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Credit Union National Association, Inc.

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SMALL FARMER PRODUCTION CREDIT  
AID/AFR-G-1079  
PROGRESS REPORT  
JULY 1979 - FEBRUARY 1980

TO

Agency for International Development  
Department of State  
Washington, D.C. 20523

FROM

Credit Union National Association, INC.  
Global Projects Office  
1120 19th St. NW, Suite 404  
Washington, D.C. 20036

February 1980

III. Project Funding and Expenditures

- A. Afr-G-1079 through December 31, 1979
- B. ACOSCA Balance Sheet
- C. ACOSCA Income and Expenditures Statement

The summary of grant funded travel will be provided separately when received from ACOSCA.

## INTRODUCTION

This report, for the period July, 1979 through February, 1980, is submitted to the Agency for International Development in compliance with the terms of SFPC Grant AID/Afr-G-1079.

The objective of the grant is:

To assist certain African countries with their five-year development plans to increase savings, maximize agricultural production and increase income of farmers through credit union production credit programs, and to assist the Africa Cooperative Savings and Credit Association (ACOSCA) in expanding credit institutions to ensure the eventual viability of a cooperative system on a self-sufficient basis throughout Africa.

In conjunction with the ACOSCA Board, management and senior staff, activities to further this objective were carried out by the CUNA-ACOSCA regional technician (1975-1978), the Lesotho Country SFPC Technician (1974-1977), and the Cameroon Country SFPC Technician (1975-1979). Supporting assistance was provided by the CUNA Global Projects Office (GPO) professional staff.

This report is divided into the following sections:

### I. Program Activities and Results

- A. Summary Project Report: Accomplishments, Issues and Recommendations
- B. Southern Regional Training Centre Final Report
- C. Cameroon Technician Final Report
- D. Cameroon Program Evaluation

### II. Quantification of Grant Project Progress

- A. Country Programs
- B. ACOSCA

## INTRODUCTION

The Africa Cooperative Savings and Credit Association (ACOSCA), the Credit Union National Association (CUNA) and the U.S. Agency for International Development (AID) have collaborated during the last five years on a small farmer production credit (SFPC) program through credit unions. The program was conceived as a response to the need for agricultural credit and related services in those rural areas where a majority of membership of ACOSCA-affiliated credit unions reside. The project design called for utilization of surplus movement savings and external funds to provide agricultural production credit to small farmer members of credit unions. It was believed that these credit unions would be able to effectively deliver and recover such credit.

The project was initially developed during a CUNA feasibility study in February and March 1974. Resulting from this study a Project Paper was developed and submitted to USAID in May of 1974. This was approved by AID in June of 1974. A Country SFPC Technician was assigned to work with the project in Lesotho in September of 1974; an ACOSCA Regional SFPC Specialist and Cameroon Country SFPC Technician began work in January, 1975. The Lesotho Technician completed his assignment in August, 1976. The ACOSCA Regional Specialist completed his tour in September, 1978; the Cameroon Technician returned in September, 1979. The estimated project cost will have been approximately \$1.3 million by December 31, 1979.

In accordance with the Project Paper, ACOSCA and CUNA undertook an assessment of Project achievements in Cameroon and ACOSCA Headquarters in September and October, 1976. A report of this assessment was submitted to AID in December, 1976. Subsequently, AID undertook its own evaluation of the Project in January-March, 1977. This was issued as a report in June, 1977. Last, CUNA undertook an assessment of the Lesotho component of the Project in July of 1977. The results were issued in report form in November of that year.

This final report attempts to summarize the status of various project outcomes as they exist or are likely to exist at the end of the project. There is a discussion of some of the broader project issues that while not integral to project outcomes as initially envisioned, have been factors in project operations and achievements. Recommendations are presented for the consideration of ACOSCA, its affiliates, USAID, and CUNA.

### PROJECT OUTCOMES

The Project Paper specified six Project Purposes. Of these, four related to the operation of the programs in Cameroon and Lesotho; two are directed toward strengthening of ACOSCA's role as the confederation of national credit union organizations in Africa.

Purpose 1: This calls for both national associations to achieve financial and technical viability by the end-of-project. Financial self-sufficiency is defined as the ability to meet all real costs, including imputed costs

of volunteer labor, donated space, etc., from income generated internally. Technical self-sufficiency is deemed the ability to carry out all essential national association functions and processes with an outcome equivalent or better than an agreed-on minimal performance statement.

Status:

Cameroon:

Financial Self-Sufficiency: For its 1974 financial year, the Cameroon Cooperative Credit Union League (CamCCUL) had a deficit of 2.78 million CFA above internally generated income of 6.48 million CFA. If imputed costs of volunteer labor, donated space, etc., are considered, CamCCUL was meeting approximately 58 percent of operating costs. At the end of its 1978 financial year, CamCCUL experienced a deficit of 4.2 million CFA against operating income of 20.6 million CFA. Including imputed costs, CamCCUL had reached 62 percent self-sufficiency.

At the time of its 1976 Assessment, CUNA projected continuation of then-current income and expenditure trends concluding that 1989 as the earliest date by which self-sufficiency might be achieved. It also suggested that operation of the SFPC program on the then current lines would further delay self-sufficiency by 5 to 14 years.

In work with CamCCUL related to meeting conditions precedent specified in AID's Evaluation, CUNA recommended a series of policy and procedural changes to accelerate progress toward self-sufficiency. These steps

included but were not limited to increase in member dues, increase in interest rates borrowing from CamCCUL, increased interest paid on credit union term deposits. The adoption of such a strategy has set the stage for achievement of financial viability by 1985.

Technical Self-Sufficiency: At the start of the project, CamCCUL staff included 12 Cameroonian staff working with 12 Dutch and American volunteers. At the time of the CUNA assessment, attainment of technical self-sufficiency had been seriously compromised by a labor dispute which resulted in termination of all Cameroonian field staff. The secondment by the Government of a counterpart for the SFPC Technician had also not taken place. At that time CamCCUL had a Cameroonian Manager, clerk-typist and cashier supplemented by 13 expatriate volunteers and the SFPC Technician. At the time of CUNA's assessment, CamCCUL staff was judged able to perform adequately 47 of 182 processes assessed. In the latter part of 1977, a second assessment of performance, using a modified measure, indicated that CamCCUL's performance was adequate for 45 of 131 processes. Presently CamCCUL has a staff of 10 Cameroonians, 9 Dutch and American Volunteers. Although a systematic measurement of performance has not been carried out, the SFPC Technician indicates that there has been substantial improvement in field support as Cameroonian staff have been recruited and trained and now provide services that are largely adequate. Many processes related to small farmer production credit are being carried out adequately. There remain serious deficiencies in processes related to office management, education and planning. Nonethe-

less the current status represents substantial progress over the term of the project, particularly in the last two years.

Lesotho:

Financial Self-Sufficiency: At the initiation of the project in 1974, the Lesotho Cooperative Credit Union League (LCCUL) was meeting 18 percent of its total real costs from internally-generated income. As of 1977, the League was meeting 25 percent of its total real costs. This situation was complicated by the accumulation of a substantial operating deficit of increasingly serious proportions. In 1977 it was evident that continuation of current trends would permit self-sufficiency by the year 2000 only with realization of very optimistic assumptions. The major problem faced by the League relates to the fact that growth of revenues is directly linked to growth of savings. In Lesotho where per capita incomes are low, annual increments of savings by credit union members are small. The high percentage of rural membership has placed an effective constraint on savings growth. In 1978, the LCCUL Board and Staff adopted a growth program and requested USAID to support the effort within the context of the existing SFPC program. This request, which included a modest increase in budget support to LCCUL and the replacement of the CUNA Technician, was rejected by the Regional Affairs office of the Africa Bureau. Subsequently LCCUL worked with ACOSCA and CUNA to develop an OPG project proposal. This project, based on the analysis and strategy developed in 1977, should permit attainment of self-sufficiency by 1988. This represents a significant and positive step forward.

Technical Self-Sufficiency: Technical self-sufficiency was and is dependent on LCCUL being able to meet the costs of employing and retaining sufficient staff to strengthen an expanding credit union movement. The League was unable to do this in 1974 and is unable to do so today. At present the staff of the League is inadequate in terms of number and lacks skills in key operational areas. LCCUL can in no way be described as a technically self-sufficient organization, despite significant skills in areas such as non-financial services to affiliates. The OPG proposal referenced includes a systematic attempt to develop technical self-sufficiency as a central objective.

Purpose 2: This calls for an increase in the net income and capital resources of participating small farmers as well as increased productivity in rural areas. In 1976, CUNA's assessment team felt that reliable measurement of this outcome would involve expenditure of time and money in excess of available and justifiable resources. It was further believed that the number of program participants was too small to provide the basis for useful conclusions. Little has changed to alter this belief.

Status:

Cameroon:

The only proxy indicators available on income--not productivity--are the increases in savings of credit union members participating in the program as well as income data from loan application and repayment forms.

Savings: Of a sample of 19 farmers who had taken more than one SFPC loan,\* average savings at the time of their first loan were CFA 33,500. Second loan averages were CFA 52,125. The average interval between applications was 16 months; thus the data suggests an annual increase in savings of CFA 13,970. This is five times the annual savings rate of all members in these credit unions.

Return on Investment: Of 29 loans analyzed, total reported cost of production was CFA 2.5 million; total reported returns were CFA 3.9 million, or a 52 percent average return on investment. These figures are consistent with ROI analyses done by CUNA in 1977 which indicated that with the exception of coffee, most agricultural and animal husbandry enterprises had the potential for very high returns. It is possible that in the absence of credit union loans, the participants would have obtained credit from alternative sources. However, their net return would have been reduced because of the substantially higher interest rates on such loans.

Lesotho: No data is available that would reliably suggest increases either in income or productivity attributable to the SFP program. At the same time it should be noted that poultry and swine production projects were undertaken by participants in the program that otherwise are unlikely to have been started. Indications from repeat applications

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\* Savings are incorporated on loan applications, so repeat applications provide the only easily accessed data on savings increases.

for increased flocks and herds suggest that these enterprises have proved productive and profitable. Similarly, available data suggests that mohair spinning activities too have proven a new and useful source of increased income to participating credit union members.

Purpose 3: This calls for significant increase in the level of technical assistance from Ministry of Agriculture personnel to small farmers participating in the project. In assessing this outcome, it is probably more useful to determine whether there has been an increase in the access of participating farmers to all sources and forms of assistance that will contribute to successful agricultural and animal husbandry enterprises.

Status:

Cameroon:

In 1974 it is safe to state that credit union members involved in agriculture received no technical support, input supplies or marketing services from any source other than limited fertilizer supply for and marketing of coffee through coffee cooperatives. While there was modest improvement in 1976, the Ministry of Agriculture had still failed to meet its commitment to depute an officer to CamCCUL as a counterpart for the SFPC Technician. As of 1979, the following services are available to participating farmers in 17 SFPC credit unions:

- The services of a Ministry of Agriculture officer deputed to CamCCUL to coordinate the SFPC program;

- Access to Ministry of Agriculture extension agents assigned to their areas;
- Regular contact with CamCCUL field workers who are receiving training in SFPC program support skills;
- Regular contact with Credit Union secretaries who are undergoing periodic agriculture and animal husbandry training at Mfonta Training Center;
- Provision of improved seed and information on cultural practices by the IRAF Section of ONAREST;
- Contact with extension worker trained in construction of storage facilities and grain/bean storage methods;
- Participation by Ministry of Animal Breeding and Industry personnel in credit union seminars;
- Support by fisheries extension workers.

At the same time there are weaknesses in the systems both in terms of extension worker frequency of contact and skill. Nonetheless there is a measurable positive difference in support levels and distribution since 1974.

Lesotho: Government of Lesotho Ministry of Agriculture support and involvement in the SFPC program has been strong since its initiation and has been consistently noted by USAID and CUNA personnel who have had contact with the project.

Purpose 4: This calls for development of member-owned rural credit unions with 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. It also calls for these credit unions to mobilize rural savings and pay a fair return on such savings.

Status:

Cameroon: In 1974 agricultural lending was done frequently by credit unions. However, agricultural loans were made in the absence of any analysis or subsequent support and, in most instances, loan amounts bore no relationship to the cost of production. In addition to three pilot credit unions, there are now 14 new societies that have undertaken the SFPC program. These credit unions have made required changes in loan policies; their secretaries have undergone and will continue to undergo training; they have access to some agricultural supplies as well as information on marketing through CamCCUL. Today credit union members complete, or the secretary completes, a loan application form that is based on a specific project. Loan amounts are related to actual production costs. The participating credit unions can and do draw down on CamCCUL Central Finance Department for the additional funds required to meet increased loan demand. In terms of marketing, coffee and rice are purchased on a monopoly basis by the cooperative unions; credit unions are now purchasing and arranging the marketing of some maize and beans. This is being done on a small scale; private traders still dominate these markets though credit union intervention has had a modest positive impact on price paid to members. CamCCUL is presently operating a small input supply service, primarily concentrating on maize and vegetable seeds, insecticides used in grain storage, and wormicides for livestock. This service is operated at a loss by CamCCUL and will probably be discontinued if other sources undertake to stock these items.

A major success of the program in Cameroon has been the dissemination of information on improved agriculture to credit union members. Among the successful innovations communicated during the project have been:

- Introduction and demonstration of hybrid and composite high-yielding maizes with proper fertilizer, cultivation and plant protection;
- Introduction of an exotic goat for cross-breeding with local stock;
- Introduction of storage for maize and beans--the potential impact in reducing high losses from pests and climate and in permitting farmers to hold crops until prices are most favorable;
- Access of credit union members to purchase of exotic swine;
- Participation of credit union members in training programs to develop skills in use of animal traction--this in an area where use of draught animals is virtually unknown.

CamCCUL presently publishes a quarterly newsletter for SFPC credit unions which presents information on agricultural and animal husbandry projects; CamCCUL sponsors training programs and seminars at which credit union officers and members learn about new agricultural and animal husbandry methods; CamCCUL has encouraged members of participating credit unions to join the INADES program of radio correspondence training in agriculture; CamCCUL has forged a link between extension field workers and credit union members. Although more a comment on the limited reach of agricultural extension in Cameroon, it can be stated that credit union members have the highest frequency and intensity of contact with agricultural information of any group in Northwest and Southwest Cameroon, save for large planters.

It is also important to note that during the course of the project the concerned credit unions attained and consolidated their technical and financial self-sufficiency. No matter how relevant and well-directed a program might be, the long term contribution must be judged in terms of the ability of the institutions concerned to identify and respond to their member's needs efficiently and effectively. In the case of the pilot project credit unions it appears conclusive that they have this capability. A measure of this is the strong determination of CamCCUL's board to expand the project. Steps have been taken to initiate this activity with initial selection and training of credit union personnel completed and initiation of loans to begin shortly.

Lesotho: As was the case in Cameroon, Lesotho credit unions were extending loans for agriculture prior to initiation of the project. However, these were in limited amounts unrelated to production plans and requirements. There are now three credit unions operating production credit programs which include provision of agricultural credit based on production plans. An additional 10 credit unions have established agricultural committees and taken all the steps precedent to initiating the SFPC program including the training of committee members and potential participants. Expansion of the program is pending the approval of an Operational Program Grant proposal to USAID/Maseru in which the SFPC program is a major component.

Limited achievements have taken place in marketing of produce. In the early stages of the project the LCCUL undertook to provide transport for marketing of livestock. The costs of this support, however, far exceeded any reasonable handling charges. At present the League has largely limited its efforts to providing market information to credit unions and attempting, when possible, to coordinate marketing with responsible agencies. It should be noted that USAID has provided support to Coop Lesotho and has earmarked further involvement in an agricultural marketing corporation. Even were the necessary resources available, it would entail a duplication of effort and inefficient use of manpower and finances for LCCUL to significantly involve itself in either marketing or input supply.

Perhaps the strongest contribution of the SFPC program in Lesotho has been the dissemination of information related to agricultural and animal husbandry innovations. This has taken several forms. First, prior to establishment of the program, board members of potential participating credit unions received an orientation to the program. Inclusion in the program required creation of an Agricultural Committee. These committees--both those of the three pilot project credit unions and ten additional credit unions that wish to be included in an expanded program--have undergone training in agricultural and animal husbandry production methods conducted by LCCUL staff and officials of the Ministry of Agriculture. Last, each credit union member who wishes to participate in the program must successfully complete a training

program related to the project she wishes to undertake. In addition to the formal training prior to credit union and member participation, LCCUL staff has worked closely with Ministry of Agriculture extension officers to ensure that members with SFPC loans receive close support during the project. The success of this approach is indicated in part by the significant number of repeat loans, most of which involve expansion of the project during subsequent years.

Of the three pilot project credit unions in Lesotho, two have consolidated their technical and financial self-sufficiency during the project period. The third has been affected by a turnover in managers, but is financially self-supporting.

In summary, as in the case of Cameroon, a major measure of project success is adoption of the idea. Despite the limited ability of LCCUL to support the project after the departure of CUNA's technician, the three pilot credit unions have continued with the program; more significantly there is a waiting list of credit unions who wish to enter the program and the LCCUL Board has strongly endorsed its continuation and expansion.

Purpose 5: This purpose relates to ACOSCA and calls for attainment of economic self-sufficiency; continued delivery of services related to development projects; as well as representational, technical and financial services required by the affiliated national associations.

Status: In 1976, CUNA's Assessment Team stated that "financial viability will not be achieved within the project period and...it represents an unrealistic goal."

This question represents a significant issue and will be addressed in a subsequent section of this report. At this point, let it suffice to say that: 1) inclusion of financial self-sufficiency for ACOSCA and the national associations as a project purpose was not based on realistic projections of income and expenditures; 2) ACOSCA financial self-sufficiency is a long-term objective. The full payment of dues by affiliates cannot and will not suffice to meet the costs required to ensure "continued delivery of services related to development projects as well as representational, technical and financial services required by the affiliated national associations." Initiation of regional interlending represents the ACOSCA service that can ultimately accelerate self-sufficiency. That, however, depends on strong national movements and national association central funds which, in turn, will require ACOSCA investment of resources. During the last decade ACOSCA has promoted, supported, managed and evaluated a wide variety of donor projects. This activity has entailed use of ACOSCA resources without any commensurate return, a situation that has exacerbated problems of marking progress toward self-sufficiency.

ACOSCA presently faces serious financial difficulties. A \$50,000 surplus carried forward from 1976 has been exhausted and replaced by a significant operating deficit. In part this deficit can be attributed to weaknesses in financial management: ACOSCA has committed resources for project development in the hope that they would be forthcoming from donors. Too often that hope--often raised by donors--has been misplaced. ACOSCA's Board has recognized its problem in this area and has undertaken corrective action. ACOSCA's Treasurer, a senior Government of Kenya Treasury Official, has taken an active role in monitoring the budget; a senior accountant has been employed; and a number of cost-reduction efforts undertaken. The Konrad Adenauer Foundation has assumed the ACOSCA House Mortgage, relieving ACOSCA of a major financial burden. It is worth noting that in general donor groups have been delighted to have ACOSCA sponsor and manage projects that meet their goals; they have been less willing to support ACOSCA organizational and institutional development costs. There is an obvious irony in donors with headquarters staff numbering dozens and hundreds, telling ACOSCA to reduce its expenditures on a staff of four professionals. It must be accepted that through strengthening ACOSCA, donors can provide the impetus, the critical mass, necessary to accelerate growth to the point where self-sufficiency becomes a realistic medium term objective. Limited support only etches more deeply the vicious circle of dependency. Last, it is unfortunate and richly ironic that one of the few development efforts that lays serious emphasis on self-sufficiency should be so rigorously judged by that standard alone. Using the same yardstick, the landscape is littered with cooperatives, development banks, agro-industrial corporations, and a host of other institutions whose dependency, both absolutely and relatively, is far greater than ACOSCA's and who serve populations far smaller.

In terms of technical self-sufficiency, ACOSCA has substantial accomplishments to its credit. Representation has proven effective through the affiliation of 22 national organizations and recognition of ACOSCA by the majority of governments concerned. The next meeting of the Organization for African Unity includes on its agenda recognition of ACOSCA as the Pan-African representative of credit unions. At this stage ACOSCA is providing technical services and assistance to its affiliates in educational programs through 3 Regional and 2 sub-regional training centers; Central Finance, through a Specialist working out of Nairobi headquarters; Insurance, through a Manager in Nairobi and officers working in six countries; Information, through a variety of technical and informational publications distributed to national associations and credit unions; and project development, management and evaluation through both Headquarters and Regional staff.

In 1978, ACOSCA staff conducted an intensive institutional analysis of their own performance in all major functional areas. This exercise was carried out as step preparatory to designing an organizational development program. In their analysis, ACOSCA staff rated their performance of 162 critical confederation processes as follows: Adequate or better--15; Partially Adequate--129; Unsatisfactory--16. Unfortunately there is no 1974 base-line against which to assess progress during the project period. However, some comments can be made.

1. In 1974, ACOSCA professional staff consisted of an Executive Secretary, Chief of Insurance Services, and Regional Managers in Nairobi

(Eastern Region) and Maseru, Lesotho (Southern Region). That professional staff has been expanded with competent individuals now assigned as Chief, Central Finance; Regional Manager, Western Bi-lingual Office; Assistant Manager, Eastern Region; Assistant Manager, Southern Region; Accountant, Headquarters. An Assistant Executive Secretary has been appointed and is expected to assume his responsibilities this year. It is also worth noting that the skills and competencies represented in ACOSCA's Board have also improved with a Chartered Accountant; a senior official of a Finance Ministry; a senior Rural Development Ministry officer; and a Registrar of Cooperatives being among the members.

2. In 1974 ACOSCA had no project development, management or evaluation capability. As a consequence it had to rely entirely on the judgement and manpower of expatriate organizations and technicians. During the last five years ACOSCA has participated in and demonstrated capabilities in project evaluation (for example, the 1976 assessment of the Cameroon component of this project); in project management (today an ACOSCA Advisor manages a project in support of Liberia CUNA; ACOSCA technicians will be assigned to other projects during the next year); and in project design (ACOSCA Staff have been full participants in project studies and proposals for Lesotho, Cameroon, Kenya, Malawi, Zambia, Swaziland, Botswana, etc.) The stage is now set for a transition from collaborative roles to full responsibility for project design, management and evaluation.

3. As mentioned above, ACOSCA staff conducted an analysis of their own institutional performance. Based on this analysis they determined priorities, developed time estimated, identified required resources, assigned responsibilities and scheduled an Organizational Development Program to systematically strengthen their capabilities both in providing services to affiliates and in maintaining ACOSCA's internal efficiency. Full-scale implementation of this program is pending, contingent on commitment of the external resources required. Nonetheless, it is significant that an exercise in institutional development and planning of this quality was carried out.

In summary, ACOSCA has strengthened its technical capabilities substantially during the project period. There remain deficiencies both in terms of the range of skills represented on ACOSCA's staff relative to the needs of affiliates and in terms of performance of critical functions and processes. There are serious deficiencies in the areas of financial planning and management. The extensive investment in education is mitigated by the absence of a professionally qualified Chief of Education and Training. A variety of services are inadequate because of inadequate staffing, lack of defined procedures, insufficient skills and limited financial resources. The performance during the project period, however, suggests substantial evidence that with adequate resources, progress toward self-sufficiency in technical areas will be rapid.

Purpose 6: This purpose entails an increase in the number of credit unions functioning in Africa.

Status: At the start of the project there were estimated to be 5,500 credit unions operating in Africa. As of the end of 1978 there were estimated to be approximately 10,900 credit unions affiliated with the national organizations of credit unions that are members of ACOSCA. This would seem to more than satisfy the requirement for an "increase."

The Project Paper specifies eleven outputs. The status of these is summarized below:

Output 1: Training: Adequately trained officials and field personnel for league services and to carry out the SFPC program.

Cameroon: This output has been partially achieved. League staff carry out basic services adequately; a SFPC officer is in place and providing services to participating credit unions.

Lesotho : Available League staff are competent and provide services adequately or better. However, insufficient resources have severely limited the number of staff and the frequency with which they provide services to credit unions. SFPC services are being provided largely by Ministry of Agriculture personnel.

Output 2: Technical Services: Field workers capable of assisting small farmers to develop individual production plans.

Cameroon: The approach adopted was to train credit union secretaries to assist farmers to develop production plans. League staff have been trained to support this activity. Adequate performance.

Lesotho : In Lesotho each participating credit union has established an agricultural committee; members of these committees along with the manager have been trained in developing production plans and loan analyses. This has been done in the initial 3 pilot project credit unions as well as in more than 10 credit unions that have requested future participation in the program. The output has been achieved.

Output 3: Program Expansion, SFPC: 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 unions at the end of the project).

Cameroon: The program was initiated with three pilot project credit unions; of these two remained active throughout the course of the project. During the last year preparations were made for the addition of 17 new credit unions to the program. This has included changes in bye-laws, training of secretary-managers, education of boards and members, steps to meet savings and loan recovery targets, etc. Initial SFPC lending will begin this season in these credit unions, bringing the project total to approximately twenty. The output has been significantly exceeded.

Lesotho : The program was initiated with three credit unions that remained active during the entire project period. In addition, agricultural committees were formed by 10 more credit unions that wished to join the project. These committees, boards, secretary-managers, and members, received training by League staff and Ministry of Agriculture officials. Only the limitation of resources has prevented full initiation of program expansion. The parallel mohair spinning program is operating in many credit unions.

It should be noted that a major obstacle to program expansion was the position of AID/Washington staff who insisted that the project was a "pilot" program and that no significant expansion should take place--even though this required no new resource commitments--until the "pilot program had proved itself." The decisions of the CamCCUL and LCCUL Boards to expand the programs, which were taken in response to demand by member credit unions, would seem to be the most convincing form of demonstrating success. However, this was not accepted by AID.

Output 4: Management Practices--Administrative and Technical: Adequately trained league and credit union administrative and technical personnel.

Cameroon: See Purpose 1 and Output 1.

Lesotho: See Purpose 1 and Output 1.

Output 5/6: Marketing and supply services utilized under a national plan: National service cooperative available to credit unions.

Marketing Status: Cameroon: In Cameroon marketing of coffee, cocoa and more recently rice are largely done through monopoly cooperative marketing unions. Credit union members not only have access to this service but are required to use it. In the case of maize, livestock and vegetables, the major marketing effort is carried out by the private sector. In order to improve the producers' position in relation to private traders, CamCCUL has encouraged: 1) cooperative marketing of produce where the volume and benefits were favorable; 2) erection and use of modern storage facilities to permit withholding of crops until favorable marketing conditions prevailed; 3) introduction of oxen-drawn carts to permit transport of produce to market town where prices generally are higher than when crops are purchased in the villages.

Lesotho: No effective progress has been made in this area. Coop Lesotho, which has been supported by USAID and other donors for a number of years, has not proved able to effectively service membership nationally. The resources required for LCCUL to intervene in marketing of crops and livestock are well in excess of the League's capability; similarly the number of personnel does not permit active participation in this work save through providing information and coordinating activity with government and cooperative agencies.

Supply Status : Cameroon: CamCCUL has undertaken limited input supply activities. Specifically the League has played a role in distribution of improved maize seed and in provision of pesticides and other agro-products that are not available from other sources. At the same time they have attempted to coordinate provision of supplies by the Department of Animal Industry and the Bamenda Cooperative Association. The

experience to date has validated the concern expressed in CUNA's 1976 assessment: the costs have been high and the returns do not begin to compensate the League for expending resources in this area. Unless the volume were to increase far beyond present projections, the League would be best advised to discontinue this activity.

Lesotho : LCCUL has played an active role in supplying inputs required by animal husbandry projects including provision of pigs, chickens, feed, materials for construction of sties. LCCUL, in coordination with LECUSA, also helped to ensure provision of seed and fertilizer for some crops. It should be noted that Coop Lesotho, the various development projects, and the planned Produce Marketing Corporation have the major roles in these areas; LCCUL has carried out these activities only when alternatives have not been able or willing to do so.

Output 7: A financial department for an inter-lending program: Central inter-lending programs established between national and local credit union organizations.

Cameroon: A Central Finance facility existed in Cameroon before initiation of the project, and continued to operate during the project. During the course of project implementation the volume of lending increased to SFPC credit unions in particular and to credit unions in general; however there was no significant increase in relative lending to credit unions and there was a significant decrease in lending to other cooperatives. The latter is partially attributable to the concessional interest rates offered by FONADER (5.5% to 6%) and that organization's less-than-serious attention to collection.

Lesotho : At the start of the project LCCUL operated a "credit union for credit unions" which was primarily designed to offer a savings facility for credit unions with excess liquidity. The lending to credit unions for production credit needs was and is limited. The major investment of the central fund is in a real estate holding. At present there are several elements of operation that are deficient; though, during the last two years improvements have been made in investment policy, savings mobilization, and accounting. These have been due in large

part to assistance by ACOSCA's Chief, Central Finance.

In summary, CamCCUL's Central Fund was in existence and operating well prior to project initiation. It has improved, but save for increased lending to SFPC credit unions, this is not attributable to the project. There has been improvement in the LCCUL Central Fund, indirectly as a result of the project. However, it still falls short of operational adequacy.

Output 8: Coordination of multi-donor funds toward complimentary goals: Multi-donor funds programmed to eliminate duplication.

This output relates to ACOSCA and has two components: 1) ACOSCA coordination of funds directed to assist national credit union programs; 2) coordination of funds to ACOSCA.

At the start of the project ACOSCA did not know, much less coordinate, the level of funding going to individual country programs. While some donors continue to support country-specific credit union activity directly, a significant number of the major donor agencies will not support a country program without ACOSCA endorsement. ACOSCA has also taken the initiative in working with Global Projects in a series of country analyses which have led to proposals for donor support. These have now been carried out in 10 of ACOSCA's affiliates with an 11th scheduled prior to the end of the project. These analyses have identified institutional development objectives, financial self-sufficiency strategies, new services and the technical as well as financial assistance requirements for comprehensive development. At this point the majority of ACOSCA affiliates--and many of the governments concerned--seek ACOSCA assistance in developing programs and mobilizing the resources required.

In an attempt to better coordinate donor funds to and through ACOSCA, the confederation developed a Regional Development Program with four major components: 1) a Five-Year Plan with specific growth, services, and financial self-sufficiency objectives; 2) an institutional development program to strengthen ACOSCA's capabilities to service its members; 3) a training/education program to substantially strengthen that major effort; 4) a long-term financial self-sufficiency strategy with a 1984 goal of 10 percent self-sufficiency and break-even by 1990-91.

ACOSCA hoped that this program would provide the basis for a shift in donor emphasis from ACOSCA as a vehicle for their programs to emphasis on assisting ACOSCA to develop the capacity to identify needs, develop and manage programs. Unfortunately, response to date suggests that donors continue to be the tail that wags the dog. Rather than committing resources to development of an African capability, they prefer to use ACOSCA as a channel to pursue their objectives. In doing so, there appears to be a significant reluctance to recognize that even in the role of program management, ACOSCA must maintain a staff with capable personnel as well as meet a number of substantial implementation costs. While donors will fund a program for training credit union leaders in mohair weaving, they are unwilling to meet the costs ACOSCA incurs in planning, running and reporting on such a program.

To date ACOSCA has been largely successful in coordinating funds directed to country programs; it has been less successful in coordinating funds directed to its own program.

Output 9: Increased national league affiliation with ACOSCA: 100 percent increase in ACOSCA affiliates.

At the time the project paper was prepared, there were 11 national affiliates; when the project was initiated in January, 1975, the affiliates had increased to 16. At the time of the assessment in 1976, there were 21. Today there are 22 affiliates. If the base is taken at 11, the output has been achieved; if it is taken as 16, ACOSCA is substantially short of the 32 affiliates called for.

It should be noted that there is substantial interest in and demand for credit union promotion and organization in countries not presently affiliated to ACOSCA. A study has been carried out in Botswana at the request of the Government that should lead to creation and support of a movement there. The Gambia has requested assistance from ACOSCA as has Congo-Brazzaville. At ACOSCA's 10th Anniversary meetings in Nairobi during 1978, representatives attended from several countries without organized credit union movements. However, in the absence of the resources required to develop a promotional program, to staff a project, to provide back-up support, and to train the membership, leaders and staff, there cannot be much more than a sporadic program of expanding the movement in Africa.

Output 10: Increased income and revenues for achieving economic self-sufficiency of ACOSCA: ACOSCA revenues and income increased to support present levels of operation.

This item is discussed under Purpose 5 and in the section on issues. In sum, ACOSCA has not, and cannot, achieved self-sufficiency. Unfortunately expenses have increased at a rate that far outstrips increases in income. This is because creation of growth entails expenditure and income is only the end product of growth.

Output 11: Increased number of managers and officials of credit unions capable of operating efficient credit unions: Train at least 500 managers and officials in operating efficient and viable credit unions.

The output has two components: numbers of individuals trained and, implicitly, quality of training. In terms of numbers, precise figures are available only in the Southern Region where 414 individuals received training in country courses and 36 received training in advanced (Regional) courses between 1975 and 1979. Of these numbers, 22 were civil servants and 69 were others not directly involved in credit unions at the time of the course. During the same period, the Eastern Region has conducted at least five regional courses at the Kenya Cooperative College: 25 to 30 credit union officials participated in each course. Several hundred credit union members, officers and staff have been trained in Bamenda, Cameroon; Bobo-Dioulasso, Upper Volta; and Bukavu, Zaire. Clearly the number element of the output has been exceeded.

ACOSCA has itself expressed serious concern about the qualitative elements of this output. Training is still largely oriented to very basic skills with substantial philosophical and motivational components. While the latter are important, the needs of the movement have become more complex and technically demanding. In 1977 a meeting of all ACOSCA training personnel in Kpalime, Togo recommended development of a uniform, job-based, training system which would integrate both training needs and available resources. Based on this, ACOSCA prepared with GPO assistance a five-year training project. To date required resources have not been committed to this effort.

Output 12: Increased capabilities of technicians for planning and designing production credit programs in other countries of Africa: Train league staff to plan, design and administer production credit programs.

Cameroon: This has been partially successful in Cameroon: an SFPC counterpart seconded by the Ministry of Agriculture is in place and has the ability to manage the SFPC program at its current level. Largely due to the limited period she has been with the League, she cannot be said to have the ability to plan and design production credit programs nor, to oversee the successful expansion of the program within Cameroon. Other League staff have adequate skills to support administration of the project at the local level.

Lesotho : The Lesotho League staff does not presently have the capability to plan, design or administer the SFPC project.

ACOSCA : While the "indicator" for this output addresses "league" staff, the thrust is planning production credit programs for other countries in Africa. The major responsibility for this activity would, in the normal course, lie with ACOSCA staff. In this respect, ACOSCA's Regional Managers and Chief, Central Finance, have all participated in pre-project feasibility studies, organizational analyses, and the designs of projects. Although not self-sufficient in this area, ACOSCA now has a greatly increased capability in project development.

ISSUES

Several issues related to project design and implementation bear on the achievements and shortcomings noted. These issues fall into four groups: 1) design of the project; 2) levels of support provided by those responsible for implementation; 3) the relationship of financial self-sufficiency to the project and the African credit union movement; 4) the interim evaluations of the project and their use.

### Project Design

The project design was cast within the logical framework approach: goal-purpose-output-input. In this respect it is important to assess both the integrity of the objectives and the logical relationships assumed.

With regard to the integrity of the objectives, the following questions may be raised of the project purposes and outputs: 1) were they susceptible to measurement; 2) were they realistic; 3) were they significant.

### Purposes

Of the six project purposes, one is wholly measurable and two are partially measurable: the increase in number of credit unions in Africa is subject to precise quantification--though no specific increase was indicated in the purpose statement. National Association and ACOSCA financial self-sufficiency can be measured; in the absence of far more precise specification, technical self-sufficiency is measurable, but not in terms of the purpose and output statements. Much more precise definition of performance would be required to assess this purpose adequately. Increased farm net income and capital resources available to farmers could have been measured had base-line data been available; that data was neither available nor developed. However, the cost of developing reliable data, compounded by methodological vulnerabilities in analysis, raise questions about the advisability of using such objectives in projects of this size. Increased Ministry of Agriculture tech-

nical support can be measured in gross terms, and have been. The performance of credit unions in supporting agricultural production programs, in savings mobilization and in credit delivery can and has been assessed.

Achievement of National Association and ACOSCA financial and technical self-sufficiency were not realistic project objectives. Had honest and competent projections been developed for CamCCUL, LCCUL and ACOSCA financial self-sufficiency would not have been included as a project purpose. The more appropriate objective would have been to specify a level of self-sufficiency representing the results of growth acceleration attributable to the project as well as appropriate cost reductions.

A more precise and attainable objective of this type would probably have better focussed activities and resulted in substantially greater accomplishment in the financial viability area. The only project participant that could realistically have achieved technical viability was CamCCUL. This potential was short-circuited by the labor problems referenced in the preceding sections of this report. Again, a more realistic approach would have been to identify priority areas of performance and target achievements in relation to these. It should be noted that while there were greater or lesser degrees of improvement in technical performance, accomplishments were short of what might have been possible had both objectives been better targetted and project implementation better focussed.

The question of how realistic farmer improvement in net income and capital resources was turns on the economic and political environments concerned. For example, monopoly marketing of coffee in Cameroon at producer prices well below world market levels, virtually precludes increased net income from use of production credit. Seasonal and annual variables also impact on net income and capital resource accumulation. While net incomes and capital--as measured in member savings--appear to have increased, it

remains a moot point whether the objective is realistic given the unpredictable nature of many of the variables involved. Increased Ministry technical support was eminently realistic in Lesotho; it was improbable at best in Cameroon. In Lesotho the Ministry of Agriculture signed a protocol committing itself to technical support of the project. An appraisal of extension capabilities and performance lent confidence to that commitment. While the Government of the Republic of Cameroon made a similar commitment, the performance of its extension services in the project area should have raised serious pre-implementation doubts about the Ministry's ability to deliver. If the project purpose that calls for credit union capability in agricultural production lending, marketing, input supply and information dissemination is interpreted as meaning direct provision of these services by the credit union, then it is wholly unrealistic. At the project start participating credit unions were wholly run by volunteer boards and committees; the project enabled hiring a part-time manager. It is unrealistic to expect an organization of this type to operate such a range and complexity of services. If the intent was that the credit unions would coordinate and ensure provision of such services to members, then it was realistic and has been achieved in large part. The achievement of an increase in the number of African credit unions was realistic and happened.

With the possible exception of the number of credit unions in Africa, the project purposes are important: there is, however, a question of relative importance. The hierarchy of objectives as perceived by ACOSCA, the National Associations, CUNA and USAID, varied and was a source of misunderstanding during implementation. In its reviews of

project performance, USAID emphasis was placed on increased farmer income and capital resources and on financial self-sufficiency; with differences of degree, CUNA, ACOSCA and the National Associations emphasized confederation, national and credit union technical performance. USAID's mandate is to assist the poorest majority. In this respect, loan volumes and production increases, upward shifts in net income and capital resources, all are important indicators. It is understandable that the focus on institutional strengthening, with short-term increases in required budget support, can be seen as peripheral to USAID's mandates. It is the conviction of those involved in credit union development that a sustained investment in creating a technically viable cooperative system ultimately produces a far greater return than investment in producing immediate gains in loan volume and production. The assumption is that institutions with the capability to identify member needs--whether for production credit, small scale entrepreneurial credit, the health and education services that are indirectly related to production levels--to plan, to create and manage resources, and to respond creatively to a changing environment, will in the longer term effectively reach more people with greater benefits. The approaches are not and should not be exclusive. However, there should be a clear understanding and agreement prior to project design and approval in order to avoid confusion and disagreement over project implementation and assessment of success.

Inputs-Outputs:

The project inputs involved three major categories: 1) budget support to ACOSCA and revolving funds in support of production credit activities (in Lesotho) and paid managers (in Cameroon); 2) technical assistance in the form of CUNA Technicians assigned to ACOSCA, LCCUL and CamCCUL; 3)

ACOSCA, national association and government personnel assigned to support accomplishment of project outputs and purposes.

CUNA's support of the technical component of the project provides lessons for future improvement. The technician assigned to ACOSCA made short-term contributions but the long-term effect on ACOSCA's technical performance is less certain. In part this reflects the attempt by the technician to respond at different times to the different emphases of the project. He attempted to coordinate the small farmer production credit element at the same time trying to fill short-term ACOSCA personnel needs and longer-term institutional building requirements. With conflicting direction from different sources, without strong skills in several areas, and with the presence of obvious problems in day-to-day ACOSCA administration, the technician opted to address the latter. While this was valued by ACOSCA management, it may have delayed rather than contributed to a strong organization. In Lesotho the initial contribution both to agricultural production credit and institution building objectives, were ended when intractable problems developed between LCCUL management and the technician. Only in Cameroon was a sustained contribution achieved. The technician focussed on creation of a small farmer production credit program based on a sound program of education. This was possible to the extent that basic National Association management and service delivery was adequate. The lessons to be learned are that: 1) the job description of technicians should be defined in terms of tasks to be performed and directly related to project outcomes; 2) there should be prior agreement between USAID, CUNA and the participating national organizations on the details of the responsibilities spelled out in the

job description; 3) as pointed out in USAID's mid-term evaluation, if the project requires diverse skills unlikely to be mastered by a single individual, provision should be made for two technical personnel, for extensive consultant support, or for reduction in the scope of the objectives; 4) technicians should be selected, oriented and provided the direction necessary to ensure that their efforts are invested in and measured by accomplishment of institution building objectives.

The investment of ACOSCA personnel in attainment of project objectives was adequate or better to the extent those resources existed. As AID's mid-term evaluation indicated, ACOSCA's staff was limited in number of professional personnel. During the last two years this position has changed and ACOSCA is far better placed to provide sustained support to projects and its national affiliates. National association staff participation in both projects was adequate or better, within the limits of available personnel. LCCUL, given very limited financing, was unable to maintain the size of staff required to meet all project requirements. CamCCUL, as noted, faced a labor problem that limited its efforts. With resolution of these problems the quality and quantity of support exceeded anticipated levels. Government of Lesotho support to the SFPC program was excellent. Ministry of Agriculture officials provided ongoing and quality technical advice to project participants and continue to do so. In Cameroon the Government delayed for more than three years the assignment of a Ministry of Agriculture officer to CamCCUL. The absence of such a counterpart was a serious impediment to the project. While there was excellent support from the Ministry's research station in Northwest Cameroon, the extension service participation was deficient both in quality and frequency. As indicated above, the probability of limited support should be

appraised and accounted for during the design stage.

Financial Self-Sufficiency and Credit Union Development:

A fundamental irritant in the partnership between AID, ACOSCA and CUNA in this project has been the limited progress achieved by ACOSCA in attaining financial viability. This question has been addressed at several points throughout the course of the report. In sum, let the following points be considered: 1) a realistic and honest appraisal of ACOSCA's income and expenditures, and the factors on which they are based, should have precluded financial break-even as a project objective. In its place should have been benchmarks for management of cost increases, acceleration of revenues, and increased percentages of self-support; 2) it would be useful to delink limited accomplishment of financial self-sufficiency and the assumption of implicit long-term financing commitments by AID; 3) ACOSCA and similar organizations should recognize and accept their responsibility to curtail expenditures and to ensure receipt of maximum income. This latter point implies a greater commitment and effort to ensure affiliate payment of dues and other fees; 4) the achievement of financial viability requires a membership and savings base of sufficient size to produce the income necessary to support national and regional credit union organizations--conversely, the increase in that base requires technically adequate national support to credit unions and regional support to the national level. Maintenance level funding extends the period of dependency.

Interim Evaluations and Their Use

Both CUNA and USAID conducted interim evaluations of the project. While individually and together they provided a useful appraisal of progress

and problems, two problems should be noted. One: there was substantial duplication of effort. The AID Evaluation indicates that the contents rely on CUNA's work supplemented by a field visit. Its conclusions are virtually the same as those in the CUNA Assessment. In the future it would seem preferable that participating organizations including ACOSCA, any concerned national organizations, CUNA and AID collaborate on such an evaluation. This would both reduce duplication and enhance mutual confidence in the analysis and recommendations. Second, the three conditions precedent in the AID Evaluation, while focussed on real and important problems, were used operationally in a way that disrupted the predictability of resource flows to the project and, as a consequence, virtually precluded the type of planning and implementation necessary to meet the conditions specified. For example, the presence of a technician in Lesotho would have greatly facilitated LCCUL rapidly responding to the conditions precedent. Yet, a technician could not be placed until such time as the conditions were met--which, as eventuated, was too late to permit placement of a technician. The AID Evaluation recommended employment of a senior African Assistant Executive Secretary of ACOSCA; the absence of ensured funding for the balance of the project made such an employment decision impossible for ACOSCA to implement.

#### Summary

With due consideration to problems in design and implementation, there are substantial accomplishments attributable to the project which have been outlined in this report. Not the least of these accomplishments is the strengthening of ACOSCA's capabilities and the resultant charting of its future. It is hoped too that the collaboration between ACOSCA and AID in the current project has established a foundation for a future rela-

tionship that builds on the accomplishments of the last five years and approaches closer to realization of the potential of credit unions to serve the poor majority in Africa.

## A REPORT ON THE ACTIVITIES OF THE ACOSCA SOUTHERN

### REGION TRAINING CENTRE - 1974 - 1979

Early in 1974 the SRTC decided to change its training strategy. Right from the beginning, up to early 1974, this centre was predominantly concerned with Regional Courses which were held at the then University of Botswana, Lesotho and Swaziland in Roma, Lesotho once every year. The five countries which participated in training activities were Botswana, Lesotho, Malawi, Mauritius and Swaziland; their representation varied from one to nine participants per country in every course. The maximum number of participants per course was twenty. The duration of most Regional Courses was twelve weeks.

### IN-COUNTRY COURSES

After a couple of years with the regional courses it was realised that the reach was not high and fast enough. It was then decided to move the centre closer to the people by changing from regional to what we called In-Country courses which are, of course, of a much shorter time. We did not, however, discount the regional courses completely; we felt they should be held once in a three-year period. During the other two years we would be running the In-Country courses. The reasons for deciding to change to In-Country courses:

1. We felt that with these types of courses we would reach more people than we did with the Regional Courses.
2. By moving closer our ideals would be better understood and appreciated by the different governments and the movement.

3. The course content could be made more applicable to the prevailing local conditions and problems.
4. More local leaders are able to make time for shorter courses which do not take them so far away from their different engagements.
5. They are much cheaper to run.

In the beginning we encountered some problems in different countries and of different dimensions. The main ones were accommodation, language barriers and acceptance of residential type of courses for two or more weeks at a go. The first two problems were solved, partly, by identifying the long school vacations in all the countries concerned for two main reasons:

1. Teachers, who are community leaders in their respective areas, would be available as participants and this solved the language problem as well.
2. In some cases school facilities could be used to accommodate these courses.

The acceptance of residential course had to be reinforced by making it one of the main conditions of acceptance to the course. This problem was more pronounced in Mauritius where some participants had never spent a night away from home.

The first In-country course was held in Botswana from April 21 to May 2, 1975. There were seventeen participants, representing twelve Thrift and Loan Societies. Some of the subjects covered during this course were: Credit Union Philosophy, Credit Union Insurance, Bookkeeping, Adult Education Techniques, Co-operative Law and Practice and Co-operative principles.

It is worth noting here that this first In-country course was one of the courses which faced a very strong opposition from the experts who were responsible for co-operative development; however, the Registrar of Co-operative Societies stood by us.

The second In-Country Course was held in Mauritius from May 19 to May 30, 1975. Here there were twenty-seven participants representing seventeen credit unions. The subjects covered were the same as in Botswana. The third In-Country course was held in Lesotho from June 16 to July 11, 1975. This one was held under very difficult conditions. The university, which is, officially, the home of the training activities raised its charges from R1.80 per person per day to R5.25. Obviously this was not budgeted for and we were, therefore, forced to look for some cheaper places elsewhere in the country. We finally got accommodation in an old rural Farmers Training Centre the facilities of which left much to be desired. June and July are the coldest months in Lesotho but the centre had neither heating facilities nor equipment to heat washing water and yet these people stayed the full four weeks under these conditions. We had thirty-eight participants representing thirty-two credit unions. The only additional subjects which were added at this course were Animal Husbandry, Agronomy and DAPC/SFPC.

The fourth course was held in Malawi from August 18 to September 5, 1975. Here there were thirty-six participants. At this juncture Malawi had only four registered credit unions and two more were registered during our stay there. All six of them were represented and, of course, people from study clubs were also invited. The last course for the year was held in Maseru from November 3 to November 14, 1975 in which there were nineteen

participants representing eighteen credit unions. The subjects covered were the same with those in the previous courses.

In 1976 a second round of these courses was taken in Botswana, Lesotho, Malawi and Mauritius. In Botswana there were seventeen participants, Mauritius thirty-five, Malawi thirty-three and in Lesotho there were twenty-two. The duration of all of them was three weeks.

Because of a Regional Course in 1977 it was not possible to run all the four usual courses. The only one held was in Malawi from August 8 through August 26, 1977 where there were forty-two participants. Eighteen of them were members of different types of credit union committees while three were ordinary members of the existing credit unions. The other twenty one came from study clubs.

In 1978 we ran three In-country courses. The first one was held in Mauritius from February 20 to March 4, 1978. We had twenty-one participants; twenty of them were members of different committees and one was a civil servant. This particular course coincided with ACOSCA Board Meeting. The next course was held in Botswana from April 24 to May 12, 1978. There were thirty-six participants. The final one for that year was held in Lesotho where we had forty-one participants; nineteen of them were members of committees, twelve ordinary members and ten employees. We were not able to run the Malawi course because of ACOSCA's Tenth Anniversary Celebrations in August, 1978. Apart from that the two of us went to Canada and the United States of America for short courses from September to early November.

This year was rather a bad one for our training programme. We had planned for an In-Country course in Mauritius from May 14th to May 26th and another one for Lesotho from June 18 through July 13th but both of them never materialised. All the necessary arrangements had already been made and the participants invited. Unfortunately unforeseeable circumstances beyond our control erupted forced us to cancel both courses. The next one was planned for Malawi from August 13 through August 31st. Here again we encountered problems and this one was postponed to September 10 through September 28th. It is currently running and we have thirty-one participants representing fourteen credit unions, eight study clubs, one PEAC employee and one employee of a Farmers Co-operative.

It will be realised that from the beginning of the In-Country Training Programme no such courses were ever held in Swaziland. We had a couple of problems which made it impossible for us to mount them. Accommodation was one of the major factors.

#### REGIONAL COURSES

Of the five regional courses the centre has run so far, the 1974 course was the last to be held at the university. Unfortunately for us the regular university students had increased so much that it was almost impossible to have this course accommodated within the university campus. Since we had looked for accommodation in all the countries in this region without success, university improvised some temporary rooms for sixteen of our students. The

remaining four were accommodated by the neighbouring seminary. This one was held from February 23 to May 18, 1974. Four of these students were civil servants and the rest came from the movement. The participants were from Botswana, Lesotho, Malawi and Swaziland.

Our last Regional Course was held from January 29 through April 2, 1977. This one was held at Mazenod, about 10 miles south of Maseru. This course was three weeks shorter than all the previous courses of its kind. The reasons for this was that was the only time and place available for this type of a course; in fact, even the nine weeks were too long for our host. This time we had nineteen participants representing Botswana, Lesotho and Mauritius. Malawi and Swaziland did not attend. The number of civil servant participants had increased to eight. We think this may be an indication of acceptance of ACOSCA's training programme by the governments concerned.

During all these regional courses the lecturers were drawn from the regular university lecturers, Institute of Extra Mural Services staff, Government officials, League staff and, of course, ACOSCA staff members.

#### DAPC/SFPC PROGRAMME

A Project Proposal for Lesotho Small Farmer Production Credit (SFPC/DAPC) Programme was made in March 1973 on a Pilot Project basis. ACOSCA in collaboration with CUNA/AID selected three countries in Africa for this experimental project. These countries were Cameroon, Lesotho and Zambia. This new idea was accepted by Cameroon and Lesotho.

The acceptance of this programme by Lesotho enabled the programme to start in July 1974 and the programme technician was engaged immediately. Here again, at country level, the programme was still on pilot project basis and only three societies were selected for this experiment, namely Mazenod, Phoqoane and Elelloang Basotho. Nobody in Lesotho at that time knew the first thing about SFPC. Obviously the programme came with a lot of innovations which took a lot of doing by the people concerned to convince the people. A series of meetings between the league and various related government ministries took place and a series of league staff meetings and courses were held to prepare them for this new phenomenon. Although a number of problems were encountered initially I think the programme started off nicely. After selection of different agricultural activities in which the members were interested appropriate courses were organized and this generated a lot of interest. The main activities to which the programme addressed itself were crops, piggery, dairy, poultry and mohair spinning. Unfortunately for the crop section the climatic conditions were not very favorable in the first year and this created some complications.

For almost all of these activities the main problem area was marketing. We did not have ready markets for most of our produce and transportation was another major problem. In most cases feed supplies and agricultural requisites were so far away from the farmers. In spite of all these problems the programme became very popular amongst the credit unionists within a relatively short time so much so that the demand to extend it to the other credit unions was beginning to be too big for the league to bear.

Traditionally the Basotho women are responsible for raising pigs and poultry. These activities were, therefore, in line with their breeding and they did not anticipate too many problems in the beginning. When marketing time came their problems then came to the surface especially with marketing of pigs. The nearest pig market is in Durban (Republic of South Africa) which is about 450 miles from Maseru. Transportation from the credit union to the nearest rail head was another headache. However, the Government of Lesotho is now building an abattoir in Maseru which should go a long way towards solving livestock marketing problem.

In spite of all these problems, the credit union members believed it was a good programme for them. Towards the end of its second year it had gained so much popularity, within the movement, that the demand to extend its activities was unsurmountable. It was around this time when, unfortunately, a misunderstanding between the league management and the programme technician developed. In the process of his work the technician was misinterpreted by the league management. This misinterpretation escalated to the Board of Directors and ultimately led to the departure of the technician from Lesotho. This was not a very healthy situation for the programme. The SFPC activities graph had been showing an upward trend turned down sharply. However, the desire to have the programme continued still prevails. At every Annual General Meeting of the league this desire is always expressed. Several attempts to reinstate full operation of the programme have been made by nearly all the parties concerned but no success has so far been achieved.

### OTHER ACTIVITIES

In April 1976 the SRTC initiated the SFPC idea in the development of the Credit Union Movement in Malawi by arranging a meeting between the top officials of the Ministry of Agriculture and Natural Resources, Ministry of Trade, Industry and Tourism, Credit Union Movement leaders (PEAC) and representatives of this Training Centre which was held in the Ministry of Trade, Industry and Tourism, Blantyre on June 7, 1976. This meeting resulted in a feasibility Study for the Credit Union Movement in Malawi which was conducted by the Global Projects Office and ACOSCA from April 18 through May 5, 1977.

A similar Feasibility Study was conducted by ACOSCA and the Global Projects Office for Lesotho Credit Union Movement from July 17 through July 31, 1977. Here again ACOSCA was represented by this centre. The third Feasibility Study in this region was again done by ACOSCA and the Global Projects Office for Swaziland Credit Union Movement from March 9 to March 17, 1978. In this study ACOSCA was represented by an official from Nairobi. The last study was for Botswana Thrift and Loan Societies from November 20 through December 5, 1978. It was also conducted by the same organizations mentioned above.

In collaboration with the Konrad Adenauer Foundation, the ACOSCA Head Office and the SRTC organized a one week Regional Workshop from March 31 to April 5, 1979 which was held in Maseru. Ten countries were invited: Angola, Botswana, Malawi, Mauritius, Mozambique, Malagasy, Swaziland, Tanzania, Zambia and Lesotho. Angola and Mozambique failed to accept and the remaining eight were represented. Four organizations were invited from each country, the

Government, through the Commissioners for Co-operative Development, Religious Organizations, Trade Unions and the Credit Union Movement. There were forty-seven participants at this workshop including the speakers.

The main speakers were Professor A. Hanel of the University of Marburg, Federal Republic of Germany, Mr. A. Setsabi, Pro Vice Chancellor, National University of Lesotho and Mr. Percy Avram, World Council of Credit Unions. The theme of this workshop was Strategy for Promotion and Development of Co-Operative Savings and Credit Activities during the Second Decade of ACOSCA.

#### FUTURE TRAINING PROJECTIONS

Two years ago we had planned to hold a Regional Course from January to March in 1980 but we have slightly modified our training programme for 1980. We are also planning to hold similar courses in 1981 and in 1982. These courses will be, predominantly, Bookkeeping, Financial Management and also on Management.

We still plan to continue our In-country courses from 1989 through 1982. These will be two to four week courses, depending on availability of accommodation, with one course per country, per annum. For the countries which participated in our previous In-country course we intend to concentrate on Bookkeeping and Management for the next three years.

If all goes well the first course for 1980 will be held in Botswana in April followed by Mauritius in May and then Lesotho in June and finally Malawi in July. It will, no doubt, be realised that our courses stick to certain times of the year in each country. This is caused by availability of accommodation and also of course participants.

Obviously the Southern Region is made up of much more than these five countries. We have, therefore, planned to move into some of these countries starting from 1980, although in some cases the language barrier is a big problem. We are trying to establish some contacts in Mozambique and Malagasy. If we succeed we plan to visit Mozambique in October and Malagasy in November. We are also keeping an eye on Zimbabwe. If things shape up well we hope to make our first visit there in November.

After familiarization visits in these new areas, we hope to organize In-country courses. Our main objective here will be promotion of the credit union philosophy. We are aware that a start had already been made in Zimbabwe which was later on confused by the introduction of Stamp Savings Clubs. These were introduced by one of the missionaries there who had had training in Credit Union Philosophy. This confusion may create us an additional problem in an area which is already so tense. Depending on how our contacts efforts succeed, we may spent more time in these areas during the planned period.

IMPRESSIONS

Our personal impression in this region is that these courses, both regional and In-country, have gone a long way to provide and strengthen leadership at the local levels. It is a fact that after training some of these people get lost into some other development projects or organizations and forget about credit unions, but over 60% of these trainees have remained loyal and some of them are getting elected to various positions in different committees at the credit union level. In some cases over 50% of the National Associations' committee members are made up of these trainees. We may not be exaggerating when predicting that in a couple of years we may find some of them in various occupations beyond the national level. In fact, this is happening right now. The present Secretary of ACOSCA's Board of Directors is a product of one of our regional courses.

A table showing SRTC trainees by country is attached herewith.

ACOSCA SOUTHERN REGION TRAINING CENTRE  
TRAINING PROGRAMME PARTICIPANTS 1974 - 1979

I. IN-COUNTRY COURSES 1975 TO 1979

Country	Civil Servants	Committee Members	Ordinary Members	Employees	Others	Total
Botswana	5	29	36	-	-	70
Lesotho	-	79	18	23	-	120
Malawi	1	59	14	1	66	141
Mauritius	3	45	34	-	1	83
Totals	9	212	102	24	67	414

II. REGIONAL COURSES 1974 AND 1977

Botswana	3	2	-	-	-	5
Lesotho	7	4	4	-	-	15
Malawi	-	2	-	-	-	4
Mauritius	1	6	-	-	-	7
Swaziland	2	-	-	3	-	5
Totals	13	14	4	3	2	36