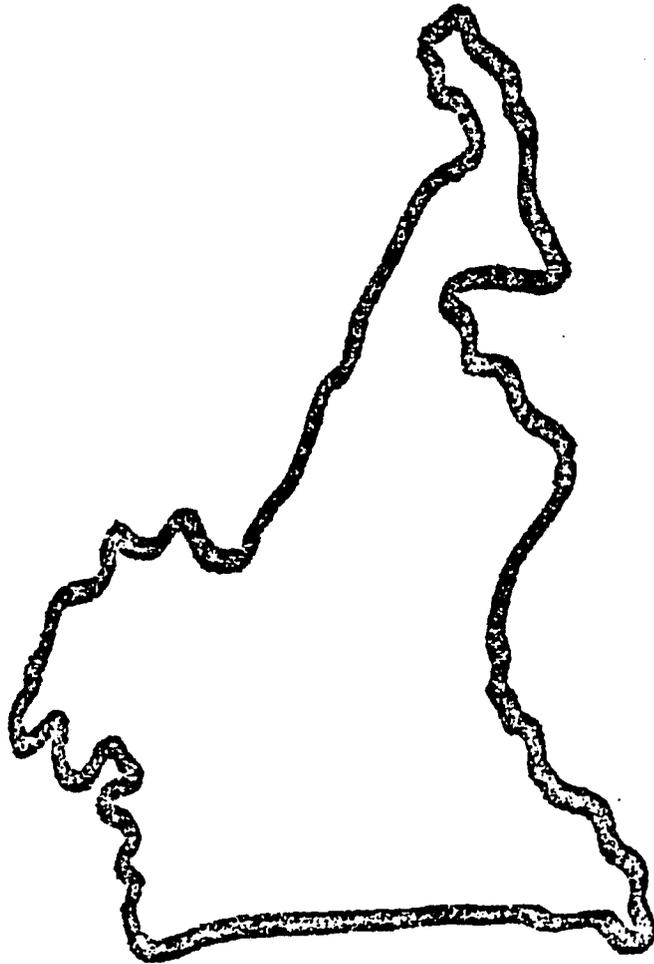


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U.S.A.I.D./CAMEROON ①

Office of Agricultural
& Rural Development



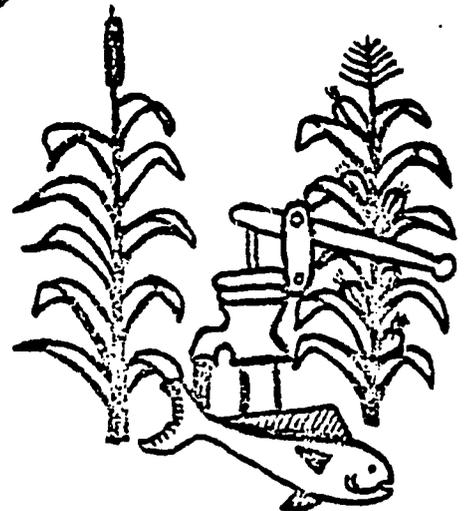
CREDIT UNION DEVELOPMENT PROJECT

(631-0044)

An Operational Program Grant

to

Credit Union National Association



+Authorization Package+

M.S. Bergman

ACTION MEMORANDUM FOR THE DIRECTOR, USAID/CAMEROON

FROM: USAID/ARD, Eric N. Witt 

SUBJECT: Credit Union Development Project, 631-0044,
Project Authorization

Problem: Your approval is required to authorize a grant of One Million Six Hundred Thousand Dollars (\$1,600,000) life-of-project cost pursuant to FAA Section 103, Agriculture, Rural Development and Nutrition to the Credit Union National Association (CUNA) for the Credit Union Development project.

Discussion:

A. Project Description

This project focusses on the development of a strong cooperative savings and credit (i.e., credit union) movement in Cameroon. Credit unions, as non-profit, democratically run cooperatives organized to serve the financial needs of their members, have proven to be effective vehicles for development by serving two basic needs: savings and credit. In Cameroon, credit unions provide a safe place for people to keep their savings, such facilities typically being absent in villages and towns. To support and assist the existing credit unions, and to promote expansion to other population groups, Cameroon's credit union movement has established a national credit union association, the Cameroon Cooperative Credit Union League (CamCCUL). CamCCUL assists affiliated credit unions by providing training programs, central financial services, offering technical assistance, representing the movement before government and non-governmental agencies, and numerous other services. The League, a non-profit association headed by a Board of Directors elected by its member credit unions, has as its fundamental objective serving the affiliated in every way possible.

The Project has two principal purposes:

- (a) Strengthening of Cameroon's national and regional credit union structures (secondary societies) so that they become financially self-sufficient and technically able to provide essential services required by their affiliated credit unions.

- (b) Creating a network of credit unions which have the financial and technical capabilities sufficient to provide required savings, credit, and related financial services to an increasing membership.

The priority activity during the first two years of the project will be the liquidation, merger, or reorganization of Cameroon's dormant and non-viable credit unions. Other major activities planned during the project period include expansion of CamCCUL's Small Farmer Production Credit Program to increasing numbers of rural credit unions; strengthening of CamCCUL's central financial services, including development of accounting services; closer coordination, and eventual integration of activities in the different geographic areas of Cameroon; substantial training of both CamCCUL and credit union personnel; development of an ongoing planning process; and production of credit union operating manuals in key areas such as bookkeeping, budgeting, credit policy and procedures, and internal auditing. As a result of these activities, local credit union personnel and leadership will be better able to adequately manage and direct society activities, thus enabling credit unions to more fully serve the community, and strengthening their role as vital community service organizations, providing savings, credit and other financial services to a growing number of families.

B. Financial Summary

This grant will provide \$1,600,000, all of which will come from Africa Bureau funds.

Estimated Expenditures - U.S. Dollars

<u>A.I.D.</u>	<u>TOTAL (LOP)</u>	<u>%</u>
Technical Assistance	667,000	
Material and Equipment	169,000	
Training Costs	121,000	
Evaluation/Data Collection	106,000	
Other Costs	537,000	
Total A.I.D.	1,600,000	33
Total CamCCUL	2,244,690	46
Konrad Adenauer Foundation	256,665	5
Volunteer Organizations	807,186	16
Peace Corps Volunteers		
Netherland Volunteers		
Total Project	<u>4,908,541</u>	100

C. Socio-Economic, Technical and Environmental Description

This project, as designed, includes the requisite technical, financial, social, economic and administrative analysis as prescribed for Private Voluntary Organizations in A.I.D. Handbook Number Three, Chapter Six. The project design team found that the project conformed to more than acceptable standards, and thus approval and implementation is recommended. The design was undertaken in close collaboration with A.I.D., with the technical services of the Government of Cameroon, and with the Cameroon Cooperative Credit Union League. The project does not provide for physical interventions in the project area, though it is expected to have a beneficial economic impact on the population. The Assistant Administrator for Africa approved the Initial Environmental Examination's recommendation for a Negative Determination for this Technical Assistance project (State 203787).

The Cameroon record on human rights is acceptable.

D. Committee Action and Congressional Apprisement

The Mission Executive Committee for Project Review (ECPR) met 5 August 1980 and recommended that the project be authorized by the Director, USAID/Cameroon. The project was also reviewed in AID/Washington and was approved for authorization in the field (State 154708). The Congressional Notification expired on 9 August 1980. The FY 1980 allotment is being established for \$302,000 (State 202127).

E. Project Management

The USAID Project Manager is Richard H. Goldman, Office of Agriculture and Rural Development. The AFR/DR/CAWA Project Backstop Officer is Russel Anderson. The CUNA contact is Thomas Carter, Director of Programs, WOCCU/CUNA Global Projects.

Recommendation: That you sign the attached PAF II, thereby authorizing the proposed project.

PROJECT AUTHORIZATION AND REQUEST
FOR ALLOTMENT OF FUNDS (PART II)

Country: Cameroon

Project Name: Credit Union Development

Project Number: 631-0044

Pursuant to Part 1, Chapter 1, Section 103 of the Foreign Assistance Act of 1961, as amended, (the "Act"), I hereby authorize a grant to Credit Union National Association (CUNA), a private voluntary organization, of not to exceed One Million Six Hundred Thousand United States Dollars (\$1,600,000) to assist in financing certain foreign exchange and local currency costs of goods and services required for the project described in the following paragraph.

The project will consist of providing technical assistance, commodity support, and an operations grant to the Cameroon Cooperative Credit Union League. This assistance will strengthen Cameroon's national and regional credit union structures so that they become financially self-sufficient and technically able to provide essential services required by their affiliated credit unions. It will create an expanding network of credit unions which have the financial and technical capabilities sufficient to provide required savings, credit, and financial services to an increasing membership. Major activities include: liquidation, merger or consolidation of dormant and non-viable credit unions, expansion of the Small Farmer Production Credit Program, strengthening of central financial services, training, development of an ongoing planning process and production of operating manuals for book-keeping, budgeting, credit policy and internal auditing. The resultant mobilization of savings and provision of credit to those people heretofore without access or services will improve the rural/urban economies and provide new investment opportunities for credit union members.

I approve the total level of A.I.D. appropriated funding planned for the project of not to exceed a One Million Six Hundred Thousand United States Dollars (\$1,600,000) grant, during FY 1980, subject to the availability of funds and in accordance with A.I.D. allotment procedures.

I thereby authorize initiation of negotiations and execution of the project agreement by the officer to whom such authority has been delegated in accordance with A.I.D. regulations and delegations of authority, subject to the following terms and conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

A. Source and Origin of Goods and Services:

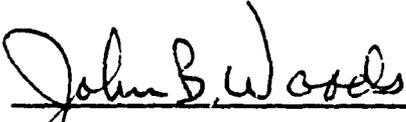
Goods and services, including ocean shipping financed by A.I.D. under the project, shall have their source and origin in the United States or in the Cooperating Country except as A.I.D. may otherwise agree in writing or except as specified by A.I.D. regulations.

B. Additional Project Agreement Provisions:

The project agreement will contain the provision that project evaluation and reviews will have the active participation of CamCCUL and A.I.D. The project will be reviewed yearly except in the instance where a major evaluation is scheduled to take place at the same time. After the first two and one-half years there will be a joint project evaluation conducted by CamCCUL, CUNA and U.S.A.I.D. Another evaluation will be scheduled after the project is completed. It is CUNA's responsibility to see that project reviews and evaluations are organized in a timely fashion. CUNA will certify that the contribution/participation of other donors as set-forth in the project proposal has been confirmed.

C. Project Conditions Precedent:

The project agreement will contain the following conditions precedent to disbursement of A.I.D. funds: (1) Prior to disbursement of A.I.D. funds a copy of the project specific agreement between CUNA and GURC/CamCCUL will be submitted to USAID/Cameroon. This agreement will conform to the project proposal as submitted to USAID/Cameroon by CUNA and to the conditions set forth in this authorization. This agreement will specify the administrative arrangements/responsibilities of each of the project's participating agencies - A.I.D., CamCCUL, other donors, CUNA, and the various GURC ministries.



John B. Woods, Acting Director
USAID/Cameroon

Date: _____

8/13/80

P R O J E C T P R O P O S A L

PROJECT TITLE: CREDIT UNION DEVELOPMENT,
631-0044, PVO/OPG

PROJECT LOCATION: CAMEROON

PVO NAME: WOCCU/CUNA GLOBAL PROJECTS OFFICE
1120 19TH STREET, N.W.
WASHINGTON, D.C. 20036

CENTRAL HEADQUARTERS: AS ABOVE

CONTACT PERSONS: DIRECTOR OF PROGRAMS
WOCCU/CUNA GLOBAL PROJECTS

DATE OF FINAL
SUBMISSION TO AID: JULY, 1980

TOTAL OPG REQUEST: \$ 1,600,000

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A. PROJECT PURPOSE AND DESCRIPTION

The project proposed in this document focusses on the development of a strong cooperative savings and credit (i.e., credit union) movement in Cameroon. Credit unions, as non-profit, democratically-run cooperatives organized to serve the financial needs of their members, have proven themselves to be effective vehicles for development by serving two basic needs: savings and credit. In Cameroon, as elsewhere, credit unions provide a safe place for people to keep their savings, such facilities typically being absent in villages and towns. Mobilization of domestic savings, so important for development, has been spectacular in Cameroon, with total savings now approaching 2 billion CFA francs (\$10 million). During the past decade, more than two billion CFA have also been granted as loans to credit union members, an increasing proportion of which has been for productive investment. Without credit unions, much of these savings would have remained uninstitutionalized - buried in the ground, hidden in houses, etc. - and have been of little use in Cameroon's development.

Initially, credit unions were organized among groups who were denied access to credit through traditional financial institutions, i.e., the lower income groups who possessed insufficient collateral. In many countries, the idea has now spread throughout all income groups. The focus of the movement in Cameroon and most other developing countries, however, is still on the lower income groups.

To support and assist the existing credit unions, and to promote expansion to other population groups, most nations' credit union movements have established a national credit union association, usually termed a league or Federation. The specific activities of a League vary from country to country, but most assist

the affiliated credit unions by providing training programs and central financial services, offering technical assistance with specific problems, representing the movement before governmental agencies and other related institutions, and numerous other services. The League, being a non-profit association, directed by a Board of Directors elected by its member credit unions, has as its fundamental objective serving the affiliates in every way possible. Strengthening the existing credit union structure in Cameroon is the primary result intended by this proposed project. By so doing, an effective vehicle for development will in turn have been established.

1. Project Purposes

As stated in the Logical Framework (Appendix III), the project has two principal purposes:

- a. Strengthening of Cameroon's national and regional credit union structures (secondary societies) so that they become financially self-sufficient and technically able to provide essential services required by their affiliated credit unions.
- b. Creation of an expanding network of credit unions which have, with the support of national and regional associations, the financial and technical capabilities sufficient to provide required savings, credit and related financial services to an increasing membership.

The project focus is obviously on institutional development, or more accurately the development of a strong institutional system. Some definition of terms is perhaps in order to more adequately explain the stated purposes. "Financially self-sufficient" denotes that the concerned organization will generate sufficient revenues from its own sources to enable it to sustain the required level of program operations; i.e.,

external financial support would no longer be required. By becoming "technically able (self-sufficient)", the organization would possess the technical capabilities essential to both performance of its organizational functions and provision of necessary services to its affiliates; i.e., it would no longer require external technical support, except for possible short-term technical assistance in areas not yet evident.

This project proposal is based primarily on the document entitled "5-Year National Credit Union Development Plan: 1980-1984", recently prepared by the Cameroon Cooperative Credit Union League, Ltd. (CamCCUL), with the assistance of WOCCU/CUNA's Global Projects Office (GPO), the Government of the United Republic of Cameroon (GURC), and other collaborating organizations. Based on a thorough analysis of credit unions' present and projected needs, this plan specified all technical assistance requirements (resident technicians and consultants), as well as financial and material resources necessary to achieve technical self-sufficiency within the project's five year life.

The priority activity during the first two years of the project will be the liquidation, merger, or reorganization of Cameroon's dormant and non-viable credit unions. This will have the effect of reducing the number of credit unions from a current 222 (as of December 31, 1978) to about 160, thus substantially reducing the amount of supervisory personnel required by CamCCUL. Other major activities planned during the project period include expansion of CamCCUL's Small Farmer Production Credit (SFPC) Program to increasing numbers of rural credit unions; strengthening of CamCCUL's central financial services, including develop-

ment of accounting services; closer coordination, and eventual integration of activities of francophone and anglophone areas; substantial training of both CamCCUL and credit union personnel; development of an ongoing planning process; and production of credit union operating manuals in key areas such as bookkeeping, budgeting, credit policy and procedures, and internal auditing.

As a result of these activities, local credit union personnel and leadership will be better able to adequately manage and direct society activities, thus enabling credit unions to more fully serve the community, and strengthening their role as vital community service organizations, providing savings, credit and other financial services to a growing number of families.

2. End of Project Conditions*

By the end of the project, CamCCUL should, in addition to becoming technically self-sufficient, have raised its level of financial self-sufficiency from its current level of about 65% to a full 100%. Further, all League staff's skills should be at an acceptable level, and a sound personnel system will be in place which will allow the organization to maintain these skills by recruiting capable individuals to replace departing personnel.

At the provincial level, semi-autonomous Leagues will have been established to provide those services to credit unions which cannot be efficiently provided centrally by CamCCUL headquarters staff.

* For a more complete listing of End-of-Project Conditions, see the Logical Framework, Appendix II

At the primary society (credit union) level, more than 170 credit unions should be operating, with 75% or more having attained financial and technical self-sufficiency.

3. Services to Be Provided Target Groups

According to a 1975 survey, credit union membership is distributed fairly equally between urban and rural areas, with 52 per cent earning their livelihood primarily from agriculture. To serve this majority, the project proposes a major expansion of CamCCUL's successful SFPC programme to 28 or more credit unions. Housing and small business development lending schemes will be developed to serve predominantly urban credit union members. In addition, CamCCUL will develop improved operating systems for credit union use, provide training in their use, and strengthen its own ability to provide meaningful technical assistance to credit unions where problems exist. Finally, alternative approaches to management of smaller and moribund credit unions will be developed, so that members of these societies can also receive the same quality services provided by larger, more self-sufficient credit unions.

B. PROJECT BACKGROUND

1. HISTORY OF THE CAMEROON COOPERATIVE CREDIT UNION MOVEMENT

Since the first credit union was organized at Njinikom in 1963, the Cameroon credit union movement has grown dramatically. Credit unions now operate in five of Cameroon's seven provinces, both in English- and French-speaking areas, and a largely self-supporting national association, CamCCUL, has been organized* During the past decade, the movement has grown from one involving only 67 primary societies, with 3,500 members and savings of only \$67,000; to its current state, where 50,000 members and their families now benefit from the financial services offered by more than 200 credit unions. Total savings now exceed \$8 million, having grown at a 60% compound annual growth rate during the past decade.

This project proposes the consolidation, expansion and further strengthening of CamCCUL's already impressive, demonstrated institutional capability. CamCCUL commenced operations in 1968 staffed only by a manager, three field organizers, and several expatriate volunteers; services provided to credit unions were necessarily very limited, consisting exclusively of the organization of new societies, provision of bookkeeping supplies, periodic inspections and audits, and a few bookkeeping seminars. From these modest beginnings, CamCCUL's staff, as well as type and volume of services, grew rapidly. In addition to the initial services, CamCCUL has now also developed a sophisticated central liquidity facility in which credit unions deposit their surplus savings and when qualified, receive

* CamCCUL only operates in the Northwest, Southwest, Littoral, and Western Provinces; since 1971, 25 credit unions in the Centre-South Province have been organized and are supervised independently from CamCCUL by the Union des Caisses Populaires, headquartered in Yaounde.

League loans for relending to members. Total credit union funds invested in the League now exceed \$1 1/4 million, and CamCCUL has developed substantial expertise in investment analysis and credit delivery. In 1975, CamCCUL instituted a pilot SFPC programme, with qualifying credit unions receiving agricultural technical assistance and League loans for relending to farmer-members for agricultural projects. The success of the pilot project has led many more credit unions to request League loans for farm credit and, more recently, for housing construction and small business development loans. In 1976, with assistance from the Africa Cooperative Savings and Credit Association (ACOSCA), CamCCUL began implementing its risk management programme, whereby the League insures credit union members' savings and loans. Interest on loans and investments, plus risk management commissions and dues from affiliates, represent CamCCUL's primary revenue sources.

During the past decade, Cameroonian credit unions have granted and recovered member loans of more than 2 billion frs. CFA (\$10 million). The majority of loans have been for so-called "provident" purposes, enabling members to take advantage of educational, health maintenance, and housing improvement opportunities. Largely as a result of the SFPC programme, though, an increasing proportion of total loan volume is now shifting to productive credit (primarily for agriculture, small business development and construction).

During its brief 16 years of existence, the Cameroon credit union movement has developed into a significant financial industry and force for the improvement of the lives of tens of thousands of Cameroonian families.

The statistics in Table I on the following page speak for themselves. This project proposes to sustain the many outstanding accomplishments already attained

2. PROJECT DEVELOPMENT ACTIVITIES

In 1975, CamCCUL initiated a pilot small farmer production credit (SFPC) program. With AID funding, a U.S. technician was provided to assist CamCCUL and three pilot project credit unions in the development and testing of the program. This largely successful project has further refined CamCCUL's capability to channel productive credit through credit unions. As stated elsewhere in this proposal, the impact on participating credit unions has been dramatic; their management capabilities have been strengthened, while savings and loan volumes, as well as membership, have grown substantially. The project has not been without problems, however; these were addressed during the course of a thorough institutional analysis of CamCCUL, which was completed with Global Projects' assistance during 1978. This analysis, which identified the major strengths and weaknesses of the Cameroon credit union movement, led to CamCCUL's further request for Global Projects' assistance in preparing a five year development plan, from which this follow-on project proposal to expand and strengthen CamCCUL's institutional capabilities is derived.

This project represents a logical extension of the SFPC project. As such, one primary objective is to extend the production credit program both to other credit unions desiring it, and to other areas of productive endeavor such as housing and small business development. However, the proposed project includes more than an expansion of the production credit program;

TABLE I

GROWTH OF THE CAMEROON COOPERATIVE CREDIT UNION MOVEMENT

(Savings in Millions of CFA Francs at Year-End)

PROVINCE/CHAPTER	1 9 7 4			1 9 7 5			1 9 7 6			1 9 7 7			1 9 7 8		
	No. CU's	Members	Savings	No. CU's	Members	Savings	No. CU's	Members	Savings	No. CU's	Members	Savings	No. CU's	Members	Savings
<u>NORTHWEST:</u>															
Bumendu	39	5,722	72.7	43	7,076	109.8	41	7,224	137.1	39	7,244	162.6	39	7,133	201.8
Kom	17	3,385	28.4	17	3,490	34.4	18	3,994	40.9	17	3,875	45.5	16	3,408	52.1
Mso	21	2,799	27.1	21	3,067	33.7	19	2,495	37.6	24	3,701	46.1	27	3,623	52.7
Nkambe	16	1,335	8.0	17	1,573	9.5	12	1,476	11.9	7	1,442	12.3	9	1,408	15.3
Ndop	11	1,066	6.3	12	994	6.7	12	994	7.3	12	1,135	7.4	11	1,135	8.4
Wum	<u>11</u>	<u>1,555</u>	<u>14.0</u>	<u>11</u>	<u>1,603</u>	<u>17.3</u>	<u>12</u>	<u>1,687</u>	<u>18.8</u>	<u>10</u>	<u>1,400</u>	<u>16.0</u>	<u>10</u>	<u>1,425</u>	<u>16.2</u>
Provincial Totals	115	15,862	156.5	121	17,803	211.4	114	17,870	253.6	109	18,797	289.9	112	18,132	346.5
<u>SOUTHWEST:</u>															
Fako	21	3,407	100.9	27	6,108	180.4	28	7,411	268.4	31	9,115	406.8	32	9,039	577.8
Heme/Ndian/Manyu	<u>41</u>	<u>4,700</u>	<u>97.2</u>	<u>43</u>	<u>6,197</u>	<u>151.5</u>	<u>36</u>	<u>7,912</u>	<u>238.1</u>	<u>35</u>	<u>7,912</u>	<u>269.2</u>	<u>35</u>	<u>6,491</u>	<u>366.9</u>
Provincial Totals	62	8,107	198.1	70	12,305	331.9	64	15,323	506.5	66	17,027	676.0	67	15,530	944.7
<u>LITTORAL:</u>															
	0	0	0	10	1,067	4.9	10	1,631	17.2	10	2,045	38.7	15	2,353	68.8
<u>QUEST:</u>															
	0	0	0	1	61	0.4	3	190	2.2	4	432	6.2	5	647	12.9
<u>CENTRE-SOUTH:</u>															
	<u>12**</u>	<u>2,300</u>	<u>22.8</u>	<u>15**</u>	<u>3,808</u>	<u>38.1</u>	<u>18</u>	<u>5,137**</u>	<u>52.7**</u>	<u>19</u>	<u>6,591**</u>	<u>67.7**</u>	<u>23**</u>	<u>7,982</u>	<u>82.6**</u>
<u>NATIONAL TOTALS</u>	<u>190</u>	<u>26,269</u>	<u>377.4</u>	<u>217</u>	<u>35,044</u>	<u>586.7</u>	<u>209</u>	<u>40,151</u>	<u>832.2</u>	<u>208</u>	<u>44,892</u>	<u>1,078.5</u>	<u>222</u>	<u>44,644</u>	<u>1,455.5</u>

* The decline in total membership during 1978 resulted from the liquidation of credit unions in some regions and elimination of dormant accounts in other societies.

CamCCUL is also asking for assistance in resolving several major problems identified during the institutional analysis. Without resolution of these problems, none of CamCCUL's programs, including SFPC, can be truly effective. Briefly, these problem areas are:

- a. The need to train CamCCUL field staff in critical credit union operational areas, including bookkeeping, credit delivery, SFPC operations, saving and membership promotion, budgeting, office layout and procedures, etc., as well as in training, inspection, auditing, and financial analysis techniques. This need is particularly pressing, because most of CamCCUL's present staff was only recently hired, and is relatively inexperienced in credit union management.
- b. CamCCUL lacks a sound planning system based on ongoing analyses of credit union needs and consistent with projected resources.
- c. The need to design policies and procedures essential to strengthen CamCCUL's central liquidity facility so that it can function effectively nationwide.
- d. The need to develop alternative approaches, using shared services, to managing smaller credit unions which cannot afford their own full-time staff, and the concomitant need to liquidate, merge, or organize dormant and non-viable credit unions.
- e. The need to improve standard operating policies and procedures for credit unions, and preparation of operating manuals or guidelines for credit union personnel's use between visits by CamCCUL staff.

This project builds on CamCCUL's past development activities, and represents the final stage of an assistance program which will conclude by CamCCUL becoming, by end-of-project, the first African credit union league to attain complete financial and technical self-sufficiency.

3. GLOBAL PROJECTS' EXPERIENCE

Global Projects' support of CamCCUL is not its first involvement in overseas credit union development. In 1954, Global Projects began to introduce the credit union idea to developing countries, using its own human and financial resources. In 1962, the first of many agreements was signed with AID to assist credit union movements in Latin America. A decade of technical assistance resulted in the formation of the continental confederation, COLAC, and affiliated national federations in nearly all Latin American countries. Growth indicators, e.g. membership, savings and loan levels, were impressive. Most important, in keeping with its philosophy, Global Projects created the conditions for its own withdrawal, encouraging the established indigenous organizations to assume these responsibilities.

Similarly in Africa, Global Projects' involvement dates from 1964 when technicians funded by the U.S. credit union movement were sent to help organize national leagues in East Africa. In 1968, Global Projects encourages the establishment of the regional confederation, ACOSCA, to which 22 national leagues, including Cameroon's, are now affiliated. In 1970, a Global Projects technician was provided to ACOSCA to assist with its development program, and in 1974, additional technicians were assigned

to coordinate the small farmer production credit programs being undertaken in Lesotho and Cameroon, the latter involvement leading to development of this proposal.

Using headquarters credit union project development capabilities and technical expertise in planning, evaluation, financial management, training, organizational development, communications, and agricultural economics; Global Projects has recently completed project feasibility studies and/or project proposals in Botswana, Burundi, Egypt, Ghana, Kenya, Korea, Lesotho, Liberia, Malawi, Sierra Leone, Swaziland, Togo, and Zambia, as well as this study for Cameroon, and regional credit union projects for Africa (ACOSCA) and the Caribbean. In addition to its African regional project, Global Projects is currently implementing small farmer production credit projects in Haiti and Paraguay. Global Projects has also assisted with the design and conduct of recent ACOSCA training courses held for confederation and affiliated national league staffs.

C. PROJECT ANALYSIS

1. Status of Credit Unions

a. Purposes, Structure and Activities of Credit Unions

Credit unions are cooperative associations organized by groups of people having a common bond, in accordance with the provisions of local law, for the purpose of promoting thrift among members, and creating a source of credit for provident and productive purposes at low interest rates. Its operating philosophy and policies are based upon the same time-tested cooperative principles of universality,

democracy, equity, economy, neutrality, education, and unity, used by some 44,000 credit unions in nearly 100 different nations.

Organizationally, a credit union's governing body is its Board of Directors, elected by members at Annual General Meetings, the society's ultimate authority. The Board, in turn, employs a secretary (i.e., manager) to handle the day-to-day administration of the credit union and supervise any additional staff. Within the Board, there is a credit committee, made up of members' peers, which has the responsibility of approving or rejecting, with a minimum of delay, members' loan applications. Finally, the members also elect a "supervisory committee", sometimes termed the "watch-dog" of the credit union, which performs periodic internal audits of the credit union's financial records and evaluates internal control.

b. Achievements

(1) Widespread Network of Credit Unions

The primary achievement of the Cameroon credit union movement has been the establishment of some 222 credit unions (as of December 31, 1978) in five of Cameroon's seven provinces. Although largely concentrated in the western, English-speaking (anglophone) areas of Cameroon, particularly in the Northwest Province, credit unions have in recent years been organized in French-speaking areas as well. As of December 31, 1978 there were some 43 credit unions (caisses populaires) in franco-phone Cameroon, versus some 179 in anglophone areas. Credit

unions from anglophone and francophone areas participate in national and international credit union forums, and are represented on CamCCUL's Board of Directors.

Table I in Section B.1 above indicates the geographical distribution of Cameroonian credit unions, as well as their relative size in terms of membership and financial strength.

(2) Mobilization of Household Savings

The single most significant characteristic distinguishing credit unions is the traditional emphasis placed on mobilization of household savings. The only institutional alternative, where one exists, is the post office savings bank, but this latter has, among others, the disadvantage that is not authorized to grant loans to depositors. Traditional savings and credit associations, called njangis, also exist, but they, too, have several disadvantages: one has to wait, often many months, before one can "withdraw" his savings, there is no professional management, and interest rates on savings may be low or nonexistent.*

Substantial savings exist in villages, often hidden in mattresses, attics, buried underground, etc., but credit unions have proven themselves to be the only institutions in which rural Cameroonians are willing to deposit substantial portions of their personal savings. This willingness is based on two primary factors. The

* However, many credit unions have recently "capitalized", so to speak on the existence of njangis: each month's "pot" is deposited in a different member's credit union savings account, thus combining "traditional" savings mobilization methods with modern ones.

first is the quality of services. Credit unions are usually the only rural financial institutions which offer convenient savings and withdrawal facilities, a reasonable return on savings and definitely the only one which is willing to grant loans to members at comparatively low (compared to the usual alternative, moneylenders') interest rate, with a minimum of bureaucracy or delay. Second is trust. The credit union is locally-owned and controlled by the members themselves. Management is handled by member-elected committees and Boards of Directors. As a result, members have a great deal of trust and confidence in their credit union and are much likely to save there than in alternative savings institutions, where they exist. This trust is strengthened when members know that their credit union is periodically inspected and audited, and staff trained, by League field representatives.

Comparison With Other Financial Institutions

As indicated in Section B.1., credit union savings growth in Cameroon has been dramatic. In addition to absolute growth, savings has also grown dramatically relative to that of other financial institutions. As the following table indicates, the credit unions are among Cameroon's fastest growing thrift institutions:

TABLE II

Growth and Composition of Savings
Deposits in Cameroonian Thrift Institutions

<u>Institutions</u>	---(In Millions of CFA Francs)---				<u>Compound Annual Growth Rate</u>
	<u>1968</u>		<u>1978</u>		
	<u>Amount of Deposits</u>	<u>Market Share</u>	<u>Amount of Deposits</u>	<u>Market Share</u>	
Credit Unions	14	1%	1,455	26%	60%
Savings Banks	1,170	63%	3,200	57%	12%
Post Office Savings	<u>670</u>	<u>36%</u>	<u>940</u>	<u>17%</u>	<u>4%</u>
Totals	<u>1,854</u>	<u>100%</u>	<u>5,595</u>	<u>100%</u>	<u>12%</u>

* Source: IMF International Financial Statistics and CamCCUL Annual Reports

One can infer the following additional conclusions from this data:

- Credit unions, since they operate largely in areas where commercial and savings banks are not active, tend to increase total institutional savings, rather than carve out a portion of the total at the expense of other institutions.
- Credit unions probably serve a population with more available savings than the typical post office saver, and substantially less than the typical commercial bank depositor. This membership is largely composed of rural and urban lower and lower-middle class persons, a group with economic needs and potential not served by other institutions.

Impact of SFPC Program on Credit Union Savings Growth

As noted above, savings growth throughout the movement has been impressive. Even more dramatic has been the impact of the SFPC program on the pilot credit unions. According to a recent evaluation of CamCCUL's SFPC program, the annual savings rate for SFPC credit unions members taking SFPC loans was typically from four to eight times higher than that of members not taking SFPC loans.

To further illustrate this impact, savings growth before and during the SFPC project were compared for two pilot project credit unions (Banten & Ntundip). In the graph on the following page, the reader sees that prior to commencement of SFPC loans, total savings of the two credit unions combined was growing by about 800,000 CFA (\$3,700) a year, whereas after the project started, annual savings growth jumped to approximately 1.1 million CFA (\$5,300), an almost 40% increase in annual savings growth rates. It has been estimated that fully 21% more savings - 1.36 million CFA (\$6,300) - has been mobilized as a result of the project than would have been the case had the credit unions continued to operate as before:

TABLE III

Impact of SFPC on Savings Growth
in Banten and Ntundip Credit Unions

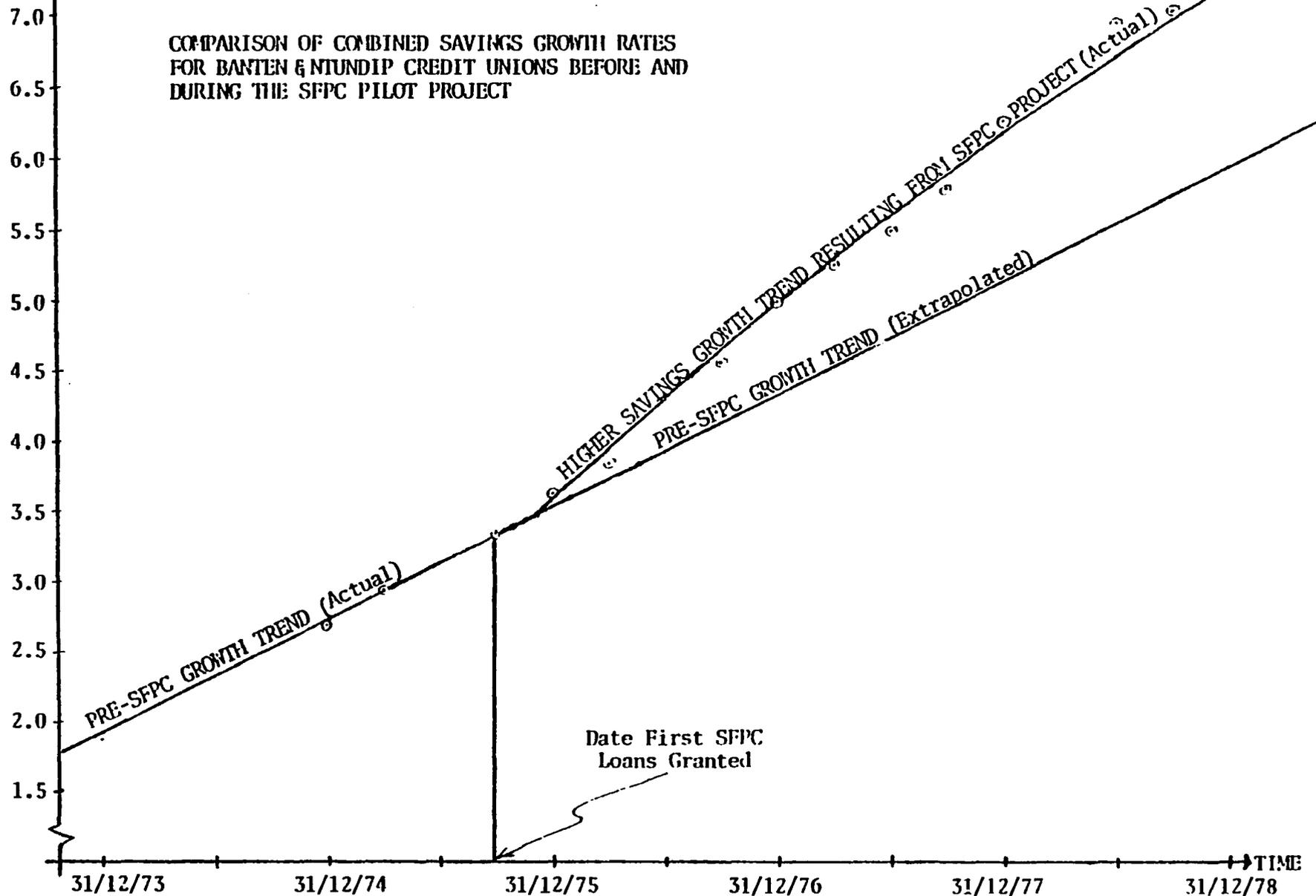
<u>Date</u>	<u>Combined Total Savings of the Two Credit Unions</u>		<u>Incremental Savings Attributable to SFPC Program</u>	
	<u>According to Pre-SFPC Growth Trend*</u>	<u>Actual Levels Achieved During SFPC Period</u>	<u>Amount of Incremental Savings</u>	<u>% Increase Over Pre-SFPC Growth Trend Extrapolation</u>
30/06/75	3,152,916	N.A.	N.A.	N.A.
31/12/75	3,526,090	3,638,520	112,430	3.2%
30/06/76	3,932,526	4,307,502	374,976	9.5%
31/12/76	4,338,963	5,006,393	667,430	15.4%
30/06/77	4,745,400	5,502,015	756,615	15.9%
31/12/77	5,151,837	6,188,710	1,036,873	20.1%
30/06/78	5,558,274	6,781,662	1,223,388	22.0%
31/12/78	5,964,711	7,200,747	1,236,036	20.7%
30/06/79 (Est.)	6,371,148	7,731,560	1,360,412	21.4%

* Values shown under this column were calculated using a linear least-squares regression equation.

TOTAL SAVINGS
(Millions of CFA)

CHART NO. 1

COMPARISON OF COMBINED SAVINGS GROWTH RATES
FOR BANTEN & NTUNDIP CREDIT UNIONS BEFORE AND
DURING THE SFPC PILOT PROJECT



These results were neither surprising nor unexpected. The same dramatic growth has occurred in many other credit union SFPC projects around the world. The two fundamental reasons that this phenomenon occurs are simple to understand. First, the League requires that the credit union employ a full-time secretary (i.e., manager) and establish regular office hours.

This manager, with adequate training and supervision from the League, provides dramatically increased levels of service to members, and raises the society's "visibility" in the village, and the confidence members have in their society. Secondly, according to the standard credit policy, the amount of loan a farmer can obtain is a multiple of his/her own savings. That is, increasing compensating balances allow a member to obtain increasingly larger loans.

Confident in the approach, CamCCUL desires to extend the system to as many other rural credit unions as possible, and thereby further accelerate already-dramatic savings growth within the movement.

Propensity to Save

Another point of reference in assessing Cameroonian credit unions' success in savings mobilization is to compare credit union savings with per capita income. The average credit union member's savings account increased during 1978 by about \$42.89 to \$163.01. This increase represents 13% of 1978's estimated

per capita income of \$540. Of course, this rough measure of credit union members' propensity to save probably understates the case, since the per capita income of the rural population is considerably below the national average. Thus it is probably fair to state that members may be depositing 20% or more of their incomes in their credit unions, which in turn confirms the hypothesis that members have substantial trust in their credit unions.

(3) Loans to Members and SFPC

Use of credit in the areas of Cameroon where credit unions operate is widespread, both in rural and urban environments. Excepting credit unions, the only alternative source of credit is usually the local moneylender, whose interest rates typically amount to more than 100% per annum. Commercial bank branches are usually quite distant, and most credit union members cannot qualify for loans. There are, of course, thousands of "traditional" revolving credit societies, called "njangis", but these societies are essentially savings-oriented, and a member might have to wait months to take his turn. A government agency, FONADER*, also grants loans to farmers, but the demand for credit probably exceeds the resources of FONADER and credit unions combined. Therefore, this project should complement, rather than compete with, the efforts of FONADER.

* National Rural Development Fund

Of all of Cameroon's financial institutions, credit unions alone possess the ability to deliver credit rapidly and on reasonable terms without extensive external financial, technical, or supervisory support. Most member loan applications are treated promptly by a local credit committee, composed of the members' peers, without red tape, extensive form-filling, or requiring additional approval procedures at far-away banks or credit agencies. The credit union is locally-owned, operated largely by volunteers, and often operating without an office as such, which largely explains how the society can afford to offer such low lending rates. The possibility of availing themselves of this reasonable (12% APR or less), convenient credit facility is a major factor motivating most of Cameroon's 40,000-plus members to join credit unions.

The above is not just nice theory; it actually works. During the past decade, more than 2 billion CFA francs (\$10 million) worth of loans have been granted and recovered by some 222 local credit unions in Cameroon. These loans were granted entirely from members' own savings, totalling nearly 2 billion CFA (\$10 million). Recent movement-wide statistics on the purposes of loans to members are unavailable, but at the time of the last survey (1975), the majority were for so-called "provident" purposes: payment of children's school fees, housing improvement (largely construction of corrugated metal roofs on existing dwellings), cost of important family events (births, marriages,

and deaths), medical treatment, etc. (See Table IV). With the exception of the SFPC credit unions, the distribution by loan purposes probably remains similar to that of 1975, as shown below:

TABLE IV
Credit Union Loan Purposes
Before and During SFPC Program*

<u>Loan Purpose</u>	<u>1975</u>				<u>1977</u>			
	<u>No.</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Provident Loans</u>								
Education	2,695	24.5%	\$ 349,428	18.2%	9	9.6%	\$ 715.18	5.4%
Family Events	750	6.8%	106,293	5.5%	1	1.1%	66.63	0.5%
Health Maint.	1,386	12.6%	102,391	5.3%	8	8.5%	230.99	1.7%
Hous. Imprvmts	2,345	21.2%	770,912	40.1%	9	9.6%	857.33	6.5%
Miscell.	<u>591</u>	<u>5.4%</u>	<u>94,177</u>	<u>4.9%</u>	<u>6</u>	<u>6.4%</u>	<u>386.46</u>	<u>2.9%</u>
Total Provident Loans	<u>7,767</u>	<u>70.5%</u>	<u>\$1,423,200</u>	<u>74.1%</u>	<u>33</u>	<u>35.2%</u>	<u>\$2,256.59</u>	<u>17.0%</u>
<u>Productive Loans</u>								
Trading/Bus.	1,658	15.1%	\$ 337,302	17.6%	38	40.3%	\$ 7,314.00	55.2%
Farming	1,589	14.4%	160,059	8.3%	23	24.5%	3,695.87	27.8%
Tot. Pro. Lns.	<u>3,247</u>	<u>29.5%</u>	<u>497,358</u>	<u>25.9%</u>	<u>61</u>	<u>64.8%</u>	<u>11,009.87</u>	<u>83.0%</u>
Total Loans Granted	<u>11,014</u>	<u>100.0%</u>	<u>\$1,920,558</u>	<u>100.0%</u>	<u>94</u>	<u>100.0%</u>	<u>\$13,266.46</u>	<u>100.0%</u>

*Assumes 1 U.S. \$ = 215 CFA

This is not to say that credit unions do not have credit delivery problems; they do. For instance, credit union loan volumes, largely due to rather conservative loan policies adopted early on, have not been as high as one would like. Although slowly increasing in recent years, only about 60 per cent of members' savings and accumulated reserves are, on average, outstanding to members as loans. Credit unions, as well as government and CamCCUL, are also concerned that too large a proportion of loans granted are for consumption, as opposed to being invested in productive endeavors. Since many of these consumption expenditures would have been financed with expensive loans from local moneylenders, however, credit unions have still saved their members millions of francs in interest.

The SFPC Project

The movement's response to these problems has been partially through initiation of a pilot SFPC program. Through this program, pilot project credit unions have largely overcome the above three problems. Loan/savings ratios now average around 100 percent. The volume of productive credit has expanded dramatically, so that by 1977, nearly 2/3 of the number and 4/5 of the amount of loans outstanding were for income-generating activities (See Table IV). The following is a summary of SFPC loans granted to date in Banten, Mbangon, Njaah, and Ntundip credit unions:

TABLE V
SFPC LOANS GRANTED TO DATE BY PURPOSE

(In U.S. \$)

<u>Purpose of Loan</u>	<u>Number of Loans Granted</u>	<u>Percent</u>	<u>Amount of Loans Granted</u>	<u>Percent</u>
Livestock	47	56.0	\$27,010	71.1
Coffee Production	23	27.4	8,121	21.4
Mixed Agriculture	13	15.5	2,701	7.1
Poultry	<u>1</u>	<u>1.2</u>	<u>146</u>	<u>0.4</u>
Totals	<u>84</u>	<u>100.0</u>	<u>\$37,978</u>	<u>100.0</u>

(Assumes 1 U.S. \$ = 205 CFA)

Further, of the SFPC loans which had been repaid by December 31, 1977, members of this credit union had averaged more than a 200% return on investment. Finally, the pilot credit unions have maintained delinquency rates ^{1/} at levels a half or third below those of similar credit unions:

TABLE VI

Summary of Combined Delinquency in Banten
and Ntundip Credit Unions ^{2/}
1975-1978

<u>Indicator</u>	<u>12/31/75</u>	<u>8/30/76</u>	<u>12/31/76</u>	<u>4/30/78</u>	<u>9/30/78</u>	<u>11/30/78</u>
Number of Loans Outstanding	156	185	199	267	293	298
Total Loans Outstanding	\$11,743	\$21,540	\$24,685	\$34,186	\$37,366	\$29,975
Total Delinquency	\$420	\$1,596	\$2,007	\$4,027	\$1,913	\$3,632
% Delinquent	5.0%	7.4%	8.1%	11.8%	6.1%	12.1%

^{1/} Data for Mbangom, the third SFPC credit union, is unavailable.

^{2/} It should be pointed out that delinquency represents the amount of loans overdue anywhere from two months to several years. The amount of loans which will eventually be written off, representing real bad debts, is generally only a small proportion of total delinquency.

Remaining delinquency remains concentrated among "provident" loans. While total delinquency was 12 percent most recently, it was only 4 percent for SFPC loans. Considering that in less than three years the number of loans outstanding has nearly doubled, and the amount of loans outstanding nearly triple pre-SFPC levels, the SFPC credit unions have maintained remarkably healthy delinquency rates. This is particularly true if compared to non-SFPC credit unions, where delinquency averages 20%-30%. The risk to SFPC credit unions remains slight, since total delinquency, which will only partially result in actual write-offs, only slightly exceed total reserves (retained earnings).

(4) Achievement of Financial Self-Sufficiency by Credit Unions

As part of the analysis leading to development of its 5-Year Development Plan, CamCCUL studied the prospects for achievement of financial self-sufficiency by all those credit unions for which statistics were available. To assess credit unions' progress toward self-sufficiency, CamCCUL calculated minimally-acceptable savings levels required for both rural and urban credit unions to "break-even", using the methodology indicated in Appendix V. To achieve a minimal level of self-sufficiency, it was found that a rural credit union needs savings of at least 2.2 million CFA (\$11,000) and urban societies about 4.5 million CFA (\$22,000).

Next, CamCCUL studied each credit union's past years' growth rates to determine those credit unions (1) whose savings

already have or soon will exceed the specified break-even levels, (2) those which are growing, but not at a rate consistent with attaining self-sufficiency in the foreseeable future, and (3) those that are dormant (savings not growing at all). The results were as follows:

TABLE VII

PROGRESS TOWARD ACHIEVING FINANCIAL SELF-SUFFICIENCY

BY CAMEROONIAN CREDIT UNIONS
(Number of Credit Unions)

<u>Province</u>	<u>Number Now or Soon to be Self-Sufficient</u>	<u>Number Growing Too Slow to Achieve Self-Sufficiency</u>	<u>Number¹ Dormant Credit Unions</u>	<u>Total Number of Credit Unions</u>	<u>% Now or, Soon to be Self-Sufficient</u>
North West	38	19	63	120	31.7%
South West	41	9	20	70	58.6%
Ouest	5	0	1	6	83.3%
Littoral	11	1	3	15	73.3%
Centre-South	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>
Totals - National	<u>94</u>	<u>29</u>	<u>87</u>	<u>210</u>	<u>44.8%</u>

Of those credit unions with statistics at CamCCUL headquarters, nearly half, then, have or soon will have achieved self-sufficiency. The other 29 functioning credit unions (14% of the total) survive by cutting back costs in one of two manners: (1) reducing or eliminating dividends and interest on member shares and savings; or (2) continuing to rely on volunteers to manage the credit union, or pay the manager

1/ Apparently some of these have already been liquidated.

less than market value for his/her services.

Although less than half of the credit unions can be considered viable units, the fact that at least 94 have achieved viability is still undoubtedly a major accomplishment. During the project period, still more credit unions will become viable as a result of CamCCUL's credit union consolidation programme (See Section C.4, "Project Objectives") whereby non-viable credit unions will be merged with others to make a larger, more viable savings base.

c. Problems

(1) Skill Deficiencies

Given the fact that Cameroon's literacy rate is low and, since few villagers, or city dwellers, for that matter, have received effective training in business management, it is obvious that effective training represents a primary need. A sample of the indicators of that need include:

- Inadequacy on many societies' part to effectively perform critical processes, e.g., bookkeeping, loan analysis, financial management, and savings promotion;
- Existence of substantial loan delinquency in some societies resulting from inadequately-defined credit policies;
- Improper calculation of interest on loans;
- Inability to calculate dividends on shares (i.e., savings); and
- Slow growth of savings and membership in some societies, especially rural ones, indicating ineffective promotion efforts

One might well ask whether, with the existing literacy level, an increased level of functional literacy is not perhaps a precondition to successful credit union development. However, in all villages visited

by Global Projects staff in recent years, there are several sufficiently educated individuals who, if properly motivated and trained, can perform essential written tasks such as bookkeeping, report writing, assisting members to fill out forms, and keeping minutes. CamCCUL has, furthermore, found that illiterate local leaders also can and do serve as effective credit union Directors. The availability of such individuals is the basis of the tremendous growth already experienced. In most cases, the enthusiasm already exists; what is needed is strengthened technical training in credit union management.

Before designing a detailed training strategy and program for credit union staff and officials, one must know just what the priority training needs are. The development and implementation of a membership (i.e., credit union) education program is, in fact, one of this projects' principal objectives. Fortunately, some of these training needs were identified in a joint ACOSCA/Global Projects study undertaken in mid-1977 of some of ACOSCA's West African affiliates, including Cameroon. After discussions with various League, credit union, and government officials, a list of training needs was prepared. The League manager, with the assistance of the ACOSCA/Global Projects team, prioritized these training needs according to perceived importance. Since most credit unions have received little support during the past two years because of CamCCUL's staff shortage, these training needs probably still approximate current needs. The training priorities, listed more or less in order of perceived importance, from highest to lowest, include training in:

- Merger procedures and development of shared management approaches for credit unions operating in close geographic proximity;
- Bookkeeping, including use of automated systems;
- Use of model office administration systems, especially filing, record-keeping, funds handling, and communications;
- Credit policy development, loan monitoring, and delinquency control, especially important so that more credit unions can participate in the League's production credit program;
- Internal auditing (tasks of Supervisory Committee);
- Budgeting, financial statement analysis, distribution of net income, and other aspects of financial management;
- Membership and savings promotion strategy development, including effective use of media;
- Coordination of activities with other cooperative organizations and government;
- Operation of risk management program;
- Planning;
- Primary society organizational structures, including duties and responsibilities of officers and officials, as well as Board/Management relations;
- Relevant provisions of cooperative law, League by-laws, and model primary society by-laws;
- Meeting management; and
- Personnel management.

These are obviously not all of the societies' training needs, but represent those areas where training should concentrate, at least initially, to have the highest impact on the health and dynamism of the movement.

(2) Loan Composition and Volume

As indicated in Section C.2.b.(3) above, credit unions in general suffer from the interrelated problems of delinquency, low loan/savings ratios, and inability to grant greater volumes of productive credit. CamCCUL

believes these problems to be the result of a series of factors:

First, inadequate credit policies, which have not been properly tailored to members' needs or past credit experience; second, lack of training in efficient loan granting, monitoring, and collection techniques; and lastly, excessive reliance on volunteers, whose available time is limited. If the experience with the pilot project SFPC credit unions is an indication, however, once most credit unions employ full-time, trained managers, and/or start participating in the SFPC program, these problems will be substantially alleviated.

In addition, urban credit unions have requested CamCCUL to assist them to develop their capability to grant housing loans. Many of these urban workers' credit unions have substantial surplus savings which could be channelled into building loans. Development of the systems, policies, and procedures necessary for credit unions to embark into this new field is part of one of this project's objectives.

(3) Dormant and Marginal Credit Unions

Numerous dormant and marginal credit unions exist which increase CamCCUL's supervisory costs, but which return little or nothing in terms of revenues. As indicated in Section C 1.b. above, more than half of the existing credit unions have not attained, or will not attain in the foreseeable future, break-even levels of savings. The following table indicates that the smallest 50% of the credit unions possess only about 5% of total movement savings:

TABLE VIII

DISTRIBUTION OF TOTAL MOVEMENT SAVINGS BY CREDIT UNION SIZE
At June 30, 1979*

<u>Size of Society's Total Savings</u>	<u>Frequency of Observation</u>		<u>Total Savings per Category</u>	
	<u>No. of C.U.'s</u>	<u>% of Total No.</u>	<u>Amount (Mil.CFA)</u>	<u>% of Total Savings</u>
0 - 249,999	22	10.6%	3.31	0.2%
250,000 - 499,999	18	8.7%	6.17	0.4%
500,000 - 1,999,999	64	30.9%	73.67	4.6%
2,000,000 - 9,999,999	68	32.9%	265.86	16.8%
10,000,000 - 19,999,999	12	5.8%	175.61	11.1%
Greater than 20,000,000	<u>23</u>	<u>11.1%</u>	<u>1,060.74</u>	<u>66.9%</u>
Totals	<u>207</u>	<u>100.0%</u>	<u>1,585.36</u>	<u>100.0%</u>

Mean = 7,659,000 Median = 1,941,000 Standard Deviation = 16,394,000

* Excludes Centre-South Province caisses populaires and other credit unions for which data was not available.

It has been recommended that CamCCUL just liquidate all the small and dormant credit unions and be done with them. CamCCUL rejects this approach, preferring, as indicated in the project objectives, to merge these societies into larger, more viable units. In many cases, up to six or eight societies are located in rather close geographic proximity to each other. In these cases, CamCCUL would like to either merge several societies together into one credit union having several branches, along the lines used by caisses populaires in the Western and Centre-South Provinces, or where that is impossible, develop shared management schemes.

Among the alternative approaches CamCCUL is considering are use of itinerant bookkeepers or managers and the use of credit union service centers, along the lines of those in the U.S. The former would be most applicable in rural areas, while the latter would be appropriate

in cities where several credit unions operate independently. Both approaches could be managed through League contracts, or by independent agreements among nearby credit unions, although if properly designed, these systems could well prove to be a lucrative revenue source for the League.

(4) Need for Advanced Bookkeeping Systems

The bookkeeping burden, particularly in larger credit unions, is becoming so great that the bookkeeping records are frequently many months in arrears. Thus some form(s) of automated bookkeeping, possibly the use of regional microcomputer processing stations using the batch system, need to be developed.

2. STATUS OF THE CAMEROON COOPERATIVE CREDIT UNION LEAGUE

a. League Purposes and Organizational Structure

The Cameroon Cooperative Credit Union League (CamCCUL) is a democratic secondary cooperative society registered under the Cameroon Cooperative Law of December 7, 1973, having as its primary purposes:

- Improvement and expansion of Cameroonian credit unions
- Developing a favorable public image of credit unions
- Securing favorable laws and regulations
- Provision of insurance on credit union savings and loans
- Acting as a central bank for credit unions.*

CamCCUL's primary policy-making body is its Board of Directors, which is composed of 13 Directors representing CamCCUL's 9 "Chapters," or regional associations of credit unions.** The full Board meets quarterly,

* Source: CamCCUL's Articles of Association

** Bamenda, Ndop, Meme/Ndian/Manyu, Nso, Kom, Wum, Fako, Nkambe, and Littoral/Cuest Regions.

with a 5-person Executive Committee meeting monthly. Ultimate policy-making authority rests with the Annual General Meeting of all registered and affiliated member credit unions, who as shareholders, "own" CamCCUL.

Day-to-day management of CamCCUL is the duty of the General Manager and his staff. Until recently, the staff only consisted of a clerk, cashier, several expatriate volunteer field inspectors, and the Global Projects technician. However, an agronomist (the SFPC counterpart) and eight Cameroonian field inspectors have now also been employed and posted to the various Chapter areas, to assume the responsibilities of the expatriate volunteers. All Cameroonian staff, including the Manager, Cashier (who doubles as the Risk Management Officer), and SFPC counterpart, who are currently on secondment from the Cameroon government (GURC), are paid from CamCCUL's own revenues. A number of expatriate volunteers continue to work as field inspectors.

b. Achievements

In cooperation with CamCCUL and ACOSCA staff, Global Projects undertook a thorough institutional analysis of the League during its 1976 mid-project assessment, which was updated during 1978. The approach taken with CamCCUL staff and Board was to assess the organization's ability to implement key organizational functions. Those functions assessed fall into two categories. The first group of functions relates to those required for the sound internal management and maintenance of CamCCUL, including its personnel system, planning and evaluation, financial management, and administration.

Without adequate performance of these functions, CamCCUL would find it difficult to support and maintain its field operations.

The service group is composed of functions that relate CamCCUL's provision of services and assistance to affiliated credit unions, including credit union organization, field representation and management support, central financial services, supplies sales, development of standard operating policies and procedures, training, public relations and liaison. The ability of CamCCUL to effectively carry out these service functions bears a direct relationship to the development, growth, and general wellbeing of Cameroon's credit unions. Credit unions rely heavily on CamCCUL field staff for formal and on-the-job training in credit union organization and management, as well as for on-the-spot technical assistance in solving day-to-day operational problems. Failure of CamCCUL's staff to effectively carry out these service functions leads to serious problems at the credit union level and, by implication, eventually at League level.

The following sections summarize CamCCUL's institutional capability in these areas and highlights major existing problem areas.

(1) Administration

Considering CamCCUL's past staff shortages, CamCCUL has developed remarkably adequate administrative procedures. A sound accounting system is in place which produces monthly financial statements. This reflects the Manager's substantial knowledge and experience in the accounting discipline. Realistic operating bud-

gets are prepared annually, and monitored throughout the year. An adequate filing system is in place, with files for all affiliates. Office routine seems adequate to meet current needs, but the League definitely needs additional office space. Procedures for receiving, disbursing and safeguarding funds seem adequate, as do the systems for care and maintenance of vehicles and equipment. Semi-annual dues billings are promptly sent out every January and July and collections average more than 90%. Interest on deposits are computed and paid semi-annually. CamCCUL also on a systematic basis collects and compiles important statistics summarizing affiliates' operations.

(2) Services to Credit Unions

(a) Central Financial Services

(i) Central Liquidity Facility

On its own initiative, CamCCUL in 1970 established a central liquidity facility (CLF) where its affiliates could safeguard the 25% liquidity reserve required by law. Each affiliate maintains 25% of its savings in term deposit accounts entitled "Fixed Deposits", on which CamCCUL currently pays 4% interest. For those credit unions experiencing additional chronic or seasonal surplus liquidity, CamCCUL also set up two additional accounts: 6-month term deposits, entitled "Special Fixed Deposits", earning 4½% interest; and a current account, entitled "Regular Deposits", which

earn 1% interest. As of June 30, 1979, credit unions had deposited a total of nearly \$1½ million of credit unions' excess liquidity in the CLF.

With these funds, several million dollars in loans have been granted to and collected from credit unions and marketing cooperatives, with only slight delinquency problems. CamCCUL's manager has demonstrated substantial skill in investment analysis and credit management. Due to CamCCUL's staff shortage, however, having as a result the overburdening of the manager, the latter has been unable to properly document the systems he has already developed. Despite staff shortages, the CLF continues to be CamCCUL's major source of revenue. The margin earned between interest received on loans (9% to credit unions and 12% to cooperatives) and investments and the interest paid on said deposits was more than enough to pay for CamCCUL's total operating costs in 1977. However, that was an unusual situation; if it had been fully staffed, CamCCUL would have suffered a deficit that year.

One interesting feature of the CLF is that it has permitted CamCCUL, although admittedly on a limited basis, to reverse the usual flow of savings from rural areas to the urban sector; societies' surplus savings, mostly from large urban credit unions, are being channelled through CamCCUL back into rural credit unions

and marketing cooperatives. Once it is again staffed with a full component of field staff, CamCCUL hopes to dramatically expand credit unions' demand for and institutional capacity to absorb League production credit loans, as has already been done in the case of the SFPC credit unions.

(ii) Risk Management Program

In 1976, through the ACOSCA risk management program, CamCCUL began offering life savings and loan protection insurance to affiliated credit unions. About 20% of total movement savings and loans are now insured and rapid expansion can be expected to continue, as the benefits of participation in the program become better known. Over time, the program should become a major revenue source for CamCCUL. Technical assistance in the operation of the program is being provided by ACOSCA.

(b) Sale of Supplies and Equipment

CamCCUL sells, from its various offices, bookkeeping supplies and office equipment, such as safes and calculators, as well as improved seeds for credit unions desiring them. These supplies, which are purchased on a bulk basis, currently yield a gross profit margin of about 10% on sales. 1978 sales amounted to \$7,300. The operation of the supply service seems, in general, adequate.

(c) Standardized Operating Policies and Procedures

During its first decade, in order to assure a minimum level of competence in all credit unions, as well as to facilitate auditing and comparability, CamCCUL has developed and trained credit union staff and officials in use of standardized operating policies and procedures. The systems which have been largely developed and implemented include bookkeeping, credit policy, meeting procedures, and internal auditing (tasks of Supervisory Committees) All credit unions have received training in these systems and, with the exception of internal auditing, have been fully implemented. However, credit union staff and officials need reference manuals to guide them between visits of CamCCUL staff. During 1978, therefore, CamCCUL initiated the task of updating some of the standardized (recommended) operating policies and procedures, and operating manuals in certain areas, such as bookkeeping, credit policy and procedures, and office management, are being drafted.

Completion of final drafts of these manuals, their printing, and distribution to credit unions, is another one of this project's objectives.

CamCCUL has also developed and implemented inspection, and auditing systems for use by its field inspectors, and has defined the procedures for organizing credit unions.

(d) Training and Information Dissemination

Training of credit union members and, perhaps more importantly, credit union officers and committee members, in the operations of a credit union is a critical, on-going role of CamCCUL. Each year, thanks to grants from the Konrad Adenauer Foundation of West Germany, CamCCUL has sponsored a number of local and regional courses presented by League staff and board members, with guest presentations by GURC and Cooperative College officials.

In addition, although CamCCUL had to discontinue publication of its monthly newsletter, "CamCCUL News and Views", because of its staff shortage, news related to SFPC is forwarded quarterly to the 19 participating credit unions.

(e) Public Relations and Representation

Performance to date of processes within this functional area, thanks largely to the unique abilities of CamCCUL and ACOSCA leadership, has been outstanding. Relations with the Cameroon government, ACOSCA, and other local and international interested parties, are excellent.

(3) League Financial Status

CamCCUL's financial position, as indicated by the financial statements shown on the following pages is strong. Such traditional measures of financial soundness as the current and debt-equity ratios are both more than adequate for an organization such as CamCCUL. In terms of assets alone,

TABLE IX

CAMEROON COOPERATIVE CREDIT UNION LEAGUE, LTD.

COMPARATIVE ANNUAL INCOME AND EXPENSE STATEMENTS

1973-1978

(in CFA Francs)

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>INCOME</u>						
Gross Margin on Sales	671,671	594	349,612	615,339	239,049	440,384
Interest from Banks	835,650	1,602,322	3,271,987	5,390,967	9,312,815	14,528,350
Interest on Loans	2,305,323	3,976,198	4,924,183	6,184,414	7,630,640	4,539,750
Dues	721,025	901,000	959,500	920,000	809,300	1,005,000
Insurance Commissions	----	----	----	20,000	50,000	10,000
Entrance Fees	32,000	18,000	----	2,000	10,500	4,000
Miscellaneous Income	1,100	1,080	9,180	98,415	14,075	228,215
Total Income	<u>4,566,769</u>	<u>6,499,194</u>	<u>9,514,462</u>	<u>13,231,135</u>	<u>18,066,379</u>	<u>20,755,699</u>
<u>EXPENSES</u>						
Salaries	2,613,120	2,550,370	3,163,087	962,946	980,616	3,080,379
Social Insurance	222,092	220,964	447,702	184,691	124,538	399,398
Other Staff Benefits and Allowances	307,190	80,840	100,000	519,000	294,000	451,924
Vehicle Operating Costs	259,013	317,094	452,926	420,776	396,407	514,386
Field-worker Travel Claims	449,875	374,788	942,365	264,810	494,460	625,450
Local Travel and Other Transportation Expenses	70,900	80,195	197,872	123,320	148,450	603,850
Office Expenses	173,950	194,650	459,719	493,857	410,168	610,087
Communications (P.T.T.)	131,094	77,456	----	152,991	258,585	----
Depreciation	387,277	401,818	277,450	534,865	691,260	654,005
Bank Charges and Interest Tax Withheld	8,093	24,926	126,205	177,190	752,994	1,306,832
ACOSCA Dues	75,680	155,310	283,560	333,577	487,060	617,640
Board Expenses	189,905	363,343	481,451	1,033,330	1,050,580	765,570
General Meetings	37,250	75,855	376,916	90,400	154,015	158,240
CamCCUL 10th Anniversary	----	----	----	----	----	666,745
ACOSCA Conference Costs	----	43,350	----	79,250	----	282,723
Seminars	3,700,361	808,870	894,378	1,717,586	1,355,996	3,081,637
Interest on Loans and Deposits	1,626,005	2,637,271	4,553,797	5,996,538	7,439,280	9,075,470
Provision for Doubtful Accounts	----	----	----	----	----	1,825,000
Miscellaneous Expenses	119,389	151,179	128,097	468,655	236,907	226,004
Total Expenses	<u>10,371,194</u>	<u>8,538,279</u>	<u>12,885,525</u>	<u>13,553,782</u>	<u>15,275,316</u>	<u>24,945,300</u>
Deficit	5,804,425	2,059,085	3,371,063	322,647	<2,791,063>	4,189,641
Per Cent Self-Sup- porting	44.0%	75.9%	73.8%	97.6%	118.3%	83.2%

Source: CamCCUL Annual Reports

CAMEROON COOPERATIVE CREDIT UNION LEAGUE, LTD.COMPARATIVE YEAR-END BALANCE SHEETS1973-1978(in CFA Francs)

<u>ASSETS</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>Current Assets</u>						
Cash	2,078,568	2,472,676	2,941,509	3,499,235	9,108,631	24,656,750
Bank Savings	1,857,777	4,481,145	17,509,217	30,913,917	45,771,571	48,279,040
Advances	1,421,520	566,549	2,014,681	1,476,244	1,872,994	2,315,340
Loans to Members	3,304,077	2,215,882	4,449,119	3,680,881	5,049,752	11,378,230
Other Loans	48,800,000	75,912,500	84,315,714	80,495,971	44,861,043	31,729,770
Allowance for Bad Debts	----	----	----	----	----	<1,825,000
Interest Receivable	10,083,330	2,339,062	3,756,057	6,321,159	8,474,498	8,409,090
Dues and Fees Receivable	40,750	143,250	334,250	495,208	550,527	441,520
Prepayments	24,779	66,529	----	----	128,660	----
Stationery and Equipment						
Stocks	1,379,632	1,326,658	448,602	659,220	801,027	1,240,290
Total Current Assets	59,915,433	89,524,251	115,769,149	127,541,835	116,618,703	126,625,060
Bank Fixed Deposits	14,000,000	23,000,000	35,001,000	66,101,000	117,161,000	161,431,000
<u>Fixed Assets (Net)</u>	1,413,807	907,589	1,177,172	1,923,403	1,232,143	578,130
<u>TOTAL ASSETS</u>	<u>75,329,240</u>	<u>113,431,840</u>	<u>151,947,321</u>	<u>195,566,238</u>	<u>235,011,846</u>	<u>288,634,200</u>
<u>LIABILITIES AND CAPITAL</u>						
<u>Current Liabilities</u>						
Accounts Payable	1,074,138	1,646,495	3,009,088	4,779,929	9,880,929	11,421,970
Current Deposits	1,839,574	1,766,578	2,499,036	2,014,588	3,124,719	3,683,970
Grant Balances	8,829,969	7,995,219	7,670,513	9,133,263	6,748,277	6,239,720
Total Current Liabilities	11,743,681	11,408,292	13,178,637	15,927,780	19,753,925	21,345,660
<u>Long-Term Liabilities</u>						
HIVOS Loan	----	3,942,500	3,942,500	3,942,500	3,942,500	----
4% Fixed Deposits	47,529,873	72,629,091	105,680,163	142,550,527	182,155,842	221,597,550
4% Special Fixed Deposits	10,629,896	17,436,691	16,471,796	17,397,186	10,994,352	18,579,310
Total Long-Term Liabilities	58,159,769	94,008,282	126,094,459	163,890,213	197,092,694	240,176,860
<u>Capital</u>						
Shares	3,133,397	4,259,397	5,459,397	6,092,000	6,451,000	7,151,000
Statutory Reserve	401,127	401,127	751,062	751,062	751,062	751,062
Other Reserves	1,891,266	3,354,742	6,463,766	8,905,183	10,963,165	19,209,600
Total Capital	5,425,790	8,015,266	12,674,225	15,748,245	18,165,227	27,111,662
<u>TOTAL LIABILITIES AND CAPITAL</u>	<u>75,329,240</u>	<u>113,431,840</u>	<u>151,947,321</u>	<u>195,566,238</u>	<u>235,011,846</u>	<u>288,634,200</u>

CamCCUL is certainly the largest credit union league in Africa. A cursory examination of the Income and Expense Statements can be misleading, since they would lead to the conclusion that CamCCUL is already largely financially self-sufficient. This is not the case, however, because if the value of donated office space and the services of expatriate volunteers were included as expenses, substantial operating losses would result. Nonetheless, the self-sufficiency strategy recently adopted by CamCCUL's Board should lead to real financial self-sufficiency within the 5-year plan period.

c. Problems

(1) Planning and Evaluation

As indicated earlier, CamCCUL's organizational goals have been clearly defined in its Articles of Association. Still, beyond expression of its primary goals, CamCCUL does not have the capability, without external assistance, to translate these goals into concrete development plans, either on a strategic basis or into short-term action plans. Furthermore, CamCCUL has no systematic approach to monitoring credit unions' changing needs over time. Recognizing this deficiency, CamCCUL, as another of its project objectives, if provided appropriate technical assistance, proposes to develop an on-going planning and evaluation system, consistent with priority needs and available resources.

(2) Personnel System

Personnel management continues to be a relatively weak point for CamCCUL, as became all-too-clearly evident some two years ago when CamCCUL's staff sued CamCCUL. Although CamCCUL has certainly improved in this area, partially through the writing of task-based job descriptions for most positions to comply with AID's conditions precedent, and while its recruiting and selection procedures seem adequate, a modern personnel system needs to be developed and documented, based on objective performance standards, instead of subjective standards based on possibly inaccurate impressions or perceptions of employees' performance.

(3) Standardized Operating Systems and Procedures

(a) Credit Union Operating Systems

As mentioned earlier, CamCCUL has already developed a number of standard operating systems for credit unions, and has initiated documentation of these systems in the form of operating manuals for use by credit union staff and officials. However, several of these systems still require substantial improvement, and all require documentation in a format easily understood by local credit union personnel.

(b) CamCCUL Field Support

Up until the time of the staff dispute referred to above, on site support of credit unions by field staff

was largely adequate, although certain elements of the inspection, auditing and monitoring processes need to be improved, and, most importantly, standardized and documented for field staff reference. Documentation is particularly important, since most present field staff are new on the job and hence to varying degrees inexperienced in such matters as accounting, auditing, mathematics, financial analysis, credit policies and procedures, legal matters, organizational development, promotion, and other skills so essential to the effective execution of their duties. On the other hand, while initially an obstacle, the lack of previous field experience can be a real advantage, since new employees can be trained in improved systems and procedures before they become entrenched in less efficient or defective ones.

(4) Training Approach

Although time did not permit a thorough analysis of CamCCUL's training methodology, it would appear that CamCCUL has not yet developed a coherent training methodology or training manuals, staff are insufficiently knowledgeable in effective training techniques, and few training materials have been developed. Further, it appears that most past training has centered on the history, theory and principles of credit unions, as opposed to training in critical management processes such as bookkeeping, financial management, credit policies and procedures, internal auditing, membership and savings promotion, etc. CamCCUL has

begun moving in this direction, though, as witnessed by current efforts in drafting credit union operational manuals, which will become integral parts of future training programs.

(5) CLF Operations[§]

Although, as mentioned earlier, the Central Liquidity Facility's operations are essentially sound, several problem areas were noted. First of all, since its operations are almost entirely conducted by the Manager, and procedures not fully documented, CamCCUL's ability to grant larger numbers and volume of loans to credit unions has been inhibited; one person cannot manage a large loan portfolio. Processing of SFPC loan applications from credit unions, to illustrate, typically take from four to six months, making it very difficult for credit unions to receive loans at the times desired. Secondly, CamCCUL has no system for estimating credit union loan demand, and hence for planning its loan/investment portfolio. Last, the interest rates charged on loans to credit unions appear to be too low for CamCCUL to recover the full cost of granting and managing the loan, which will probably require an upward revision of its lending rates at some point during the project period.

In order to increase the volume of loans to credit unions and reduce the processing time, CamCCUL proposes to train its field staff to take over the major portion of the re-

[§] The functions of the Central Liquidity Facility were described briefly starting on page 35.

search, analysis, and follow-up on League loans to credit unions. This, combined with enhanced ability on field staff's part in improving credit unions' operations, should allow CamCCUL to substantially increase its loan volume to credit unions while at the same time reducing processing time to a maximum of 45 days.

(6) Need for an Integrated National Structure

CamCCUL recognizes that, for both linguistic, logistical, and cultural reasons, it is practically impossible for an organization headquartered in the North West Province to effectively direct a national movement. It also laments the lack of sharing of information, and in particular, of successful operating techniques being used in different provinces. Therefore, early on in the project, CamCCUL will initiate a series of exchange visits to familiarize both francophone and anglophone movement staff and leadership with each other's philosophy, approaches, and techniques. Once this process of familiarization is accomplished, CamCCUL will move rapidly to reorganize itself into provincial Leagues, which will provide most of the services CamCCUL now provides to its affiliates. These League will be semi-autonomous bodies affiliated to a new national association to be created simultaneously

with the provincial Leagues. That is, those functions which cannot effectively be carried out locally by the provincial League will be reserved for the newly reorganized CamCCUL

If successful, this new national organization could be a model for other types of Cameroonian cooperative organizations.

3. ROLE OF RELATED ORGANIZATIONS

Although the League itself has played the lead role in the development of Cameroon's credit union movement, several other organizations continue to play important roles. The following describes the nature of their involvement:

a. Government

The government of Cameroon (GJRC), principally through the Ministry of Agriculture's Department of Cooperation and Mutuality (COOP/MUT), contributes to credit union development principally by assisting in obtaining favorable legislation and regulations, secondment of a limited number of government staff

to CamCCUL, obtainment of expatriate volunteers, performance of CamCCUL's annual audit at no charge, non-voting participation in CamCCUL's Board meetings, provision of operating grants from time to time, and by allowing CamCCUL to use government training facilities.

b. ACOSCA

ACOSCA has provided training to CamCCUL staff at regional (West Africa) and in-country courses, and continues to provide on-site technical assistance in operation of the CamCCUL/ACOSCA Risk Management Program, assistance in obtaining operating grants and expatriate technicians and consultants, and in the ongoing monitoring, support, and evaluation of CamCCUL's programs.

c. KAF

The Konrad Adenauer Foundation (KAF) of West Germany has, for the past several years, provided grants to CamCCUL to offset the cost of management-training seminars held throughout the country for credit union staff and officials, and at times has paid for the direct costs of some of CamCCUL's field inspectors, as well as the cost of printing promotional materials.

d. Volunteer Organizations

For the past several years, the U.S. Peace Corps and the Netherlands Volunteer Organization have provided a number of volunteers who have functioned primarily as CamCCUL fieldworkers. The German Volunteer Organization has also expressed a tentative interest in providing volunteers in certain technical areas, if CamCCUL can define their roles.

4. PROPOSED PROJECT OBJECTIVES

Based on the analysis of CamCCUL and its affiliates, the League proposes the following project objectives, which will correct major deficiencies as well as improve and expand services to and strengthen affiliated credit unions:

a. Development of a Membership Education Programme

As a result of formal and on-the-job training provided by CamCULL,

by the end of the project at least 450 credit unionists from the then-existing approximately 144 credit unions will demonstrate the ability to adequately perform the following processes consistent with the minimal outcome statement for each:

- Bookkeeping, including financial statement preparation;
- Preparation and use of operating budgets;
- credit policy and procedures;
- basic financial statement and statistical analysis;
- use of interest tables and formulae to calculate interest due on loans, the amount of installments, dividends on members' shares, and interest on members' savings;
- membership and savings promotion;
- office management;
- risk management (insurance) programme compliance;
- loan monitoring and collection techniques; and
- conduction of internal audits by supervisory committees.

Precedent to achievement of this objective:

- (1) CamCCUL will identify all steps and procedures required to achieve the minimal outcome for the processes specified;
- (2) CamCCUL will develop and document a systematic training approach suited to both formal and on-the-job training of credit union leaders; appropriate training packages, including objectives, training plans, and pre- and post-evaluations will be developed for each process; and

- (3) All CamCCUL fieldworkers will demonstrate the ability to conduct training using the CamCCUL approach, success being measured by trainee ability to meet stated objectives.

b. Expansion of the Production Credit Programme

By the end of the project, at least 28 credit unions will have demonstrated the capability to effectively place and collect League-sponsored production credit loans, as well as promptly repay any loans, with interest, that may have been granted by CamCCUL to said credit unions. Precedent to achievement of the objective:

- (1) CamCULL will identify all steps and procedures required to achieve the minimal outcome for the processes necessary to expanded production lending:
- (2) CamCCUL will develop a systematic approach to both formal and on-the-job training of credit union leaders and CamCCUL fieldworkers in production credit processes;
- (3) All CamCCUL fieldworkers will demonstrate the ability to conduct training in use of the production credit system, success being measured by trainee ability to meet specified objectives;

business development, etc.) projects, assess feasibility, prepare recommendations to CamCCUL, and assist with disbursement and collection of loans eventually granted from proceeds of League loans; and

- (5) As a result of formal and on-the-job training conducted by CamCCUL staff, at least 28 credit union secretaries (managers) will demonstrate the ability to carry out all steps and procedures necessary to adequately perform the specified production credit processes.

For the purposes of project evaluation and monitoring, the following performance indicators are proposed:

<u>Indicators</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
1. Number of SFPC Credit Unions ¹	19	22	24	26	28
2. Number of members ²	3,173	3,938	4,584	5,274	6,020
3. Number of SFPC Borrowers ³	40	197	321	527	903
4. Average SFPC Loan Size ⁴ (\$)	450	300	345	397	456
5. Total Value SFPC Loans distributed ⁵ (\$)	18,000	59,100	110,745	209,219	411,768
6. Number League Loans to SFPC Credit Unions ⁶ (\$)	5	10	15	20	25
7. Average Value of League Loan ⁷ (\$)	5,800	3,800	4,370	5,025	5,780
8. Total Value of League Loans to SFPC Credit Unions ⁸ (\$)	29,000	38,000	65,550	100,500	144,500
9. Number SFPC Borrowers/Farmers Trained (Man-weeks) ⁹	88	96	156	168	168

c. Training of Fieldworkers in Central Services

As a result of formal and on-the-job training by senior CamCCUL staff, by the end of the project, CamCCUL fieldworkers will demonstrate the ability to perform the following processes consistent with the minimal outcome statement for each:

- (1) Periodic inspections;
- (2) Annual audits;
- (3) Evaluation of credit union performance;
- (4) Risk Management Programme operations; and
- (5) Evaluation of loan applications from affiliates.

d. Consolidation of Non-Viable Credit Unions

Within three months of the start of the project, CamCCUL will define and document all criteria, steps, and procedures for liquidating or merging non-viable credit unions. Furthermore,

all non-viable credit unions existing at the start of the project shall be either liquidated or merged during the first two years of the project, with "non-viable credit union" being defined as follows:

- (1) One whose total shares and savings is not growing at a rate consistent with attaining the following minimally-acceptable levels within a maximum of four years, based on break-even analyses (See Appendix V for methodology) performed by CamCCUL staff:

Rural Credit Unions: 2.1 million CFA Francs

Urban Credit Unions: 4.5 million CFA Francs

and/or

- (2) One in which the total amount of delinquency exceeds 200% of the sum of shares and legal reserves.

Credit unions falling within the above definition of "non-viable" will be required to choose from two options: liquidation or merger with another credit union operating in the same general vicinity.

e. Personnel Management

By the end of year two of the project, CamCCUL will develop and document, in the form of an employees' policies and procedures manual, a personnel system including, at a minimum, policies and procedures related to:

- (1) Position identification;
- (2) Development and format of job description;
- (3) Position grading;
- (4) Salary scale and benefits establishments;
- (5) Performance appraisals;
- (6) Skill assessment and staff development; and
- (7) An incentive system to promote quality work.

f. Planning Capability

By the end of the project, CamCCUL will demonstrate the ability to develop and implement strategic and action plans consistent with affiliated credit unions' needs and resource availability. Success in achieving the objective will be determined by examination of plans produced and the degree to which specified plan objectives are actually achieved.

g. Development of National and Regional Structures

By the end of the project, all Cameroonian credit unions (caisses populaires) will be united through provincial secondary bodies (Leagues) to a single national association. Precedent to achievement of the objective, CamCCUL will, in chronological order:

- (1) Undertake the series of exchange visits to familiarize both francophone and anglophone movement staff and leadership with each other's philosophy, approaches, and techniques;

- (2) Open provincial-level branch offices in those areas where justified, and once these offices are operating soundly;
- (3) Determine which of CamCCUL's functions can be most efficiently carried out by a national association or to-be-organized provincial Leagues;
- (4) Develop and obtain GURC approval of bye-laws for the provincial Leagues and national association, including a new representational system; and
- (5) Convert the provincial branch offices into provincial Leagues.

h. Shared Management Services

By the end of the project, CamCCUL will have developed and tested alternative methods of providing professional management to credit unions operating in close geographical proximity to each other, but which individually don't require or cannot obtain qualified part- or full-time management. Alternatives to be tested include the use of itinerant bookkeepers and/or managers, service centers (several credit unions managed out of the same office by the same personnel), combining several small credit unions into one credit union with several branches, League management contracts, use of posting machines, and centralized (electronic) data processing facilities.

i. Preparation of Manuals

During the project period, CamCCUL will complete development and documentation in French and English of operating manuals for at least the following credit union operating systems.

- Bookkeeping
- Budgeting
- Credit Policy and procedures
- Membership and savings promotion
- Internal auditing (standardized, step-by-step audit programme for supervisory committee members to complete).

All credit unions and discussion groups will obtain copies and instruction in their use during the course of CamCCUL's Membership Education Programme.

5. PROJECTED IMPACT

a. Institutional Development

The principal impact of this project will be further strengthening of CamCCUL's capability as an institution to provide increased levels of financial, technical, and supervisory services to affiliated credit unions throughout the country. The project's focus itself is on institutional development, at both the national and local levels. Global Projects' past overseas credit union development efforts have been concentrated in this area with considerable success.

Institution-building efforts in Latin America and elsewhere are good examples of the approach employed, and of the types of results that will occur in Cameroon: strong, viable, private-sector institutions are left behind afterwards. This approach has the greatest potential

for long-term development success since once the "project" terminates, if there is no institution to carry on, the project "benefits" are purely transitory and rather meaningless. If a substantially self-sufficient institution is established during the project period, the benefits produced during that period represent only the initial phase, which will be far surpassed by the benefits realized post-project.

Thus, the end-of-project conditions stated for this project are not the real indicators of project success or failure. That can only be recorded a number of years hence. If the movement is still strong, if the League is active, growing, and providing needed services, if its member credit unions are growing, providing increased levels of services to members above and beyond what they would have been without the project, only then could the project be viewed as having been a success. The credit union movement will not collapse without this project, but its growth, expansion, and operational capabilities should be substantially reinforced through the project.

All this should be fairly obvious and institutional development as an approach may need no defense. However, the recent emphasis on small farmers, nutrition, the poorest majority, and other narrow foci seem to have obscured this basic tenet of development. Global Projects' institutional development efforts do produce results that are compatible with the foci mentioned above; yet it must be recognized that the primary focus is the broader one of institutional development.

b. Productivity and Income

The aforesaid does not negate the substantial impact the project has upon the individual member. Credit union projects in the developing world have resulted in measurable increases in productivity and income for farmers, artisans, merchants, entrepreneurs, and others; mostly people of limited resources otherwise unable to qualify for assistance. The increases are not surprising, since unavailability of credit has long been recognized as a primary deterrent to development. By making the required capital available, the small farmer can obtain improved seed and fertilizer; the artisan can obtain improved tools, equipment and materials; the merchant can obtain supplies in bulk quantities, and the entrepreneur can initiate or expand a small-scale industry. Obviously, increased credit is not the only factor; other resources and enhanced skills are required. Nonetheless, at least part of the resultant increases in productivity and income must be attributed to the credit factor.

Very often the credit aspect is stressed in projects of this nature, and are so labeled, e.g., country agricultural credit projects. Such projects typically involve huge capital grants or soft loans to the financial institutions involved, which in turn rapidly decapitalize through huge operating deficits and high default rates. Credit union supporters, like modern-day "voices crying in the wilderness," have always stressed the necessity of mobilizing household savings. Only in the past year or two has this position been supported by part of the international development community. More and more development authorities are recognizing the relationship between domestic savings

mobilization and increasing levels of investment and income, and that credit unions are unique in their ability to mobilize domestic savings which would otherwise remain uninstitutionalized (in mattresses, ceilings, buried, etc.), and hence not invested. Cameroon's credit unions, in particular, have mobilized spectacular savings, growing from \$67,000 in 1968 to \$8 million at mid-1979, a compound annual growth rate of nearly 60%, and have effectively laid to rest the "vicious circle" theory that "poor people cannot save, period."

Another vivid demonstration of the high degree of institutionalization already achieved is the very fact that, although extension of productive credit is a major objective of this project, CamCCUL is requesting no capital grants. The movement, through CamCCUL's Central Liquidity Facility, already possesses enough liquidity to handle any foreseeable levels of loan demand.

If, as we suggest, savings growth is perhaps the single most meaningful measure of overall project impact, it is useful to note a finding of an analysis conducted of Global Projects' development program in Latin America. During that period, for every dollar spent on technical assistance, a \$30 increase in savings was recorded. Obviously, that increase is not solely due to the technical assistance provided; other factors were involved, and some growth would have occurred even without the external assistance. Still, this provides a fairly useful indicator of the returns to be realized. A similar impact is foreseen in Cameroon.

c. Appropriate Technology

If this term is defined narrowly, i.e., use of appropriate tools, implements, machines, and other tangible assets, then it has little to do with this project. Although in other countries, local credit unions have been extensively used to introduce such production techniques suited to the existing environment, this project is not focussed in this area.* However, if the term is defined more broadly, in an institutional sense, this project is a good example of appropriate technology. The institutional structures of cooperatives, particularly credit unions, represent a means to development that is compatible with the social, cultural, and political environments of Cameroon.

Cooperatives and credit unions are, by definition, democratic non-profit organizations, created to serve the specific needs of their members. The credit union common bond allows individuals with similar interests and objectives to unite. All individuals who fall within that common bond are free to join. Officials of the organization are democratically-elected by the membership under the one man, one vote, mechanism. The membership is the ultimate authority for the direction and policies of the organization. Specific services are provided to the membership at the lowest possible cost. Any earnings are either retained in the organization, or returned to the members in the form of dividends or patronage refunds.

* Limited introduction of already popular devices, such as improved seed distribution and animal traction, will continue to be sponsored by CamCCUL, but cannot be considered as a major component of this project.

These basic tenets of cooperatives result in an ability to adopt the structure to its environment. There are large cooperatives, with thousands of members, that are as efficient as any large-scale corporate enterprise. However, in most cases, cooperatives, and particularly credit unions, are relatively small; most Cameroonian credit unions have less than 300 members. This smallness is an important feature, particularly in the rural areas, where individuals are reluctant to entrust their money to an anonymous institution. They will be less reluctant to deposit it in a society composed of and managed by people they know and trust, a society in which they have a voice.

This form of organization allows many persons, primarily those elected to leadership positions, to exercise managerial and executive abilities, often for the first time. Persons in rural communities, who have never demonstrated any such talents, develop into truly effective leaders. Some acquire additional training in the cooperative movement, and develop skills that are applicable to both the movement and to their personal endeavors. Such talented individuals would likely be successful in almost any context; yet the credit union structure is a vehicle which can recognize and capitalize on those talents.

Institutional structures that place responsibility to control their own destiny directly in the hands of individuals are inherently appropriate to development particularly when, as in this project, the emphasis is on developing the necessary skills to handle that responsibility

adequately. The utilization of cooperative institutions as the vehicle for development, as illustrated by this project, represents a technology proven appropriate throughout the world.

d. Women In Development

Cameroonian credit unions, not having specific "affirmative action" programs for women, do not systematically compile statistics on the number of women members, staff, or Board members. However, a survey* undertaken in 1975 indicated that about 19% of all credit union members are women, which means that about 9,500 of the 50,000 current total movement membership are probably women. During Global Projects' visits to CamCCUL and its affiliates, women were everywhere seen participating actively as members, and as League staff, where the SFPC Department head, a fieldworker, and typist are all female, as are several expatriate volunteers assisting the League. In general, women appear to participate on an equal basis with men in both receiving credit and in managing the credit union itself. Women are particularly sought after to sit on the Credit Committees, since many members value their judgment in this crucial operational area. The same 1975 survey, referred to above, found that 7 per cent of credit

* "Credit Union Survey",
CamCCUL, June, 1975.

Njinikom Credit Union and its
first general manager.

unions' Board and staff members were women. Several credit union managers are women, including Awing, a new SFPC credit union.

The local credit unions apparently have recognized an important reality, i.e., that many women, particularly in developing countries like Cameroon, are of necessity full participants in the economic system. They are independently engaged in income-producing activities, and thus have similar savings and credit needs. Without disturbing the prevailing social setting, women are able to participate in, and receive the benefits from an institution that serves their distinct economic needs.

e. Poorest Majority

Credit unions may be organized among any group or for any community. Professionals, civil servants, teachers, factory workers, dock workers, construction workers, church groups, artisans, farmers, etc., may form their own credit union. The institution is available to persons at all economic levels. Its basic foundation, though, in the U.S. and elsewhere, has been among the lower income groups, people who were unable to qualify for credit elsewhere. This has been and continues to be the basic focus of the worldwide credit union movement, and is an integral part of its development efforts.

The distribution of wealth and income in Cameroon is fairly typical of a developing nation. A small percentage of the population, comprised primarily of salaried workers and wage earners, constitutes a middle income class. The largest proportion of the population, however, particularly in the rural areas, belong to the lower income group.

It is among the rural poor that credit unions have principally been established. Poverty is not a requirement for membership, yet few, if any, of the rural membership could be classified in any other way. They are, of course, in the monetized economy and have some means of producing income. Persons outside the monetized economy would, by definition, not be members of a credit union, and thus not directly affected by this project.

Of course, those currently outside would be potential new members once they enter the monetized economy. Credit unions thus require this initial basic step towards development before they can be instituted.

Even in a rural community where "everyone is poor", there are gradations of poverty. Some have a few more assets, and receive more income than others. Credit unions encourage all to join, those with very little as well as those with more significant resources. In credit union development, one sure way of failing is to organize a society composed exclusively of the extremely poor. Their cumulative savings can never begin to equal their cumulative loan demands. There must be some members with sufficient means who are able to save at a higher rate, to enable the society to meet its loan demand. U.S. credit unions have found their membership composed of two distinct groups; those that join principally to save, and those that join to obtain loans. A similar mix of savers and borrowers is a key ingredient for successful Cameroonian credit unions.

We may, then, conclude that the target group for this project may be classified well within the sector termed the "poorest majority". The members are poor, primarily rural poor, but not all on the very bottom rung of the economic ladder. All have entered the monetized economy, and nearly all have income-producing means. All of this poorest majority are potential project participants.

f. Employment

Nearly half of Cameroon's credit unions now have accumulated savings and loan volumes high enough to support at least a part-time secretary (i.e., manager), although some of these still continue to rely exclusively on volunteers. A substantial number, perhaps 20 to 30, could afford a full-time secretary, but again many of these have not yet done so. Assuming past savings growth trends continue, nearly all currently existing credit unions should be able to afford full- or part-time management by end of project. CamCCUL stresses paid management because in nearly every other country, a dramatic change usually occurs when a credit union hires its first manager: membership, savings, loan, and income levels skyrocket, allowing economies of scale and vast improvement in services to members. Global Projects estimates that at least 108 credit unions will have either part- or full-time managers by end of project, all paid out of self-generated income, and that does not even include auxiliary staff of larger credit unions, such as cashiers, bookkeepers, and loan officers. Thus, Cameroon's total salaried employment should experience a modest boost.

In addition to the direct employment offered by the movement, we should note at least two other project outcomes affecting employment. The training provided by the League will equip participants to perform leadership roles and other activities in their communities which they otherwise would not have been able to do. Perhaps more significant than any effect mentioned so far, though, is the increased employment opportunity resulting from the increased availability of credit. Credit used for productive purposes will, when successful, provide increased returns, resulting in an increase in available capital. Increased capital formation is, as indicated by economic theory, a necessary condition for development. It is particularly essential for increasing employment, creating a multiplier effect throughout the economy. The capital formed by the credit unions can likewise have a multiplier effect on employment.

6. INSTITUTIONALIZATION OF PROJECT

To a great extent, the Cameroon credit union movement is already "institutionalized". More than 200 credit unions exist in five of Cameroon's seven provinces, though at varying levels of size and sophistication. A national association of credit unions, CamCCUL, has been in operation for more than a decade, and is providing increasing levels of services to affiliated credit unions. The government of Cameroon accepts and encourages credit union development. Assuming continued support from government, then, the main institutionalization issue with respect to this project is when the League itself will likely be both financially and technically self-sufficient. The two aspects of the issue are delineated in the following two subsections:

a. Financial Self-Sufficiency

As indicated earlier, with respect to the League, financial self-sufficiency is defined as the ability of CamCCUL to generate sufficient earned income (as contrasted with unearned income, such as donations and grants) to cover all the real costs entailed in servicing, strengthening, and expanding the Cameroon credit union movement.

During 1977 and 1978, CamCCUL's Board and staff, with Global Projects' assistance, formulated a number of alternative self-sufficiency strategies, and one was adopted which should lead to complete financial self-sufficiency in mid-1985. Briefly stated, the strategy adopted involved an increase in the dues charged member credit unions, an increase in the interest rates charged credit unions and cooperatives borrowing from CamCCUL's central liquidity facility, and an increase in the interest rates paid on term deposits of credit unions, the latter of which should substantially increase the amount of credit unions' surplus funds deposited in CamCCUL.¹ CamCCUL's eventual financial self-sufficiency is assured, because all of its major revenue sources (interest on loans and investments, dues, and insurance commissions) are linked to the total amount of savings in the movement. Since total savings is growing at about 35% per year, CamCCUL's revenues should grow by approximately the same rate. CamCCUL's expenses, however, are projected to grow by only about 22% a year during the project. Thus, the fact that revenues are increasing much faster than expenses should allow the League to attain break-even by the end of the project. Detailed proforma income and expense statements are shown in Appendix I.²

1. For details on the strategy adopted, see Annexes VII and VIII.

2. A discrepancy of about \$15,000 was discovered in checking the proformas, as discussed in Appendix VIII, pages 5-6. Due to the minor nature of the error, the original proformas were not changed.

b. Technical Self-Sufficiency

Adequate financial resources alone do not ensure an institution's viability. It must, in addition, have the technical capabilities to adequately perform all functions and provide all services required of the institution. For a national League, it must be able to adequately perform the institutional maintenance functions (e.g., planning, budgeting, financial management, and office management), but also provide needed services to affiliates (e.g., training, accounting assistance, central financial services, risk management, legal services and representation).

Global Projects has developed a methodology to assess institutional performance at both the national association level and the society level. Briefly, this methodology has identified all "processes" that are performed by most national associations and affiliated credit unions, and has specified those that are considered critical or "core". For all processes, a statement of minimally acceptable outcome is prepared which attempts to specify precisely what outcome should occur if the process is being done in an adequate fashion. Using pre-prepared process outcome statements for each process, an institutional analysis is performed to identify the strengths and weaknesses of the institutions at a given time. For those processes identified as deficient, the precise cause of the deficiency is also identified, i.e., whether the process has not been adequately defined and documented, the required skills are not present, attitudes that value adequate performance of the process are not present, or the necessary resources are lacking. By specifying the institutional

weaknesses and the causes for each weakness, the institution possesses a guide for strengthening its technical capabilities. For all "weak" processes, management will focus special attention and allocate necessary resources to strengthen them to a minimally-acceptable level.

Using the results of the CamCCUL institutional analysis already completed, a 5-Year National Credit Union Development Plan has been prepared. This plan will be the basis of CamCCUL's activities during the remainder of the project, and by the end of the project, all skill deficiencies should be overcome.

Eventually, when technical self-sufficiency has been attained, the League will be able to perform all "core" processes at a minimally-acceptable level with staff resources then available. Further, it would continue to sustain technical self-sufficiency even with a change in personnel. If these conditions exist by the end of the project, it would signify that a strong national association has been created that no longer needs external technical support to sustain itself.

D. PROJECT DESIGN AND IMPLEMENTATION

1. RESPONSIBILITIES OF ORGANIZATIONS INVOLVED

This project will include the participation of the Cameroon Cooperative Credit Union League (CamCCUL), the Union des Caisses Populaires of Cameroon's Centre-South Province, the Government of the United Republic of Cameroon (GURC), WOCU/CUNA's Global Projects Office (GPO), the Agency

for International Development (AID), the Africa Cooperative Savings and Credit Association (ACOSCA),

, the Konrad Adenauer Foundation (KAF), the U.S. Peace Corps, and the Netherlands Volunteer Organization (ONV). Primary responsibility for implementation of the project resides with CamCCUL. Technical support will be provided by GPO and ACOSCA, with some administrative and technical backstopping and program support from GURC.

a. Responsibilities of CamCCUL

CamCCUL's primary responsibility is to successfully achieve the project's nine basic objectives, provide continuous services to affiliated credit unions, and to adopt all necessary additional measures and policies required for CamCCUL to achieve complete financial and technical self-sufficiency by the end of the project.

b. Responsibilities of WCCCU/CUNA Global Projects

Global Projects' primary responsibility will be to supply and support three resident advisors, i.e.,

1 Credit Union/League Management Specialist	(5 Person-Years);
1 Agricultural Credit Specialist	(3 Person-Years); and
1 Education and Training Specialist	(2 Person-Years);

as well as recruit consultants, as needed. In collaboration with senior CamCCUL staff and the League Board of Directors, the resident advisors will play a lead role in developing the systems, procedures,

manuals, and training materials required to achieve the project's objectives. Given the complexity of the systems to be developed, the need for sustained technical assistance to CamCCUL is critical for the entire five-year project period.

c. Government

The government of the United Republic of Cameroon, through the Department of Cooperation and Mutuality (COOP/MUT) of the Ministry of Agriculture, will assist the League during the initial "starting-up" period in the identification and recruitment of potential candidates. COOP/MUT will also assist the League to obtain suitable office space, in addition to facilitating the duty-free acquisition of vehicles, furniture, and equipment called for in the project design (see Section E, Financial Plan, for details on commodities), as well as the resident advisors' personal effects. In addition, COOP/MUT will continue to provide, at no charge, an annual audit of CamCCUL's financial statements, and provide some inputs to the League's ongoing training programme, including the services of some of its staff as guest lecturers and free or subsidized use of government training facilities. Also, the Cameroon government will continue to provide technical and veterinary services to credit union members participating in the Small Farmer Production Credit programme.

Lastly, as the regulatory body charged with supervision of Cameroon's cooperatives, COOP/MUT will also continue to participate, although on a non-voting basis, in CamCCUL's Board meetings, as well as in techni-

cal committees as required, assist in the drafting of new bye-laws for CamCCUL and provincial Leagues, and assist CamCCUL in any other ways it can.

d. Responsibility of AID

AID's contribution to the project would be financial support of the League and resident advisors, on a declining basis, over the five-year project life, and participation in mid- and post-project evaluations.

e. Responsibilities of ACOSCA

ACOSCA will as part of its own continental credit union training programme, continue to provide seminars for League and credit unions' staffs on pressing technical problems. ACOSCA will also continue to provide technical backstopping to CamCCUL's risk management programme, assist CamCCUL to obtain any additional external financial or technical assistance required to achieve the League's and project goals and objectives, and provide any other services to CamCCUL which are normally provided by confederations to affiliated national associations.

f. Responsibility of the Konrad Adenauer Foundation

The Konrad Adenauer Foundation is being called upon to continue to finance CamCCUL's membership education programme, plus the salaries, benefits, and travel allowances of three CamCCUL fieldworkers.

g. Responsibility of Volunteer Organizations

The responsibilities of the U.S. Peace Corps and Netherlands Volunteer Organization will be to provide a number of volunteers, on a rapidly declining basis over the project period, to fill fieldworker positions, the job descriptions for which will be provided by CamCCUL. Experienced volunteers and Cameroonian fieldworkers will provide 2-3 months of on-the-job training to new Cameroonian fieldworkers who take over from departing volunteers. Projected volunteer requirements are as follows:

ESTIMATED FIELD STAFF REQUIREMENTS*

<u>Chapter/Province:</u>	<u>Current Level</u>		<u>PROJECT YEAR</u>																				
	<u>C</u>	<u>V</u>	<u>1</u>	<u>9</u>	<u>8</u>	<u>1</u>	<u>1</u>	<u>9</u>	<u>8</u>	<u>2</u>	<u>1</u>	<u>9</u>	<u>8</u>	<u>3</u>	<u>1</u>	<u>9</u>	<u>8</u>	<u>4</u>	<u>1</u>	<u>9</u>	<u>8</u>	<u>5</u>	
<u>South West:</u>																							
Fako	1	2	2	2	2	2	2	1	2	1	2	1	2	1/3									
Manyu	-	-	-	1	-	1	-	1	1	1	1	1	1	1/3									
Meme/Ndian	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>	-	<u>2</u>	-	<u>2</u>	-	<u>2</u>	<u>1/3</u>									
Sub-Totals	2	3	4	4	4	4	4	2	5	2	5	1											
<u>North West:</u>																							
Bamenda	2	-	2	1	2	2	2	-	2	-	1	1											
Kom	-	1	-	2	-	1	1	-	1	-	1	-											
Nso	1	1	1	2	1	2	1½	1	1½	1	1½	-											
Nkambe	-	-	-	1	-	1	½	-	½	-	½	-											
Ndop	-	1	-	1	-	1	-	½	-	½	½	-											
Wum	<u>1</u>	-	-	<u>1</u>	-	<u>1</u>	-	<u>½</u>	-	<u>½</u>	<u>½</u>	-											
Sub-Totals	3	3	3	8	3	8	5	2	5	2	5	1											
<u>West:</u>	-	1	-	2	-	2	1	2	2	2	2	1											
<u>Littoral:</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>1</u>											
GRAND TOTALS	<u>6</u>	<u>8</u>	<u>8</u>	<u>15</u>	<u>9</u>	<u>15</u>	<u>12</u>	<u>7*</u>	<u>14</u>	<u>6</u>	<u>14</u>	<u>4</u>											

DISTRIBUTION OF VOLUNTEERS:

PCV	6	9	9	4	5	2
ONV	2	6	6	3	3	2

* Assumes one third-year extension from PY 1981-82 group

2. IMPLEMENTATION PLAN

Although a detailed implementation plan is given in Appendix VI, the following summarizes the major activities planned during the 5-Year project period:

* Key: C = Cameroonian
V = Volunteer

Year 1

The project is scheduled to start in late 1980, with the arrival of the Global Projects Management and SFPC Specialists. After settling in, the Management Specialist and senior CamCCUL staff will concentrate their efforts on the final design of the Consolidation Programme, and prepare for the arrival and training of 15 expatriate volunteers, scheduled to arrive on or around October 1, 1980. The balance of the first year of the project will concentrate on the consolidation process, whereby non-viable credit unions will be either merged or liquidated, thus bringing the number of remaining societies down to a more manageable 171 by the end of the first year from the present 199. Without more information on all societies, it is difficult to determine how many will be merged and how many liquidated, but the total number at the end of the first project year should not exceed 171 (excluding Centre-South Province).

Other major project activities during year one include expansion of the SFPC programme to qualifying credit unions; training of CamCCUL and credit union personnel in priority areas (bookkeeping, budgeting, inspection, and auditing); exchange visits by staff and leadership between anglophone and francophone areas; preparation of accounting and budgeting manuals; and conduction of a data processing feasibility study.

Year 2

During this year, CamCCUL will complete the consolidation process, bringing the total number of credit unions down to around 134, and intensify (with the arrival of Global Projects' Education and Training Specialist) its membership education and fieldworker training programmes; set up centralized accounting services pilot project(s); and organize provincial-level branch offices, as its major activities. Other activities will include the development of personnel and planning systems, holding of a joint anglophone-francophone planning workshop, and continuation of other objectives initiated during year one.

Year 3

During this year, major activities will include conversion of CamCCUL and its branch offices into a national association with affiliated provincial leagues; extension of centralized accounting services (assuming successful pilot projects) to other areas; and a mid-project evaluation, along with continuing work on other objectives previously initiated.

Years 4 and 5

During the last two years, work will continue on all objectives previously initiated, but not yet completed. Near the end of Year 5, a full-scale evaluation will be undertaken, leading to a new 5-Year Development Plan.

3. Project Monitoring

Project monitoring will be carried out by the Global Projects staff in Washington. Using an existing project monitoring system, Global Projects staff will receive all information necessary to assess project performance. One of the basic requirements for effective monitoring is a good project design, one that spells out the exact outcomes to be produced at any given time. Another is the work plan submitted periodically by the project technicians. If these two basic documents are well prepared, it is a fairly straight-forward task to chart progress, by simply comparing what actually took place with what was projected. The project monitor notes any short-comings and, if appropriate, may suggest alternative strategies in his response to the technician. For more serious problems, implying inability to achieve stated objectives, the project monitor will prepare a paper outlining the problem, and propose possible

solutions for Global Projects' management review. Management and the project monitor will then decide upon an appropriate course of action, to be communicated to the technician. In rare instance, on-site visits by one or more Global Projects staff members may be required.

The project technician will receive full briefing on the substance and format of the monitoring reports, as part of his initial orientation. The current system is based upon Global Projects' project design system, which uses an interrelated series of objectives as the basic design principle. The technician will be fully briefed on this design system, particularly as it applies to the preparation of his periodic work plans. We recommend that work plans be submitted quarterly, and that monitoring reports be submitted monthly, at least during the initial phase. Subsequently, if no serious difficulties arise, the latter will also be submitted quarterly.

4. EVALUATION PLAN

In Appendix III, the project logical framework is presented. This, along with base-line data on a sample of credit union members to be gathered in Year 1, will be utilized as the basic means of project evaluation, by which we may determine if the proposed outputs have been achieved, if progress has been made towards the achievements of the stated purposes, and if it has an impact upon the stated goal.

In the project monitoring and evaluation system used by WOCU/CUNA Global Projects, there are three distinct elements: monitoring, assessment, and evaluation. The monitoring system described above constitutes the means

for continuing control over project implementation. The reports submitted by the technicians may propose changes in project implementation, subject to approval by Global Projects management, but the basic design remains unchanged. A comprehensive report analyzing project progress is prepared by Global Projects and submitted to the donor agency annually.

It is conceivable that the technician monitoring reports will signal shortcomings, resulting in significant difficulties in achieving the intended objectives. In such cases, Global Projects will initiate proceedings to conduct a full field "assessment" of the project. Such an assessment, though, is unlikely since the project calls for a joint CUNA/AID evaluation during the third year, which will, in addition to measuring progress to date, specify project objectives for the remainder of the project.

Assessments and evaluations are viewed as joint undertakings of all principal project participants, in this case to include the League, Department of Cooperatives, USAID, CUNA Global Projects, and ACOSCA. Using the project design documentation and other materials prepared during the course of the project, an assessment or evaluation design is prepared. Global Projects has for past project assessments and evaluations prepared a draft design for review and comment by the other participants before preparing a final assessment/evaluation design. The design identifies the substantive elements to measure, the project issues that need clarification, and the field methodology to be followed. All would jointly participate in obtaining the necessary information, clarifying the issues, and preparing the analysis. The assessment/evaluation report itself is usually prepared

by the Global Projects office, again with an opportunity for review and comment by the other participants before final preparation and submission. The assessment is indeed a joint effort and no attempt is made to limit warranted criticism, since only by jointly exploring project shortcomings can they be resolved to everyone's satisfaction. Using this approach, Global Projects has successfully completed assessments/evaluations of projects in Cameroon, Lesotho, ACOSCA headquarters, Haiti and Paraguay. In every case the host country nationals with whom we worked indicated that both the methodology used and the findings obtained were most informative and useful.

Assessment or evaluation findings may result in either:

- a. Changes in project implementation strategies with no modification of project design, or
- b. Modification of project design, or
- c. No changes in either design or implementation.

Changes in implementation strategies would require consultation among all active project participants. Modification of the design would, in addition, likely require the consent of the donor agency, resulting in an amendment to the grant agreement.

Assessments and evaluations focus on the purpose and goal-level objectives of the project, attempting to identify not only the degree to which they were achieved, but also the causal factors involved. All unexpected outcomes and their causal factors are also recorded. The strength

of the linkages from inputs to outputs to purposes to goal is evaluated along with the validity of the assumptions. Evaluation of this project will be particularly concerned with the linkages between the purpose-level institutional development objectives and the goal-level impact on membership, savings, and loan volume growth.

E. PROJECT IMPACT EVALUATION

As part of this grant, CUNA will design data collection systems, undertake studies, and perform analyses to evaluate the project's social and economic effect on the intended beneficiaries.

1. Purpose:

To directly improve project performance and generate additional research findings of use to the development community.

2. Objective:

To evaluate this project's socio-economic impact at the beneficiary (participant), institutional (credit unions and League) and national development levels.

3. Outputs:

Three reports. One at the start of the project (baseline data collection) one at mid-term, and one at the end of the project.

4. Key Variables to be Examined at Beneficiary Level:

Family income, income distribution, personal savings (assets), agricultural production (food and non-food), credit use, input use, participation in credit union programs and decision making.

5. Key Variables to be Examined at the Institutional Level:

Member savings mobilization, capitalization, structure of lending (type, volume, number), loan delinquency, financial self-sufficiency and member participation.

6. Key Variables at the National Level:

Number of beneficiaries and credit unions, institutionalized savings, agricultural production (cash crop and subsistence), small scale industrial production, income distribution, employment creation, access to institutionalized credit, local participation (including women), nonformal education, project cost effectiveness and institutional self-sufficiency.

7. Methodology:

Data collection using three random sample surveys of project participants and non-participants will be conducted at the start of the project (baseline survey), at its mid point and at the end of the project. Six credit unions will be sampled, using ten members from each union. Central variables will include: family size (sex and age profile), farm size, land tenure, on/off farm employment, education, residence type, and farm enterprise capitalization.

8. Implementation:

Baseline survey: December 1980. Research design finalized.
Survey analysis and write-up: 6-9/81. Pre-test and fieldwork.
Mid term survey: 6/83.
End of project survey: 11/85.

9. Resources:

Two person study team, interviewers and CUNA/ACOSCA/CamCCUL technical and logistic support.

F. FINANCIAL PLAN

The total cost of this 5-year project proposal is \$4,908,500. Of this amount, \$2,244,690, or 46%, would be financed by the League out of its own earned revenues, plus accumulated unrestricted reserves of about \$125,000. The Konrad Adenauer Foundation of West Germany would fund about 5% of total costs, or \$256,665. The US Peace Corps and the Netherlands Volunteer Organization would contribute volunteers' services, worth approximately \$807,300. The balance, \$1,600,000, represents the cost of technical assistance (\$1,145,200) to be provided by USAID through WOCCU/CUNA Global Projects; \$348,895, or 7% of total costs, represents direct support of the League for payment of vehicle operating costs, certain needed commodities, training of CamCCUL staff; and \$105,943 is being provided for data collection system development, evaluations, and contingencies.

Over ninety-three per cent of CamCCUL's personnel costs would be funded internally by the League out of its own revenues, with KAF and AID financing the remaining seven per cent. All other operating costs of CamCCUL (transportation, rent, office costs, etc.) will be 100% funded by the League, with the exception of \$10,185 worth of vehicle operating costs to be funded by AID. The Sub-Grant to the League, as shown below, is set up on a declining basis, so that each succeeding year, the League picks up more and more of its costs from its own revenues. By the end of the project, CamCCUL would be able to cover fully 100% of its operating costs from its own resources. Direct contributions by GURC, being relatively minor in nature, are not indicated as project costs.

For details on the contributions of each party, see the following pages. For additional details on the advisors' budget, see Appendix II.

As for administration of the CamCCUL Sub-Grant, the League would prefer that AID provide quarterly grants equal to one-fourth of each year's projected grant; however, other arrangements can also be made.

GLOBAL SUMMARY OF PROJECTED CONTRIBUTIONS TO PROJECT

(In Thousands of U.S. Dollars)

<u>COST CATEGORY</u>	<u>Yr. 1</u>	<u>Yr. 2</u>	<u>Yr. 3</u>	<u>Yr. 4</u>	<u>Yr. 5</u>	<u>5-Year Totals</u>	<u>% of Total</u>
1. PERSONNEL COSTS							
<u>Borne by AID:</u>							
Technical Assistance Budget	113.5	163.9	177.3	79.0	91.7	625.4	12.7%
CamCCUL Sub-Grant	5.8	10.9	12.0	13.2	--	41.9	0.9%
Total AID Contribution	119.3	174.8	189.3	92.2	91.7	667.3	13.6%
Borne by KAF	12.4	13.7	15.0	--	--	41.1	0.9%
Borne by Peace Corps and Neth. Vol. Org.	225.0	247.5	127.1	119.8	87.9	807.3	16.4%
Borne by CamCCUL	71.9	104.1	129.5	170.0	198.5	674.0	13.7%
Total Personnel Costs	428.6	540.1	460.9	382.0	378.1	2,189.7	44.6%
2. TRAINING COSTS							
<u>Borne by AID: CamCCUL Sub-Grant</u>	30.0	51.0	25.0	10.0	5.0	121.0	2.5%
<u>Borne by KAF:</u>	42.8	37.2	42.8	42.5	42.5	207.8	4.2%
Total Training Costs	72.8	88.2	67.8	52.5	47.5	328.8	6.7%
3. COMMODITIES							
<u>Borne by AID:</u>							
Technical Assistance Budget	38.4	19.8	0.5	0.5	0.5	59.7	1.2%
CamCCUL Sub-Grant	106.0	1.0	0.5	0.5	0.5	108.5	2.2%
Total AID Contribution	144.4	20.8	1.0	1.0	1.0	168.2	3.4%
4. DATA COLLECTION, EVALUATIONS, & CONTINGENCIES							
<u>Borne by AID:</u>							
Data Collection Systems Development	20.0	--	--	--	--	20.0	0.4%
Evaluations	--	--	30.0	--	30.0	60.0	1.2%
Contingencies	5.0	5.1	5.2	5.3	5.3	25.9	0.5%
Total AID Contribution	25.0	5.1	35.2	5.3	35.3	105.9	2.1%
5. OTHER COSTS							
<u>Borne by AID:</u>							
Technical Assistance Budget	87.6	122.5	120.9	61.9	67.2	460.1	9.4%
CamCCUL Sub-Grant	7.7	56.3	6.3	3.2	3.4	77.4	1.6%
Total AID Contribution	95.3	179.3	127.2	65.1	70.6	537.5	11.0%
Borne by KAF	2.4	2.6	2.8	--	--	7.8	0.2%
Borne by CamCCUL	173.5	246.2	303.4	381.0	466.5	1,570.6	31.9%
Total Other Costs	271.2	428.1	433.4	446.1	537.1	2,115.9	43.1%
GRAND TOTALS							
<u>Borne by AID:</u>							
Technical Assistance Budget	239.5	306.2	298.7	141.4	159.4	1,145.2	23.3%
CamCCUL Sub-Grant	149.4	120.0	43.7	26.9	8.9	348.9	7.1%
Data collection, Eval., & Conting.	25.0	5.1	35.2	5.3	35.3	105.9	2.2%
Total AID Contribution	413.9	431.3	377.6	173.6	203.6	1,600.0	32.6%
Borne by KAF	57.5	53.4	60.7	42.5	42.5	256.6	5.3%
Borne by Peace Corps & Neth. Vol. Org.	225.0	247.5	127.1	119.8	87.9	807.3	16.4%
Borne by CamCCUL	245.4	350.3	432.9	551.0	665.0	2,244.6	45.7%
Total Project Costs	941.8	1,082.5	998.3	886.9	999.0	4,908.5	100.0%

SUMMARY OF PROJECTED CONTRIBUTION TO PROJECT BY

USAID: TECHNICAL ASSISTANCE BUDGET

	PY	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>5-Year Totals</u>
1 <u>PERSONNEL COSTS</u>							
Resident Advisors'							
Salaries		50,500	80,550	88,605	36,603	40,263	296,521
Local Staff Salaries		<u>6,000</u>	<u>6,600</u>	<u>7,260</u>	<u>7,986</u>	<u>8,785</u>	<u>36,631</u>
Total Salaries		\$56,500	\$87,150	\$95,865	\$44,589	\$49,048	\$333,152
Resident Advisors'							
Fringe Benefits		13,635	21,749	23,923	9,883	10,871	80,061
Local Staff Fringe							
Benefits		<u>2,277</u>	<u>2,505</u>	<u>2,755</u>	<u>3,031</u>	<u>3,334</u>	<u>13,902</u>
Total Fringe Benefits		\$15,912	\$24,254	\$26,678	\$12,914	\$14,205	\$93,963
Resident Advisors'							
Allowances		11,050	17,955	19,751	7,654	8,418	64,828
Resident Advisors'							
Relocation		30,000	16,000	35,000	-	20,000	101,000
Resident Advisors'							
R & R		-	10,560	-	4,259	-	14,819
Resident Advisors'							
Home Leave		<u>-</u>	<u>8,000</u>	<u>-</u>	<u>9,600</u>	<u>-</u>	<u>17,600</u>
Total Personnel Costs		\$113,462	\$169,919	\$177,294	\$79,016	\$91,671	\$625,362
2 <u>TRAINING COSTS</u>							
(Covered in CamCCUL							
Sub-Grant)		-	-	-	-	-	-
3 <u>COMMODITIES</u>							
(See List in TA Budget,							
Appendix II)		\$38,450	\$19,750	\$500	\$500	\$500	\$59,700
4 <u>OTHER COSTS</u>							
Consultants		18,000	19,800	10,900	12,000	13,200	73,900
Advisors' Confederation							
Consultancies		3,000	3,300	3,630	3,993	4,392	18,315
Vehicle Operating Costs		14,000	23,100	25,410	9,317	10,249	82,076
Internal Air Fares		2,000	3,000	3,000	1,500	1,500	11,000
Local Per Diems		8,000	13,000	14,500	5,300	5,800	46,600
Other Direct Costs		10,600	9,600	7,600	6,700	6,700	41,400
Indirect Costs		<u>31,815</u>	<u>50,747</u>	<u>55,821</u>	<u>23,060</u>	<u>25,366</u>	<u>186,809</u>
Total Other Costs		\$87,615	\$122,547	\$120,861	\$61,870	\$67,207	\$460,100
TOTAL TECHNICAL							
ASSISTANCE COSTS		<u>\$239,527</u>	<u>\$306,216</u>	<u>\$298,655</u>	<u>\$141,386</u>	<u>\$159,378</u>	<u>\$1,145,162</u>

SUMMARY OF PROJECTED CONTRIBUTION TO PROJECT
BY
U.S.AID: SUB-GRANT TO CAMCCUL

FY	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>5-Year Totals</u>
1 PERSONNEL COSTS						
Salaries & Benefits of Agri. Officer & Asst. Agrl. Officer = \$	CF/A 1,159,000 5,795	2,185,000 10,925	2,403,000 12,015	2,645,000 13,225	-	8,392,000 41,960
2 TRAINING COSTS						
Sen. Cameroonian Staff (US\$)						
Manager (M.B.A.)	8,000	10,000	5,000	-	-	23,000
Central Finance Officer	4,000	5,000	-	-	-	9,000
Education Officer	-	8,500	-	-	-	8,500
Chief Auditor	-	8,500	-	-	-	8,500
-Totals	\$ 12,000	32,000	5,000	-	-	49,000
Field Staff Training (In-Country)	12,000	14,000	16,000	10,000	5,000	57,000
Total Staff Training Costs	\$ 24,000	46,000	21,000	10,000	5,000	106,000
Training SFPC C.U. Personnel	6,000	5,000	4,000	-	-	15,000
Total Training Costs	\$ 30,000	51,000	25,000	10,000	5,000	121,000
3 COMMODITIES						
1 FWD Vehicle for HQ Staff	18,000					18,000
1 FWD Van for HQ Staff	18,000					18,000
7 Desks	1,600					1,600
13 Chairs	650					650
6 Filing Cabinets	4,500					4,500
6 Electronic Calculators	3,000					3,000
1 Microcomputer with Software	50,000					50,000
1 Photocopier	1,500					1,500
1 Duplicator	1,250					1,250
2 Typewriters	2,500					2,500
Audio-Visual Equipment	3,000					3,000
Miscellaneous	2,000	1,000	500	500	500	2,000
Total Commodities Costs	\$ 106,000	1,000	500	500	500	108,500
4 OTHER COSTS						
Contingencies		50,000				50,000
Vehicle Operations	1,680	1,840	2,020	2,220	2,425	10,185
Textbooks & Ref. Materials	2,000	1,000	500	500	500	4,500
Training Materials	1,000	1,000	750	500	500	3,750
Paid Managers' Revolving Fund	3,000	3,000	3,000	-	-	9,000
Total Other Costs	\$ 7,680	56,840	6,270	3,220	3,425	77,435
TOTAL COST OF CAMCCUL SUB-GRANT	\$ <u>149,475</u>	<u>119,765</u>	<u>43,785</u>	<u>26,945</u>	<u>8,925</u>	<u>348,205</u>

SUMMARY OF PROJECTED CONTRIBUTION TO PROJECT BY
THE KONRAD ADENAUER FOUNDATION (KAF)

	PY	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>5-Year Totals</u>
<u>PERSONNEL COSTS</u>							
Salaries of 3 Field workers		1,800,000	1,980,000	2,178,000	-	-	5,958,000
Benefits (37.95%) of 3 Fieldworkers		<u>683,100</u>	<u>751,410</u>	<u>826,551</u>	<u>-</u>	<u>-</u>	<u>2,261,061</u>
Total Personnel Costs	CFA	2,483,100	2,731,410	3,004,551	-	-	8,219,061
	= DM	21,782	23,960	26,356	-	-	72,098
	= U.S.\$	12,415	13,657	15,023	-	-	41,095
<u>2 TRAINING COSTS</u>							
Full Cost of Membership Education Programme	CFA	8,550,000	7,430,000	8,570,000	8,500,000	8,500,000	41,550,000
	= DM	75,000	65,175	75,175	74,561	74,561	362,472
	= U.S.\$	42,750	37,150	42,850	42,500	42,500	207,750
<u>3 COMMODITIES</u>							
None							
<u>4 OTHER COSTS</u>							
Travel Allowances of 3 Fieldworkers	CFA	472,500	519,750	571,725	-	-	1,563,975
	= DM	4,145	4,559	5,015	-	-	13,719
	= U.S.\$	2,362	2,599	2,859	-	-	7,820
<u>TOTAL CONTRIBUTIONS</u>							
CFA		11,505,600	10,681,160	12,146,276	8,500,000	8,500,000	51,333,036
DM		100,927	93,694	106,546	74,561	74,561	450,289
U.S.\$		57,527	53,406	60,732	42,500	42,500	256,665

SUMMARY OF PROJECTED CONTRIBUTION TO PROJECT BY CAMCCUL
(CFA in Millions)

		<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>5-Year Totals</u>
1 PERSONNEL COSTS							
a <u>Salaries</u>							
All Cameroonian League Staff except 3 fieldworkers funded by KAF & SFPC Staff funded by AID		10,176	14,744	18,396	24,229	28,147	95,692
b Fringe Benefits of above staff		4,209	6,073	7,508	9,773	11,552	39,115
Total Personnel Costs	CFA	14,385	20,817	25,904	34,002	39,699	134,807
	=DM	126,184	182,605	227,228	298,263	348,237	1,182,517
	= \$	71,925	104,085	129,520	170,010	198,495	674,035
2 TRAINING COSTS							
Paid by U.S.AID & KAF							
3 COMMODITIES							
Negligible							
4 OTHER COSTS							
Fieldworker Claims for other than 3 FW's paid by KAF		2,048	2,662	2,772	4,154	4,562	16,198
Local Travel & Per Diems		360	396	436	497	527	2,198
Conferences		150	165	182	200	200	897
Office Rents		1,200	1,300	1,600	1,700	1,800	7,600
Other Office Expenses		800	880	968	1,065	1,171	4,884
Communications		300	330	363	399	439	1,831
Depreciation		2,370	2,370	2,370	2,550	2,550	12,210
ACOSCA Dues		1,769	2,175	2,634	3,272	3,848	13,698
Board Expenses		1,000	1,100	1,200	1,300	1,400	6,000
General Meetings		250	275	300	325	350	1,500
Provisions for Bad Debts		2,000	2,000	2,000	2,000	2,000	10,000
Interest on Deposits		18,133	30,507	40,302	52,946	67,990	209,878
Tax on Bank Interest		3,818	4,589	5,053	5,310	5,967	24,737
Miscellaneous Expenses		500	500	500	500	500	2,500
Total Other Costs	CFA	34,698	49,249	60,680	76,200	93,304	314,131
	=DM	304,368	432,009	532,281	668,421	818,456	2,755,535
	= U.S.\$	173,490	246,245	303,400	381,000	466,520	1,570,655
TOTAL CAMCCUL CONTRIBUTION							
CFA		49,083	70,066	86,584	110,202	133,003	448,938
DM		430,552	614,614	759,509	966,684	1,166,693	3,938,052
U.S.\$		245,415	350,330	432,920	551,010	665,015	2,244,690

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APPENDIX I
CamCCUL Proforma Income & Expense Statements: PY 1981-1985
(1000 CFA)

<u>INCOME</u>	PY <u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
<u>SELF-GENERATED INCOME</u>					
Affiliates' Dues	4,423	5,438	6,585	7,865	9,621
Interest on Credit Union Loans	4,976	8,075	15,805	25,954	39,994
Interest on Coop Loans	10,615	17,945	28,449	43,602	55,991
Interest on Investments	23,137	27,815	30,622	32,183	36,161
Insurance Commissions	70	130	300	500	700
Entrance Fees	20	20	20	20	20
Sales Margin	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>
Total Self-Generated Income	43,391	59,573	81,931	110,274	142,637
<u>GRANTS</u>					
USAID Operating Grants	2,839	3,925	4,423	4,865	2,425
KAF Support	<u>11,506</u>	<u>10,681</u>	<u>12,146</u>	<u>8,500</u>	<u>8,500</u>
Total Grants	<u>14,345</u>	<u>14,606</u>	<u>16,569</u>	<u>13,365</u>	<u>10,925</u>
TOTAL INCOME	57,736	74,179	98,500	123,639	153,562
<u>EXPENSES</u>					
Salaries	12,816	18,308	22,316	26,146	28,147
Fringe Benefits	5,211	7,425	8,995	10,501	11,552
Vehicle Expenses	3,550	3,710	3,890	4,270	4,475
Fieldworker Travel Allowances	2,520	3,182	3,344	4,154	4,562
Conferences	150	165	182	200	200
Local Travel & Per Diems	360	396	436	479	527
Office Rents	1,200	1,300	1,600	1,700	1,800
Other Office Expenses	800	880	968	1,065	1,171
Communications	300	330	363	399	439
Depreciation (F,F, & Eq.)	500	500	500	500	500
ACOSCA Dues	1,769	2,175	2,634	3,272	3,348
Board Expenses	1,000	1,100	1,200	1,300	1,400
General Meetings	250	275	300	325	350
Seminars	8,550	7,430	8,570	8,500	8,500
Provisions for Bad Debts	2,000	2,000	2,000	2,000	2,000
Interest on Deposits	18,133	30,507	40,302	52,946	67,990
Tax on Bank Interest	3,818	4,589	5,053	5,310	5,967
Miscellaneous Expenses	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
TOTAL EXPENSES	<u>63,427</u>	<u>84,772</u>	<u>103,153</u>	<u>123,567</u>	<u>144,543</u>
NET INCOME (Deficit)					
to be financed from					
Retained Earnings	(5,691)	(10,593)	(4,653)	(72)	9,019
(Unrestricted Reserves)					
Per Cent Self-Sufficient	68.4%	70.3%	79.4%	89.2%	98.7%

APPENDIX I, Continued

DETAILS OF MAJOR EXPENSE ITEMS

<u>ITEMS</u>	<u>Initial Monthly Salary</u>	<u>PROJECT YEAR</u>				
		<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
		('000 CFA)				
1 <u>Salaries</u>						
Manager	170,000	2,040	2,244	2,468	2,715	2,987
Central Finance Officer	146,000	876	1,927	2,120	2,332	2,565
Chief Auditor	93,000	1,116	1,228	1,350	1,485	1,634
Education Officer	70,000	420	924	1,016	1,118	1,230
Risk Management Officer	70,000	840	924	1,016	1,118	1,230
Agricultural Officer	70,000	840	924	1,016	1,118	1,230
Asst. Agricultural Officer	50,000	-	660	726	799	878
FW Supervisor I	70,000	420	924	1,016	1,118	1,230
FW Supervisor II	70,000	420	924	1,016	1,118	1,230
Fieldworkers	50,000	4,800	5,940	8,712	11,180	12,298
Cashier	46,000	552	607	668	735	808
Clerk I	26,000	312	343	378	415	457
Clerk II	26,000	-	343	378	415	457
Driver I	15,000	180	198	218	240	264
Driver II	15,000	-	198	218	240	264
Total Salaries	XXX	12,816	18,308	22,316	26,146	28,762
2 <u>Fringe Benefits</u>						
Social Insurance (12.95%)		1,660	2,370	2,890	3,386	3,725
Housing (25%)		3,204	4,577	5,579	6,536	7,190
Duty Allowance (10%):						
Manager		204	224	247	272	299
Central Finance Officer		88	193	212	233	257
Cashier		55	61	67	74	81
Total Fringe Benefits		5,211	7,425	8,995	10,501	11,552
3 <u>Vehicle Expenses</u>						
Depreciation - Sedan		570	570	570	750	750
Operation Costs - Sedan		480	540	600	660	725
Depreciation - Pickup		700	700	700	700	700
Operating Costs - Pickup		600	650	710	780	850
Depreciation - VW Kombi		600	600	600	600	600
Operating Costs - VW Kombi		600	650	710	780	850
Total Vehicle - Related Expenses		3,550	3,710	3,890	4,270	4,475
4 <u>Fieldworker Allowances</u>						
Fieldworker Supervisors		360	400	440	480	520
Camerconian Fieldworkers		1,260	1,782	2,614	3,354	3,690
Volunteer Fieldworkers		900	1,000	200	320	352
Total Fieldworker Allowances		2,520	3,182	3,344	4,154	4,562

Appendix I, Continued

DETAILS OF MAJOR EXPENSE ITEMS

5. Membership Education Programme (MEP) Programme

For the first three project years, it is assumed that CamCCUL will provide 8 days of training per year to credit union secretaries (managers) and 4 days for one backup person per credit union; this training would take place on a regional basis during 4-day seminars. In addition, two Board and Committee Members would receive training each year at 3-day seminars. Average board and lodging expenses in 1980 are estimated at 2,000 CFA per day per person, increasing by 10% a year, and average transportation costs of 2,000 CFA per person per seminar, increasing by 15% a year. Materials would cost 1,000 CFA per participant, increasing by 10% a year. The total cost of the membership education programme over the three-year period can then be estimated as follows:

<u>EXPLANATION</u>	<u>FY</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Projected Number of Credit Unions		171	134	139
		(Amounts in Millions of CFA Francs)		
<u>A. Managers' & Asst. Mgrs. Seminars</u>				
Board & Lodging		4.10	3.54	4.03
Transportation		1.03	0.92	1.10
Materials		<u>0.34</u>	<u>0.29</u>	<u>0.34</u>
Sub-Totals		5.47	4.75	5.47
<u>B. Board/Committee Member Seminars</u>				
Board & Lodgings		2.00	1.77	2.02
Transportation		0.68	0.62	0.74
Materials		<u>0.34</u>	<u>0.29</u>	<u>0.34</u>
Sub-Totals		3.08	2.68	3.10
<u>Total Cost of Programme</u>				
in CFA (Millions)		8.55	7.43	8.57
in U.S. \$*		\$42,750	\$37,150	\$42,850
in D.M. **		DM75,000	DM65,175	DM75,175

* 1 U.S. \$ = 200 CFA

** 1 U.S. \$ = 1.75 DM

It is assumed that annual MEP costs will stabilize at about 8.5 million CFA per year starting in FY 1983, since as credit union staff become more technically self-sufficient, they will require less and less additional training. However, inflation will keep the total cost from declining substantially.

APPENDIX II

TECHNICAL ASSISTANCE BUDGET

SUMMARY COVER SHEET

<u>EXPENSE CATEGORY</u>	<u>PY</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>Totals</u>
1. Salaries		56,500	87,150	95,865	44,589	49,048	333,152
2. Fringe Benefits		15,912	24,254	26,678	12,914	14,205	93,963
3. Consultants		18,000	19,800	10,900	12,000	13,200	73,900
4. Allowances		11,050	17,955	19,751	7,654	8,418	64,828
5. Travel & Transportation		57,000	76,960	81,540	33,969	41,941	291,410
6. Other Direct Costs		10,800	9,600	7,600	6,700	6,700	41,400
7. Indirect Costs		31,815	50,747	55,821	23,060	25,366	186,809
8. Commodities		<u>38,450</u>	<u>19,750</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>59,700</u>
TOTALS		<u>\$239,527</u>	<u>\$306,216</u>	<u>\$298,655</u>	<u>\$141,386</u>	<u>\$159,378</u>	<u>\$1,145,162</u>

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GPO TECHNICAL ASSISTANCE BUDGET DETAILS

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>5-Year Totals</u>
1 SALARIES						
a) <u>Resident Advisors</u>						
CU/Lengue Management Specialist	27,500	30,250	33,275	36,603	40,263	167,891
Agricultural Credit Specialist	23,000	25,300	27,830	-	-	76,130
Education & Training Specialist	-	25,000	27,500	-	-	52,500
Sub-Total	<u>\$50,500</u>	<u>\$80,550</u>	<u>\$88,605</u>	<u>\$36,603</u>	<u>\$40,263</u>	<u>\$298,521</u>
b) <u>Local Staff</u>						
Bilingual Secretary	<u>6,000</u>	<u>6,600</u>	<u>7,260</u>	<u>7,286</u>	<u>3,785</u>	<u>36,631</u>
Total Salaries	\$56,500	\$87,150	\$95,865	\$44,589	\$49,048	\$333,152
2 FRINGE BENEFITS						
27% of Resident Advisors' Salaries	13,635	21,749	23,923	9,883	10,971	80,061
37.95% of Local Staff Salaries	<u>2,277</u>	<u>2,505</u>	<u>2,755</u>	<u>3,031</u>	<u>3,334</u>	<u>13,902</u>
Total Fringe Benefits	\$15,912	\$24,254	\$26,678	\$12,914	\$14,205	\$93,963
3 CONSULTANTS						
a) Data Processing Feasibility Study (2 mos)	18,000					\$18,000
b) Software Devel. (2 mos)		19,800				19,800
c) CLF Evaluation (1 mo)			10,900			10,900
d) Housing/Sm. Bus. Finance Feas. Study (1 mo)				12,000		12,000
e) To be determined (1 mo)					13,200	13,200
Total Consultancy Costs	<u>\$18,000</u>	<u>\$19,800</u>	<u>\$10,900</u>	<u>\$12,000</u>	<u>\$13,200</u>	<u>\$73,900</u>
4 RESIDENT ADVISORS' ALLOWANCES (Per Country Handbook)						
a) Post Allowance	4,000	6,600	7,260	2,662	2,928	23,450
b) Housing	1,000	1,650	1,815	666	732	5,863
c) Education (2 children each @ \$250)	1,000	1,650	1,815	666	732	5,863
d) Differential (10% of Salaries)	<u>5,050</u>	<u>8,055</u>	<u>8,861</u>	<u>3,660</u>	<u>4,026</u>	<u>29,652</u>
Total Allowances	\$11,050	\$17,955	\$19,751	\$7,654	\$8,418	\$64,828
5 TRAVEL & TRANSPORTATION						
a) Relocation	30,000	16,000	35,000	-	20,000	101,000
b) Confederation (ACCSCA) Consultations	3,000	3,300	3,630	3,993	4,392	18,315
c) R & R	-	10,560	-	4,259	-	14,819
d) Home Leave-Mgmt. Spec. Only	-	3,000	-	9,600	-	17,600
e) Advisors' Vehicle Operating Costs	14,000	23,200	25,410	9,317	10,249	82,076
f) Internal Air Fares	2,000	3,300	3,000	1,500	1,500	11,000
g) Local Per Diems - 100 days each @ \$40/day	<u>3,000</u>	<u>13,000</u>	<u>14,500</u>	<u>5,300</u>	<u>5,300</u>	<u>46,600</u>
Total Travel & Transportation Costs	\$57,000	\$76,960	\$81,540	\$33,969	\$41,941	\$291,410

6 OTHER DIRECT COSTS		-93-				
a) Translation Services	5,000	5,000	5,000	5,000	5,000	25,000
b) Stationary & Supplies	1,200	1,800	1,300	1,300	1,300	7,400
c) Communications (P&T)	600	800	800	400	400	3,000
d) Resident Advisors' Orientation	4,000	2,000	-	-	-	6,000
	<u>10,800</u>	<u>9,600</u>	<u>7,600</u>	<u>6,700</u>	<u>6,700</u>	<u>41,400</u>
7 INDIRECT COSTS						
63% of U.S. Salaries	31,815	50,747	55,821	23,060	25,366	186,809
8 COMMODITIES						
Man. Spec's Vehicle with Spare Parts	18,000	-	-	-	-	18,000
Agri. Credit Spec's Vehicle w/Spare Parts	18,000	-	-	-	-	18,000
Education & Training						
Spec's Vehicle with Spare Parts	-	19,000	-	-	-	19,000
3 Desks & Chairs	500	250	-	-	-	750
1 4-Drawer Filing Cabinet	750	-	-	-	-	750
1 Portable Typewriter	200	-	-	-	-	200
Miscellaneous	<u>1,000</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>3,000</u>
Total Commodities	\$38,450	\$19,750	\$ 500	\$ 500	\$ 500	\$ 59,700
TOTAL TECHNICAL ASSISTANCE COSTS	<u>\$239,527</u>	<u>\$306,216</u>	<u>\$298,655</u>	<u>\$141,386</u>	<u>\$159,378</u>	<u>\$1,145,162</u>

APPENDIX III
LOGICAL FRAMEWORK

PROGRAM GOAL

To increase the net incomes, wealth, and living standards of an increasing number of Cameroonian credit union members.

Measures of Goal Achievement:

1. Comparison of net income and wealth of a sample of credit union members at the beginning and end of the project (direct measure).
2. Increases in the average savings account size of credit union members (surrogate measure of wealth).
3. Rates of return on SFPC borrowers' project.

Means of Verification:

1. Periodic League statistical and financial reports and tabulations.
2. League and credit union SFPC records.

Basic Assumptions Related to Goal Achievement:

1. Continued favorable support of and legislation and regulations with respect to the Cameroon credit union movement by the Cameroon government.
2. A continued stable political and economic environment.
3. Sufficient competent League personnel can be obtained as projected and adequately trained in promotion and technical skills to meet the needs of affiliated credit unions.
4. National and local leadership of the League and credit unions will value and participate in activities promoted through the project.

PROJECT PURPOSES

1. Strengthening of Cameroon's national and regional credit union structures so that they become financially and technically able to provide all essential services to its affiliated credit unions.
2. Creation of an expanding network of credit unions which have, with the support of national and regional associations, the financial and technical capabilities sufficient to provide required savings, credit, and related services to an increasing membership.

End of Project Status:

1. CamCCUL will be able to generate sufficient annual earned revenues to cover all administrative, operating, and financial costs, including adequate reserve provisions and reasonable dividends on members' shares.
2. The League and its affiliated credit unions will possess demonstrated technical capabilities in at least each of the following areas:
 - 1) Planning
 - 2) Financial Management
 - 3) Budgeting
 - 4) Personnel Management
 - 5) Accounting
 - 6) Credit Management
 - 7) Risk Management
 - 8) Administrative systems and procedures
 - 9) Promotion
 - 10) Training
 - 11) Supplies Management
 - 12) Information Systems
 - 13) Legal Services

Quantitative Indicators

1. The total number of affiliated credit unions will be at least 180.
2. Total savings of affiliated credit unions will be at least \$26 million.
3. Total membership in affiliated societies will be approximately 75,000.

4. Total loans outstanding will be at least \$18 million.
5. At least 75 per cent of affiliated credit unions will be financially self-sufficient.
6. At least 90 per cent of affiliated credit unions will be able to maintain accurate, up-to-date bookkeeping records and prepare financial statements.
7. At least 75 per cent of affiliated credit unions' loan delinquency will not exceed 10% of the amount outstanding.
8. At least 80 per cent of affiliated credit unions' savings and loans will be insured.
9. At least 28 credit unions will have received League production credit loans.

Means of Verification:

1. League Financial Statements and records.
2. League financial and statistical summaries of affiliates' operations.
3. Measures of League processes, using minimal outcome statements.
4. Reports of field staff.
5. Post-Training (seminars) evaluation reports.

Assumptions:

1. Large, untapped potential for new members and increased savings exists among urban workers groups in urban areas.
2. Qualified and committed individuals can be recruited for League/credit union staff and Board of Directors positions.
3. WOCU/CUNA technical and administrative support compatible with League objectives and adequate to develop required skills in all technical areas.
4. Current educational base of society leadership and membership is at level adequate for proposed training programs to achieve desired results.

PROJECT OUTPUTS

OUTPUTS MAGNITUDE AS OF:	June 1981	June 1982	June 1983	June 1984	June 1985	TOTALS
1. League Board of Directors trained to effectively execute policy-making responsibilities	15	16	17	18	19	85 (32)*
2. Society committee members trained to effectively direct society management, including planning, promotion, loan analysis and other key areas	300	250	250	260	260	1,320 (900)*
3. Society secretaries and assistants trained to maintain accurate and complete financial records and prepare financial statements	300	250	250	260	260	1,320 (300)
4. New credit unions organized	10	10	10	10	10	50
5. Cum. No. of credit unions affiliated to League	110	120	130	150	160	160
6. Societies receiving stationary supplies from League during year	171	134	139	141	143	143
7. Stationary supplies sales volume	\$5,500	\$6,100	\$6,600	\$7,000	\$7,400	\$32,600
8. Societies participating in insurance program	50	65	80	95	110	110
9. Per Cent of Savings and Loans insured	25%	35%	50%	65%	80%	80%
10. Per cent of total League operating costs paid from earned income	68.4%	70.3%	79.4%	89.2%	98.7%	98.7%
11. CamCCUL personnel system designed and documented	-	1	-	-	-	1
12. Financial/statistical reports on societies and League prepared quarterly	4	4	4	4	4	20
13. Standard policies and procedures guides prepared and disseminated	3	3	2	1	-	9
14. 5-Year National Credit Union Development Plan Completed	-	-	-	-	1	1
15. No. of credit unions participating in shared services and management programs	-	15	30	60	100	100
16. No. of credit unions participating in League production credit program	10	14	20	25	28	25

* Number in parentheses represents unduplicated count of persons trained

Means of Verification:

1. Reports on training programs filed by training officers and field workers.
2. Evaluation reports on training programs
3. Observation of training programs
4. Statistical reports compiled on societies by League
5. Detailed League and society financial reports
6. Insurance program records and reports
7. Copies of publications and communications

Assumptions:

Re Outputs 1, 2, and 3:

League training program is sufficiently intensive, i.e., members can be persuaded to participate in a required number of training sessions to attain a specified skill level, such that the proposed number of "trained" individuals can be attained.

Re Outputs 4, 5, and 10:

CamCCUL's demonstrated vitality will persuade societies to affiliate, pay assessed dues, and deposit excess liquidity in the League.

Re Outputs 6 and 7:

Commercial suppliers will not reduce prices below League costs

Re Outputs 8 and 9:

League staff is able to present the insurance program in a manner that will enable society members, particularly in the rural areas, to value the benefits offered by the program.

INPUTS

1. AID

a. Budget support for League administrative and operating costs, training, and commodities	\$ 348,895
b. Technical Assistance	1,145,162
c. Data collection, evaluation, and contingencies	<u>105,943</u>
Total AID Contribution	\$ 1,600,000

2. KAF

Budget support for League training and administrative expenses	\$ 256,665
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3. Peace Corps and Netherlands Volunteer Organizations 807,300

4. CamCCUL

Salaries, benefits, travel, and overhead costs of running CamCCUL	<u>2,244,690</u>
Total Project Costs	<u><u>\$ 4,908,655</u></u>

Means of Verification

1. League financial statements
2. Audit reports
3. AID Disbursement records
4. Global Projects' budget reports

Assumptions

1. Credit unions will comply with CamCCUL's new dues formula
2. CamCCUL's loan volume will not be substantially affected by recent and future increases in lending rates.
3. All external funding and other support will be received at the time and in the amounts scheduled.

APPENDIX IV

RESIDENT ADVISORS' JOB DESCRIPTIONS

POSITION: Credit Union/League Management Specialist (Chief of Party)

SUPERVISOR: Global Projects' Director of Programs or others as delegated

The technician will be responsible for providing on-site technical advice to the Cameroon Cooperative Credit Union League, Ltd. (CamCCUL) and its affiliated credit unions, in addition to normal project liaison and reporting.

I Description of Duties

A Credit Union Consolidation Programme

In collaboration with CamCCUL's Board and staff, the technician will define and document procedures for liquidating, merging, or reviving dormant and non-viable credit unions, and provide initial training to CamCCUL field staff, including expatriate volunteers, in their implementation.

B Training

In collaboration with senior CamCCUL staff, the technician will develop, document, and provide initial training to CamCCUL staff in the following systems and processes:

1 League Systems

- a. Regular inspection of credit unions' operations
- b. Periodic reporting to the League
- c. Auditing of credit unions

2 Credit Union-Level Systems

- a. Bookkeeping and financial statement preparation
- b. Analysis of financial and statistical reports
- c. Preparation and use of budgets

In addition, once CamCCUL's Education Officer and the Education and Training Specialist are in place, the technician will advise them on the technical content of subsequent training materials to be developed during the project, assist in development of an improved CamCCUL personnel system, participate as appropriate in formal training programmes, and coordinate the preparation of written manuals.

C Planning

In collaboration with CamCCUL's Board and staff, the technician will develop and implement strategic and action planning systems consistent with affiliates' needs and resource availability.

D Organizational Development

In collaboration with CamCCUL's Board and staff, the technician will play a lead role in coordinating exchange visits by francophone and anglophone staff and leadership and subsequent national and regional planning workshops, organization of provincial branch offices, and eventual conversion of these branches into a network of semi-autonomous provincial leagues headed by a reorganized national association.

E Shared Management Systems

In collaboration with CamCCUL and credit unions' staffs, the technician will coordinate development, testing, and implementation of alternative methods of providing professional management to credit unions operating in close geographical proximity which cannot otherwise afford full or part-time management.

F Liaison, Reporting and Administrative Procedures

The technician will serve as the primary liaison agent between Global Projects, ACOSCA, USAID/Yaounde, the Government of the United Republic of Cameroon (GURC), and other interested organizations in Cameroon and will regularly evaluate these liaison efforts and take any corrective steps required to assure effective communication between Global Projects and these organizations. In particular, he will:

- 1 Determine the information requirements of USAID/Yaounde and AID/Washington in respect of the project.
- 2 Assure mutual agreement on the objectives of the project and Global Projects' role in achieving these and clearly identify any lack of consensus on these subjects which exists in Cameroon.
- 3 Assist in defining and insuring mutual agreement on the project responsibilities and obligations of each of the project's principal parties, i.e., USAID/Yaounde, Global Projects, CamCCUL, ACOSCA, KAF, the U.S. Peace Corps, the Netherlands Volunteer Organization and GURC.
- 4 Provide USAID/Yaounde with documentation which clearly establishes Global Projects' responsibilities and plans and with adequate updating which will allow for proper USAID monitoring of the work done by the technicians.
- 5 Prepare and forward progress reports, in an agreed-upon format, plus any other special reports and studies, to USAID/Yaounde, Global Projects/Washington, ACOSCA, CamCCUL, or other parties as required.
- 6 In writing, draw to the attention of USAID/Yaounde, Global Projects/Washington, ACOSCA, and CamCCUL, any changes in conditions which could significantly affect the proper execution of the project.
- 7 Determine appropriate communication channels and assure that all communications are carried out through these channels.
- 8 Assure identification and provision of adequate and timely provision

of TDY technical assistance to CamCCUL and/or the technicians.

- 9 Monitor project expenditure financial reports and assure that these reports contain all of the information required for effective monitoring of expenditures.
- 10 Prepare annual budget proposals and submit to Global Projects/Washington a minimum of 90 days prior to new budget periods.
- 11 Assure proper safeguarding of all projects assets under the control .. of the technicians.

II Job Qualifications

A Minimum Requisites

- 1 Education: Master's Degree in business administration or management.
- 2 Experience: A minimum of five years of overseas and/or North American credit union experience, with a minimum of two of these years in the area of overseas development.
- 3 Demonstrated ability to design credit union inspection and auditing systems.
- 4 Demonstrated skills in credit union management, promotion, organization, bookkeeping, budgeting, and credit management.
- 5 Other skills and attitudes:
 - Fluency in spoken and written French and English
 - Proven ability to communicate complex ideas precisely and coherently through written and oral presentations
 - Proven ability to identify and systematically solve problems in cross-cultural situations
 - Demonstrated tact, trustworthiness and perseverance
 - Demonstrated ability to perform with little direct supervision
 - Demonstrated analytical skills
 - Demonstrated ability to formulate and use concise planning documents
 - Demonstrated ability to identify the strengths and weaknesses of colleagues and to design methods to overcome skill or attitudinal limitations
 - Commitment to overseas development efforts

B Additional Desirable Characteristics

- 1 Education: Graduate work involving independent research and analysis
- 2 Experience, skills and attitudes
 - Experience in management, statistics, budgeting and programming
 - Experience in the systematic analysis of staffing requirements, the preparation of precise job descriptions, and the use of systematic recruiting and selection processes
 - Experience in the design and implementation of institutional information systems
 - Experience in institutional monitoring and control functions

- Experience in relating to high-level officials in an overseas context
- Demonstrated skill in the preparation of project proposals
- Demonstrated skill in project evaluation
- Experience in the preparation of operating manuals
- Fluency in any of Cameroon's major vernacular languages

POSITION: Agricultural Credit Specialist

SUPERVISOR: Chief of Party

The technician will be responsible for providing on-site technical assistance to the Cameroon Cooperative Credit Union League, Ltd. (CamCCUL) and its affiliated credit unions in agricultural credit (SFPC)-related matters.

I. Description of Duties

A. Training

In collaboration with senior CamCCUL staff, the technician will conduct and/or supervise formal and on-the-job training of CamCCUL field staff, credit union personnel and selected farmer members in the following systems and processes:

1. Agricultural credit policy analysis and planning
2. League financing of loans to members in SFPC credit unions
3. SFPC loan analysis
4. Provision of improved agricultural technical assistance services
5. Input supply management
6. Marketing of agricultural products
7. SFPC record-keeping and statistical reporting.

In addition, once CamCCUL's Education Officer and the Education and Training Specialist are in place, the technician will advise them on the technical content of subsequent training materials to be developed during the project, and participate as appropriate in formal training programmes, and coordinate the preparation of written manuals.

B. Agricultural Credit Policy Development

In collaboration with CamCCUL's Board and staff, the technician will develop model guidelines and procedures for SFPC credit operations at both the League and credit union levels, including guidelines for SFPC loan interest rate determination, SFPC loan evaluation and collection, SFPC financing, estimation of SFPC loan demand, and determination of SFPC delivery costs and returns.

C. Agricultural Technical Assistance

In close collaboration with CamCCUL and SFPC credit union personnel, the technician will develop a viable agricultural technical assistance system which will enhance the productivity and effectiveness of SFPC lending. Said system should be structured in such a way as to make maximum use of existing private and government support services while, at the same time, preserving optimal service efficiency and outreach.

D. Input Supply Systems

In collaboration with CamCCUL and credit union staffs, the technician will develop a practical and efficient system for the provision of agricultural supplies (improved seed and livestock varieties, fer-

tilizer, insecticides, and veterinary medicines) to SFPC credit unions. Said system should include an adequate input supply record-keeping sub-system to monitor the type, quantity, and quality of input supplies provided and to assist in input scheduling and planning.

E. Agricultural Marketing Systems

In close collaboration with CamCCUL and credit union staffs, the technician will develop an effective system for marketing the agricultural produce of SFPC credit union members. Such a scheme should make maximum use of existing marketing infrastructures in both the private and cooperative sectors.

F. Applied Research in Agricultural Credit Systems

In addition to the technician's other operational duties, he/she will be responsible for collecting and analyzing certain agricultural credit-related data, such as information on loan profitability, applied costs/returns research (e.g., the analysis of demonstration plot results, etc.), credit delivery costs, and the impact of SFPC lending on farmer beneficiaries.

G. Liaison, Reporting and Administrative Procedures

The technician will report directly to the general manager of CamCCUL and will serve as liaison agent between Global Projects, CamCCUL, and all other interested organizations in Cameroon on all agricultural credit matters related to the project. In particular, he/she will:

1. Determine the information requirements of USAID/Yaounde and AID/Washington with respect to SFPC
2. Assist in defining and insuring mutual agreement on the project responsibilities and obligations of each of the project's principal parties, i.e., USAID/Yaounde, Global Projects, CamCCUL, ACOSCA, KAF, the U.S. Peace Corps, the Netherlands Volunteer Organization, and GURC.
3. Prepare progress reports, in an agreed-upon format, plus any other special reports and studies, for USAID/Yaounde, Global Projects/Washington, ACOSCA, CamCCUL, or other parties as required.
4. In writing, draw to the attention of USAID/Yaounde, Global Projects/Washington, ACOSCA, and CamCCUL, any changes in conditions which could significantly affect the proper execution of the project's SFPC component.
5. Determine appropriate communications channels and assure that all communications are carried out through these channels.

II. Job Qualifications

1. Minimum Requisites

- a. Education: B.A./B.S. Degree in Economics, Farm Management, Business Administration, or Agriculture, or its equivalent in proven experience.

- b. Experience: A minimum of five years of agricultural credit or related experience, with a minimum of two of these years in the area of overseas development.
- c. Demonstrated skills in the design, management, and administration of agricultural credit programs in developing countries.
- d. Other Skills and Attitudes
 - Proven ability to communicate complex ideas precisely and coherently through written and oral presentations
 - Proven ability to identify and systematically solve problems in cross-cultural situations.
 - Demonstrated tact, trustworthiness and perseverance
 - Demonstrated ability to perform with little direct supervision
 - Demonstrated analytical skills
 - Demonstrated ability to formulate and use concise planning documents
 - Demonstrated ability to identify the strengths and weaknesses of colleagues and to design methods to overcome skill or attitudinal limitations
 - Commitment to overseas development efforts.

2. Additional Desirable Characteristics

- a. Education: Graduate work in agricultural economics or business involving independent research and analysis
- b. Experience, Skills and Attitudes
 - Fluency in spoken and written French and any of Cameroon's major vernacular languages
 - Experience in the design and implementation of management information systems
 - Experience in the preparation of operating manuals, educational and training materials for agricultural credit programs
 - Experience in benefit/cost and cost/returns analyses, and in the preparation of feasibility studies and evaluations.

POSITION: Education and Training Specialist

SUPERVISOR: Chief of Party

The technician will be responsible for providing on-site technical advice to the Cameroon Cooperative Credit Union League, Ltd. (CamCCUL) and its affiliated credit unions.

I Description of Duties

A Personnel Management

In collaboration with CamCCUL's Board and staff, the technician will develop and document a personnel system, in the form of an employees' standard policies and procedures manual, including, at a minimum, policies and procedures related to:

- 1 Position identification
- 2 Development and format of job descriptions
- 3 Position grading
- 4 Salary scales and benefits establishment
- 5 Performance appraisals
- 6 Skill assessment and staff development
- 7 An incentive system to promote quality work

B Training

In collaboration with senior CamCCUL staff, using a "train the trainers" approach, the technician will develop, document, and systematically train CamCCUL's staff in the proper performance of the following systems and processes:

1 Credit Union-Level Systems

- a. Bookkeeping and financial statement preparation
- b. Analysis of financial and statistical reports
- c. Preparation and use of budgets
- d. Credit policy and procedures
- e. Use of interest tables and formulae
- f. Membership and savings promotion techniques
- g. Office management
- h. Risk management
- i. Loan monitoring and collection techniques
- j. Supervisory committee internal audit procedures
- k. Others as appropriate

2 League Systems

- a. Regular inspection of credit unions' operations
- b. Periodic reporting to the League
- c. Auditing of credit unions
- d. Analysis of League loan applications

In addition to development of training methodologies and materials, and training of CamCCUL staff, the technician will participate as necessary in formal training sessions held by CamCCUL for its affiliates, in the design and conduct of pre- and post-training evaluations, and periodic assessments of credit union-level training needs as they change over time.

C Preparation of Operating Manuals

In collaboration with senior CamCCUL staff, other Global Projects technicians, and technical committees, the technician will prepare operating manuals for credit union-level staff in at least the following systems:

- 1 Bookkeeping and financial statement preparation
- 2 Budgeting
- 3 Credit policies and procedures
- 4 Membership and savings promotion
- 5 Internal auditing (Supervisory Committee) procedures

II Job Qualifications

A Minimum Requisites

- 1 Education: Bachelor's Degree, or equivalent in experience
- 2 Experience: A minimum of five years of overseas and/or North American experience in the design and conduct of objectives-based management training programs, with a minimum of two of these years in the area of overseas development.
- 3 Demonstrated skills in the design and conduct of staff development programs.
- 4 Demonstrated capability to systematically analyze staffing requirements, prepare precise job descriptions, and use systematic recruiting and selection processes.
- 5 Other Skills and Attitudes:
 - Proven ability to communicate complex ideas precisely and coherently through written and oral presentations
 - Demonstrated ability to identify the strengths and weaknesses of colleagues and to design methods to overcome skill or attitudinal limitations
 - Proven ability to identify and systematically solve problems in cross-cultural situations
 - Demonstrated tact, trustworthiness and perseverance
 - Commitment to overseas development efforts
 - Demonstrated tact, trustworthiness and perseverance

B Additional Desirable Skills or Attitudes

- Experience in management or training of professional staff, particularly of financial institutions
- Experience in developing modern personnel systems
- Experience in preparing operating manuals, especially for those with less than full secondary school education
- Fluency in oral and written French and/or any of Cameroon's major vernacular languages

APPENDIX V

BREAK-EVEN POINT CALCULATION METHODOLOGY

A credit union's break-even point can be calculated by means of the following formula:

$$S = \frac{F}{R - v - \left(\frac{1}{1-r}\right)d}, \text{ where}$$

- S = The break-even level of total savings
- R = The rate of return on total savings, i.e., total revenues divided by the average total shares and savings for the year
- v = The variable cost rate as a percentage of total savings, in Cameroon the sum of League dues and insurance premium rates
- r = The Legal Reserve Rate, in Cameroon 20% of net income
- d = The desired rate of dividend/interest to be paid on shares and savings
- F = The level of "fixed" operating costs (salaries, benefits, rent, travel and overhead).

For the purposes of determining which of Cameroon's credit unions (caisses populaires) have achieved a minimal break-even level of savings, four types of credit unions were considered:

- Rural credit unions with part-time managers
- Rural credit unions with full-time managers
- Urban (workers') credit unions with part-time managers
- Urban (workers') credit unions with full-time managers

Average variable costs were estimated as follows:

<u>Variable Cost</u>	<u>Variable Cost Rate</u>
League Dues	0.2% of Total Savings
Insurance Premiums	<u>1.3% of Total Savings</u>
Total Variable Costs	1.5% of Total Savings

Average fixed operating costs, based on prevailing salary, rental, and other costs, were estimated as follows:

AVERAGE ANNUAL FIXED OPERATING COSTS

(CFA)

<u>Account Title</u>	<u>Rural Part-Time</u>	<u>Rural Full-Time</u>	<u>Urban Part-Time</u>	<u>Urban Full-Time</u>
Salaries	60,000	240,000	180,000	540,000
Social Insurance	7,770	31,080	23,310	69,930
Travel & Transportation	10,000	15,000	20,000	30,000
Rent & Utilities	12,000	48,000	36,000	60,000
Stationery & Supplies	12,000	15,000	15,000	25,000
Communications	2,000	3,000	10,000	10,000
Depreciation	1,000	10,000	5,000	18,000
Seminars & Conferences	5,000	7,500	10,000	10,000
Education & Promotion	-	-	5,000	10,000
Board Expenses	12,000	30,000	30,000	50,000
Annual General Meeting	10,000	20,000	20,000	30,000
Miscellaneous Expenses	5,000	10,000	15,000	20,000
Total Expenses	<u>136,770</u>	<u>429,580</u>	<u>379,310</u>	<u>872,930</u>

Using the above estimates of fixed operating costs, or rather approximately \pm 20% of each, plus the typical range of rates of return on savings, relatively high and low dividend rates, the range of possible break-even points was calculated, as shown in the following table:

BREAK-EVEN POINTS FOR VARIOUS TYPES OF CREDIT UNIONS

OPERATING UNDER VARIOUS CIRCUMSTANCES

<u>Type Credit Union</u>	<u>Fixed Costs</u>		<u>Rate of Ret. on Savings</u>		<u>Div. Rate</u>		<u>BE Point (CFA Millions)</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
Rural Part-Time	165,000	110,000	10.5%	8.5%	5%	3%	22.0	2.1
Rural Full-Time	510,000	340,000	10.5%	8.5%	5%	3%	68.0	6.5
Urban Part-Time	455,000	305,000	12.0%	9%	5%	3%	36.4	4.5
Urban Full-Time	1,000,000	700,000	12.0%	9%	5%	3%	80.0	10.4

IMPLEMENTATION SCHEDULE

ACTIVITIES	PROJECT YEAR		Year 1				Year 2				Year 3				Year 4				Year 5				
	-2	-1	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
1 Submission of project proposal to donor agencies	X																						
2 Donor agencies' approvals		X																					
3 Application for new volunteers	X							X					X										
4 Recruit/select resident advisors																							
-- CU/League Mgmt. Specialist		X																					
-- Agricultural Credit Spec.		X																					
-- Educ. & Training Spec.						X																	
5 Posting of resident advisors																							
-- CU/League Mgmt. Specialist			X																				
-- Agricultural Credit Spec.			X																				
-- Educ. & Training Spec.							X																
6 Acquisition of Commodities																							
-- Vehicles, Furn. & Equip.			X																				
-- Minicomputer							X																
6b Design data collection system			X	X																			
7 Arrival, training and posting of volunteers			X	X					X							X							
8 Recruitment of senior CamOCUL staff			X	X																			
9 Recruitment of new CamOCUL fieldworkers			X	X				X			X				X					X			
10 Identify priority CU Training needs			X																				
11 Develop Trng. Materials in priority areas				X	X																		
12 Conduct training in priority areas					X	X	X																
13 Prep. of Operational Manuals																							
-- Bookkeeping				X																			
-- Budgeting					X																		
-- Credit Policy & Procedures						X																	
-- Mbrshp. & Savings Promotion							X																
-- Internal auditing								X															
-- Office Management									X														
-- CIP Operations										X													
-- Risk Management											X												
-- Others as necessary												X				X					X		
13b Circular to all CU's explaining project			X																				

IMPLEMENTATION SCHEDULE

PROJECT YEAR	Year 1				Year 2				Year 3				Year 4				Year 5						
	-2	-1	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
14 Develop addl. trng. materials							X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
15 Conduct CU training courses				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
16 Training of senior CamCCUL staff:																							
-- General Manager (MBA)				X	X	X	X	X	X	X													
-- Central Finance Officer						X	X																
-- Chief Auditor					X	X																	
-- Education Officer						X	X																
-- Fieldworker Supervisors				X	X																		
17 Update & document inspection, auditing, & reporting procedures for fieldworkers				X				X				X				X					X		
18 Conduct formal/OTF training of fieldworkers				X	X																		
19 Conduct fieldworker refresher courses								X				X				X					X		
20 Provide at least quarterly on-site TA to all credit unions				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
21 Define & document merger/liquidation criteria & procedures			X																				
22 Develop action plan for each credit union & fieldworker				X				X				X				X					X		
23 Liquidation/merger of non-viable credit unions				X	X	X	X	X	X	X													
24 Define SFPC participation criteria				X																			
25 Select SFPC CU's to receive intensive training				X																			
26 Train CU personnel in SFPC operations					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
27 Grant League & CU SFPC loans					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
28 Coordinate agric. extension & inputs supply with MinWJ staff				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
29 Provide agricultural/office supplies to credit unions			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

IMPLEMENTATION SCHEDULE

ACTIVITIES	PROJECT YEAR		Year 1				Year 2				Year 3				Year 4				Year 5				
	-2	-1	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
30 Consultancies																							
-- Data processing feasibility study					X																		
-- Microcomputer software development							X																
-- CLF Evaluation										X													
-- Housing/Small Bus. Development														X									
-- To be determined																			X				
31 Annual Board/staff planning workshop				X				X				X				X				X			
32 Expansion of risk management programme			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
33 League Annual General Meetings	X			X				X				X				X					X		
34 Anglophone/francophone exchange visits				X	X																		
35 Draft CanCCUL Personnel System							X																
36 Board/staff review/adoption of new personnel system							X																
37 Orint CanCCUL staff to new personnel system								X															
38 Obtain microcomputer and staff for pilot project							X	X															
39 Programming/testing of EDP system								X															
40 Implement EDP service in pilot project credit unions								X	X	X													
41 Develop other pilot shared management projects									X	X	X												
42 Organization of new credit unions				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
43 Develop CanCCUL Planning System									X	X	X	X											
44 Preparation of annual operating plans and budgets				X				X				X				X				X			
44a Data collection, evaluation, monitoring			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

IMPLEMENTATION SCHEDULE

ACTIVITIES	PROJECT YEAR		Year 1				Year 2				Year 3				Year 4				Year 5				
	-2	-1	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
45 Modify CamOCUL self-sufficiency strategy as necessary				X				X				X				X				X			
46 Draft paper on roles & functions of future provincial League & National Association									X	X													
47 National Planning Workshop (Anglophone/francophone)											X												
48 Organize provincial branch offices											X	X	X										
49 Convert branch offices to provincial Leagues															X	X	X						
50 Reorganize national association															X	X	X						
51 Acquisition or construction of office building										X	X	X	X										
52 Extension of EDP service to other provinces												X	X	X	X	X	X	X	X	X	X	X	X
53 Extension of shared management services to other provinces														X	X	X	X	X	X	X	X	X	X
54 Mid-term Evaluation													X										
55 Develop 3rd 5-Year Plan																				X	X	X	X
56 Final Project Evaluation																							X
57 Departure of resident advisors																							
-- CU/League Mgmt. Specialist																							
-- Agricultural Credit Spec.																							
-- Educ. & Training Spec.														X	X								X

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AIDAC

FOR: AFR/HA

E.O. 12065: N/A
SUBJECT: CREDIT UNION DEVELOPMENT, 631-8839, 7) 7. -PVO - OGD
USAIBWVEQVDUNCIJ3/1R3SM SUMMARY: USAID/Y HAS REVIEWED SUBJECT PROPOSAL AND
PUJIZ LSCUNA'S RESPONDING SATISUVMJTO OUR
OBSERVATIONS/QUESTIONS/CONCERNS WE ARE PREPARED TO PROCT
ESQJLUT HPROJECT APPROVAL AND AUTHORIZATION. PLEASE SHARE
OUR COMM
NTS WITH CUNA'S GLOBAL PROJECTS OFFICE. WE
EXPECT THOC THEY WILL WANT TO RESPOND TO US BY LETTER WITH
AN ADDENDOM TO THEIR CURRENT PROPOSAL. END SUMMARY.2. PROJECT SUMMARY: THE PROJECT IS DESIGNED TO INCREASE
THE NET INCOMES, WEALTH, AND LIVING STANDARDS O AM
INCREASING NUMBER OF CAMEROONIAN CREDIT UNION MMF
QGRPTHIS WIGEZE A
NO ZPISHED BY STREMG
ALLLSAMEROON'S
NATVGNAL AND REGIONAL CREDIT UNION STRUCTURES SO THAT THEY
BECOME FINANCIALLY AND TECHNICALLSAABLE TO PROVIDE ALL
EYIINTIAL SSRVPOF/49685 -11818-538 :43585 7,88,.C
UACRLAT1N OF AN EXPANDING WFHJCRK OF CREDIT UNIONS WILL
BRING THE FRUITS OF THIS SYSTEM TO THE VILLAGE/URBAMTTVR
LEVELS. BY THE END OF THE PROJECT CAMCCUL WILL BE ABLE TO
GENERATE SUFFICIENT ANNUAL EARNED REVENUES TO COVER ALL
ADMINISTRATIVE, OPERATING, AND FINANCIAL COSTS, INCLUDING
ADEQUATE RESERVE PROVISIONS AND REASONABLE DIVIDENDS ON
MEMBER'S SHARES. THE LEAGUE AND ITS AFFILIATED CREDIT UNIONS
WILL POSSESS DEMONSTRATED TECHNICAL CAPABILITIES IN EACH OF
THE FOLLOWING AREAS: PLANNING, FINANCIAL MANAGEMENT, BUDGETING,
PERSONNEL MANAGEMENT, ACCOUNTING, CREDIT MANAGEMENT, RISK
MANAGEMENT, ADMINISTRATIVE SYSTEMS AND PROCEDURES, PROMOTION,
TRAINING, SUPPLIES MANAGEMENT, INFORMATION SYSTEMS, AND LEGAL
SERVICES. TO ACCOMPLISH THESE TASKS WILL REQUIRE FIVE YEARS
OF COORDINATED EFFORTS BY THE TRADITIONAL PARTNERS IN
CAMERCON'S CREDIT UNION DEVELOPMENT: ACOSCA, CUNA, AID, RAF,
VOLUNTEER PROGRAMS AND THE GURC. CUNA, FUNDED BY AND AID
GRANT WILL PROVIDE TECHNICAL SERVICES OF CREDIT UNION
MANAGEMENT SPECIALIST, AND AGRICULTURAL CREDIT SPECIALIST AND
AN EDUCATION AND TRAINING SPECIALTY

. PUJLIS-43 :9,5467589,

9) .-94 8-458:88-.5. NOTE: PROPOSAL DOES NOT INCLUDE VALUE
OF PEACE CORPS AND DUTCH VOLUNTEER CONTRIBUTION
AID, KAF AND COMCCUL ARE THIRTY-EIGHT, SIX AND FIFTY-SIX PERCENT
RESPECTIVELY.3. PURSUANT TO AFR/DR NOTICE NUMBER 79-16 DATED OCT. 18, 1979
ON PROCEDURAL GUIDANCE FOR OPG'S PLEASE CLEAR WITH AFR/OP
THE AMOUNT OF FY 1980 FUNDING WHICH WILL BE AVAILABLE FOR
BIS

GRANT. LOP COST IS DOLLARS ONE MILLION FIVE HUNDRED FORTY

THOUSAND (1,540,000). FY 1980 MINIMUM FUNDING REQUIREMENTS
ARE DOLLARS FIVE HUNDRED THOUSAND (500,000). USAID/Y,
UPON RECEIPT OF ESTIMATED AVAILABILITY OF FY 1980 FUNING
WILL PREPARE CONGRESSIONAL NOTIFICATION AND I.E.E.4. THE PROJECT REVIEW COMMITTEE (PRC) WAS FAVORABLY IMPRESSED
WITH THE QUALITY AND DETAIL PRESENTED IN THE PROPOSAL.
IT WAS OBVIOUS TO US THAT PROPOSAL REPRESENTED A SUBSTANTIAL
DESIGN EFFORT AND A FIRST HAND KNOWLEDGE OF THE CREDIT UNION
SITUATION IN CAMEROON. THE PROJECT HAS THE INFORMAL
AGREEMENT OF THE GURC AND OTHER DONOR PARTICIPANTS.5. ONE OF THE MAJOR CONCERNS OF THE PRC WAS NFPUTHE PROJECT
BF OVER AMBITIOUS AND IT WOULD BE BETTER TO SCALE DOWN THE
END-OF-PROJECT STATUS TO MORE REALISTIC TARGETS. ONE OF THE
OBJECTIVES OF THE PROJECT IS THE ESTABLISHMENT OF A SELF-
SUFFICIENT CREDIT UNION LEAGUE, HOWEVER, THE PRC THOUGHT
CAMCCUL REVENUES WERE OVERSTATED IN THE FIVE YEAR
PROJECTIONS AND THAT PROJECT COSTS WERE UNDERSTATED.ONE COMMENT WAS THAT PROJEIER OSTs DID NOT INCLUDE COSTS OF
PEPB
CORPS PLUS DUTCH VOLUNTPTS SERVICES NOR ACCURATELY
REFLECT THE COSTS OF REPLACING VOLUNTEER FIELD STAFF WITH
LOCAL STAFF AND THE COSTS OF THEIR SUPPORT. WE REQUEST A
REANALYSIS OF COST/PEVENUE PROJECTIONS WITH DETAILED
EXPLANATION OF METHODOLOGY AND ASSUMPTIONS USED TO ARRIVE
AT ESTIMATES PRESENTED.6. WE WOULD ALSO LIKE TO SEE A DISCUSSION OF THE COMMENTS/
SUGGESTIONS RAISED IN THE FINAL REPORT OF LAST CUNA GRANT
TO CAMEROON, AFR G-1079, INCLUDED IN THIS PROPOSAL.7. FUNDS NEED TO BE ADDED FOR EVALUATIONS. PRC
ECONNEGUD
ADDITION OF DOLLARS FORTX FIV/HRTL THOUSAND TO LOP COSTS FOR
THIS PURPOSE.8. IT APPEARS FROM THE FINANCIAL PROJECTIONS PREPARED THAT
CAMCCUL WILL STILL HAVE A SUBSTANTIAL PORTION OF ITS ASSETS
IN VERY LIQUID FORM, I.E. BANK DEPOSITS. WE WOULD LIKE TO
KNOW WHAT RATIOS ARE BEING USED TO DETERMINE OPTIMUM
DISTRIBUTION OF RESERVES/CREDIT UNION DEPOSITS BETWEEN
RELENDING FOR PRODUCTIVE PURPOSES AND SAFETY/LEGAL
REQUIREMENTS. WE SUGGEST THAT RELENDING REPRESENTS A
MORE PROFITABLE AVENUE FOR FUNDS DISTRIBUTION AND SERVES
THE MEMBERSHIP BETTER. HOWEVER, AS THERE WAS NO DISCUSSION
OF RATIONALE FOR PROJECTED DISTRIBUTION, WE RESERVE FURTHER
COMMENT.9. CUNA DOES NOT SEEM TO HAVE A CLEAR IDEA OF ROLE TO BE PLAYED
BY USAID. AS THIS NOT A REGIONAL PROJECT WE
WILL HANDLE ALL DIRECT CONTACT WITH CUNA. WE WILL
PARTICIPATE IN ALL EVALUATIONS, PROVIDE ROUTINE PROJECT
MONITORING AND BE PRIMARY RECIPIENT OF QUARTERLY PROJECT
REPORTS. OUR INTERACTION WILL BE ESSENTIALLY THE
SAME AS WE HAVE WITH OTHER PVO'S OPERATING IN CAMEROON.10. FINAL CONCERN OF PRC WAS THAT THE LAST PROJECT WAS NOT
ABLE TO COLLECT DATA TO DETERMINE IF PILOT SFPC PILOT PROGRAM
REALLY HAD AN IMPACT ON THE STANDARD OF LIVING OF CREDIT
UNION MEMBERS. WHILE WE REALIZE THAT THE COST OF
ESTABLISHING A DATA COLLECTION AND MONITORING SYSTEM TO
PROVE, IN A STATISTICALLY VALID WAY, THE EFFECT OF THE
PROJECT ON THE PRIMARY BENEFICIARY TARGET GROUP IS NOT
NEGLECTIBLE WE URGE THE CONCLUSION OF SUCH A LONGITUDINAL
STUDY AS PART OF THIS OPG PROPOSAL.11. PLEASE PASS OUR COMMENTS TO CUNA AND ADVISE FUNING
POSSIBILITIES SOONEST.

UNCLASSIFIED



Credit Union National Association, Inc.

1120 19TH STREET N.W. • WASHINGTON, D.C. 20036 • 202-659-4571

March 31, 1980

Mr. Richard Goldman
 USAID
 Embassade des Etats-Unis
 B.P. 817
 Yaounde
 United Republic of Cameroon

Dear Dick:

We have received a copy of the comments in the cable on the CamCCUL OPG Proposal. On behalf of Chet, I would like to thank you for the kind comment in paragraph 4. I'm sure that he will be pleased to read it on his return from Haiti. In his absence, I will do my best to address the questions and requested clarifications raised in the balance of the cable.

If I can recategorize the areas of concern, these would appear to be:

- 1) That CamCCUL's projected revenues may be overstated and the related question as to whether CamCCUL's portfolio is too heavily concentrated in liquid form, i.e. short-term cooperative loans and bank deposits;
- 2) That CamCCUL's projected expenses may be understated, particularly the cost of supporting Cameroonian field workers who assume the responsibilities of terminating Dutch and American Volunteers;
- 3) That the cost of supporting Volunteers is not, but should be included as a project cost;
- 4) That the project should include a longitudinal study of impact on member incomes and standard of living;
- 5) That non-financial (points 1 and 2) EOP indicators may be too ambitious and should be scaled down;
- 6) That CUNA's final report on the SFPC project raises issues that require discussion.

I will try in the following to outline our thinking--to the extent I am cognizant of it--on the questions raised as well as to provide my understanding of how the various conclusions were drawn.

1. Revenues/Portfolio Composition

The approach used to project revenues is based on conventional statistical techniques recognizing growth patterns typical of credit union movements, tempered by the best judgement of Chet and senior CamCCUL officials. CamCCUL's

earned revenues, as is the case with most credit union leagues, largely depend on the level of total movement savings (TMS); the proportion of TMS centralized in the League; and the rate of return the League earns on these funds. The more rapid the acceleration of total movement savings, the greater the deposit of TMS with the League, and the higher the rate of return earned, the greater the growth of revenues.

Cameroon's credit union movement is one of the fastest growing in Africa. Our assumption is that with sufficient technical inputs, this rapid growth will continue and even exceed the levels extrapolated from historical growth trends. The savings projections on which CamCCUL's revenue projections are based, were determined through standard regression and correlation techniques. Separate regressions were made for each province and summed to obtain national TMS projections. The exception was West Province where growth in savings should exceed extrapolations of past trends, given the planned expansions in the Bamoun, Haut-Nkam, and Nde Departments. Assuming an X-value of 0 at January 1, 1970, the following growth projecting equations were used:

<u>Province</u>	<u>Savings Projection Equation (CFA million)</u>	<u>R²</u>
South-West	$Y = 127.06 - 79.01x + 18.7732x^2$	0.999
North-West	$Y = -18.92 + 29.526x + 1.23095x^2$	0.997
Littoral	$Y = 229.78 - 76.29x + 6.5506x^2$	0.992
Ouest	$Y = 650.29 - 126.393x + 6.4786x^2$	NA
Present CamCCUL System Totals	$Y = 988.21 - 252.167x + 33.03335x^2$	NA
Centre South	$Y = -51.78 + 14.93x$	0.990
National Totals TMS	$Y = 936.43 - 237.24x + 33.03335x^2$	NA

Please note that the coefficients of determination (R²) in all cases are close to a perfect 1.00, indicating a very close "fit" and, in our judgement, a high degree of reliability.

As can be verified with programmable calculator or computer, end of calendar year TMS projections based on the preceding equations are as follows:

	<u>Total Movement Savings (CFA millions)</u>					
	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
TMS Excluding Centre-South	2,211.41	2,719.01	3,292.68	3,932.41	4,638.21	5,410.08
TMS Centre- South	112.45	127.38	142.31	157.24	172.17	187.10
TMS-National Totals	2,323.86	2,846.39	3,434.99	4,089.65	4,810.38	5,597.18

Assuming that these projections based on conservative estimates of trends are realized, the next question is what percentage of Total Movement Savings will be mobilized by CamCCUL's central liquidity facility. As you are aware, all CamCCUL affiliates are required to maintain a fixed deposit account with CamCCUL equal to 25 percent of accumulated shares and savings. This is calculated and paid semi-annually. Given the rapid growth of TMS, the percentage in CamCCUL fixed deposits will probably vary between 20 percent and 25 percent, depending on the time of the year. Additionally, some highly liquid credit union deposit surplus funds as special CamCCUL Term Deposits, in excess of the required 25 percent. As we have not assumed any deposits from the Centre-South caisses populaires until 1983, we feel it is reasonable to project total CamCCUL investible funds (TIF) as follows:

	<u>(Total CamCCUL Investible Funds (end of calendar year)</u>					
	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
From NW, SW, Littoral and West Provinces (% of projected TMS)	20%	22%	24%	26%	28%	30%
From Centre- South Province (% of projected TMS)	0%	0%	0%	10%	20%	25%
Implied Total Investible Funds (Millions of CFA)	442.28	598.18	790.24	1,038.15	1,333.13	1,669.80

Again, assuming that both projected TMS and TIF are correct, we examined the question of how the funds would be invested. I might emphasize that we not only share your concern that CamCCUL has historically invested only 3% to 5% of TIF in loans to credit unions; we have taken every opportunity over the last five years to urge an increased emphasis on such loans. The SFPC program was designed, in part, to create the type of rural credit union loan demand that would stimulate such a shift in the use of TIF away from loans to large secondary marketing cooperatives and from term deposits in the banks. CamCCUL's Board of Directors is not insensitive to this situation and has taken steps recently to expand lending to credit unions. Our information suggests that during recent months this lending has increased substantially to more than 10 percent of TIF. It is our conviction that with a full staff complement and sufficient technical support, this trend can be continued and accelerated. When Chet prepared the pro forma P&L Statements, he took a conservative approach to estimating loan volume to credit unions given the past record. While the percentages used to reflect estimated loans to credit unions are less than we would like to see, we do feel that the targets may well be exceeded. By the same token, we feel that the projected levels of total interest income are achievable although the portfolio distribution may differ somewhat from that used for the projections. It is important to note, that by law CamCCUL is required to keep 30 percent of total deposits in bank accounts, limiting total loans to 70 percent of TIF. It is our understanding that CamCCUL plans to hold 35 percent of TIF in bank deposits in order to maintain what they feel is an acceptable level of risk. Given the above, Chet's assumptions with respect to CamCCUL's loan/investment portfolio were as follows:

Distribution of CamCCUL Asset Portfolio
 (% of TIF)

<u>Type of Loan/Investment</u>	<u>Interest Rate</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Loans to Credit Unions	9%* 10%**	12.5%	15%	20%	25%	30%	30%
Loans to Cooperatives	12%	20%	25%	30%	35%	35%	35%
Bank Investments	7.75%	67.5%	60%	50%	40%	35%	35%
Totals		100.0%	100%	100%	100%	100%	100%

* 1980/1981 rate

** rate from 1982 onwards

To determine the projected interest income from a specific category of loans or investments in a given year, the TIF is multiplied by the percentage of TIF invested in that loan or investment category and by the appropriate interest rate. For example, the projected PY 81 revenue of CFA 4.976 million in interest

on loans to credit unions shown in the P&L proformas (Appendix I to OPG proposal) was determined as follows:

$$\begin{aligned} \text{Interest income} &= \text{TIF} \times \% \text{ of TIF} \times \text{Interest Rate} \\ &= 442.28 \text{ million CFA} \times 12.5\% \times 9\% \\ &= 4.976 \text{ million CFA} \end{aligned}$$

All projected interest income line items were projected in this way.

CamCCUL's other major revenues source, League Dues, were calculated by taking 2 percent of TMS (the current dues formula) at billing dates (January 1 of each year). For example, projected TMS on January 1, 1980 was 2,211.41 million CFA; projected dues income is $2,211,410,000 \times .02 = 4,423,000$ CFA.

The other revenue sources are minor, but were estimated on the basis of past experience. The largest of these, commissions on the risk management (insurance) program, could be significantly exceeded if the program expands rapidly to all parts of Cameroon.

In conclusion, our judgement is that the projected total revenues are realistic. However, we would certainly be willing to readjust these should you feel there are any serious problems with the assumptions and/or techniques used.

2. Cost of Supporting Cameroonian Field Workers

Our projection of salaries and benefits from CamCCUL field staff were based on current and projected salary levels for fieldworkers and the current benefit formulae. Specifically, we projected the average monthly salary for fieldworkers in 1981 at 50,000 DFA, increasing by 10 percent per annum. Benefits were projected to increase along with salaries. The projections on travel allowances are, admittedly, inadequate. We have revised them below. With the revision indicated, the following illustrates the method used to calculate fieldworker costs:

	<u>PY 1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
1. Projected Number of Cameroonian Fieldworkers (see OPG Proposal p. 74)	8	9	12	14	14
2. Projected salary level (CFA)	50,000	55,000	60,500	66,550	73,205
3. Total fieldworker salaries (line 1 x line 2 x 12 months) (CFA millions)	4.80	5.94	8.712	11.180	12.298
4. Fieldworker benefits (37.95% of salaries) (CFA millions)	1.822	2.254	3.306	4.243	4.667

	<u>PY 1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
5. a. Travel Allowances (CFA/Month/Fieldworker)	15,000	18,000	21,600	25,920	31,104
b. Total projected Allowances (line 1 x line 5. a. x 12) (CFA Millions)	1.44	1.944	3.110	4.355	5.225

The increase over 5 years attributable to the change in travel allowances is 3.37 million CFA (\$15,340). If it is felt that this will impact on the total project budget, we will have to work with CamCCUL and the donor groups concerned to determine the source of the increased contribution.

With respect to the portion of expatriate volunteers' allowances to be paid by CamCCUL, we assumed an average of 5,000 CFA per month, increasing at approximately 20 percent per annum.

3. Cost of Expatriate Volunteers

We are in agreement that a reasonable estimate of the cost of volunteers should be incorporated in the financial plan. Assuming an average cost to the U.S. and Netherlands governments of \$15,000 per volunteer per year, increasing at 10 percent per annum, we would estimate a total cost of \$807,186, determined as follows:

	<u>PY 1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Projected No. of Volunteers	15	15	7	6	4
Annual Cost per Volunteer	\$15,000	\$16,500	\$18,150	\$19,965	\$21,962
Total Cost (\$ thousands)	225	247.5	127.1	119.8	87.85

4. Longitudinal Study of Impact on Members

We would certainly applaud and support the incorporation of such a study and believe it would be useful not only in Cameroon but elsewhere. I believe that Chet's decision not to incorporate such a study in the proposal was due to the potential cost. We would recommend, therefore, incorporating the additional amount in the project.

5. Output Indicators

I have reviewed the non-financial indicators in the output section of the project. While I do not see any that are prima facie unreasonable, we would be more than willing to reexamine and adjust any that you feel fall in that category.

Mr. Richard Goldman
March 31, 1980
Page 7

6. Afr-G-1079 Final Report

I assume that the questions referenced in the cable refer to Section VI of John Rouse's "Evaluation of the CamCCUL Pilot Program in Small Farmer Production Credit." With respect to the recommendations incorporated in that section, we would suggest that these be appended to the project proposal as project outcomes, pending approval by the CamCCUL Board of such a step. Again, subject to the CamCCUL's Board approval, we would suggest that the indicators specified on page 24 be considered the focus of the SFPC program activity.

As you know, Chet Aeschliman has been the member of our staff who has worked most closely with CamCCUL in the development of the OPG project and proposal. In his absence I may not have done justice to his thinking and certainly may have committed some sins of omission. I do hope, however, that the preceding will respond adequately to the majority of your concerns. We are certainly more than willing to provide any additional material or clarification that you feel necessary.

Again, thank you for your consideration and for your continued interest and support of the project.

Sincerely,



Thomas R. Carter
Director of Programs

cc: Mr. M. M. Fusi-Noamukong, Chairman, CamCCUL
Mr. Abraham Ndofor, General Manager, CamCCUL
Mr. B.E. Quainoo, Executive Secretary, ACOSCA
Mr. James A. Wedberg, Cameroon Desk, AID/Washington
Mr. James Dawson, AFR/RA, AID/Washington

TRC/fr

WASHINGTON APPROVAL

COPY - STATE 154708 - 12 JUNE 1980

SUBJECT: CREDIT UNION DEVELOPMENT, 631-0044, OPG/PVO/CUNA,
PROPOSAL REVIEW

1. SUMMARY. THE SUBJECT PROPOSAL WAS REVIEWED ON MAY 27. THE REVIEW COMMITTEE, CHAIRED BY AFR/CA, RECOMMENDED THAT THE PROPOSAL BE APPROVED FOR SUBSEQUENT AUTHORIZATION AND OBLIGATION BY USAID/YAOUNDE.
2. THE REVIEW COMMITTEE IS IN AGREEMENT WITH THE MISSION'S REFTEL COMMENTS AND RECOMMENDS THAT THE ISSUES OF OVERAMBITIOUS PROJECT OBJECTIVES, A MORE ACCURATE DETAILING OF CAMCCUL'S PROJECTED COSTS AND REVENUES, AND A CLEAR STATEMENT OF THE TIMING AND FUNDING FOR EVALUATIONS BE MADE PRIOR TO AUTHORIZATION.
3. THE REVIEW COMMITTEE ENCOURAGES CUNA AND USAID TO ADDRESS THE ISSUE OF TIME SERIES DATA COLLECTION AND EVENTUAL ANALYSIS OF PROJECT IMPACT UPON SOCIO-ECONOMIC STATUS OF CREDIT UNION MEMBERS, INCLUDING INCOMES, LITERACY, ACCESS TO HEALTH SERVICES, EDUCATION, WOMEN'S PARTICIPATION IN DEVELOPMENT, ETC. THIS ASPECT SHOULD BE AN INTEGRAL PART OF PROJECT IMPLEMENTATION. FUTURE EVALUATIONS SHOULD ALSO EXPLORE THE ROLE AND PARTICIPATION OF WOMEN WITHIN THE CREDIT UNION MOVEMENT AND WITHIN PROJECT ACTIVITIES.
4. PROVISION SHOULD BE MADE IN THE FORM OF CONDITIONS PRECEDENT AND COVENANTS TO ASSURE THE PARTICIPATION OF OTHER DONORS (KAF, PEACE CORPS, DUTCH VOLUNTEERS, ETC.) THE CONCURRENCE IN PROJECT GOALS AND IMPLEMENTATION BY GURC AND CAMCCUL.
5. LOP FUNDING (INCLUDING THE FORTY-SIX THOUSAND DOLS FOR EVALUATION AND SIXTY THOUSAND FOR CONTINGENCIES AND DATA COLLECTION/ANALYSIS) OF DOLLARS ONE MILLION SIX HUNDRED THOUSAND (1,600,000) IS APPROVED. FIVE HUNDRED THOUSAND DOLLARS (500,000) FUNDING FROM THE AFRICA BUREAU PVO ACCOUNT WILL BE MADE AVAILABLE IN FY 80.
6. ONCE PROJECT APPROVED, NEED DETAILED SCOPE OF WHAT CUNA WILL BE HELD ACCOUNTABLE FOR ACCOMPLISHING. THIS MEANS CAREFUL PREPARATION OF GRANT AGREEMENT SCOPE OF WORK, BUDGET AND REPORT REQUIREMENTS. BECAUSE MEASURABLE DETAILS ARE NOT OUTLINED IN PROPOSAL, THESE WILL BE REQUIRED IN AGREEMENT.
7. PLEASE CABLE DETAILS OF CONGRESSIONAL NOTIFICATION AND PREPARE I.E.E. FOR AA/AFR APPROVAL. MUSKIE

BT

\$4708

Done
698039/10-702
698039/10-702

ANNEX I
(631-0044)

CAMCCUL/CUNA PILOT CREDIT UNION PROJECT

AGENCY FOR INTERNATIONAL DEVELOPMENT

AFR-G-1079 CAMEROON

FINAL REPORT

- A. EVALUATION OF THE CAMEROON COOPERATIVE CREDIT UNION LEAGUE'S PILOT PROGRAM IN SMALL FARMER PRODUCTION CREDIT

- B. FINAL PROJECT REPORT

January 3, 1979

EVALUATION OF THE CAMEROON COOPERATIVE CREDIT UNION LEAGUE'S
PILOT PROGRAM IN SMALL FARMER PRODUCTION CREDIT

November 23, 1979

I. FOCUS OF EVALUATION

At the request of the Cameroon Cooperative Credit Union League (CamCCUL), GPO conducted a two-week evaluation of the League's pilot programme in Small Farmer Production Credit (SFPC). The evaluation took place during the period October 17 to October 31. The purpose of the evaluation was threefold: (1) to assess the impact of the program on SFPC borrowers as well as on those credit unions participating in the scheme during the period 1975 to 1979; (2) to identify problem areas and make recommendations related to the expansion of the scheme to additional credit unions; and (3) to provide any additional information that was needed for the elaboration of a new credit union development proposal which would be submitted to USAID/Yaounde.

II. METHODOLOGY

The evaluation is based on data collected from three major sources: project records maintained at the Global Projects Office in Washington, at USAID/Yaounde, and at the CamCCUL office in Bamenda; interviews with CamCCUL fieldworkers and staff involved in the program; and field visits made to five designated SFPC credit unions.

III. FOCUS OF REPORT

The report is divided into several sections: deals with the impact of the pilot program on both credit union members and institutions; the second addresses some of the more critical problems now confronting the program during its expansion phase; the last, identifies a number of "project objectives" which should be pursued in any new SFPC project proposal.

IV. PROJECT BACKGROUND

In the spring of 1975, CamCCUL initiated a pilot programme in three selected credit unions in the North West Province to test the feasibility of providing "Supervised Agricultural Credit" to its credit unions' farmer members. Technical support for the project was provided by the Global Projects Office which supplied one resident technician and financial support was provided by the USAID office of Africa Regional Affairs. The main objectives of the pilot programme was to determine the best way in which CamCCUL could re-orient its members credit unions to adopt more "production-oriented" lending in agriculture and thus better assist them in improving the economic well-being of their farmer members.

Initial training activities began in October of 1975 and the first SFPC loan was granted in December of that same year. In 1976, League staff problems, resulting in the termination of CamCCUL's entire Cameroonian field staff, severely limited SFPC lending activities, but training activities continued at an accelerated pace.

In June of 1977, the League added an agricultural supply service to SFPC credit unions and by December of the same year began making plans to expand the credit scheme to 16 additional credit unions.

By June of 1978, the League had initiated a quarterly SFPC newsletter to better serve SFPC credit unions and in December established an improved maize demonstration plot scheme in six new SFPC credit unions. At present, there are 19 credit unions participating in the SFPG programme, representing 3,300 members and approximately 59,761,500 CFA in member savings. Seventeen of the 19 SFPC credit union secretaries have now received extensive training in SFPC loan administration and improved agriculture. Interest in the programme is high. SFPC lending has, however, been limited. To date, just 84 SFPC loans totalling 7,785,640 CFA (US\$ 39,978) have been granted under the programme, but this volume is expected to increase substantially in 1980 as the expansion takes hold.

V. EVALUATION OF PROJECT IMPACTS (1975-1979)

1. Training

A major focus of the SFPC pilot programme centered on the training of credit union secretaries who were to manage the credit unions involved in the scheme. In all, 28 credit unions participated in League-sponsored SFPC training activities during the 1975-1979 period. Typically, training was of the "short-course" variety of from 1-3 weeks, and centered on improving SFPC secretary skills in a number of areas, including: credit union management, bookkeeping, SFPC loan evaluation,

loan supervision, delinquency control, and improved agricultural techniques. Most of the training was conducted at the Regional Training Centres at Mfonta and Kumba, and at the National Cooperative College in Bamenda.

A limited amount of farmer training was also conducted during the above period. Periodic courses in improved coffee pruning techniques were held locally at the credit unions and formal farmer training courses were held for a limited number of farmers at the WADA Oxen Training School and RTC Kumba. A listing of all formal training provided during the period is given below:

SFPC FORMAL TRAINING

1975 - 1979

<u>TYPE TRNG.RECD</u>	<u>1 9 7 5</u>		<u>1 9 7 6</u>		<u>1 9 7 7</u>		<u>1 9 7 8</u>		<u>1 9 7 9</u>	
	<u>Number</u>	<u>Man-</u>	<u>Number</u>	<u>Man-</u>	<u>Number</u>	<u>Man-</u>	<u>Number</u>	<u>Man-</u>	<u>Number</u>	<u>Man-</u>
	<u>Parts*</u>	<u>Days</u>	<u>Parts*</u>	<u>Days</u>	<u>Parts*</u>	<u>Days</u>	<u>Parts*</u>	<u>Days</u>	<u>Parts*</u>	<u>Days</u>
1. SFPC Planning seminars for secretaries, CU officers, & Bd. Mbrs.	7	35	37	164			21	63	15	45
2. Agricultural training for SFPC Secretaries & CU officers & League Staff			60	300	17	745	16	270		
3. General Agricultural Training for farmers			80	80			2	450	2	390
Annual Totals	<u>7</u>	<u>35</u>	<u>177</u>	<u>544</u>	<u>17</u>	<u>745</u>	<u>41</u>	<u>783</u>	<u>17</u>	<u>435</u>
Cumulative		<u>35</u>		<u>579</u>		<u>1,345</u>		<u>2,107</u>		<u>2,542</u>

* Some participants participated in more than one course in a year.

It is difficult to assess the real impact of this formal training on the project's performance, especially since the effects of such training are immediately apparent. However, it could be seen from the results of several end-of-course evaluations conducted by the training centers, from interviews with League staff, and from the field visits that useful skills were indeed being imparted. All of the secretaries at the SFPC credit unions visited appeared quite familiar with all elements of the SFPC program, including their own duties and responsibilities. Moreover, in the three credit unions visited which were already granting SFPC loans, the secretaries demonstrated considerable skills in SFPC lending procedures, in SFPC loan evaluation, supervision, and in their knowledge of improved agricultural techniques.

The field visits did, however, confirm the fact that the non-SFPC related duties of SFPC credit union secretaries will somewhat limit the ability of these individuals to supervise SFPC loans at the farmer level, especially as loan volume begins to expand. This being the case, it is recommended that future training efforts focus more on upgrading the agricultural skills of other credit union farmer member who might serve as "model farmers" or as actual assistants to the secretaries, thus helping them perform their necessary supervisory duties.

2. SFPC Lending

To date, 84 SFPC loans totalling 7,785,640 CFA (US\$ 39,978) have been granted since the start of lending activities in late 1975, affecting a total of 50 individual farmer borrowers in four credit unions.

2.1 Average loan size has varied considerably from year as the table below indicates:

<u>AVERAGE SFPC LOAN SIZE</u>						
<u>1975-1979</u>						
(In US\$)						
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1975 - 79</u>
Average Size	254	371	290	259	864	452

Average loan size in 1979 were particularly large because of a number of large cattle loans issued in Ntundip and Banten Credit Unions.

2.2 Structure of SFPC Lending

An analysis of the distribution of SFPC loans by purpose indicates that the bulk of SFPC loans have been granted for improved livestock production, followed by coffee production and harvesting, and finally mixed agriculture:

<u>STRUCTURE OF SFPC BORROWING</u>				
<u>1975-1979</u>				
(In US\$)				
<u>Purpose of Loan</u>	<u>Number of Loans Granted</u>	<u>Percent</u>	<u>Amount of Loans Granted</u>	<u>Percent</u>
Livestock	47	56.0	27,020	71.1
Coffee Production	23	27.4	8,121	21.4
Mixed Agriculture	13	15.5	2,701	7.1
Poultry	1	1.2	146	0.4
Totals-----	84	100.0	37,978	100.00

(Assumes 1US\$ = 205 CFA; see also attached Chart 8a)

Given the fact that all SFPC lending occurred in a zone well-known for its prodigious output of livestock and coffee, this observation is not surprising; yet it underscores the important role that these two farming activities play even at the credit union level.

Loans to farmers for mixed agriculture (annual crop and fish pond production) and poultry purposes were relatively unimportant. Again, this lack of emphasis is understandable since these activities have traditionally been viewed as subsistence activities. What is noteworthy is that this loan volume is as high as it is, implying that the promotion of improved grain production and storage techniques, the distribution of high yield maize seed, and vegetable seed, and the increased use of fertilizer and insecticides stimulated by the programme may have increased farmer interest in those other activities as an alternative way to augment cash incomes.

2.3 Terms of SFPC Lending

SFPC loans differ from ordinary credit union loans in a number of important areas. Although SFPC borrowers are charged the same interest rate on their unpaid balance, as are other borrowers, the rest of the conditions under which SFPC loans are granted differ greatly. Perhaps the most outstanding feature of the SFPG programme besides its emphasis on production-oriented borrowing, is that it allows the borrowers to leverage additional capital--up to 5 times what he/she had in savings, rather than the 3:1 limit placed on non-SFPC

loans. In return for this increase in credit leverage, however, the borrower must agree to two additional conditions: (1) to accept the technical assistance advice and loan supervision provided by SFPC credit union and League staff and (2) to save an additional 10% of the value of each SFPC loan that he/she receives.

Based on a review of SFPC loan and savings records and extensive questioning during the field visits to five SFPC credit unions, it appears that these terms are being satisfactorily enforced. The only observation worthy of comment relates to the limited farmer use of increased leveraging under the SFPC programme. According to SFPC loan data, SFPC borrower leverage rates are way below the 5:1 maximum allowed. For example, "repeater borrowers," or those borrowing more than once during the five year period, borrowed on the average about 2.92 times the amount that they had in savings at the time of the loan. Non-repeater rates were slightly higher at 2.95, though the difference was not significant.

While the low leverage rates may, in part, be attributable to conservative credit policies at the credit union level and a general lack of understanding among SFPC borrowers of the allowable rate, it is suspected that the primary reason is due to lack of loanable funds or lack of liquidity at the credit union level resulting from the increased loan demand brought about by the SFPC lending.

2.4 Impact of SFPC Lending on Seasonal Loan Demand

It is abundantly clear that the introduction of an SFPC lending programme in a credit union has a profound effect on both seasonal loan demand and on credit union liquidity. The peak demand periods for SFPC loans occur during the June-August period (primarily livestock loans) and in November and December (primarily coffee loans). The introduction of an SFPC lending programme in a credit union, therefore, tends to aggravate liquidity problems for the credit union in the periods immediately following the two surges in demand, i.e., in August-September and in February-March, thus forcing the credit union to borrow from the League to meet its credit demand.

To provide graphical illustration of this phenomenon, we studied loan/savings relationships in two original pilot SFPC credit unions--Banten and Ntundip--during three periods: 1975-1976, before the SFPC lending programme got fully under way and in 1977 and 1978. The results, shown clearly on the accompanying charts, demonstrate the magnitude of the changes that are taking place.

The League has, to date, provided SFPC credit unions with loans (formerly at 8%, now at 9% per annum) to help finance this increase in seasonal demand. However, it was apparent that the League was neither acting quickly enough nor providing sufficient external credit to help those credit unions weather their liquidity crises. Field visits confirmed that the processing time required for a League loan to an SFPC credit union is inordinately long, ranging

from 4-6 months. Moreover, the amount supplied is seldom sufficient to cover more than 75% of the estimated loan demand.

Unless the League is able to drastically reduce this processing time and more effectively estimate excess credit demand, cash shortfalls at SFPC credit unions will become more frequent and seriously constrain the expansion in SFPC loan demand.

2.5 Impact of SFPC Lending on Loan Delinquency

Surprisingly, the increase in SFPC lending by participating credit unions has not created any significant increase in delinquency problems. In fact, the delinquency and default rates on SFPC loans are extremely low, amounting to less than 0.5% of the current loans outstanding.

This does not, however, mean that delinquency will remain at that low a level. The delinquency rate in six of the nineteen credit unions presently included in the SFPC expansion is high (over 50%) and considerable work will be required to reduce that rate before SFPC lending can begin in those credit unions (see attached chart). Moreover, as the volume of SFPC lending expands, so will collection problems. Thus it is believed that delinquency controls should remain a high priority for the future.

2.6 Impact of SFPC Lending on Credit Union Self-Sufficiency

It seems clear from a review of the financial statements available to two SFPC credit unions (Ntundip and Banten) that the increase in SFPC lending has had a dramatic impact on increasing credit union gross income and a less dramatic, though positive influence on increasing credit union net incomes. The less positive influence on net incomes appears to be largely due to the significant increase in operating costs which such a lending programme entails (See Table below).

INCOME/EXPENSE RELATIONSHIPS: NTUNDIP AND BANTEN

<u>Indicator</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>Ntundip</u>							
Total Income	41,395	n.a.	94,144	223,926	250,950	314,041	426,555
Total Expenses	18,005	n.a.	54,465	91,295	146,741	179,595	223,660
Undivided Earnings	23,390	n.a.	39,679	131,631	104,209	134,446	192,895
Dividend Declared	0	n.a.	0	0	58,525	78,000	100,000
<u>Banten</u>							
Total Income	85,880	85,120	111,185	144,267	193,004	317,776	321,691
Total Expenses	38,800	17,790	42,015	43,465	111,780	162,509	234,810
Undivided Earnings	47,080	67,330	69,170	100,781	81,224	155,267	86,881
Dividend Declared	0	0	0	14,370	59,370	60,000	0

The increase in expenses does, however, point out the importance of continuing to search for a least-cost solution to the credit delivery problem without sacrificing in the process the necessary loan supervision. It also places some emphasis on the need to expand the volume of SFPC

borrowing at the credit union level so that the unit cost of delivering SFPC credit can be reduced. At present, it is clear that the volume of SFPC borrowing could be increased significantly without unduly increasing costs or sacrificing the modicum of supervision required.

2.7 Impact of SFPC Lending on Member Savings and Incomes

One of the major design weaknesses of the pilot SFPC project was that no allowance was made to establish a base-line data system which could record the impact of the project on farmer incomes, and separate out "project" from "non-project" effects. This omission is regrettable; however, we can approximate the impact on incomes by looking more closely at savings.

There is no doubt that the SFPC project had a significant, or better said, an extraordinary impact on borrower savings as revealed in the following chart:

SFPC Savings Patterns for
Repeaters and Non-Repeater
Borrowers (1976-79 Period)

(n=44)

<u>Type of Borrower</u>	<u>n</u>	<u>Average Annual Savings Rate (CFA)</u>	<u>Average Annual Compound Growth Rate</u>
Repeater Borrowers (s.d.)	21	12,896 (5,983)	38.4% (21.5)
Non-Repeater Borrowers (s.d.)	23	6,475 (5,515)	26.4% (23.1)
"Average Member"	--	1,646	13.0%

Source: SFPC Loan Records in Ntundip and Banten

When these rates are compared with the average annual increase in savings enjoyed by the "average credit union member", the results are striking. The average annual savings rate of SFPC borrowers exceeded the average credit union member rate by 4 to 8 times. Moreover, the average compound growth rate of SFPC borrowers was from 2-3 times higher.

The dramatic increase in borrower savings appears to be due to a number of factors: (1) the allowed leverage rate which tends to encourage SFPC borrowers to save more so that they can borrow ever-greater amounts; (2) the 10% required additional savings which each SFPC borrower is required to make; (3) the additional technical guidance and supervision which he receives on his production loan and lastly; (4) the emphasis

of the loan on productive, income-generating activity which indirectly increases his ability to save by augmenting his income.

It is also apparent that the increased attention given to SFPC credit unions has had a positive influence on member savings growth within these credit unions. For example, during the same 1976-79 period, savings grew at an annual compound rate of 21.5% in Ntundip and Banten versus a rate of roughly 10.5% in the other SFPC credit unions not yet engaged in the SFPC lending operations.

Thus preliminary data would seem to indicate that the SFPC has a definite positive impact on member and credit union savings growth.

2.8 Agricultural Technical Assistance

Agricultural Technical Assistance was provided to SFPC credit unions and farmers via formal training courses of from 1 to 3 weeks duration at the Regional Training Centers at Mfonta and Kumba and longer one-year courses conducted at RTC Kumba and the WADA Oxen Training School. In total, 2,542 person-days of training was provided to credit union secretaries, credit union officers and farmer members during the 1975-1979 period evaluated, with the bulk of the training focussing on improved livestock and crop technologies as well

as on SFPC loan evaluation and supervision. 28 credit unions participated in these formal training programs, and 17 SFPC secretaries received from 5-6 weeks extensive training in SFPC related activities.

In addition to formal training, the SFPC resident technician provided short-term technical assistance to SFPC credit unions in a number of critical areas, including SFPC loan evaluation and supervision, and improved livestock and crop techniques. Generally, SFPC credit unions were visited a minimum of 3 to 4 times per year. In September of 1978, the Government seconded a SFPC counterpart to commence to assist the resident technician in his technical assistance duties.

Information gathered on field visits to SFPC credit unions indicates that the short-term technical assistance supplied was not done on a very systematic basis, but rather as crises arose. Its effectiveness was also hampered by League transport problems and the poor conditions of the roads during the rainy season which extends from April through November.

Faced with the expansion of SFPC lending to more than 19 credit unions in the coming year, the departure of the resident technician, and the lack of four-wheel-drive transport, the League support effort is presently in a precarious

position. Although the new SFPC counterpart has definitely made a useful contribution in certain areas it was quite evident that many SFPC credit unions are clamouring for assistance since the resident technician's departure, and little evidence to conclude that the League has been able to respond effectively.

As of yet, Cameroon government agencies have played only a minor role in providing field support to the programme, although most of them have collaborated in the formal SFPC training of secretaries and farmers sponsored by the programme.

2.9.1 Agricultural Input Supplies

The League initiated a limited input supply service to SFPC credit unions in June of 1977 to assist them in procuring agricultural supplies which were not available locally. In total, approximately 29 credit unions, including some non-SFPC credit unions, have benefitted from the service and over 246,000 CFA in supplies have been delivered:

<u>ITEMS</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>TOTALS</u>
1. Improved Seed:				
Maize Seed	4,500	30,900	33,405	68,805
Vegetable Seeds	<u>2,865</u>	<u>1,000</u>	<u>7,000</u>	<u>10,865</u>
Sub-Totals	7,365	31,900	40,405	89,670
2. Insecticides	11,120	13,750	33,660	65,495
3. Veterinary Supplies	11,950	13,750	0	25,700
4. Other Pesticides and				
Fungicides	0	2,400	980	3,380
5. Fertilizer	21,125	19,000	3,600	24,725
6. Improved Livestock	0	15,150	0	15,150
7. Miscellaneous	<u>0</u>	<u>5,900</u>	<u>26,795</u>	<u>32,695</u>
Totals	<u>32,560</u>	<u>108,315</u>	<u>105,440</u>	<u>246,815</u>

Source: SFPC Agricultural Supply Records

As the chart indicates, the major type of inputs provided have been grain storage, improved maize and vegetable seeds, and fertilizers. One of the most notable impacts of the supply service has been in the area of improved maize seed distribution. Since June, 1977, approximately 1,046 Kg. of improved maize seeds have been supplied to credit union farmers either directly or through the project-sponsored establishment of maize demonstration plots at six selected SFPC credit

unions. In addition, substantial amounts of insecticide have been supplied to farmers participating in the CamCCUL/NWCA Grain Storage programme. In 1979, for example, 33.25 Kg. of insecticide was distributed to farmers -- enough to treat approximately 66.5 metric tons of maize.

Since 1978, SFPC credit unions as well as non-SFPC credit unions pay an additional 10-20% service charge to the League for processing, ordering and delivering their input supply requests. The revenues generated from this service are then used by the League as working capital to assist in purchasing the required inputs. Up until the recent demise of the project vehicle, the League provided the necessary transport in those cases where other means of transport were unavailable.

The major weaknesses noted in the Agricultural Supply Service were: (1) the lack of any systematic ordering and purchasing system on the part of the League, which has led to delays in processing supply requests; (2) the lack of an adequate League record system which could be used to properly forecast seasonal input demands; (3) the absence of adequate League transport and (4) the need for a formal agreement with the Veterinary Department which would allow CamCCul to distribute needed veterinary medicines.

2.9.2 Agricultural Marketing

Very little effort was made during the project to assist SFPC borrowers in the marketing of their produce. Several marketing feasibility studies were conducted in the marketing of beans and certain perishables, but it was concluded that the low volumes marketed could be more efficiently channelled through marketing cooperatives (CPMS's) already operating in or near villages with credit unions or through the existing vegetable marketing cooperative (BCVS) in Bamenda.

The marketing of coffee is already handled through existing coffee marketing societies.

Livestock marketing appears to be efficiently handled through private traders. However, as the volume of marketing expands, all of these marketing linkages will require further study.

VI CRITICAL PROBLEM AREAS WHICH MUST BE ADDRESSED IN ANY EXPANSION OF THE SFPC PROGRAMME

1. Training

Much of the groundwork has been laid to support the proposed expansion in SFPC lending in the North West. 17 SFPC credit unions secretaries have been fully trained and appear to be adequately equipped to handle the initial increase in lending activities. Nevertheless, as SFPC loan volumes increase, these secretaries will need additional trained credit union members to assist them in their supervisory and technical assistance duties.

Recommendations

- 1.1 that CamCCUL continue and expand its existing SFPC secretary training programme.
- 1.2 that CamCCUL also shift much of its training efforts to training additional credit union farmer members in improved crop and livestock skills, focusing its attention on developing a minimum of two well-trained "model farmer" individuals to assist SFPC secretaries in their supervisory and technology dissemination tasks.

2. SFPC Lending

The present volume of SFPC lending is regarded as unsatisfactory and should be increased. However, extreme care should be given to the way in which SFPC lending is stimulated. At present, only 11 of the 16 credit unions incorporated into the SFPC programme in 1978 are deemed as ready for SFPC lending. Efforts should therefore be concentrated on the stronger credit unions with lesser problems in delinquency control.

Recommendations

- 2.1 that CamCCUL should promote a "phased expansion" of SFPC lending in those credit unions with lesser delinquency problems, setting firm lending targets to be achieved.
- 2.2 that other credit unions be allowed to enter the SFPC programme provided they meet minimum delinquency requirements.
- 2.3 that the expansion of SFPC lending take into consideration the logistics of proper League SFPC support.

3. League Lending to SFPC Credit Unions

Recommendations

- 3.1 that the League reduce its SFPC credit union loan processing time to a maximum of 45 days from receipt of application.
- 3.2 that the League set firm lending targets for SFPC credit unions based on the volume of SFPC lending in a given credit union and the seasonality of their excess loan demand.
- 3.3 that the League also assist SFPC credit unions in covering extra-ordinary operating costs during the initial SFPC lending period by providing as an added service: (1) long-term concessional loans to finance paid secretary salaries during the initial years; (2) loans to credit union secretaries or SFPC assistants which would allow them to purchase low-cost transport vehicles such as bicycles or motorcycles which would assist them in carrying out their supervisory duties.

4. League Agricultural Technical Assistance

CamCCUL's present level of agricultural assistance to SFPC credit unions is not considered satisfactory and should be improved.

Recommendations

4.1 the League should ensure the SFPC position is filled by a well-qualified and well-motivated individual.

4.2 the League should train a minimum of two full-time fieldworkers to work specifically in the area of agricultural extension to SFPC credit unions.

5. Transport

The League presently has no reliable four-wheel-drive transport which would be essential for project success.

Recommendation

5.1 the League should identify the most cost-effective means of meeting transport requirements.

VII TARGET OBJECTIVES FOR AN EXPANDED SFPC PROGRAMME (Subject to Revision)

Based on a thorough review of the programme's requirements and on this evaluation's judgement of the project's potential, the following should be considered possible target objectives for a new SFPC programme beginning in 1980, and extending to 1984. The assumptions upon which these projections are based are provided following the table.

<u>Indicators</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
1. Number of SFPC Credit Unions ¹	19	22	24	26	28
2. Number of members ²	3,173	3,938	4,584	5,274	6,020
3. Number of SFPC Borrowers ³	40	197	321	527	903
4. Average SFPC Loan Size ⁴ (\$)	450	300	345	397	456
5. Total Value SFPC Loans distributed ⁵ (\$)	18,000	59,100	110,745	209,219	411,768
6. Number League Loans to SFPC Credit Unions ⁶ (\$)	5	10	15	20	25
7. Average Value of League Loan ⁷ (\$)	5,800	3,800	4,370	5,025	5,780
8. Total Value of League Loans to SFPC Credit Unions ⁸ (\$)	29,000	38,000	65,550	100,500	144,500
9. Number SFPC Borrowers/Farmers Trained (Man-weeks) ⁹	88	96	156	168	168
10. Cost per Man-Week of Training ¹⁰ (\$)	64	70	77	85	94
11. Annual Training Cost ¹¹ (\$)	5,632	6,720	12,012	14,280	15,792
12. Cumulative Training Costs (\$)	5,632	12,352	24,364	38,644	54,436

Assumptions

1. The number of SFPC credit unions entering into the programme should be kept to a minimum of 2 per year.
2. SFPC credit union membership growth based on current average size of 19 SFPC credit unions plus an increase of 12 members per year.

3. The rate of increase of SFPC borrowers per SFPC credit union is expected to increase from its current proportion of 1.3% of total SFPC credit union membership to 5% in the second year, to 7% in the third, 10% in the fourth, and 15% in the final year. This proportional rate of increase assumes a major effort on the part of the League to expand the volume of SFPC borrowing.
4. Average SFPC loan size begins at its present average of \$450 per borrower dropping by 33% in the second year as the volume of SFPC lending is dramatically increased. Thereafter it increases at 15% per year.
5. Row 3 times row 4.
6. The number of League loans to SFPC credit unions was set at an initial five, its expected 1980 level, and then increasing at an additional 5 SFPC credit union loans per year thereafter.
7. The average League loan size in 1980 to SFPC credit unions was set at 1,200,000 CFA, slightly below its present level, dropping by 33% the second year as the expansion broadens and then increasing at 15% thereafter.
8. Row 6 times row 7.
9. The training of SFPC secretaries will continue in 1980 in preparation for the expansion in 1981. There will be no SFPC

secretary training in that year and then training will continue in the following years.

10. Farmer training is geared towards training a minimum of two SFPC farmer members per SFPC credit union per year.
11. Training costs are set at 2-week training per year at \$64 per man-week in 1980 increasing at 10% thereafter.

VIII CRITICAL RESOURCES REQUIRED

Personnel

- | | |
|-----------------------------|------------------------------------|
| 1. SFPC Resident Technician | M.S. Agric. Econ. or Equiv. |
| 2. SFPC Counterpart | B.S. Agric. or Equiv. |
| 3. SFPC Fieldworkers | Agric. Background or Techn. School |

The Small Farmer Production Credit (SFPC) program has been operating in Cameroon for 56 months.

USAID funding will end on September 30, 1979 and the SFPC technician will depart at that time.

It is hoped that this report will provide to the interested parties the information that will prove value in the future operation of this project and other projects of a similar type.

The information in this report is based on the observations of the SFPC technician, the records of the Cameroon Cooperative Credit Union League (CAMCCUL) and the records of individual credit unions.

PROJECT BACKGROUND AND GOALS

At the request of the Africa Cooperative Savings and Credit Association (ACOSCA), the Credit Union National Association (CUNA) joined with ACOSCA in formulating a proposal for a Small Farmer Production Credit (SFPC) program. The proposed SFPC program was developed to respond to a perceived need for agricultural credit and related services in rural areas where the majority of the membership of ACOSCA-affiliated national credit associations live. As initially envisioned, the project hoped to utilize both surplus savings and external funds to provide agricultural production credit to small farmer members of credit unions. It was anticipated that these credit unions would prove an effective vehicle for the delivery of such a credit.

A feasibility study was conducted by CUNA in February and March 1974. This study focused on three countries of which Cameroon was one. Credit Union development on these countries appeared to be advanced and there was a rural membership which suggested a large potential beneficiary population. Based on the results of this survey, a project paper was developed and submitted to the United States Agency for International Development (USAID) in May 1974. The project was approved by USAID in June 1974 and USAID Grant (AFR G-1079) was signed. An SFPC technician was assigned to work with CAMCCUL in January 1975 and arrived in Cameroon in February 1975.

The SFPC program was designed as a demonstration pilot project to determine if credit unions were a satisfactory vehicle to deliver agricultural credit to the small farmer in Cameroon and in Africa as a whole.

Purposes of the project were as follows:

1. CAMCCUL should achieve financial and technical viability by the end of the project (1980).
2. Increase the net income and capital resources of participating small farmers as well as increase the productivity in the rural areas.

3. A significant increase in the level of technical assistance from the Ministry of Agriculture personnel to the small farmers participating in the project.
4. Develop member-owned rural credit unions that have the ability to:
 - A. provide agricultural production credit
 - B. Assist with marketing of crops
 - C. Obtain agricultural supplies for members
 - D. Disseminate information related to agricultural and animal husbandry innovations.

The project outputs were to be as follows:

1. CAMCCUL officials and field personnel adequately trained to provide League Services and carry out the SFPC program.
2. Government extension personnel capable of assisting small farmers to develop individual production plans.
3. Four new credit unions brought into the SFPC programme (in addition to the initial pilot project resulting in a total of five pilot project credit unions at the end of the project).
4. Adequately trained CAMCCUL and credit union administrative personnel.
5. Marketing and supply services utilized under a national plan.
6. Central interlending programs established between national and local credit union organizations.

Each of the purposes and outputs will be dealt with as follows:

1. Status as of early 1975 and late 1974.
2. Current status.
3. Recommended future CAMCCUL action related to purpose or output.
4. Appropriateness of purpose or output to the project.

It should be noted that although each purpose and output will be dealt with separately, all are interrelated and that progress in one area will be reflected in another. If credit union members benefit from credit union services the member is better able and willing to support the credit union. In turn, this increased support enables the credit union to provide more and better services to the member and more support to CAMCCUL in the form of increased deposits and due payments. Also, a credit union that is operating well requires less supervision and assistance from CAMCCUL.

Purpose 1: CAMCCUL should achieve financial and technical viability by the end of the project (1980).

- A. Financial Viability: CAMCCUL has not achieved financial viability given the conditions under which it operates at this time, but it could most likely survive on its own resources if it was required to do so.

Situation 1974:

For the financial year ending in December 1974 CAMCCUL had a total income of 6,479,194 CFA and total expenses of 9,279,401 CFA for a deficit of 2,780,207. The expenses did not include the salary of one government seconded staff or the salaries and transport costs of eight Netherland Volunteers and four U.S. Peace Corps Volunteers or the free use of office space. If the salaries of these staff and rent of office space are not taken into consideration, it could be said that CAMCCUL was covering seventy percent of its operating cost in 1974. But when these costs are considered, CAMCCUL would be meeting only 58% of its operational costs (1). The major costs paid by CAMCCUL in 1974 were:

<u>Costs</u>	<u>% of expenses</u>
Salaries	30.9
Interest on deposits	28.4
Transportation	10.1
Seminars	8.7
1974 CAMCULL's expenses	78.1%

If the Volunteer's and government staff's salaries and transportation costs are included it would account 48.6% of CAMCCUL expenditure and CAMCCUL would have been operating at a deficit of 4,686,311 CFA in 1974.

In 1974 CAMCCUL received donor support in the amount of 2,780,198 CFA, most of which came from the United Adenaver Foundation.

The major source of CAMCCUL income in 1974 was from loan interest which accounted for 61.2% of total income and amounted to 3,976,198 CFA. Next came bank interest at 24.65% of income and 1,602,322 CFA, and then dues at 13.86% and 901,000 CFA.

These three sources accounted for over 99% of CAMCCUL's income for 1974.

In December 1974, 912,500 CFA was on loan to non-member cooperatives at 9% interest, and 1,610,565 CFA was on loan to credit unions at 8% interest; 26,956,782 CFA was deposited in various interest bearing Bank Accounts. The total deposits from credit unions at this time amounted to 99,522,257 CFA. The difference in the amount invested and credit union deposits is due to CAMCCUL reserves. The average return to CAMCCUL on its investments was 8.07% and the average cost of this money 3.2%.

(1) ACOSCA/CUNA Assessment Report of December 1976.

Situation 1978:

For the financial year ending in December 1978 CAMCCUL had a total income of 20,588,299 CFA and total expenses of 24,777,940 CFA for a deficit of 4,189,641 CFA. The expenses did not include the salaries of three government seconded staff, the SFPC technician, nine volunteers or cost of office space. If the cost of these staff and the rent of office space are not taken into consideration it could be said that CAMCCUL covered 83.9% of its expenses for 1978, but when the other costs based on:

45,000 per month for volunteers
 90,000 per month for SFPC counterpart
 120,000 per month for one Government staff
 10,000 per month for office space,

are considered, CAMCCUL would be meeting 62% of its expenses. As percentages, this shows some improvements but in absolute amounts the deficit has increased from 4,686,311 CFA in 1974 to 12,429,641 in 1978. The major expenses paid by CAMCCUL in 1978 were:

<u>Expenses</u>	<u>% of expenses</u>
Interest on deposits	36.3
seminars	14.5
salaries and travel claims	20.8
1978 CAMCCUL's expenses	71.6%

In 1978 CAMCCUL received donor support in the amount of 7,500,049 CFA, not including SFPC funds.

CAMCCUL's major source of income in 1978 was from bank interest, which accounted for 70.3% of the total income and amounted to 14,467,868 CFA. Interest from loans amounted to 4,539,750 or 22% of income while dues accounted for 1,005,000 or 4.9% of income. These three sources account for over 97% of CAMCCUL income for 1978.

In December 1978, 31,699,779 CFA was on loan to non-member cooperatives at 12% interest and 10,978,175 CFA was on loan to credit unions at 9% interest. 209,710,042 was deposited in various interest bearing bank accounts. The total deposits from credit unions equaled 248,912,477 CFA as of December, 1978.

The average return to CAMCCUL on its investments was 8.24% and the average cost of this money 3.9%.

Recommendations:

For the financial year starting January 1, 1979 a new dues structure was put into effect. The new dues structure is .002 (two tenths of one percent) of credit union shares and savings. If all credit unions pay their dues this should give CAMCCUL a dues income of approximately 2,700,000 CFA as opposed to a dues income 1,005,000 in 1978. It is unlikely all dues will be collected but as of 30 June 1979, 1,687,465 CFA in dues had been paid. Although this new dues structure can provide CAMCCUL with a bit more income, it is obvious that dues income will never make CAMCCUL financially viable.

Credit Unions are now being charged 300 CFA per day to attend seminars but again this will add only slightly to the income (only 167,400 CFA in 1978). Larger credit unions could well afford to pay more but the smaller credit unions that need the training most are less able to pay. It may be possible to increase the seminar charges a bit but training is one of the services credit unions expect CAMCCUL to provide.

Reduction of expenses could also move CAMCCUL closer to viability but most expenses seem reasonable. The largest single expense is for interest to credit unions (36.3% in 1978) and even at present the interest paid is below bank interest rates. Some credit unions have large amounts of money on deposit in banks that could be attracted to CAMCCUL through a combination of increased interest rate and easier withdrawal. At the end of 1973, 89% of CAMCCUL's credit union deposits came from the required fixed deposits and this amount was less than 24,887,765 CFA at the end of 1978 being 25% credit union savings of December, 1977. If this money had been paid in and invested at an average net return of 4.24% (the difference between the 4% paid on fixed deposits and CAMCCUL's 8.24% return on investments) it would have added 1,055,241 CFA to CAMCCUL's income.

A study should be made to determine how much credit union money is on deposit with banks and what combination of incentives would attract this money to CAMCCUL. This study would also have to determine how this money could best be invested. At the present time CAMCCUL does not have personnel to carry out this study but perhaps the Global Projects Office, ACOSCA or some other organization could assist with this study.

Of course, the obvious answer to increase CAMCCUL's income is to increase its return on investment. Since 1974 CAMCCUL's return on investment has increased by only .17% (8.07% in 1974 to 8.24% in 1978). If CAMCCUL could have increased its return on investment by .0076% to 9% in 1978 it would have realized additional income of 1,752,818 CFA. In 1977, interest rates to credit unions and non-member cooperatives were increased from 8% to 9% and 12%, respectively.

In 1974 the average amount of money on loan to non-member cooperatives was 47,559,958 CFA. By 1977 the average amount on loan had risen to 63,605,593 CFA. In 1978 the average amount on loan dropped to 33,596,441 CFA and in 1979 it seems that the average amount on loan will be even lower. This drop in loans to non-member cooperatives may seem to be a reaction to increase interest rates but there are other reasons for this decrease. First, in 1977 there were several delinquent loans outstanding and action was taken to collect these loans, some of which had been outstanding since 1974. Secondly, the National Fund for Rural Development (FONADER) began granting loans to cooperatives at 5.75% interest. Also, at this time there were other organizations that started providing more assistance to these cooperatives. Up to 1977 CAMCCUL had been granting loans to cooperatives to purchase vehicles for construction and to pay coffee advances. Now, the funds for vehicles and construction are coming from other sources, but the cooperatives still need short-term credit from CAMCCUL or local banks. Cooperatives pay approximately 16% interest for short-term bank credit.

Since CAMCCUL cannot compete with FONADER interest rates, CAMCCUL should consider raising its short-term interest rates to non-member cooperatives to a rate closer that of the banks (15-16%). CAMCCUL should be able to attract this short-term credit by providing faster and more efficient service to the cooperatives.

The average amount of money on loan to credit unions has grown from 2,069,200 CFA in 1974 to 6,434,025 CFA and 9,474,643 in 1978. This is an increase of over 4.5 times in four years but in absolute terms not very substantial, accounting for only 3.9% of CAMCCUL's investment in 1978. It may be possible to increase the demand for loans to credit unions by increasing the amount credit union members can borrow above the normal three times of savings. At present, SFPC credit unions allow members to borrow up to five times their savings for production loans if the credit union and member meet certain conditions (Refer SFPC model loan policy). CAMCCUL could also increase loans to credit unions if it would deal with loan applications and transfers of funds in a more efficient manner. Many credit unions do not apply for loans simply because of the frustration and delays they encounter in dealing with CAMCCUL. To date, all CAMCCUL loans to credit unions have been repaid and there has been a very little delinquency. It is fine to be able to boast of no delinquency but it also points out that perhaps the loan policy is too restrictive.

Increasing loans to credit unions could increase CAMCCUL's average return on investment a bit but at 9% interest will not help a great deal. Raising the interest rate could be considered but even now the credit unions only have a margin of 3% to cover their cost. The answer to this may be to allow or encourage credit unions to raise their interest rates to 18%. This would in turn allow CAMCCUL to increase its interest rate for loans to credit unions.

Although it is nice to talk of inexpensive credit, the interest rate charged should reflect the cost of that credit. In large credit unions and workers' credit unions the cost of credit is lower than in the small rural credit unions. Also, these small credit unions have the greatest need for CAMCCUL loans.

CAMCCUL should consider increasing credit union interest rates at least in the smaller credit unions. It is unlikely that this will decrease the volume of loans in these credit unions as most members do not have access to other sources of credit. It may even increase savings in these because the credit union should be able to offer a higher return on savings.

Less than 3% of CAMCCUL's income in 1978 came from sources other than investment. Although income from these sources has increased since 1974 it is still limited. The income from sale of agricultural supplies is higher in 1979 but it is still limited. This could increase somewhat if CAMCCUL fieldworkers would stock and sell agricultural supplies in the same way they do stationery. But even with this, it is unlikely that the income from the sale of agricultural supplies would exceed 100,000 CFA per year. The net profit from the sale of agricultural supplies in 1979 is approximately 20,000 CFA. Although this will not contribute greatly to CAMCCUL's financial viability it should be continued as a service to the members.

The Risk Management program will eventually contribute to CAMCCUL's viability and is contributing to its growth but, at present, it costs more than it is bringing in.

To increase the funds CAMCCUL has available for investment, it should attempt to promote credit unions with a high potential for growth such as worker credit unions like CDC, Police and Credit Unions in large community. They have already proven a successful and fast growing. Attempts should be made to promote credit unions in the military, gendarmerie and large companies such as Brasseries du Cameroun. A definite program for this promotion should be developed and personnel assigned to carry it out.

Rural credit unions that are no longer serving their members should be closed or merged with other credit unions. This will help to reduce CAMCCUL personnel required for supervision.

Conclusion:

Although CAMCCUL has not achieved financial viability during the period of the project, it is possible that it could become financially viable in the next three to five years. This, of course, depends on many factors such as control of costs, continued growth of funds available for investment, a higher rate of return on investment and collection of dues.

One other thing that should be considered is that CAMCCUL and the credit unions are contributing a good deal toward the development of Cameroon and the Cameroonian people. Often the decisions taken by CAMCCUL are not made solely on a financial or business basis but also take into consideration the human factor. For an organization to try to provide services to its members that are often provided at tax payers expense and still be financially viable is a very difficult task. If CAMCCUL wishes to continue to promote new credit unions in the rural areas this may forestall its early financial viability.

- B. Technical Viability: In general it can be said CAMCCUL has achieved technical viability. The Cameroonian CAMCCUL staff is capable of performing all required operations of CAMCCUL. There are some areas of weaknesses but CAMCCUL can definitely survive with its Cameroonian staff.

Situation in 1975:

In 1975 the CAMCCUL staff consisted of 12 Cameroonian and 12 Dutch and American volunteers holding the following positions:

Cameroonians

Manager
Branch Manager/Kumba
Cashier/Supervisor
Clerk
8 Fieldworkers

Volunteers

Advisor
Supervisor
Branch Manager/Douala
9 Fieldworkers

In early 1975 the SFPC technician arrived and the CAMCCUL advisor departed at this time and was not replaced and four new Cameroonian fieldworkers were employed.

The CAMCCUL accounting was operating well in 1975 and most other required functions were being performed at various levels of competence.

The major problems at that time were in office management and organization, personnel management and membership education.

The Cameroonian/CAMCCUL's staff had filed a complaint with the Ministry of Labour to be placed on higher salaries in the tertiary II Sector rather than the primary sector. Relationships between the CAMCCUL Cameroonian staff and Board of Directors were strained at this time and morale of the staff low. Many of the Cameroonian fieldworkers at this time were not performing their duties. This may have been in part because of the labour dispute, but some were also lacking basic skills. In early 1976 all Cameroonian staff, except the manager, cashier and clerk were dismissed. For most of 1976 almost all fieldwork was carried out by the expatriate volunteers. Two Cameroonian fieldworkers were employed in early 1977 and since that time the recruiting of Cameroonian staff has continued. Twelve Cameroonians have been recruited since 1976 and one seconded from the government. Of those recruited, four have been either dismissed by CAMCCUL or have resigned. The clerk carried over from 1975 was also dismissed.

Situation 1979:

The CAMCCUL staff now consists of ten Cameroonians, nine Dutch and American volunteers and the SFPC technician. Three of the Cameroonians are seconded from government and two are paid by the government. The third is the SFPC counterpart who is presently paid from SFPC project funds. All volunteers are assigned as fieldworkers. All Cameroonians but Manager and clerk perform some fieldwork but some also have other duties assigned.

Accounting and financial management are still CAMCCUL's strong points. Although something should be done to increase the return on investment. Most of fieldworkers are more capable, better motivated than in the past and are able to carry out the duties assigned to them. Office management and organization have also improved but can still not be considered adequate. This comes about in part because some people have been assigned too many duties and are not always on seat, but the main causes are lack of direction and no administrative plan. Lack of office space and equipment also causes part of this problem. Even though not all office and equipment is used efficiently, the present space and equipment are not sufficient.

There is still no education officer in CAMCCUL and this is a major weakness. Membership and staff training is conducted carelessly with no overall plan or direction. Even so it seems some of this education is effective. For the most part the CAMCCUL staff is able to carry out duties assigned to them and many of the credit union officers know their duties well.

There are not enough fieldworkers to serve all credit unions at the level required at this time and transportation is a problem for most of the Cameroonian staff. Some fieldworkers have been with CAMCCUL for over two years and still have to rely on public transport. This greatly reduces their effectiveness and makes it impossible for them to visit some credit unions. The credit unions around Wum, Mamfe and in some part of the Littoral do not have a fieldworker assigned and in other areas the work load is too heavy.

The SFPC counterpart has performed well in her position and has taken over most of the required duties. She will have difficulty performing field-work when USAID project funding ends because of lack of transportation. It is also unlikely she will continue to work with CAMCCUL because of her desire to further her education.

Recommendations:

No volunteer now working with CAMCCUL is performing any functions that could not be performed by a Cameroonian given adequate support. Volunteers are used mostly as a source of cheap labour to CAMCCUL. This does not add to CAMCCUL's long-term technical viability. The cost to the governments providing volunteers is much higher for maintaining a volunteer in the field than it would be to provide salary support so CAMCCUL could employ Cameroonian staff. CAMCCUL should begin to fill the project volunteer positions with Cameroonian as fast as funds allow. Contacts should be made with aid organizations for assistance in paying staff salaries. If a new USAID project is forthcoming it may be such salary support could be included. If funds for salary support are found CAMCCUL should move quickly to recruit new staff and not delay as has often been the case in the past.

All this is not to say there is no need for volunteers in CAMCCUL. There are some self-limiting projects in which volunteers could prove valuable. The long planned credit union operations manual is one project where a volunteer could prove valuable. It is also possible a volunteer could be useful in developing a CAMCCUL membership education program, in office organization, in some areas of credit union expansion or for short-term studies.

Although it is helpful that the Cameroon government second staff to CAMCCUL, this also creates some problems. These seconded staff can be withdrawn at anytime and can not be transferred or dismissed by CAMCCUL. Their performance at CAMCCUL does not effect their salaries nor do their salaries depend on the financial viability of CAMCCUL. These seconded staff are at present providing valuable services to CAMCCUL but for the long-term good of the organization it would be wise for CAMCCUL to plan how these seconded staff can be replaced by personnel employed and paid by CAMCCUL.

In order for CAMCCUL to recruit and keep good staff it should develop a personnel management program that provides incentives based on job performance. Any intelligent, ambitious person that sees no chance for advancement or any sign of appreciation for his present job will begin to look for something else. At present CAMCCUL has no performance evaluation system and no system for salary increment. All staff should have a performance evaluation each year and any promotion or salary increase based on this. CAMCCUL should also provide assistance and give encouragement to staff studying subjects that increase their job effectiveness. A start has already been made in this area by paying the fees of fieldworkers enrolling in agriculture courses offered by the Institut Africain pour le developpement economique et social (INADES). Along with agriculture and business training it would also be useful to encourage and support staff studying French, now that CAMCCUL is expanding and operating in French speaking areas. A system for airing staff grievance should be started that will allow the staff easier access to the Board of Directors.

A full time cashier should be employed or hours set when the cashier will always be available to receive payments and sell stationery. At present credit union officers often bring money to the CAMCCUL office and no one is there to receive it or sell them stationery. This position does not require a highly educated person but would require closer cash control than at present.

It may be CAMCCUL should request a volunteer experienced in office management and organization. This would not entail the employment of any new CAMCCUL staff and the system could most likely become operational and the present staff trained to operate it within a one or two year tour.

New office space must be found in the near future or a great improvement made in the present usage of the space. Again if a new USAID project is approved provision should be made in it for office equipment and space.

An educational officer should be employed so funds used for education can be used more effectively and efficiently and an overall CAMCCUL education plan developed. Again CAMCCUL may want to request a volunteer experienced in mass education if a Cameroonian cannot be recruited with this type of experience, but if this is done a Cameroonian should be employed or appointed from the present staff to understudy the volunteer.

The need for fieldworkers can be reduced somewhat if bookkeepers and other credit union officers are better trained. It will also help if the smaller credit unions that are no longer providing service to their members are closed or merged. These small, poorly run credit unions take more of the fieldworkers' time than do many of large credit unions. At present the number of credit unions in the Wum and Mamfe area do not justify full time fieldworkers yet those are credit unions that pay dues and should be supervised by CAMCCUL. A study should be made in this area to determine the potential of new credit unions, and credit union growth. If there is enough potential for growth in these areas, fieldworkers should be assigned to develop this potential. If there is not enough potential for credit union growth in these areas, a fieldworker should be assigned to work in these areas on itinerant but regular basis.

In the Littoral it seems action is already being taken to employ a fieldworker. If this is done it should ease the work load in that area.

CAMCCUL should make a greater effort to ensure that fieldworkers in rural areas have a means of transport. The work time lost because of lack of transportation is too costly to CAMCCUL to be allowed to continue. Transportation will also help to reduce the number of fieldworkers required to serve an area.

It now seems obvious that the SFPC counterpart will not stay with CAMCCUL for an extended period of time and even if she has to stay her effectiveness would be hindered by her lack of transportation and the wide area she is required to serve. Considering this it would be wise to find an understudy for her. The understudy could come from the present staff some of which already have some understanding of the SFPC program or a volunteer could be requested to fill the position till a Cameroonian is recruited.

Conclusion:

Although CAMCCUL has not achieved total technical viability it has made marked progress toward this goal and is carrying out all day-to-day functions required. There are some weaknesses and areas where improvement can be made but overall CAMCCUL's Cameroonian staff is quite competent. This is not to say there is no longer a need for outside assistance. CAMCCUL is growing very fast and though its staff can deal with today's operations it does not mean that they will be able to deal with future operations. In 1969 the total savings of CAMCCUL affiliates stood at 21,500,000 CFA, by 1978 this had grown to 1,366,079,821 CFA, with an increase of 380,138,544 CFA in 1978 alone. CAMCCUL now has affiliates in four of Cameroon's seven provinces which brings many problems of distance and communication. If CAMCCUL does not continue to up grade and train its staff, in a short time they will not be able to deal with CAMCCUL operations. There is also a bit of a conflict between technical and financial viability in that the technical requirements are increasing faster than the means to support them.

Purpose 2: Increase in the net income and capital resources of participating small farmers as well as increased productivity in the rural areas.

Status 1974 - 1975:

There is almost no data on the net income or productivity of the small farmer in the areas where the SFPC project operates for this period. There is data on the productivity of some crops at research stations but these production figures cannot be applied to the small farmer. It is difficult to determine the productivity of most food crops (grown mostly by women) because of irregular shape of fields, intercropping, staggered harvesting and the fact that most farmers keep no records.

In 1975 there was no sign that improved seeds, commercial fertilizers, fungicides, or insecticides were being used by most farmers. Fertilizers and chemicals were used by some farmers for coffee and rice production.

There were few veterinary supplies available aside from some vaccines and limited used of drugs for control of internal or external parasites.

The main source of income to the small farmer was from sale of coffee and minor trade. Women grow and sell most food crops and to some extent control this money.

This production and income information could have been collected but the time and effort required would have been too great for the resources available.

Basically, productivity can be increased by improved technology, increasing the amount of land cultivated or herd size or increased inputs.

Increased productivity does not necessary mean increased income. Income can be increased by increased production, lower production costs, higher market prices, or a combination of three factors.

Situation 1979 and Actions Taken:

Marketing and Supply: Marketing cooperatives are well established in the areas where the SFPC credit unions operate. It was hoped these organizations would be able to provide the needed agricultural inputs and assist in marketing the crops of credit union members. Many credit union members are also members of the marketing cooperatives and those that are not are encouraged to join. The marketing cooperatives control the marketing of coffee and markets some rice. Since these organizations were already in place and CAMCCUL did not have the resources to engage in the marketing of food stuffs and attempt was made to enlist the marketing cooperatives in the marketing of other crops.

In 1976 arrangements were made for Nkambe Cooperative Union to purchase beans from members of Ntundip Credit Union and transport the beans to the Bamenda Cooperative Vegetable Society (BCVS) who had agreed to purchase the beans, and since then has continued to purchase beans from the members of Ntundip Credit Union and other farmers of the area. The price paid for these beans was somewhat above the local market price at that time but perhaps the greatest advantage was the time and labour saved by not having to transport these beans to market.

An attempt was made to arrange for the purchase of yams from the Batibo Credit Union group farm by the BCVS and one exercise was carried out but the BCVS felt that the assistance to Batibo was too great.

A good deal of credit union members' grain was being destroyed in storage because of improper storage methods, insects and rats. Also some farmers would not store grain because of this loss and so sold when prices were the lowest.

Through contacts with the Department of Cooperation & Mutuality (Coop/Mut) and the United States Peace Corps it was arranged for a Peace Corps Volunteer to be placed with Northwest Cooperative Association in 1976. The volunteer's assignment was to develop a program for grain storage and marketing in the Northwest province's cooperatives. Some of these cooperatives are now engaged in marketing and are also supplying insecticides for farm storage.

A limited agricultural supply service was started for credit union members in 1976. The products supplied to members were limited to those items not readily available from cooperatives, government or other local sources. The major items supplied are vegetable seeds, veterinary supplies, insecticides and maize seed. Arrangements were made with the local government research station to purchase improved type maize seed for resale to farmers for the 1977 planting season. In 1977 90 kilograms of seed was sold; in 1978 600 kilograms and in 1979 380 kilograms. This would seem to indicate that these improved maize types are increasing farmers' yields as many of the sells in 1979 are to the same farmers that purchased seed in 1978. The decrease of sales in 1979 may be because some farmers are using seed from their 1978 crops.

Six demonstration plots were established for the 1979 growing season in part to determine if the improved maize seed does increase production under local conditions.

Insecticides for treating stored grain are also in great demand. In 1978 5.5 kilograms of this insecticide were sold. This was enough to protect 11,000 kilograms of maize. So far in 1979 33.25 kilograms of insecticide have been sold, enough to protect 66,500 kilograms of grain and not all maize has been harvested yet.

Some other plant protection insecticides are sold but the demand for these is not so great. There is also some demand for vegetable seed (most onions) but this is limited.

There is a demand for veterinary supplies for control of parasites in large and small livestock. The Ministry of Animal Breeding and Industry (the sole supplier) was requested to allow CAMCCUL to distribute these supplies to its members. The Provincial Delegate agreed to this although there is still no written agreement. Farmers have responded well to the introduction of anthelmintic (worm treatment), mainly because they are easy to administer and the farmer can see the results within a few days.

Ascaricides have not been as well accepted, although they are most likely more valuable. This is because they are harder to use and the farmer does not relate a cow dying of some unknown cause to the ticks on the cow.

The major problem in providing veterinary supplies is that the Ministry store often does not have the needed item in stock or it is in short supply and so cannot be obtained in the required quantities.

Contacts have been made with the Institute for Zoological Research (IRZ) about supplying credit union members with exotic animals from Mankon station. One exotic male goat has been supplied to a credit union member on an experimental basis and seems to be doing well. The first offspring of a cross between the exotic and a local goat was born in June of 1979 and two others have since been born. It now seems the use of exotic goats to increase the size of local goats and the milk production in the female offspring could increase the productivity of credit union members. But more time is needed to observe how the F1 and F2 generations survive under local conditions before distribution of exotic goats becomes widespread.

A program for distribution of exotic pigs from IRZ has also been started and IRZ has agreed to train one credit union member in husbandry and supply it with an exotic boar for crossing with local pigs.

Improved Technology: (Agricultural Education).

In 1976 coffee pruning courses were organized for each of the three SFPC credit unions. A coffee demonstrator was asked to conduct the one-day courses and CAMCCUL provided him with transportation to and from the credit unions. The courses consisted of lectures followed by a practical demonstration of coffee pruning at one of the credit union members farm.

An agricultural training program was started for credit union officer in 1977 at the Rural Training Center (RTC) in Kumba and Mfonto. The goals of this course were:

1. Train credit union officers so that they could provide some extension service to credit union member.
2. Increase the officers knowledge of agriculture so that they could better evaluate agricultural loans.
3. Introduce them to innovative agricultural ideas that they in turn would introduce to their members.

A twelve-week course (later reduced to ten) was organized at RTC Mfonta. This course was broken down into six two-week courses to be conducted over an eighteen-month period. This was done because most of the officers have families and farms that they could not leave for more than two weeks at a time and also so that they could provide feed back on the effectiveness of their training and its acceptance among credit union members. Seventeen credit union secretaries and credit committee members were invited to attend the first two-week course, fifteen of these completed the full ten weeks of training. The following subjects were covered in the course: perennial and annual crops, vegetable gardening, animal husbandry, grain storage, bookkeeping, profitability of crops, agricultural loans.

As RTC Kumba only a one-week course could be organized because of conflict with other RTC programs. Ten credit union officers attended this course and followed the subjects introduced: animal husbandry, perennial crop, annual crops, agricultural loans.

In 1979 one credit union officer enrolled in a ten-month agricultural course at RTC: Kumba. The SFPC program sponsored part of the fee for this training.

At present three CAMCCUL fieldworkers are enrolled in the INADES correspondence course along with several credit union officers and members. The fees of CAMCCUL fieldwork taking the course were paid by the SFPC program.

Arrangements were made with the Wum Area Development Authority (WADA) to train credit union members in Oxen Farming. Two credit union members requested to attend this training. Both entered the one year program but one later dropped out. The other has now completed and is now using the oxen for farming. Attempts were made to recruit credit union members for the 1979 WADA course but no one applied.

A quarterly newsletter to SFPC credit unions was started in June of 1978. The newsletter is used to keep credit unions informed of their progress in meeting the goals they have set and to disseminate agricultural and credit union news. Each newsletter deals with at least one timely agricultural subject.

Maize demonstration plots have been established at six SFPC credit unions for 1979 planting season. The objectives of these demonstration plots were to:

1. Show the advantages of fertilizers use
2. Introduce new high yielding varieties of maize
3. Demonstrate new techniques of growing maize
4. Collect data for Cost/Returns Analysis.

Three types of maize were used, two improved type and the local type. Ten rows of each type were planted in flat rows with a space of 25 cm. between plants and 80 cm. between rows. Five rows of each type were fertilized and five were not. All other conditions were the same. Land, labour and local seeds were provided by the credit unions.

Only one demonstration plot has been harvested and reported on, but if the other plots have similar results it would seem maize yields can be greatly increased by using new method, seed types and fertilizers.

The fertilizer maize out-yielded the unfertilized by an average of 69% while best fertilized type out-yielded the local unfertilized by 82%, the total unfertilized type did out yield one unfertilized type but did not do as well as the other two when fertilized. The increase in income to the farmer using the best fertilized type and local unfertilized would be 108,538 CFA on one hectare of land at the increased cost of 21,000 CFA.

Increase Capital Resources:

Nineteen credit union members have taken SFPC loans more than once. The following is a record of their savings and increase:

<u>P.B.</u>	<u>Date of Loan</u>	<u>Savings</u>	<u>Change</u>						
189	26-2-76	4,515	10-11-76	9,017					4,502
57	25-3-76	33,000	26-5-77	36,456					3,456
39	30-4-77	40,025	30-11-78	49,431					9,406
58	30-11-77	31,125	30-11-78	51,366					20,241
59	30-11-77	32,876	30-11-78	50,580					17,704
1	4-6-76	53,661	30-7-79	89,406					35,745
4	4-6-76	75,830	30-7-79	107,290					31,460
6	4-6-76	97,500	30-7-79	134,565					37,065
2	4-6-76	45,349	30-7-79	79,629					34,280
8	4-6-76	52,356	30-7-79	82,481					30,125
24	30-4-77	43,565	30-11-78	49,431					5,866
29	1-10-76	5,025	31-5-77	10,000	9-8-78	20,760			15,735
71	7-5-76	5,000	10-5-77	9,360	21-1-78	10,460	30-7-79	18,890	13,890
118	11-8-76	10,323	14-8-77	16,228	25-8-78	33,483			23,160
194	15-8-76	4,000	26-6-79	13,525					9,525
147	26-1-77	30,038	3-4-78	43,453					13,395
143	3-2-77	12,162	24-7-78	17,927					5,765
183	10-5-77	35,085	21-5-78	43,195					8,110
140	12-9-76	26,242	30-7-79	59,552					33,310
TOTAL INCREASE: -----									352,740

From this it can be seen that the savings of credit union members taking SFPC loans have increased and when this increase is multiplied by five times (the maximum limit for SFPC loans,) the other loans are three times savings. The SFPC loan limit was increased to five times savings in 1978. The funds available to farmers are greatly increased. In the case of passbook number 71 from Banten credit union, his first loan was for only 15,000 CFA, with which he purchased five young goats for fattening in May 1976. His last loan approved in July 1979 is for 100,000 CFA, with which he hopes to purchase 25 sheep for fattening. He will be required to pay 10% of the amount of his loan into his savings which will increase the amount he can borrow to over 140,000 CFA.

The funds available to members of SFPC credit unions has also been increased by CAMCCUL loans to the credit union that amount to over 4.5 million CFA over the past four years.

Recommendations:

Marketing and Supplies: Marketing is still best left to other organizations. CAMCCUL does not have the resources or required skills to engage in marketing activities. When possible it should continue to coordinate with other organizations to assure credit union members are benefitting from the services offered by other organizations. In case credit union members should have production that they cannot market at reasonable prices, CAMCCUL should contact these organization to see if they can assist.

The supply service is providing a valuable service to credit union members and contributing a bit towards CAMCCUL's income. CAMCCUL should continue this service so long as it is of value to credit union members and profitable to CAMCCUL. CAMCCUL fieldworkers in rural areas should begin to stock and sell supplies in the same way stationery is now handled. The supplies should be stocked based on seasonal demand with special order for low demand or high cost items. The high demand period for insecticides for grain storage would be from July through September, but some insecticides should be kept in stock year around.

Maize seed should be provided on a special order bases. Bambui should be contacted in October requesting the seed and the price for the coming year. Notice of the price of seed and requests for orders should be sent to credit unions by the end of November and all orders from credit unions should be in by the 15 of January when the seed should be ordered from Bamoui, picked up, packaged for distribution and credit unions notified to pick up their seed.

CAMCCUL should continue to press the Ministry of Animal Breeding and Industry for a formal agreement that will allow CAMCCUL to distribute some veterinary supplies and to maintain a larger stock of supplies that are needed by credit union members.

CAMCCUL should continue to work with IRZ to develop a program for distribution of exotic animals in particular pigs and goats if the latter proves valuable for cross breeding.

Improved Technology: (Agricultural Training) .

It is probably too expensive for CAMCCUL to undertake an agricultural training program such as was sponsored by the SFPC project at the RTCs, but these courses seem useful and if at some further date the SFPC program is expanded and funds can be found to support this type of training, CAMCCUL may want to undertake such a program again.

For the time being CAMCCUL should continue to coordinate with other agricultural training institutions such as INADES and the RTC and encourage credit union members to take advantage of courses offered by these and other organizations.

The newsletter also seems to be a useful educational and information device. The newsletter should be continued and when staff allows, produced for all CAMCCUL affiliates, with a special section attached for SFPC credit unions.

The maize demonstration plots have proven to be perhaps the most effective training device and can be encouraged at a fairly low cost to CAMCCUL (less than 3,000 CFA per plot).

Maize demonstration plots could be used at credit unions that did not have one in the 1979 planting season but for those that had a maize demonstration plot in 1979, beans or some other leguminous crops could be used. Every effort should be made to enlist the assistance of the Ministry of Agriculture and IRAF for this project.

Credit unions should be encouraged to invite agricultural extension workers, community development workers and personnel from the Ministry of Animal Breeding and Industry to speak at credit union meetings. CAMCCUL could also organize a credit union level agricultural training program that could be carried out by the CAMCCUL agricultural officer and field staff.

Increase Capital Resources:

SFPC credit unions should continue insisting on the 10% capitalization on SFPC loans in credit unions where growth of savings is slow. The credit union may want to use the 10% capitalization for all loans.

CAMCCUL should speed up its loan granting procedure for credit unions with low delinquency rates and rapid growth to insure funds are available to credit union members when needed.

Conclusion:

It is difficult to assess the real impact that the SFPC program has had on the net income, capital resources and productivity of credit union members and other farmers. In order to do draw reliable conclusions about impact, more information from the 1974 and 1975 period would be needed and an indepth study carried out. The resources and personnel have not been available to collect this data.

It would be safe to say that most of the loans granted under the SFPC program have been profitable to the members taking them, as can be seen from the chart below.

<u>Amount of Loan</u>	<u>Cost of Production</u>	<u>Value of Product</u>	<u>Net Profit</u>	<u>Period of Loan</u>	<u>Rate of return on Investment:</u>
52,000	60,325	284,060	223,635	6 months	371%
10,500	12,260	49,500	37,740	10 months	304%
55,000	53,500	100,000	56,500	8 months	106%
69,200	66,100	135,000	68,900	6 months	104%
121,000	115,000	157,940	42,940	5 months	37%
88,000	84,900	130,480	45,690	6 months	54%
44,000	40,280	52,500	12,320	7 months	31%
727,600	121,800	121,800	49,395	6 months	-41%
66,000	68,000	185,000	48,000	6 months	76%
66,000	67,200	250,000	182,250	10 months	269%
13,200	12,660	20,400	7,740	5 months	61%
66,000	67,310	161,100	93,790	15 months	139%
115,000					
160,000					
210,000					
65,000			201,406		20%
105,000					
25,000					
65,000					
40,000					
100,000					
115,000					
15,000	16,000	23,700	7,700	11 months	48%
15,000	14,500	35,000	16,500	12 months	89%
35,000	43,300	59,000	15,400	12 months	35%
60,000	72,095	127,500	55,405	24 months	77%
100,000	141,500	160,000	18,500	36 months	13%
40,000	26,700	49,500	22,800	12 months	85%
36,000	45,060	20,000	25,060	24 months	-56%
79,000	62,130	140,000	77,870	15 months	125%
5,000	6,400	7,900	1,500	9 months	23%
20,000	10,400	25,000	4,600	7 months	44%
12,000	14,660	57,600	42,940	7 months	293%
30,000	26,700			17 months	
60,000	72,225	77,000	4,775	13 months	7%
75,000	133,000	187,050	54,050	12 months	41%
40,000	36,210	54,000	24,210	16 months	80%
24,000	26,270	50,000	23,730	12 months	90%
86,000	55,260	-0-		16 months	-100%
80,000	56,150	99,615	36,865	10 months	125%
50,000	52,800	94,080	41,280	11 months	78%
66,000	55,460	10,000	45,460	11 months	- 82%

Members of non-SFPC credit unions have also benefitted from the project. Agricultural advice was provided to any credit union that requested it. Agriculture supplies were also delivered to credit unions not in the SFPC program.

The savings of credit union members receiving SFPC loans have increased considerably during the period of the project, although information was not collected on the increase in savings of all credit union members taking SFPC loans; the chart on page 15 shows the increase in savings of those taking more than one SFPC loan.

The amount of money a credit union member can borrow has also been increased with the introduction of the new loan policy which allows a member to borrow up to five times his savings for production type loans.

Most of agricultural supplies introduced to credit union members seem to have been had a positive effect on production as demand for these products continues to increase and farmers that have used these products in the past often reorder.

Purpose 3: A significant increase in the level of technical assistance from the Ministry of Agriculture personnel to small farmers participating in the project.

Situation 1975:

The Ministry of Agriculture Extension Service suffered from a lack of trained personnel, transportation, and motivation. Most of the efforts of the Extension Service were concentrated on export crops such as coffee and cocoa and even these efforts often reach only larger farmers and those farming near population centers. In some areas credit union members did not even know there was an extension officer assigned to their area. In many cases extension officers were employed by the marketing cooperatives and development organizations such as WADA. These extension officers were more effective than the Ministry of Agriculture personnel but again dealt only with export crops or did not operate in the same area as the SFPC credit unions.

In some cases extension personnel from the Ministry that did visit farmers gave farmers very poor or even wrong advice.

Personnel from the Ministry of Animal Breeding and Industry provided almost no extension service and again concentrated most of their efforts on large producers and beef production with little if any attention given to small animals which most credit union members keep.

Situation 1979 and Actions Taken

Because of inability of the Ministries of Animal Breeding and Industry and Agriculture provide adequate technical support to the SFPC program, the SFPC technician trained credit union officers to carry out some agricultural extension in their village. The training given to these officers is described in greater detail under Purpose 2 (Improved Technology).

Since 1977 the IRAF section of Onarest has sold improved maize seeds to CAMCCUL for resale to credit union members. IRAF, although not providing any extension services itself, has allowed CAMCCUL access to information gained through its research and in some cases this has been passed on to credit union members.

The IRI section of Onarest has also allowed credit union officers to visit their stations and provide some information to CAMCCUL to pass on to farmers.

A government agricultural officer was seconded to CAMCCUL as SFPC counterpart in August 1978 and has been providing extension services to credit union members along with her other duties.

The Ministry of Agriculture and IRAF gave a substantial assistance with the maize demonstration plots in 1979. IRAF assisted in drawing up the plan for the demonstration plots and the North West Province Delegation of the Ministry of Agriculture provided free fertilizer for the plots and placed their agricultural extension personnel at CAMCCUL's disposal to assist credit unions with their plots.

The Ministry of Animal Breeding and Industry is still providing very little extension but does provide lectures at credit union seminars when requested. These lectures have often proved to be poorly informed and do not relate well to the farmers.

Extension workers employed by cooperatives have continued to provide assistance to credit union members growing export crops and some assistance with other crops.

The Peace Corps Volunteer working on grain storage with the marketing cooperative performs extension work with credit union members and seems to have improved credit union members' ability to store grain and tubers.

The fisheries extension service is perhaps the best of the government extension services and has provided a good deal of assistance to credit union fish farmers. Still, fish farming has not proved profitable and so is not being encouraged by CAMCCUL.

Recommendations:

The attitude of the Northwest and Southwest Provincial Delegations of the Ministry of Agriculture toward credit unions seems good at this time. CAMCCUL should make every effort to exploit this improvement in the attitude of the Delegations to assure that credit union members benefit fully from the services offered by the Ministry. The CAMCCUL Agricultural Officer should keep the Delegations informed of credit union and CAMCCUL Agricultural operations.

Reports on the maize demonstration plots should be sent to both Delegations and to IRAF. Attempts should again be made to involve local extension officers in CU members' agricultural projects and if no cooperation is received, this should be taken up with the Divisional Delegates.

It is unlikely that the Ministry of Animal Breeding will greatly increase its assistance to credit union members in the near future, but contact should be maintained and an attempt made to involve it and improve the relationship between CAMCCUL and this Ministry.

CAMCCUL should continue to make use of extension officers provided by other organizations such as the cooperatives WADA and UNVDA. The CAMCCUL Agricultural Officer should maintain contact with these extension workers and encourage credit unions to invite these officers to credit union meetings and to visit credit union members' farms.

CAMCCUL will still have to depend on credit union officers, fieldworkers and the CAMCCUL agricultural officer to perform most of the extension to credit union members. Credit union officers and CAMCCUL fieldworkers should be encouraged to take advantage of any agricultural training offered and the CAMCCUL agricultural officer should keep them informed of any training of this type. The CAMCCUL Agricultural officer will have to assist the credit union officers and fieldworkers in performing this extension work and in providing them with direction and backup when needed.

Conclusion:

There has been some increase in the level of technical assistance from the Ministry of Agriculture personnel to credit union members, but this cannot be considered a significant increase. Most of this assistance has come in the past year. Up to a year there was almost no assistance. To some extent this lack of assistance has overcome by using personnel from other organizations and training credit union officers but there is still a great need to increase the level of technical assistance to small farmers. The Cameroonian farmer seems willing to adopt new technology if presented properly, but most Ministry extension workers seem unwilling to make the effort required to reach these farmers. Upper level personnel in the Ministry seem interested in assisting the small farmer, but most extension personnel seem to lack the motivation and resources to perform this work. Individual extension workers have provided valuable service to credit union members but overall the level of assistance has been very low.

Purpose 4: Development of member-owned rural credit unions that have the ability to:

- a) provide agricultural production credit,
- b) assist with the marketing of crops,
- c) obtain agricultural supplies for members,
- d) disseminate information related to agricultural and animal husbandry innovations.

Status in 1975:

Credit unions having the ability to provide agricultural production credit.

In 1975, the pilot credit unions were already providing agricultural credit to the small farmer. The amount of loans granted for agricultural purposes in NSC and Nkambe Chapters (the chapters where two of the pilot in 1975 averaged 12% and 17% of total loans granted, respectively.) Loans were given with little consideration of how much money was required to complete the project or when the loan could be repaid. The amount of the loan granted was determined for the most part by how much money the member had saved or how much cash was on hand, and repayment dates set at six months or one year, with little relationship to when the produce would

be sold or when the members would have money to repay the loan. No consideration was given to when the money would be needed so loans were sometimes granted and paid out before the money was needed. This money was sometimes misused because of this, and in any case, the farmer paid interest on money he was not using. In other cases, loans were granted late, so the money was of no use to the farmer. Credit unions did not plan for their future demand for loans so money was not available when needed. Few loans from CAMCCUL were granted and credit unions were not informed about how to apply for these loans, so if funds were short, no loans could be granted. Also, almost no loans were granted for more than one year because credit committees feared other credit union members would not be able to get loans when needed.

Situation 1979:

SFPC credit unions secretaries and credit committees now request credit union members to complete a loan evaluation form which helps the member to determine how much money is needed for his/her project, when it is needed and when he/she can best repay his loan. If the member cannot complete the form himself/herself, the secretaries have been trained to assist the member with this. The member is not required to fill out this form to receive an agricultural loan but even if the form is not filled out, the secretary and credit committee attempt to collect some of the information by questioning the member. If the member does fill out the form, he can be granted a larger loan than if he does not.

Loans for the most part are now designed to meet the farmers and his project needs. A line of credit can be granted that allows the farmer to draw money as he needs it and only pay interest from when the money is taken out of the credit union.

The SFPC credit unions now understand the procedures for obtaining CAMCCUL loans and two of original pilot credit unions have been granted CAMCCUL loans twice in the past four years. The credit unions plan well ahead now and if they foresee that they will not be able to meet loan demand, they apply for CAMCCUL loans.

Agricultural loans are now granted for up to three years, so farmers can now engage in longer term projects.

The percentage of loans granted (by amount) for agricultural purposes by the pilot credit union in Nso Chapter in the period from 1976 through 1978 averaged 32.2% and 24.7% in Nkambe Chapter's pilot credit union. The 1975 chapter percentages for agricultural loans was 12% and 17%, respectively.

Recommendations:

As stated before, the pilot credit unions can and do deliver agricultural credit to their members. They also meet the other credit needs of members granting loans to pay school fees, medical expenses, business expenses and housing construction costs. The loans are granted in an efficient manner, but credit union secretaries should develop better production plans for members and promote product type loans more. CAMCCUL can assist the credit union in granting more loans by speeding up the processing of loan applications from the credit union and promoting loans to the credit union. At present, CAMCCUL is making little or no effort to promote loans to its members, even though CAMCCUL has over three hundred million CFA on deposit with bank.

Conclusion:

The credit union proved an effective vehicle for providing credit to the small farmer. Even when a loan is granted for purposes other than agriculture this loan increases the amount of money the small farmer has to choose between paying school fees and buying fertilizers; the farmer will pay the school fees, but if a loan is granted to pay school fees the farmer is more likely to have money to purchase fertilizer. With the new line of credit being used in the SFPC credit unions, a farmer can be granted a loan that will cover both agricultural and family needs. This may increase the volume of loans granted for agriculture when it becomes better understood by the credit union members and officers.

Credit unions taking part in the SFPC program are providing better and more efficient services to their members the growth rate of SFPC credit unions since 1975 is much better than other rural credit union of comparable size and location. Two of the three pilot credit union have grown faster than any other similar credit union and the third, even though it did not follow all the recommendations of the SFPC technician, has progressed better than the average other credit union. The average increase in savings of SFPC pilot credit unions is over three times than of the average increase in the other credit unions and their loan volumes and membership are also much higher.

The first step toward creating an organization capable of delivering agricultural credit to the small farmer is to build an organization that is both technically and economically viable. In the case of two of the three pilot credit unions, this has happened. The third credit union has not achieved either of these goals. The reasons the latter has not are not easily discernible. This credit union is located in the largest of the three villages and should have the greatest potential for growth. The Board of Directors and members received the same training and advice as the other credit union's, yet did not make use of this training and advice to the extent the other credit union's did. Part of the problem may be that the secretary employed by this credit union stayed with the credit union only a short time, while the secretaries of the other credit unions were already working as volunteers when the project started and were paid a salary as part-time workers after the project began. The Board of Directors of the third credit union were all literate while over half the Board members of the other two credit unions were illiterate. While many of the Board members of the third credit union held salaried jobs, only one or two of the Board members of the other two were salaried and most were totally dependent on agriculture for their income. It may be that because most members and Board members of the two credit union had no other source of credit and their major source of income was from agriculture, they made a greater effort to develop the credit union. In any case, all three credit unions have improved during the period of the project and two of the three are both technically and financially self-sufficient.

Status 1975:

Credit Unions having the ability to assist with marketing of crops.

In 1975 the marketing of all export crops was controlled by the marketing cooperatives (CPMS). Some Women's Cooperatives were dealing with foodstuffs on a limited basis and the Bamenda Cooperative Vegetable Society (BCVS) was marketing vegetables and some staples. The CPMS, WADA and UNVDA were also marketing some rice. Aside from

this, all marketing was done by private traders. Neither CAMCCUL or the credit unions were in any way engaged in marketing.

Status 1979 and Actions Taken:

Since 1975 some attempts have been made to involve credit unions in marketing and to involve other organizations in marketing of credit union members' produce. Credit union's now purchase some maize and beans from credit union members. The credit union members taking SFPC loans for rice production sell all their rice to the CPMS's. An attempt was made to market credit union members' yams through the BCVS, but because of poor roads and distance, the BCVS lost interest in this adventure.

Private traders still control most marketing other than that of export crops and seem in most cases to do this fairly and efficiently. The private sector marketing system in the areas of Cameroon where SFPC credit unions operate is well established and understood by the farmers.

Recommendations:

At present, neither CAMCCUL or the credit union's have expertise or resources to become directly involved in marketing. They can provide some assistance to members by training them in how to store their produce so it can be sold when prices are highest and by supplying members with insecticides for storage. CAMCCUL can continue to work with other organization when credit union members have problems marketing their produce, but in no case should become involved directly in marketing.

Conclusion:

Considering the resources of CAMCCUL and the credit union's, the highly competitive marketing system and the status of the CPMS's, it seems unlikely that this purpose could have been accomplished. It is possible that a greater effort could have been made in this area, but it is doubtful if such an effort would have greatly benefitted credit union members.

Status 1975:

Credit unions having the ability to obtain agricultural supplies for members.

Before 1975 a few attempts had been made by credit union's to supply members with agricultural inputs, but in most cases these ventures proved unprofitable to the credit union's and members' savings were lost in these investments. The major problem was that the wrong type of supplies were purchased or purchased in too large quantities, so that the credit union's were left with unsold stock.

The CPMS were supplying many agricultural inputs and the Ministry of Animal Breeding and Industry was responsible for supplying all veterinary medicines. The CPMS were doing a good job of supplying agricultural inputs for export crops but supplied few inputs for other crops. The Ministry of Animal Breeding and Industry was often out of required veterinary supplies and most farmers made little use of the supplies that were available. Some agricultural supplies were available from private traders and development organizations.

Status 1979:

A limited supply service was started by CAMCCUL in 1976. This supply service dealt only in supplies that were not stocked by other organizations and only purchased supplies after orders were received. The main items supplied are maize seeds, vegetable seeds, insecticides used in grain storage, and drugs to control internal parasites in livestock. Although credit union members do make use of this supply service, and benefit from it, the volume is still small and the cost to CAMCCUL high.

Recommendations:

It is possible that the supply service can be expanded and operated economically by CAMCCUL. The recommendations on this have been dealt with extensively in the marketing and supply section of Purpose 2.

Conclusions:

The credit unions and CAMCCUL do have a supply service for members and this service is benefitting the members. It is still small, but is growing and at some future date may develop into a truly important service. But if the CPMS or some other organization begins to supply the items presently supplied by CAMCCUL and the credit unions, and do this at a reasonable cost to the members, then these items should no longer be supplied to the credit unions. Although at present there is a need for this supply service, the main function of the credit unions should be to provide members' credit and savings needs.

Status 1975:

Credit union having the ability to disseminate information related to agricultural and animal husbandry innovations.

Almost nothing was being done in this area before 1975. The extension services of the Ministries of Agriculture and Animal Breeding and Industry were not making use of credit unions to disseminate information and neither CAMCCUL or credit unions had any one capable of carrying out this function.

Status 1979:

Credit unions can and do disseminate information related to agricultural and animal husbandry innovations. The CAMCCUL agricultural technician now publishes a quarterly newsletter for SFPC credit unions which always has at least one article on agriculture. The agricultural technician maintains close contact with

the Ministries of Agriculture and Animal Breeding and Industry, as well as with the agricultural research organizations in the area. Any information of use to credit union members that these organizations produce is passed on to the credit union secretaries by the agricultural technician and they in turn pass the information on to members.

All SFPC credit union secretaries have received some training in agriculture and animal husbandry and have visited research stations and model farms during their training. Most of these secretaries pass on what they have learned and have trained credit union members.

Maize demonstration plots were established at six SFPC credit unions in 1979 to introduce new seeds, the use of fertilizers and new methods of cultivation.

An exotic goat was placed at one SFPC credit union to determine if these goats could adapt to local conditions and increase the productivity of local goats. This goat was one of the first to be placed with a local farmer and after almost one year has already produced several offspring.

Other credit union members have been able to purchase exotic pigs because of CAMCCUL contacts with research stations. Information on proper grain storage presented to credit union members has been well-accepted and is being widely used.

Recommendations:

The CAMCCUL agricultural officer should continue with the publication of the SFPC newsletter and maintain contacts with organizations and the Ministries dealing with agriculture and animal husbandry and pass on the any valuable information gained from them to credit union members. At some later date it may also be possible to publish an agricultural bulletin that can be sent to all rural credit unions.

Credit unions should invite extension officers to speak at credit union meetings and visit member farms.

When credit union seminars are held, arrangements should be made for credit union officers to visit research stations' model farms. Demonstration plots should be continued and expanded. A long-term plan should be developed to show the advantages of crop rotation and use of organic fertilizers.

Conclusions:

This section of Purpose 4 is perhaps the most successful. The credit union members seem willing to adopt innovation if it is properly presented. Innovations are not accepted by all members at one time, but if a few members can be encouraged to adopt new ideas, these ideas spread quickly to other members.

The demonstration plots have proved to be an effective and inexpensive method to introduce innovation and collecting cost and yield information.

The credit union and CAMCCUL have done a good job of disseminating information related to agricultural and animal husbandry innovation.

Output 1: CAMCCUL officials and field personnel adequately trained to provide League services and carry out the SFPC program.

Situation 1975:

CAMCCUL staff was capable of providing most required service to credit unions, but because of the poor morale at this time, did not always perform their duties as required. In early 1976 all cameroonian staff but the manager, cashier and clerk were dismissed because of a labor dispute. In 1975, no CAMCCUL employees were trained in how to carry out the SFPC program, and those that were trained during 1975 were dismissed in 1976.

CAMCCUL began to employ and train new staff in early 1977.

Situation 1979:

Most CAMCCUL staff is able to provide adequate services to the credit unions. There are some newly employed personnel that are still being trained and cannot yet perform all duties required. All CAMCCUL staff working in areas with SFPC credit unions have been trained to assist credit unions in carrying out the SFPC program. CAMCCUL's agricultural officer started work in August 1978 and, although she can perform most of the required duties, it would have been helpful if she could have worked with SFPC technician for a longer period.

Recommendations:

The main problem of providing service to credit unions is not one of training, but of attitude. Some CAMCCUL personnel do not seem to care about providing service to the credit unions' officers who often travel to the CAMCCUL office only to find that either the officer they need to see is not in or work that was to be done for them has not been done, and hence have to visit the CAMCCUL office three or four times to receive a loan that has already been approved by the Board of Directors.

The CAMCCUL Board of Directors should make every effort to assure that its staff is providing required services to its members, and if this service is not being provided, take appropriate action.

The CAMCCUL Agricultural officer is limited in her ability to perform her extension duties because of a lack of transportation. The project vehicle is in a very poor condition, and without a major overhaul, is of little use to CAMCCUL. Public transportation does not go to many of the SFPC credit unions, so some form of private transportation is needed.

Conclusion:

For the most part, this output has been met although there are some CAMCCUL services that could be performed better, and the training period for the agricultural officer was too short. More services are being offered to credit unions than in 1975, and more will be offered in the future. As services are expanded, there will be an on going need for training of CAMCCUL staff.

Output 2: Government extension personnel capable of assisting small farmers to develop individual production plans.

Situation 1975:

Government extension personnel were not assisting small farmers with any production plans in 75.

Situation 1979:

Early in the SFPC program, attempts were made to involve government extension officers with the SFPC credit unions. Because of the problems encountered in enlisting this assistance, a program for training credit union officers to provide this service was developed. These officers were trained and most are now able to assist members in drawing up individual production plans. If these officers require some help in developing these production plans, CAMCCUL fieldworkers or the Agricultural Officer (seconded government officer) assist them.

Recommendations:

The government extension service now seems better able and willing to assist credit union members. The Delegates of Agriculture should again be contacted by CAMCCUL to see if the level of assistance to credit unions can be increased and, if so, extension workers should be used to assist credit union members.

The CAMCCUL Agricultural Officer and fieldworkers should continue to work with credit union secretaries and credit committees to improve their skills in developing these production plans. The secretaries and credit committees should continue to encourage credit union members to develop and follow production plans.

The CAMCCUL Agricultural Officer should continue to collect as much information as possible on crop yields and production costs so that more accurate production plans can be developed for members.

Conclusion:

Although government extension personnel have not been greatly involved with the development of production plans for small farmers, this has been partly overcome by training credit union officers and CAMCCUL staff. Many of the production plans being developed leave something to be desired, but the production plans are becoming better as more experience is gained and more information collected.

Output 3: Four new credit unions brought into the SFPC program (in addition to the initial pilot project credit union) resulting in a total of five pilot project credit union at the end of the project.

Situation 1975:

Of course there were no SFPC credit unions before the start of the project. But it is important to point out some problems encountered during the start-up of the project and the selection of the pilot credit unions. To begin with it seems that the CAMCCUL Board of Directors or management did not understand that the SFPC program in Cameroon was to be a pilot program. Initially the CAMCCUL Board of Director insisted the SFPC program be started in eight credit unions in eight different regions. They were later persuaded to reduce the number of pilot credit unions to first five and then three pilot credit unions.

These three pilot credit unions were located in three different chapters, the furthest being approximately 150 kilometers from CAMCCUL's headquarters. Of course, the best situation, if three credit unions were to be involved in the project, would have been have them located near one another, but because of the political situation, this was not possible.

Training of CAMCCUL Fieldworkers, SFPC credit union Secretaries and Boards of Directors was completed in October 1975 and the program became operational in November 1975.

Situation 1979:

In early 1977 plans were begun for an expanded SFPC program and training a program started for Secretaries of credit unions interested in taking part of the program. These secretaries received ten weeks of training over an 18-month period and 16 credit union join the SFPC program in December 1978 making a total of 19 credit unions in the program. It should also be noted that not only credit unions taking part in the SFPC program are benefitting from the SFPC project but many ideas that have worked well in the SFPC credit unions are being used in other credit unions. This is the case with part of the loan policy developed for SFPC credit unions, the delinquency control letters, and some other things.

Some of the credit unions taking part in the expanded SFPC project were facing some very serious problems with loan delinquency, cash shortages, slow growth and inactive members which made it impossible for them to start a fully operational SFPC program. Meeting were held with the Secretaries and the Board of Directors of these credit unions and a plan developed to deal with their problems. Goals were established for growth and reduction of delinquency in each credit union. The major effort with expansion credit unions has been to put them on a sound footing so they are capable of delivering production credit to their members. The following shows the progress that has been made toward correcting the problems in these credit unions.

Membership

<u>17 credit unions</u>		<u>19 credit unions</u>		change	<u>17 credit unions</u>			
5/78	average	6/79	average		5/78	savings average	6/78	average
3,392	200	3,252	171	-140	42,685,829	2,510,931	52,405,118	2,758,10
change								
+9,719,289								

Delinquency

<u>16 credit unions</u>		<u>16 credit unions</u>		change
5/78 average	6/79 average	5/78 average	6/79 average	
35.3%	29%	35.3%	29%	-6.3%

It can be seen the membership has decreased over the past year. This has come about because inactive members have been asked to withdraw from the credit unions and because persons with less than one full share are no longer reported as members. The growth in savings would also have been higher but again some members were asked to withdraw and other had their savings reduced to repay delinquent loans. Delinquency could have been reduced more but many credit union members were unable to repay loans on time because all goat markets in the North West Province were closed because of an outbreak of caprise plural pneumonia and coffee payments were late.

Some the expansion credit unions have now progressed to the point where they are granting SFPC loans; the others are still taking steps to complete the requirements for participation. In all but one case these credit unions are making progress.

Recommendations:

Of the three original pilot credit unions two have followed the program well and have made good progress. The third, Mbangom, has made almost no effort to follow the program and for several months has not even been reporting. Since this credit union seems to have no interest in participating in SFPC program it is recommended that it be dropped from the program.

The expansion credit union needs to be monitored closely and those not making an effort to follow the SFPC program should be dropped from the program before a great deal of time and effort is wasted as was the case with Mbangom Credit Union.

No new credit unions should be brought into the program until the present ones are operating well and then only if CAMCCUL has the staff to support an expanded program.

CAMCCUL may want to select three or four credit unions in the SFPC program to experiment with new ideas before they are used in all credit unions. In past when there were only three credit unions in program new ideas could be tested quite easily and if they did not work discarded with few problems or they did work well

used in other credit unions. Nineteen credit unions now taking part in the program is too large a number to experiment with.

Conclusions:

This project output called for a total of five credit union to be participating in SFPC program by the end of the project. Although nineteen credit unions have been brought into the program only four are granting SFPC loans. Some of the others are really starting to grant SFPC loans but for some it will be at least six months before any SFPC loans are granted.

At the time project was started a good deal of time and effort was lost because the CAMCCUL Board of Directors had not been properly briefed on the project and did not fully understand the project's scope. If the project had been started in only one credit union and only expanded to a total five credit unions by the end of the project it could have been better documented but fewer people would have benefitted from the project.

Output 4: Adequately trained CAMCCUL and credit union Administrative Personnel.

Situation 1975 and 1979 - CAMCCUL:

This section has been dealt extensively under Purpose 1 (Technical Viability) and Output 1.

Situation 1975 - Credit Unions:

In 1975 the three pilot credit unions had volunteer members carrying out all credit union operations. Although the credit union administration at this time could be considered adequate there were several shortcomings. Monthly financial statements were not always produced or were produced late and at times the Secretary needed the assistance of the fieldworker to draw up the monthly statement. Bookkeeping and office organization was not of a good standard. Mistakes were made in the books and sometimes documents were misplaced.

Situation 1979:

Two of the three pilot credit unions are now operating well. Financial statements are drawn-up by the secretaries and submitted to the CAMCCUL office by the 15th of each month. Office organization has improved with the credit unions now operating with regular business hours and with part-time paid secretaries. Cabinets have been built to hold the credit union books and records are kept in a good manner. Backup bookkeepers have been trained in two credit unions so in case the present secretary should leave, credit union operations can continue.

The operations of the expansion credit unions has improved but there is still a good deal of work to be done in these.

Recommendations:

Banten and Ntundip credit unions are now operating well but as they will grow the secretaries will require more training in administration and bookkeeping. This training can most likely be provided by regular CAMCCUL seminars and CAMCCUL fieldworkers visiting these credit unions.

A good deal of work still remains to be done in most of the expansion credit unions. The CAMCCUL Agricultural Officer should continue to insist on monthly financial statements from SFPC credit union be at the office by the 15th of each month. This seems to force the secretaries to organize the records better and keep them up to date. This also points out the credit unions that are having problems and secretaries that need more training.

Back up bookkeepers should also be trained for each SFPC credit union to assist the present secretaries and to take over should a secretary leave or not be able to work for some reason.

Interest free loans should also continue to be given for office equipment as this increase efficiency and organization of credit union officers. Loans should also be continued for employing full- or part-time secretaries.

Conclusions:

Of the original pilot credit unions two have now adequately trained administrative personnel. The third credit union could have met this output if its secretary had remained with the credit union or if a new secretary had been employed. This credit union took no action to employ a new secretary and is still dependent on volunteer services which are not capable of meeting its administrative needs!

Output 5: Central interlending programs established between CAMCCUL and credit union.

Status 1975:

CAMCCUL's Central interlending program started in 1970 and by December, 1974 held deposits of 99,522,257 CFA; of this amount 1,610,565 CFA was on loan to credit union and 72,912,500 was on loan to other cooperatives. For the most part the program was working well but a few loans were going to credit unions and some of the loans to other cooperatives were delinquent.

For more information See Purpose 1 (Financial Viability).

Status 1979:

While the amount of money on deposits which CAMCCUL has increased dramatically to 315,986,087 CFA as of July 1979 the amount on loan to other cooperatives dropped to only 7,289,646 CFA and the amount on loan to credit unions is only 3,325,000.00.

The reasons for this decrease and the recommendation to improve the situation have already been dealt with under Purpose 1 (Financial Viability).

APPENDIX

SFPC REPEATER BORROWERS' SAVINGS PATTERNS

<u>PB No.</u>	<u>First Loan</u>		<u>Last Loan</u>		<u>Annual</u>
	<u>Date</u>	<u>Savings</u>	<u>Date</u>	<u>Savings</u>	<u>Savings Rate</u>
1	4/6/76	53,661	30/7/79	89,406	11,312
2	4/6/76	45,349	30/7/79	79,629	10,848
4	4/6/76	75,830	30/7/79	107,290	9,956
6	4/6/76	97,500	30/7/79	134,565	11,312
8	4/6/76	52,356	30/7/79	82,481	9,533
24	30/4/77	43,565	30/11/78	49,431	3,713
29	1/10/76	5,025	9/8/78	20,760	8,460
39	30/4/77	40,025	30/11/78	49,431	5,953
57	25/3/76	33,000	26/5/77	36,456	2,954
58	30/11/77	31,125	30/11/78	51,366	20,241
59	30/11/77	32,876	30/11/78	50,580	17,704
71	7/5/76	5,000	30/7/79	18,890	4,300
118	11/8/76	10,323	25/8/78	33,483	11,353
140	12/9/76	26,242	30/7/79	59,552	11,566
143	3/2/77	12,162	24/7/78	17,927	3,895
147	26/11/77	30,038	3/4/78	43,433	11,256
183	10/5/77	35,085	21/5/78	43,195	7,874
189	26/2/76	4,515	10/11/76	9,017	6,341
194	15/8/76	4,000	26/6/79	13,525	<u>3,330</u>

Average SFPC Borrower's Annual Savings Rate-----9,069

* Annual Savings Rate= $\frac{\text{Ending Savings minus Beginning Savings}}{\text{No. of Years Elapsed}}$

Bonten and Ntundip

<u>Date</u>	<u>Combined Total Savings</u> <u>(CFA)</u>	<u>Combined Membership</u>	<u>Average Annual Savings</u> <u>per member (CFA)</u>
31/12/74	2,698,457	362	--
31/12/75	3,638,520	412	2,429
31/12/76	5,006,393	462	3,130
31/12/77	6,188,710	510	2,433
31/12/78	7,209,747	488	2,046
30/6/79	7,905,567	489	2,849
Overall:			2,719