

A.I.D. EVALUATION SUMMARY - PART I

PD ABF-70R
81928

IDENTIFICATION DATA

<p>A. Reporting AID Unit: Mission or AID/W Office: USAID/Cameroon (ES#)</p>	<p>B. Was Evaluation Scheduled In Current Annual Evaluation Plan? Yes <input checked="" type="checkbox"/> Slipped <input type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date: FY__ Q__</p>	<p>C. Evaluation Timing Interim <input type="checkbox"/> Final <input checked="" type="checkbox"/> Ex-Post <input type="checkbox"/> Other <input type="checkbox"/></p>
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D. Activity or Activities Evaluated (List the following information for project(s), or program(s) evaluated; if not applicable, list title and date of the evaluation report.)

Project No.	Project/Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated To Date (000)
631-0057	Credit Union Development Phase II	FY 86	8/92	\$3,156,743	\$3,156,743

ACTIONS

E. Action Decisions Approved By Mission or AID/W Office Director		Name of Officer Responsible For Action	Date Action To Be Completed
<p>Actions Required</p> <ol style="list-style-type: none"> <u>Evaluate CamCCUL Asset Management Program:</u> Review the status of the Cameroon Cooperative Credit Union League (CamCCUL) liquidity and investment portfolio; the current state of Cameroon's banking sector and the applicable legal codes governing both finance and investment in Cameroon; and make recommendations to CamCCUL to insure both short- and long-term financial stability for the League and its affiliates. <u>Evaluate CamCCUL Risk Management Scheme:</u> Review the current status of CamCCUL risk management program; make recommendations for improvement and suggestions for possible new services to ensure self-sustainability and credit union members deriving maximum benefit from this program. 		<p>Marcel Ngue</p> <p>Marcel Ngue</p>	<p>April-May 93</p> <p>April-May 93</p>
		(Attach extra sheet	if necessary)

APPROVALS

F. Date Of Mission Or AID/W Office Review Of Evaluation: (Month) (Date) (Year)

G. Approvals Of Evaluation Summary And Action Decision:

	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
Name (Typed)	Marcel Ngue	Shey Denis Maimo	Thomas Crawford	Peter Benedict
Signature				
Date	2/15/93		MAR 18 1993	MAR 23 1993

ABSTRACT

H. Evaluation Abstract (Do not exceed the space provided)

The purpose of Credit Union Development II Project (1986-1992) is to:

- (1) Strengthen Cameroon's national and regional credit union structures so that they continue to provide needed services to affiliated credit unions and their members;
- (2) expand the credit union network served by CamCCUL, both within its present area of operation and in not yet affected areas;
- and (3) render improved services to credit union members through CamCCUL and affiliated credit unions.

The final evaluation of the project was conducted April/May, 1992 under a contract with Development Alternatives, Inc. (DAI) and the Institute for Development Anthropology (IDA).

The purpose of the evaluation was to assess people-level impact of the project and progress of the project in terms of its effects on the credit institutions which participated. The evaluation team was also asked to assess achievement of end-of-project status and to make recommendations for future activities in support of credit unions in Cameroon, particularly in the rural sector.

Concerning findings and conclusions, the team considers that in spite of the generally difficult political and economical conditions during implementation of the project, good progress was made in achieving stated objectives: (a) There have been increases in membership, savings and loans; (b) the league and the credit union structures have been strengthened and expanded; (c) the quality of services to be rendered to the general membership has been improved. Additional analysis, however, is needed to quantify the people-level impact.

The team made three sets of recommendations for CamCCUL, AID and the World Council of Credit Unions (WOCCU). For CamCCUL, the team focused on specific recommendations for short-term and medium term actions. For AID and WOCCU, the team concentrated on project accomplishments and lessons learned (see para. 4).

COSTS

1. Evaluation Costs			
1. Evaluation Team:	Contract No. OR TDY Person/Days	Contract Cost OR TDY Cost (US\$)	Source of Funds
<u>Name</u>	<u>Affiliation/Title</u>		
Irving Rosenthal, Team Leader/Institutional Analyst	IQC No. PDC-		90,853
James L. MacDade, Credit Operations Specialist	5451-I-00-1027		PIO/T 631-
Frans Van Eysinga, Rural Finance Specialist	00 (DAI Inc.)		0510-3-10048
2. Mission/Office Professional staff Person-Days (Estimate): 30	3. Borrower/Grantee Professional Staff Staff Person-Days (Estimate): 30		

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A. I. D. EVALUATION SUMMARY - PART II

SUMMARY

J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided).

Address the following items:

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|--|-----------------------------|
| • Purpose of activity evaluated | • Principle recommendations |
| • Purpose of evaluation and methodology used | • Lessons learned |
| • Findings and conclusions | |

Mission or Office:
USAID/Cameroon

Date This Summary Prepared:
February 19, 1993

Title And Date Of Full Evaluation Report:
Credit Union Development - Final Evaluation

1. Project Goal and Purpose: The project goal is to increase the income and living standards of an expanded number of Cameroonian credit union members, through growth in credit union membership, savings, and loan volume within rural and urban areas.

The project purpose is to: (a) strengthen Cameroon's national and regional credit union structure so that it continues to provide needed services to affiliated credit unions; (b) expand the credit union network served by CamCCUL, both within its present area of operation and in areas not yet affected; (c) modernize services rendered to credit union members through CamCCUL's affiliates.

2. Purpose of the Evaluation and Methodology used: The purpose of the final evaluation is to assess: (a) implementation progress, effectiveness, and efficiency of the project; (b) the impact of project progress to date, in terms of effects generated, particularly at the people level; (c) the continuing relevance of such a project in Cameroon's rapidly changing socio-economic and political environment; and (d) the self-sufficiency and sustainability of the credit union movement in Cameroon.

The final evaluation was conducted April-May 1992 by consultants of Development Alternatives, Inc. (DAI) who used the "Institutional Analysis and Design Framework" (IADF) methodology. This methodology was developed at the University of Indiana's Workshop on Political Theory and Policy Analysis. In addition to reviewing literature and activities of individual credit unions, the evaluation team met with local officials; CamCCUL and affiliated credit union board members; managers and staff; and individual members.

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3. Findings and Conclusions

1. There has been a Qualitative Change in the CamCCUL Network

CamCCUL has grown from 65 groups with 4,000 members and \$60,000 in savings in 1969 to 255 credit unions, with 75,600 members and the equivalent of \$32,000,000 in savings in 1991. This is more than a quantitative change; it represents a qualitative leap requiring reconsideration and refinement of CamCCUL's basic mandates. Profound policy changes may have to be considered, such as geographic expansion and more productive use of assets in place of historic tenets of safety and accumulation of savings. Greater interaction with external commercial and financial institutions may be necessary. This qualitative change in CamCCUL will require internal management changes such as the development of a larger number of professional staff rather than dependence on volunteers. Most importantly, CamCCUL must recognize this qualitative change, and CamCCUL management must make decisions on how it wants to respond to its changed situation.

2. Achievement of End-of-Project Status

The USAID project has generally achieved its end-of-project goal of increasing the technical and institutional capabilities of CamCCUL and member credit unions as well as increasing awareness of the credit union movement among both members and non members. This has resulted in:

- A strengthened CamCCUL national and regional credit union structure;
- An expanded credit union network served by CamCCUL;
- Better, more sophisticated, financial services being provided by CamCCUL to its membership.

3. Impact of the Physical Environment on the Project

CamCCUL operates within the physical, political, social, and economic environment in Cameroon. Recent economic recession and political turmoil have had a discernable effect on CamCCUL so that achievement of quantitative project objectives is somewhat below target, but CamCCUL has demonstrated remarkable institutional resilience and has survived as a financial

SUMMARY (Continued)

institution during this turmoil. This ability to withstand negative environmental factors is derived from CamCCUL's excellent management and the high degree of confidence placed in CamCCUL by individual credit union members. CamCCUL's continued ability to function in this difficult environment and to maintain its members' confidence must be taken into account in the findings and recommendations in this evaluation report.

4. Achievement of People-Level Impact Goal

CamCCUL management and the technical assistance contractor have concentrated their efforts, up to now, on the institutional development of CamCCUL and member credit unions. In this they have been largely successful. Thus the people-level impact goal has been achieved by providing direct, universally accessible, and improved financial services to 76,000 people, 1/3 of whom are women. Without CamCCUL these services would be otherwise unavailable. Additional analysis is needed to quantify and understand more specifically the people-level impact, both as an aid to management and as the basis for the design of future savings and credit projects.

5. CamCCUL Sustainability

The evaluation team believes that after 14 years of USAID assistance, CamCCUL has achieved a high degree of maturity and financial and operational self-sufficiency. The league and member credit unions must undertake to resolve several key issues, particularly those that relate to financial management, if CamCCUL is to continue and grow as an independent, private-sector, Cameroonian institution. It is unclear whether this can be achieved without some level of continued donor support. Many in CamCCUL have expressed the concern that they are not fully prepared, in terms of individual self-confidence, for the withdrawal of USAID support when the project terminates in August 1992. The evaluation team suggested that, in order to help CamCCUL address some of the pressing issues confronting it, USAID should consider providing limited short-term technical assistance.

4. Recommendations

The final evaluation report presents three categories of recommendations:

- Recommendations for implementation by CamCCUL without regard to what outside assistance might be provided (e.g. develop a third five-year Plan and an action plan to implement WOCCU and the Canadian Cooperative Association (CCA) 1991 assessment recommendations; improve and enhance financial management; transform the Productive Credit Program into a broader Credit Advisory Service with emphasis on training and promotion; improve management and risk management programs; improve supervision of fieldworkers).
- Recommendations for selected assistance to CamCCUL by external donors (provide short-term consultancy on strategic planning methodology to help CamCCUL develop its third five-year plan; computerize League financial management; develop a nonloan asset management strategy and program; and support liberalization of the Cooperative Law).
- Potential CamCCUL/USAID partnership in rural development (provide financial services for rural areas; develop productive credit lending; assist in small-enterprise development; and support policy reform of the Cooperative Law and the legal and judicial systems).

5. Lessons Learned

1. USAID Management of Different Procurement Mechanisms

USAID staff must understand the implications for project management of different types of procurement arrangements. This project was managed under a Grant Agreement that mandates a lesser degree of management control by USAID than a contract. The close supervision inherent in other contractual arrangements is deemphasized under a Grant Agreement. It is important for USAID managers and the recipient of the AID grant to agree upon monitoring, reporting, and supervisory relationship matters at the commencement of the project. Misunderstandings on role and responsibility can have a negative impact on achieving project objectives.

2. USAID has a supportive role to the credit union movement beyond the Project Assistance Completion Date (PACD), especially with regard to other projects related to rural finance (e.g. small- and medium-size enterprises and Cooperative Law).

ATTACHMENTS

K. Attachments (List attachments submitted with this Evaluation Summary; always attach copy of full evaluation report, even if one was submitted earlier; attach studies, surveys, etc., from "on-going" evaluation, if relevant to the evaluation report.)

Copy of the Evaluation Report.

COMMENTS

L. Comments By Mission, A.I.D./W Office and Borrower/Grantee On Full Report

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