the correct purposes and that loans are repaid.

In all cases loans were only issued for business purposes or for social needs, such as medical or funeral expenses and school fees. There did not appear to be any disagreement from the members with regard to the granting of loans by the committee and members are kept fully informed of all loans granted, with members checking on each other to ensure that loans are properly used. Loans are normally fully secured by the members savings and the guarantee of other members and, although some societies did admit that not all loans are repaid at the due date, none of them write off bad debts. The defaulting member is interviewed by the loan committee and repayments are rescheduled or the loan is recovered from the savings of the member and his guarantors. In many instances the case of a defaulting member is discussed by the whole society at their monthly meetings and generally there appears to be a sympathetic attitude with members helping each other where possible. In our opinion, the procedures for granting and monitoring loans, in the societies we visited are working very well. The collection of loan repayments does not receive the priority it should in most of the societies.

7.4. Membership

We asked all societies we visited for details of their membership over the past 7 years to enable us to compare the trends in membership before and during the project. The trends in membership can be summarised as follows:-

8. RELATIONSHIP OF INDIVIDUAL AFFILIATED SOCIETIES WITH NASCCLOS

8.1. During our visits to the individual societies as well as finding out about the societies themselves we also questioned the committee members about their relationship with NASCCLOS and our findings are summarised below: -

<u>Questions</u>	<u>Reply</u>	<u>Percentages</u>
1 How did the society hear of NASCCLOS ?	Through NASCCLOS seminars or field workers	56
	Through Dept of Cooperatives	40
	From another society	4
	Radio	8
2 Why did the society join NASCCLOS ?	General benefits and facilities	44
	For training	44
	For insurance	28
	To obtain loans	12
3 Do you receive the following services from NASCCLOS ?	a) training	Yes 92
	b) bookkeeping assistance	Yes 68
	c) field workers visits	Yes 88
4 What other services could NASCCLOS provide ?	Insurance	56
	Loans	68
	Service centres	8

5	How could the training be improved	More training for illiterates	24
		More/longer training	52
		More local training courses	28
6	Does NASCCLOS communicate effectively with the society ?	Yes	16
		No	84
7	How could NASCCLOS improve its communication	More visits	8
		Provide literature about NASCCLOS	8
		Provide more staff	32
		Provide field workers with adequate transport	8
8	Do you receive value money from NASCCLOS?	Yes	76
		No	8

8.2. Generally the societies appeared to be satisfied that NASCCLOS does provide useful services although virtually all of the societies would like additional services, particularly insurance and loans from NASCCLOS. Training was appreciated by all the societies which had had members trained and, although there were suggestions for improvement of the training offered, these did not appear to be criticisms of the present situation, but rather a desire for an ideal situation. The only major area of criticism was the lack of communication by NASCCLOS with the societies, with 84% of those visited replying that NASCCLOS did not communicate effectively.

## NASCCLOS SERVICES TO AFFILIATES

### 1. Background

In 1978 when the project proposal was prepared NASCCLOS was virtually dormant, with only two employees, and was mainly concerned with persuading societies, which had previously been members, to re-affiliate. Some stationery was being supplied to affiliated societies but no other services were being provided.

It was obvious at that time that cooperative societies in Sierra Leone were in need of a number of services to assist them in their development and enable them to become effective in their role of primary suppliers of credit to their local communities.

The project was intended to provide certain basic services to the cooperative movement to meet the problems which had been identified at that time. The following areas were considered to be those in which assistance was most needed by individual societies:-

- a) training,
- b) risk management,
- c) stationery supplies,
- d) bookkeeping assistance,
- e) standard policies and procedures.

It was intended that as further needs developed, the league would attempt to provide these. During the course of the project, it became obvious that regional service centres to supply mainly bookkeeping and administrative assistance to a number of societies within the same geographical area, would be welcomed by the societies and would prove to be a useful service. The only other service which the societies demanded

was a central finance scheme.

2. Training

Training is one service to societies in which NASCCLOS have achieved considerable success. Each year a comprehensive training programme is prepared covering courses for NASCCLOS directors, Cooperative Officers and inspectors, bookkeepers NASCCLOS staff and individual officials and members of affiliated societies. The courses and seminars are held at local, regional and national levels and take place throughout the country.

During our visits to individual societies we found that various members and officials of all but one of the societies had received training from NASCCLOS. The training was considered to be relevant and useful and members trained did put what they had learnt in practice and tried to pass on the benefits they had gained to other members. When we asked how the training provided by NASCCLOS could be improved we were told that generally societies were satisfied with the quality of the courses and seminars, and that the societies would like to have more seminars, particularly at local levels, and with more emphasis on explaining the principles and administration of societies in local languages and to illiterates.

Over the life of the project NASCCLOS exceeded the specific targets for training as follows: -

	<u>Target</u>	<u>Actual</u>
Committee members	2,210	2,535
Bookkeepers	270	340
NASCCLOS directors	96	89
NASCCLOS staff	28	32

3. Risk management

Due to a dispute between ACOSCA and CUNA, which did not involve Sierra Leone, ACOSCA was unable to offer cover for risk management to NASCCLOS and the risk management programme was not introduced during the project. There can be no doubt that this service is wanted by many societies and in many cases the provision of risk management was one of the major reasons for societies becoming affiliated.

Agreement has now been reached for the programme to commence, and NASCCLOS have an employee who has received training in risk management and who has designed the mechanics of the system and all necessary documentation. Unfortunately at present NASCCLOS, does not have sufficient funds to pay for the printing of the required documentation. Efforts are being made to obtain assistance with these printing costs and, providing this can be obtained, the risk management programme is ready for introduction and there is certainly a demand for this service.

4. Stationery supplies

At an early stage of the project, NASCCLOS staff designed standard stationery for use by affiliated societies and, after solving some problems with finding suitable suppliers had sufficient supplies printed for use by the societies. Sales of stationery have not reached targets, but this is due to an over estimation of the potential customers for stationery, rather than to a failure by NASCCLOS. Of the societies we visited 92% used stationery supplied by NASCCLOS and were satisfied with the design, the quality and the price.

5. Bookkeeping assistance

NASCCLOS currently employ six itinerant bookkeepers, who are each responsible for providing assistance with bookkeeping and preparation of financial statement to a number of societies. These bookkeepers regularly visit the societies and, as the officials and members of a substantial number of societies are illiterate, the service they provide is essential for keeping the records of the societies up to date. The project proposal over - estimated the general capabilities of individual societies and, given the lack of knowledge of bookkeeping by society treasurers and secretaries, this service has proved to be much more useful and important than was originally thought. In this area NASCCLOS is providing a very efficient service in one of the main areas in which affiliated societies require assistance. During the life of the project a total of 1,380 visits should have been made by these bookkeepers to societies and this target has been exceeded with total of 1,841 visits made up to 31 December 1983.

6. Standard policies and procedures

NASCCLOS have developed standard policies and procedures for all aspects of the administration of cooperative societies. These include detailed written guideline as to the functions, duties and responsibilities of boards of directors and various committee members, policy guidelines for granting and monitoring loans, detailed procedures and tables for the calculation of interest and dividends and model bye-laws. These standard policies and procedures are being communicated to officials of societies at training courses and seminars and by field workers.

### Service centres

Four regional service centres have been established to provide needed services to a number of societies within a small geographical area and about fifty societies are benefiting from this service. Each centre has one full-time employee who is responsible for providing bookkeeping assistance, attending the meetings of the societies and ensuring that they are conducted properly and giving general advice and assistance on all aspects of the administration of the societies. The service centres are also used as the venue of meetings by some societies and serve as a convenient point for the societies to contact NASCCLOS.

### Central finance

In 1980 when a survey of active cooperative societies in Sierra Leone was carried out, it was evident that there was a great demand for a central finance scheme and it was suggested that such a scheme be introduced during 1981. No central finance scheme has yet been introduced and during our visits to individual societies, it became apparent that this was the service not provided by NASCCLOS which was most wanted by the societies. We gained the impression, however, that most of the societies were interested in obtaining loans from NASCCLOS and not in investing surplus funds with NASCCLOS. For such a scheme to work in practice it would be necessary to obtain a large amount of funds to launch the scheme. These funds could come from either the large worker group societies, which have more surplus funds and less demand for loans than the smaller rural societies or from external sources.

After the scheme has been established it will be necessary to obtain the sanction of affiliates, at an annual general meeting, for a specified proportion of either the savings or the reserves of each society to be compulsorily deposited with NASCCLOS as a minimum contribution to the scheme.

PROJECT OUTPUTS

		<u>Project</u>	<u>Actual</u>
1	League board of directors trained to effectively execute policy-making responsibilities <i>input</i>	52	96
2	Society committee members trained to effectively direct society management <i>input</i>	1,960	2,535
3	Society secretaries trained to maintain accurate, complete financial records and statements <i>input</i>	180	340
4	New societies organized	30	20
5	Societies affiliated to league	356	240 ✓
6	Societies receiving stationery supplies from the league	300	Not available
7	Sales volume from stationery supplies	\$ 12,495 Lo 12,750	\$ 7,558 Lo 18,896
8	Societies participating in insurance programs	70	Nil ✓
9	Savings insured	\$ 29,962	Nil ✓
10	Loans insured	\$ 321,158	Nil ✓
11	% of operating costs, excluding training, not from earned income	54.5%	16.3% ✓
12	% of total costs not from earned income	32.9%	12.2% ✓
13	Financial/statistical reports on societies and league prepared quarterly	12	18
14	Standard policies and procedures guides prepared and disseminated	8	13
15	Societies receiving bookkeeping assistance <i>input</i>	180	161
16	League 5 - year institutional development plan prepared	1	Nil ✓

*Measurements  
to be taken,  
not actuals  
please*