

INFORMATION FOR PROGRAM MANAGEMENT
A REPORTING SYSTEM FOR MONITORING PROJECT PERFORMANCE

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Report Prepared for USAID/Togo by

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1. Purpose of the Report

This report describes a project reporting system to inform USAID/Togo managers about implementation progress and the short-term effects of project outputs. The reporting system focuses on project performance indicated by progress toward achieving stated objectives. The proposed reporting requirements for three agricultural projects are discussed to illustrate how project data can be used to meet the information requirements of mission management. Ultimately, each project in USAID/Togo's portfolio should have a comparable reporting system. The approach proposed for USAID/Togo is, in principle, applicable to any USAID program.

2. Monitoring Project Performance via Intermediate/Short-term Effects

This report responds to a recent program audit conducted by the Regional Inspector General concerning the adequacy for USAID/Togo's monitoring of project performance as a basis for program management and decision making (Audit Report No. 7-693-86-9). The report's stated objectives were to: "...determine if AID's assistance was having an impact on the GOT's efforts to meet development goals...determine if AID projects were achieving their desired level of results...(and) assess USAID/Togo management."

The principal conclusion was that:

"(T)he overall impact of AID assistance to Togo could not be determined. Although USAID/Togo management was effective, there was no system to adequately measure project impact on five of seven projects included in the audit."

In all fairness to USAID/Togo, it should be recognized that inadequate project and program information is not unique to the mission. Indeed, the findings of the audit could very likely be directed to many other USAID missions. Nonetheless, the fact remains that USAID/Togo lacks periodic reports on project performance showing progress toward stated objectives and the effects of project outputs.

One implication of the audit report is that current AID projects are not generating the types of data needed to assess their performance. The information systems for some projects might be weak or even inadequate. But at least for the rural development projects examined for this report, data have been collected, and more will be collected during the course of implementation which could be used to monitor project performance.

For example:

a) a report prepared in August, 1986 by the Monitoring and Evaluation Unit of the Animal Traction Development Project (693-0218) presents

evidence that the annual income of farmers who have adopted animal traction is anywhere from seven to twenty-five times as much as the national average income of Togolese farmers.

b) In the June, 1986 annual progress report for the Zio River Project (693-0226), survey data indicated that those who participated in the project benefited economically through increased agricultural and non-agricultural earnings.

c) The National Credit Union Project (693-0224) has also established a data base to track the operations of member credit unions and is currently developing a quarterly reporting system which will more closely monitor loan repayment and other key performance indicators.

This suggests that the lack of information for program management purposes identified by the audit is in part due to problems of data management, analysis and presentation. The quarterly reports of the National Credit Union Project provide a good example. The project has generated a considerable amount of data on individual credit unions to monitor their operations. However, the volume of data reported in the project's quarterly reports is more than non-specialists can use effectively. Most AID managers lack either the necessary technical skills or experience with credit union operations, as well as simply the time, required for useful analysis and interpretation of the data. The technical advisors of the project, however, could select a limited number of key indicators to monitor project performance over time and briefly discuss what these measures say about progress toward achieving objectives and producing desired effects.

It is important to clarify what types of data or which aspects of project performance projects can realistically be expected to report, especially given limited resources for data collection and analysis. In this respect, the audit states that its objective was "...to determine if AID's assistance was having an impact on the GOT's development program. But impact of a development program or project typically refers to long-term, sustainable effects which could be either beneficial or detrimental, and can only be assessed towards the end of a project (at the earliest) and usually not until some time after project completion.

Measuring impact as the production of sustained benefits becomes even more problematic when the objectives of a project or program are directed toward improvements for society at large rather than specific groups of individuals. This is often the case in projects with institution building objectives. Other projects are designed to produce outputs which can only have a significant economic or social impact if they are used on a

larger scale in a follow-on project. Projects involving applied research and adaptive testing of alternative modes of implementation belong in this category. It should be noted that USAID/Togo's projects include, to varying degrees, precisely these types of objectives, the impact of which is very difficult to ascertain during the course of implementation.

The purpose here is not to pursue some esoteric philosophical debate about the meaning of impact. Rather, it is to clarify what type of information projects can report about performance and progress toward objectives. Using impact in the sense of sustained effects, it is simply illogical to expect projects to report on impact during implementation. On the other hand, projects should be expected to monitor progress and performance according to stated objectives. In other words, projects should track the effects of outputs in the short-term.

For example, an output of a project designed to strengthen a government agency would be the number of months of technical assistance and training provided. The short-term effects of the output might be a modest but measureable improvement in service delivery, such as lower costs per client or an increased number of clients reached. But these short-term effects may or may not result in sustainable development impact. An institution building project will have a genuine development impact only if the improvements in service delivery observed during implementation continue after the project is completed. This can be summarized as follows:

Project	-----	Intermediate	-----	Project
Outputs		Effects		Impact
Time-----)				

During implementation, projects can monitor and report on both outputs and intermediate effects. Impact can be assessed only by evaluations near or after project completion. For program management, however, intermediate effects are particularly important because they reflect both project performance, i.e., progress toward objectives - and suggest what the ultimate impact of the project might be. It is precisely this type of information - intermediate effects - which projects should provide but commonly fail to do so in forms readily useable by AID managers.

3. The Basic Format for Project Performance Reports

The purpose of establishing a project performance reporting system for USAID/Togo's portfolio is to periodically inform mission management about:

- a) progress toward achieving the short-term objectives of on-going projects, and
- b) the extent to which projects are contributing to the mission's program development objectives

Once operational, the performance reports will complement periodic implementation reports and should serve as a basis of discussions among project staff, USAID managers and GOT officials. The mission will also be better able to report on progress in a concise form to AID/Washington.

Establishing such a system for on-going and future projects should be technically feasible and entail relatively little additional costs. The additional time required of the project implementation team should be minimal once the system is established and should be a useful management tool for them as well as the mission.

To be useful for USAID management purposes, reporting must focus on a very limited number of key indicators or measures which accurately reflect progress, or the lack thereof, toward the main objectives of the project. As discussed above, these indicators should monitor intermediate effects and not merely the basic outputs of the project. To track progress, the reporting system must also be longitudinal and/or cumulative in nature. This means that the same indicators must be reported over the course of implementation so that the short-term effects of project outputs can be periodically assessed. However, to be readily useable by management, the performance reports must be more than a listing of raw data. What the indicators show or suggest about project performance must be explained clearly and concisely in terms that non-specialists in the substantive area of the project can understand.

Clearly, the selection of performance indicators will be critical for establishing a credible and effective system. On the one hand, the set of indicators must cover the principle objectives of the project. On the other hand, the number of indicators must be limited - e.g., a dozen or so measures or categories of information for any one project. Otherwise, the report will become just one more unwieldy document of limited utility to mission managers.

Therefore, key indicators which succinctly communicate the degree of progress made during the reporting period, or cumulatively over the course of the project, must be identified for each of the project's main objectives. These indicators should show changes in economic performance (e.g., increased earnings), social conditions (e.g., increased access to services), or fundamental behavioral changes on the part of project beneficiaries (e.g., adoption of improved farming practices). The indicators might be single measures - e.g., counts, expenditures - or a composite - e.g., ratios, percentages, cumulative indices - depending on what best expresses progress for the project.

AID managers, the project's technical advisors, and host country counterparts should be involved with developing the reporting system for each project. They should agree on what constitutes progress toward project objectives, which indicators accurately monitor that progress and a realistic reporting cycle. The indicators selected will be specific to

the project - i.e., no standard set of indicators imposed on all projects. Once the indicators are selected, a brief description of their calculation, which project objectives they monitor and what they show about project performance should be prepared by project staff. The description of indicators should be filed with the actual reports for future reference. (See annex 1 for an example.)

A six month reporting period should be frequent enough for the purposes of mission management. It should also correspond to the nature of the project - e.g., at the end of the agricultural season. In the initial year(s) of project implementation, annual performance reports might be sufficient, but certainly by the end of the second year, reports should become more frequent - e.g., every six months. The project's chief of party should have responsibility for submitting the report to the USAID mission.

The key aspects of project performance reporting can be summarized as follows:

- The report focuses on a limited number of key indicators pertaining to progress toward main project objectives.
- The indicators should be objective in the sense that they can show either progress or the lack of progress.
- The same indicators are tracked over the course of project implementation to show changes during the reporting period and/or cumulative progress made toward objectives.
- The report contains a brief discussion of the meaning of the indicators regarding project performance, drawing attention to areas where progress has been made and where improvements are needed, and to the extent possible, identifying the reasons for poor project performance.
- The total report should be no more than three pages: one page listing the indicators over time with the addition of the most recent set of measures, and one to two pages of discussion regarding what the indicators show about project performance.
- A six month reporting period should be followed if possible.
- Project performance reports supplement rather than substitute for periodic reports.

The format for presenting the indicators should be a table where the rows consist of the individual indicators and the columns contain data for the successive reporting periods. Each report will add an additional column of measures to the table, for example:

Indicators	12/84	6/85	12/85	6/86	etc.
1. corn yield (tons/ha)	1.1	1.5	1.2	1.8	
2. client - agent ratio	5/1	10/1	15/1	17/1	
3. % of wells in operation for more than 1 yr	80	75	40	25	
4. etc.					

Two important caveats should be recognized. First, it is assumed that projects have adequate resources - funds and staff - required for collecting necessary data. This poses more of a problem for on-going projects with weak or very limited information capabilities than for future projects where better planning of information systems is possible. But certainly for USAID/Togo's rural development portfolio, performance reporting as described above is possible.

Second, a tracking system of this type implies that project design changes are minimal or at least do not significantly alter project objectives. In reality, modifications and re-design are often made. Shifting the emphasis or priority of project objectives would probably not require major changes in the reporting system. But where project objectives are radically altered or deleted, or if new objectives are added, the indicators initially selected may no longer accurately reflect performance or progress. At worst, this means adding or deleting indicators for later stages of the project.

4. Performance Indicators for USAID/Togo's Rural Development Projects

To facilitate the development of USAID/Togo's performance reporting system, indicators are suggested for each of the mission's rural development projects. Two of the projects - the Development of the Togo National Credit Union Association (693-0224) and the Zio River Economic Development Project (693-0226) - presently generate data sufficient for performance reports. The Togo Animal Traction Development Project (693-0218) needs to develop a basic information system focused on operational performance and progress toward the institutional development objectives of the project. For each of these projects, the next step is for mission and project staff to reach agreement on the set of indicators that will be reported (if other than what is suggested below) and the reporting period.

4.1 Development of the Togo National Credit Union Association (693-0224) - FUCEC

The overall objective of this WOCCU-assisted activity is to strengthen Togo's national credit union association so that by the end of the project, significant progress has been made by the association toward becoming an economically viable, private sector organization. Progress toward this objective will occur at two levels within the association. First, at the national level, the financial management capabilities of the central administration will be strengthened. This includes establishing operation policies and procedures, improving the association's financial planning, and developing a central liquidity fund. New programs and services will be established, including risk management (life savings and loan protection insurance) and a Small Farmer Production Credit Service. At the member credit union level, the project will provide training to union leaders and a system of inspection/auditing will be instituted. The formation of new member unions will be encouraged while consolidating or liquidating member unions too small to be viable. Communication between the central administration and member unions will also be improved and regional offices will be established to decentralize the operation of the association as it expands.

FUCEC benefits from the fact that financial accounting data can easily be used to monitor performance and progress for this project. That is, data needed to implement the project also express progress toward institutional development objectives. Equally important, the project management team has also established a very sound information system and data base for precisely this purpose.

The WOCCU chief of party, Chet Aeschliman, reports that certain categories of data do not yet include all member credit unions, but that within the next year coverage will expand. However, even with less than total coverage, the project is in an excellent position to initiate immediately a performance reporting system.

Based on discussions concerning the mission's need for performance reports, a list of indicators beginning from December 1984 has been proposed by Mr. Aeschliman. These are:

Table 1. FUCEC-TOGO PROJECT PRINCIPAL SUCCESS INDICATORS

(Amounts in millions of FCFA)

	Dec.	Dec.	June	Dec.
	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1986</u>
<u>I. NATIONAL FEDERATION LEVEL:</u>				
A. Financial Self-Sufficiency				
1. Total Earned Income				
2. Total Expenses				
3. % Self-sufficient				
B. Growth of the CLF				
1. Total Shares & Deposits				
2. Loans Outstanding				
3. Total Assets				
4. Interest paid on Deposits				
C. Training				
1. # person-days of training				
D. Risk Management (Insurance)				
1. # CUs participating				
2. Amount of coverage in force				
E. SFPC				
1. # CUs participating				
2. # Farmers participating				
3. Amt. loans granted this year				
<u>II. CREDIT UNION LEVEL</u>				
A. Management Capability				
1. # EOP fin's stmts received				
2. Mgrs' Ave. Acctng exam scores				
B. Growth Over Time				
1. # of credit unions				
2. # of members				
3. shares and savings				
4. Loans outstanding				
C. Profitability				
1. Gross rate of return on loan				
2. Interest on Deposits				
a. # CUs paying				
b. Amount paid				
c. % of total mvmt. savings				

Table 1. FUCEC-TOGO PROJECT PRINCIPAL SUCCESS INDICATORS (cont'd)

(Amounts in millions of FCFA)

	<u>Dec.</u> <u>1984</u>	<u>Dec.</u> <u>1985</u>	<u>June</u> <u>1986</u>	<u>Dec.</u> <u>1986</u>
II. <u>CREDIT UNION LEVEL</u> (cont'd)				
D. Liquidity				
1. Amt (cash+banks+CLF deposits)				
2. Liquidity as % of deposits				
3. % of liquidity centralized				
E. Loan Portfolio Management				
1. Loans/savings ratio				
2. Average repayment period				
F. Solvency				
1. Reserves+retained earnings				

Annex One contains Mr. Aeschliman's explanation of how the indicators can be interpreted or measure progress toward project objectives.

The above table represents the upper end of what should be periodically reported to mission management regarding project progress and performance. It also illustrates that a limited range of data will be needed to capture the key aspects of project objectives. For example, the first set of measures correspond to the national level objectives of the project and expresses various aspects of the institution building objectives of FUCEC. The second set of indicators focuses on the growth and performance of member credit unions. Both sets of indicators are necessary to monitor progress toward the larger objective of developing a self-sustaining financial institution which services the needs of an increasing number and range of client/members.

An additional aspect of progress for FUCEC is the association's ability to reach individuals previously lacking access to credit, particularly in rural areas. The project will soon initiate the Small Farmer Production Credit program specifically for this purpose. The above table lists three indicators pertaining to this program. However, additional information about the composition of the credit union's membership and how loans have been used (e.g., for agricultural, non-agricultural or social purposes) would provide insight into the project's progress toward increasing access to credit by rural producers. These data are not amendable to the performance reporting format and are better obtained through a separate, special study as recommended by the project mid-term evaluation (March 1986).

One option for WOCCU is to "buy into" an upcoming study to be conducted by a team of University of Benin researchers which will examine rural credit needs for the African Development Foundation (in collaboration with financial assistance ADF has accorded to several of the most profitable credit unions). Additional questions might be added to the survey questionnaire concerning loan use by credit union members. Alternatively, or in addition to working with the U.B. team, an independent study could be conducted by FUCEC using a relatively simple methodology and research design. For example, a sample of approximately fifteen to twenty credit unions could be drawn. The sample could be stratified by urban versus rural location, which is probably highly correlated with the size of the credit union. From these unions, approximately two hundred individual members could be selected and interviewed to obtain information about their economic status, their use of loans, and their assessment of the credit union operations and procedures. (Sampling of individual members should be proportional to size of the credit union for accurate representation.) Similarly, the questionnaire should be kept short and focused on collecting only essential data - e.g., no more than two pages of questions. The data could easily be processed and analyzed using FUCEC's microcomputers. The study would take approximately ten weeks, perhaps less with assistance from REDSO/WCA, and should cost well under \$20,000 assuming local researchers could be used.

Whichever option is used, the results would provide additional information about FUCEC's performance and progress, as well as assist the mission to plan of subsequent assistance.

4.2 The Zio River Economic Development Project (693-0226)

The Zio River Economic Development Project is an innovative attempt to develop a private sector approach towards providing an integrated package of services to increase the productivity of small farmers and rural business operators. The project is implemented through Partnership for Productivity (Association Pour La Productivite - APP/Togo) which promotes and teaches new technical and management skills to project participants. The principle objective of APP is to help people develop the skills necessary to make more productive use of their human, physical, and financial resources.

Management skills and technical training are provided via APP's credit and technical assistance program. Emphasis is placed on learning sound financial management practices - e.g., the use of credit and repayment of loans, the separation of working capital from earnings, maintaining a savings account. APP's credit facility is managed as a revolving fund for APP clients. Thorough loan application review, non-subsidized interest rates, and termination of future transactions with APP due to improper use of loans or failure to re-pay previous loans, reinforce the importance of following sound financial and management practices to APP's clients.

APP also provides extension services to its clients. Local residents are carefully selected, trained and paid by APP to create a corps of highly motivated agents. APP's extension services include technical training in the proper use of inputs, the introduction of new cash crops and small livestock activities, and improved farm management techniques. APP also conducts a continuing program of agronomic research to refine available technical packages and improve upon existing farming systems in the project area.

APP's mode of operation stresses client participation to emphasize the fact that the ultimate success of APP and the continuation of a local production association rests with the farmers and other clients. This too emphasizes the learning of new skills and attitudes pertaining to the individual's responsibility for improving their social and economic well being.

It is important to recognize that APP is not a regional economic development project in the sense of stimulating economic growth on a large scale. Rather, this phase of the project is an effort to develop a viable model or approach for providing the support services and training needed by farmers and small rural business operators to become more productive. This model or approach could ultimately be embodied in the development of a self-sustaining organization - i.e., a producer association. Project performance, therefore, will be indicated by the refinement of the model or approach, progress toward sustainability of the organization and the learning or adoption of productive technical and management skills by APP clients. Specifically, monitoring performance should focus on the development of a viable model or approach by APP. This will be evident in a) benefits derived by clients from their association with APP (e.g., increases in production), b) increasing economic efficiency of the APP approach, and c) progress toward economic and institutional sustainability.

The project has established a thorough information system which has generated sufficient data to track project performance and progress. If anything, the major hurdle APP faces is reducing project data into a concise form which summarizes performance. Discussions with the chief of party of the project, John Schiller, suggest that the following types of indicators could be reported by APP within the next several months for two points in time.

Indicators:

A. Credit/loan facility

1. # of loan applications submitted
2. # of agricultural loans made
3. # of non-agricultural loans made
4. % of loans made to total # of applications

5. % of loan repayments more than six months late
6. % of working capital maintained (1)
7. % change in equity (1)

B. Effectiveness of APP assistance

8. Corn yield
9. Rice yield
10. % of APP farmers using technical package satisfactorily
11. % of APP farmers growing new crops promoted by APP
12. Average profitability of agricultural loans (2)
13. Average profitability of non-agricultural loans (2)

C. Efficiency of operations

14. # of groupements assisted by APP
15. # of APP farmers in groupements
16. Agent/client ratio
17. Operating costs per client (3)
18. % of operating costs covered by revenue generation (3)

(1) for non-agricultural loans completed during reporting period

(2) possibly disaggregated by type: agricultural - rainfed, irrigated & livestock; non-agricultural: food processing, intermediate products (building supplies), agricultural marketing, artisan/small business, and transportation

(3) costs exclude technical advisors

The next step is for project and mission staff to agree on these or alternative indicators and write a brief description of their meaning vis-a-vis project objectives.

The reporting system for APP will be somewhat more complicated than for other projects because of differences between the agricultural short and long seasons. The project should submit performance reports every six months, one at the conclusion of the short season in March and one at the end of the long season in October. The project also conducts an annual survey which collects data on APP and non-APP farmers. An additional column could be added for annual averages listing APP and non-APP farm data (put non-APP data in parentheses next to the corresponding APP data). The reporting system could begin in November 1986 presenting data for the first year of the project and for the 1986 long season. One cautionary note should be added - a number of the above indicators could be disaggregated into subcategories. That could be useful for project purposes, but disaggregating of too many of the indicators will rapidly

expand the amount of data being presented. This would defeat the purpose of using key indicators to communicate project progress and performance to mission managers. Instead, the discussion section of the report could point out significant differences among subcategories (e.g., types of loans) without presenting the actual data.

4.3. The Togo Animal Traction Project (693-0218) - TAT

The principal objective of the Togo Animal Traction Project (TAT) is to strengthen the institutional capability of the GOT to coordinate and expand its efforts to promote animal traction among smallholder farmers. With the proliferation of donor funded projects which involve animal traction, the GOT needed to formulate national policies on animal traction development and to establish an organization which would serve as a coordinating body among animal traction projects. TAT supports the GOT's efforts in this area through technical assistance to PROPTA (Project for the Promotion of Animal Traction) whose coordinating responsibilities include the supply of animals, credit, veterinary services, training, and monitoring and evaluation activities. TAT also assists the Projet Culture Attelee (PCA) to develop extension support centers for animal traction (CATs) in the Kara and Savanes regions. TAT funds construction of the centers and Peace Corps volunteers work with GOT staff in each of the ten CATs. The CATs provide training to farmers purchasing animal traction packages and to agents from other extension services (e.g., DRDR, SOTOCO). The CATs also process applications for loans to purchase animals and equipment which are forwarded to the national agricultural bank - CNCA.

The March 1986 amendment to the project further emphasized the coordinating functions of PROPTA and continued support to the CATs. Progress during the current phase of the project should be evidenced by a diminished role for PROPTA in animal buying and supply, veterinary services and credit activities. These functions should be increasingly handled by existing GOT agencies (veterinary services and credit institutions) and the private sector (animal supply and buying of culled animals).

Though the long-term goal of supporting animal traction is to increase the productivity of farmers using animal traction, the more immediate objectives of TAT concentrate on the institutional capabilities required for further promotion of animal traction. Consequently, monitoring project performance should be restricted primarily to the accomplishment of TAT's institution building objectives - e.g., improving PROPTA's coordinating ability, and the CATs extension and training functions. The larger question of the economics of animal traction at the farm level should be addressed through special studies.

Performance reporting restricted to institutional objectives could still be a difficult task for the project. As the May 1985 evaluation of TAT

points out, PROPTA and PCA lack adequate information systems necessary for monitoring project performance. Collecting farm level data from animal traction users (e.g., area cultivated, crop mix, production) is even more problematic at this late date in project implementation. Ideally, PROPTA would have a reasonably accurate listing of animal traction users from which an annual sample could be drawn to obtain some limited farm level data. Similarly, the CATs would maintain accurate client lists which could be used for monitoring and evaluation purposes. Even if such lists existed, TAT and PROPTA have a very limited capacity for primary data collection and analysis. An animal traction specialist, Richard Roosenberg, is currently working on a plan to improve the collection of basic data for the PCA/CAT component of the project. Practical, immediately implementable recommendations could be of considerable utility to improving the situation.

The fact that PROPTA and the CATs are new organizations/entities gives added importance to establishing adequate information systems because such systems contribute to institutional development. Therefore, a concerted effort should be made to monitor a limited number of performance indicators of PROPTA and the CATs which may also be used to track TAT's progress toward strengthening these organizations. The following indicators are suggested:

PROPTA:

1. The number of projects using PROPTA's services, e.g. - use of training materials
2. The number of projects providing data to PROPTA
3. The number of reports produced by PROPTA (titles, periodicity, distribution)
4. Accounting data
 - the number of animals supplied
 - the average size of the animals supplied
 - the average cost of animals purchased
 - the average cost/per animal supplied

For PCA/CAT

5. % of loans for animal traction reported late
6. The number of farmers trained
7. The number of follow-up visits made to animal traction users
8. The number of agents from other extension services trained
9. The number of sets of animal traction tools distributed (1)
10. The number of animals trained
11. The number of on-farm demonstrations conducted
12. The number of loan applications processed.

(1) Possibly limited by supply provided by PROPTA which has a monopoly on equipment distribution.

These indicators might appear to be merely output measures. But in light of the institutional development objectives of the project, they indicate the level of operation and performance of key functions of PROPTA and the CATs. For example, PROPTA's information dissemination role can be monitored by the number of projects working with PROPTA and using its training materials. The fact that an animal project cooperates with PROPTA and provides data to it reflects the legitimacy or utility of PROPTA, which is important information about any new organization. Accounting data track improvements in the efficiency of PROPTA's operations, again, another measure of institutional development. Similarly, the PCA/CAT indicators reflect progress toward developing effective extension services. In short, progress during the last two years of the project should be evidenced by operational improvements in PROPTA and the CATs.

An important question is how TAT will obtain even these limited data. PROPTA's Monitoring and Evaluation Unit should be responsible for developing an information system to monitor its own operations. The technical advisor working with the unit should assist PROPTA's staff with planning and maintaining this system. PROPTA's M&E unit should also assist the PCA/CATs develop a similar system, receive the data on a periodic basis (e.g., bi-monthly), and tabulate it for the performance reports. The GOT staff at each CAT should be responsible for recording and reporting on service delivery. A common problem with such data, however, is that once the purpose of the reporting is understood, the data soon become inflated or totally fabricated. In anticipation of such problems, the Peace Corps Volunteer attached to each CAT could provide the necessary "quality control" to keep the statistics reasonably accurate.

Regardless of precisely how the project deals with these matters, discussions with PROPTA and TAT staff are confident that the first report using the above indicators can be produced by the end of January 1987.

5. Establishing a Data Bank in USAID/Togo

An additional recommendation concerning USAID/Togo's access to information is to establish a data bank in the mission containing copies of survey data and accompanying documentation which were collected using AID funding (e.g., special studies, baseline data). Such data can have considerable utility for purposes other than those for which they were originally collected.

The Agency annually invests a considerable amount of time and money in data related activities. Typically, data are collected and analyzed for the specific purpose at hand and a report is produced. But the mission rarely obtains a copy of the actual data. This is unfortunate because most data are never fully analyzed and can have additional utility. In

the past, an in-house data bank would have been largely impractical for the vast majority of missions. But the installation of microcomputers in missions over the past several years has changed this situation significantly.

PPC/CDIE encourages USAID missions to obtain documented copies of survey data to build an in-house data bank. The key actions missions must take are a) specify that a copy of the data set and accompanying documentation needed by secondary users are deliverables under the terms of the contract through which technical assistance is provided to the project and b) tie a percentage of final payment to this condition. These actions are necessary in light of the agency's past bad experiences with trying to obtain such data and documentation after the fact without any mention of these items in the contract. The additional costs involved with this are negligible and the data can be considered U.S. Government property under the contract.

PPC/CDIE's "Selecting Data Collection Methods and Preparing Contractor Scopes of Work" (August 1985) offers guidance useful to establishing a mission data bank. For USAID/Togo, the data bank operation would consist of diskettes containing the data, files containing the documentation for each data set, and a simple listing of the various data sets the mission currently has which could be updated as additional data are obtained. REDSO/WCA should assist the mission as needed. PPC/CDIE also provides technical assistance to missions to establish and manage in-house data banks.

This recommendation also extends to REDSO which should be the center for this activity throughout the region. REDSO should maintain a master inventory of data obtained by missions in the region. Alternatively, REDSO could obtain copies of mission data sets to develop a regional data bank. Such a system could be quite useful. For example, production levels, adoption rates, market demand, etc. are often needed for project design purposes. Survey data from a study examining the same variables under similar conditions (even in another country) could provide better estimates than the rather questionable "guesstimates" presently used in lieu of better data.

13Ppmd

Explanation of Measures UsedI. Federation-Level Indicators:A. Financial Self-Sufficiency

"Total Earned Income" is defined as all income other than grants, and is net of interest paid on the CLF's deposits. That is, the CLF's interest margin (instead of total interest received) is an element of earned income. Similarly, "Total Expenses" is also net of the cost of capital (interest on deposits). The proposed self-sufficiency rate is then simply total earned income divided by total expenses. These can be compared to expected levels specified in the project logical framework.

B. Growth of the CLF

Total shares, deposits, and loans outstanding can be compared with projections shown in Table C-2 of the project paper. Total assets were not specified in the proposal, but since this figure is the basis on which the CLF earns income, it is also an important indicator. Interest paid on deposits is a measure of the service provided to credit unions.

C. Training

Because of difficulties of measurement, the only indicator currently proposed here is the total number of person-days of training provided through the project, both to credit unions and to federation staff and leadership. This can be compared with figures shown in Table C-4 of the project paper, as modified by the mid-term evaluation report's recommendations.

D. Risk Management

A principal measure of the eventual (since the program has not yet commenced) success of the service is the number of participating credit unions, as compared with the total number of existing credit unions. Another is the amount of coverage, that is the total amount of savings and loans insured.

E. SFPC

Two basic indicators of this program, which is just starting, are the number of credit unions and credit union members participating. The significance of inputs provided is also shown by the third indicator, the amount of SFPC loans granted each year.

II. Credit Union-Level IndicatorsA. Management Capability

In the absence of extensive studies or examinations, one surrogate measure of management capability is the number of credit unions producing financial statements at the end of each reporting period. At the start of the project, this figure was zero. Another, which also addresses the effectiveness of FUCEC-TOGO training efforts, is the average score received on comprehensive accounting examinations given all credit union managers twice a year.

B. Growth over time

One of the real "acid-test" measures of credit union performance is the growth of membership, deposits, and loans outstanding over time. If this is growing well, particularly faster than inflation rates, one can say that the credit unions are making progress and that members value the financial services they receive from their credit unions. These indicators can also be compared with targets specified in the project paper.

C. Profitability

1. The first indicator measures the effective rate of return on the credit unions' principal earning asset: loans to members. Since most credit unions have a nominal lending rate of 14% per annum, the movement average should approach and even exceed this figure as delinquency is reduced and lending rates increase. This is a "gross profitability" measure.
2. The second series of indicators measure "net profitability". That is, they answer the question of whether credit unions are able to generate sufficient income not only to pay operating costs, but also to pay a reasonable rate of interest on members' deposits. All three indicators should increase over time, hopefully approaching rates on bank passbook savings. Indicator 2-C divides total interest paid on members deposits by total deposits in all credit unions, even including those which haven't paid interest.

D. Liquidité

The amount of liquidity in the movement should increase regularly with savings growth. The second measure allows us to identify trends. The desired trend is slightly upward, that is, we would prefer credit unions to increase liquidity over time while decreasing loan volumes slightly. The last indicator measures the overall acceptance of the CLF by credit unions, and can be compared to targets in Table C-2 of the project proposal.

E. Loan Portfolio Management

The principal measure here would normally be the loan delinquency rate. However, since this cannot currently be directly measured in all credit unions, two surrogate measures are proposed:

1. The Loans/Savings ratio, indicating roughly the percentage of assets composed of loans. This will hopefully decline slightly over time, but is subject to seasonality.
2. Average repayment period. This indicator asks the question, "If members continue repaying loans at the rate of the recent past, how many months would it take for the current loan portfolio to be completely repaid (in the absence of new loans)?" Since virtually all credit union loans are short-term loans, the calculation should yield something less than 12 months in the absence of loan delinquency. If delinquency control efforts are successful, this indicator should decline over time.

F. Solvency

Since financial statements with loan aging schedules are not always available for all credit unions, it is difficult to exactly measure solvency directly. However, one surrogate indicator can be determined periodically: the growth of reserves and retained earnings, which act as a cushion against possible loan losses. This should increase by 5% to 10% per year, at least.

INDICATEURS DE SUCCES DU PROJET FUCEC-TOGO

DATE CE RAPPORT ELABORE: LE 4 SEPTEMBRE 1986
 DATE THIS REPORT COMPLETED: SEPTEMBER 4, 1986
 (CFAF MILLIONS)

	DEC. 1984	DEC. 1985	JUNE/ JUN 1986	DEC. 1986	
I. NATIONAL FEDERATION LEVEL:					I. NIVEAU DE LA FEDERATION NATIONALE:
A. FINANCIAL SELF-SUFFICIENCY					A. AUTOSUFFISANCE FINANCIERE
1. TOTAL EARNED INCOME	380762	2122769	2788034		1. TOTAL DES REVENUS PROPRES
2. TOTAL EXPENSES	26759390	36901784	18478012		2. TOTAL DES CHARGES
3. % SELF-SUFFICIENT	3.29%	5.75%	15.09%		3. % AUTOSUFFISANTE
B. GROWTH OF THE CLF					B. CROISSANCE DE LA CAISSE CENTRALE
1. TOTAL SHARES & DEPOSITS	30596002	45019274	49595982		1. TOTAL DES P.S. ET DEPOTS
2. LOANS OUTSTANDING	16537584	14574235	10716267		2. TOTAL DE L'ENCOURS DE PRETS
3. TOTAL ASSETS	42029327	61134076	66478871		3. TOTAL ACTIF
4. INTEREST PAID ON DEPOSITS	1542073	2681880	1659735		4. INTERETS PAGES SUR DEPOTS
C. TRAINING					C. FORMATION
1. NO. PERSON-DAYS OF TRAINING (NON-CUMULATIVE)	351	1667	567		1. No PERSONNES-JRS DE FORMATION (NON-CUMULATIF)
D. RISK MANAGEMENT (INSURANCE)					D. ADMINISTRATION DES RISQUES
1. NO. CU'S PARTICIPATING	0	0	0		1. NBRE COOPEC PARTICIPANTES
2. AMOUNT OF COVERAGE IN FORCE	0	0	0		2. MONTANT D'ASSURANCE EN FORCE
E. SFPC					E. PROGRAMME DE CREDIT PRODUCTIF
1. NO. CU'S PARTICIPATING	0	0	0		1. NBRE DE COOPEC PARTICIPANTES
2. NO. FARMERS PARTICIPATING	0	0	0		2. NBRE DE MEMBRES PARTICIPANTS
3. AMT. LOANS GRANTED THIS YEAR	0	0	0		3. MONT. DE PRETS ACCORDES CET AN
F. NUMBER OF QUALIFIED INSPECTORS	0	4	5		F. NOMBRE D'INSPECTEURS QUALIFIES
II. CREDIT UNION LEVEL:					II. NIVEAU DES COOPEC:
A. MANAGEMENT CAPABILITY					A. CAPACITY EN GESTION
1. NO. EOP FIN'L STMTS RECEIVED FOR PREVIOUS PERIOD	41	73	58		1. NOMBRE BILANS/SITUATIONS COMPTA- BLES RECUS POUR DERNIERE PERIODE
2. MANAGERS' AVERAGE SCORE ON ACCOUNTING EXAMS	16.4	41.3	42.3		2. SCORE MOYEN DES GERANTS SUR L'EXAMEN EN COMPTABILITE
B. GROWTH OVER TIME					B. CROISSANCE LONGITUDINELLE
1. NO. OF CREDIT UNIONS	84	89	94		1. NBRE DE COOPEC
2. NUMBER OF MEMBERS	8260	9194	9324		2. NBRE DE MEMBRES
3. SHARES AND SAVINGS	343037150	452409930	491946620		3. PARTS SOCIALES + DEPOTS
4. LOANS OUTSTANDING	270519207	347706813	359216842		4. MONTANT DE PRETS EN COURS
C. PROFITABILITY					C. RENTABILITE
1. GROSS RATE OF RETURN ON LOANS	10.94%	NA	NA		1. TAUX D'INTERET EFFECTIF S/PRETS
2. INTEREST ON DEPOSITS					2. REMUNERATION DES DEPOTS
a. NO. CU'S PAYING	25	NA	NA		a. NBRE COOPEC REMUNERANT DPTS
b. AMOUNT PAID	11135496	NA	NA		b. MONTANT PAYE
c. % OF TOTAL MVMT. SAVINGS	3.89%	NA	NA		c. % DU TOTAL DES DPTS DU MVMT
D. LIQUIDITY					D. LIQUIDITE
1. AMT (CASH+BANKS+CLF DEPOSITS)	119035842	152370000	178214005		1. MONTANT (CAISSE+BANQ.+DPTS C/C)
2. LIQUIDITY AS % OF DEPOSITS	34.70%	33.68%	36.23%		2. RAPPORT LIQUIDITE/DEPOTS
3. % OF LIQUIDITY CENTRALIZED	25.70%	29.55%	27.83%		3. % DE LA LIQUIDITE CENTRALISE
E. LOAN PORTFOLIO MANAGEMENT					E. GESTION DU PORTEFEUILLE DE PRETS
1. LOANS/SAVINGS RATIO	78.86	76.86	73.02		1. RAPPORT PRETS/DEPOTS
2. AMOUNT OF LOANS GRANTED THIS PERIOD	NA	NA	NA		2. MONTANT DE PRETS ACCORDES CETTE PERIODE
3. AVERAGE REPAYMENT PERIOD	NA	NA	NA		3. PERIODE DE REMBOURSEMENT MOYENNE
F. SOLVENCY					F. SOLVABILITE
1. RESERVES + RETAINED EARNINGS	18789902	25301497	NA		1. RESERVES + REPORT A NOUVEAU

FUCEC-TOGO SUCCESS INDICATORS

Interpretation of June 30, 1986 Data

I. National Federation Level

A. Self-Sufficiency

The federation should have been about 25% self-sufficient by this point in the project. However, until 1986, FUCEC-TOGO had difficulty collecting dues from its largest credit unions. Also, the risk management program has not yet started, for lack of GOT support. Finally, the CLF capitalization did not start until this year, when operations of the CLF were completely overhauled. Continued progress is, however, expected through end-of-project.

B. Growth of the CLF

Credit unions continue maintaining over a third of their liquidity in the CLF, although 1986 growth is less than hoped for. Although interest rates in general are declining, the CLF continues to be credit unions' best alternative depository.

C. Training

Because of the "train-the-trainers" approach adopted, the number of person-days of training is less than expected in the logical framework. However, quality technical training continues to be provided to all credit unions on the spot and during formal week-long training programs at least twice a year, with emphasis on financial management.

D. Risk Management

This program probably will not start up until January, 1986, with the return of its department head from training at the University of Wisconsin.

E. SFPC

This program is just now getting under way, as called for in the grant agreement.

F. Number of Inspectors

At start-of-project, no federation field staff could even prepare a balance sheet. Now, there are five capable inspectors, and two more, already trained, will be hired shortly. Most credit unions under their supervision now produce at least quarterly financial statements.

II. Credit Union Level

A. Management Capability

Although difficult to measure, at least the level of accounting skills, a fundamental area, has significantly improved, with more credit unions having regular financial statements by 6/30/86 than had done so in all of 1984. We expect continuing improvement on the semiannual accounting examinations, too, particularly as ineffective managers are replaced.

B. Growth

Credit union growth continues to be strong in all categories, with total assets now well over 500 million CFAF.

C. Profitability

There is a perpetual year's delay in tabulating the data necessary for calculating these indicators' values, and 1985's data will not be tabulated until near the end of 1986. From those credit unions for which data is available, however, we expect a significant improvement here when all the data is tabulated.

D. Liquidity

FUCEC-TOGO is very pleased that liquidity is increasing, since this implies that risky high loans/savings ratios are declining, and that there is more of a "market" of funds the CLF can compete for. The portion centralized is a bit disappointing, but as CLF deposits tend to be seasonal, falling off in mid-year normally, deposit growth may well surge again towards the end of 1986.

E. Loan Portfolio Management

The continuing decline in loans/savings ratios is encouraging. Hopefully, more data will be forthcoming by year-end to determine the other two indicators' current levels. A campaign to measure and control loan delinquency is in progress.

F. Solvency

The federation is pleased to see the growth in retained earnings between 1984 and 1985, and expects to find continued strong growth when all credit unions' data are tabulated near the end of 1986.