

PN-ABQ-674

6930227 86170

**FUCEC Management Diagnostic Report**

**James L. MacDade**

Lomé, Togo

June 1993

## TABLE OF CONTENTS

A.	INTRODUCTION . . . . .	1
B.	EXECUTIVE SUMMARY & SUGGESTED PRIORITIES . . . . .	2
C.	SUMMARY OF FINDINGS & RECOMMENDATIONS . . . . .	2
D.	TRAINING, EDUCATION AND PROMOTION . . . . .	7
E.	DÉLÉGUÉS RÉGIONAUX . . . . .	12
F.	MANAGEMENT INFORMATION SYSTEMS . . . . .	16
G.	INSPECTION SERVICES . . . . .	20
H.	FINANCIAL MANAGEMENT DEPARTMENT . . . . .	23
I.	OFFICE OF THE FUCEC DIRECTOR . . . . .	27
J.	FUCEC BOARD OF DIRECTORS . . . . .	31
K.	INFOCOOPEC . . . . .	32
M.	COOPEC TRIP REPORT . . . . .	34
N.	WOCCU AND FUCEC-TOGO COMMENTS ON THE FUCEC-TOGO MANAGEMENT DIAGNOSTIC STUDY . . . . .	35

## A. INTRODUCTION

This report is a management diagnostic for the Togo Fédération des Unions Coopératives d'Epargne et de Crédit (FUCEC), the World Council of Credit Unions (WOCCU) and the United States Agency for International Development (USAID). The exercise was undertaken primarily through extensive interviews with FUCEC management and staff. In addition, considerable discussions were held with the administration and staff of the individual cooperative credit unions that are members of the FUCEC system. A review was also made of previous WOCCU consultants' reports to ascertain progress to-date.

It should be well noted by all interested parties that the efforts of the FUCEC management and staff and those of the individual Coopecs during a period of unparalleled tension in Togo are a real tribute to their professionalism, personal courage and dedication to the ideals of the cooperative credit union movement. The fact that savings have increased so dramatically during the past several years is concrete testimony that ordinary Togolese share this regard and have a high level of confidence in FUCEC.

This report is intended to be a road map and not a strict prescription to address the challenges that face FUCEC in the near term. With a road map one chooses the most appropriate route; depending on the circumstances (such as available budgetary and human resources, or economic and political constraints) a good map can chart the relative virtues of each route leading to the desired destination. That is the overriding objective of this report: to point out desired destinations and suggest ways of getting there. As a geographer I would never suggest only one route: those choices are left to FUCEC, WOCCU and USAID. But the destination and objectives are shared by all: a democratically elected and managed organization; a safe and secure savings mechanism that helps rural peasants avoid unscrupulous money lenders and other charlatans; a means to encourage and help train small entrepreneurs, a majority of whom are women; facilitating savings for important social benefits such as home construction, education fees, catastrophic illness insurance and societal functions; increasing household incomes through interest payments on deposits; and importantly, the satisfaction that comes from belonging to an organization that encourages and rewards peer solidarity, honest labor and individual responsibility. FUCEC's goals and objectives are remarkably similar to those upon which the United States of America was founded. It is my singular pleasure to report that these American ideals are alive, well, and indeed growing in Togo due the outstanding efforts of FUCEC in a dangerous and uncertain time, with the help of FUCEC's close supporting partners WOCCU and USAID.

The acknowledgements for this report are numerous. The hundred or so people that I met on my visits to the Coopecs are primarily responsible for many of the brilliant insights (and to a large part, the provocative ideas) contained herein; all errors are mine.

## B. EXECUTIVE SUMMARY & SUGGESTED PRIORITIES

### 1. Improve the Delivery of Field Services

Actions should be undertaken to rationalize and increase the effectiveness of FUCEC's field services. This includes: better planning of the work of the Délégués Régionaux; recruiting additional Délégués, including more senior "At Large" ones who will have a coordinative role; and better integration of the Délégués with other services.

Training services for the administration and staff of the Coopecs should be a unique department, and training efforts decentralized to the maximum extent possible. The Training department, the Délégués Régionaux, and the new department of Membership Education and Promotion should be unified under a new Field Services group.

### 2. Strengthen Financial Management Capabilities

Create a position of Financial Management Officer to oversee all financial operations including the Central Liquidity Fund and a new Loan Management and Recovery unit to assist individual Coopecs with their problem loan situation. Develop and install Management Information Systems that will allow FUCEC management to better monitor financial performance.

### 3. Reorient and Focus the Function and Role of the FUCEC Director

Create a position of Director Adjoint to assist the Director in overall movement administration and coordinate field services delivery. Reorient the function and role of the FUCEC Director to concentrate more on external public relations and internal movement leadership. Strengthen information flows from both the field to FUCEC, and from FUCEC back to the field through regular regional meetings. The Director should make regular, well-publicized Coopec visits and convene roundtables and other discussions. Develop and distribute reports for the individual Coopecs on their performance.

### 4. Continue to Strengthen FUCEC Human Resource Development

Continue the development of core competencies of FUCEC headquarters and field staff and provide specialized training as appropriate. Continue to stress the delivery of quality, timely services. Clearly explain the responsibilities of each staff member to ensure member savings safety and security and overall movement profitability. Continue to stress the need for serious, businesslike comportment of FUCEC staffmembers.

## C. SUMMARY OF FINDINGS & RECOMMENDATIONS

### 1. Better Coordination of Field Services

- Create a unified Field Services group

Current Field Services of FUCEC including the Regional Delegates and the Training, Education and Promotion Department should be combined under a new Field Services group to facilitate better management, planning and coordination among these services. The new Director Adjoint position should supervise this newly consolidated group.

- Strengthen the Role and Capabilities of Regional Delegates
  - Recruit at least three senior "At Large" Regional Delegates to work with new Coopecs, problem loan situations, new gérants, and other Coopecs with specialized requirements on an as-needed basis. These "At Large" Regional Delegates should help coordinate the activities of the regular Regional Delegates.
  - Undertake better and more meaningful planning of Regional Delegates' activities; rationalize responsibilities to take into account geographic range, variation in needs and mix of Coopecs (new Coopecs; new gérants; Coopecs with large amount of problem loans; etc.). Use planning as a basis for individual performance evaluation.
  - Designate Regional Delegates who will specialize in assisting in the establishment of new Coopecs.
  - Convene regular meetings between Regional Delegates and FUCEC management to encourage meaningful dialogue, sharing of local information and feedback.
  - Regional Delegates should regularly review, identify and evaluate Coopec staff capabilities, determine Coopec staff training capabilities and requirements and assist Training department efforts.
  - Identify the training requirements of the Regional Delegates on systematic basis, including refresher courses in accounting and management.
  - Rotate and recycle Regional Delegates on regular, systematic and transparent basis

## 2. Reorient and Focus Role of the FUCEC Director

Focus Director's role as leader and spokesman for FUCEC-Togo with respect to external relations (USAID, other donors, government, financial community) and internally within the cooperative credit union movement.

- Establish an Office of Director Adjoint to assist the Director in overall FUCEC management and oversee a unified Field Services group. He/she shall also function as Director upon Director's absence.

### 3. Decentralize Training Services

- Regionalize training efforts with both regional training centers and occasional "sur place" training for Coopec administration and staff.
- Use vernacular as language of instruction whenever possible; translate training materials into vernacular as appropriate.
- Convene regional meetings of Coopec Presidents and Gérants to share information and experiences on a regular basis (bi-annually, for example).
- Deploy more experienced Administrators and Staff to assist new Coopecs.
- Systematize initial training and recycling of Coopec Administrators and Staff. Ensure that invitations and advance materials are received by the participants well before the actual training sessions.
- Provide specialized training for Presidents and Credit Committee Chairmen in loan evaluation and monitoring techniques and portfolio management skills.

### 4. Establish a Separate Department for Membership Education, Promotion and Publicity

- Stress education and other services for women. Strengthen the role and encourage increased participation of women in the management of their Coopecs. Develop additional educational programs and materials to assist women in cash management and commercial and agricultural marketing activities.
- Continue and extend the existing Peace Corps program to assist small traders, groups of market women, and others on how to keep written accounts, manage inventory, and develop business plans.
- Encourage membership of tontines, youth savings clubs, groups of market women and other non-traditional cooperative members.
- Emphasize promotion and publicity activities such as:
  - regular radio, TV spots (in vernacular when appropriate)
  - newspaper articles detailing Coopec activities, news items and special events
  - use of loudspeaker and audio/visual trucks
  - sponsorship of football, basketball tournaments
- Program regular, well-publicized visits by the FUCEC Director to inaugurate new Coopecs, buildings and other special events.
- Provide promotional materials such as tee shirts, baseball caps, and calendars for Coopecs who hold monthly competitions for best saver, best loan repayer, etc.

- Encourage wider distribution and presentation of FUCEC posters, pamphlets and other promotional materials.
- Establish a meaningful incentive system for Administrators and Staff who exceed individual or Coopec performance goals: "FUCEC-Togo Man of the Year".

#### 5. Create Post of Financial Management Officer

- The Financial Management Officer shall direct all financial operations for FUCEC including:
  - Central Liquidity Fund
  - Loan Management and Recovery Unit
  - Accounting
  - Caisse
- The Financial Management Officer shall also function as Secretary to a newly created Investment Policy Committee. This Investment Policy Committee would establish and direct Central Liquidity Fund investment policies, practices and procedures. This shall include examining investment alternatives, setting return objectives and monitoring fund performance against objectives. The Investment Policy Committee should be comprised of FUCEC's President, Director and Director Adjoint, with the WOCCU Chief Technical Advisor as an ex-officio (non-voting) member. The Secretary would be responsible for identifying investment opportunities and implement Committee investment decisions.
- Establish a Loan Management and Recovery Unit. This department would assist individual Coopecs in:
  - portfolio reviews of severely past due loans
  - sensitizing Coopec Administrators and Staff
  - recommend adjustments in lending policies, practices and procedures
  - recommend additions to Loan Loss Reserves
  - coordination of FUCEC efforts in judicial/legal remedies.

#### 6. Management Information Systems

- Establish a real MIS Department to develop, implement and maintain Management Information Systems.
- Proposed information and reporting systems:
  - For the Director and the Director Adjoint develop databases on:
    - Inspection results and followup actions
    - Central Liquidity Fund performance

- Revenues, operating expenses on monthly, quarterly, year-to-date bases (actual versus plan)
- Consolidated movement indicators (savings, loans outstanding, income, expenses, profits)
- Individual Departmental performance (actual versus plan)
- For the Financial Management Officer:
  - Central Liquidity Fund performance
  - Revenues, operating expenses on monthly, quarterly, year-to-date bases (actual versus plan)
  - Past Due Loan situation for overall movement, individual Coopecs
- For the Board of Directors:
  - Consolidated movement indicators (savings, loans outstanding, income, expenses, profits)
  - Individual Departmental performance (actual versus plan)
- Consolidate InfoCoopec into the MIS Department
- Continue to develop and effect additional installations of InfoCoopec in Togo and aggressively market the program here and in other countries.
- Develop and distribute regular (bi-annual) feedback reports to allow individual Coopecs to gauge their performance in comparison with other Coopecs in the region, other Coopecs of similar size and character and the consolidated FUCEC movement.

#### 7. Systematize Selected FUCEC Functions

- Initial training for new Coopec Administrators and Staff. Newly elected Coopec officials or new gérants should automatically be enrolled in the next seminar/training session specially designed to help them in their duties as well as instilling the underlying philosophy and practices of the cooperative credit union movement. Training recycling of more experienced personnel should likewise be programmed on a regular, ongoing basis.
- Followup of Inspection Results. A database must be developed to allow the Director and Director Adjoint to review the results of Field Inspector visits and closely monitor progress made by the Coopecs in implementing the recommendations of the Inspectors. A system of sanctions should be established and vigorously applied to Coopecs that do not promptly implement the recommendations of the Field Inspectors within a reasonable amount of time.
- Establish a regular rotation system for the Regional Delegates and Field Inspectors. This systematic schedule of post rotation should be established to discourage professional laxity or complicity in irregular activities.

## 8. Strengthen and Sensitize the FUCEC Board of Directors

- Distribute reports from FUCEC's Management Information Systems.
- Include Board members in regular internal policy decision-making including membership on the Investment Policy Committee; invite them to regional meetings with Coopec administrators, staff and Regional Delegates; and involve them in external policy dialogue (relations with donors, government) to an appropriate degree.
- Develop and present training sessions designed to sensitize Board members to the cooperative credit union philosophy and practices as well as more specialized seminars in financial analysis, planning and evaluation and the role and responsibilities of Directors.

## 9. Revitalize and Rationalize MAFUCECTO

- Urgently recruit a Department Head with insurance management experience.
- Rationalize the cumbersome reinsurance mechanism that requires dangerous document transfers and results in delays in benefit payments.
- Aggressively promote the MAFUCECTO program among non-member Coopecs with a well-designed publicity campaign.

## D. TRAINING, EDUCATION AND PROMOTION

### 1. Introduction

The services provided by FUCEC-Togo under this rubric are:

- Training for Coopec administrators and staff, notably the gérants, or bookkeepers;
- Education for the Coopec membership in the philosophy of the cooperative movement and practical training for small businessmen and market ladies in such things as how to maintain written financial records, develop a business plan, etc.; and
- Promotional activities that make the population at large aware of the practical benefits and advantages of cooperative credit union membership.

These are among the most important services offered by FUCEC. While they seem have some similarities, in actuality these services are quite different in terms of resource mix, level of effort required and their intended audiences. The technical and management capabilities required to effectively deliver these services are different as well.

## 2. Previous Consultants' Studies

Not applicable.

## 3. How the Current Analysis was Performed

I had an long interview with the Department Head, Mr. Nukunu. The majority of my findings, observations and recommendations are a result of extensive discussions held with Coopec administrators, staff and members during my visit to member Coopecs. The discussions on these subjects were lengthy, quite animated and often comprised the majority of the time spent together. For the purposes of this report each of the three discrete components: Training; Membership Education; and Promotional activities will be discussed separately.

## 4. Findings & Observations

### Training for Coopec Administrators and Staff

This topic elicited the most interesting and animated discussions during my visits to the Coopecs (apart from the issue of past due loans). Overall the impression is that FUCEC does an excellent job of training Coopec administrators and staff. The training of the gérants is particularly important, since very few of them had any prior formal accounting or bookkeeper training. Yet they keep the books of the Coopec, calculate, record and verify interest payments on loans, etc. Their capabilities directly effect their Coopec. They also influence the activities of the Délégués Régionaux, whose prime responsibility is assisting and supervising these bookkeepers. It was felt that the initial training of the bookkeepers was very good, not only with the formal training seminars but with the on-the-job training provided by the Délégués Régionaux. All the gérants with whom I spoke were quite complementary of the assistance provided by their Délégué. There are occasions, however, when the Délégués actually do the work of the bookkeepers when they should be training, reviewing, and assisting. This is most often found in Coopecs with inexperienced bookkeepers. Several Délégués and nearly all the gérants commented that they did not think that the current length and frequency of training (one week in length, once a year) was sufficient to learn their tasks. It was repeatedly noted that the distance was too far for a bookkeeper to travel from Dapaong to Kpalime to attend a training session, for example. Given the enormous difficulties in learning the basics of accounting and bookkeeping under any circumstances, concerns regarding distance and travel time are quite reasonable. Several gérants noted that followup training sessions were not organized on a systematic basis, and that they did not fully take into account their capabilities and weaknesses. Several gérants also suggested that the Délégués should be more active in evaluating their training requirements and that the Délégués should participate in a more meaningful way in the actual training activities.

In addition to the concerns regarding travel time and distances to the training sites, it was suggested repeatedly that the actual training sessions be held in vernacular languages, not just

in French. Seminar participants who require extensive translation undoubtedly lose ideas and concepts along the way. This is especially critical for gérants learning (perhaps for the first time) the concepts and practices of accounting and bookkeeping. This may be more of an issue for Coopec administrators who tend to be older and whose facility in French may be more limited. Quotes such as: "Why are training sessions always held in French - just to aid the intellectuals?" and "Is FUCEC only for intellectuals?" and "We're not intellectuals here - just small people trying very hard" suggests that this is a widespread concern.

[It should be noted that there was a widely held perception that certain members of the FUCEC training staff looked down upon or were contemptuous of training participants whose French was poor or non-existent. This was mentioned during discussions at several different Coopecs so this perception (whether true or false) was not limited to one Coopec (or even one region). This is troubling to report since the objective of the cooperative credit union movement is to provide service to all sorts of people, not only those in urban areas, or those with means or education.]

The training provided to Coopec Presidents, Credit Committee Chairmen and others was also generally well-received. Additional training in loan evaluation and monitoring techniques was needed, however. The concept of "sur place" training sessions so that the entire administration could benefit was suggested on a number of visits.

One interesting idea put forward was to use more experienced administrators from well-established and managed Coopecs to assist new Coopecs, ones with new gérants, or those with large amounts of past due loans. Similarly, it was also suggested that regional meetings be held for Coopec Presidents and other senior administrators on a regular (bi-annual) basis to share views and experiences, discuss common problems, and so on. These meetings would also be a source of valuable feedback for FUCEC management and staff on the quality of its services. It would also provide intelligence on the state of the local economy and other pertinent issues.

### Membership Education and Promotion

In sharp contrast to the generally high regard for the quality and adequacy of FUCEC training services for Coopec administrators and staff, it was generally felt that support for membership education and promotional and publicity activities were a low priority for FUCEC. An important membership education activity that was highly regarded was the program utilizing Peace Corps volunteers to train small businessmen, groups of market ladies and young entrepreneurs in the basics of written cash bookkeeping, inventory management, and developing a business plan. All Coopecs visited said that they would welcome these program. In addition, Coopecs in agricultural areas said that they would appreciate some form of non-traditional agricultural extension services on topics such as how farmers could cope with crop price downturns. This should be conducted in the off-season (that is, after harvest time) when farmers typically have some leisure time. While farmers understood that FUCEC was not in the insurance business, collaboration with an appropriate authority to establish and manage a crop insurance fund would also be welcomed.

## 5. Planning & Coordination Functions

Mr. Nukunu assured me that the training sessions were planned well in advance; however field evidence suggests that planning and coordination of training activities needs improvement. In particular, a systematic mechanism to identify and automatically enroll new gérants and Coopec Presidents in the next available training session needs to be established. The Délégués Régionaux must also evaluate the capabilities of the gérants on a regular basis and coordinate with the training unit to ensure that the bookkeepers receive any needed additional training.

Identification of training candidates and sending them invitations and any advance training materials should be done well in advance of the date of the seminar. Several instances were recounted during the Coopec visits when invitations were received after the training date.

Education and publicity and promotion activities are haphazardly programmed at the moment. These activities will receive greater attention from establishing a separate department. This will also serve to improve coordination with other FUCEC services.

## 6. Relationship with Coopecs/Field Service Delivery

One could argue with justification that the training for Coopec administration and staff is the single most important activity provided by FUCEC. It ensures that the gérants of all Coopecs have a common and acceptable level of competency and further, that all member Coopecs follow the same policies, practices and procedures. This is crucial to safeguard the savings of individual cooperative members. Membership education services are also important, evidenced by the warm reception and widespread demand for the Peace Corps education program for small businessmen and market ladies. Membership education programs and publicity and promotional activities have been hitherto underdeveloped by FUCEC but should play a more useful and important role in the future.

## 7. Recommendations for Future Management Organization

- Current Field Services of FUCEC including the Regional Delegates and the Training, Education and Promotion Department should be combined under a new Field Services group to facilitate better management and planning and coordination among these services. The new Director Adjoint position should supervise this consolidated group. A separate department for Membership Education and Promotion should be established to increase efforts in these areas.
- The Training Department should be decentralized utilizing both regional training centers and occasional training "sur place" for Coopec administration and staff. The use of vernacular as language of instruction should be made whenever possible; the translation of training materials into vernacular should be undertaken as appropriate. This would bring training for Coopec administrators and staff closer to the skills they need to acquire, geographically, linguistically and spiritually.

- Convene regional meetings of Coopec Presidents and gérants to share information and experiences on a regular (bi-annual) basis. Utilize more experienced Coopec administrators and staff to assist new Coopecs and those with special needs. Both these actions would facilitate communication, sharing of ideas and help foster a greater sense of movement solidarity.
- Systematize initial training and subsequent recycling of Coopec administrators and staff. Ensure that invitations and study materials are received by the participants well in advance of the actual training sessions.
- Provide specialized training for Presidents and Credit Committee Chairmen in loan evaluation and monitoring techniques and portfolio management skills.
- Stress education and specialized services for women. Strengthen the role and encourage greater participation of women in the management of their Coopecs. Develop additional educational programs and materials to assist women in cash management, commercial and agricultural marketing activities.
- Continue and extend the existing Peace Corps program to assist small traders, groups of market women, and the like in how to keep written accounts, manage inventory, and develop business plans.
- Encourage membership of tontines, youth savings clubs, groups of market women, etc. Develop promotional activities and membership education materials for these groups.
- Emphasize promotion & publicity activities such as:
  - regular radio, TV spots (in vernacular)
  - newspaper articles detailing Coopec activities, news items and special events
  - use of loudspeaker and audio/visual trucks
  - sponsorship of football, basketball tournaments
- Program regular, well-publicized visits by the FUCEC Director to inaugurate new Coopecs, buildings and other special events.
- Provide promotional materials such as tee shirts, baseball caps and calendars for Coopecs who hold monthly competitions for Best Saver, Best Loan Repayer, etc.
- Encourage wider distribution and presentation of FUCEC posters, pamphlets and other promotional materials.
- Establish a meaningful incentive system for Coopec administrators and staff who exceed individual or Coopec performance goals: "FUCEC-Togo Man of the Year"; watches or other items for gérants with fewest errors, etc. It is important to establish and publicize a fair system of incentives that rewards those whose performance is

clearly exceptional. This would have a major effect of encouraging and fostering excellence throughout the FUCEC system.

## 8. Training Requirements & Suggested Personnel Actions

Mr. Nukulu should be nominated as Department Head for Membership Education and Promotion. One subordinate should be recruited with experience in developing and implementing publicity campaigns.

The Head of the Training Department should be recruited and have extensive experience in design and implementation of training programs and seminars. He/she should not necessarily be based in Lomé but perhaps in one of the Regional Training Centers. Additional manpower requirements will be dictated by how many training centers eventually exist, but in all cases the trainers should have broad experience in manpower training and development and curriculum formation.

## E. DÉLÉGUÉS RÉGIONAUX

### 1. Introduction

The Délégués Régionaux are the regular contact between member cooperative credit unions and FUCEC. Their primary objective is to assist the gérants in bookkeeping and account maintenance activities. An important aspect of their responsibilities is on-the-job training of gérants and Coopec administrators. They also act as liaison between the Coopecs and FUCEC in matters such as Central Liquidity Fund deposits, provision of bookkeeping materials and so on. They assist the Coopec administration in various activities such as holding the Annual General Meeting, planning next year's activities and following problem loans.

### 2. Previous Consultants' Studies

The study conducted by Mr. Dan Devine during the first quarter of 1991 was primarily concerned with the role, function, planning and integration of the activities of the Délégués Régionaux. His findings and recommendations echo many of my own, even though I did not undertake as rigorous an investigation. Some of his key findings were (these are direct quotations; *italics* are mine):

- "...the *quality* of Field Services has to be emphasized, which would include a routinization of training, education, management and bookkeeping assistance."
- "...the Field Service is *already overstressed*, Delegates are *spread too thin* in some areas, *specific tasks and directions are not clear*, and integration of activities with other Services complicates rather than alleviates the problem."

- "...delivery of services *is not systematic*...creating an operational strategy of '*putting out fires*' rather than routine and methodical training and supervision."
- "The network needs a *systematic approach* to services..."
- "It's the *Fire Department of FUCEC*."
- "*No way to run even a Fire Department.*"

Without being to verify with the FUCEC Director (who is also the Department Head for the Délégués Régionaux) it appears that most (if not all) of the findings and recommendations of Mr. Devine's report remain to be implemented. This is due to the following reasons:

- a. There has not been an independent Department Head for the Délégués Régionaux since Mr. Fedy was transferred to the Inspection Services in March 1992.
- b. Having the FUCEC Director as Department Head for the Délégués Régionaux was intended as an interim measure until a suitable candidate could be recruited. The recent political and economic crisis in Togo has interfered with this process.
- c. The FUCEC Director is not, in any case, an appropriate Department Head for the Délégués Régionaux. This is a function of the Délégués' importance and the complexity involved in planning and monitoring of their activities. It also represents an unwieldy mechanism for resolving real or potential disputes or misunderstandings between different FUCEC services.

### 3. How the Current Analysis was Performed

During my visits to the Coopecs I was accompanied by the responsible Délégué Régional. After our group discussions I would spend another hour or so with the Délégué alone, discussing his work and perceptions of the challenges posed by his responsibilities. In all I met and discussed these matters with six Délégués. The number of Coopecs for which they were responsible ranged from 13 to 19 *each*. These Coopecs were sometimes spread out over five or more prefectures. I found these young men to be extremely dedicated, with an appropriate professional comportment and having a solid understanding of not only the issues facing their particular Coopecs but the larger issues facing FUCEC as a whole as well. It is safe to say that without the hard work and dedication of these fine Délégués the cooperative credit union movement in Togo would not enjoy the confidence of its member Coopecs and individuals that it has today.

I attempted to speak to the FUCEC Director regarding his role as Department Head for this crucial service but due to his various commitments elsewhere it was impossible. This was regrettable since I had no other source of information as to how the efforts of the Délégués Régionaux were coordinated, what the outstanding issues and concerns were, and how FUCEC would address these issues. Thus my findings and recommendations are based upon

my interviews with the Délégués Régionaux, watching them interact with their Coopecs, and discussions with Coopec administrators and staff.

#### 4. Findings & Observations

The Délégués Régionaux are the prime contact between member Coopecs and FUCEC. Their role is to assist, train and verify the work of the gérants. They do this in a diligent and professional manner. They exhibited a good deal of patience in my presence, even with new gérants. At times they cross an invisible line and actually do the work of the gérants, such as calculate interest repayments, for example. This is only human due to the enormous pressures under which they work. A Délégué Régional may finish working with a Coopec in mid morning and then travel all afternoon in order to reach the next Coopec before nightfall and recommence the next morning. This is in addition to weather problems and motorcycle breakdowns which may cause several days' delay, thereby adding additional pressure during the next Coopec visit. The current deployment strategy is not conducive to lengthy training sessions or in-depth analysis of subtle issues facing Coopecs. Consequently all but the most urgent tasks are deferred. The current system thus does not differentiate between Coopecs which may require a greater portion of the Délégué Régional's time and efforts, new Coopecs or those with inexperienced gérants, for example. In theory all these factors are taken into account but in reality there are just too many Coopecs, too far apart, with too diverse a range of needs to effectively respond to or anticipate the less urgent needs of the Coopecs.

The training needs of the Délégués Régionaux themselves are not addressed in a systematic fashion. Since they are the prime and often the sole regular contact between FUCEC and the Coopecs, the Délégués Régionaux should receive regular training including planning and management, refresher courses in bookkeeping, and training techniques. The Délégués Régionaux are an invaluable source of intelligence for FUCEC management and regular meetings with them would provide an excellent mechanism for FUCEC headquarters staff and management to gain insight and intelligence on the quality and timeliness of FUCEC services. Several of the Délégués with whom I spoke felt distinctly cut off from the rest of FUCEC. This is regrettable since they are not only FUCEC's primary representatives in the field but are also FUCEC's prime salesman for other services.

#### 5. Planning & Coordination Functions

Several of the Délégués Régionaux laughed when I asked how they planned their activities. "A fireman doesn't have much luxury to think about what he'd like to do next when forest fires are breaking out right and left" was the most common response. While they acknowledged that they do fill out a planning matrix it was strongly hinted (without direct quotation for fear of subsequent retribution) that "planning" was an almost entirely bureaucratic exercise and their actual monthly activities almost never corresponded to their "plan". This identifies the need for a much more careful and deliberate planning mechanism to take into account the geographic dispersion of the Coopecs as well as their special needs (such as if there is a new gérant, a large amount of problem loans, etc.). It also strongly

suggests that the current system of having the Délégués Régionaux report directly to the FUCEC Director is ill-advised, unworkable and an ultimately untenable arrangement.

The lack of coordination between the Délégués Régionaux and other FUCEC services should also be addressed. The Délégués Régionaux have intimate knowledge of the capabilities and additional training requirements of their gérant, to cite an important example. Yet when asked how often the training component asked for input on this subject the training department head replied "always", then quickly changed to "once in a while".

#### 6. Relationship with Coopecs/Field Service Delivery

The response to this question is simple: the Délégués Régionaux ARE FUCEC's Field Service agents. Their dedication and the quality and timeliness of their service determine to a large extent the relationship between the Coopecs and FUCEC. That is why a more rational network, with real planning of their activities and training and recycling for the Délégués Régionaux themselves is so important. It is equally important that the Délégués Régionaux not feel overworked and consulted infrequently or in a perfunctory manner by FUCEC management.

The relationship of the Délégués Régionaux to the Coopecs in the field presents another potential hazard. It is possible for a Délégué Régional to become too close to a particular Coopec, thereby losing the necessary objectivity to verify the activities of a gérant. This situation can be addressed by a regular, transparent post rotation system.

#### 7. Recommendations for Future Management Organization

- Create a unified Field Services Department

Consolidate the current field services of FUCEC including the Délégués Régionaux and the Training, Education and Promotion Department under a new Field Services group to facilitate better planning and coordination among these services. The new position of Director Adjoint should supervise this consolidated group.

- Strengthen the Role and Capabilities of Délégués Régionaux

- Recruit at least three (3) senior "At Large" Délégués Régionaux to work with new Coopecs, problem loan situations, new gérants, and other Coopecs with specialized needs on an as-needed basis. These "At Large" Délégués Régionaux will assist in the coordination of the activities of the regular Délégués.
- Undertake better and more meaningful planning of Délégués Régionaux activities; rationalize responsibilities to take into account geographic range, variation in needs of Coopecs (new Coopecs, new gérants, Coopecs with large amount of problem loans, etc.).

- Use planning as a basis for individual performance evaluation.
- Designate and train Délégués Régionaux who will specialize in assisting the formation and establishment of new Coopecs.
- Convene regular meetings between the Délégués Régionaux and FUCEC management to encourage meaningful dialogue, sharing of local information and feedback on the quality and delivery of FUCEC services.
- Délégués Régionaux should regularly review, identify and evaluate Coopec staff training capabilities and additional requirements to assist Training Department efforts.
- Identify the training requirements of the Délégués Régionaux themselves on an ongoing, systematic basis. This training should include refresher courses in accounting, management and training methods.
- Rotate and recycle the assignments of the Délégués Régionaux on regular, systematic basis

#### 8. Training Requirements & Suggested Personnel Actions

An assessment of the existing capabilities and additional training requirements of the Délégués Régionaux was not undertaken during the course of this study. That should be a priority activity of FUCEC's Training Department. It is apparent that the Délégués Régionaux should be encouraged to participate in seminars on planning and evaluation techniques as many seemed unclear how to assist Coopec Boards in these activities. They should also receive instruction in training techniques, both for individuals and small groups. This is important since a good deal of the Délégués Régionaux time is spent assisting gérants, and training and sensitizing Coopec administrators.

Three more senior "At Large" Délégués Régionaux should be recruited and assigned on a geographic basis (Savanna/North; Central; and Maritime). Three additional regular Délégués Régionaux should be recruited and assigned after a review of the current geographic coverage and a thorough evaluation of the specialized needs of the various Coopecs.

#### F. MANAGEMENT INFORMATION SYSTEMS

##### 1. Introduction

The Bureau d'Etudes compiles on a quarterly basis the Balance Sheet, Income Statement and other selected information from all individual Coopecs and transfers them into a Lotus 123 spreadsheet. This financial information is then consolidated to give an indication of the consolidated Togolese credit union movement.

This is the extent of the "Management Information System" department at FUCEC.

## 2. Previous Consultants' Studies

Mr. Chet Aeschliman, WOCCU Credit Union Systems Specialist, conducted a study of the MIS capabilities and needs of FUCEC. His findings and recommendations were:

- The current Department Head should receive additional training in various software packages.
- Data collection requires strict attention and enforcement.
- "There are too many distractions (in the computer room) and data are poorly handled."
- Information is not efficiently presented to or utilized by FUCEC management.

The actions taken in response to the recommendations of this study were (in order):

- a. It was unclear whether or not the Department Head had actually received additional training in the appropriate software packages. No one could give me a straight answer on this; his performance and overall comportment suggests that if he did receive additional training it was not absorbed.
- b. It is now part of the job description of the Délégués Régionaux to provide selected financial information on the Coopecs for which they are responsible. The rigor with which this rule is applied was again unclear.
- c. The new FUCEC offices have an isolated computer room for the Lotus financial program, eliminating many of the distractions of the old office. However data handling issues (security, backups) still requires considerable attention.
- d. Information is still not entered or reports prepared or distributed on a regular, timely basis. Please refer to the recommendations in this section for further discussion.

## 3. How the Current Analysis was Performed

The current analysis consisted of a 20 minute conversation with the Department Head, Mr. Kpekpe. The brevity of the interview (in comparison, meetings with other Department Heads often lasted two hours or more) was due to an apparent lack of responsiveness (or interest) on the part of the Mr. Kpekpe. He answered most questions with one or two word replies, and would not be drawn out (as were other Department Heads) to such open ended questions as: "What do you think FUCEC will be like in ten years' time?" or "In general, how do you think FUCEC can be reorganized to better meet the challenges of the years ahead?". Thus many of the impressions contained herein are derived from tables prepared by the Department Head during the recent USAID TRIPS Project Evaluation exercise; the comportment of the Department Head both at FUCEC HQ and during our trip together to the

north; and to a lesser extent, third hand anecdotes regarding some tables prepared by him for the WOCCU/FUCEC project extension.

#### 4. Findings & Observations

There currently is no "Management Information Systems" Department at FUCEC. MIS departments by definition are concerned with assessing information needs for management, staff and others; designing information systems to meet these needs; maintaining these systems (both software and hardware); and anticipating future needs and developing prototype data solutions for management to consider. The "MIS" department at present is solely a clerical data entry function with extremely limited data manipulation ability. Little attention is paid to quality control or data integrity in either data input, data security or report generation. This was evidenced on numerous occasions. To cite one, a report was prepared giving a pro forma balance sheet and income statement for year end 1992: none of the figures footed or added properly even though it was presumably done on a Lotus spreadsheet with which one can manipulate a column of figures with certain accuracy if the proper formula is entered. Some of the figures were so grossly wrong that even an outsider with no prior knowledge of FUCEC accounts (me) could see that the data were inaccurate at a glance. This strongly suggests that data integrity, verification and quality control are alien concepts to the current Department Head.

Data security is lax, with one backup copy of the financial information kept in the FUCEC strongbox (the Department Head didn't know whether or not it was fireproof) and the other backup copy maintained at the Department Head's home. When asked whether the copy at his house was kept in a secure, fireproof container, the response was that the front door was always locked and that he hadn't been robbed yet (!). The Department Head would often leave the computer while he was entering data to chat or visit, then return to complete the data entry process. One hopes that with a dedicated room (not shared with the copying machine or next to the receptionist) for this important program in the new FUCEC building, data entry will be completed, the program exited and appropriate data security precautions undertaken before his social life recommences.

There appears little interest in learning new software programs or learning different capabilities of the Lotus 123 program. Concepts of hardware maintenance are absent, evidenced when the Department Head left the computer on but turned the air conditioners off during a lunch break, causing a severe hardware failure which necessitated repairs in the US to recover the data (there was no backup copy at the time).

#### 5. Planning & Coordination Functions

There does not appear to be any routine or systematic report generation for other FUCEC departments or even the Director. Questions regarding planning future "MIS" activities were greeted with a laughing, terse, blank reply.

## 6. Relationship with Coopecs/Field Service Delivery

The Coopecs supply the Department Head with quarterly reports for data entry into the system. This is now up to six months past due for many Coopecs. There is no systematic mechanism to ensure that this information is supplied on a timely basis (which under normal circumstances should be 30 days after quarter-end). There is at present no feedback reporting mechanism for either the Délégués Régionaux or member Coopecs. When it was strongly suggested and soundly supported by Coopec administrators and the Délégués queried that such reports should be generated and distributed on a regular basis, the Department Head laughed and said that he didn't know if it was possible to generate such a report.

## 7. Recommendations for Future Management Organization

- Establish a real MIS Department headed by a qualified individual to develop, implement and maintain Management Information Systems.
- Proposed information and reporting systems:
  - For the Director and the Director Adjoint develop databases on:
    - Inspection results and followup actions
    - Central Liquidity Fund performance
    - Revenues, operating expenses on monthly, quarterly, year-to-date bases (actual versus plan)
    - Consolidated movement indicators (savings, loans outstanding, income, expenses, profits)
    - Individual Departmental performance (actual versus plan)
  - For the Financial Management Officer:
    - Central Liquidity Fund performance
    - Revenues, operating expenses on monthly, quarterly, year-to-date bases (actual versus plan)
    - Past Due Loan situation for the consolidated movement and individual Coopecs
  - For the Board of Directors:
    - Consolidated movement indicators (savings, loans outstanding, income, expenses, profits)
    - Individual Departmental performance (actual versus plan)
- Consolidate InfoCoopec into the MIS Department
- Continue development, effect additional installations and aggressively market the InfoCoopec program in Togo and in other countries.

- Develop regular (bi-annual) feedback reporting mechanism to allow individual Coopecs to gauge their performance in comparison with other Coopecs in the region, other Coopecs of similar size and character and the consolidated FUCEC movement.

## 8. Training Requirements & Suggested Personnel Actions

Recruit a qualified individual to head the MIS Department. Qualifications should include prior experience in MIS needs assessment and systems design. Enthusiasm and drive may be substituted for extensive experience. Qualifications should also include some training experience.

Mr. Kpekpe should be retained as a data entry technician for the current Lotus system. He should receive some additional training in Lotus 123 so he can better understand and manipulate the existing system.

Mr. Goch-Akue should be retained as chief InfoCoopec technician, with an assistant for additional system installation. He should receive some additional instruction in the FoxPro database program. Please see Chapter K for additional observations.

## G. INSPECTION SERVICES

### 1. Introduction

Inspection services form one of the most important services of FUCEC, or any financial institution for that matter. They are responsible for guaranteeing the validity of accounting transactions, which form the basis of all financial institutions. This is especially important in a cooperative credit union movement, depending as it does on the savings and shares of individual members, rather than large institutional investors or anonymous shareholders. Ensuring the validity of the Coopecs' financial transactions - thus safeguarding member savings and shares - also protects the other most valuable, non-balance sheet asset of the cooperative credit union movement: the confidence of its members. Once that is lost, through either shoddy bookkeeping, laxity in practices or procedures or worse - through corruption, deliberate mismanagement, fraud, chicanery or outright embezzlement - it is nigh impossible to recover. Thus the role of the Inspection Services is crucial to ensure the integrity of the entire process, uncover mismanagement and sanction fraud.

That said, the Inspection Services are not equipped with 24 hour camera surveillance equipment or lie detector machines, nor should they be. Donors and FUCEC management are rightly concerned with scattered accounts of fraud and deliberate mismanagement. These problems are not unique to Togo; or to the cooperative credit union movement. Depositors and shareholders in the collapsed BCCI will attest to that. In any event anecdotal evidence strongly suggests that deliberate mismanagement, fraud and the like, while existent in the movement, is comparatively rare and certainly not practiced on a widespread scale. This is due in no small part to the quality, integrity and vigilance of FUCEC's Inspection Services.

## 2. Previous Consultants' Studies

A study was prepared on the Inspection Services last year by Mr. Michel Bourgeais, an official with Crédit Mutuel of France. He made several pertinent recommendations, including:

- Disassociation of the Inspection Services from the Délégués Régionaux.
- Inspections should be intensified, and their duration determined by the amount of work involved, and not by artificial time constraints.
- Inspection results should be communicated directly to the respective Coopec administration, and followup actions undertaken no later than two or three months after the actual inspection.
- Computers should be used to assist the Inspectors in their work.
- Another Inspector should be added to the department.

In general these recommendations have been adopted by FUCEC, the most important of which was the separation of the Inspection Services from the Délégués Régionaux. It is noteworthy that FUCEC adopted this recommendation without delay, respecting both the logic supporting the recommendation and, in my opinion, giving strong evidence of FUCEC's commitment to ensuring the integrity of its inspection services and thus the entire movement.

I fully support M. Bourgeais' conclusions, notably where he states that FUCEC is currently at an historic juncture, and that decisions taken (or not) will have a profound, lasting effect on Togo's cooperative credit union movement. All persons with whom I have discussed these matters during my two consultancies here share this perspective, and I have found them uniformly open to suggestion and constructive criticism.

It is perhaps this last point with which I take exception to the report of M. Bourgeais. As a relative outsider (though with some knowledge of FUCEC as well as an appreciation of the necessity for an effective inspection service) I found his report to dwell on minor details, shortcomings (whether real or perceived) and fault-finding. In truth the tone of the report was offensive, condescending and patronizing. This does nothing to advance his findings or recommendations, nor does it assist FUCEC in better organizing its inspection services.

[Note: while I do not claim to have nearly as much expertise as M. Bourgeais, I have had extensive experience with senior credit officers at Chase Manhattan Bank. Vice Chairman & Chief Credit Officer Jack Hooper, a much decorated Marine Officer during the World War II South Pacific campaign, liked to boast that he chewed a bucket of rusty nails at breakfast to, as he put it, "get in the mood for the #@&\*\*\* fools that will come in my office today". While I am not suggesting M. Bourgeais in any way resembles "The Hoop", it should be noted that M. Bourgeais has 26 years of experience with Crédit Mutuel, 14 years of which has been spent in inspection services. That is longer than some of the FUCEC staff have been alive!]

In sum, many of the critical observations of M. Bourgeais are valid and several of his recommendations have been implemented by FUCEC. I share his recommendations: that an additional, experienced Inspector be recruited; that there should be better coordination between the various FUCEC departments; and that systematic, rigorous followup procedures need to be established and implemented to ensure compliance with inspection results.

### 3. How the Current Analysis was Performed

Early in my consultancy I was fortunate to have an extended interview with Mr. Fedy, the Inspection Services Department Head. He carefully explained the policies, procedures and practices of his department. I was impressed with his knowledge, insights, candor and integrity. I reviewed the Inspection Services Manual and a sample Inspection Report.

### 4. Findings & Observations

The department seems competently organized and managed. Not having been an auditor myself (though having had experience with Credit Audit, Price Waterhouse and the US Government Comptroller of the Currency during my years with Chase Manhattan Bank), their inspection criteria, policies and procedures seem reasonable and prudent.

The department is understaffed, however. A staff of four (counting Mr. Fedy) for 150 Coopecs yields about 40 Coopecs per Inspector. One Inspector is currently indisposed due to pregnancy, increasing the responsibility and workload of each remaining Inspector. This is clearly an unfavorable situation.

A serious shortcoming does exist, however, with respect to the followup of inspection results. There is currently no computer database or other systematic mechanism to ensure that inspection recommendations are adopted on a timely basis. In contrast, at Chase results of a Credit Audit inspection were forwarded directly to the Bank President. Offending units were given 30 days to comply with the findings and recommendations; after that the unit's Senior Vice President had to explain in person to the President why remedial actions had not been undertaken. After that the SVP reported weekly on the progress being made. While this is an extreme example and not directly applicable to FUCEC, it serves to underline the importance and seriousness with which conscientious financial institutions police themselves.

### 5. Planning and Coordination Functions

As with other FUCEC departments, planning of inspection activities seems largely reactive to real or perceived problem situations, although a formal system for inspection does exist. Coordination with other FUCEC departments appears to be done on an informal basis only. For example, the Inspection Services do not indicate to the Training department on a systematic basis deficiencies in the capabilities of gérants. This shortcoming was also cited in the Bourgeais report.

## 6. Relationship with Coopecs/Field Service Delivery

As noted above, the relations with the Coopecs are, and should be, one of an independent audit and inspection service. My impression is that 90 percent of all inspection findings are a result of human error or carelessness. In these areas the Inspection Services can play a constructive role in assisting Coopec administration and staff in identifying practices and procedures needing improvement, additional training requirements, and the like. For the remaining percent of inspection findings, vigilance must be rigorously exercised to ensure the safety and security of member savings, and the confidence of the general public in the cooperative credit union movement.

## 7. Recommendations for Future Management Organization

- Followup of Inspection Results. A computer database must be developed that will allow the Director and Director Adjoint to review the results of Field Inspector examinations and closely monitor progress made by the Coopecs in implementing the recommendations of the Inspectors. A system of sanctions should be established and rigorously applied to Coopecs that do not promptly implement the recommendations of the Field Inspectors within a reasonable amount of time, or only after repeated reminders to do so.
- Establish a system of regular rotation of Field Inspectors. A systematic schedule of post rotation should be established to ensure that Inspectors do not evaluate the same Coopecs in consecutive years and thus discourage the possibility of professional laxity or complicity in irregular activities.

## 8. Training Requirements & Suggested Personnel Actions

Without having made a detailed investigation into the professional capabilities of the individual Inspectors I can only suggest that a seminar in financial controls and inspection techniques may be appropriate. It should be noted that whilst accounting and bookkeeping skills do play a part in an Inspector's work, equally important is a solid understanding of financial analysis and more subjective evaluation skills that provide clues to an Inspector to dig deeper in certain areas.

At least one additional Inspector should be recruited, with previous auditing experience in a reputable financial institution.

## H. FINANCIAL MANAGEMENT DEPARTMENT

### 1. Introduction

I strongly recommend that a Financial Management Department be established as a line department reporting to the FUCEC Director. It would consist of:

- the Central Liquidity Fund (CLF)
- Accounting
- the Caisse
- the Loan Management and Recover unit

This department shall be concerned with all funds management operations for FUCEC.

## 2. Previous Consultants' Studies

Mr. Chet Aeschliman, WOCCU Credit Union Systems Specialist, evaluated the CLF in 1991, especially its organization and information needs. His recommendations were:

- To establish an amortization table for CLF loans outstanding.
- Improve the system of files organization.
- Consolidate all FUCEC funds at the CLF.
- Increase the interest rate on CLF loans outstanding.
- Provide additional training to the CLF administrator.

In light of these recommendations, the following actions were undertaken (in order):

- a. An amortization table for CLF loans outstanding has been established.
- b. The filing system has been improved.
- c. The CLF is now the central management point for all FUCEC funds.
- d. Interest rates on CLF loans outstanding has not been increased, but the Board is studying the matter.
- e. The CLF administrator has received some additional training, though other requirements remain.

## 3. How the Current Analysis was Performed

The current study does not concern itself with the accounting or Caisse operations; since I am neither an accountant or auditor it is inappropriate for me to examine the handling of accounts or money. I assume they are managed in a prudent and professional manner. Rather my focus is on the Central Liquidity Fund and on the growing problem throughout the cooperative credit union movement of delinquent loans, and how to best manage that situation. The analysis was performed by interviews with relevant staff, and extensive and frank discussions held during my visits to Coopecs.

## 4. Findings & Observations

### Central Liquidity Fund

The current operation of the CLF is adequate. The competency of Mme. Koudodji to maintain various bank accounts is sufficient for what is essentially an administrative role. Overall investment policy direction for the CLF is lacking, one that would set risk/return parameters, evaluate investment opportunities and pursue and monitor the chosen opportunities. This investment policy direction is currently the domain of the Director (in addition to his other hats!); however one person simply cannot have the time to investigate investment alternatives and meaningfully evaluate their inherent risks. It is also unsafe, imprudent and unwise, for mistakes do occur (the CLF placings at BCCI, for example). Thus while the physical operation of the CLF is adequate, investment policy decision-making capabilities require, in my judgement, considerable alteration.

### Loan Management and Recovery Unit

Past due loan amounts have increased substantially during the last year for the consolidated Togo credit union movement, with loans past due 12 months or more increasing XXX %, to FCFA XXXXXX. Moreover, in nearly all the Coopecs that I visited, amounts past due 12 months or more had increased dramatically, often 7 or 8 times the total amount at year-end 1991. While I am not disputing that this is due in large part to the current political and economic turmoil, there should be equal realization that this is a serious and growing problem which, if left to continue to expand unchecked, could irreparably damage the cooperative credit union movement in Togo and obviate the tremendous progress made to-date. Simply put, this is not a problem that will go away just because we would like it to. Coopec administrators and the Délégués with whom I spoke at length on this matter acknowledge both the severity of the problem and their relative inability to effectively deal with it themselves. "We know there's a problem (with the number and amount of past due loans) but we paralyzed as to how to deal with it!" stated one Coopec President.

That is the underlying rationale for one of my key findings and recommendations of this exercise: that FUCEC establish a Loan Management and Recovery unit to assist individual Coopecs in managing their problem loan situation. This assistance should be done in the following ways:

- Assist individual Coopecs to undertake a serious, objective portfolio review of all seriously delinquent loans.
- Make recommendations of which loans that should be partially or completely written off and what amount.
- Recommend adjustments to: lending policies and practices; rates paid on deposits or charged on loans; levels of Loan Loss Reserves.
- Coordinate legal or administrative means to effect loan recoveries or other remedies.

This is not to suggest that FUCEC should become a sort of strong arm collection agency. FUCEC can play an extremely useful and welcome role in assisting individual Coopecs in managing their current (and growing) problem loan situation. This unit can also suggest

means of preventing dangerous past due loan situations from happening again. The concept of such a unit and its various means of assisting Coopecs was warmly received at all the Coopecs that I visited, even though they understood that they would be charged for this service and that the effective management of this situation would not be particularly pleasant or easy.

#### 5. Planning & Coordination Functions

For the Central Liquidity Fund, this should be perhaps be labeled investment policy decision making. As noted, it is currently the responsibility of the Director alone. I feel this is both unwise and unworkable. The Loan Management and Recovery unit should work closely with the Inspection service and the Délégués in identifying Coopecs with large problem loan amounts.

#### 6. Relationship with Coopecs/Field Service Delivery

##### Central Liquidity Fund

This is a very important service for member Coopecs since in general they are over-liquid, which is to say that they have funds on hand well in excess of their immediate cash requirements. Most Coopecs visited said that they thought that the CLF was well run from an operational standpoint and were frankly grateful that someone else took care of all the bank account bookkeeping, and so forth. Occasional information on overall fund performance was desirable, however. Several of the more distant Coopecs requested a regular courier service be established to assist their timely receipt of deposit verification (not as a means of transporting cash!) and other associated paperwork.

#### 7. Recommendations for Future Management Organization

- Create a position of Financial Management Officer, reporting to the FUCEC Director, who would direct all financial operations for FUCEC including:
  - Central Liquidity Fund
  - Loan Management and Recovery unit
  - Accounting
  - Caisse
- The Financial Management Officer would also function as Secretary to a newly created Investment Policy Committee. This Committee would establish and direct Central Liquidity Fund investment policies, practices and procedures. This would include examining investment alternatives, setting return objectives and monitoring fund performance against objectives. The Investment Policy Committee should be comprised of FUCEC's President, Director and Director Adjoint, with the WOCCU Chief Technical Advisor as an ex-officio (non-voting) member. The Secretary would

be responsible for identifying alternative investment opportunities and implementing Committee investment decisions.

- Establish a Loan Management and Recovery unit. This unit would assist individual Coopecs in portfolio reviews of severely past due loans; sensitizing Coopec Administrators and staff; recommend adjustments in lending policies, practices & procedures as well as any additions to reserves; and coordinate FUCEC efforts in judicial/legal remedies.

## 8. Training Requirements & Suggested Personnel Actions

The Financial Management Officer should be recruited as a line Department Head, and should have experience in modern financial management techniques including risk analysis and portfolio management. Since Togo has a well developed and highly regarded modern formal financial sector suitable candidates should be available.

Mme. Koudodji should be retained in her position as Central Liquidity Fund administrator and given additional training in the basics of financial analysis and computer use.

Two candidates should be recruited for the Loan Management and Recovery unit. Ideal candidates should possess strong financial analysis skills or legal experience. Good interpersonal and communication skills are essential in these positions since they will deal in sensitive matters.

### I. OFFICE OF THE FUCEC DIRECTOR

#### 1. Introduction

The Director of FUCEC plays a unique and important role. As Chief Operating Officer he is responsible for the smooth and efficient operation of the entire FUCEC structure - from the far flung Délégés Régionaux to ensuring the safety of the Central Liquidity Fund. He also acts as FUCEC's spokesman in relations with external donors, the government and others. The Director, more than any other FUCEC professional staff member is directly responsible to the Board of Directors, and by extension to the member Coopecs and individuals who form the base of the entire cooperative credit union movement in Togo.

#### 2. Previous Consultants' Studies

None applicable.

#### 3. How the Current Analysis was Performed

The Director granted several interviews during my consultancy which form the basis of this somewhat impressionistic analysis. I had hoped to spend a day or two with him in his office

as his 'shadow' to gain a better understanding of the demands on his time at present; this was not done due to his absence and his prior commitments when he was in Lomé.

The FUCEC Director was a subject that often came up during my discussions with the Coopecs. These were primarily concerned with his role as a leader and spokesman for the FUCEC movement and as chief of the Délégués Régionaux. The role, function and performance of the Director was also discussed at length with the President of the FUCEC Board of Directors.

#### 4. Findings & Observations

More than any other department or position within FUCEC, an analysis of the Director involves not only an examination of his/her functional responsibilities but to an extent some judgement of the capabilities of the incumbent as well. Thus these findings are not only impressionistic but to a degree subjective. In my estimation Mr. Akémakou has done a fine job given his relatively short time as Director and youth. His performance has been complicated by the tremendous growth of the cooperative credit union movement in Togo during the last several years and the recent political and economic turmoil. He has also had to effectively manage relations with important external actors, notably USAID and WOCCU.

The Office of the Director is essentially a one-man show. There is currently no formal Director Adjoint, and the clerical help does not appear to play any substantive administrative role. This is especially of concern since the Director also directs the investment policies of the Central Liquidity Fund and acts as chief of the Délégués Régionaux. This is in addition his other management reporting responsibilities of the other line departments (Inspection; Training, Education & Promotion; etc). In many respects, the current arrangement forces Mr. Akémakou to act much as would a Délégué with 19 Coopecs spread over 5 mountainous prefectures: while the responsibilities are numerous and varied, attention and actions are dictated by and devoted to the *crise de jour* rather than acting in a forward-looking, proactive manner.

As is generally agreed, the consolidated Togo credit union movement is at an historic and crucial juncture. Overcentralization of responsibilities and lack of depth in the Director's Office represents a problem waiting to explode. I can think of no other organization in Togo or elsewhere with FCFA 5 billion in assets that would concentrate so much responsibility with just one person. This is neither prudent nor an efficient way to run an organization the size, complexity and visibility of FUCEC.

Overcentralization of responsibilities also begets opportunities foregone. I am referring specifically to a role for the FUCEC Director that has heretofore been neglected: as an effective representative for FUCEC with external actors (donors, government, other the formal financial sector actors) and internally as a spokesman and leader within the cooperative credit union movement itself. These roles are entirely appropriate for the Director of an important financial institution.

Finally, the overcentralization of responsibilities and lack of management depth in the Director's office also leads to an unavoidable degree of micro-management. I am reminded of a scene that I witnessed last year in a Bank Manager's office in a neighboring African country. The Manager had just concluded a 45 minute meeting with one of his better clients and approved a FCFA 15 million loan. Immediately thereafter a bank driver entered and complaining of a headache asked the Manager if he could be excused to go out and look for some aspirin. My point is this: the FUCEC Director should be concerned with matters of finance, public relations and overall operations, not with excusing a worker to find headache powder. While I am not at all suggesting that Mr. Akémakou shirks his important duties for minor or petty ones, the lack of depth in the Director's office will necessarily create these situations.

#### 5. Planning & Coordination Functions

The Director plans his various activities, such as regular meetings with Department Heads. I was unable to discern how he does so, and what criteria are used to prioritize his activities and attention.

#### 6. Relationship with Coopecs/Field Service Delivery

This is an extremely relevant topic and central to both my findings and subsequent recommendations for future organization and orientation of the Office of the FUCEC Director.

The Director's relationship with the administration and staff of the individual Coopecs is a seemingly contradictory blend of hard and soft; good guy and bad guy; carrot and stick. The good, supportive part should consist of visiting individual Coopecs to help inaugurate new buildings and participating in special events. These aspects of the Director's role was enthusiastically endorsed by all Coopecs visited, but with the observation that these visits are rare or non-existent. "Why doesn't the Director come and visit us?" asked one Coopec President. "We would organize a huge meeting so even non-members could see the benefits of saving with us instead of these crooked money collectors" said another. Other Coopec administrators said that they would like to see the Director on television or even radio "so he can explain to the others (non-members) what we're all about." Comments like these were widespread. It was obvious that Coopec administrators are proud of their Director and think he is doing a good job. They would just like to see more of him, and on a regular basis. This internal leadership role is an important responsibility for a Director of a large, successful and growing cooperative financial organization. The overcentralization of responsibilities and lack of management depth precludes extended or frequent field trips, however. "Where's our Director ? - we like him but he spends too much time in Lomé."

The other aspect of the Director's role with respect to the Coopecs is considerably less pleasant, but necessary nevertheless. This involves imposing sanctions or other disciplinary actions for violations of FUCEC policies and procedures. The most important of these involves monitoring results of field inspections and Coopecs who are unwilling or unable to

adopt the measures recommended in the report. Upon receipt of an Inspection Report, the Director should communicate serious violations or transgressions directly to the Coopec's administration in writing. As mentioned previously, a computer database should be developed and installed for both the Director and the Director Adjoint so that they can closely monitor inspection results and followup implementation of inspection recommendations.

The Director's relationship with the delivery of services to the field is direct as head of the Délégés Régionaux, and indirect as the heads of the other line departments concerned with field services (Inspection, Training, Education, etc.) report to him. It should be reiterated that the current arrangement represents an unhealthy overcentralization of responsibilities and should be modified. A single Director cannot possibly efficiently manage a crucial field department (the Délégés) and coordinate (and arbitrate among) other line field departments. This is addition to his other considerable responsibilities of monitoring budgets, coordinating donor technical assistance, directing Central Liquidity Fund investment policies, planning and evaluation, and reporting to the Board of Directors. My strong recommendation is to create a position of Director Adjoint to assist the Director in overall FUCEC management and oversee and coordinate the field services (with the exception of the Inspection Services to ensure their independence and integrity). This would go far in resolving several of the current weaknesses in FUCEC's management organization and structure: poor planning and evaluation and an apparent lack of coordination among different departments. It would also free the Director to concentrate on external and internal relations and exercising a genuine management direction role with a more macro perspective.

One last thought: my recommendation on revising the current role and responsibilities of the FUCEC Director does not in any way imply or suggest an emasculation of the Director's power or diminution of his responsibilities. It merely suggests a reorientation and refocusing of the Director's role, one that is more efficient and appropriate for FUCEC's Chief Executive Officer as the cooperative credit movement confronts the exciting challenges in the years ahead.

#### 7. Recommendations for Future Management Organization

- Focus Director's role as leader and spokesman for FUCEC-Togo with respect to external relations (USAID, other donors, government, financial community) and internally within the Credit Union movement.
- Establish an office of Director Adjoint to assist the Director in overall management, direct the Field Services group and function as Director upon the Director's absence.

#### 8. Training Requirements & Suggested Personnel Actions

## Director

Mr. Akémakou is both young and relatively new in his position as Director. This strongly suggests that additional training in topics such as institutional management, risk analysis and human resource management is appropriate. If the role of the Director is reoriented, training in public relations and speaking would be appropriate.

## Director Adjoint

The position of Director Adjoint should be established with primary responsibility for management of a unified Field Services group. I would unhesitatingly nominate Mr. Fioklou for this position, who has served as de facto Director Adjoint and whose talents are at present entirely underutilized. His background in Public Administration suits the demands of the Director Adjoint position perfectly. Additional training should be provided in financial analysis.

## J. FUCEC BOARD OF DIRECTORS

### 1. Introduction

Membership on any Board of Directors is both a singular honor and grave responsibility. This is possibly truest when elected to serve on the Board of a cooperative. While the honoria is small and perks such as access to private jets nonexistent, representing the interests of the smallsavers, women and others who form the base of the cooperative carries an enormous weight. It is in this context that we must examine FUCEC's Board of Directors.

### 2. Previous Consultants' Studies

Not applicable.

### 3. How the Current Analysis was Performed

I had a three hour interview with the President of the Board of Directors, the Reverend Awumé. As a Pastor I found much of our conversation spiritually uplifting. He also possesses keen insights into many of the issues facing FUCEC today.

### 4. Findings & Observations

The Board of Directors is an underutilized resource for FUCEC. Management reporting to the Board is at present perfunctory and consequently there is a low level of involvement and interest on the part of the Board members.

5. Planning & Coordination Functions

Board meetings are programmed in advance, and meet no fewer than four times per year. Other more informal meetings with the FUCEC Director occur on an as-needed basis. The terms of the Board members are staggered to ensure continuity.

6. Relationship with Coops/Field Service Delivery

The Board does not have a direct relationship with the individual Coops nor with the actual delivery of services to them. They have overall responsibility for the entire FUCEC network.

7. Recommendations for Future Management Organization

Meaningful efforts should be made to increase the involvement of the Board. One means is to supply them with management information reports on a regular basis. This could be a synopsis of the overall movement indicators (savings amounts, loans outstanding, etc.). The Board President should also Chair the recommended Central Liquidity Fund Investment Policy Committee. Other means of to increase appropriate Board member involvement in the overall management of FUCEC - not as a means of control or oversight but rather as a resource from which to draw experience, public relations advantages, and the like.

8. Training Requirements & Suggested Personnel Actions

The Board should receive seminar presentations in financial analysis and the role and responsibilities of a Board of Directors. Additional seminars should be presented regarding the philosophy of the cooperative credit union movement.

K. INFOCOOPEC

1. Introduction

InfoCoopec is an advanced and ambitious personal computer program that automates to a large extent all bookkeeping and accounting functions for an individual Coopec. It is menu driven and allows even a relatively unsophisticated user to enter account transaction information and do all other routine (and more complex) bookkeeping chores.

2. Previous Consultants' Studies

WOCCU Consultant Mr. Drew Birnbaum examined the InfoCoopec system and made several recommendations, most of which were concerned with developing context sensitive help menus, system user manuals and other documentation and launching a marketing program. Most of these actions have been effected.

### 3. How the Current Analysis was Performed

I have spent several hours with the Department Head Mr. Martial Goeh-Akue discussing the InfoCoopec system, and have used the system myself. I have also discussed the system with Coopec administrators and Délégués Régionaux during my visits to various credit unions.

### 4. Findings & Observations

InfoCoopec is a well-designed and solidly executed computer system. Having directed computer systems design efforts in the past I fully appreciate how much design work and code building has gone into its development and execution. It possesses a rare combination of simplicity, ease of use (relatively speaking), sophistication and "bullet-proof" construction. I tried deliberately to crash the system and could not. This is an extremely impressive computer system.

### 5. Planning & Coordination Functions

Greater management attention needs to be devoted to InfoCoopec, especially marketing the system internally within the FUCEC system and in other countries where WOCCU is active as well. InfoCoopec is a sterling product and one that could be a potentially lucrative source of revenues for FUCEC if its development continues and it is properly marketed.

### 6. Relationship with Coopecs/Field Service Delivery

Most of the larger Coopecs that I visited had heard of the InfoCoopec system and were anxious for a demonstration. The Délégués Régionaux with whom I spoke had varying degrees of familiarity with the system but their ability to "sell" the system to their Coopecs was limited.

### 7. Recommendations for Future Management Organization

- Consolidate InfoCoopec into a properly structured and directed Management Information Systems department.
- Continued development of the system; effect additional installations of InfoCoopec in Togo; and pursue an aggressive marketing campaign, including in other countries.

### 8. Training Requirements & Suggested Personnel Actions

Mr. Martial Goeh-Akue should receive additional exterior training in the FoxPro database and in local network design, implementation and maintenance. He is at present quite discouraged with his position at FUCEC, which is a function of lack of FUCEC management attention to his considerable skills and the absence of an aggressive marketing campaign for the InfoCoopec computer system. Individuals such as Mr. Goeh-Akue are extremely rare; if he were living in the US or Europe he would be earning well over \$150,000 per year in a

comparable position. FUCEC management should seek to retain the services of this individual, support his continued professional development and encourage him in further development of the InfoCoopec system.

## M. COOPEC TRIP REPORT

### 1. Introduction

During the period 20 to 29 May, 1993 I visited the following cooperative credit unions in the FUCEC system:

Aképé  
Sikpé-Adegou  
Nadeguele  
Dapaong-ville  
Niamtougou  
Kara-ville  
Bassar-ville  
Gaiété-Sokodé  
Novissi-Atakpamé  
SOTOCO-Atakpamé  
C.F.A.E.-Kpalimé  
Fraternité-Kpalimé

The purpose of these visits was to ask the administrators and gérants of their individual Coopecs their perceptions of the quality and timeliness of FUCEC services, and what organizational improvements they would like to see in FUCEC. At each Coopec I also met with the Délégué Régional who assisted in conducting the meeting. The Délégué also completed a small table for me so that I could have a quick snapshot of the membership and financial performance of the Coopec. For 12/91 and 12/92 the data requested was:

#### Membership

Men  
Women  
Groups

#### Financial Data

Savings  
Total Loans Outstanding  
Loans Past Due 6 - 12 months  
Loans Past Due 12 + months  
Deposits with Central Liquidity Fund  
Net Profits

For those Coopecs with large amounts of past due loans, I requested the amount of their level of Reserves for Doubtful Loans.

## 2. How the Current Analysis was Performed

After the formal salutations and welcoming remarks were concluded I would state quite clearly that I was visiting the Coopec not to beat up on FUCEC, nor as an any sort of auditor, evaluator or inspector. I also stated that I was visiting primarily to listen and absorb their individual remarks and collective wisdom, rather than to speak a great deal myself. I would then ask a few questions, primarily to get the discussion moving. These questions were (in order): how much and what type of training did the gérant and administrators receive during the past year? What was their opinion of the quality and timeliness of this training? What membership education and promotion activities had they engaged in during the past year? How did they view their past due loan situation and how could FUCEC help them with this problem? Depending on the situation of the individual Coopec we then discussed topics such as the role of the FUCEC Director; the functioning of the Central Liquidity Fund; promotional activities; membership education ideas; and the like. The state of the local economy was also discussed. These meetings averaged over two hours in length and were quite animated in nature.

## 3. Commentary

The visits to the Coopecs were an invaluable source of ideas and comments. This management diagnostic exercise would be considerable poorer had these visits not been undertaken. I am continually amazed at how deep and profound the understanding of the issues (including many of the more complicated and subtle ones) facing the cooperative credit union movement was on the part of the ordinary citizens who form the administrators and staff of the Coopecs. In addition to our substantive discussions I was impressed with their seriousness of purpose and the warmth and genuine hospitality which characterizes the Togolese people.

## N. WOCCU AND FUCEC-TOGO COMMENTS ON THE FUCEC-TOGO MANAGEMENT DIAGNOSTIC STUDY

1. **General Comments.** Both WOCCU and FUCEC-Togo appreciate the study as a valuable resource in planning and decision-making in regard to the implementation of the FUCEC-Togo Five-Year Development Plan 1994-98. The study was judged to be strongest in the areas of overall management orientation and in its treatment of the financial side of FUCEC-Togo's operations (where the consultant himself was strongest) and weakest its treatment of the specifics of the "direct services to members" side of the operations. The study also suffers from a lack of cost/benefit analysis of the study's recommendations. This is all the more surprising since WOCCU and FUCEC-Togo personnel were, during the entire study period, developing and revising FUCEC-Togo's income and expense profiles for the 1994-98 period. Cost/benefit analyses of the financial implications of certain recommendations were both feasible and advisable.

**2. General Organization.** While not accepting all of the details, WOCCU and FUCEC-Togo agree with and FUCEC-Togo intends to implement the principal elements of the reorganization of FUCEC-Togo's staff proposed in the report in order to increase efficiency and make more rational use of FUCEC-Togo's human resources. Specifically,

**a. Assistant Manager (Directeur adjoint)** - The position of Assistant Manager will be created and filled by a highly qualified person possessing the skills and background that would make him/her qualified to fulfill the role of Manager. The Assistant will automatically substitute for the Manager in the Manager's absence. The Manager will associate the Assistant with his work and decision-making in order to facilitate the task of the Assistant in filing in for the Manager and to insure continued smooth and uninterrupted functioning. The Assistant will be assigned daily administrative responsibilities which will be such that they do not involve extensive travel nor will they interfere with the ability to substitute for the Manager. WOCCU and FUCEC-Togo do not accept, however, other aspects of the report's recommendations in this area. The Assistant cannot be also the head of a major department, nor does FUCEC-Togo's size yet justify a "Mr.-Ms. Outside/Mr.-Ms. Inside" division of responsibilities between the Manager and the Assistant.

**b. Re-grouping of services into departments** - The report is correct in asserting that the lateral proliferation of services has outstripped the capacity of "la Direction" to efficiently and without assistance manage them. The establishment of three Departments under which the existing and future services are grouped and the designation of middle-managers (department heads) responsible to the Manager will permit improved management of and coordination between services for increased efficiency. While the initial distribution of the services among departments is of necessity somewhat arbitrary in places, the principle is accepted and the reorganization will be implemented with minor en-route adjustments as necessary.

**c. Member Services Department** - A Member Services Department will be created. A Promotion/Member Education/Marketing Service (as yet unnamed) will be separated from the Education and Training Service. These two services, combined with the Computerization Service and the corps of Field Agents, will be grouped into this new department. The Department Head will directly supervise the field agents, in place of the Manager who has been supervising them temporarily. The idea of regional team leaders among the field agents was judged to be premature. Once the department head implements more effective management, monitoring, and coordination of the agents' activities, this idea will be re-examined to see if its implementation is indicated.

**d. Financial Services Department** - A Financial Services Department will be created. While WOCCU had recommended and FUCEC-Togo already had the intention to hire a finance specialist skilled in portfolio management for the Central Liquidity Facility. However, both have concluded that such an individual would be better used managing a department that included both the CLF and the Accountant and Cashier. Associated to

this department will be the Inspection (examination) Service and the mutual insurance subsidiary company, MAFUCECTO.

e. **Administrative Services Department** - Certain services support all the other departments, the management, and the elected officials. These include the core Administrative Service (reception, secretaries, drivers, janitors, watchmen, messengers, etc.) and the Information and Studies Service which operates FUCEC-Togo's Management Information Service (MIS). These services are grouped together under a third department.

3. **Suggested Priorities of the Report** - WOCCU and FUCEC-Togo are generally in agreement with these priorities and this agreement is reflected by comparing these priorities to the Five-Year Plan and the grant proposal for Togo IV.

a. **Improve the Delivery of Field Services** - Improving services to member credit unions (i.e., "satisfying the customer") for its own sake and as the basis for achieving total self-sufficiency is the basis of the next plan. As noted above, steps are necessary to improve field service planning and delivery. Additional field agents will be hired in addition to the above reorganization.

b. **Strengthen Financial Management Capabilities** - The analysis of the financial management capacities and needs for improvement of both FUCEC-Togo and the credit unions coincides with that of WOCCU's previous departmental analyses and advisor recommendations. The recommendation for a Financial Management Department Head is an improvement on previous plans. FUCEC-Togo has tested the waters for a possible "collection service," however, and found this not to be practical for the present. The report's emphasis on improvements to and better use of the MIS is particularly welcome.

c. **Reorient the Focus and Role of the FUCEC-Togo Director** - As noted above, the recommendation to hire an Assistant Manager will be implemented but not the "external" focus of the manager's role. Strengthening the information flow within the system - in the form of usable, user-friendly MIS reports targeted to specific users, in addition to regular management visits and meetings - is a recommendation very much "on-target" which will be implemented.

d. **Continue to Strengthen FUCEC-Togo Human Resource Development** - The FUCEC-Togo Five-Year Plan reflects the same commitment to HRD at all levels of the system and including both staff and elected officials. The plan's objective to make the movement toward financial self-sufficiency a basic consideration of all activities and services, and the businesslike comportment recommended coincide perfectly.

4. **Findings and Recommendations**

a. **Better Coordination of Field Services** - While the organization of the Member Services Department and improvement of services were enthusiastically endorsed, the

recommendation that the Assistant Manager head this department was judged to be contradictory to the purpose of the reorganization. The "at-large" field agent question was deferred. Improved planning and monitoring of agents' activities were endorsed as was more meaningful contact with management. Agents assigned exclusively to promotion already exist and this practice will continue.

**b. Reorient and Focus Role of the FUCEC-Togo Director** - While accepting the recommendation to name an assistant, FUCEC-Togo cannot implement an outside/inside split of their responsibilities in the foreseeable future.

**c. Decentralize Training Services** - Strangely, the consultant seems not to have learned that FUCEC-Togo has already made an attempt to decentralize the basic training function through the field agents assisted by the Education and Training Service and this did not succeed. There is simply no economical way either to establish and staff regional training centers. Use of Togolese languages has also been tried and found to be practical only in certain southern Togolese communities, where people are already literate in Ewe, and Ewe is widely used. This same condition does not prevail in the rest of the country. Proliferating meetings would be nice, but who will pay for them, and how would they affect self-sufficiency? Also, FUCEC-Togo training has for many years been the most systematized service and the one which plans and budgets its activities the best. The consultant seems to have observed a situation in which political troubles and the general strike have impeded normal functioning to varying degrees and assumed this to be normal mode of operation. It was not.

**d. Establish a Separate Department for Membership Education, Promotion, and Publicity** - FUCEC-Togo agrees with the recommendations to target women for promoting increased participation; to continue partnerships with Peace Corps and others to provide business training to potential borrowers; to target non-traditional groups for promotion; and to increase the use of the mass-media. Other promotional techniques cited are interesting and will be considered.

**e. Create Post of Financial Management Officer** - The creation of the Financial Services Department and the convening of an Investment Policy Committee will be implemented. A loan collection service is not practical at this time.

**f. Management Information Systems** - All observers, internal and external, are unanimous in observing that the enormous amount of information collected by FUCEC-Togo and processed is used relatively little in the management, planning, and delivery of services. This situation cannot and will not continue. The Information and Studies Service should become as recommended a real MIS department. The particular targeted reporting systems recommended, and others, are appropriate and necessary in usable and **user-friendly form**. The consolidation of Computerization and MIS will be taken under consideration. Computerization of credit unions will be redynamized and INFOCOOPEC finished and marketed. Feedback reports to credit unions based on expert analysis of their performance will be very helpful.

g. **Systematize Selected FUCEC-Togo Functions** - Training is already more systematized than the report recognizes. The recommendation to closely follow-up on Inspection findings and recommendations and the use of databases created to this end is particularly appropriate and will be implemented.

h. **Strengthen and Sensitize the FUCEC-Togo Board of Directors** - Training sessions for elected officials, a regular event in the early years of the current plan, will be revived. The elected officials, as noted earlier, must be served by MIS products targeted to them. Both processes will make the enhanced participation recommended more effective and meaningful.

i. **Revitalize and Rationalize MAFUCECTO** - The filling of the vacant post of program head is a priority for FUCEC-Togo. Certain of the mechanisms of re-insurance, unwieldy as they are, are imposed by government and/or the re-insurers and cannot be avoided. Ability to aggressively market MAFUCECTO coverage will be an important consideration in recruitment.