

PD-AAI-382-EI

(attached): 6980391001501
6980391005301 (4)
6980391006801
6980391001702

UNCLASSIFIED
CLASSIFICATION

PROJECT EVALUATION SUMMARY (PES) - PART 1

Report Symbol U-447

1. PROJECT TITLE Directed Agricultural Production Credit (DAPC)			2. PROJECT NUMBER 698-0391	3. MISSION/AID/W OFFICE AFR/RA
5. KEY PROJECT IMPLEMENTATION DATES			4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) 698-81-04	
A. First PRO-AG or Equivalent FY <u>74</u>	B. Final Obligation Expected FY <u>79</u>	C. Final Input Delivery FY <u>79</u>	<input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION 6. ESTIMATED PROJECT FUNDING A. Total \$ <u>4,695,500</u> B. U.S. \$ <u>1,266,751</u>	
			7. PERIOD COVERED BY EVALUATION From (month/yr.) <u>July, 1977</u> To (month/yr.) <u>December, 1979</u>	
8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR				

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
<p>Project terminated in December, 1979. Final report attached. A new project was designed and authorized in FY 80. The new project is more limited in scope than this project and focuses primarily on training and institutional development.</p>		

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS			10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT	
<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify) _____	A. <input type="checkbox"/> Continue Project Without Change	
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	<input type="checkbox"/> None	B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan	
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify) _____	C. <input checked="" type="checkbox"/> Discontinue Project on 12/79 as planned	
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P			
11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)			12. Mission/AID/W Office Director Approves	
James W. Dawson, Sr. Project Officer, AFR/RA			Signature _____	
Robert E. Gray, Agricultural Officer, AFR/RA			Typed Name <u>Donald F. Miller</u>	
			Date <u>3/11/81</u>	

DIRECTED AGRICULTURAL PRODUCTION CREDIT (DAPC)

698-0391

13. SUMMARY: This project was extended approximately one year and phased out in December, 1979. It is a continuation of prior AID assistance (begun in 1968) to the African Cooperative Savings and Credit Association (ACOSCA) via Credit Union National Association (CUNA). AID has been a major supporter of ACOSCA and the CUNA Global Projects Office (the grantee). Other major donors include: (a) Konrad Adenauer Foundation; (b) Canadian International Development Agency through Canadian Cooperative Society and La Compagnie Internationale de Developpement Regional; (c) Rabbobank; (d) the CUNA Mutual Insurance Society; and (e) the Worldwide Foundation for Credit Unions.

ACOSCA is a recognized regional organization that has influenced the credit union movement in Africa. This has been done through public relations, seminars, meetings, and training. They have also sponsored the pilot credit program for small farmers. All of these activities appear to have generated interest in the credit union movement which is illustrated elsewhere in this report. ACOSCA's strong virtues stress the reaching of urban and rural low-income people and involving them in an organizational effort to improve their standard of living. The training component for both members and credit union officials appears to be among the most worthy activities undertaken in this project.

14. EVALUATION METHODOLOGY: This is a routine and final evaluation to record the results of this pilot program which may provide some background for determining the nature of future assistance to cooperative credit union development in Africa. In accordance with the Project Paper (PROP), dated June 26, 1974, a thorough and substantiative evaluation was conducted

by an AID evaluation team in June, 1977. This team was composed of an Agricultural Economist/Credit Specialist, (a personal services contractor) and two direct hire program evaluation officers. A PAR was also prepared in June, 1977. This PES was drafted by AFR/RA backstop program and technical officers. A review of all project documentation has been made possible. Comments from CUNA Global Projects, REDSO/EA, and ACOSCA have been taken into consideration in finalizing this evaluation.

15. EXTERNAL FACTORS: During this rating period ACOSCA conducted its 10th Anniversary Conference and biennial meeting which was widely attended by both African and non-Africans involved in the worldwide credit union movement. It was evident during this meeting that there is considerable interest by those in attendance in vigorously pursuing the credit union movement in Africa.

16. INPUTS: AID financed technical services in the field during last year of the project included only one credit union specialist posted in Cameroon and the backstop support of the CUNA Global office in Washington. This position was extended to September 30, 1979. The extension was granted, based upon strong requests from USAID/Yaounde, host country, and ACOSCA to permit a one year overlap with a counterpart who was assigned to the program in August, 1978. Another credit union specialist posted in ACOSCA Nairobi Headquarters resigned in September, 1978 and was not replaced due to the project completion date. The third credit union specialist position in Lesotho has not been filled since 1976, although one TDY specialist was provided for approximately two months in 1978.

Inputs have been provided via AID grant to CUNA, who in turn provided a sub-grant to ACOSCA. During this rating period there has not been any significant problems with project inputs.

17. PURPOSE: The project purpose per page 16 of the PROP states: "Assist ACOSCA in developing economically viable national credit union organizations capable of increasing membership savings and channeling resources to production systems in the different countries with special emphasis for production credit pilot programs in the countries of Cameroon, Lesotho, and Zambia."

For clarification, this purpose is restated as it relates separately to ACOSCA and to the development of the Cameroon and Lesotho national credit union organizations (leagues). These are:

- a. Development of ACOSCA into an effective and economically self-sufficient Pan-African organization capable of rendering substantial services to the African credit union movement;
- b. Development in the pilot countries of economically self-sufficient national leagues capable of providing required services to member credit unions, mobilizing savings, and providing credit for provident and productive purpose to member credit unions.

The End of Project Status (EOPs) conditions as stated in the PROP appear to be somewhat broad and general in nature. The progress can be best summarized by addressing the two purposes noted above individually.

First, ACOSCA has become a better managed organization. A five year plan was developed and is in use. Second, growth of the credit union movement continues, and affiliates have increased to 22 countries with proportionate increases in membership, savings, loans, and services. The effectiveness of this varies considerably, and there is probably no precise effective tool to determine the extent to which ACOSCA has influenced the statistical growth as reported by CUNA/ACOSCA. It is believed, however,

that there has been continued substantial growth in the African credit union movement during the five year period of this project.

Areas with less progress and of concern at the present are:

a. The economic self-sufficiency has not been attained and will not be attained during this project. Both the AID Evaluation Team and CUNA officials are of the opinion that self-sufficiency for ACOSCA is an unrealistic goal. CUNA recently estimated that ACOSCA was meeting less than 4% of total real costs from their revenues which should increase to 10% by 1983. Also, that a conservative estimate for ACOSCA self-sufficiency would be approximately 1995.

b. ACOSCA does not as yet have the adequate senior technical staff that is required to provide technical services to effectively implement its ambitious plan.

In summary, ACOSCA has made progress in administration, management, accounting, insurance, and training, and the movement has progressed. On the other hand, little progress has been made in regard to economic or technical self-sufficiency, and it continues to be heavily dependent upon donor support.

Second, the credit union leagues in the two pilot countries seem to have struggled to continue in existence. Self-sufficiency has been limited in both Lesotho and Cameroon. Also, adequate and continuity in staffing has been a continuing problem. In the Cameroon, most of the league staff continue to be expatriates (American and Dutch volunteers). Neither host country or leagues have provided adequate continuing counterparts for the two CUNA country specialists. The one remaining on-board CUNA specialist in Cameroon has only had a counterpart since August, 1978.

18. GOALS/SUB-GOAL: The goal of this project as stated on page 15 of the PROP is: "To assist certain African countries' five year development plans to increase savings, maximize agricultural production, and increase income of the small farmers through credit union production credit programs, and to assist ACOSCA in expanding credit union institutions to ensure the eventual viability of a cooperative system on a self-sufficient basis."

CUNA reports achievement as of December, 1979, as follows:

- a. ACOSCA Growth:
 - (1) Membership increased from 910,651 to 1.35 million;
 - (2) Savings increased from \$46.3 to \$118.6 million;
 - (3) Total loans increased from \$31.8 to \$78.7 million; and
 - (4) Affiliated societies increased from 8,687 to 10,907.
- b. Directed Agriculture Production Programs to small farmers:
 - (1) DAPC pilot programs started in Cameroon and Lesotho;
 - (2) Studies under an AID centrally funded program have financed CUNA studies in Malawi, Sierra Leone, Swaziland, Botswana and Zambia. A study in Ghana has been completed under this project.
- c. Training and strengthening management capability:
 - (1) 168 credit union and related regional officers trained for two months each;
 - (2) 206 officials attended seminars and workshops;
 - (3) Approximately 900 national/local level staff attended local scheduled courses;
 - (4) Approximately 3,300 local committee members received local training; and
 - (5) various publications distributed and bi-monthly newsletter published and sent to all affiliates.

d. Financial self-sufficiency efforts:

- (1) Improved dues system designed;
- (2) Chief, ACOSCA Central Finance Department, appointed; central finance introduced in Cameroon, Lesotho, Zambia, and Ghana;
- (3) Risk management coverage introduced in 8 countries; and
- (4) ACOSCA reached only 3.8% self-sufficiency out of objective of 10%.

e. Strengthened organizational structure and institutional capabilities:

- (1) ACOSCA Central Finance Department established;
- (2) Bilingual Regional Office for West Africa established; and
- (3) Organizational Development Program prepared.

19. BENEFICIARIES: The primary beneficiaries are the credit union members (approximately 1.35 million) in the 22 affiliated countries. This membership is predominately rural (75%) and comprised of lower income individuals. The loans to small farmers under the DAPC pilot program directly increased small-farm productivity and incomes. According to CUNA's July-December, 1979, semi-annual report, statistical data for DAPC loans in Lesotho and Cameroon were as follow:

	<u>Lesotho</u>	<u>Cameroon</u>
Number of Credit unions granting loans	3	4
Cumulative DAPC loans	501	84
Cumulative DAPC value of loans	\$36,183	\$39,978

ACOSCA officials, committees, and government officials are secondary beneficiaries through receipt of varied managerial/financial training activities.

20. UNPLANNED EFFECTS: None

21. LESSONS LEARNED: Implementing and managing regional, multi-country projects is difficult. Management of this type of project is also complicated and requires close collaboration, support, and participation of all involved parties. A specific host country office (or official) should be officially designated as the key contact on behalf of each participating country. To the extent possible, this should be the same officer for the life of the project. Likewise, the Grantee (in this case CUNA, a private voluntary organization) should always confer with the local U.S. (Embassy or AID) establishment and one U.S. employee should be identified in each participating country as the coordinating officer for the project.

22. SPECIAL COMMENTS OR REMARKS: There has been some policy and management concerns by all parties during the period of this project. The local AID missions, the Grantee, ACOSCA, and AID/W all need better policy guidance vis-a-vis responsibilities and relationships on AID assisted regional activities within a given country. In this case, there have been indications that:

- a. The grantee failed to communicate with the local AID office, or if they did the AID office failed to give adequate guidance;
- b. The local AID offices have not adequately acknowledged reports and communications on the project; and
- c. Local credit unions failed to effectively communicate with appropriate local government officials.

The Grantee reports have been submitted to AFR/RA and are on file in that office. Copies of these reports have been submitted to REDSO/EA and USAID in Nairobi, USAID/Yaounde, and USAID/Lesotho (also OSARAC when that office was responsible for AID assistance throughout Southern Africa).