

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>PROJECT DATA SHEET</b>	1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____	DOCUMENT CODE 3
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2. COUNTRY/ENTITY Centrally Funded	3. PROJECT NUMBER <input type="checkbox"/> 938-0220 <input type="checkbox"/>
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4. BUREAU/OFFICE FVA/PVC <input type="checkbox"/> 11 <input type="checkbox"/>	5. PROJECT TITLE (maximum 40 characters) <input type="checkbox"/> Credit Union National Association <input type="checkbox"/>
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6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 1 2 3 1 8 4	7. ESTIMATED DATE OF OBLIGATION (Under "B" below, enter 1, 2, 3, or 4) A. Initial FY <input type="checkbox"/> 8 <input type="checkbox"/> 3 <input type="checkbox"/> B. Quarter <input type="checkbox"/> C. Final FY <input type="checkbox"/> 8 <input type="checkbox"/> 5
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8. COSTS (\$000 OR EQUIVALENT \$1 = )						
A. FUNDING SOURCE	FIRST FY 83			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	( )	( )	( 950 )	( )	( )	( 2,700 )
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S.	1.					
	2.					
Host Country						
Other Donor(s)						
<b>TOTALS</b>			950			2,700

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) ST	200	190				950		2,700	
(2) FN	200	190							
(3)									
(4)									
<b>TOTALS</b>						950		2,700	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)	11. SECONDARY PURPOSE
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each) A. Code PVOU B. Amount 2,700	

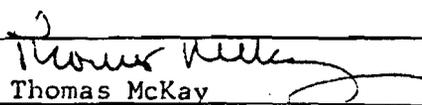
13. PROJECT PURPOSE. (maximum 480 characters).

To support CUNA's Global Projects Office which (1) plans and manages credit union projects in countries and regions in response to local and AID requests; (2) coordinates CUNA's work in promoting credit union growth in developing countries with other donors and the worldwide credit union movement.

14. SCHEDULED EVALUATIONS Interim MM YY MM YY 1 1 8 3 1 1 8 4 Final MM YY 1 2 8 5	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input type="checkbox"/> 000 <input type="checkbox"/> 941 <input type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a \_\_\_\_\_ page PP Amendment.)

**BEST AVAILABLE COPY**

17. APPROVED BY	Signature  Thomas McKay	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W, MENTS, DATE OF DISTRIBUTION MM DD YY
	Title _____	Date Signed MM DD YY

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, FVA

FROM: Thomas McKay, FVA/PVC

*Thomas McKay*

Problem: The Credit Union National Association (CUNA) has requested AID funding for a new institutional support grant. Our recommended funding level for three years, beginning January 1, 1983, totals \$2,850,000. FY 1983 funding is \$950,000.

Background and Discussion: The CUNA and AID relationship began in 1962, and since that time, CUNA has continued to build and strengthen a formidable institutional credit network beginning in Peru and followed by other Central and South American countries, then Africa and Asia, and more recently the Caribbean. CUNA was organized in 1934 as a U.S. credit union organization, and in the 1950's CUNA International became an international credit union organization.

In 1970, the World Council of Credit Unions (WOCCU) was organized and became the successor of CUNA International. CUNA again became the national association for the credit union movement of the United States but continued to maintain a Global Projects Office which provided technical assistance to the developing nation movement. For ten years both CUNA and WOCCU have served the same movement. In order to help maximize the effectiveness of WOCCU, CUNA transferred its entire Global Projects Office to WOCCU on January 1, 1981. This merger was done with the objective of forming a single international organization devoted entirely to credit union development and to widen the base of services to credit union members around the world. CUNA now views its role as having shifted from providing technical assistance to the worldwide credit union movement to mobilizing in the United States those human and financial resources which are necessary to strengthen the movement. Integration of the Global Projects Office with WOCCU did not represent a change in direction or purpose from its traditional institutional development of overseas credit unions.

The CUNA/WOCCU administrative and international program integration was discussed extensively with AID before the merger materialized. AID's reaction was favorable, and it was agreed that CUNA would continue to be the program grantee with AID.

During the 1970's because of its established relationship with AID, CUNA maintained a direct international presence through its Global Projects Office (GPO). This office primarily managed overseas development programs funded by AID contracts and grants. During the mid 1970's, small farmer production credit programs were initiated in credit union movements in Paraguay, Cameroon, and Lesotho, along with a program to increase productivity and income of small coffee farmers in Haiti.

In 1976 CUNA received a Development Program Grant (DPG) from AID which greatly expanded its staff capabilities. The grant assembled, for the first time, an in-house core of professional staff able to provide assistance in all technical areas affecting overseas credit union development. With the addition of staff under the DPG, overseas staff and the entire international movement were provided with a vastly expanded base of human resource skills and experience. The possibility of expanding the magnitude and sophistication of assistance to developing world credit unions became a reality. The current institutional grant, has enabled CUNA to (a) develop and refine technology transfer methods; (b) expand project development, management and evaluation activities; and (c) undertake formal training activities.

Proposed Program: The proposed grant would be to CUNA and implemented by WOCCU, and its Global Projects Office (GPO). The GPO plans and manages credit union projects in countries and regions in response to local cooperatives and AID requests; coordinates CUNA's work in promoting credit union growth in developing countries and with other donors in the worldwide credit union movement. The CUNA/WOCCU plan includes eight program objectives which serve as the framework for the organization's actions in the immediate future. They are:

1. Resource Transfer: (a) To assist member organizations to identify their opportunities and resource mobilization requirements, and (b) to foster an environment favorable to resource transfer including support of member initiatives to mobilize financial and technical resources from within the movement, the international cooperative community, other private sources, governments and international development agencies in accordance with individual requirements and capabilities.

2. Institutional Development: To foster an environment for creativity among member organizations resulting in improved human resource development programs; financial management systems; planning capabilities; innovative services; and those legal and legislative capabilities that respond to needs, improve performance and foster cooperative principles within the

movement.

3. Saving and Equity Growth: (a) To assist member organizations to develop programs resulting in real annual increases in the savings deposits of primary credit unions, and (b) to build an equity base appropriate for each member organization.

4. Membership Growth: (a) To assist member organizations in achieving annual membership growth targets appropriate to their requirements and development plans, and (b) to increase credit union membership through the introduction of credit unions where they do not presently exist.

5. Movement Collaboration and Coordination: To design and initiate projects that will result in the increased collaboration and coordination, marketing and leveraging capabilities, mutual assistance, information exchange and understanding among all cooperative financial organizations.

6. Philosophical Orientation and Promotion: (a) To identify on a continuing basis those items related to credit union philosophy and world issues that are crucial to the movement, and develop consensus where possible, and (b) To assist member organizations to develop their own programs to increase member and public awareness and willingness to translate cooperative principles into action.

7. Provident and Productive Use of Financial Resources: (a) To assist member organizations to develop programs that reinforce the credit union principle of utilizing financial resources for provident and productive purposes, and (b) To develop and test new experimental approaches for productive investment in order to meet the changing social and economic needs of credit union members.

8. International Cooperative Financial System Development: (a) To build a consensus of the nature of an international cooperative financial system model and the role to be played in the system by World Council members, (b) To facilitate identification of an action plan for its implementation, and (c) To develop financial managerial and operational capabilities as well as the mutual confidence that will facilitate the evolution of this system.

The program objectives have been stated in non-quantitative terms since they constitute the expression of World Council priorities and focus for the indefinite future. For the current three year planning period, measurable targets have been established in each of the eight program objective areas. These targets are

reflected in the logical framework section of the proposal.

Discussion of Issues: During the review of the CDO proposals, two issues relevant to all of the CDOs were raised. These issues concern salary levels of some of the CDO staff, overhead and overhead rates. Both of these issues apply to CUNA. Two actions have been taken by PVC to satisfactorily address these issues.

(1) Both the salary and the overhead issues have been discussed with the contracts office. Verification of the legal levels for salaries paid to PVOs and CDOs was obtained. Salaries can exceed government ceilings provided the excess is paid from non-government sources. Concerning overhead, the contracts office stated that overheads are awarded and rates established based on information provided in the proposals submitted for overhead consideration. The information that is provided is verified by audit before overhead is approved. All CDOs receiving overhead have been verified by this process. (2) All CDOs are now required to provide a salary breakdown of personnel funded by the grant, with an indication of the percentage of time each employee devotes to grant supported activities.

The review committee discussed the CUNA WOCCU merger. In the future, WOCCU will have oversight of the Global Projects Office which plans and manages credit union projects overseas. Further clarification was needed. CUNA has responded noting that grant funds will be administered by WOCCU under a management agreement between CUNA and WOCCU. Under the proposed grant, AID support to the international development program of CUNA through WOCCU would represent 52.8 percent of WOCCU's operating budget for 1983. The operating budget is utilized exclusively for the support of international credit union development activities related to developing countries. WOCCU's international credit union development activities will be carried out through four operating and one financial/administrative unit. Grant funding in 1983 will be allocated as follows among these units:

(a) Technical Services Development Unit -	62%
(b) Resource Mobilization Unit -	15%
(c) Financial/Administrative Unit -	14%
(d) Corporate Development Planning Unit -	6%
(e) Communications Unit -	3%

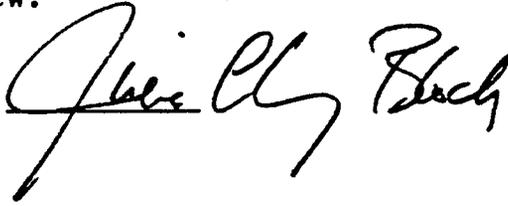
Field View of CUNA: Cable requests have gone out to appropriate AID missions for comments. Responses are expected beginning December 1st.

Budget Summary: The budget calls for a three-year commitment, beginning FY 1983. CUNA proposed a total budget of \$3,464,988. Due to overall budget constraints, however, PVC is recommending a three-year budget of \$2,850,000. This represents our continuation of funding at their current level. Should

circumstances warrant a reconsideration of the second and third year levels, we will make the necessary recommendation after our first annual review.

Recommendation: That you approve the institutional support grant to CUNA for a three-year life-of-project budget of \$2,850,000. With FY 1983 funding of \$950,000, FY 84 \$950,000 and FY 85 \$950,000 subject to annual review.

APPROVED



DISAPPROVED \_\_\_\_\_

DATE

Dec. 21, 1982

Clearances:

AFR/DP, HSmith \_\_\_\_\_ date \_\_\_\_\_  
ASIA/DP, ASilver \_\_\_\_\_ date \_\_\_\_\_  
ASIA/DP, LKuhn, \_\_\_\_\_ date \_\_\_\_\_  
LAC/DP, PMaguire, \_\_\_\_\_ date \_\_\_\_\_  
LAC/DP, NMaurice, \_\_\_\_\_ date \_\_\_\_\_  
NE/TECH, JMiller \_\_\_\_\_ date \_\_\_\_\_  
NE/TECH, RMorrow \_\_\_\_\_ date \_\_\_\_\_

FVA/PVC: WHOLCOMB: gsb: 11/26/82: X53494