



AGENCY FOR INTERNATIONAL DEVELOPMENT
AGENCIA DE LOS ESTADOS UNIDOS PARA EL DESARROLLO INTERNACIONAL
CASILLA 13120 · SANTIAGO · CHILE

IFICOOP EVALUATION

This evaluation covers both Loan 513-T-065 Agricultural Cooperative Development and Grant project 513-C296 - Rural Cooperative Ungrading.

1. Background

The \$15,0 million Loan Project was approved in FY 1975 as an institutional building effort designed to enable IFICOOP (a private cooperative development finance institution) to increase its capacity to assist existing rural sector cooperatives to serve better their low income members. The bulk of the A.I.D. funds (\$14,2 million) is allocated to the financing of subloans extended by IFICOOP to agricultural and fishing cooperatives for economically viable sub-projects which will increase the income of the rural poor. The balance of the loan (\$800,000) is to be expended by IFICOOP for technical assistance for itself and its member cooperatives, feasibility studies, consulting services, and equipment needed by IFICOOP.

In terms of the log frame, the expected outputs are:

- a. "Sub-loan projects in coop-owned agro-business, agricultural infrastructure (for low income coop members), and fishing;
- b. Technical assistance to IFICOOP and borrower cooperatives;
- c. Office equipment and vehicles for IFICOOP staff."

These outputs are expected to contribute directly towards achieving the project purpose which is stated as:

"To develop a financing and technical assistance system for the creation of improved marketing opportunities for small farmer cooperative members which will increase their income and increase value added and employment at the cooperative level."

The project purpose is expected to contribute directly towards achieving the sub-goal of "improving the standard of living of the Chilean small farmer" which in turn, will help achieve the goal of "encouraging greater agricultural production in Chile."

A complementary grant was approved during the transitional quarter for up to \$1,016,000 to assist IFICOOP upgrade rural cooperatives that lacked the management capacity to identify, prepare and undertake meaningful agricultural projects. It was estimated that IFICOOP would be able to help some 85 cooperatives over a four year period. The initial funding level was \$250,000 with \$150,000 planned for FY 1977 and the balance in FY 1978 and 1979.